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THE  
COUNCIL OF STATE DEBATES

VOLUME VII

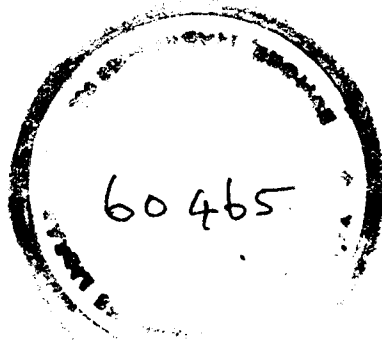
*(8th February to 25th March 1926)*

FIRST SESSION  
OF THE  
SECOND COUNCIL OF STATE, 1926



CALCUTTA: GOVERNMENT OF INDIA  
CENTRAL PUBLICATION BRANCH  
1926

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## Council of State.

### *President :*

THE HONOURABLE SIR HENRY MONCRIEFF SMITH, KT., C.I.E.

### *Panel of Chairmen :*

THE HONOURABLE MR. PHIROZE C. SETHNA, O.B.E.

THE HONOURABLE SAHYID RAZA ALI.

THE HONOURABLE SIR S. R. M. ANNAMALAI CHETTIYAR, KT.

THE HONOURABLE MR. J. W. A. BELL.

### *Secretary :*

MR. L. GRAHAM, C.I.E., I.C.S.

### *Assistants of the Secretary :*

MR. W. T. M. WRIGHT, C.I.E., I.C.S.

MR. S. C. GUPTA, BAR.-AT-LAW.

MR. G. H. SPENCE, I.C.S.

### *Committee on Petitions :*

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS, C.I.E.,  
*Chairman.*

THE HONOURABLE RAJA SIR RAMPAL SINGH, K.C.I.E.

THE HONOURABLE MR. V. RAMADAS PANTULU.

THE HONOURABLE MR. EBRAHIM HAROON JAFFER.

THE HONOURABLE SIR C. SANKARAN NAIR, KT.

# CONTENTS.

|                                                                                                                                                                       | PAGES.  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>MONDAY, 8TH FEBRUARY, 1926—</b>                                                                                                                                    |         |
| Members Sworn ... ..                                                                                                                                                  | 1—2     |
| Bills passed by the Legislative Assembly—Laid on the Table ...                                                                                                        | 2       |
| <b>TUESDAY, 9TH FEBRUARY, 1926—</b>                                                                                                                                   |         |
| Inauguration of the Second Council of State ... ..                                                                                                                    | 3—8     |
| <b>WEDNESDAY, 10TH FEBRUARY, 1926—</b>                                                                                                                                |         |
| Member Sworn ... ..                                                                                                                                                   | 9       |
| Questions and Answers ... ..                                                                                                                                          | 10—29   |
| Welcome to Members by the Honourable the President ... ..                                                                                                             | 29—30   |
| Messages from His Excellency the Governor General <i>re—</i>                                                                                                          |         |
| (1) Panel of Chairmen ... ..                                                                                                                                          | 30      |
| (2) Presentation and Discussion of the Railway Budget ... ..                                                                                                          | 30      |
| Committee on Petitions ... ..                                                                                                                                         | 31      |
| Appointment of the Honourable Mr. K. C. Roy to the Library Committee.                                                                                                 | 31      |
| Governor General's Assent to Bills ... ..                                                                                                                             | 31      |
| Bills passed by the Legislative Assembly—Laid on the Table ...                                                                                                        | 32      |
| Election of a Panel for the Standing Committee on Emigration ...                                                                                                      | 32      |
| Resolution <i>re</i> Ratification of the Draft Convention of the International Labour Conference concerning Workmen's Compensation for Occupational Diseases—Adopted. | 32—37   |
| Resolution <i>re</i> Continuation of the Imposition of a Customs Duty on Lac—Adopted.                                                                                 | 37—41   |
| Statement of Business ... ..                                                                                                                                          | 41—42   |
| <b>MONDAY, 15TH FEBRUARY, 1926—</b>                                                                                                                                   |         |
| Members Sworn ... ..                                                                                                                                                  | 43      |
| Questions and Answers ... ..                                                                                                                                          | 43—62   |
| Election to the panel of the Standing Committee on Emigration ...                                                                                                     | 62      |
| Bills passed by the Legislative Assembly—Laid on the Table ...                                                                                                        | 62      |
| Resolution <i>re</i> the Royal Commission on Agriculture—Adopted ...                                                                                                  | 62—81   |
| Resolution <i>re</i> Reduction of the travelling and daily allowances of the Members of the Council of State—Discussion postponed <i>sine die</i> .                   | 81—90   |
| Statement of Business ... ..                                                                                                                                          | 90      |
| <b>TUESDAY, 16TH FEBRUARY, 1926—</b>                                                                                                                                  |         |
| Member Sworn ... ..                                                                                                                                                   | 103     |
| Messages from His Excellency the Governor General ... ..                                                                                                              | 103     |
| Bill passed by the Legislative Assembly—Laid on the Table ...                                                                                                         | 104     |
| Small Cause Courts (Attachment of Immoveable Property) Bill—Passed.                                                                                                   | 104—105 |
| Code of Criminal Procedure (Amendment) Bill—Passed ... ..                                                                                                             | 105     |
| Government Trading Taxation Bill—Passed ... ..                                                                                                                        | 106     |
| Guardians and Wards (Amendment) Bill—Passed ... ..                                                                                                                    | 106—107 |
| Indian Lunacy (Amendment) Bill—Passed ... ..                                                                                                                          | 107—108 |
| <b>WEDNESDAY, 17TH FEBRUARY, 1926—</b>                                                                                                                                |         |
| Questions and Answers ... ..                                                                                                                                          | 109—111 |

|                                                                                                                               | PAGES.  |
|-------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>WEDNESDAY, 17TH FEBRUARY, 1926—contd.</b>                                                                                  |         |
| Private Notice Questions and Answers ... ..                                                                                   | 111—113 |
| Statement regarding Negotiations with the Union Government of South Africa. ....                                              | 113—115 |
| Resolution <i>re</i> Leader of the Indian Delegation to the League of Nations—Adopted. ....                                   | 115—132 |
| Resolution <i>re</i> Formation of a separate Kannada Province—Negatived                                                       | 132—144 |
| <b>THURSDAY, 18TH FEBRUARY, 1926—</b>                                                                                         |         |
| Member Sworn ... ..                                                                                                           | 145     |
| Bills passed by the Legislative Assembly—Laid on the Table ..                                                                 | 145     |
| The Railway Budget for 1926-27 ... ..                                                                                         | 145—161 |
| Elections to the Panel for the Standing Committees on Emigration ...                                                          | 162     |
| Resolution <i>re</i> Appointment of a Royal Commission to inquire into the working of the Indian Constitution—Negatived. .... | 162—215 |
| Election of Panels for Standing Committees ... ..                                                                             | 215     |
| <b>SATURDAY, 20TH FEBRUARY, 1926—</b>                                                                                         |         |
| Questions and Answers ... ..                                                                                                  | 217—219 |
| Nominations to the Panels for Standing Committees ... ..                                                                      | 220     |
| Bills passed by the Legislative Assembly—Laid on the Table ...                                                                | 220     |
| General discussion of the Railway Budget ... ..                                                                               | 220—254 |
| Statement of Business ... ..                                                                                                  | 254     |
| <b>MONDAY, 22ND FEBRUARY, 1926—</b>                                                                                           |         |
| Members Sworn ... ..                                                                                                          | 255     |
| Statement laid on the Table ... ..                                                                                            | 255—257 |
| Indian Medical Education Bill—Introduced ... ..                                                                               | 258     |
| Election of a Panel for the Central Advisory Council for Railways ...                                                         | 259     |
| <b>TUESDAY, 23RD FEBRUARY, 1926—</b>                                                                                          |         |
| Questions and Answers ... ..                                                                                                  | 261—262 |
| Code of Civil Procedure (Amendment) Bill—Passed ... ..                                                                        | 262     |
| Indian Naturalization Bill—Passed ... ..                                                                                      | 263—265 |
| Steel Industry (Amendment) Bill—Passed ... ..                                                                                 | 265—268 |
| Insolvency (Amendment) Bill—Passed ... ..                                                                                     | 268—269 |
| Code of Criminal Procedure (Second Amendment) Bill—Passed ..                                                                  | 269—284 |
| Madras Civil Courts (Amendment) Bill—Passed as amended ...                                                                    | 285—286 |
| Resolution <i>re</i> Grant of Supplementary Assistance to the Tin-plate Industry—Adopted. ....                                | 286—290 |
| Nominations to the Panel for the Central Advisory Council for Railways.                                                       | 290—291 |
| <b>THURSDAY, 25TH FEBRUARY, 1926—</b>                                                                                         |         |
| Questions and Answers ... ..                                                                                                  | 293—296 |
| Legal Practitioners (Amendment) Bill—Passed as amended ... ..                                                                 | 296—297 |
| Promissory Notes Stamp Bill—Passed ... ..                                                                                     | 297—298 |
| Indian Trade Unions Bill—Passed as amended ... ..                                                                             | 298—304 |
| Election of a Panel for the Central Advisory Council for Railways ...                                                         | 305     |
| Nominations to the Panels for Standing Advisory Committees ...                                                                | 305—306 |
| <b>MONDAY, 1ST MARCH, 1926—</b>                                                                                               |         |
| Questions and Answers ... ..                                                                                                  | 307—316 |
| Result of the Election to the Central Advisory Council for Railways ...                                                       | 317     |

|                                                                                                                                                          | PAGES.  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>MONDAY, 1ST MARCH, 1926—contd.</b>                                                                                                                    |         |
| Election to the Advisory Publicity Committee of Messrs. Ramadas Pantulu and Khaparde. ....                                                               | 317     |
| Elections to the Panels of Departmental Standing Committees ...                                                                                          | 317—327 |
| General Budget for 1926-27 ... ..                                                                                                                        | 329     |
| <b>TUESDAY, 2ND MARCH, 1926—</b>                                                                                                                         |         |
| Result of the Elections for the Panels of the Standing Departmental Committees. ....                                                                     | 330—341 |
| Contempt of Courts Bill—Passed ... ..                                                                                                                    | 341—343 |
| Indian Medical Education Bill—Motion to circulate—Adopted ...                                                                                            | 343     |
| Photographic group of the Members of the Council of State ...                                                                                            | 343     |
| <b>WEDNESDAY, 3RD MARCH, 1926—</b>                                                                                                                       |         |
| Resolution <i>re</i> Import Duty on Artificial Ghee—Withdrawn ... ..                                                                                     | 345—359 |
| Indian Registration (Amendment) Bill—Passed ... ..                                                                                                       | 359     |
| <b>SATURDAY, 6TH MARCH, 1926—</b>                                                                                                                        |         |
| Questions and Answers ... ..                                                                                                                             | 361—373 |
| General Discussion of the Budget (Part II) ... ..                                                                                                        | 373—422 |
| Statement of Business ... ..                                                                                                                             | 422     |
| <b>MONDAY, 8TH MARCH, 1926—</b>                                                                                                                          |         |
| Questions and Answers ... ..                                                                                                                             | 423—424 |
| Resolution <i>re</i> Guarantee of Appointments on State Railways to qualified students of the MacLagan Engineering College, Lahore, etc.—Negatived. .... | 424—438 |
| Resolution <i>re</i> Privileges and Status of Members of the Council of State—Adopted. ....                                                              | 438—442 |
| <b>WEDNESDAY, 10TH MARCH, 1926—</b>                                                                                                                      |         |
| Questions and Answers ... ..                                                                                                                             | 443—450 |
| Resolution <i>re</i> Qualifications of Assistant Commissioners of Income-tax—Withdrawn by leave of the Council. ....                                     | 451—458 |
| Resolution <i>re</i> Banking Legislation—Discussion adjourned ...                                                                                        | 458—466 |
| <b>MONDAY, 15TH MARCH, 1926—</b>                                                                                                                         |         |
| Questions and Answers ... ..                                                                                                                             | 467—471 |
| Resolution <i>re</i> Salaries of the two Members of the Judicial Committee of the Privy Council with Indian Experience—Adopted as amended. ....          | 471—488 |
| Resolution <i>re</i> Creation of a self-governing Tamil-speaking Province—Discussion adjourned. ....                                                     | 489—505 |
| <b>TUESDAY, 16TH MARCH, 1926—</b>                                                                                                                        |         |
| Statement laid on the Table ... ..                                                                                                                       | 507—543 |
| Bills passed by the Legislative Assembly—Laid on the Table ...                                                                                           | 544     |
| Resolution <i>re</i> Reduction of the Exports of Opium—Adopted ...                                                                                       | 544—547 |
| Resolution <i>re</i> Creation of a self-governing Tamil-speaking Province—Negatived. ....                                                                | 548—562 |
| Statement of Business ... ..                                                                                                                             | 562     |
| <b>WEDNESDAY, 17TH MARCH, 1926—</b>                                                                                                                      |         |
| Questions and Answers ... ..                                                                                                                             | 563     |
| Bill passed by the Legislative Assembly—Laid on the table ...                                                                                            | 564     |
| Indian Succession (Amendment) Bill—Introduced ... ..                                                                                                     | 564—565 |
| Message of Gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading—Motion adopted ... ..                              | 565—579 |

## FRIDAY, 19TH MARCH, 1926—

PAGES.

|                                                                                                               |     |         |
|---------------------------------------------------------------------------------------------------------------|-----|---------|
| Members Sworn ...                                                                                             | ... | 581     |
| Message from His Excellency the Governor General ...                                                          | ... | 581     |
| Bills passed by the Legislative Assembly—Laid on the Table ...                                                | ... | 581—582 |
| Message from the Legislative Assembly ...                                                                     | ... | 582     |
| Indian Tariff (Amendment) Bill—Passed ...                                                                     | ... | 582—583 |
| Madras Civil Courts (Second Amendment) Bill—Passed ...                                                        | ... | 583—584 |
| MONDAY, 22ND MARCH, 1926—                                                                                     |     |         |
| Members Sworn ...                                                                                             | ... | 585     |
| Question and Answer ...                                                                                       | ... | 585     |
| Message from H. E. the Governor General ...                                                                   | ... | 585—586 |
| Indian Finance Bill—Passed ...                                                                                | ... | 586—611 |
| Cotton Industry (Statistics) Bill—Passed ...                                                                  | ... | 611—612 |
| Legal Practitioners (Fees) Bill—Passed ...                                                                    | ... | 612—613 |
| Code of Civil Procedure (Second Amendment) Bill—Passed ...                                                    | ... | 613     |
| Delhi Joint Water Board Bill—Passed ...                                                                       | ... | 613—614 |
| Indian Income-tax (Amendment) Bill—Passed ...                                                                 | ... | 614—630 |
| Indian Divorce (Amendment) Bill—Passed ...                                                                    | ... | 630—632 |
| Indian Factories (Amendment) Bill—Passed ...                                                                  | ... | 632     |
| Transfer of Property (Amendment) Bill—Passed ...                                                              | ... | 633     |
| TUESDAY, 23RD MARCH, 1926—                                                                                    |     |         |
| Questions and Answers ...                                                                                     | ... | 635—641 |
| Resolution re Emigration of Indian Unskilled Labourers to British Guiana—Adopted.                             | ... | 641—643 |
| Indian Succession (Amendment) Bill—Passed as amended ...                                                      | ... | 643—644 |
| THURSDAY, 25TH MARCH, 1926—                                                                                   |     |         |
| Farewell speech delivered to the Council of State and the Legislative Assembly by His Excellency the Viceroy. | ... | 645—649 |

# THE COUNCIL OF STATE DEBATES

(Official Report)

VOLUME VII

FIRST SESSION

OF THE

SECOND COUNCIL OF STATE, 1926



DELHI  
GOVERNMENT OF INDIA PRESS  
1926

THE  
COUNCIL OF STATE DEBATES  
(OFFICIAL REPORT OF THE FIRST SESSION OF THE SECOND  
COUNCIL OF STATE)

VOLUME VII  
FIRST VOLUME OF SESSION 1926.

COUNCIL OF STATE.

*Monday, 8th February, 1926.*

The Council met in the Council Chamber at Metcalf House, at Eleven of the Clock, being the first day of the First Session of the Second Council pursuant to Section 63D(2) of the Government of India Act, and the Honourable the President (Sir Henry Moncrieff Smith, Kt., C.I.E.) took the Chair.

The Honourable the President, then standing, subscribed the Oath and signed the Roll.

MEMBERS SWORN:

His Excellency Field Marshal Sir William Riddell Birdwood, Bart., G.C.B., G.C.M.G., K.C.S.I., C.I.E., D.S.O. (Commander-in-Chief); the Honourable Khan Bahadur Sir Muhammad Habibullah, Sahib Bahadur, K.C.I.E., Kt. (Member for Education, Health and Lands); the Honourable Mr. Satish Ranjan Das, (Law Member); the Honourable Mr. Evelyn Robins Abbott, C.I.E. (Delhi: Nominated Official); the Honourable Major General Sir Robert Charles MacWatt, Kt., C.I.E., M.B., F.R.C.S., K.H.S., I.M.S., (Director General, Indian Medical Service); the Honourable Raja Sir Harnam Singh, K.C.I.E. (Punjab: Nominated Non-Official); the Honourable Mr. John William Anderson Bell (Bengal Chamber of Commerce); the Honourable Sir Arthur Froom, Kt. (Bombay Chamber of Commerce); the Honourable Sir Dinshaw Edulji Wacha, Kt. (Bombay: Nominated Non-Official); the Honourable Sir Charles George Todhunter, K.C.S.I. (Madras: Nominated Official); the Honourable Mr. David Thomas Chadwick, C.S.I., C.I.E. (Commerce Secretary); the Honourable Mr. Arthur Cecil McWatters, C.I.E. (Finance Secretary); the Honourable Mr. James Crerar, C.S.I., C.I.E. (Home Secretary); the Honourable Mr. Arthur Herbert Ley, C.S.I., C.I.E., C.B.E. (Secretary for Industries and Labour); the Honourable Mr. John Perronet Thompson, C.S.I. (Political Secretary); the Honourable Mr. James Alexander Richey, C.I.E. (Educational Commissioner with the Government of India); the Honourable Mr.

Ganesh Srikrishna Khaparde (Berar: Nominated Non-Official); the Honourable Sardar Charanjit Singh (Punjab: Nominated Non-Official); the Honourable Nawab Sahibzada Sayad Mohammad Mehr Shah (East and West Punjab: Muhammadan); the Honourable Mr. Keshav Chandra Roy, C.I.E. (Bengal: Nominated Non-Official); the Honourable Maulvi Abdul Karim (East Bengal: Muhammadan); the Honourable Mr. Thomas Emerson, C.S.I., C.I.E. (Bengal: Nominated Official); the Honourable Saiyed Mohamed Padshah Sahib Bahadur (Madras: Muhammadan); the Honourable Mr. Pundi Chetlur Desika Chari (Burma: General); the Honourable Maulvi Golam Mostafa Chaudhury (Assam: Muhammadan); the Honourable Seth Govind Das (Central Provinces: General); the Honourable Mr. John Austen Hubback (Bihar and Orissa: Nominated Official); the Honourable Mr. Shah Muhammad Zubair (Bihar and Orissa: Muhammadan); the Honourable Mr. Anugraha Narayan Sinha (Bihar and Orissa: Non-Muhammadan); the Honourable Mr. Mahendra Prasad (Bihar and Orissa: Non-Muhammadan); the Honourable Diwan Tek Chand, O.B.E. (Punjab: Nominated Official); the Honourable Colonel Nawab Sir Umar Hayat Khan, K.C.I.E., C.B.E., M.V.O. (Punjab: Nominated Non-Official); the Honourable Raja Nawab Ali Khan (United Provinces: Nominated Non-Official); the Honourable Pandit Shyam Bihari Misra (United Provinces: Nominated Official); the Honourable Saiyid Alay Nabi (United Provinces West: Muhammadan); the Honourable Rai Bahadur Nalininath Sett (West Bengal: Non-Muhammadan); the Honourable Mr. Mahmood Suhrawardy (West Bengal: Muhammadan); the Honourable Srijut Lokanath Mukherjee (West Bengal: Non-Muhammadan); the Honourable Mian Ali Baksh Muhammad Hussain (Sind: Muhammadan); the Honourable Mr. Ebrahim Haroon Jaffer (Bombay Presidency: Muhammadan); the Honourable Mr. John Ernest Buttery Hotson (Bombay: Nominated Official); the Honourable Rao Sahib Dr. U. Rama Rao (Madras: Non-Muhammadan); and the Honourable Mr. V. Ramadas Pantulu (Madras: Non-Muhammadan).

#### BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill further to amend the Code of Criminal Procedure, 1898; a Bill further to amend the Indian Lunacy Act, 1912, a Bill to resolve certain doubts as to the powers, in regard to the attachment of immovable property, of Provincial Small Cause Courts; a Bill further to amend the Madras Civil Courts Act, 1873; a Bill further to amend the Guardians and Wards Act, 1890; and a Bill to determine the liability of certain Governments to taxation in British India in respect of trading operations, which Bills were passed by the Legislative Assembly at its meetings held on the 21st January, 1926, and 1st and 3rd February, 1926.

THE HONOURABLE THE PRESIDENT: Before adjourning the Council, I would remind Honourable Members that there is a meeting at 12 in this Chamber to-day at which Sir Howard D'Egville will address us on the subject of the formation of a branch in the Indian Legislature of the Empire Parliamentary Association.

The Council then adjourned till Eleven of the Clock on Tuesday, the 9th February, 1926.

## COUNCIL OF STATE.

Tuesday, 9th February, 1926.

### INAUGURATION OF THE SECOND COUNCIL OF STATE.

His Excellency the Viceroy with the President of the Council of State having arrived in procession, His Excellency took his seat on the dais.

HIS EXCELLENCY THE VICEROY: Gentlemen of the Council of State, I have summoned you to-day because I desire to welcome you at the beginning of the Session of your Chamber. The first Council of State concluded its labours in September last and dissolved. The body I see before me to-day has since come into being as a result of new elections and nominations and is about to begin in the present Session to exercise its important functions as a vital part of the constitutional machinery of the government of the country. In my address to the Members of the first Council of State at the close of their final Session, I dwelt upon the nature of those functions and expressed my appreciation of the conception of their duties which had been formed by the Members of the first Council of State and of the able manner in which those high responsibilities had been discharged in the interests of India. It is more particularly, in view of these considerations and in order to mark my regard for the important position of this Chamber in the constitutional structure and my esteem for the public services to the people and the administrations rendered by it in the past, that I desired to offer welcome and encouragement to those to whom it will now fall to carry on the traditions of this Chamber and to exercise the influence assigned to it by the constitution.

Among the Members I see the faces of a number of old acquaintances who were Members of the first Council of State. By their work in this Chamber they have already displayed the high qualities of their experience, sobriety of judgment, sense of duty and devotion to the best interests of India. I welcome them again to the Chamber. I also welcome those who are new Members. With some of the latter I have already formed personal acquaintance; and others are known to me by the record of their public work. I congratulate them on the wide field of interest and activity which their admission to this Chamber opens to them. I am confident that I can rely upon them in their actions to bear in mind the weighty responsibilities assigned to this Chamber in the constitution and ever to strive, after careful consideration and according to the dictates of their judgment, to arrive at those conclusions upon the difficult questions coming before them, which are best calculated to conduce to the greater happiness and progress of the people and to the maintenance of the highest standards of administration in India.

I do not propose to-day to enter upon a review of questions of general interest in India, as I have recently addressed the Legislative Assembly;

[9TH FEB. 1926.]

[H. E. the Viceroy.]

but I shall briefly allude to certain matters of special interest at the present time.

I greatly appreciated the action of the Members of the Legislative Assembly in regard to postponing the discussion of the Resolution upon the situation in South Africa. Debate at that moment might have prejudiced the delicate and critical negotiations in which I and my Government are engaged with the Government of the Union of South Africa. I can assure the Indian Legislature that in these negotiations we have taken and are taking every step which, to the best of our judgment, is calculated to help in arriving at a solution satisfactory to Indian opinion of this difficult problem. I have given anxious thought and my close personal attention to every step we have taken, and I gratefully acknowledge that the attitude of the Indian Legislature and the Standing Committee has been a strong support to me throughout these negotiations. I must ask the Legislature to have a little further patience notwithstanding the news from South Africa in this morning's press telegrams, and to continue to trust in our efforts. I wish it had been possible to explain the situation more fully to you, but I am sure that you will understand why I refrain from adding to the statements I made recently in addressing the Legislative Assembly.

I feel certain that this Chamber has been interested in the announcement of the decision to appoint a Royal Commission on Agriculture. This Chamber has always taken a lively interest in this subject. In July, 1923, the Honourable Sardar Jogendra Singh moved a Resolution for the appointment of a Committee by Government to consider questions, nearly all of which fall within the scope of the terms of reference of the Royal Commission now to be appointed. In February, 1924, the Honourable Mr. Sethna advocated the appointment of a Committee to make a survey of the economic conditions of the people of India with special reference to the condition of the agricultural population; and on the 5th of March in the same year Sardar Jogendra Singh moved a Resolution advocating a further survey of irrigation possibilities. All these Resolutions had the same object in view, that is, an increase of agricultural productivity and the improvement of the economic conditions of the rural population. The first of the three motions was lost, but the two latter were adopted. In addressing the Legislature in September last, I laid stress on the importance attached by me and my Government to these representations. I then stated that I hoped to secure the general object in view by the operations of a Central Board. It appeared at the time that a general inquiry by a Committee or Commission might be open to some objections and might possibly hinder the projects of the Local Governments. A closer examination of the problem has, however, convinced us that the machinery of a Board would be inadequate to secure the far-reaching results for which we all hope. It appeared imperative, having in view the great importance of this subject to India as a whole and the large numbers of persons in India wholly dependent upon agricultural operations, to constitute a special body which might be calculated to bring to the task a wider store of experience, a more detached angle of view and a greater authority than we could hope to obtain from a Central Board. A body of this character, in our opinion, appeared to be in a better position to devise effective measures for the expansion and co-ordination of agricultural efforts in India and

to give real assistance, based on the fruits of the latest practical and scientific experience elsewhere, to the Ministers and Departments of the Local Governments to enable them to obtain the best results from their activities. It was in this conviction and after consultation with the Secretary of State and Local Governments that we finally framed our recommendations to the Secretary of State for the appointment of a Royal Commission. Let me once more make plain that our object is to expand and strengthen the operations of the Ministries of Agriculture of the Local Governments and to assist them with information and suggestions, which might not otherwise be available to them, for still further supplementing their achievements. It is not desired in any way to curtail their powers of initiative or action—quite the reverse. At the same time, care has been taken not to overload the inquiry by entrusting to it the examination into certain other important subjects connected with agriculture. These problems have technicalities of their own and vary in character in each Province. They already engage attention of the Local Governments and are in many cases the subject of legislative proposals in the Local Legislatures.

You will doubtless have observed that there has been criticism hinting at some dark political motive in the appointment of the Commission. It is unnecessary, I feel sure, for me to repudiate the suggestion. The improvement of the premier industry of this country and the advancement of the interests of the most numerous class in India appears to me, as I have no doubt it also appears to you, to be a purpose wholly beneficent in its scope and outside the sphere of political controversy. It has long been the subject of consideration by me and my Government and by the Legislature. I rejoice that it has been my good fortune to announce the decision during my term of office and that it will fall to the lot of my distinguished successor, who is specially qualified in this respect, to deal with the recommendations that will be made.

My Government have recently had under their consideration the adoption of a new policy regarding opium which is in accordance with the trend of opinion in a number of other countries and also with views that have been freely expressed in some quarters on different occasions in India. We have very carefully examined the new obligations undertaken by us under Article 1 of the Protocol to the Convention of the Second Opium Conference at Geneva, "to take such measures as may be required to prevent completely within five years from the present date the smuggling of opium from constituting a serious obstacle to the effective suppression of the use of prepared opium". As a result we have come to the conclusion that in order at once to fulfil our international obligations in the largest measure and to obviate the complications that may arise from the delicate and invidious task of attempting to sit in judgment on the internal policy of other Governments, it is desirable that we should declare publicly our intention to reduce progressively the exports of opium from India so as to extinguish them altogether within a definite period, except as regards exports of opium for strictly medical purposes. The period to be fixed has not yet been finally determined, as before arriving at a decision it is necessary to consult the Government of the United Provinces regarding the effects that the resulting reduction in the area cultivated with opium will have on the cultivators in that Province. We further propose to discontinue altogether the system of auction sales of opium in India as soon as the agreement for direct sale now being negotiated with the Government of French Indo-China is concluded. My



[H. E. the Viceroy.]

Government hope at an early date to move a Resolution in both Chambers of the Legislature in order to give the Members of the Legislature an opportunity of expressing their views on these important proposals.

Since I last addressed the Legislative Assembly on the 20th of January, I have received an important communication from His Majesty's Government on a subject which I feel sure you will welcome. The question of taking the first steps towards the creation of an Indian Navy had been under the consideration of my Government for some time past. This was one of the tasks to which Lord Rawlinson devoted much of his energy and time before his lamented death. The inclination of my Government to take concrete measures was strengthened by the strong recommendation of the Mercantile Marine Committee to reorganise the Royal Indian Marine on the lines of a combatant naval service; and after a careful preliminary examination of the problems and a full consideration of the advice of several naval experts, my Government during last cold weather decided to invite a Committee, under the presidency of Lord Rawlinson with Vice-Admiral Richmond and Sir Bhupendra Nath Mitra as members, to formulate definite proposals. The report of this Committee will be published to-day. Their recommendations were accepted in general principle by my Government and forwarded to the Secretary of State for approval.

I am now in a position to make the following announcement as regards the decision of His Majesty's Government:—

"Subject to the necessary legislation being effected, it has been decided to reconstruct the Royal Indian Marine as a combatant force to enable India to enter upon the first stage of her naval development, and ultimately to undertake her own naval defence. Subject to the approval of His Majesty the King Emperor, the service will be known as the Royal Indian Navy and will fly the White Ensign. Its functions in peace time will be as defined in paragraph 3 of the Report of Lord Rawlinson's Committee. Its most important aspect in the early stages will be that of a training squadron. It will train the *personnel* for service in war. For this purpose it will become from the first a sea-going force. In addition in peace time its functions will include the services required by the Government of India in the Indian Ocean and Persian Gulf, the organisation of naval defence at ports, marine survey in the Indian Ocean and marine transport work for the Government of India. The fleet will consist, in its first stage of development, of the vessels enumerated in paragraph 4 of the report. The inauguration of the Royal Indian Navy will be entrusted to the *personnel* of the existing service, subject to any necessary readjustment of cadres, and Indian gentlemen will be eligible to hold commissioned rank in that service. The changes which this policy involves will be carried out as soon as an agreement has been reached, in consultation with the Admiralty, and with other authorities whose expert advice and assistance will be necessary, on detailed questions of administration, organisation and finance."

I need not emphasise to the Honourable Members of this Chamber the significance of this decision. It embodies an important principle. Thinking men in India have long desired the creation of an Indian Navy for India capable of defending her coasts, her harbours and her commerce. That laudable ambition will now have its scope.

Let me dwell for a moment upon two features in the announcement. To the imagination of those, who understand the traditions of the British Empire, the privilege granted to the Indian Navy of the future to fly the White Ensign should appeal with special significance. India by this privilege is directly admitted at the outset of her naval career to share in the record of the centuries of proud and gallant traditions for which that Ensign stands.

It is a high privilege; it carries with it the great responsibility of rendering service worthy of the honours conferred. Even to embark on the first stage of the performance of those duties, which the greatest Navy in the world has been performing, is no light task. Nevertheless I feel sure that it will be courageously undertaken as a vital part of India's natural ambitions and hope.

To Indians a new and honourable career of national service has been opened. The recommendation of Lord Rawlinson's Committee has been accepted that Indians desiring to qualify for Commissions in the Indian Navy should receive special facilities for suitable education in earlier years and later for technical training in the naval profession. I look to those who elect to set out on this career to use every effort to fit themselves for their task to foster an *esprit de corps* and to found here in India those traditions of high efficiency and courage which the pages of history commemorate as the proud possession of the Navy of Great Britain.

Much constructive work remains to be done before there is a Royal Indian Navy in being. Legislation will be necessary. Ships must be acquired and specially equipped for commission in Indian waters. Details of organisation and finance have to be examined. Careful and thorough preparation will be called for. These processes, which will take some time, are on hand and will be completed with the least possible delay. These are matters of detail, though of great importance to the success of the project, and I do not propose to discuss them to-day; many of them are referred to in the report now published which explains the frame-work of the project. I need only at the moment mention that from the preliminary estimates it appears that the creation of the Indian Navy in its initial stages is not expected to involve any large addition to public expenditure. Of more importance than questions of detail is the acceptance of the policy of the creation for India of a naval service of her own. I am confident that this great opportunity will be welcomed and turned to the best account for the lasting benefit of India.

In my address at the opening of the Session of the Legislative Assembly I referred to the creation of a Rates Advisory Committee and to the important functions with which the Committee would be entrusted in the administration of our railways. It may be of interest to many in this Chamber to know that I have offered the presidency of this Committee to Sir Narasimha Sarma, who was formerly Leader of the Council of State, and that he has agreed to serve in this capacity. I feel sure that his appointment will be welcomed both by his former colleagues in this Chamber and by the public generally.

I was indebted to the late Council of State not only for the work performed on behalf of India in the Chamber itself, but for the eminent services of individual Members of the Chamber on important Committees and Commissions. I feel sure I can rely on the Members of the present Council of State for the same measure of support and help. I note that Sardar Jogendra Singh, who was a Member of this Chamber, in spite of having undertaken the responsible and arduous duties of Minister in the Government of the Punjab, has intimated that he will gladly continue to serve on the Indian Sandhurst Committee; and Mr. Sethna, who is a past and present Member of the Council of State, has undertaken the heavy obligation of proceeding to England and elsewhere for three months as a

[H. E. the Viceroy.]

member of the same Committee in order to study military training institutions. I appreciate this keen desire to perform public service even at personal inconvenience, and I gladly bring to notice these instances of the spirit which animates the Members of this Chamber in their outlook on their responsibilities to the public.

When I last addressed this Chamber I expressed my gratification that the observations made by me in my speech to the Indian Legislature at the opening of the last Session had been correctly understood in this Chamber, and that my desire to see a spirit of more friendly co-operation and goodwill had been appreciated. There were two considerations of importance. In the first place by the evidence of a spirit of this character an earlier appointment of the Statutory Commission might be secured. I understand that this is the aspiration of all in India whose avowed desire is to attain political progress by constitutional means. Not less important is the other consideration that by this spirit alone a better political atmosphere would come into existence and prevail at the time the Commission commenced its inquiry. I brought those considerations to the attention of this Chamber on its dissolution, and I again commend them to the notice of the reconstituted Council of State. Without the existence of conditions in which forms of responsible institutions can develop harmoniously, the results of an inquiry by a Statutory Commission may fall short of expectations. Let us remember the intentions of Parliament as expressed in the Preamble of the Act: "And whereas the action of Parliament must be guided by the co-operation received from those on whom new opportunities of service will be conferred".

It is thus made clear that proof of genuine goodwill in the direction of working the constitution to the best advantage will be regarded by the British Parliament as an important factor for their guidance in determining the course to be pursued in the immediate future. If this view is correct, and I can scarcely conceive the possibility of contradiction, and as the future stages of advance must be decided by the British Parliament, would it not benefit India's political progress to provide plain and unambiguous evidence of this goodwill? I dealt at some length with this aspect of the constitutional question in my recent address to the Assembly. I expressed my regret that the Legislature had not availed itself definitely of the opportunity afforded to it, and that the spirit manifested in the offer by His Majesty's Government had not met with a more ready and complete response. No useful purpose would now be served by repeating the tenour of my observations.

They were intended to help India and were conceived to the best of my judgment in the true interests of Indian political progress. In some quarters they have elicited comment and criticism which seem to indicate a complete misunderstanding both of the purpose I had in view and the spirit that animated me. I feel sure that I run no such risk in this Chamber and that I may look to it with confidence for greater encouragement in my expectations. Once more let me solemnly assert my profound conviction that it is along this avenue that the aims and aspirations of India may the more quickly be attained, and that true prospects of peaceful progress may the more surely be found. I still cherish the hope that India will not tarry in pursuing it.

## COUNCIL OF STATE

Wednesday, 10th February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### MEMBER SWORN:

The Honourable Rai Bahadur Lala Ram Saran Das, C.I.E. (Punjab: Non-Muhammadian).

### QUESTIONS AND ANSWERS.

#### CONSTRUCTION OF A RAILWAY LINE BETWEEN MANGALORE AND HASSAN.

1. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Honourable Member in charge of Commerce and Railways be pleased to state:

- (i) whether it is proposed to construct a railway line between Mangalore and Hassan;
- (ii) if so, of what gauge; whether the estimates therefor have been sanctioned and approved by the Railway Board and for what amount;
- (iii) the principal towns which the line is intended to touch in the district of South Kanara; and
- (iv) when the construction work is likely to commence?

THE HONOURABLE MR. D. T. CHADWICK: (i)–(iv). The proposal for the construction of a railway line from Mangalore to Hassan is in abeyance, as an examination of the project prepared in 1917 showed that its financial prospects do not justify the construction of this line at present.

#### SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS.

2. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- (a) whether they have received from the Government of Madras the report of the Committee appointed by the latter to report on the separation of executive and judicial functions, with their opinions thereon;
- (b) whether the Government have so far issued any orders laying down their policy in the matter; and
- (c) if so, will the Government be pleased to place their orders on the table of the House; if not, will the Government be pleased to state when orders are likely to issue?

THE HONOURABLE MR. J. CRERAR: (1) Yes.

(2) No.

(3) I cannot say at present when a decision is likely to be arrived at.

# THE MADRAS LAND REVENUE BILL.

3. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

(a) whether they have received for sanction from the Madras Government a Land Revenue Bill to give effect to the recommendations of the Joint Parliamentary Committee;

(b) whether sanction has been accorded; if not, why; and

(c) whether the Government will place a copy of the Bill received from the Madras Government on the table of this House?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (1) The Government of India have received the draft Bill referred to.

(2) It is presumed that in speaking of "sanction" the Honourable Member refers to the executive approval of the Government of India. That approval has not yet been conveyed. The draft Bill raised certain important questions of principle which are the subject of correspondence between the Government of India and the Government of Madras.

(3) Government regret their inability to comply with the Honourable Member's request.

# RETRANSFER TO BENGAL OF CERTAIN BENGALI STATE PRISONERS DETAINED IN JAILS IN THE MADRAS PRESIDENCY.

4. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

(a) whether the Bengali State prisoners, Messrs. Das, Ganguly and Gupta, have been transferred to Trichinopoly and Messrs. Sen, Sircar and Muzumdar to Cannanore Jails;

(b) whether it is a fact that they have been put in punishment cells;

(c) whether it is a fact that they have been deprived of the privileges enjoyed by them in the jails in Burma and Bengal in which they were previously stationed;

(d) whether Messrs. Das and Ganguly had been suffering from duodenal ulcer and nasal catarrh and cystitis, respectively, in the places in which they were previously stationed and whether they were recommended by the medical officers of the respective jails to be placed under the treatment of specialists;

(e) whether it is a fact that no treatment has been given them till now; and

(f) whether in view of the unsuitability of Madras jails, owing to climatic, food, and other considerations, the Government will order their retransfer to Bengal?

THE HONOURABLE MR. J. CRERAR: (a) Certain State prisoners have been transferred to jails in the Madras Presidency. I am not prepared to specify the jails in which individual prisoners are confined.

(b) The facts are that in one jail each prisoner has two cells, one for use as a bed room and the other as a store room. They have also another cell as a common dining room. In the other, State prisoners are confined in a separate enclosure consisting of 20 well ventilated airy cells. Each prisoner has the use of three cells, one as a bed room, one for storage of property and one as a sitting room.

(c) No. Uniformity of treatment has as far as possible been secured.

(d) and (e). The reply to (d) is in the negative, in so far as Babu Purna Chandra Das is concerned. Babu Pratul Chandra Ganguli had been suffering from nasal catarrh and bacillary infection of the urinary tract and the medical officer had recommended treatment by a specialist. As, however, his condition did not appear to give cause for anxiety, the question of specialist treatment was postponed until his transfer to the Madras Presidency. Since his arrival there he has been examined by the District Medical Officer and the Inspector General of Prisons, both of whom have expressed the opinion that the prisoner is not seriously ill, that his condition does not necessitate surgical treatment and that treatment on constitutional lines should be given a fair chance before other action is taken.

(f) Government have no present intention of doing so.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Is the Honourable Member aware that, in reply to private notice question No. 4 (b) put by Mr. A. Rangaswami Iyengar in the Legislative Assembly on the 26th January last (*vide* page 256, Volume VII, No. 4, Legislative Assembly Debates), the Honourable the Home Member said, in respect to the prisoner, Mr. P. C. Ganguli, that "he is not seriously ill, that his condition does not necessitate surgical treatment and that treatment on constitutional lines should be given a fair chance before other action is taken?"

THE HONOURABLE MR. J. CRERAR: I am aware that the Honourable the Home Member gave a reply in another place in terms very similar to my reply to the Honourable Member now.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: In view of that reply, will the Honourable Member kindly enlighten us as to the nature of the treatment given to this prisoner, surgical or otherwise?

THE HONOURABLE MR. J. CRERAR: As explained in my reply our latest information is this, that medical opinion is that surgical treatment is not necessary and that treatment on constitutional lines, that is, treatment directed to a general improvement of the general health of the prisoner is all that is at present required.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Honourable Member say if these prisoners are all free from their respective complaints now?

THE HONOURABLE MR. J. CRERAR: The information I have given is most recent information in the possession of the Government of India. If the Honourable Member desires any further information of a more recent date, I must ask him to give me notice.

SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS.

5. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: (a) Will the Government be pleased to give a list of the Provincial Governments from whom they have received proposals in respect of the separation of judicial and executive functions?

(b) When did they receive the proposal from the Government of Bihar and Orissa on the report of the Committee appointed by the latter in that province to formulate a scheme for the said separation of functions?

(c) Have the Government of India been able to reach a definite decision on the matter? If so, have they addressed or do they propose to address the Local Governments concerned on the subject? If not, why not?

(d) Are they aware that public dissatisfaction with the delay in giving effect to the scheme of separation has been voiced in the Bihar and Orissa Legislative Council more than once by means of questions and budget motions?

THE HONOURABLE MR. J. CRERAR: (a) Proposals have been received from the Governments of Madras, Bengal, the United Provinces and Bihar and Orissa, some of which are tentative.

(b) The Bihar and Orissa proposals were received in June 1923.

(c) Not at present. The reply to the second part does not therefore arise, and the reply to the third part is the complexity of the subject.

(d) Government are aware of the references to the subject in the Bihar and Orissa Legislative Council.

PROPOSED LEVY OF RATES ON COAL EXPORTED FROM BIHAR AND ORISSA.

6. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: Will the Government of India be pleased to state:

(a) if it is a fact that the Government of Bihar and Orissa sent up proposals to them suggesting the levy of rates on coal exported from the province with a view to increase their financial resources;

(b) if the answer be in the affirmative, will the Government be pleased to state whether they approved of the suggested scheme; if not, why; and

(c) if the correspondence mentioned in (b) has been received, will the Government be pleased to state the month and year in which they received the communication in question from the Bihar Government and the month and the year in which they sent them (the Bihar Government) their reply?

THE HONOURABLE MR. A. C. MCWATTERS: (a) Yes.

(b) The proposal was not accepted. It involved taxing the raw material of industry all over India, and it was considered unfair to other provinces to abandon to one province, on account of its privileged position, what should be, if imposed at all, a source of central revenue.

(c) The proposal was made in June 1922 and the final communication from the Government of India, after consulting other Local Governments, was in March, 1923.

ARREARS OF WORK IN THE PATNA HIGH COURT.

7. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: (a) Will the Government be pleased to lay on the table a statement showing the total number of undisposed of cases in the Patna High Court up to the 1st of January last under the following heads and also stating under each head the year in which they were filed:

- (1) First Appeals;
- (2) Second Appeals;
- (3) Civil Revisions;
- (4) Miscellaneous?

(b) Is there any proposal permanently to increase the number of puisne judges of the Patna High Court by making the present additional judges permanent or to appoint more additional judges to dispose of the arrears?

THE HONOURABLE MR. J. CRERAR: (a) A statement is laid on the table showing the number of pending cases on the 1st January 1925. The further information desired by the Honourable Member is not readily available and to collect it would entail the expenditure of considerable time and labour which, in the opinion of Government, would not be commensurate with the result.

(b) The Government of India are not aware of any such proposals.

List of pending cases in the Patna High Court on the 1st January, 1925.

|                               | Pending on the<br>1st January, 1925. |
|-------------------------------|--------------------------------------|
| First appeals . . . . .       | 823                                  |
| Second appeals . . . . .      | 3,186                                |
| Civil revisions . . . . .     | 232                                  |
| Miscellaneous cases . . . . . | 108                                  |

AMALGAMATION OF THE ORIYA-SPEAKING TRACTS.

8. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: (a) Have the Government of India concluded their consideration of the report of Messrs. Phillip and Duff on the question of the amalgamation of the Oriya-speaking tracts in the Presidency of Madras with the Orissa Division of the province of Bihar and Orissa?

(b) If the answer is in the affirmative, will they be pleased to state if they have sent up their proposals to the Secretary of State? If so, when?

(c) Will the Government also be pleased to lay on the table copies of their despatch on the report?

THE HONOURABLE MR. J. CRERAR: The question is still under consideration.

COMMITTEES APPOINTED DURING THE YEARS 1922, 1923 AND 1924.

9. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: Will the Government be pleased to lay on the table a statement

(a) showing the number of Committees appointed by them during the years 1922, 1923 and 1924;

- (b) the expenditure incurred on each of them;  
 (c) how many and which of them have already submitted their reports and how many are yet engaged in their work; and  
 (d) the action Government have taken on those reports that have already been submitted to them?

THE HONOURABLE MR. J. CRERAR: I am having the information asked for in parts (a), (b) and (c) of the question collected and will lay it on the table of the House in a few days' time. As regards part (d) I regret that it would be impossible for me to give the information asked for within the reasonable limits of a reply to a question. I suggest that, in respect of any report or reports in which the Honourable Member is particularly interested, he should address specific questions to the Honourable Members representing the Departments concerned.

PERCENTAGE OF APPOINTMENTS HELD IN THE IMPERIAL SERVICES BY INDIANS AND NON-INDIANS.

10. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: Will the Government be pleased to lay on the table a statement stating:

- (a) the various Imperial Services existing in the country;  
 (b) the percentage of appointments held in these services by Indians and non-Indians in the years 1921 and 1925;  
 (c) which of these Imperial Services are to be provincialised in accordance with the recommendations of the Lee Commission and what steps have the Government of India taken to provincialise these departments?  
 (d) Will the Government be pleased to state, province by province, in respect of the Indian Civil and the Indian Police Services, how many years it will take to reach the minimum 50 per cent. of Indians in those services, and what steps they have taken to work up to these percentages?

THE HONOURABLE MR. J. CRERAR: (a) and (b). The necessary information in respect of the year 1921 is given in the statement printed on page 204 (a) of the Legislative Assembly Debates. A similar statement in respect of the year 1924 will be found on pages 2179-2183 of those Debates. The collection of the necessary material entails considerable time and labour and I hope the information furnished will meet the Honourable Member's requirements.

(c) The following services are to be provincialised:

The Indian Educational Service.

The Indian Agricultural Service.

The Indian Veterinary Service.

The Indian Forest Service in Bombay and Burma.

The portion of the cadre of the Indian Service of Engineers working in the Buildings and Roads Branch, on the basis proposed in paragraph 40 of the Lee Commission's Report.

Draft rules to give effect to the arrangements are under the consideration of the Secretary of State in Council.

(d) It is anticipated that the proportion will be reached approximately in the case of the Indian Civil Service in 15 years and in the case of the Indian Police Service in 25 years.

I am unable to make any detailed forecast of the results in each province separately, but would refer the Honourable Member to the answer given on the 25th August, 1925, to Khan Bahadur Ghulam Bari's question No. 4 in the Legislative Assembly.

NUMBER OF SUPERIOR POSTS IN THE GOVERNMENT OF INDIA SECRETARIAT HELD BY INDIANS ON THE 1ST JANUARY, 1921, AND THE 1ST JANUARY, 1926.

11. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: (a) Will the Government be pleased to lay on the table a comparative statement showing the total number of departmental Secretaries, Under-Secretaries, Deputy Secretaries and Assistant Secretaries working in the Government of India on the 1st of January, 1921, and on the 1st of January, 1926?

(b) How many of these posts, under each head, were held by Indians in 1921 and how many on the 1st of January, 1926?

THE HONOURABLE MR. J. CRERAR: I lay on the table a statement giving the information required.

Statement showing the number of superior posts in the Government of India Secretariat held by Indians on 1st January, 1921 and 1st January, 1926.

| Appointments.           | 1ST JANUARY, 1921. |          | 1ST JANUARY, 1926. |          | REMARKS. |
|-------------------------|--------------------|----------|--------------------|----------|----------|
|                         | Total.             | Indians. | Total.             | Indians. |          |
| Secretaries . . . .     | 14                 | 1        | 14                 | ...      |          |
| Joint Secretaries . .   | 2                  | ...      | 3                  | 1        |          |
| Deputy Secretaries .    | 20                 | 1        | 24                 | 6        |          |
| Under Secretaries . .   | 8                  | 1        | 10(a)              | 7        |          |
| Assistant Secretaries . | 22                 | 4        | 22(b)              | 15       |          |
| Total . . . . .         | 66                 | 7        | 73                 | 29       |          |

Note.—Appointments of Additional Deputy Secretaries and Under Secretaries have been included among Deputy Secretaries and Under Secretaries.

(a) One appointment of Under Secretary in the Department of Education, Health and Lands, was held in abeyance.

(b) Two appointments of Assistant Secretaries in the Department of Education, Health and Lands were temporary lasting from 23rd November, 1925, to 19th January, 1926.

## GRANT OF PREFERENCE TO THE DOMINION OF CANADA.

12. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: (a) Has the attention of the Government of India been drawn to the following statement by the (London) *Financial News*:

"Efforts to expand Canada's foreign trade may result in the opening of negotiations in the near future with the Government of India. It is considered that the grant of minor concessions by Canada may result in substantial benefits to Canadian trade. Up to the outbreak of war India maintained a tariff of 5 per cent. In 1916, this was raised to 7½ per cent., while in 1922, a tax of 30 per cent. was placed on automobiles, which are now the chief Canadian export in India. In view of this it is considered in Canada that the Dominion should receive more substantial preference."

(b) If the answer be in the affirmative, will the Government be pleased to state if any negotiations have taken place between them and the Government of Canada; and if they propose to take the Central Legislature into their confidence as to the nature of these negotiations?

THE HONOURABLE MR. D. T. CHADWICK: (a) Government have seen the extract quoted.

(b) No such negotiations have taken place.

## ANTI-ASIATIC LEGISLATION IN SOUTH AFRICA.

13. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: (a) Will the Government be pleased to state if their attention has been drawn to the resolutions adopted at the recent sessions of the Indian National Congress, the Liberal Federation and the Moslem League on the present position of Indians in South Africa?

(b) Has their attention been drawn to the refusal of the Union Government of South Africa to agree to any scheme of a Round Table Conference for a settlement of the Indian problem?

(c) Has the attention of the Government been drawn to recent cables from Mr. Andrews depicting the seriousness of the situation and stating that the anti-Asiatic Bill is to be proceeded with and passed practically without any opposition?

(d) If the answers to these questions be in the affirmative, will they be pleased to enlighten the Council on the steps they have taken:

(i) to secure a postponement of the impending Bill in South Africa;

(ii) to urge upon His Majesty's Government the intensity of Indian feeling and a veto of the measure if it be enacted into an Act; and

(iii) if neither of these be of any avail, to see that Indians are not deprived of their just rights as subjects of the Empire?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (a) to (c). The reply is in the affirmative.

(d) The attention of the Honourable Member is invited to the statements on this subject made by His Excellency the Viceroy in opening the

Session of the Legislative Assembly on the 20th January last and the current Session of this Chamber.

## THE COMMONWEALTH OF INDIA BILL.

14. THE HONOURABLE BABU ANUGRAHA NARAYAN SINHA: Will the Government be pleased to state if they have been consulted by the Secretary of State on the Commonwealth of India Bill either before or after its introduction in the House of Commons? If so, will they be pleased to lay on the table copies of the correspondence on the subject including their own reply, if any, to the Secretary of State?

THE HONOURABLE MR. J. CRERAR: The reply to the first part of the Honourable Member's question is in the negative. The second part therefore does not arise.

## RATIFICATION BY THE JAPANESE GOVERNMENT OF THE CONVENTIONS OF THE INTERNATIONAL LABOUR CONFERENCE.

15. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that the Japanese Government has not ratified the conventions and recommendations passed by the International Labour Conference?

THE HONOURABLE MR. A. H. LEY: Japan has ratified 6 of the 17 Conventions approved at the International Labour Conferences up to the end of 1924. Recommendations are not capable of ratification.

## RESOLUTION RE RUPEE TENDERS.

16. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government be pleased to inform the Council of any action they may have taken or contemplate taking on the Resolution moved by Mr. Jinnah on the 14th February, 1924, and accepted by the other House regarding the inviting of tenders in this country and in rupees?

THE HONOURABLE MR. A. H. LEY: The Government of India have thought it desirable to examine in the first instance the question to what classes of stores the rupee tender purchase system could be applied without undue sacrifice of economy and without incurring undue risk of unsatisfactory supplies. This has necessarily involved detailed discussion with the various purchasing and consuming departments of Government, but I am able to say that these discussions have now got so far that a list of the different kinds of stores to which the system might be extended without undue risk has been compiled and is now under examination.

## REDUCTION OF RAILWAY FREIGHTS ON COAL.

17. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what action they have taken or intend to take on my Resolution, which was adopted by this House on 15th September, 1925, regarding a decrease in the rate of coal railway freight for long distances?

THE HONOURABLE MR. D. T. CHADWICK: The matter has been considered in consultation with the Indian Railway Conference Association, but I am not prepared to make any statement at this stage.

## IMPORTS OF ARTIFICIAL GHI.

18. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what has been the quantity and value of "Vegetable Product" and other artificial ghi imported into the country during each of the last five years? Will they also state what has been the revenue derived by Government from the customs duties levied on these vegetable products?

THE HONOURABLE MR. D. T. CHADWICK: The Government have not the information as statistics are not separately recorded.

## RECRUITMENT OF TRAFFIC INSPECTORS (TRANSPORTATION) ON THE NORTH WESTERN RAILWAY.

19. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether they have taken or contemplate taking any action on my Resolution, adopted on 28th February, 1923, by the Council of State, regarding recruitment of Traffic Inspectors (Transportation) on the North Western Railway?

## INDIAN TRAFFIC INSPECTORS (TRANSPORTATION) ON THE NORTH WESTERN RAILWAY.

20. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state how many Indians have been appointed (a) permanently; and (b) on probation as Traffic Inspectors (Transportation) from 1st April, 1923, up to the 31st December, 1925? Will they also kindly state how many of these have during this period retired, and how many are still in service? Will they also state how many Indians are at present working in officiating appointments, together with the dates from which they are so working?

THE HONOURABLE MR. D. T. CHADWICK: I propose to reply to questions Nos. 19 and 20 together. As was pointed out in reply to question No. 572, asked on the 2nd September, 1925, in the Legislative Assembly railway administrations have been especially addressed on the subject and they will no doubt give it their careful consideration when vacancies occur, and if Indians with the requisite qualifications are available.

Government have not got any information beyond that furnished in the Legislative Assembly in their reply to question No. 853 put by Khan Bahadur Sarfaraz Hussain Khan on the 17th of March, 1924, nor do they consider that it will serve any useful purpose to call for further information of this piecemeal character after so short an interval of time.

## SELECTION OF STATION MASTERS AS TRAFFIC INSPECTORS (TRANSPORTATION) ON THE NORTH WESTERN RAILWAY.

21. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Is it a fact that some time back some station masters on the North Western Railway were, after some examination, selected for trial as Traffic Inspectors (Transportation)? Will the Government kindly state how many station masters were thus selected? How many of them are now officiating and how many have reverted?

(b) Will the Government kindly state what was the length of service and grade of each of the Indian station masters so selected?

THE HONOURABLE MR. D. T. CHADWICK: Government have no information but will make inquiries.

## APPOINTMENTS OF EUROPEANS AND ANGLO-INDIANS AS TRAFFIC INSPECTORS (TRANSPORTATION) ON THE NORTH WESTERN RAILWAY.

22. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state how many (a) Europeans and (b) Anglo-Indians have been appointed as Traffic Inspectors (Transportation) on the North Western Railway from 1st April 1923 to 31st December 1925, by (i) direct recruitment and (ii) promotion? What have been the length of service, grade and qualifications of each of them?

THE HONOURABLE MR. D. T. CHADWICK: The Honourable Member is referred to the reply just given by me to questions Nos. 19 and 20.

## MEMORIAL TO THE CHIEF MECHANICAL ENGINEER, NORTH WESTERN RAILWAY, FROM THE INDIAN LITERATE APPRENTICES.

23. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what decision they have now arrived at in connection with the memorial to the Chief Mechanical Engineer, North Western Railway, Lahore, from the Indian literate apprentices?

THE HONOURABLE MR. D. T. CHADWICK: The case has not been referred to Government and they have no information.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Last time when I put this question, as far as I remember, the reply given was that the matter was under consideration. If it was under consideration then, has no decision been arrived at yet?

THE HONOURABLE MR. D. T. CHADWICK: It was under consideration by the officer to whom the memorial was sent. No memorial was sent to Government. An unsigned copy of a printed one was sent but it was not addressed to Government.

## ENLISTMENT IN THE INDIAN ARMY OF HINDU JATS FROM THE JULLUNDUR AND LAHORE DIVISIONS.

24. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that in the Jullundur and Lahore Divisions of the Punjab the Hindu Jats can get enlistment in the Indian Army only with great difficulty?

THE HONOURABLE MR. A. H. LEY: (on behalf of His Excellency the Commander-in-Chief): Hindu Jats from the Jullundur and Lahore Divisions are eligible for service in the Indian Army. It is, however, a fact that, apart from those who are Dogras, Hindu Jats are not taken into the Army in large numbers from these two civil divisions.

## NUMBER OF HINDU, SIKH AND MUSLIM JATS IN THE INDIAN ARMY.

25. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is the number at present in the Indian Army of Hindu Jats, Sikh Jats and Muslim Jats, recruited from Ambala Division, and from districts in the Jullundur and Lahore Divisions?



Is this number of recruits in the Indian Army, from the different sections of the Jat community in proportion to their respective populations?

THE HONOURABLE MR. A. H. LEY (on behalf of His Excellency the Commander-in-Chief): The information desired by the Honourable Member in the first part of this question is not available, as our statistics do not show the numbers recruited by districts or divisions but by provinces. With regard to the second part, I may state that the extent to which the different castes and classes are enlisted in the Indian Army depends more on their suitability for service as soldiers, than on their total numbers.

#### NUMBER OF PUNJABI HINDUS IN THE INDIAN ARMY.

26. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly lay on the table a statement showing the number of soldiers in the Indian Army, recruited from each of the Hindu castes and tribes in each district of the Punjab?

THE HONOURABLE MR. A. H. LEY (on behalf of His Excellency the Commander-in-Chief): I regret that I am unable to furnish the Honourable Member with the information which he desires, since as I have just stated in reply to the previous question, our recruiting statistics are not compiled to show the classes and castes by districts but by provinces as a whole: I lay on the table, however, a statement showing the total number of the various Hindu castes and tribes (other than Sikhs) serving in the Indian Army on the 1st January 1925, from the whole of the Punjab Province and I trust that this information will suffice for the Honourable Member's purpose.

*Statement showing the number of various Hindu castes and tribes other than Sikhs from the Punjab serving in the Indian Army on the 1st January, 1925.*

|                              |                        |              |
|------------------------------|------------------------|--------------|
| Dogras                       | Brahmans               | 691          |
|                              | Rajputs                | 8,191        |
|                              | Jats                   | 739          |
|                              | Other castes of Dogras | 793          |
|                              |                        | <hr/> 10,414 |
| <i>Other Punjabi Hindus.</i> |                        |              |
| Brahmans                     | 604                    |              |
| Rajputs                      | 1,027                  |              |
| Jats                         | 4,941                  |              |
| Ahirs                        | 1,795                  |              |
| Gujars                       | 387                    |              |
|                              |                        | <hr/> 8,754  |
| GRAND TOTAL                  |                        | <hr/> 19,168 |

#### RECRUITMENT OF MUHYAL BRAHMAN OF THE RAWALPINDI DIVISION FOR THE INDIAN ARMY.

27. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that in the Rawalpindi Division for some time past the Muhyal Brahmans cannot now get enlistment in the Army? Will the Government kindly state why this is so?

THE HONOURABLE MR. A. H. LEY (on behalf of His Excellency the Commander-in-Chief): The answer to the first part of the question is in the negative. The second part does not arise. The Honourable Member will be interested to learn that there are now more than half as many more Muhyal Brahmans serving in the Indian Army than was the case before the war.

#### RECRUITMENT OF PUNJABI HINDU REGIMENTS FOR THE INDIAN ARMY.

28. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that in the Indian Army raised from the Punjab, we have regiments known under the names of "Punjabi Musalmans" and "Sikhs"? Is it a fact that in the regiments known as the "Punjabi Musalmans", there are usually recruits from several Muslim castes and tribes, and similarly in the "Sikh" regiments there are recruits from several Sikh castes and tribes? Is it also a fact that there is in the Indian Army raised from the Punjab no regiment known under the name of "Punjabi Hindus", and consequently Hindu Jats in the Jullundur and Lahore Divisions, Muhyal Brahmans and Hindu Khattris in the Rawalpindi, Lahore and Jullundur Divisions, and several other Hindu fighting classes in different parts of the province cannot get enlistment in the Indian Army? Will the Government kindly state why no "Punjabi Hindu" regiments as such are raised in the Punjab?

THE HONOURABLE MR. A. H. LEY (on behalf of His Excellency the Commander-in-Chief): There is no regiment known under the name of "Punjabi Mussalmans". There is one regiment known as Sikhs, namely, the 11th Sikhs, but only three of its battalions are composed exclusively of Sikhs.

Government do not propose to raise a "Punjabi Hindu" regiment as such.

#### REBATES IN RAILWAY FREIGHT ON COAL BOOKED TO CALCUTTA FOR EXPORT.

29. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state the total weight and the total amount of rebates allowed in railway freight by railways on coal booked to Calcutta for export during 1924-25 and up to 31st December, 1925?

THE HONOURABLE MR. D. T. CHADWICK: The total weight and the total amount of rebate were as follows:—

|                                   | Weight.    | Amount.   |
|-----------------------------------|------------|-----------|
|                                   | Tons.      | Rs.       |
| During 1924-25                    | 12,00,000  | 12,00,000 |
| From April 1925 to December 1925. | *10,82,000 | 10,24,000 |

#### NUMBER OF MAZHBI SIKHS IN THE INDIAN ARMY.

30. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state how many Mazhbi Sikhs there are in the Indian Army? Is it a fact that almost all these Mazhbi Sikhs come originally from among the caste of Chuhras? If so, will they state why Government do not recruit from among the Hindu Chuhras?

\* This does not include figures for part of November and December 1925 for the Bengal-Nagpur Railway, which have not yet been received.



THE HONOURABLE MR. A. H. LEY (on behalf of His Excellency the Commander-in-Chief): The answer to the first part of this question is that 1,584 Mazhbi Sikhs are serving in the Indian Army. With regard to the second part, these Sikhs originally came and a few still come from the Chuhra caste. But, on the other hand, the majority of this class now serving in the Army are the descendants of Mazhbi Sikhs who originally may have been Chuhra, but who had long since given up the duties of domestic sweepers.

In view of the reply which I have just given, the third part of the question does not arise.

TRANSFER OF THE MANAGEMENT OF THE DERA ISMAIL KHAN-TANK  
DECAUVILLE RAILWAY TO THE NORTH WESTERN RAILWAY.

31. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether the narrow gauge light railway, between Dera Ismail Khan and Tank, is still under the control and management of the Military Department? If the management of the railway has been transferred to the North Western Railway, will they kindly state since when has this been done, and on what conditions has this transfer been made?

THE HONOURABLE MR. D. T. CHADWICK: The management of the Dera Ismail Khan-Tank DecaUVille Railway has been transferred to the North Western Railway, with effect from the 1st April 1925. The terms of the transfer are that the Railway Department acquires the line at present value and works it as part of the strategic lines of the North Western Railway system.

ANNUAL LOSS ON THE DERA ISMAIL KHAN-TANK DECAUVILLE  
RAILWAY.

32. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is the annual deficit in running this narrow-gauge light railway between Dera Ismail Khan and Tank? Will they also state which department is debited with this annual deficit—the Military Department or the Railway Department?

THE HONOURABLE MR. D. T. CHADWICK: As entirely separate accounts of the working of the line were not maintained when it was under the administration of the Military Department, no accurate figure of the annual loss of working is available. But it is estimated that the present annual loss, including provision for interest on capital expenditure, will amount approximately to Rs. 1½ lakhs. The question of improving the financial position of the line is, however, receiving attention. The loss in working the line will appear in the railway accounts as part of the loss on working of strategic railways which, under the terms of the Convention for the separation of Railway from General Finance, is borne by General revenues.

DISMANTLING OF THE DERA ISMAIL KHAN-TANK DECAUVILLE  
RAILWAY.

33. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it is under contemplation to dismantle this light railway?

THE HONOURABLE MR. D. T. CHADWICK: There is no present intention of dismantling the line with the idea of abandoning it.

SURVEY OF RAILWAY LINES FROM HINDUBAGH TO FORT SANDEMAN AND  
FROM FORT SANDEMAN TO TANK.

34. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it is under contemplation to make a survey of a railway line from Hindubagh to Fort Sandeman in Baluchistan, and to make another survey of a railway line from Fort Sandeman across the Gomul River to Tank in the Dera Ismail Khan district? Has the sanction of the survey of these railway lines been received? If so, how far have the survey operations progressed? When can the commencement of the construction of these lines be expected?

THE HONOURABLE MR. D. T. CHADWICK: The Hindubagh-Fort Sandeman Railway survey has recently been completed. A proposal to sanction the construction of the first section from Hindubagh to Kila Saifullah is under consideration, and it is expected that a decision will be arrived at very shortly. The Tank-Dera Ismail Khan-Fort Sandeman section of the Zhob Valley Railway was surveyed in 1913-14. The estimated cost of the line, based on the results of the survey, proved to be disproportionate to the resulting advantages and the construction of the line was, therefore, held in abeyance. Government do not contemplate taking up this project at present.

CONSTRUCTION OF NEW RAILWAY LINES AND ROADS IN THE FRONTIER.

35. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what new railway lines and new metalled and unmetalled roads are projected in the Frontier? What is the total mileage to-day in the trans-border area of metalled and unmetalled roads?

THE HONOURABLE MR. J. P. THOMPSON: Government regret that they are unable to make a statement regarding roads and railways projected in the Frontier as it would not be in the public interest to do so.

The approximate mileage of metalled roads in the trans-border area is 280, but no figure can be given as to the total length of unmetalled roads in view of the vagueness of the term, which would presumably include mountain tracks made by the tribesmen themselves.

NUMBER OF SENIOR STATION MASTERS ON THE NORTH WESTERN  
RAILWAY.

36. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is the number of senior grade station masters, carrying a salary of Rs. 250, or more, on the North Western Railway? How many of these station masters are Europeans, Anglo-Indians and Indians? What increase in the number of Indians in the grades of station masters has been made during each of the last five years ending 31st December, 1925?

THE HONOURABLE MR. D. T. CHADWICK: The names of station masters drawing Rs. 250 and over are given in the Railway Board's Classified List of Establishment, the latest copy of which is available in

the Members' Library. The Honourable Member is also referred to page 65 of the Report of the Railway Board for 1924-25 in which statistics are furnished showing the distribution of the number of railway employees amongst the several communities, both on the 3 old State Railways and on other Class I lines excluding those belonging to Indian States.

#### PROSPECTS OF LITERATE APPRENTICES ON THE NORTH WESTERN RAILWAY, ETC.

37. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what are the prospects of literate apprentices on the North Western Railway? Will they also state what are the qualifications required from candidates for the posts of journeymen?

THE HONOURABLE MR. D. T. CHADWICK: I regret Government have no information. Inquiry is being made from the Agent, North Western Railway, and the Honourable Member will be informed of the results of the inquiry.

#### NUMBER OF FOREMEN, CHARGEMEN AND JOURNEYMEN EMPLOYED ON THE NORTH WESTERN RAILWAY.

38. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is the total number of (a) Foremen, (b) Chargemen, and (c) Journeymen employed in the Loco, Carriage and Electric Shops of the North Western Railway? How many of these are Indians, Anglo-Indians and Europeans? How many of these have been recruited (a) in England, and (b) in India, during each of the last five years on covenant? What are the qualifications and rules for recruitment for each of such posts, and what steps are Government taking to increase the number of Indians in these appointments?

THE HONOURABLE MR. D. T. CHADWICK: Government have not the information exactly in the detailed form asked for. But the Honourable Member's attention is invited to Chapter V and Appendix G on page 108 of Vol. I of the Report on Indian Railways for 1924-25, to which I have just alluded, and to the Railway Board's Classified List, copies of which publications are in the Library.

#### LIGHTING OF ROADSIDE STATIONS ON THE NORTH WESTERN RAILWAY.

39. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what steps they are taking to improve the arrangements for lighting the roadside stations of the North Western Railway?

THE HONOURABLE MR. D. T. CHADWICK: Government are not aware what arrangements require improvement, and I suggest that the matter is one which can suitably be brought to the notice of the Agent through his Local Advisory Committee.

#### REDUCTION OF FARES ON THE NORTH WESTERN RAILWAY.

40. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: With reference to the recent notification of the North Western Railway regarding reduction in railway fares, will the Government state why a flat rate

#### QUESTIONS AND ANSWERS.

of 3 pies per mile for third class passengers has not been adopted for all distances on the railway and why the railway have decided in favour of  $3\frac{1}{2}$  pies per mile up to a distance of 50 miles? Will the Government kindly state what difference in income would it make to the railway if 3 pies instead of  $3\frac{1}{2}$  pies were charged up to a distance of 50 miles?

THE HONOURABLE MR. D. T. CHADWICK: The reduction in third class fares which is being made on the North Western Railway is estimated to cost  $20\frac{1}{2}$  lakhs. A reduction to 3 pies for the first 50 miles would cost an additional  $34\frac{1}{2}$  lakhs, and it is considered unlikely that such a reduction would stimulate traffic to an extent sufficient to recoup the loss.

#### CONSTRUCTION OF NEW RAILWAY LINES IN THE PUNJAB.

41. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what new railway lines are to be constructed in the Punjab this year? What is their gauge, mileage and estimated cost?

THE HONOURABLE MR. D. T. CHADWICK: The construction of the following new railway lines in the Punjab will it is hoped be commenced this year:—

| Railway.                                  | Gauge. | Length.    | Estimated cost. |
|-------------------------------------------|--------|------------|-----------------|
|                                           |        |            | Rs.             |
| 1. The Kangra Valley Railway . . . . .    | 2' 6"  | 101 miles. | 1,34,00,000     |
| 2. The Shahdara Narowal Railway . . . . . | 5' 6"  | 49 "       | 28,00,000       |
| 3. The Amritsar Narowal Railway . . . . . | 5' 6"  | 40 "       | 59,87,968       |
| 4. The Sirhind Rupar Railway . . . . .    | 5' 6"  | 30 "       | 38,00,000       |

Items (1) and (2) have been sanctioned and work is being put in hand.

Items (3) and (4) will probably be sanctioned shortly.

Government have under investigation several other proposed lines, namely:—

Bhiwani Rohtak.

Jagadhari Thaneswar.

Montgomery Pakpatan-McLeodgunj.

Sangla Hill Khushab.

Rohtak Gohana Panipat.

and, should, as a result of such investigation, any of them be considered financially justifiable, their construction will be sanctioned.

#### ABANDONMENT OF LAND UNDER CULTIVATION BY CANAL WATER OWING TO THE ACCUMULATION OF HEAVY ALKALINE DEPOSITS.

42. THE HONOURABLE SIR DINSHAW WACHA: Will the Government be pleased to state:

- what lands under cultivation by canal water in different parts of the country have already been, or are likely to be, abandoned by reason of accumulation of heavy alkaline deposits;
- what is the percentage of the area which such abandoned lands bear to the total area of land under cultivation by canal water; and

- (c) what measures have the Government taken, and what measures do they propose to take, in order that other lands under cultivation by canal water may not be similarly abandoned in future by reason of the formation and accumulation of alkaline deposits?

THE HONOURABLE MR. A. H. LEY: The information available with the Government of India is insufficient to enable a full reply to be framed at present but I am asking Local Governments for reports and, on their receipt, will lay a reply on the table.

TRAINING OF STUDENTS IN STATE AGRICULTURAL COLLEGES IN METHODS FOR THE PREVENTION OF ALKALINE DEPOSITS ON LANDS UNDER CULTIVATION BY CANAL WATER.

43. THE HONOURABLE SIR DINSHAW WACHA: Will the Government be pleased to state whether the State Agricultural Colleges have in their syllabus any course of lectures on the subject of the formation of alkaline deposits on lands under cultivation in this country by canal water? Are the post-graduates and students trained in the practical methods by which such deposits may be prevented? If not, do the Government propose to instruct the Colleges so to train the students?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Though the subject is not specifically mentioned in the syllabus of studies of the Agricultural Colleges, it comes under the heading of soils and their treatment—a subject which forms part of the general curriculum of these colleges. In provinces where the question is acute, it forms part of a special study both in the laboratory and in the field. In the Punjab, for instance, a special station has been established on the Lower Bari Doab Colony for investigating and carrying out experiments in the reclamation of salt lands.

LAND MORTGAGE BANKS.

44. THE HONOURABLE SIR DINSHAW WACHA: Will the terms of reference to the Agricultural Commission recently announced include the desirability or otherwise of establishing Land Mortgage Banks to finance the existing Co-operative Agricultural Societies for the purpose of affording a certain measure of relief to indebted agriculturists?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The answer is in the affirmative.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: May I know whether copies of the terms of reference to the Agricultural Commission are available to Members of this House?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Yes.

FAILURE OF THE JAPANESE GOVERNMENT TO GIVE LEGISLATIVE EFFECT TO CERTAIN RESOLUTIONS OF THE GENEVA LABOUR CONFERENCE.

45. THE HONOURABLE SIR DINSHAW WACHA: Have the Japanese Government failed hitherto to give legislative effect to certain resolutions of the Geneva Labour Conference, passed some time since, regarding

shorter hours of labour, non-employment of children and women at night and other kindred matters; if so, do Government propose drawing the attention of the coming Labour Conference to this failure?

THE HONOURABLE MR. A. H. LEY: The Honourable Member is presumably referring to the draft Conventions adopted at the first session of the International Labour Conference held at Washington in 1919, relating to hours of work, night-work for women, and night-work for young persons. As considerable misapprehension appears to exist on the subject of these Conventions and the obligations involved in them, I am glad to have this opportunity of explaining the position. No country is obliged to enforce any draft Convention adopted by an International Labour Conference unless and until it has ratified that Convention, and the question whether a Convention shall or shall not be ratified is a matter for the authorities within the country to decide. Should the competent authority decide that the Convention shall not be ratified, no legal obligation rests on that country to secure the enforcement of the Convention. If a member fails to secure the effective observance of any Convention which it has ratified, any other member ratifying that Convention is entitled to file a complaint with the International Labour Office under Article 411 of the Treaty of Versailles. As however Japan has not ratified any of the Conventions to which I have referred, no question of such a complaint can arise.

SIR FREDERICK WHYTE'S BOOK ON FEDERAL CONSTITUTIONS.

46. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- the terms of reference on which Sir Frederick Whyte was deputed on his mission;
- the total expenses incurred in this behalf; and
- the action Government propose to take on his report?

THE HONOURABLE MR. J. CRERAR: (a) There were no terms of reference to Sir Frederick Whyte.

(b) The total gross cost involved is approximately Rs. 12,000. We shall not know the net cost until we know how many copies are sold.

(c) The purpose of the publication was to provide material for the study of Indian Constitutional Reforms. It was thought that, as similar questions may call for settlement in India in the future a statement in a readily available form of the relations subsisting between Central and Local Governments in the principal federal constitutions of the world would be valuable to public men in India.

TREATMENT OF BENGALI STATE PRISONERS IN JAILS IN THE MADRAS PRESIDENCY.

47. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- whether in all the jails in Bengal and in Burma, State prisoners were accommodated in big halls and whether in the jails in the Madras Presidency to which some of them have recently been transferred, they are confined in punishment cells;
- whether out-door games, such as tennis, badminton, football and indoor games were provided in the Bengal and Burma

jails and whether no such provision has been made in the Madras jails;

- (c) whether the food of these State prisoners is prepared by the ordinary convicts in the Madras jails and whether they are unaccustomed to the Madras food;
- (d) whether the privilege of being supplied with books has been denied to them in the Madras jails; and
- (e) whether their privileges in the matter of writing three letters every week has been restricted to two, if to their relatives, and to one, if to their friends?

THE HONOURABLE MR. J. CRERAR: I invite attention to the reply which I have already given to the Honourable Member's question No. 4. I need only add that State prisoners detained in the Madras Presidency are given a diet allowance, subject to a maximum of Rs. 2 per day, according to the scale in force in Bengal; they are allowed to prepare their own menu and to supervise the cooking of dishes. As regards games, books and letter-writing they are afforded the same facilities as they enjoyed prior to their transfer.

#### ALLOWANCES OF STATE PRISONERS TRANSFERRED FROM BENGAL TO OTHER PROVINCES.

48. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- (a) whether their attention has been drawn to the statement made by Sir Hugh Stephenson in the Bengal Council that, with the transfer of State prisoners to other provinces, the responsibility of the Bengal Government to pay their allowances also automatically lapses;
- (b) whether it is on this condition that sanction has been accorded to the transfer of the State prisoners to Madras jails; and
- (c) whether the Madras Government has undertaken the responsibility of meeting their allowances?

THE HONOURABLE MR. J. CRERAR: I have seen the statement and understand the reference to allowances to be to the diet allowance. This allowance is fixed with regard to conditions obtaining in the place where the detenu happens to be confined, and any proposal to enhance the rate must obviously be initiated by the local authorities concerned. All allowances for State prisoners are sanctioned by the Government of India and are debited to Central Revenues.

#### SPEECH OF LORD LYTTON AT THE ROTARY CLUB ON THE REFORMATIVE TREATMENT OF CRIMINALS.

49. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- (a) whether their attention has been drawn to the speech of Lord Lytton at the Rotary Club on the reformative treatment of criminals; and
- (b) if so, what action they propose to take in the matter?

THE HONOURABLE MR. J. CRERAR: (a) I have read the speech.

(b) Government are much interested in all proposals for prison reform, but they note that the kind of work which His Excellency Lord Lytton was specially advocating was work for private philanthropy and enterprise, work which, in his own words,—“No Government can do”.

#### MOPLAH COLONISATION OF THE ANDAMANS.

50. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- (a) whether they have received the report of the Special Committee appointed to inquire into the fitness of the Andamans for Moplah colonisation; and
- (b) if so, whether they propose to place the report on the table of this House and to defer action thereon until this House has had its say on the matter?

THE HONOURABLE MR. J. CRERAR: (a) and (b) I understand that the Honourable Member is referring to the visit, for which Government granted facilities, of four gentlemen to the Andamans to examine the conditions and circumstances of the Mappilla villages there. Government have received the views of one of these gentlemen but not of the others. They cannot, of course, arrive at any conclusions until the complete reports are in their possession.

#### THE BAWLA MURDER CASE.

51. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state, with reference to the reply given by Sir Alexander Muddiman to the interpellation put by Mr. Gaya Prasad Singh in the Legislative Assembly, on 21st January last, on the subject of the future course of action on the part of the Government in connection with the Bawla murder case, whether the matter is engaging the attention of the Government?

THE HONOURABLE MR. J. CRERAR: Yes.

#### OFFICIAL REPORT OF THE PROCEEDINGS OF THE CONFERENCE OF FINANCE MEMBERS.

52. THE HONOURABLE MR. HAROON JAFFER: Will the Government be pleased to state whether they intend to publish an official report of the proceedings of the conference of the Finance Members?

THE HONOURABLE MR. A. C. MCWATTERS: I would invite the Honourable Member's attention to the reply given by me to a similar question by the Honourable Mr. Sethna on the 22nd January, 1925. For the reasons then given the Government do not propose to publish an official report of the proceedings.

#### WELCOME TO MEMBERS BY THE HONOURABLE THE PRESIDENT.

THE HONOURABLE THE PRESIDENT: Before proceeding with the further business of the day I am glad to take this early opportunity of welcoming Members of the second Council of State to the labours of its first Session. Those who heard the brief words of farewell which I addressed to the Members of the first Council at its last meeting a few months ago in Simla

[The President.]

will realize what a great pleasure it is to me to see so many former Members back to their old places in this House. The fact alone that there are so many familiar faces will be sufficient assurance to me that I may count on the same support in maintaining the dignity and traditions of this House as has always been accorded to the Chair in the past. But among the new Members there are several who are not new to parliamentary life. There are several who have sat in other Legislative Assemblies and Councils, and I am glad also to add that among the new Members there are several who are old personal friends of mine. These facts combined lead me to appeal with confidence to the House to assist me in maintaining the traditions of the House. I feel quite sure that I shall have the assistance of all Honourable Members in carrying on the work that has been done from this Chamber. I know that there can be no doubt that the decisions and deliberations of this House will receive the consideration from Government and from the country which they have always merited and received in the past.

#### MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: I have two Messages for Honourable Members from His Excellency the Governor General.

(The Messages were received by the Members of Council standing.)

The first message reads:

#### PANEL OF CHAIRMEN.

"In pursuance of the provisions of sub-section (2) of section 63-A of the Government of India Act, I, Rufus Daniel, Earl of Reading, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State:—

In the first place, the Honourable Mr. Phiroze Cursetji Sethna; in the second place, the Honourable Saiyid Raza Ali; in the third place, the Honourable Sir S. R. M. Annamalai Chettiyar, and lastly, the Honourable Mr. John William Anderson Bell.

(Sd.) READING,

Viceroy and Governor General."

#### PRESENTATION AND DISCUSSION OF THE RAILWAY BUDGET IN THE COUNCIL OF STATE.

The second message reads:

"For the purpose of sub-section (1) of section 67A of the Government of India Act and in pursuance of Rules 43, 46 and 47 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Rufus Daniel, Earl of Reading, hereby appoint the following days for the presentation to the Council of State and to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways and for the subsequent stages in respect thereof in the Council of State and in the Legislative Assembly, namely:—

|                          |     |     |                                                             |
|--------------------------|-----|-----|-------------------------------------------------------------|
| Thursday, February 18th  | ... | ... | Presentation in both Chambers.                              |
| Saturday, February 20th  | ... | ... | General discussion in the Council of State.                 |
| Monday, February 22nd    | ... | ... | General discussion in the Legislative Assembly.             |
| Tuesday, February 23rd   | ... | ... | } Voting of Demands for Grants in the Legislative Assembly. |
| Wednesday, February 24th | ... | ... |                                                             |
| Thursday, February 25th  | ... | ... |                                                             |
| Friday, February 26th    | ... | ... |                                                             |

(Sd.) READING,

Viceroy and Governor General."

#### COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT: Under Standing Order 76 of the Council of State Standing Orders I am required at the commencement of the Session to constitute a Committee on Petitions consisting of a Chairman and four Members. The following Honourable Members have at my request kindly consented to preside over and serve on the Committee. I hereby accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Rai Bahadur Lala Ram Saran Das, and as Members the Honourable Raja Sir Rampal Singh, the Honourable Mr. V. Ramadas Pantulu, the Honourable Mr. Haroon Jaffer, and the Honourable Sir C. Sankaran Nair.

#### APPOINTMENT OF THE HONOURABLE MR. K. C. ROY TO THE LIBRARY COMMITTEE.

THE HONOURABLE THE PRESIDENT: I have also to announce to the House that I have appointed the Honourable Mr. K. C. Roy to the Library Committee in the vacancy caused by the resignation of Sardar Jogendra Singh from this Council.

#### GOVERNOR GENERAL'S ASSENT TO BILLS.

SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills:

The Provident Funds Act, 1925.  
 The Code of Civil Procedure (Amendment) Act, 1925.  
 The Religious Endowments (Amendment) Act, 1925.  
 The Salt Law Amendment Act, 1925.  
 The Legislative Members Exemption Act, 1925.  
 The Sikh Gurdwaras (Supplementary) Act, 1925.  
 The Bamboo Paper Industry (Protection) Act, 1925.  
 The Indian Carriage of Goods by Sea Act, 1925.  
 The Opium (Amendment) Act, 1925.  
 The Provident Funds (Amendment) Act, 1925.  
 The Indian Penal Code (Amendment) Act, 1925.  
 The Indian Limitation (Amendment) Act, 1925.  
 The Coal Grading Board Act, 1925.  
 The Oudh Courts (Supplementary) Act, 1925.  
 The Criminal Tribes (Amendment) Act, 1925.  
 The Cotton Transport (Amendment) Act, 1925.  
 The Madras, Bengal and Bombay Children (Supplementary) Act, 1925.  
 The Indian Ports (Amendment) Act, 1925.  
 The Repealing and Amending Act, 1925.  
 The Transfer of Property (Amendment) Act, 1925.  
 The Indian Succession Act, 1925.

## BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE

SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill to define and limit the powers of certain Courts in punishing contempts of courts, and of a Bill to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India which were passed by the Legislative Assembly at its meeting held on the 8th February, 1926.

## ELECTION OF A PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, I move:

"That this Council do proceed to elect in the manner described in the Department of Education, Health and Lands Notification No. 114, dated the 7th February, 1924, a panel of 8 members from which the members of the Standing Committee to advise on questions relating to emigration in the Department of Education, Health and Lands, will be nominated."

I take it, Sir, that copies of the Notification which have been quoted herein are already in the hands of Honourable Members, and they would have noticed that under rule 3 a panel is elected by both Houses, and that His Excellency the Viceroy nominates the required number therefrom to the Committee. The last Committee was constituted on the 24th of March, 1925, consisting of 8 Members of the other House and four Members of this House. Under the same rule, Sir, the term of office extends to a period of one year. In the normal course, therefore, the office of these Members would have continued until the 24th of March of this year, but owing to the dissolution of this House last year such of the Members of this House who were members of the Emigration Committee have ceased to be members thereof. We are anxious to secure the full complement of members on the Emigration Committee, as we anticipate that there will be some work for the Committee to discharge in the near future. I have therefore ventured to bring forward this Resolution at the earliest possible opportunity and to ask the House that it do proceed to elect the panel.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: With regard to the motion just adopted by the House, I will at the next meeting of the Council announce the date by which nominations should be handed in and the date on which, if necessary, the election will take place in this Chamber.

## RESOLUTION RE RATIFICATION OF THE DRAFT CONVENTION OF THE INTERNATIONAL LABOUR CONFERENCE CONCERNING WORKMEN'S COMPENSATION FOR OCCUPATIONAL DISEASES.

THE HONOURABLE MR. A. H. LEY (Secretary for Industries and Labour): Sir, I beg to move the following Resolution:

"That this Council having considered the Draft Conventions and Recommendations adopted by the seventh International Labour Conference recommends to the Governor General in Council that he should ratify the Draft Convention concerning workmen's compensation for occupational diseases."

Before, Sir, I come to the details of the Resolution, I should like to make one or two introductory remarks. In the first place, I must explain why it is necessary for me to trouble this Council with this matter. Probably Honourable Members of this Council are fully aware that under Article 405 of the Treaty of Peace, it is necessary for each member of the International Labour Organisation to lay before the competent authority any draft Conventions or Recommendations adopted at an International Labour Conference within a period of one year or, in very special cases, 18 months from the date on which those Draft Conventions or Recommendations were adopted. The "competent authority" in cases which would involve legislative action in connection with the ratification of a Convention or the adoption of a Recommendation is in the case of India of course one or other or both of the Houses of Legislature, and that is my sole reason for troubling the Council with this matter now. The second introductory point to which I would invite the attention of the Council is of a more particular nature. I would ask the Council particularly to examine the precise wording of my Resolution:

"That this Council having considered the Draft Conventions and Recommendations adopted by the seventh International Labour Conference recommends to the Governor General in Council that he should ratify"—

One of them.

The implication of that is of course that there are certain other Draft Conventions which he should not ratify. Possibly I owe the House an apology for having put it in this way. I have done it merely because I think it would be convenient and save the time and trouble of this Council if it were possible to consider all these Draft Conventions and Recommendations passed at the last session of the International Labour Conference as one subject, and to dispose of these rather intricate, and possibly a little dry, subjects at one sitting of this Council. That leads me on, Sir, to one other introductory remark of a more general nature. There are, I think, two more or less opposing points of view, which I think it necessary to take into consideration in considering these Conventions and Recommendations adopted at International Labour Conferences. There are some who hold the view that India is possibly not going fast enough in adopting legislation designed to improve and render more humane the conditions of the working classes. If there are any such in this Council, I only wish to remind them that in point of fact India has done as much as, if not more than, any other member of the International Labour Organisation in ratifying and enforcing Conventions adopted in the past designed to improve the conditions of the working classes. That is, I think, a justifiable source of pride to India, who wishes to take her proper place in advancing the social, economic and spiritual progress of the working classes. But I think it is obvious that it is unwise to advance at a rate with which social conditions and the state of development of labour organisations in this country can hardly keep pace. We must obviously, in considering Conventions and Recommendations of this nature, consider the different social conditions of the country. It is always a dangerous proceeding to pour new wine into old bottles. Then there is another line of criticism—and perhaps this is a more subtle criticism—which thinks that we have gone too far already in legislation of this kind. There are those who urge that we are hampering ourselves in competition with other countries which have not ratified these various Conventions. I think there was a suggestion of that attitude in a question which I answered a few minutes ago in this Council. This is a point of



[Mr. A. H. Ley.]

view which I thoroughly appreciate, though it is one which I think it would be unfortunate to press too far. However, it is fortunately not necessary for me to dilate upon that point any further, because even these critics will, I am sure, agree with me that it is desirable that India should ratify Conventions of this nature designed to render more humane the conditions in which the working classes work, at any rate in cases where they are able to do so without any injury to their own material interests. That in fact is the point of view which I wish to impress upon this Council with regard to the one draft Convention which I ask this Council to ratify.

I now come to these Draft Conventions in detail. I will take first the one which I have suggested to the Council that they should agree that the Government of India should ratify, that is, the Draft Convention relating to workmen's compensation for occupational diseases. I think all Honourable Members have been furnished with a copy of this Bulletin, which gives the Recommendations adopted at the International Labour Conference. The only operative Article in this Draft Convention is Article 2, which gives a list of diseases regarded as occupational diseases and a list of corresponding industries and processes, workers in which, if they contract these diseases, will be entitled to workmen's compensation under the terms of the Workmen's Compensation Act. The first of these is lead poisoning. I do not wish to say anything about this, as Honourable Members are perfectly well aware that it is already provided for in Schedule III of the existing Workmen's Compensation Act and no action is therefore necessary. Then we come to mercurial poisoning. I have been at some pains to try and discover whether in point of fact mercurial poisoning does arise as a result of industrial occupations in this country and I have not found any evidence of it. The disease, if known at all, is extremely rare here. But in any case I think it is obvious that a disease of this kind, if contracted as a result of industrial occupations, is one which should entitle the workmen concerned to the benefits of the Workmen's Compensation Act. In point of fact that does not require any amendment of the Act, because all that is necessary is for the Governor-General in Council to issue a Notification under section 3, sub-section (3), adding mercurial poisoning to the list of occupational diseases given in Schedule III to the Act. That will be done if the Council agrees with me that the Convention should be ratified. In fact it was not really necessary to place this matter before them, because it involves no amendment of the law. Then we come to anthrax which is the third of those diseases. The ratification of this Convention will involve a very small amendment of our existing Act and that is why I have to place it before this Council. Honourable Members are perfectly well aware that anthrax is already provided for in sub-section (2) of section 3, which says:

"If a workman employed in any employment involving the handling of wool, hair, bristles, hides or skins contracts the disease of anthrax . . ."

he is entitled to compensation. But it will be necessary to make a small amendment because it will be observed that in the Schedule to Article 2 of this Draft Convention there are certain kinds of work which would entitle the workmen contracting the disease of anthrax to workmen's compensation which are not included in sub-section (2) of section 3 of the Act, namely, work in connection with animals infected with anthrax, handling of animal carcasses or parts of such carcasses, including hides, hoofs and horns, and loading and unloading or transport of merchandise.

Our Act does not include the handling of animal carcasses or the handling of hoofs and horns, and it will therefore involve a very small amendment of the existing Act to give effect to this Convention. I would ask the Council to agree to the Convention being ratified. It is obviously a very small point and no material interest is involved. In point of fact anthrax is a disease which is practically unknown in this country. That is the major portion of my Resolution.

I would like to detain the Council for just a few minutes to run through the other Draft Conventions and Recommendations, which it is necessary for me to do in order to give effect to my Resolution. I will take them as quickly as I can. Firstly, there is the Draft Convention regarding equality of treatment for national and foreign workers as regards workmen's compensation for accidents. That I may say, before I go any further, is a Convention which the Government of India propose to ratify, but it is not necessary technically for me to place it before the Council for the very simple reason that it involves no alteration in our existing law. The Workmen's Compensation Act, as Honourable Members are aware, gives equal treatment for national and foreign workers in the matter of workmen's compensation. I only mention it here for the sake of completeness in dealing with these Draft Conventions and Recommendations as one whole and single subject. Then there remain two other Draft Conventions which, if adopted, would require legislative action and which it is necessary for me to refer to. There is a Draft Convention about night work in bakeries. I ask the Council to agree with me that this Convention is one which it would be quite impossible for the Government of India to ratify. It is, if I may say so, based on conditions prevailing in countries with more moderate climates quite different from India. In European countries the baking industry is an industry of a wholly different nature from what it is in India. I need hardly say that it would in any case be quite impossible to enforce the Convention in regard to the number of small bakeries in this country. In the second place, there are of course climatic reasons. It is necessary and is also conducive to the comfort and the health of the petty bakers in this country that they should bake their bread at night. I do not think it is necessary for me to say much on this subject. I only wish to add that the Government of India consulted all the Local Governments on this question before the matter came up at the last session of the International Labour Conference and, as might have been expected, Local Governments were unanimously of opinion that it was a matter which could not apply to India, and therefore it was undesirable to ratify this Convention.

The third Draft Convention is a Draft Convention relating to workmen's compensation for accidents. There are various articles in this Draft Convention which are given in this Bulletin. It will, I think, be clear if Honourable Members will study it that this Draft Convention is really based, if I may say so, on principles which exist in countries where labour organisation is very much more advanced and developed than it is in this country at the present moment. Article 2, for instance, would apply to workmen, employees and apprentices employed in any enterprise, undertaking or establishment of whatsoever nature, whether public or private; subject to certain exceptions in that Article, which however make no difference to my argument. There are various other Articles in this Convention which go a great deal beyond anything which exists in our present Act. Article 6 introduces a change in the waiting period.

[Mr. A. H. Ley.]

which is I think undesirable, having regard to the prevailing conditions in this country. Articles 7, 9 and 10 also introduce principles which are foreign to our Compensation Act. The point of view which I wish to impress upon the Council in regard to this matter is that our Workmen's Compensation Act is quite new—it has been in force only for a little over a year—and this Convention will introduce an entirely new principle in Indian legislation, which is obviously undesirable. In fact, it would be quite impracticable at the present moment to undertake a total revision of the Act, which would be necessary if this Convention is ratified. It is obviously desirable to have several years' experience of the working of the existing Act to see how far it has achieved the objects for which it was introduced and also how far there is any real need for a further advance, before we undertake this revision. I think this is all that I have got to say with regard to these Draft Conventions.

As to the Recommendations, only a few words are required. A Recommendation is, of course, different from a Draft Convention; it is, if I may say so, of a less binding character. A Draft Convention has to be accepted *in toto* or rejected. A draft Recommendation is merely a recommendation, as its name implies, which has to be placed before the competent authority for such action as that authority deems necessary. There are only two or three Recommendations and I will take them in the order in which they appear in the bulletin. The first Recommendation relates to the equality of treatment for national and foreign workers as regards workmen's compensation for accidents. There is nothing in this Recommendation which really applies to India, and as I have already indicated our law fully complies with the principle of equality of treatment. Therefore, no specific action is necessary in regard to this Recommendation. Then there are two Recommendations regarding workmen's compensation for accidents. The first is a recommendation regarding the minimum scale of compensation. I do not want to repeat what I have already said on the substantive part of this subject, namely, the Draft Convention. The minimum scale of compensation suggested in this Recommendation is much more liberal than the scales of compensation provided by our existing Workmen's Compensation Act, and it is obviously a recommendation which would necessitate a wholesale revision of our Act, which, as I have already said, is not desirable. Then, the second Recommendation is on Jurisdiction in Disputes on Workmen's Compensation. That is a recommendation which is designed to secure arbitration boards to decide workmen's compensation cases. The Council is well aware that our Act which has only recently been passed appoints a Commissioner for Workmen's Compensation to decide these cases, and I think, whatever may be the merits of this proposal in countries where labour is well educated and well organised, there is nothing to be gained by adopting a system of this character in India at the present moment. Finally, there is a small recommendation regarding occupational diseases which runs as follows:

"Each member of the International Labour Organisation should adopt, where such procedure does not already exist, a simple procedure by which the list of diseases considered occupational in its national legislation may be revised."

I need hardly remind the Council that this is already provided for in our existing Act. It is quite a simple matter. The object can be achieved merely by issuing a Notification under section 3, sub-section (3).

I think this is all that I have got to say on this matter. I am afraid, Sir, I have taken rather more time than I had intended on a subject which is somewhat intricate and perhaps not very exciting. I wish the Council, however, to remember that the really important matters are the Draft Conventions. Of the four Draft Conventions, one will in any case be ratified by the Government of India, as it is met under the existing law. One, that relating to occupational diseases, I ask this Council to agree should be ratified. I suggest that this Council should agree with me that the other two relating to night work in bakeries and workmen's compensation should not be ratified in the circumstances prevailing in this country.

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

"That this Council, having considered the Draft Conventions and Recommendations adopted by the seventh International Labour Conference recommends to the Governor General in Council that he should ratify the Draft Convention concerning workmen's compensation for occupational diseases."

The motion was adopted.

## RESOLUTION RE CONTINUATION OF THE IMPOSITION OF A CUSTOMS DUTY ON LAC.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that he may be pleased to declare that sections 2 to 6 of the Indian Lac Cess Act, 1921 (XIV of 1921), which provide for the imposition of a customs duty on lac exported from British India, shall continue in force until the 31st day of December, 1931."

Sir, I cannot claim for my Resolution such high authority as the Honourable Mr. Ley claimed for his. He spoke on a recommendation passed by the International Labour Conference. I, Sir, am speaking on a recommendation of a much humbler association, namely, the Indian Lac Association. I maintain, however, that the subject with which I have to deal is one of very direct and material economic interest to India. I am not even asking the Council to adopt a new policy nor to undertake to make even a small amendment in an Act which, I understand, will be one of the results of our adopting the previous Resolution. I am only asking the Council to continue to make operative an Act which is already on our Statute-book and which is a very useful and very beneficent Act. This Act was passed in 1921, four and a half years ago, by the first reformed Council. Under it there is permitted the imposition of a small cess on all lac exported from India, the proceeds of which is to be devoted to scientific research and improvement of cultivation of lac both in quantity and quality. Section 7 of this Act, however, reads as follows:

"This Act shall remain in force until the thirty-first day of December, 1926, provided that the Governor General in Council may, on the recommendation of the Lac Association and with the previous consent of the Indian Legislature, declare by notification in the Gazette of India that the said sections shall continue in force for any further period specified in the notification."

We have received a recommendation from the Indian Lac Association to continue the Act, and I am now asking the consent of the Legislature to that course. The cess, as I have said, is a small one. It is a matter



[Mr. D. T. Chadwick.]

of 4 annas a maund on lac and 2 annas a maund on refuse lac exported from India. The present export price of lac is about Rs. 80, therefore the cess is extremely small. At the same time it has yielded a useful income of about one and a third lakhs a year to this Association which is thoroughly representative of all sections and interests in the lac trade. Under the Act these funds are devoted to scientific research and improvement in cultivation of lac. I put it to the Council that if 4½ years ago the case for this lac cess was a strong one, it is much stronger to-day. Our lac exports are worth about 7½ crores a year, and India has always comforted itself that it enjoys a monopoly in lac. That is a very comforting position in which to be, but it is a position which is always a challenge to every other country. Four and a half years ago there was a suggestion that that position of monopoly would be challenged, and to-day that challenge is beginning to materialise. The challenge is coming from two directions, one from the use of synthetic substitutes and the other from Siam. I need not worry the House with details as to the use of this very valuable commodity, lac. In fact it is beyond me to specify every article into which it goes. Some ingenious person always seems to be finding some new use for lac whether in varnishes, electrical machinery or gramophone records, etc. Other ingenious persons are constantly devising substitutes for lac. And so far as synthetic substitutes are concerned we were told by Mr. Lindsay that about ten per cent. of the market for our lac in England has now been lost by competition of synthetic substitutes. These substitutes are not as good as pure lac but they are coming on. On the other side, America and Europe import more and more stick lac from Siam and have improved their methods for purifying and utilising such lac, so much so that while 4 years ago exports from Siam were only 3,000 tons last year they were 5,000, as compared with 25,000 tons from India. There is nothing to get very mournful about in either of those figures, but they are a warning to us, and to India generally, that in the interests of this very important commodity it is most desirable to pay as much attention as possible to improving the quantity and quality of the lac. That is one strong reason for continuing this Act. The other strong reason that I put forward for the consideration of the Council in accepting this Resolution is that after all five years is a very short time in the life of any research institute especially in its initial stage. This Association has utilised its five years to good purpose. It has got over its early difficulties and to-day it is getting to grips with its problems. After consultation with the Local Governments of Bihar and Orissa and of the Central Provinces a site was selected close to Ranchi. Scientific laboratories have been built, also quarters for the staff, and experimental plots have been laid down. The buildings were finished only last September but a scientific staff had already been engaged and been at work for two or three years. I have myself for a time had the good fortune of being a Director of Agriculture, so I am going to be very cautious about prophesying rapid results from experiments, but I do know from that experience, that by continuity in experiment, by working steadily from year to year, you can get very good and very lasting and useful results. Continuity, however, is the first essential. Interruption is fatal to all such classes of work. I understand, however, that by better culture and better manuring of host plants the Research Institute already expect to be able to accelerate the cultivation

of lac. That in itself will help to make much progress in increasing the quantity of the crop. This Institute also works in close touch with the local forest officers. I understand the Forest Department have opened farms for the distribution of lac.

I am perfectly certain that after this very short description of the work in progress and in sight the Council will accept this Resolution. To throw it out will stop this work entirely. To pass it will mean sending a message of encouragement to these people who are working on this task to go forward and prosper. I ask the Council to adopt this Resolution.

THE HONOURABLE MR. J. A. HUBBACK (Bihar and Orissa: Nominated Official): Sir, I rise to support the Resolution moved by the Honourable Mr. Chadwick. This Resolution very closely concerns the province for which I have the honour to be nominated to this Council. It concerns that province, Bihar and Orissa, more closely, I think, than any other province of India, seeing that quite half the lac produced in India comes from Bihar and Orissa. It is for this reason, Sir, that, though I am but a very lately born member of this Council, I dare to address it so soon. The Honourable Mr. Chadwick has already very fully covered the ground of the arguments to be advanced in favour of the Resolution which he has moved, and I do not propose to detain the Council very long with my own remarks. He has indicated that when the Act which we are now considering was under discussion in 1921, India held the practical monopoly of this commodity, and its position was then only just beginning to be threatened. He has explained how those threats have developed in the meantime. It is not surprising that the threats have developed seeing that some fifteen years ago the price of standard shellac was somewhere about Rs. 30 to Rs. 40 a maund. Shortly before 1921 it had risen to the extraordinarily high rate of Rs. 230, and when the Act was actually passed, it stood at about Rs. 130. It has now dropped to Rs. 80, but there is no doubt that the foreign consumer anticipates the possibility of it rising again to the heights it had reached previously, and it should not surprise us, nor can we blame them, that they should look round to replacing it with something cheaper. In 1921, the Indian Legislature was acting on the recommendations of Messrs. Lindsay and Harlow in their report issued very shortly before that. They made two general recommendations. The first was that steps should be taken to guard against the cutting off of supplies, which is a danger arising from the tendency of the cultivator to sell right down even to their brood lac in times of specially attractive prices. The second recommendation was to improve the cultivation and manufacture of the product, so that lower prices could be faced when the need arose without diminishing the reward either to the cultivator or to the manufacturer. The Act which we are considering really dealt with the second object. I may perhaps, however, briefly inform the Council what has been done with regard to the first object. That has been met by the action of the Local Governments in their Forest Departments. In 1921 the Government of Bihar and Orissa had just started one lac farm in the district of Palamau. I am glad to say that the Bihar and Orissa Legislative Council accepted in March 1925 budget provision for a programme of no less than 8 such farms distributed over the whole of the lac producing area. That provision was a matter of about 1 lakh non-recurring and about Rs. 20,000 recurring. The Members of this Council no doubt deal with very much larger figures, and may consider the quoted figures rather insignificant,

[Mr. J. A. Hubback.]

but I may remind them that the Bihar and Orissa Budget, as a whole, is not very much more than 5 crores. It is therefore, Sir, relatively a considerable amount of money that we are spending on this object. I understand that the example of the Government of Bihar and Orissa in this matter is likely in the near future to be followed by private firms who are interested in the supply of lac for manufacturing purposes. Now lac is not the only concern of our Forest Department, and our officers are not by any means all of them, in fact the majority, particularly expert in the matter, and it is therefore that the Government of Bihar and Orissa very strongly supports the continuance of this impost, so that the other line of action—research in the methods of cultivation and manufacture may be prosecuted, and results of importance obtained. That work the Indian Lac Association has taken up. They have now, as the Honourable Mr. Chadwick has explained, opened a Lac Research Institute at Namkum near Ranchi. The actual buildings were formally opened by His Excellency Sir Henry Wheeler in August 1924. In September 1925, the laboratories were fully equipped and in the meantime much progress has been made in the lay-out of the experimental plantations and in other work which will lead up to good results. The Institute is under the direction of a very talented lady who holds high scientific degrees, apart from whom, she being an Englishwoman, the entire staff is Indian, and her principal colleague is a distinguished Indian scientist, Mr. Misra. They have drawn up a programme of considerable extent in which the most important matter at the present moment is a study of the yield and quality of the crop obtained by various methods of cultivation and infection of the host trees. They have not yet, I may say, even visualized the manufacturing problems which await solution. They have attacked their work up to now entirely from the cultivation point of view. I do not wish to trouble the House with details of the lines of research which are being undertaken. But I think it is clear that the Lac Association, in spending about Rs. 4 lakhs on their buildings there and in undertaking a programme of which the recurring cost will be at present at least one lakh, have not been idle in the last 4 years, since they were placed in a position to spend money. When the Act was under debate in another place, the point was raised whether this is not a function which should be properly carried out by Government. It was however decided that it would be wise to place in the hands of the Indian Lac Association, an association of private traders, the funds derived from this cess, and I think it may fairly be said that the Indian Lac Association has fully justified the decision of the Legislature taken in 1921. On the importance of the industry I do not wish to speak at any length. The manufacturers and shippers are able to look after themselves as a rule. The lac industry brings a steady source of employment to a number of small artisans who work in the factories. It gives a small income, but not one that they despise, to the superior landholders of the Chota Nagpur plateau, on which most of the lac is grown. But it is to the cultivators, the actual cultivators of the trees, that this industry is of very great importance indeed. These are the aborigines of the Chota Nagpur plateau and its outlying extensions—the Kharwars of Palamau, the Mundas and Oraons of Ranchi, the Hos of Singhbhum, the Sonthals of the Sonthal Parganas, the Bhumij's of Manbhum. It is these people, who are, in the technical phrase generally used, among the backward races of India, and it is to these people that the collapse of the industry would be a matter of very serious import. The lac industry for them supplements the profits of their

agriculture, and it makes in many cases just the difference between a mere subsistence livelihood and a little real comfort. They naturally expect a continuance of a reasonable return for the labour which they expend on cultivating lac, labour which, in order to raise the hot weather lac crop, is carried out, at times, in considerable discomfort during the hot weather. But when I speak of the collapse like the Honourable Mr. Chadwick I do not say for a moment that the collapse is imminent. I have myself seen new plantations in Manbhum recently. I have too heard from various sources that brood lac is sought from a great distance by the inhabitants of the outlying parts of the tract in which it is grown. I may also add that the extension of lac cultivation was specially brought to my notice not very long ago, when I was called upon to decide a difficult point of right between landlord and tenant regarding host trees in a part of the Sonthal Parganas to which lac cultivation has only recently spread. But, as the Honourable Mr. Chadwick has made clear, the position, though not such that we must expect an imminent collapse, is sufficiently serious. I have explained that the Lac Association and the Government of Bihar and Orissa—and I have no doubt other Governments concerned—have taken already such steps as they think advisable to secure to the industry a basis of steady supply with an adequate return to the cultivator working up to prices, at which we can undersell synthetic lac and meet other forms of competition. With this object in view, the Lac Association itself has a few weeks ago unanimously recommended the continuance of this trifling impost of 4 annas on a commodity at present valued at Rs. 80. The Government of India are now asking the Legislature to confirm this recommendation. It would, in my opinion, be most unwise, exceedingly unwise, for this Council to throw away the work done and the expense incurred during the last 4 years and thus jeopardise the future prosperity of this important, and I may add, peculiarly Indian industry.

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 to declare that sections 2 and 6 of the Indian Lac Cess Act, 1921 (XIV of 1921), which provide for the imposition of a customs duty on lac exported from British India, shall continue in force until the 31st day of December, 1931.”

The motion was adopted.

THE HONOURABLE THE PRESIDENT: Can the Honourable the Leader of the House give the Council any information as to the future course of business?

## STATEMENT OF BUSINESS.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, to-morrow being a holiday I understand that the Council will not meet again till Monday next. Monday and Wednesday in next week are non-official days and the business ballotted for those days has already been communicated to Honourable Members. On Tuesday, the 16th, motions will be made for the consideration and passing of

[Sir Muhammad Habibullah.]

three of the Bills which were laid on the table at the opening meeting, namely:

- the Small Cause Courts (Attachment of Immoveable Property) Bill;
- the Guardians and Wards (Amendment) Bill; and
- the Government Trading Taxation Bill,

and similar motions will be made with regard to the Trade Unions Bill which was laid on the table to-day.

On Thursday, the 18th, the presentation of the Railway Budget will be followed by similar motions in respect of two of the remaining Bills laid on the table at the opening meeting, namely:

- the Code of Criminal Procedure (Amendment) Bill, and
- the Indian Lunacy (Amendment) Bill.

Honourable Members have heard His Excellency the Governor General's Message allotting Saturday, the 20th, for the discussion of the Railway Budget. No other business will be taken on that day.

The Contempt of Courts Bill will be proceeded with on Tuesday, the 23rd February.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-official): Sir, on a point of order, might I suggest to the Honourable the Leader of the House that he ought to give us more time to consider the Contempt of Courts Bill. The Legislative Assembly was given almost a year to settle it.

THE HONOURABLE THE PRESIDENT: I have no doubt that Government will bear in mind what the Honourable Member has said. In the meantime I would advise him to occupy his spare time in studying the Bill. There is nearly a fortnight before him now.

The Council then adjourned till Eleven of the Clock on Monday, the 15th February, 1926.

## COUNCIL OF STATE.

Monday, 15th February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### MEMBERS SWORN.

The Honourable Raja Sir Rampal Singh, K.C.I.E. (United Provinces Central: Non-Muhammadan); the Honourable Mr. Manmohandas Ramji Vora (Bombay: Non-Muhammadan); the Honourable Mr. Phiroze C. Sethna, O.B.E. (Bombay: Non-Muhammadan); the Honourable Major Nawab Mahomed Akbar Khan, C.I.E. (North-West Frontier Province: Nominated Non-Official); and the Honourable Mr. Ratansi D. Morarji (Bombay: Non-Muhammadan).

### QUESTIONS AND ANSWERS.

#### AMENDED RESOLUTION ADOPTED BY THE LEGISLATIVE ASSEMBLY REGARDING THE RECOMMENDATIONS OF THE REFORMS INQUIRY COMMITTEE.

53. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state what action they have taken on the amended Resolution adopted by the Legislative Assembly, regarding the recommendations of the Reforms Inquiry Committee, on 8th September, 1925?

#### APPOINTMENT OF A ROYAL COMMISSION TO INVESTIGATE THE WORKING OF THE MONTAGU-CHEILMSFORD REFORMS.

54. THE HONOURABLE MR. PHIROZE C. SETHNA: Is it a fact that His Majesty's Government have decided on sending a Royal Commission to India to investigate the working of the Montagu-Cheilmsford Reforms and to report on changes considered necessary?

THE HONOURABLE MR. J. CRERAR: I propose, if the Honourable Member has no objection, to answer his questions Nos. 53 and 54 together. The matters referred to in these two questions will arise in the course of debate on the Resolution of which the Honourable Member has given notice. He will doubtless agree with me that it is undesirable at this stage to anticipate the course of debate.

#### NUMBER OF VOTERS IN EACH CONSTITUENCY OF THE COUNCIL OF STATE WHO VOTED AT THE LAST GENERAL ELECTION.

55. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to lay on the table a statement showing:

- (a) the number of voters in each constituency of the Council of State; and
- (b) the number of voters who did vote in each such constituency at the last general election?

THE HONOURABLE MR. J. CRERAR: (a) and (b). A return giving the information asked for by the Honourable Member is under preparation. A copy of it will be placed in the Library of this House in due course.

## REVISION OF LAND REVENUE ASSESSMENTS.

56. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to lay on the table a statement showing what action each Provincial Government has taken to give effect to the recommendation of the Joint Parliamentary Committee of the Government of India Bill, 1919, that the process of revising land revenue assessments should be brought under closer regulation by Statute?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Legislation on the subject has been initiated in the Punjab, Central Provinces and Berar, and Assam; a draft Bill has been published by the Government of the United Provinces. The matter is still under consideration elsewhere.

THE HONOURABLE MR. PHIROZE C. SETHNA: Is there any probable date when the work will be taken in hand by the remaining provinces?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: They have applied themselves to that task already, and it is hoped that they will do it very soon.

## ADMISSION OF INDIAN STUDENTS IN ENGLAND INTO THE UNIVERSITY OFFICERS' TRAINING CORPS.

57. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) With regard to question No. 55 asked on 1st September 1925, in the Council of State, regarding the removal of the disability against Indian students in England to enter the University Officers' Training Corps, and the reply given thereto, will Government be pleased to state whether they have received a reply from the Secretary of State to their despatch on the subject?

(b) If not, have they again written to the Secretary of State requesting him to expedite the matter?

(c) If a reply is received, will it be placed on the table?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). The answer is in the negative; and (c) does not therefore arise.

## INDIANISATION OF THE STAFF OF THE HIGH COMMISSIONER FOR INDIA.

58. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) what action has been taken on the Resolution, regarding Indianisation of the staff of the High Commissioner for India, adopted by this Council on 8th September 1925; and

(b) if any progress has been made in the Indianising of the higher staff and establishment of the High Commissioner since the adoption of the Resolution and, if so, the details thereof?

THE HONOURABLE MR. D. T. CHADWICK: (a) A copy of the debates and Resolution were forwarded to the High Commissioner last September. He was requested to follow the principle involved in the Resolution and that, consistently with economy and efficiency, opportunities should be taken to employ more Indians on his staff.

(b) The Government are not aware that any opportunities have occurred recently for action in this direction, but the Government of India have reason to know that the High Commissioner is bearing this principle in mind.

## REDUCTION OF RAILWAY RATES AND FARES.

59. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) what was the maximum increase on the pre-war rate in the railway rates and fares in the United Kingdom;

(b) when were the rates reduced after the war and to what extent;

(c) what has been the rise in the railway rates and fares in India since 1912-13;

(d) how does the proposed reduction in the third class passenger rates of the Great Indian Peninsula and the North Western Railways compare with the rate of reduction in the United Kingdom; and

(e) when do Government propose to secure similar reductions on the other railway systems in the country?

THE HONOURABLE MR. D. T. CHADWICK: (a), (b), (c) and (d). I take 100 as representing pre-war goods rates and passenger fares in both countries. On that basis goods rates and passenger fares in August, 1921, in the United Kingdom would be represented by 212 and 175. Since August, 1921, these have been reduced in the United Kingdom to 150 in each case. In India the highest post-war figures for goods rates on different railways varied between 115 and 125, and for passenger fares, 150. The reductions now applied by the Great Indian Peninsula and the North Western Railways will bring the last figure down to 132 and 129, respectively.

(e) Passenger fares are being reduced on most Railways in India.

THE HONOURABLE MR. PHIROZE C. SETHNA: Most, not all?

THE HONOURABLE MR. D. T. CHADWICK: I would not like to say offhand all. But the Honourable Member will see a very complete statement in the Appendix to the proceedings of the Standing Finance Committee of the Railways, which was published three or four weeks ago.

## PREPARATION BY THE RAILWAY BOARD OF A PROGRAMME FOR THE REDUCTION OF FREIGHT CHARGES.

60. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government state if the Railway Board has prepared any programme for the reduction of freight charges and if any communications to that effect have been taken place between the Board and the Railway administrations? If so, will Government be pleased to lay them on the table?

THE HONOURABLE MR. D. T. CHADWICK: I would suggest that the Honourable Member should kindly await the Explanatory Memorandum of the Railway Budget for the year 1926-27 which will be presented to this House shortly.

THE HONOURABLE MR. PHIROZE C. SETHNA: 1925-26?

THE HONOURABLE MR. D. T. CHADWICK: I am afraid the Honourable Member has not caught my meaning. I have asked the Honourable Member to wait for an answer to his question till the presentation of the Railway Budget, which will take place this week, i.e., the Budget for next year.

## RECRUITMENT TO THE INDIAN POLICE FOR THE LAST TEN YEARS.

61. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

- (a) what supervision they exercise over the recruitment in the police service for the subordinate grade and also the superior grade in the different provinces in the country;
- (b) if recruitment for the police service for superior grades is continuing in the United Kingdom; and
- (c) the figures of the recruitment in the superior police service of Indians and Europeans during the last ten years?

THE HONOURABLE MR. J. CRERAR: (a) The Government of India exercise no supervision over recruitment to the provincial and subordinate police services. Appointments to the Indian (Imperial) Police Service, on the other hand, are made by the Secretary of State in Council and all recruitment to that service is under his supervision.

(b) Recruitment to the Indian (Imperial) Police Service is still made in England as well as in India.

(c) Since 1916, 257 Europeans and 113 Indians have been appointed to the Indian (Imperial) Police Service.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: In this connection may I ask when the proposed Public Services Commission is likely to be constituted?

THE HONOURABLE MR. J. CRERAR: I venture to suggest that that hardly arises out of my reply.

THE HONOURABLE THE PRESIDENT: I think the Honourable Member had better put a substantive question of his own on that point.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: In this connection, Sir, may I ask when the proposed Public Services Commission is likely to be constituted?

THE HONOURABLE THE PRESIDENT: I think the Honourable Member had better give notice of a substantive question of his own: it hardly arises out of the answer given.

## RUPEE TENDERS FOR STORES.

62. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state what progress has been made in the adoption of the system of the rupee tender for delivery in India for Government purchases?

THE HONOURABLE MR. A. H. LEY: The Honourable Member is referred to the reply given by me to question No. 16 by the Honourable Rai Bahadur Lala Ram Saran Das on the same subject.

## ESTABLISHMENT OF A TRAINING SHIP IN INDIAN WATERS.

63. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state what progress has been made in the establishment of a training ship as the result of the Report of the Mercantile Marine Committee?

THE HONOURABLE MR. D. T. CHADWICK: An expert came out from England in December last to advise about the establishment of a training ship in Indian waters. He has submitted his report, which is at present under consideration.

THE HONOURABLE MR. PHIROZE C. SETHNA: How soon do Government expect to make public this report?

THE HONOURABLE MR. D. T. CHADWICK: They hope to make it public shortly, I believe; very shortly indeed.

THE HONOURABLE MR. PHIROZE C. SETHNA: May I know what shortly means?

THE HONOURABLE MR. D. T. CHADWICK: Yes, Sir; very shortly.

## INTERIM REPORT OF THE INDIAN DEPUTATION TO SOUTH AFRICA.

64. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government please state:

- (a) if they have received any *ad interim* report from the deputation to South Africa; and
- (b) if so, will Government be pleased to lay the papers on the table or to make a statement on the subject?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (a) Yes.

(b) As the conclusions contained therein are provisional, Government are not prepared to lay it on the table of the House at present or to make a statement on the subject.

THE HONOURABLE MR. V. RAMADAS PANTULU: Is it a fact that the delegation could not find accommodation in any hotel on account of racial prejudice and that therefore private accommodation had to be arranged for them?

THE HONOURABLE THE PRESIDENT: I doubt if the report of the deputation is likely to contain anything on that matter. The Honourable Member, I would suggest again, should ask a substantive question on that point.

## PURCHASE OF STATIONERY FOR GOVERNMENT OFFICES.

65. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Will Government be pleased to state whether the purchase of stationery for Government offices is at present being done by open tender?

- (b) From how many firms these tenders were received last year?
- (c) What is the country of origin of the goods purchased?

THE HONOURABLE MR. A. H. LEY: (a) Yes.

(b) 110.

(c) India and the United Kingdom.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: May I know whether the indent on foreign countries is decreasing every year?

THE HONOURABLE MR. A. H. LEY: For stationery?

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Yes.

THE HONOURABLE MR. A. H. LEY: I am afraid I shall have to ask for notice of that question because I cannot remember the precise figures at the moment. In point of fact in 1924-25, which is the last year for which I have figures, the indent on England for paper amounted to 3 lakhs and in India to 28 lakhs. If my recollection is correct, the proportion purchased in India is going up year by year.

#### PROGRAMME OF THE TARIFF BOARD FOR THE NEXT SIX MONTHS.

66. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state the programme of the Tariff Board for the next six months?

THE HONOURABLE MR. D. T. CHADWICK: The Board are at present occupied with the inquiries mentioned in the two Commerce Department Resolutions of 28th March and that of 30th September, 1925, which were published in the Gazette of India. It is proposed, as soon as possible after 1st April next, to refer to them the inquiry required under section 6 of the Steel Industry (Protection) Act.

#### DATE OF THE NEXT STATUTORY STEEL INQUIRY.

67. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state how early during the official year 1926-27 they propose to ask the Tariff Board to sit in inquiry in the matter of protection to the Indian steel industry and branches of the allied trade in anticipation of the expiry of the Indian Steel Industry Protection Act?

THE HONOURABLE MR. D. T. CHADWICK: It is not possible to give an approximate date. But the Government propose to refer the matter to the Board as soon as possible after the commencement of the next financial year.

#### POLITICAL SIGNIFICANCE ATTACHING TO THE VISIT TO INDIA OF SIR JOHN SIMON, LORD INCHCAPE, ETC.

68. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state if there was any political significance in the recent visit to India of Sir John Simon, Lord Inchcape, Mr. Ramsay Macdonald, Sir William Bull and Sir Warren Chilcott?

THE HONOURABLE MR. J. CRERAR: Government do not attach any such significance to the visits.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Did any of these gentlemen come to India on the invitation of the Government of India?

THE HONOURABLE MR. J. CRERAR: No, Sir.

#### ESTABLISHMENT OF A RATES ADVISORY COMMITTEE.

69. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) What is the present position with regard to the Rates Tribunal?

(b) Are the Government aware that there is considerable discontent in the country at the delay in the carrying out of this recommendation of the Acworth Committee?

(c) Will they state when the technical difficulties felt hitherto will be overcome?

THE HONOURABLE MR. D. T. CHADWICK: A Rates Advisory Committee will be set up shortly and its functions will be to investigate and report to the Government of India on the following subjects:

- (1) Complaints of undue preference (section 42 (2) of the Indian Railways Act, 1890);
- (2) Complaints that rates are unreasonable in themselves;
- (3) Complaints or disputes in respect of terminals (section 46 of the Railways Act);
- (4) The reasonableness or otherwise of any conditions as to the packing of articles specially liable to damage in transit or liable to cause damage to other merchandise;
- (5) Complaints in respect of conditions as to packing attached to a rate; and
- (6) Complaints that railway companies do not fulfil their obligations to provide reasonable facilities under section 42(3) of the Railways Act.

The personnel of the Committee is now under consideration and it is hoped that the Committee will commence their duties at an early date.

THE HONOURABLE MR. PHIROZE C. SETHNA: Will the Government be pleased to state why a Railway Advisory Committee has been appointed and not a Rates Tribunal as suggested by the Acworth Committee?

THE HONOURABLE MR. D. T. CHADWICK: I believe, Sir, that the Honourable Member will find an answer to that question in the speech of the Honourable the Commerce and Railway Member on the Railway Debate of last year.

#### ROYAL COMMISSION ON REFORMS.

70. THE HONOURABLE MR. PHIROZE C. SETHNA: (1) Has a decision been taken on the questions:

- (a) whether the Royal Commission on Reforms is going to be instituted earlier than 1929; and
- (b) whether amongst other subjects of inquiry before this Commission, the question of eliminating the control of the Secretary of State over rules of stores purchase will be included?

(2) If the reply to (1) (a) is in the negative, will Government be pleased to state whether this item, namely, the question of control of the Secretary of State over stores purchase for Government and public bodies, will be dealt with piecemeal by negotiation?

THE HONOURABLE MR. J. CRERAR: 1. (a) The Honourable the Home Member will deal with this matter in the course of debate on the Resolution of which the Honourable Member has given notice.

(b) The general scope of the Commission's inquiry is indicated in section 84A of the Government of India Act. I am not aware what the specific terms of reference will be.

2. Does not arise, but I am able to inform the Honourable Member that the matter is receiving separate consideration.

#### LOCOMOTIVES FOR STATE RAILWAYS.

71. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to give:

(a) the number of locomotives which were ordered for the Indian State Railways during each of the following years, namely, 1920-21 to 1925-26; and

(b) the number of locomotives which will be required during the next five years according to the five-year programmes of various railways, which are in the hands of the Railway Board?

THE HONOURABLE MR. D. T. CHADWICK: A statement giving the information for all class I programme railways, which is presumably what is required by the Honourable Member, is placed on the table.

*Locomotives.*

|              | (a)      |          |          |          |          |          | (b)      |          |          |          |          |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|              | 1920-21. | 1921-22. | 1922-23. | 1923-24. | 1924-25. | 1925-26. | 1926-27. | 1927-28. | 1928-29. | 1929-30. | 1930-31. |
| Broad Gauge. | 553      | 71       | 156      | 165      | 118      | 206      | 90       | 79       | 62       | 91       | 129      |
| Metre Gauge. | 316      | 42       | 78       | 30       | 44       | 41       | 63       | 82       | 51       | 61       | 28       |

N.B.—The figures for 1920-21 include arrears carried forward from war period.

#### STANDARD TYPE OF LOCOMOTIVES FOR INDIA.

72. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) if final agreement has been reached with regard to the standard type of locomotives for India;

(b) if such an agreement has been reached, how many locomotives of this type have been ordered; and

(c) whether it was the intention in making a standard type to eliminate a variety of types and to secure the largest number of this type in India?

THE HONOURABLE MR. D. T. CHADWICK: (a) and (b). No. Provisional conclusions have been reached and 89 engines of eight different types are being ordered to test their suitability.

(c) The object of standardization is to try to reduce the number of types in use.

#### FURTHER REPRESENTATION FROM THE BOMBAY MILLOWNERS ASSOCIATION REGARDING PROTECTION FOR THE COTTON INDUSTRY.

73. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) whether they have received any further representation from the Bombay Millowners' Association since the interview of the Association's deputation with His Excellency the Viceroy asking for protection in any direction apart from the repeal of the excise duty; and

(b) if so, what reply Government have vouchsafed?

THE HONOURABLE MR. D. T. CHADWICK: (a) No, Sir.

(b) Does not arise.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: In connection with the abolition of the cotton excise duty, are the Government aware of the press telegram which appeared in the papers to the effect that the Japanese Government intend raising the duty on pig iron?

THE HONOURABLE MR. D. T. CHADWICK: I have seen that telegram and seen it contradicted by another telegram, and I have seen it asserted a second time and again contradicted.

#### INTERIM REPORT OF THE ROYAL COMMISSION ON CURRENCY.

74. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state if any *ad interim* report has been received or has been called for from the Royal Commission on Indian currency and exchange?

THE HONOURABLE MR. A. C. MCWATTERS: The answer is in the negative to both parts of the question.

#### ACTION TAKEN ON THE REPORT OF THE EXTERNAL CAPITAL COMMITTEE.

75. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state what action they propose to take with regard to the report of the Blackett Committee on External Capital?

THE HONOURABLE MR. A. C. MCWATTERS: The Government have consulted Provincial Governments and have also addressed the authorities of the Imperial Bank on a number of points. The further action must await the receipt of replies to those communications.

THE HONOURABLE MR. PHIROZE C. SETHNA: Have not the local banks and the exchange banks been consulted?

THE HONOURABLE MR. A. C. MCWATTERS: We have not definitely addressed the local banks and the exchange banks at this stage, but they will certainly be consulted either through the Local Governments or otherwise before any decisions are arrived at.



## REPORT OF THE TAXATION INQUIRY COMMITTEE.

76. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Will Government be pleased to lay on the table Volume I of the Report of the Taxation Inquiry Committee?

(b) Is any action going to be taken on the Report of this Committee before this House has an opportunity of discussing the main recommendations?

(c) Are any changes going to be introduced in the forthcoming budget as the result of the report of this Committee?

THE HONOURABLE MR. A. C. MCWATTERS: (a) It is expected that the Report will be published in a few days.

(b) and (c) I would invite the Honourable Member's attention to paragraph 9 of the Finance Department Resolution announcing the formation of the Committee which stated that before any action is taken on the Report, opportunity will be taken to have a full consultation with the representatives of public opinion and the Legislature.

## ADOPTION OF ALL-INDIA LEGISLATION ON THE LINES OF THE BOMBAY SECURITIES CONTRACTS CONTROL ACT.

77. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Will Government be pleased to state whether any legislation exists in any other province on the lines of the Bombay Securities Contracts Control Act?

(b) Do Government propose to institute all-India legislation on the subject?

THE HONOURABLE MR. D. T. CHADWICK: (a) No such legislation exists.

(b) Government as at present advised have no such intention.

## PURCHASE OF LAND FOR MILITARY PURPOSES IN BOMBAY.

78. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Has the attention of Government been drawn to the report of the Financial Sub-Committee of the Special Committee instituted by the Government of Bombay for looking into the activities of the Development Department, particularly with reference to the Back Bay reclamation?

(b) In view of the facts brought together in the majority and minority Sub-Committee's report, will Government be pleased to state whether they propose to take any action with regard to the purchase of military land?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Government have seen certain newspaper accounts of the matter.

(b) The Government of India do not at present contemplate any change of plan on their part in regard to this question. The position is that the land if purchased is to be paid for with the proceeds of military properties which are available for sale but have not yet been sold, while the land to be purchased is itself not yet in being.

THE HONOURABLE MR. PHIROZE C. SETHNA: As at present arranged, will the military land be sold to the Government of Bombay if it is decided that the portion of the reclamation which was to be set aside for military purposes is not to be reclaimed.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: That, I think, is the intention at present, but we have no detailed information whatever from the Bombay Government on the subject beyond what we see in the papers.

## LOAN PROGRAMMES OF PROVINCIAL GOVERNMENTS.

79. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) what supervision they have imposed on the Provincial Governments on the loans which they have taken from the Government of India particularly under the heading of development; and

(b) whether they propose to introduce legislation or to issue an executive order for securing the proper sanction of Provincial Councils to the loan programmes submitted to the Government of India by Provincial Governments?

THE HONOURABLE MR. A. C. MCWATTERS: (a) I would invite the Honourable Member's attention to the Finance Department Resolution No. D.-1250-F., dated the 25th March, 1925, which was published in the Gazette of India.

(b) The reply is in the negative.

The Honourable Member is no doubt aware that the expenditure to be incurred out of borrowed money comes under the scrutiny of the Legislature when the proposals of the Local Government for the appropriation of provincial revenues and other moneys in any year is, as prescribed in section 72D of the Government of India Act, submitted to the vote of the Council in the form of Demands for Grants.

## EXPORT DUTY ON RUBBER.

80. THE HONOURABLE MR. PHIROZE C. SETHNA: Have Government considered the advisability of imposing an export duty on rubber as a means of additional revenue?

THE HONOURABLE MR. D. T. CHADWICK: No, Sir. I would refer the Honourable Member to Chapter XI of the Report of the Fiscal Commission where the effect of export duties is discussed and in particular to the principles laid down in section 182 of that Chapter.

## RECEIPTS UNDER INCOME-TAX FOR THE BOMBAY CITY.

81. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state the figures of the receipt of income-tax from Bombay city, month by month, for each of the years 1921-22 to 1924-25 and for as many months as may be available for the year 1925-26?



THE HONOURABLE MR. A. C. MCWATTERS: Statements giving the information for the years 1921-22 to 1924-25 are laid on the table. Figures cannot be given at present for 1925-26.

Statement showing receipts under Income-tax for the Bombay City for the year 1921-22.

| Month.                                    | Gross collection under Income-tax. | Gross collection under Super-tax. |
|-------------------------------------------|------------------------------------|-----------------------------------|
|                                           | Rs.                                | Rs.                               |
| April . . . . .                           | 20,99,767                          | 24,12,447                         |
| May . . . . .                             | 16,04,670                          | 4,61,994                          |
| June . . . . .                            | 15,54,339                          | 7,48,919                          |
| July . . . . .                            | 23,21,316                          | 12,37,861                         |
| August . . . . .                          | 43,22,689                          | 22,92,392                         |
| September . . . . .                       | 50,96,595                          | 34,99,278                         |
| October . . . . .                         | 33,89,258                          | 22,65,523                         |
| November . . . . .                        | 37,87,836                          | 33,98,739                         |
| December . . . . .                        | 41,82,498                          | 29,09,669                         |
| January . . . . .                         | 51,85,087                          | 38,94,752                         |
| February . . . . .                        | 36,89,439                          | 31,59,082                         |
| March . . . . .                           | 55,66,630                          | 57,53,418                         |
| Total                                     | 4,28,00,123                        | 3,20,34,074                       |
| Less Refunds and Adjustments for the year | 48,89,953                          | 33,13,380                         |
|                                           | 3,79,10,170                        | 2,87,20,694                       |

Statement showing receipts under Income-tax for the Bombay City for the year 1922-23.

| Month.                                    | Gross collection under Income-tax. | Gross collection under Super-tax. |
|-------------------------------------------|------------------------------------|-----------------------------------|
|                                           | Rs.                                | Rs.                               |
| April . . . . .                           | 13,59,096                          | 15,31,353                         |
| May . . . . .                             | 20,93,364                          | 13,55,650                         |
| June . . . . .                            | 20,61,648                          | 12,54,967                         |
| July . . . . .                            | 16,96,603                          | 14,60,637                         |
| August . . . . .                          | 23,23,713                          | 13,34,326                         |
| September . . . . .                       | 23,14,725                          | 11,97,780                         |
| October . . . . .                         | 42,77,050                          | 21,36,179                         |
| November . . . . .                        | 94,01,599                          | 53,47,915                         |
| December . . . . .                        | 60,63,899                          | 45,31,669                         |
| January . . . . .                         | 35,19,495                          | 33,92,777                         |
| February . . . . .                        | 36,78,385                          | 29,74,729                         |
| March . . . . .                           | 42,17,756                          | 32,47,785                         |
| Total                                     | 4,29,97,333                        | 2,97,65,767                       |
| Less Refunds and Adjustments for the year | 84,87,635                          | 44,99,983                         |
|                                           | 3,45,09,698                        | 2,52,65,784                       |

Statement showing receipts under Income-tax for the Bombay City for the year 1923-24.

| Month.                                    | Gross collection under Income-tax. | Gross collection under Super-tax. |
|-------------------------------------------|------------------------------------|-----------------------------------|
|                                           | Rs.                                | Rs.                               |
| April . . . . .                           | 15,77,075                          | 7,78,258                          |
| May . . . . .                             | 15,22,126                          | 3,25,239                          |
| June . . . . .                            | 13,35,713                          | 7,70,359                          |
| July . . . . .                            | 8,62,804                           | 2,31,813                          |
| August . . . . .                          | 18,22,811                          | 6,37,809                          |
| September . . . . .                       | 27,46,977                          | 12,61,382                         |
| October . . . . .                         | 25,51,439                          | 11,71,142                         |
| November . . . . .                        | 30,06,135                          | 11,89,980                         |
| December . . . . .                        | 41,92,498                          | 22,51,865                         |
| January . . . . .                         | 32,98,118                          | 18,04,090                         |
| February . . . . .                        | 26,43,484                          | 20,12,292                         |
| March . . . . .                           | 37,36,976                          | 39,85,448                         |
| Total                                     | 2,92,96,136                        | 1,64,19,677                       |
| Less Refunds and Adjustments for the year | 43,32,208                          | 17,94,420                         |
|                                           | 2,49,63,928                        | 1,46,25,257                       |

Statement showing receipts under Income-tax for the Bombay City for the year 1924-25.

| Month.                                    | Gross collection under Income-tax. | Gross collection under Super-tax. |
|-------------------------------------------|------------------------------------|-----------------------------------|
|                                           | Rs.                                | Rs.                               |
| April . . . . .                           | 13,79,782                          | 12,81,526                         |
| May . . . . .                             | 5,52,046                           | 1,13,098                          |
| June . . . . .                            | 7,52,686                           | 1,44,986                          |
| July . . . . .                            | 19,18,502                          | 11,29,391                         |
| August . . . . .                          | 20,79,585                          | 13,03,626                         |
| September . . . . .                       | 20,08,232                          | 6,49,962                          |
| October . . . . .                         | 24,58,589                          | 8,02,394                          |
| November . . . . .                        | 18,12,520                          | 6,58,324                          |
| December . . . . .                        | 20,29,937                          | 5,25,609                          |
| January . . . . .                         | 26,34,082                          | 12,82,723                         |
| February . . . . .                        | 17,61,825                          | 11,79,510                         |
| March . . . . .                           | 20,97,206                          | 20,74,599                         |
| Total                                     | 2,14,84,992                        | 1,12,35,748                       |
| Less Refunds and Adjustments for the year | 23,19,287                          | 3,22,661                          |
|                                           | 1,91,65,705                        | 1,09,13,087                       |

FALLING OFF IN CUSTOMS REVENUE IN THE BOMBAY PRESIDENCY ON  
CHEMICALS AND MILL STORES USED BY THE TEXTILE INDUSTRY.

82. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Has there been any falling off in customs revenue in the Bombay Presidency on chemicals and mill stores used by the textile industry?

(b) If so, will Government be pleased to indicate in round sums the loss to revenue during the last two years for which accounts are available?

THE HONOURABLE MR. A. C. McWATTERS: (a) No, so far as can be ascertained from the figures available.

(b) Does not arise.

ABOLITION OF THE STAMP DUTY ON CHEQUES.

83. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state whether they have considered the abolition of the stamp duty on cheques in connection with the Report of the Blakett Committee on the proposed development of banking resources of the country?

THE HONOURABLE MR. A. C. McWATTERS: The reply is in the negative, but the matter will receive further consideration in connection with the action to be taken on the Report.

SUBJECTS DISCUSSED AT THE FINANCE MEMBERS' CONFERENCE HELD IN  
NOVEMBER, 1925.

84. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) what was the agenda of the Finance Members' Conference which met last November;

(b) what resolutions, if any, were passed;

(c) on what subjects common understanding was reached; and

(d) what were the other topics left over for next year's discussion?

THE HONOURABLE MR. A. C. McWATTERS: I would invite the Honourable Member's attention to the reply given by me a few days ago to a similar question by the Honourable Mr. Haroon Jaffer.

THE HONOURABLE MR. V. RAMADAS PANTULU: Will Government be pleased to consider the desirability of admitting members of the Standing Finance Committee to this Conference in the future?

THE HONOURABLE MR. A. C. McWATTERS: I think, Sir, that it is very unlikely that this suggestion could be adopted, because this Conference is a purely informal conference for interchange of views between representatives of the provinces and of the Government of India. It does not take the place in any way of official communications with the provinces.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Was any question raised in the Conference by the Madras member in respect of the remission of provincial contributions, and what was the decision arrived at?

THE HONOURABLE MR. A. C. McWATTERS: The proceedings, as I have explained, are not public and I cannot answer that question.

TRANSFER OF WORK DONE BY THE BANK OF ENGLAND ON BEHALF OF  
THE SECRETARY OF STATE FOR INDIA TO THE BRANCH OF THE  
IMPERIAL BANK OF INDIA IN LONDON.

85. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

(a) in what directions contracts for different purposes between the Bank of England and the Secretary of State have been modified after the opening of a branch of the Imperial Bank of India in London; and

(b) is there any item of work which the Bank of England is now doing which cannot be done by the Imperial Bank of India, London, for the Government of India? If so, what and why?

THE HONOURABLE MR. A. C. McWATTERS: (a) The management of India Rupee Loans and the accounts of the High Commissioner have been transferred from the Bank of England to the Imperial Bank of India.

(b) The Bank of England does also at present the work in connection with the manufacture of Indian Currency notes and acts as the banker of the Secretary of State. As the Honourable Member is aware, it is hoped that the former work will be transferred to India in the not distant future; as regards the latter, I invite the attention of the Honourable Member to sections 23 to 25 of the Government of India Act.

BROKERAGE PAID IN LONDON BY THE SECRETARY OF STATE FOR INDIA  
ON HIS FINANCIAL OPERATIONS.

86. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) In the last twelve months, for which complete accounts are available, will Government be pleased to state what amount of brokerage has been paid by the Secretary of State in London on his financial operations?

(b) Is there a recognised broker to the Secretary of State?

(c) Do Government anticipate any saving of these brokerage charges by working through the London branch of the Imperial Bank of India?

THE HONOURABLE MR. A. C. McWATTERS: (a) The brokerage paid in 1924-25 amounted to £11,328-11-9.

(b) The reply is in the affirmative.

(c) The question is, I think, hypothetical. The work for which these brokerage payments were made cannot be transferred to the Imperial Bank without an alteration in the constitution, though changes in the procedure might of course reduce its volume. The subject is of course closely connected with the matters now under the consideration of the Royal Commission on Currency.

THE HONOURABLE MR. PHIROZE C. SETHNA: Has the amount of £11,000 odd, as stated by the Honourable Member, been paid to one firm of brokers or more than one firm, and, if so, to how many?

THE HONOURABLE MR. A. C. McWATTERS: I believe the India Office brokers are Messrs. Nivison & Co. I think there is only one firm.

## THE BAWLA MURDER CASE.

87. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Has the attention of Government been drawn to the opinion expressed by the Honourable Mr. Justice Crump of the Bombay High Court in his charge to the Jury in the Bawla murder case:

"It is possible, whoever the assailants were, that there were persons behind them who we cannot precisely indicate.....There may be other persons who were interested in kidnapping Mumtaz. We know nothing of them. Indeed we know from the accused themselves that there was a wish to take her back to Indore.....when you consider the materials placed before you, they indicate that Indore is the place from where this attack emanated."?

(b) Are Government taking any steps to bring to justice the persons referred to by the learned Judge as being behind the accused?

(c) If not, why not?

THE HONOURABLE MR. J. CRERAR: (a) Yes.

(b) I am unable to add to the information which has already been made public.

(c) Does not arise.

## DISCONTINUANCE OF THE ISSUE OF PASSPORTS.

88. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Has the attention of Government been drawn to a leaderette in the *Times of India* of January 11th headed "Passports"?

(b) Do Government propose to take any action in the matter of discontinuing the issue of passports?

THE HONOURABLE MR. J. P. THOMPSON: (a) Yes.

(b) No.

THE HONOURABLE MR. PHIROZE C. SETHNA: Is the reply to (b) "No", because it has to do with some International Conventions or because of some similar reason?

THE HONOURABLE MR. J. P. THOMPSON: If the Honourable Member wishes to have any more detailed information on this delicate question, I shall be obliged if he will put his question in writing and give due notice of it.

## EXPENDITURE ON THE COLLECTION AND SUPPLY OF AERIAL INFORMATION BY THE METEOROLOGICAL DEPARTMENT TO THE ROYAL AIR FORCE.

89. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Will Government state if it is a fact that a considerable amount of money has recently been spent by the Meteorological Department on the collection and supply of aerial information to the Royal Air Force?

(b) Has the obligation of the Department to perform this special work in any way hindered its researches and general services for the benefit of agriculture?

THE HONOURABLE MR. A. H. LEY: (a) The amount provided in the current financial year for the purpose is Rs. 21,800, of which Rs. 7,600 is

non-recurring. Owing to some delay in the introduction of the scheme the actual expenditure is likely to be less.

(b) No. On the contrary the information collected for the Royal Air Force is of considerable value to the Meteorological Department, for general purposes.

## PROVISION OF ADDITIONAL FUNDS FOR THE DEVELOPMENT OF DISCOVERIES AFFECTING THE FORECASTING OF RAINFALL IN INDIA.

90. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Has the attention of Government been drawn to the statement in the latest Administration Report of their Meteorological Department that it has in recent years made important discoveries affecting the forecasting of rainfall in India?

(b) Is it a fact that the development of these discoveries is hampered by the lack of funds?

(c) Will Government be pleased to state what steps they propose to take to develop these discoveries and whether they will, in the forthcoming Budget, allot additional funds for such development?

THE HONOURABLE MR. A. H. LEY: (a) and (b). Yes.

(c) Government have under their consideration proposals for the increase of the superior staff of the Department and for the removal of its headquarters from Simla to Poona. Necessary steps are being taken to provide additional funds for both schemes in the Budget of the Department for the year 1926-27.

## RESTORATION OF THE THROUGH FIRST AND SECOND CLASS COMPOSITE BOGIE BETWEEN HOWRAH AND LAHORE.

91. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state when they intend to restore the through running of a first and second class composite bogie between Howrah and Lahore?

THE HONOURABLE MR. D. T. CHADWICK: A copy of the question will be sent to the Agents concerned in order that the suggestion may be brought to their notice, but the Government cannot say whether it can be accepted and they do not propose to issue formal orders on the subject. The Honourable Member might get the question raised in the Agents' Local Advisory Committees.

## SAVINGS EFFECTED AND INCREASE IN EFFICIENCY OBTAINED BY THE INTRODUCTION OF THE DIVISIONAL SYSTEM ON STATE RAILWAYS.

92. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will the Government kindly state what financial saving has been effected and what increase in efficiency obtained by the introduction of the Divisional System on each of the State Railways?

(b) What was the number of officers in each class in each department and on each of the State Railways before the introduction of this system and what it is now?

(c) What is the percentage of working expenses against receipts under the new system now and what was it before the introduction of this scheme?

THE HONOURABLE MR. D. T. CHADWICK: (a) The Divisional System was introduced on the Great Indian Peninsula Railway from 1st November, 1922, on the North Western Railway from 1st October, 1924, and on the East Indian Railway from 20th February, 1925. It is not possible to state in figures the saving which has been effected in expenditure or the increase obtained in efficiency as a direct result of introducing this system on these railways.

(b) The total number of officers on the North Western Railway and the combined East Indian and Oudh and Rohilkhand Railway before and after the introduction of the Divisional System was respectively:

North Western Railway—224 and 214.

East Indian and Oudh and Rohilkhand Railway—295 and 278.

As regards the details for each department separately, no useful comparison can be made because with the introduction of the Divisional System a number of the appointments are common to all the principal departments. As regards the Great Indian Peninsula Railway, the Divisional System was introduced over 2½ years before the Railway was taken over by the State and figures of reductions are therefore not readily available.

(c) The Honourable Member will find in Statement 7 of Volume II of the Report on Indian Railways, page 50, the percentage of working expenses to gross earnings for each railway for the financial year 1924-25. Similar statements are to be found in Volume II of the Report for the previous year. The Honourable Member will see that naturally from these statistics the changes in these ratios towards which the reorganisation on the Divisional System is only one factor.

#### ALLOWANCES GRANTED TO FRONTIER TRIBES FOR THE PROTECTION OF THE KHYBER RAILWAY.

93. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it has given any sort of grant or allowance to frontier tribes or Militia to guard the track of the new Khyber Railway? If so, what is the amount and period of such expenditure?

THE HONOURABLE MR. J. P. THOMPSON: Yes, Sir. The ultimate responsibility for the safety of the line rests with the Afridis and the Shinwaris whose allowances were increased in 1921 for their co-operation over the railway by Rs. 1,12,000 annually. For the actual protection of the line 354 Khassadars are at present employed at an annual cost of Rs. 1,41,440.

#### GUARANTEE OF APPOINTMENTS IN THE RAILWAY SERVICE TO STUDENTS OF THE MACLAGAN ENGINEERING COLLEGE, LAHORE.

94. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether they propose to guarantee some appointments every year in their railway service for students who have successfully completed the course of Mechanical Engineers in the MacLagan Engineering College, Mughulpura, Lahore? If the answer be in the negative, will they state the reason? If the answer be in the affirmative,

will they kindly state what steps they propose to take to bring these students into service?

THE HONOURABLE MR. D. T. CHADWICK: Government cannot guarantee posts to any particular college. It is contemplated that selected youths will be trained by Government, both in practice and theory, in this country and in England, in order to fit them for the superior branch of the Mechanical Engineering Department of State Railways.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Do not the present mechanical engineering colleges meet the requirements of the railways? There is the MacLagan Engineering College at Lahore and I should like to know whether students who pass out of that college are fit for employment in the railway service?

THE HONOURABLE MR. D. T. CHADWICK: The answer, Sir, is that the students from any college will be eligible for selection for the further training that is required by the railways if they attain certain standards. As to the special merits of the MacLagan Engineering College in Lahore, I am afraid I have no personal knowledge whatever.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Honourable Member kindly inquire and inform this House whether the MacLagan Engineering College does or does not fulfil the railway purpose for which it has been mainly founded?

THE HONOURABLE MR. D. T. CHADWICK: I think the Honourable Member must wait till the scheme that the Railway Board has in preparation is published.

#### INTRODUCTION OF THE AUTOMATIC COUPLER SYSTEM ON BROAD GAUGE RAILWAYS.

95. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it is under contemplation to introduce the automatic coupler system on broad gauge railways in India? Will they state what will be the total cost of this new scheme, including the cost of strengthening the centre part of the underframes of rolling stock? Why is it proposed to introduce this system? What amount do the Government expect to realise from the sale of buffers, and draw-bars scrapped, and what is their present value?

#### EXPECTED SAVINGS CONSEQUENT ON THE INTRODUCTION OF THE AUTOMATIC COUPLER SYSTEM ON BROAD GAUGE RAILWAYS.

96. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what savings they expect to make per ton per mile on these long distance trains with automatic couplers as compared with the present draw-bar system, taking into consideration the loss involved in disposing of the draw-bars, buffers, etc., and the cost involved in purchasing the new automatic couplers and of strengthening the centre part of the underframes of rolling stock?

THE HONOURABLE MR. D. T. CHADWICK: I propose to reply to questions Nos. 95 and 96 together.

The Honourable Member is referred to the speech of the Honourable Sir (then Mr.) Clement Hindley, in the Council of State meeting, dated

20th February, 1925, and the debate on this question in the Legislative Assembly on the 28th February, 1925.

2. The final figures relating to the cost of the whole scheme are not available as important factors affecting that cost are still under further investigation.

#### ELECTION TO THE PANEL OF THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: With reference to the motion adopted by the House on Wednesday last, I have to announce to the House that nominations to the panel of the Standing Committee on Emigration will be received by the Secretary till 12 noon on Thursday next, and that in the event of an election being necessary the election will be held on Monday, the 22nd February.

#### BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill to amend the Presidency-towns Insolvency Act, 1909, and the Provincial Insolvency Act, 1920, and of a Bill to consolidate and amend the law relating to the naturalization in British India of aliens resident therein, which were passed by the Legislative Assembly at its meeting held on the 10th February, 1926.

#### RESOLUTION *RE* APPOINTMENT OF A ROYAL COMMISSION TO INVESTIGATE INTO THE WORKING OF THE INDIAN CONSTITUTION.

THE HONOURABLE THE PRESIDENT: I understand that some arrangement has been arrived at in regard to the first Resolution\* in the name of the Honourable Mr. Sethna. I should like to have that confirmed in order not to embarrass the Honourable Member by calling on him to move the Resolution.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, in view of the great importance of the issues raised by my Honourable friend's Resolution, the Honourable the Home Member is particularly anxious to be in this House when the Resolution is moved. He is unfortunately detained by very urgent business in another place to-day, and it is proposed, with the concurrence of my Honourable friend opposite, that the Resolution standing in his name be placed on the list of business on Thursday, the 18th instant. I trust that course will commend itself to the House.

#### RESOLUTION *RE* THE ROYAL COMMISSION ON AGRICULTURE.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-official): With your permission, Sir, I beg to move:

"That this Council recommends to the Governor General in Council to lay on the table of this House the correspondence that has passed between the Government of India, the Secretary of State and the Provincial Governments on the question of the appointment of a Royal Commission on Agriculture."

\*"This Council recommends to the Governor General in Council to urge upon His Majesty's Government the appointment forthwith of a Royal Commission to investigate and inquire into the working of the present Indian constitution and to formulate a scheme for the establishment of responsible government in India."

Sir, I make no apology to this House for bringing this very simple motion before them. This is only a formal motion and asks for the publication of the papers, and I feel already indebted to the Honourable Sir Muhammad Habibullah, whose appointment as the Leader of this House we all welcome, for placing certain papers and correspondence that passed between the Government of India and the Provincial Governments on the table of the Legislative Assembly, and I hope, Sir, he will meet our wishes by placing the papers and correspondence that passed between the Government of India and the Secretary of State on the table of this House. Sir, I have adopted this normal Parliamentary formula to give this House an opportunity of debating this important question, that is the appointment of a Royal Commission on Agriculture, and I hope the House will bear with me for a few minutes on the subject.

From the correspondence which has been placed on the table of the Legislative Assembly, it is evident that the initiative for the Royal Commission did not come from the Provinces. It either came from the Government of India or from the Secretary of State. In my opinion, it was a very unusual procedure to adopt when we consider that Agriculture is a provincial transferred subject. I however find, Sir, that when the official communication from the Government of India was sent out to the provinces, it met with a cold response from some of the major provinces, while others welcomed it. For the benefit of this House, I will read only two letters, one from the Government of Bombay, which has given a very cogent answer to the Government of India. The Bombay Government states:

"I am to state that in the opinion of this Government the problems of agriculture are largely local in character and even the results of general research frequently require prior local investigation before they can be applied successfully to any particular area. The Government of India are aware that much useful work has been done in this Presidency as in other Provinces in defining local problems and determining their solution. An extension of these activities has been limited only by the financial stringency from which this Presidency, in common with other Provinces, has suffered. The Government of Bombay recognise that the findings of a Royal Commission on Agriculture would throw much light on numerous important problems connected with that industry. In particular, should the appointment of the Commission result, as is anticipated in para. 1 of your letter, in research work on a larger scale than hitherto being undertaken by the Government of India, it would be of very great value. The Government of Bombay, however, believe that much of the work of the Commission would require to be supplemented by local investigation which they, and possibly other Provincial Governments, may be unable to undertake in their present situation".

I will now come, Sir, to the Government of Bihar, which is presided over by a distinguished Civil Servant. After welcoming in a few sentences the appointment of a Royal Commission, the Government of Bihar says:

"The Local Government think, however, that the attention of the Royal Commission should be called, at the outset, to the necessity of considering separately the problems of the various parts of India. Owing to local circumstances, these problems vary in the different provinces, and it would seem desirable that the Commission should report separately on the circumstances of the main divisions of the country in the same way as was done by the Indian Sugar Committee. While it may be possible to recommend the general lines of policy applicable to India as a whole, the area is so vast and the local conditions are so diverse that if such recommendations are to be of practical use, they must be supplemented by specific advice as to the special measures required in the different parts of India, which have so far developed on different lines."

Against these opinions, Sir, there are the views of the other Provincial Governments. They have stipulated that the importance of the question of land revenue, land assessment and agricultural indebtedness should be

[Mr. K. C. Roy.]

clearly kept out of the purview of this Commission. They have also stipulated that they should be given a chance of expressing an opinion on the personnel of the Royal Commission, and they think that there should be no interference with the ministerial responsibility in the provinces. Under these circumstances, the question is, whether my Honourable friend Sir Muhammad Habibullah was right in advising the appointment of a Royal Commission on Agriculture.

This now brings me to a most important question, and that is the rights and privileges of this House. After the two memorable speeches which the Secretary of State and His Excellency the Viceroy made last autumn, there was a belief that a Royal Commission would be appointed. The matter was brought to the notice of the Legislative Assembly by Mr. Ranga Iyer, who asked: "Do the Secretary of State for India and the Governor General in Council agree that a special Commission should be appointed for this purpose, and Mr. Bore on behalf of the Government replied:

"A special commission is not in the present circumstances considered necessary."

and only two months after this we have the announcement of the appointment of a Royal Commission. Now, Sir, in appointing this Royal Commission, the Government of India have followed a peculiar procedure. The appointment of a Royal Commission, Sir, I take it, is the prerogative of the Crown, and the Crown appoints a Royal Commission on the advice of the British Government, and possibly of the Government of India, because the Government of India is the agent of the British Government in this country. But a novel procedure has been followed. All the Provincial Governments have been consulted not only on the terms, but also as to the advisability of appointing a Royal Commission. And who were the people left out? The Central Legislature. The Central Legislature, Sir, has got to find the money. It has to pass Bills, if any are required on the findings of the Royal Commission. I think, Sir, in this matter a most unjust treatment has been meted out to this House.

I will now, Sir, refer briefly to the terms of reference. I feel very strongly that the Government of India have tied down the Royal Commission too much. They have given a guarantee to the provinces that the Royal Commission will not in any way trench upon the ministerial field. But this is not the practice in other parts of the British Empire, particularly in the Dominions where agriculture is the primary industry. I will only give you the instance of what is done in Canada. It is provided in section 95 of the British North America Act that:

"in each province the Legislature may make laws in relation to agriculture in the Province."

It is also declared that:

"the Parliament of Canada may from time to time make laws in relation to agriculture in all or any of the provinces, and that any law of the Legislature of a province shall have effect in and for the province as long and as far only as it is not repugnant to any Act of the Parliament of Canada."

In other words the right of concurrent legislation by the Dominion Parliament and Provincial Legislatures is expressly established in the

Dominion. What is the cause of our departure? Why should not the Commission have a free hand in the matter? Why do you tie them down?

Now, Sir, I come to another important factor, that is an important omission from the terms of reference. The terms of reference make a great show of rural economy and indicate a great desire to develop rural welfare and prosperity. But how can this be done when you have left out of the terms of reference the land revenue? You have left out the question of assessment. This question has not been examined for a very long time. It was examined by the Hobhouse Committee in 1907, not from the point of view of rural economy or agricultural welfare, but from the point of efficient administration and administrative control. It was also tackled in a very small way by Lord Chelmsford and Mr. Montagu in connection with the Reforms Scheme. Now that we are considering rural economy and rural welfare we have to consider this question. The Government of India are afraid of vested interests; they are afraid of meeting the situation to-day; but, Sir, the proletariat, which is gaining authority, will very soon assert itself and will demand a complete re-examination of rural conditions in India. We are only deferring the evil day and we are doing nothing. In moving my Resolution, I should like to make it absolutely clear that I am not opposed to the Royal Commission. In fact I welcome it, but I am sorry that the great object which His Excellency has in view and which he has more than once emphasized in this House will not be fully realised by the Commission which my friend the Honourable Sir Muhammad Habibullah wishes to appoint. With these words I commend my Resolution to the notice of the House.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay; Non-Muhammadan): Sir, the Honourable Mr. Roy, in moving his Resolution, began in a manner as if to imply that he did not approve of the appointment of the Royal Agricultural Commission. Proceeding further he has given us his reasons for what he finds wanting in the proposed terms of reference and he has told us that he certainly favours the appointment of the Commission. I welcome the Resolution because it will give the Honourable Members of this House an opportunity of knowing how the terms of reference were arrived at, etc. It seems that my friend the Honourable Mr. Roy has had an advantage over us because, if I heard him correctly, he has been supplied by the Department concerned with the correspondence exchanged between the Government of India and the different provinces. We have not seen the same, and I therefore support this Resolution so that the Members of this House may know what correspondence has passed in regard to the appointment of this Commission.

Personally I am very strongly in favour of the appointment of this Commission. I have advocated this frequently. Even in the Council of State nearly three years ago I moved a Resolution asking for the appointment of a Committee for a survey of the economic conditions of the people of India with special reference to the conditions of the agricultural population, and I find, Sir, that His Excellency the Viceroy was pleased to make a reference to that Resolution in the course of the speech which he made to this House six days ago. In this Council and outside I have always urged that because three men out of four in this country live on the income of the soil, improvement in the conditions of agriculture must be given greater attention to than is at present done both by the Central and the Provincial Governments. I may be permitted, with your permission, to quote a few

[Mr. Phiroze C. Sethna.]

lines from a speech I made just a year ago at the annual meeting of the Central Bank of India. I observed then:

"Agriculture, the premier industry of the country, has a great future before it, but it needs to be fostered, as is being tried in Madras, by institutions such as land mortgage banks. I commend the farsightedness of the Madras Government to the Government of Bombay as well as other Provincial Governments in the matter. As regards industries, the example of Japan and Germany should be pressed into service and industrial banks started under proper control by the State. As long ago as 1919, Government were willing to appoint a committee to inquire into the subject, but nothing has so far been done."

I said this 12 months ago, and I am glad to find that something definite has been done and that a Commission is to be appointed.

Another reason why I welcome this Resolution is that the announcement of the appointment of this Commission had created a suspicion in the minds of some people and reference has been made in the press to perhaps some ulterior motives which the Government have in view. His Excellency the Viceroy I know has answered that charge, but a perusal of the papers asked for in the Resolution between the Government of India and the Secretary of State will convince the whole country, and that portion of the press particularly which I have referred to, that there is no such ulterior motive behind it, and for that reason I trust the Honourable Member in charge will welcome the Resolution of my friend Mr. K. C. Roy.

One other reason for asking for the papers is that if they are submitted to the House, it will enable the Members to know and to see if any recommendations have been made by the Government of India to the Provincial Governments or by the Provincial Governments to the Government of India in regard to the personnel of this Commission. As this House is aware, there was much criticism in regard to the personnel of the Royal Currency Commission. I do not mean to refer to that at any length to-day. I will only say in brief that if we go by cities, it was held, and rightly held, that out of 10 members of the Royal Currency Commission, as many as five had intimate relations with the trade of Calcutta, whilst there was only one representative from the city of Bombay; and I am sure that Government will admit that Bombay is as large and important a commercial city as Calcutta, or even more so. If next, different businesses are taken into account, then again we find that, whilst there are five members of the Currency Commission intimately connected with the Imperial Bank of India, and one member intimately connected with exchange banks, and although the Honourable the Finance Member is very anxious that Indian banking should prosper and be greatly increased, yet not one single member connected with any of the Indian banks has found a place on that Commission. If these papers which the Honourable Mr. Roy has asked for are placed on the table, it will enable Members to make suggestions to the Honourable Member in charge for Agriculture in regard to the personnel. We quite realise that this is the prerogative of His Majesty the King, but surely, Sir, His Majesty is not personally acquainted with the men he appoints or knows their qualifications. He has perforce to rely on the recommendations made by the men on the spot.

I would certainly urge that certain claims are not ignored. I hope that the Forest Department will not be ignored. Forestry has much to do with Agriculture, and I for one would certainly suggest that a forest expert be put on this Commission. Further, I do hope that an industrialist

connected with the textile industry of this country is also put on this Commission. The House may naturally ask why an industrialist is connected with the textile industry? The reason is this. India is the second largest producer of cotton in the whole world. A very large proportion of it is consumed by the mills in the country. Therefore, textile industrialists must have a say in this matter because of the kind of cotton that they require for their own wants and because of the cotton that is necessary for export purposes. And in this connection it may interest the House to know, if they are not aware already, that several textile industrialists on the Bombay side are largely interested in the cultivation of large staple cotton in Sind and elsewhere, and that, Sir, to my mind is a very strong reason for not leaving out such an industrialist from the personnel of this Commission.

Again, Sir, as the Commerce Department may well be aware, whilst at the present moment a very large number of bales are exported to Japan it is quite possible that in the near future if the staple of cotton grown in this country is not improved there will be a considerable diminution in the export of Indian cotton to Japan. Japan wants to be independent of India if she can in the matter of its cotton purchases. Japan has large interests in China. They are already growing cotton there to a certain extent, but Chinese cotton has a very short staple, and so far they have not been able to grow cotton of the same staple as, say, Broach. Therefore, it is to our interest to grow more cotton of the larger staple so that we may not lose the markets to which we export our cotton to-day, and which we are bound to lose if no proper interest is taken in this question. I therefore appeal to the Honourable Member in charge to consider the suggestions I have made, and I do hope the personnel will be such that there will be no room for criticism in the case of this Agricultural Commission as there was in the case of the Royal Currency Commission. With these remarks I strongly support the Resolution of my Honourable friend Mr. K. C. Roy.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, it is indeed a matter of very great pleasure to me that on the very first non-official day of the first Session of this reconstituted House the place of honour has been given to a subject of such vital importance to India. Indeed, it is one more proof, if proof were needed, of the earnestness and the abiding interest which the Members of this House have always evinced in the amelioration of the condition of the agricultural classes of this pre-eminently agricultural country. It must be confessed that agriculture is, and will continue to be, the primary industry of India. We all know that 3 out of 4 people in this country depend on agriculture for their livelihood. It was I think Dean Swift who uttered the truism that anyone who enables two blades of grass or two ears of corn to grow where only one grew before is a real patriot. I therefore, Sir, welcome this opportunity of hearing the views of this House in regard to this important question of agriculture.

I think I may dispose of the Resolution now under discussion in one single word. As the Honourable the Mover of the Resolution has already pointed out, on a demand made by the other House, I have already laid on the table the correspondence which passed between the Government of India and the Provincial Governments and from which the Honourable the Mover has already quoted. This Resolution now asks me to lay on



[Sir Muhammad Habibullah.]

the table of this House not only the correspondence which passed between the Government of India and the Provincial Governments but also that which passed between the Government of India and the Secretary of State. I may at once say that I accept the Resolution and agree to place on the table that correspondence\* as well.

I think I may pass in brief review a few of the observations—I shall certainly not call them criticisms,—which have been made by the Honourable Mr. K. C. Roy. He seems to suspect that two, at any rate, of the Local Governments have been seized with a feeling of lukewarmness in welcoming the constitution of this Commission. He will give me credit if I affirm that I am more accustomed to read official correspondence than he has had the opportunity of doing, and I am in a better position to interpret the language of official documents than he can be. I challenge my Honourable friend to point out a single word in the communications of those two Governments wherein they express anything like dissent from the proposal that was put forward before them. They have, in common with other Provincial Governments, welcomed the Royal Commission, but they add or they make some supplementary suggestions. The Government of Bombay very naturally in its present financial position sees that if any recommendations are made by the Royal Commission which would involve an additional financial burden, it may probably be impossible for it to foot the Bill; and it has therefore, if I read that Governments mind correctly, registered its claim in advance for such financial assistance as it may have to apply for when the recommendations of the Royal Commission are finally known. The Bihar and Orissa Government has very rightly brought to our notice the fact that besides questions of all-India interest, there are questions of peculiar interest and peculiar difficulties which confront every province, and that the Royal Commission had better devote some of its time and attention to examining and exploring those particular difficulties and favour the provinces with suggestions for their solution. We have indeed met that demand by making it quite plain, quite clear, that the Royal Commission will, while making investigations in any province, put itself in direct communication with the Local Government and take such evidence as it can with the help and assistance of the Minister in charge of Agriculture, co-operation and other departments connected therewith. There is therefore no fear to apprehend:

12 Noon. there is no idea anywhere that the Royal Commission should not try and help each and every province to solve whose difficulties it has been established. I may therefore assure my Honourable friend that he might for the time being dismiss from his mind any suspicion that any Local Government is lukewarm about this Commission. I may give him the assurance that every Government welcomes it.

I think I will take next in order the complaint—if I may use such a strong word—which he made in regard to the change in the attitude of the Government of India, if I have understood him aright, as explained in another place in answer to a question which was definitely asked. I think he drew our attention to a question that was asked by Mr. Ranga Iyer and to the answer given by Government that there was no intention at that time of appointing a Royal Commission. Let us be quite sure about the dates. The speech of His Excellency the Viceroy to the two

Houses of the Legislature was made on the 20th of August, 1925; and in that speech His Excellency had distinctly and clearly given expression to this view:

“My Government while giving due attention to industries in the restricted sense of the term are determined, so far as circumstances permit, not to neglect the interests of what is really the greatest of all Indian industries, namely, agriculture. I know from my discussions with the Secretary of State that my Government can rely upon his most cordial support of this policy. The direct responsibility of the Government of India for agricultural development in the provinces ceased with the inception of the Reforms. In view, however, of the paramount importance of agriculture as the basic industry of the people of India of the improbability of Provincial Governments being in a position to undertake research on the scale required and of the necessity for co-ordinating activities in the wide field of agricultural development, the Central Government must continue to play a humble part in agricultural progress.”

And then he foreshadowed the appointment of a central Agricultural Board to co-ordinate the activities of the various provinces. Well, five days after that speech had been delivered, a question was asked whether the Government intended the appointment of a Royal Commission. Five days was not long enough to have enabled the Government of India to have come to a conclusion different from that which His Excellency the Viceroy had announced in opening the Session, and the inevitable reply therefore was that the Government of India had no present intention of embarking on the appointment of a Royal Commission; and in the course of his speech on the 20th January, 1926, while opening the Session of the other House His Excellency has given full, exhaustive and cogent reasons as to why he and his Government came to the conclusion that a question of such magnitude, of such importance and of such vital interest cannot be solved merely by the establishment of a Central Board of Agriculture, but that it should be handled in all its bearings by a Royal Commission, and that he and his Government had come to that conclusion with the assent of His Majesty. The interval between the two was utilised for the purpose of giving to this important question that consideration which it indeed deserves; and as a result of that consideration it was found, and very rightly found, that the interests were so diverse, the questions were so complicated, the issues were so important, that nothing short of a Royal Commission could be expected to handle them effectively and successfully.

Well, Sir, I think I have been next asked, why the Legislature was not given an opportunity of expressing its opinion before this Royal Commission was actually announced. I think I have already made it sufficiently plain that so far as this House is concerned, we have been, from time to time, supplied by it with its views and opinions as to the course of action which would have pleased it most. From the year 1923, definite Resolutions were being moved in this House advising, suggesting, rather pressing, the need for a comprehensive investigation into the agricultural conditions of this wide Empire. Indeed one or two Resolutions were framed on lines which, if they were read once more, will give a clear indication that they are the lines on which the terms of reference are based now. I shall certainly not deny the same credit to the other House. Indications have not been wanting even there of the earnestness, the enthusiasm and the interest displayed by its Members. They have constantly asked questions which suggested that the Government of India must take some definite action in this direction. They have tabled various Resolutions suggesting the appointment of this committee and

\*The whole of the correspondence is printed as Appendix A to these proceedings.



[Sir Muhammad Habibullah.]

that to investigate into particular problems which are germane to the agricultural prosperity of India. We have had, therefore, a clear indication of the direction in which the wind is blowing. We knew as a perfect certainty that this House as well as the other were eager, were anxious that the Government of India should do something for the purpose of solving this all-important problem which is at the very root of the welfare, happiness and prosperity of no less than three-fourths of the entire population of India. We therefore took time by the forelock and we applied our minds to the consideration of that question; and we in the first instance came to the conclusion that this could be solved by merely setting up a Central body which would co-ordinate the work of the provinces and bring about the desired millennium. We had to revise that view in the light of facts which were placed before us. We came, therefore, to the deliberate conclusion that we must not any more pursue the idea of merely installing a Central Board to tackle a problem of this magnitude, but that we should call to our aid a Royal Commission which will survey the whole field and make recommendations with the object of bringing an advance in this the premier industry of India. I should, therefore, think, Sir, that there has been no disrespect shown either to this House or to the other in the conclusion which we reached. The Honourable Member quoted for our information the practice and rules which obtain in Canada, and inquired why we have allowed agriculture, which is the basic industry of India, to be consigned, so to say, to the limbo of insignificance by its being called a transferred and a provincial subject, and in which the Government of India find themselves helpless to take any direct action. Well, Sir, it may academically be profitable to compare notes with other Dominions and countries in the world, but I must submit at the same time that we have got to remember the fact that our constitution, our procedure and our governmental methods are different to those obtaining in either Canada or other Dominions. The Reforms have brought about a change. The change is there. We have all to accept it, and having accepted it, we have got to work in a way so as to secure the object in view. The object in view undoubtedly was the advancement of the agricultural population. That, we hope, to secure, in spite of the fact that Agriculture is a transferred provincial subject, by the appointment of this Royal Commission. I wish our procedure was different. I wish agriculture had been entirely a central subject, but it is only my pious hope. I cannot change the Constitution. I cannot go back on the Reforms. It is, therefore, quite necessary to bear in mind that, while we attempt to do anything, we should do nothing which would offend against the very framework of the Reforms.

Then the Honourable the Mover raised a complaint that we have excluded from the terms of reference questions regarding land ownership, land tenure, assessments of land revenue and so on. Sir, my own idea of the questions regarding land ownership and land tenure is absolutely different from the idea of the Honourable Member who has moved this Resolution. I think these questions are so complex and so complicated that it will not be possible for a Commission set up for a different purpose to bring under its ambit an investigation, an exploration, into questions bristling with such intricacies. Indeed, these questions differ from province to province, nay more; they differ in parts of the same province. This by itself would justify the appointment of a separate Commission.

and it is not desirable that these intricate questions should be dealt with by a Commission of this sort which has been set up with a definite object. Further, land ownership, land tenure and other cognate questions are already dealt with by the local Legislatures. There are laws in the various provinces which regulate the land ownership and land tenure. These laws are amended from time to time as the necessity for them becomes urgent. Some of the Local Governments have at the present moment legislation on hand for these specific purposes, and I should certainly not think that it is within the purview of a Commission like this to make definite recommendations on these questions.

As regards the land revenue assessment and I may add, water rate as well, which in some provinces is regarded as an integral part of the land revenue administration, the recommendations of the Joint Parliamentary Committee to enact legislation regarding them are there. In answer to a question by an Honourable Member opposite this morning, I said that four provinces have already introduced this legislation. One other province has got it ready, and other provinces have already applied their minds, and it is expected that that legislation will also be introduced in the near future. Here again, let me repeat that these are not questions which could have been included within the purview of the Commission which we have appointed. But, I confess, Sir, that there may be particular occasions when possibly this Commission might have to deal with questions regarding land ownership and tenancy, though not directly but incidentally, and I am tempted to read from one of the papers which I placed on the table. The Secretary of State while accepting that recommendation has added these observations:

"I agree that the Commission, if for no other reason than that it is not qualified, cannot be expected to deal with such questions as the relationship between landlords and tenants, land revenue systems, assessments or irrigation charges. Nevertheless it is inevitable that witnesses will refer to them during inquiry, and I do not think that the Commission should be precluded from examining witnesses on them with a view to eliciting whether, and to what extent, present conditions of agriculture, etc., are affected by them, and although the Commission should certainly not investigate these subjects or make specific recommendations in respect of them, I consider it should not be precluded from referring to them as matters directly connected with the main question under inquiry."

Now, in the light of this clear pronouncement of the Secretary of State, I take it that the fears which the Honourable Mover has expressed will disappear, and that he will see that, although these are not the direct subject-matter of investigation, still the Commission will deal with them, if they feel that they are connected with some issues which they are investigating and for the determination of which they consider that evidence is necessary or evidence has already been taken. And I repeat the words of the Secretary of State once more:

"The Commission should not be precluded from referring to other matters directly connected with the main question under inquiry."

I am indeed grateful to my friend the Honourable Mr. Setlana for having drawn my attention to what he considers would be a very satisfactory and reasonable constitution of the Royal Commission. Well I thank him for the suggestions which he has made and while I assure him that I shall certainly consider them very carefully, it must at the same time be recognised that by the very nomenclature the Commission is Royal, and as such the appointment of members to a Royal Commission is entirely the prerogative of the Crown and the matter, as was already stated by His

[Sir Muhammad Habibullah.]

Excellency the Viceroy in his speech the other day, is now engaging the attention of the Secretary of State. We shall certainly endeavour that the constitution of this Commission is such that it contains members who will bring the requisite knowledge and the requisite experience to bear on the solution of the issues, important as they are, with which they are entrusted, and I do hope that, when the Commission is actually announced, it will meet with universal approval. Having therefore, Sir, accepted the Resolution in its entirety, and having just attempted to make a few remarks on the observations made by my Honourable friend, I do not think there is anything more left for the Honourable Member except to withdraw his Resolution.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadian): Sir, the House is indeed grateful to the Honourable Mr. K. C. Roy for raising this very important debate on a very formal motion. If the public has any suspicion of the way in which this Royal Commission has been brought into existence, the public is not to blame for it, but the Government of India are entirely to blame for it. After the assurance His Excellency the Viceroy has given, I am not going to say that we are going to read any dark political motive into this Commission; but if the Government had shown the consideration which they ought to show to the Central Legislature by taking it into their confidence before recommending the terms of reference to His Majesty's Government, it would have given greater satisfaction. In fact we only heard of this Commission when His Excellency made this announcement, and I expect we shall hear the final stages of the accomplishment of the scheme only when the Government ask for a grant for the expenditure of this Commission. I think this is hardly the way in which the Central Legislature ought to be treated and the country ought to be treated in a matter of this importance. Therefore, whatever suspicions may be entertained in this matter are entirely due to the very unsatisfactory way in which the Government ushered this Commission into existence.

Then, Sir, there are one or two matters about which one is a little apprehensive. I would only mention them so that the Honourable the Leader of the House may use his influence with the Government with regard to widening the scope of the inquiry. This House is aware that the Joint Parliamentary Committee in their report have drawn attention to the fact that of all taxes land revenue alone is levied without legislative sanction, and that they have made a significant recommendation in the report, namely, that "they proposed that the process of revising the land revenue settlement ought to be brought into close regulation by Statute as soon as possible." In Madras we have been struggling to get some legislation passed in this direction for the last six years and we are nearing the completion of the life of the second term of the reformed Councils, and yet we were told, in answer to a question the other day, that the matter is still under the consideration of the Government of India. What the Government of India ought really to have done was first to tackle this question by placing the land revenue assessment and the land revenue policy of Government on a sound basis before they advocated this Commission. After all the Members of this House cannot deny that, whatever measures may be devised for the improvement of agriculture in this country, they cannot succeed unless you improve the condition of the agriculturist, and that it

can be improved only by a sound and humane land revenue policy, moderation of assessment, and helping the ryot by making the periodical settlements in such a way as not to make them oppressive. In the province from which I come three very important districts are in the throes of the periodical settlement, and what the people of these districts want is that this question of land revenue settlement should be placed on a statutory basis before the settlements are undertaken, and that an investigation into the conditions of the people of the province should be undertaken with a view to seeing whether they can pay the additional taxation. But it is proposed to increase immediately the land revenue by 25 per cent. A concession was made in regard to Tanjore, after an agitation, that it would be reduced to 18½, but all that is done before the necessary inquiry is made and the assessment subjected to legislative control as recommended by the Joint Committee. It is this reversing of the process and not dealing with the recommendations of the Joint Committee before appointing this Royal Commission that has caused suspicion. It looks as though the Government want to derive a larger revenue. I do not say it is not a legitimate object. Being the largest industry in the country, if there is an increase in the agriculturists' income, the Government may be entitled to a share of it. But this inquiry to some people means a method of finding out reasons for enhancing the land revenue and therefore there is a suspicion about it. I cannot conceal that fact. The Government would have been trusted much more by the people if they had first carried out the recommendations of the Joint Committee. Another matter which I wish to allude to is this. There is also some little suspicion that this inquiry might result, after all, in benefiting outside agencies and not the Indian agriculturists. The agriculturists will be benefited to some extent I have no doubt, but on most former occasions these Commissions have resulted in greater benefits to other people than the persons for whom they are intended. If as a result of this inquiry it is found that certain kinds of chemical manures and implements are necessary for this country, it will enable the foreign capitalist to export larger quantities of them to this country. While to-day manures which are available here are exported every day to other countries, we may be asked to import manures from other countries if the expert opinion arrived at by this Commission says that this is the best thing for us to do. Why do I say this? I am not merely speculating. The Madras Government in its Agricultural Department asked for the stoppage of the export of bone meal, oilcake and fish manure which are available in abundance in the Madras Presidency. We were told that if the export of these things was prevented it would lower the price and therefore the supply would be curtailed. Well it may be that such economic theory may do in some cases, but I do not think it would do in this case. We all know bone is a bye-product and oilseeds are not grown on any economic theory. The fishermen are not likely to change their occupations, and therefore this economic theory of reducing the supply by preventing export has no application to these manures. Still it is pressed and the Agricultural Department's efforts to get these exports stopped have proved a failure. Unless you therefore tackle these questions in a really sympathetic spirit and come to the rescue of the people with genuine sympathy for their indigenous wants, very little good will result from this Commission.

In my province the population per hundred acres of culturable land is 125, and calculations show that an agriculturist has not more than three-quarters of an acre to labour upon on the average. On that three-quarters

[Mr. V. Ramadas Pantulu.]

of an acre he has to raise all sorts of necessities for the sustenance of himself and his family. An agriculturist in my province, and I am speaking from personal knowledge, is not backward. He knows the art of agriculture; and many authorities I have consulted agree that the agriculturist in India is not by any means a backward or primitive labourer as is sometimes sought to be made out. He knows his work. Therefore the question of intensive production must be tackled from an intimate knowledge of the conditions obtaining in India. On these questions we shall be thankful to Government if they tackle them from the purely indigenous point of view, and not merely from the point of view of foreign experts. Economic theories of foreign experts are sometimes fallacious, and therefore I would request the Government of India in nominating the personnel of this Commission to have regard to the desire that Indians who are acquainted with the conditions of Indian agriculture should be appointed in a preponderating number. Of course we do want foreign experts to give us technical and scientific advice, but I think after all they are not the only best advisers in a matter like agriculture, where local conditions must be studied. Therefore, while we welcome the advice of foreign experts, the Government of India, we think, would do well to recommend a preponderating Indian element and only such Indians as are directly interested in agriculture and have got a first-hand knowledge of agricultural conditions in this country ought to be recommended to sit on this Commission. If all this is done, I am sure something will come of it. I am also glad to know from the Honourable the Leader of the House that though not directly but indirectly the question of the land revenue system and of tenures will be considered by this Commission, and I hope this inquiry will be undertaken very soon. The land revenue policy of Government was settled 80 years ago and a great deal of change has taken place in the country since then, and that policy requires very urgent consideration, and therefore the materials to be collected for this inquiry should be collected as soon as possible. With these observations and in the hope that the Government of India in recommending the personnel of the Commission, if they have not already done so, will take into consideration my request that it ought to be preponderatingly Indian and that Indians with first-hand knowledge of agricultural conditions in this country should be appointed to sit on this Commission. I beg to support the Resolution.

THE HONOURABLE SETH GOVIND DAS (Central Provinces: General): Sir, I also rise to make a few remarks on the Resolution of my Honourable friend Mr. K. C. Roy, but before I come to my subject I wish to make a few personal observations. I am perhaps, Sir, the youngest member of this House. The Assembly to which I had the honour to belong till the other day always treated me with the utmost indulgence and kindness, and I hope you, Sir, and the Honourable Members of this House, will extend to me the same kindness, although we may not see eye to eye in all the matters which are brought before this House. I think, Sir, I may be considered to represent the younger generation of this country, and I am afraid, Sir, their views are somewhat more advanced than the views of many of the Honourable Members here, but I think, Sir, they will appreciate the views of the younger generation.

Now coming to the subject I may point out that I belong to the class of landholders who have much to do with agriculture and its problems. But at the very outset I may mention, Sir, that this is not a matter which con-

cerns landholders only but the whole country. When we consider, as the Honourable the Leader of the House has just said, that 3 persons out of 4 are directly connected with the agricultural industry of this country, and that another 15 per cent. of the population is indirectly dependent upon the agricultural property of this country. Besides this, Sir, the industrial progress of the country also depends upon the future progress of agriculture. While, therefore, I welcome the announcement of this Royal Commission, I hold, as the Honourable Mr. K. C. Roy and the Honourable Mr. Sethna have just said before the House, that the terms of reference of this Commission are not adequate to cover the whole question. The Honourable the Leader of the House has said that the questions of land revenue and land tenure are complicated questions. I admit, Sir, that they are, but it does not mean that we should leave them untouched. The remedy lies in solving them and not shirking the responsibility. The Honourable the Leader of the House has also read in this connection a part of the announcement of the Secretary of State, but I think, Sir, it is insufficient. The settlement policy of the Government of India and the economic condition of the people are so much connected with each other, that you cannot examine one while leaving out the other. If you exclude land tenure and land revenue you exclude the most vital parts of the question.

I think, Sir, it would not be out of place if I were to make a few remarks on the merits of the question itself, as a grave responsibility lies on the present Royal Commission regarding the advancement of agriculturists in this country. The first charge that is laid at the door of the Indian peasant is, that he is conservative. I admit this charge; but in fairness to him I must point out that he is no fool. He has a long heritage of experience behind him, and if he is convinced that a certain thing is within his reach and is at the same time profitable to him, he will at once adopt it. Of course he has no use for an academic and itinerant lecturer from England or from America who delivers a lecture here and a lecture there and passes on. The way to convince him is not to publish the results obtained on some distant farm, but to demonstrate locally. Sir M. Visveswarayya, lately Dewan of Mysore and an experienced administrator, says:

"A few central experimental farms and a number of district farms have been working for several years past; but it cannot be said that they have influenced the general situation in any material degree. They are controlled by Government officials, between whom and the cultivator there is and can be no sympathetic understanding. The policy of agricultural development is controlled, not by experts, but by members of the bureaucracy, who obviously cannot, in the midst of their multitudinous executive duties, keep abreast of the achievements of scientific agriculture in the west."

I think, Sir, the remedy lies in a great and combined progressive movement and in remodelling the Government Departments of Agriculture.

The second charge that is laid at the Indian peasant's door is that he is illiterate. May I ask, Sir, who is responsible for this? The Government have shown criminal negligence in the matter of education of all classes, and specially of the rural classes. The present system of primary education is only fit for a city child and that is the reason why the villager has no love for it. There should be a rural school within the reach of every village as in the case of Japan, the Phillipines and the United States. What are the conditions in India to-day? According to Sir M. Visveswarayya, three villages in India out of every four are without a school, and 80 millions of children of school-going age are growing up without any

[Seth Govind Das.]

instruction. The expenditure on education in India from all sources, including fees, in 1916-17 was 11.2 crores of rupees, giving a rate of Rs. 14.8 per head of the school-going population or seven annas per head of the entire population. The corresponding expenditure in other countries was Rs. 38 per head in the United Kingdom, Rs. 104 in Canada, Rs. 114 in the United States of America. The figures speak for themselves and also for the backwardness of the country. When Prince Albert Victor, grandson of the late Queen Victoria, visited this country, the witty citizens of Poona in a well decorated and spacious pandal greeted His Royal Highness in these words "Tell Grand-Ma we are a happy nation, but 19 crores of us are without education." I am, Sir, a great believer in education, and the whole of the rural problem in India can be solved by following the right type of rural educational policy as was followed in the Philippines. In the Philippines rural schools have a garden attached to them and a farm in which the village child learns the use of the best seeds and the best processes; and from them the parents adopt those processes.

THE HONOURABLE THE PRESIDENT: I must ask the Honourable Member to leave education and come back to agriculture.

THE HONOURABLE SETH GOVIND DAS: I am referring to agricultural education, Sir. I shall only say a few words more. These schools demonstrate the use of scientific machinery. I admit, Sir, that the Government of India will say that they have established agricultural farms,

THE HONOURABLE THE PRESIDENT: Will the Honourable Member leave education and, as I suggested, come back to agriculture?

THE HONOURABLE SETH GOVIND DAS: I have already come to it, Sir. I know, Sir, that the Government of India will immediately say that they have established such farms, but they are most unnatural, as the quotations from Sir M. Visveswarayya read by me prove.

Now, Sir, coming to the indebtedness of the agricultural population, I may say that rural India is in great debt. I have personal experience of my province in this connection, and I can say without any hesitation that in certain villages there is not a single farmer who is free from debt. A writer in the *Round Table* of June, 1925, says in this respect:

"The interest was in no case less than 36 per cent. and sometimes it was as high as 100 per cent. per annum. Frequently the money-lender would not give receipts for payments made, so that when a cultivator fell into debt he never got out of it. His produce was mortgaged to the money-lender on the money-lender's terms, and anything the debtor wanted had to be purchased from the money-lender on his own terms. The man had usually to endure a hand-to-mouth existence, for he could neither accumulate nor save anything."

Although the conditions are not as bad as the writer depicts yet they are far from satisfactory. In my own case Sir, I may mention that we had to remit Rs. 15 lakhs within these few years to our own tenants until conditions somewhat improved.

Sir, this is the old old story of the two diseases of India which are sapping her inner strength, namely, illiteracy and poverty. Much can be said to emphasise the necessity for an expansion of the irrigation and pasture lands, but in comparison with these two evils they sink into insignificance. As regards irrigation, something has been done in Madras and in the Punjab; but in the rest of the country these things are still untouched and that is the reason why wet products like sugar-cane and other things are not cultivated in many parts of the country where they can thrive as

in our own provinces, the Central Provinces, where the tracts could be made useful for such products. At the same time, Sir, the whole land is so extensively cultivated that there is hardly any land left for pastures. In my own province the cattle are suffering immensely for want of grazing lands. The breed of cattle has also to be improved. I hope the proposed Royal Commission will seriously think of all these matters.

Finally, Sir, I am obliged to say a few words on the personnel of the Commission. The personnel of the Commission should be such that it should enjoy the confidence of agricultural India. Well known agriculturists and natural leaders of the people should be associated with the Commission, so that they may place their own experience at the disposal of the country. Given sufficient public money and honest patriotic efforts, Sir, this Royal Commission should achieve its goal, but this is only possible if the terms of reference are broadened and the personnel is such that it may command the confidence of the whole country.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO (Madras: Non-Muhammadian): Sir, I rise to support the Resolution moved by my friend, the Honourable Mr. K. C. Roy. In doing so I may be permitted to make a few observations not only for the consideration of this Council but also of the Government. For my part, I have my own misgivings with regard to the ultimate utility of this Commission to the poor and helpless peasants of India and the beneficent results, which, we are told, would accrue to the agricultural population of this country from the labours of this Commission. This Commission, coming as it does so closely upon the heels of the British Empire Exhibition, is, in my opinion, intended more to exploit the raw products of this country than to put the agricultural industry of this country on a firm and solid basis and save the rural population from chronic indebtedness and economic ruin. Of course, this charge has been more than once repudiated, but as long as the terms of reference to the Commission are not wide enough to include a close and careful examination of the existing system of land-ownership and tenancy and the assessment of land revenue and irrigation charges, which have a vital bearing on the expansion of agricultural industry in this country, it is my sincere conviction that any number of Royal Commissions will not be able to ameliorate the hard lot of the agriculturist in India nor induce him to adopt scientific methods of cultivation for which he cannot find the wherewithal.

The terms of reference so far announced are more or less purely of a scientific and technical character relating to the application of the results of the latest scientific and practical knowledge to the agricultural industry in this country, and a few experts on agriculture could easily indicate what reforms are necessary in this direction. In fact, we have a number of these experts already in the Imperial and Provincial Agricultural Departments who are expected to be posted with the latest scientific knowledge and discoveries on the subject of agriculture and apply that knowledge to the agricultural industry in India. Unless these experts have failed so far or are unable to perform this primary function, there can be absolutely no justification for the creation of this Royal Commission. It will not be out of place to point out in this connection that the generality of the agricultural population in this country are so far immersed in poverty and indebtedness that they can think of nothing but their daily bread. In my own Presidency of which I can speak with some authority, irrigation facilities are quite inadequate and the prospects or otherwise of agriculture depend almost entirely on the vicissitudes of the weather. For purposes

[Dr. U. Rama Rao.]

of tax-collection, it would be enough if there is one good shower of rain during the monsoon time, often termed "Sircar rain", and the Collector comes in, whether any crop is raised or not, whether the harvest is good or bad, to gather the tax. This is invariably done before the crop is harvested and the poor ryot is handicapped in that he is unable to sell his produce at a favourable rate in the market and pay the *kist*. It is now that he comes under the clutches of the sowcar or the money-lender, who charges an exorbitant rate of interest for the money he lends on the pawn of the produce. So, what little profit the agriculturist is able to make is consumed in paying interest. There are no agricultural banks to help the poor ryots in their hour of need and the co-operative societies, which are so few and far between, are so much wedded to red-tapeism that it is very difficult to obtain loans in time. The Government no doubt advance loans for agricultural purposes, but the process of getting them is tedious and the conditions of re-payment are exacting so that the agriculturists are averse to avail themselves of the offer. If at any time, fortune should favour the ryot and as a result of successive good seasons and bumper harvests, he begins to lift his head out of the financial mire and invest something towards the improvement of his lands, the ever-alert settlement officer comes on the scene and says that it is just the time for him to revise the land assessment and he does it regardless of all considerations. Recently, in the Tanjore District, the assessment was raised by 25 per cent. and it was only after a fierce struggle and after the institution of a no-tax campaign that a slight reduction was effected. Again, all the available waste lands and common grazing grounds for cattle have been given away on *Dharkast* in recent years with the result that the maintenance of cattle, so necessary for agricultural operations, has become a costly affair now-a-days. The last five years' agricultural statistics show a decrease of calves 2,760,428; bulls and bullocks 356,674; cows, 470,873; male-buffaloes 171,566; female-buffaloes 323,213; why is this heavy depletion in live-stock? The answer is that peasants find it impossible to maintain their live-stock and so they sell them for slaughter. Manure is very hard to get. The Forest laws are so stringent that even green leaves cannot be had now-a-days for love or money. Scientific manure is too costly for the poor ryot. Unless, therefore, the Government improve the economic condition of the people by overhauling the land tenure system, there is absolutely no good in Government recommending to the agriculturists the adoption of scientific methods of cultivation. In the Provinces, the Development Department has no money to effect even minor improvements. Where is the money, then, to come from for carrying out large experiments, research work and a host of other things which may be recommended by the Royal Commission? The personnel of the Commission is in the making and I am afraid, from the tenor of H. E. the Viceroy's speech, there would be only a sprinkling of Indians in the Commission. The Commission must be preponderantly Indian and there must also be a fair representation of land-owners and tenants closely connected with the agricultural industry. The Commission must go into the interior and study the condition of rural life and not merely visit provincial centres to take down the evidence of Government members and Government nominees. Otherwise, even the little good that may come out of this Commission will be lost to the public and the Commission will in the end prove a costly futility. With these words I strongly support the Resolution moved by the Honourable Mr. Roy.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-official): Sir, as the Resolution which has been moved has been accepted by the Honourable Member in charge, there is very little for us to say. But, Sir, as one of the oldest Members of this House and as one closely connected with the agricultural industry, I wish to say a few words. The Honourable Member on my left, who said that he is perhaps the youngest Member here, apparently thought he had got new ideas when he spoke on the Resolution, but he has repeated some of the things which have been already said in this House before, because after all when the condition of the people has not been improved or changed, one cannot possibly say any new things. If we look to the past history of agriculture in this country, we will see that every reform that was urged for the improvement of agriculture and the amelioration of the conditions of the agriculturists was turned down in this House and elsewhere. That shows what amount of interest our Government have been taking in agriculture. Therefore, Sir, unless these papers are laid on the table of this House, as urged by the Resolution, one is apt to think that this Commission has been forced on the Government by somebody else. The agriculturists who have been treated in a stepmotherly fashion heretofore, when they hear of the appointment of this Commission, will at once suspect that there is something in this Commission which may go against the interests of agriculture. But when we see generally that agriculturists in this country have already gone down to such low depths, that they cannot go lower, we can safely say that this Commission will not be able to do anything worse for them, and therefore, if it does anything at all, it will be for their benefit. All we hope is that when this Commission comes out, the Government of India will not whittle down its scope or restrict the terms of reference.

Another thing that I want to point out is that whenever a Royal Commission is appointed, the personnel is composed generally of those Members of the class which perhaps talks most but knows least. Therefore, I trust that in selecting the personnel of this Commission, care will be taken to see that some agriculturists are also put on it, and especially, as various provinces have various needs, it would be better to co-opt a few members from every province when the Commission visits each province to collect evidence. I can say, Sir, that nearly cent. per cent. of the population of this country is connected with agriculture in some form or another. It has been urged that we need industrialists who know something about cotton and so on. If people like that come in, I think the agriculturists will have no place, so I do hope this Commission will be for agriculturists. Simply stick to this, take agriculturists only on it. As I do not want to repeat what has already been said and as the Resolution has already been accepted, I support the Resolution.

THE HONOURABLE PANDIT SHYAM BIHARI MISRA (United Provinces: Nominated Official): Sir, I think I can congratulate the Honourable the Mover of this Resolution on the reception which the Resolution has met with not only from the Official Benches, but also from the Swarajists. I hope, Sir, in view of this response, there will be no difficulties placed in the country in the way of the provision that may be made for the Royal Commission. I am not a politician and I do not wish to deal with the political aspects of the question. A reference has been made by two of our Swarajist speakers to agricultural indebtedness and one Member has particularly said that the co-operative department was so overpowered by red-tapeism that loans could not be received by agriculturists in time.



[Pandit Shyam Bihari Misra.]

I must confess, Sir, that I heard this remark with considerable surprise. I am a Registrar of Co-operative Societies in one of the provinces and I know Sir, by personal experience, that this department has the least red-tapeism about it. We have given almost full powers to societies themselves and they carry on their own business. Our only duty is to let them know how to avoid mistakes. If they are going to make any mistakes, we simply point them out; we do not interfere even then and permit them to make unimportant mistakes if they are bent upon making them. Therefore to say that this department is full of red-tapeism is, I think, not correct. Anyhow whatever the co-operative department is, it is connected with agriculture and I hope this Agricultural Commission will put any mistakes there may be in the Department right. In any case the proposal is sound and I am glad that it has met with such a good reception. I wholeheartedly support the Resolution.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadan): Sir, I welcome this Resolution and at the same time I want to know whether the question of economic holdings will be taken up by this inquiry. It is a very important subject and it has a great bearing on the agricultural poverty, and is a question which requires thorough investigation. This process of reduction in the holdings that is going on, and the division after division, which has led to the present state of agricultural poverty and indebtedness and also the poor condition of the agricultural stock, wants going into. The holders of these small holdings are not capable of looking after them; they simply keep them for the sake of keeping their ancestral property, and they neglect them, and I think this question should be thoroughly gone into and some solution for it found. With these remarks I support the Resolution.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, before I ask you to close the debate, you will allow me to thank the Honourable Members who have supported me. It must be a source of great gratification to the Leader of the House that politicians of various schools of thought have warmly welcomed the idea of a Royal Commission. The Honourable Mr. Sethna has supported it on behalf of the industrialists, and my friend Mr. Ramadas Pantulu has supported it on behalf of the Swarajists and he has been followed by the Swarajist whip sitting on the other side of the House. Again my friend Mr. Shyam Bihari Misra, who is an official member from the United Provinces, has spoken and rebutted certain charges levelled against the co-operative movement. Sir, while I am grateful to the Leader of the House for accepting my motion and assuring us that he will place on the table copies of the correspondence which has passed between him and the Secretary of State, I feel it is my duty to rebut certain of his contentions. In the first place, he has told the House that he is not prepared to accept my reading of the two letters from the Provincial Governments. I have also read official letters and official documents for a good many years, and I am fairly convinced that the Provincial Governments of Bombay and Bihar have given him lukewarm support and a gentle protest. I leave him to read his own meaning into those letters and I shall retain my own. Then, Sir, as regards the personnel, I entirely agree with him. It is a matter of Royal prerogative, and I am sorry that he should have gone to provinces for advice and assistance. As regards the Canadian precedent I have nothing to say to his very wise remarks,

but I am sorry he did not listen to me properly. All I meant to say was that the Commission should not be tied down and no undertaking should be demanded from the Commission not to interfere in any way with the ministerial responsibility in the provinces. The Commission ought to be given a free scope to consider the agricultural question and the constitutional aspect of it from the purely all-India agricultural point of view, and I do not think there would be any objection if there is a clear case for revising the position of agriculture as a provincial transferred subject. Then, Sir, the third point that he has made is that he had taken the sense of the Legislature. I am quite sure that he has done that and he has met with a warm reception to-day. But I am quite sure at the same time that if he had wished he could have taken the verdict of the Legislature. He has not yet appointed the Royal Commission and I do not think the Royal Commission is coming into being till the next cold weather to do its work. He should have tabled a Resolution, in the same manner as Mr. Crerar did in regard to the Privy Council and taken the decision of both Houses. It would have then met with a warm response. The last point that remains is that he has given us a hint that there is nothing to debar this Commission from going into the three questions on which I placed my general protest, that is, land revenue, land assessment and agricultural indebtedness. I dislike the idea of this Royal Commission making a recommendation for another Commission. This has become almost a habit. Only the other day a committee appointed by the Finance Department wanted another committee on economic survey, or something of that kind. I do not think, Sir, this diversity of Commissions will assist us. I think this Royal Commission should be allowed to go into the question of agricultural indebtedness, land revenue and assessment. I think my friend is not doing it because he is afraid of vested interests and is not so very anxious for the well-being of the rural population and of rural development. With these words I thank him again for accepting my Resolution.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted:

"This Council recommends to the Governor General in Council to lay on the table of this House the correspondence that has passed between the Government of India, the Secretary of State and the Provincial Governments on the question of the appointment of a Royal Commission on Agriculture."

The motion was adopted.

# RESOLUTION RE REDUCTION OF THE TRAVELLING AND DAILY ALLOWANCES OF MEMBERS OF THE COUNCIL OF STATE.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO (Madras: Non-Muhammadan): Sir, I beg to move the following Resolution which stands in my name:

"That this Council recommends to the Governor General in Council to amend the rules relating to the travelling and daily allowances admissible to Members of this Council in such manner as:

(a) to reduce the period preceding the commencement and following the termination of a Session for which daily allowance may be drawn from seven to three days;

and

(b) to deprive non-official Members of the Council of State of their existing option of reserving a first class railway compartment for their personal use and drawing the actual cost of reserving the compartment in lieu of travelling allowance of 1 3/5ths of a first class fare."

[Dr. U. Rama Rao.]

Sir, it is most unfortunate and no one regrets it more than I do, that I should bring forward a Resolution of this kind, which would ultimately have the effect of encroaching upon the comforts and conveniences of the Honourable Non-official Members of this Council, a bit. It is the will of Providence, I think, that this newly-formed Council should commence its deliberations, by passing this self-denying ordinance. Let us, therefore, willingly and ungrudgingly make this small sacrifice and show to our electorates and to the outside world that we are not unworthy of the trust reposed in us, that we too are ready for any sacrifice for the sake of the motherland and that we have always a soft corner in our hearts for our less fortunate brethren. The Resolution I have just moved is quite simple, self-contained and self-explanatory. It needs no elaborate speech or comment. The genesis of the Resolution is briefly this. When, under the Government of India Act of 1919, that blessed Diarchic Constitution—that stone for bread, that we got from the British Cabinet and the British Parliament—was thrust down the throats of the unwilling Indian populace, it had brought in its train many evils, the chief among them being an unbearable top-heavy establishment and a huge financial burden. What with the post-war economic conditions and what with the heavy financial responsibilities consequent on the Reforms, the coffers of the Government became empty, and the Government of India and the various Provincial Governments were faced with large deficits in their Budgets year after year. Additional taxation was resorted to to meet these deficits and the helpless masses were deprived of even the due share of their daily necessities such as salt, besides being compelled to forego their conveniences, as a result of increase in the postal rates and railway fares. The cry of “Retrenchment” was, at this stage, raised throughout the length and breadth of the land and even the Government of India were forced to give heed to public opinion. The aid of the “Inchcape axe” was at once sought for, which did its work, so far, admirably well. It pruned all the noxious growths in the subordinate ranks of the services, leaving the top severely alone. Even the military was subjected to a cut, though the cut was not deep enough and to the satisfaction of the public. The Heaven-born Services are, of course, untouchable and so had to remain outside the pale of the Inchcape Commission. To elevate them and to improve their status, was the work of another commission, the Lee Commission, and that is beside our point now. The Inchcape Committee also found it rather delicate to approach the Honourable the Ministers and the Members of the various legislative bodies with their weapon so soon. The Ministers in the various Provinces, however, voluntarily surrendered and offered their own quota of sacrifices, those in Madras consenting to forego Rs. 1,000 per mensem each, out of their salaries. With regard to the Councils, the Committee, while pointing out that the expenditure under the head “Legislative Bodies” had increased from Rs. 1,71,000 actuals in 1913-14 to Rs. 7 lakhs according to Revised estimates and to Rs. 8,50,000 according to the budget estimates of 1922-23, made the following observation at page 127 of their Report:

“The large increase which has taken place in expenditure since 1913-14, is due to the appointment of full timed presidents, since the expansion of the New councils, the longer sittings held under the reformed constitution and the grant of more liberal allowances to Members present in Delhi and Simla. The bulk of the increase is inevitable but we feel that the matter of reduction or otherwise in travelling and other allowances is one that should be left to the Legislature.”

The reasons for this decision are not far to seek. The Inchcape Committee knew that the Legislative Assembly and the Council of State would realize the gravity of the situation and would themselves take the initiative in this respect and so left the whole question to the good sense of the two Houses. So far as the Legislative Assembly was concerned, their anticipations were fulfilled. The Assembly decided, at the time of voting of Demands in connection with the Budget for 1923-24, to reduce the daily allowances admissible under the old rules to the Honourable Members of that House. Under the old rules, for 7 days before the commencement of a Session and for seven days after the conclusion of a Session, Members of the Assembly as well as Honourable Members of this House could have their daily allowances. The Assembly thought that this was extravagant and reduced the grant of daily allowances to 3 days, before the commencement of a Session and 3 days after. This was no doubt, a voluntary sacrifice on the part of the Assembly in the interests of economy. Subsequently, when the allowances for the Members of the Council of State came under discussion, there was a motion made by one of the Honourable Members to reduce the daily allowances of this House and also to reduce the travelling allowances. It may here be pointed out that in the matter of travelling allowances, the Honourable Members of this House have the privilege of reserving a first class railway compartment for their personal use and drawing the actual cost of reservation in lieu of 1½ first class fare admissible under the rules. The then Law Member, the Honourable Dr. Mian Sir Muhammad Shafi, intervened and appealed to the Members of the Legislative Assembly not to press these motions there but to leave them to the Council of State to decide. The Resolutions were withdrawn in the Assembly, on the Honourable the Law Member giving an undertaking to place a motion before this House for the revision of the rules regarding daily and travelling allowances admissible to the Honourable Members of this House and to take away the privilege of reserving a first class compartment from the Official Members. Accordingly, on the 17th July, 1923, the Honourable the Law Member moved a Resolution before the old Council in the following terms:

“This Council recommends to the Governor General in Council that, with effect from the beginning of the next Session, the travelling and other allowances of the Members of the Council of State be placed on the same footing as those of Members of the Legislative Assembly.”

But the old Council stood unmoved and adamant. While most of the Honourable Members were willing to forego at least the 4 days' daily allowances at the commencement and conclusion of a Session, they were not prepared to give up the privilege they enjoy in regard to railway travelling. They said in effect:

Kings may come and kings may go,

But we must go in saloons all the same.

The discordant note was first struck by a European Member, the Honourable Sir Edgar Holberton, hailing from Burma as the representative of the Burma Chamber of Commerce. He said:

“Most of us are people of a certain age in life, busy men, people whom it does not do any good to be hustled and hustled and crushed in railway carriages.”

If this is the lot of first class railway passengers, I wonder what must be the fate of third class passengers, who are huddled together in each compartment in numbers far in excess of the seating accommodation provided therein? The Burma trade magnate's description of the woes of:



[Dr. U. Rama Rao.]

a first class passenger was, to say the least of it, bordering on exaggeration. Among the other dissentients, who were all sons of the soil, one Honourable Member said that the privileges and dignities of the House should be maintained at any cost. A third Honourable Member began to attribute motives to the Legislative Assembly but had to withdraw his remark subsequently. A fourth Honourable Member suggested a compromise by which the Resolution was to have effect until the financial conditions of the Government of India improved. The only solitary voice that was heard in support of that Resolution was that of Sir Maneckji Dadabhoy from the Central Provinces. The motion was finally put to the vote and negatived. Thus ended the history of the first onslaught against the allowances of the Honourable Members of this Council. I cannot say if my Resolution will share the same fate. I have ventured to put it before you with the full hope that you will reconsider the old decision. If this Resolution is carried, a saving approximately of Rs. 15,000 per annum might be anticipated. The financial condition of the Government of India is no better now. There is the huge millstone of the provincial contribution still hanging heavily round the necks of Madras, the Punjab and the United Provinces. The transferred half in the several provinces is as starved as ever and no improvements can be effected in the life-giving, life-ennobling and life-sustaining branches of administration such as the departments of Medicine, Education and Industries are. You know this Resolution has been blessed already by the Government of India and sprinkled by the Legislative Assembly. It now remains for this Council wholeheartedly to adopt it. With these words, I commend it for your kind acceptance.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): On a point of order, Sir, before the Honourable Mr. Ramadas Pantulu moves his amendment, I would like to say that proper notice of it has not been given and I take objection under Standing Order 64, since notice of the amendment was only given on the 13th.

THE HONOURABLE THE PRESIDENT: In view of the fact that at the moment Mr. Secretary is not able to supply me with the Honourable Member's notice, perhaps we might defer the Honourable Member's amendment and proceed with the debate on the Resolution. I am not able to give a definite ruling on the point now immediately, because I have not got the Honourable Member's notice. When it arrives I shall be in a position to do so.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-official): Sir, may I speak on the same point?

THE HONOURABLE THE PRESIDENT: On the Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, the best way, I think, of taking away all these things in the shape of allowances and honours, etc., that our friend has mentioned in his Resolution, is for him to leave this House and go into the other House. But to come here, as one would call it "as a spy" and then bring forward a Resolution like this . . . . .

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: I object to the word "spy", Sir; it is not parliamentary language.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I do not think there is anything in it.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Spy is not a parliamentary word to use.

THE HONOURABLE THE PRESIDENT: The Honourable Member has obviously not meant anything derogatory either to this House or any Honourable Member here.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: You are in this House, and yet you are against this House; that is all I intended to say. There are men in this House who, I think, by coming here sacrificed many thousands of rupees, if it could be counted in terms of money. I for one would have rather liked that there should be no emoluments or anything of that sort at all, and that Members in this House should come here entirely at their own expense to assist and do public service. If that was the case, I shall be the first to forego everything like that. But if anything is to be given, then one ought to consider what that should be. Of course this House is a bit different from the other House. If it was not, there would be no use whatsoever in having two Houses. The reason why this House was constituted was this: that some hot-headed people might want to change everything in the shape of administration at once and might want to bring in revolution or even sometimes want to help Criminals, etc., etc. They do not see things from a different point of view; that is they do not see that this is their country, and, therefore, those who have a stake in the land should see that nothing happens which would be detrimental to it. That is why we should have elderly men and men of a particular position in this House. In fact this House was meant to attract such people. Of course the franchise being put very low, lots of people can come in and when they do so they come with different ideas as naturally they can live on less money, perhaps they want to cut others down to the same level. I think these Members especially, who were present when this proposition was vetoed before should naturally stick to their guns and see that this Resolution is defeated. The principle should be that either you should not take anything at all, or should take something according to the dignity of the House. With these words, Sir, I would ask the House not to sympathise with such a Resolution but to reject it.

THE HONOURABLE THE PRESIDENT: With reference to the point of order which has been raised by the Honourable Mr. Desika Chari, the notice given by the Honourable Mr. Pantulu has been handed to me, and I find it is a somewhat curious coincidence that whereas it was 1-20 by the clock when he rose to move his amendment, the notice of his amendment was handed in at 1-20 on Saturday last, which makes it exactly forty-eight hours' notice which he gave before he attempted to move it. The Standing Order requires two days' clear notice. I am not aware that in this House any interpretation has yet been given of the expression "two clear days", whether it means two clear days from midnight to midnight must have elapsed before an amendment is moved, or whether it means a clear forty-eight hours. In this case, the Honourable Member's amendment merely adds one small item to the main Resolution moved, and I should in any case feel inclined to exercise my discretion in his favour and allow him to

[The President.]

move the amendment inasmuch as I cannot feel that the House will be taken by surprise in the matter.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock. the Honourable the President in the Chair.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammedan): Sir, I beg to move the following amendment to the Resolution moved by my Honourable friend Dr. Rama Rao:

"That this Council recommends to the Governor General in Council that the Members of this Council be placed on the same footing as the Members of the Legislative Assembly in the matter of honours, emoluments and allowances.

On second thoughts I considered that my friend who moved the original Resolution was, perhaps, well advised in framing it in the way he did. because he did not invite his formidable official colleagues into the combat. My amendment, as the House will notice, embraced the officials also because I mentioned the word "honours". At present in addition to the advantages which we non-official Members enjoy in the matter of allowances and emoluments, all of us enjoy the privilege of prefixing the word "Honourable" to our names and therefore my amendment applies to official as well as to non-official Members of this House. Sir, in moving this amendment, I wish to assure this House that I have not the slightest intention of compromising the dignity or wounding the susceptibilities of any section of this House.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Question?

THE HONOURABLE MR. V. RAMADAS PANTULU: If I had not believed in the dignity and the use of this House, I would not have myself sought election to it. Therefore, I may assure my Honourable friend Sir Umar Hayat Khan that I am at one with him in doing nothing to lower the prestige or the honour of this House. I also beg to assure this House that, so far as the present Resolution is concerned, I am perfectly willing to concede that the gentle dignity of the representatives of the aristocracy, the benevolent autocracy of the representatives of the bureaucracy and the sound idealism of the representatives of the democracy are all harmoniously blended in this Chamber. At the same time, I wish to point out that this House is so constituted by the framers of the reformed constitution as to be a preponderantly elected Chamber, following the models of the later constitutions both in the Dominions and on the Continent. And some of you who were here when His Excellency the Viceroy dissolved the first Council of State might remember that he drew pointed attention to the fact that this House consisted of a majority of elected representatives, and that statement was coupled with the promise that, as time went on and His Excellency found increasing confidence in the House perhaps by way of responsive co-operation, His Excellency would try to diminish the official strength and increase the non-official strength of the Council. Therefore, I would point out to the Members of this House that we are an essentially

selected body and that the elected representatives are drawn from a class of persons who might indiscriminately seek election either to this House or to the Legislative Assembly. Some of my most distinguished colleagues in this House were themselves Members of the Legislative Assembly. My friends, from Bombay the Honourable Mr. Phiroze C. Sethna and Mr. Manmohandas Ramji were Members of the Legislative Assembly.

THE HONOURABLE MR. PHIROZE C. SETHNA: I was not.

THE HONOURABLE MR. V. RAMADAS PANTULU: I believe Mr. Manmohandas Ramji was there. At any rate, some of them were there. Therefore, when I have asked for the Members of this Council being placed on the same footing as the Members of the Legislative Assembly, I have done nothing which violates or offends our notions of dignity. Dignity attaches to the individual Members of this House and not to this Chamber as a whole. Therefore, if we can be elected representatives either of this House or of the other House, I really do not see how we suffer in dignity or prestige by being placed on the same footing as the Members of the other House.

I just looked into the practice that obtains in the Dominions Parliaments and in some of the continental countries within the short time I had at my disposal, and I find that in the matter of emoluments, honours and allowances the Members of the lower and upper Houses in many countries are placed exactly on the same footing. In Australia the Members of the Senate and the Members of the House of Representatives both get a fixed allowance of £400, and also get a free railway pass. Similarly, in South Africa the Members of the Senate and the Members of the Assembly are entitled to the same allowance, they get £400, and are entitled to a free railway pass. In France, as you perhaps know, the Members of the Senate and the Chamber of Deputies get 9,000 francs and there is no distinction in other matters. In Denmark the Members of the Landsting, that is the Upper House, and the Members of the Folkething, that is the Lower House, get the same emoluments. Therefore, in those countries which are self-governing, the Members of the Upper House evidently do not feel that their dignity suffers in any way by their being placed on the same footing as Members of the Lower House. It is true that in Canada there is a distinction, but in the Canadian constitution, the Upper House has come in for a lot of adverse comment . . . .

THE HONOURABLE MR. PHIROZE C. SETHNA: From?

THE HONOURABLE MR. V. RAMADAS PANTULU: From many critics. I can quote from Goldwin Smith. He says in "Canada and Canadian affairs" that the Upper House, surrounded by derisive state, enjoys an ironical respect. He says that the ceremonious environment, the social precedence and the attributes of the Senators are trappings of impotence. No doubt he uses very strong language, but there are other critics as well of the Canadian Upper House. Therefore, I do not think that the privileges which the Senators enjoy have enhanced their dignity, but found many detractors. It all depends on the way we conduct the affairs of the State and not on the name we give ourselves. I do not wish to enter into the financial question, because my Honourable friend Dr. Rama Rao has dealt with it. But though the amount spent on the Members of the Council of State as additional allowance may be small comparatively, the

[Mr. V. Ramadas Pantulu.]

question is whether we are not prepared to place ourselves on a footing which is equal to that of the popular representatives of the Assembly, especially as we are drawn from classes not different from those from which the Members of the other House are drawn.

The electoral qualifications may be of a different type but any one of us may be there or any one of them may be here. A member of any Legislature is entitled to be a Member of any other Legislature, e.g., a Member of a local Legislative Council can be a Member of the Assembly or of the Council of State. I think from the tax-payer's point of view it is also necessary to ensure that the elected representatives of the Upper Chamber do not draw any more than what is absolutely necessary. In fact, it is necessary that the whole question of the emoluments should be gone into, and if any Member of this House had proposed a Resolution for the appointment of a Committee to go into the whole question, I would have gladly welcomed such a proposal. I may inform the Honourable Members here that in some Parliaments like the South African Parliament every Member of the Senate who absents himself for a day loses £3. If attendance in this Chamber is sought to be enforced and if it is laid down that we will have to forfeit a portion of our emoluments for every day's absence, it would not be a bad idea. The idea would be to get Members to attend to their duty. The whole question is one of merely providing the necessary means for the Members to attend to their duties in this Chamber. I will therefore very strongly urge on this House the desirability of accepting the Resolution in the form in which it has been amended by me.

One word more and I have done. I gave notice of a similar Resolution in the first Council of State but it was not reached because I could not ballot for it before the business of the House was over. Therefore it is not a new idea that has struck me. As I saw my friend Dr. Rama Rao bringing a Resolution in a form which substantially agreed with mine, I have merely brought in an amendment. I appeal to you not to attach any very great weight to the word "Honourable". Of course we are all honourable men and I know will be honourable men without this prefix, and our honour depends not upon calling ourselves "Honourable" but on the way in which we safeguard the country's honour. With these words, Sir, I commend my amendment for the acceptance of the House.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, while the Government are prepared to welcome the original Resolution if the non-official Members think fit to pass it, I am afraid Government must oppose this amendment, only because it also seeks to deal with the question of honours. The conferment of honours is a prerogative of the Crown which in this country is delegated to His Excellency the Viceroy and not to the Governor General in Council. Therefore, the Governor General in Council is not concerned with the question of the honour which the Members of this House bear, and I would like to point out that a Resolution which seeks to recommend this to the Governor General in Council is in a sense not really in order, because the Governor General in Council, as I pointed out, has no power with reference to the question of the conferment of titles. That is one of the reasons why the Government are opposing this amendment.

Besides that I would ask this House to consider whether there should not; in fact, be a distinction between the two Chambers, because, after all, this is a revising Chamber and I think that, although there are one or two exceptions, the Honourable Mover of the amendment will find on further investigation that practically all the revising Chambers in the Dominions, with the exception of Australia and one or two other places, have this dignity conferred on their Members. I would also like to point out to this House that it is not a question of the dignity of a particular Member or Members of this House. The honour is conferred on the Members of this House really as a matter of dignity of the House and not of the particular Member. I would therefore ask this House to consider whether the distinctive title which is given to Members of this revising Chamber should not be continued.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, if you will permit me, I will move an adjournment of the debate *sine die*. I will give my reasons. In the first place I do not consider that an open House is the proper place for a discussion of privileges. In all other countries it is discussed by a Committee of the House, and if my friend Dr. Rama Rao will, towards the latter part of the Session, move for a Committee, we shall be very glad to support him. I have already consulted my friend Dr. Rama Rao on this point and he is not altogether opposed to an adjournment of the debate. I will give you my further reasons. My friend Mr. Ramadas has referred to Colonial practice, but I think he is slightly mistaken about Australia. In Australia Members get £1,000, in South Africa it is £400 and in Canada it is 4,000 dollars for both Houses. But, Sir, in India the conditions are quite different. All these Members have no prospect of getting into the Cabinet of the Empire for a good many years to come, and they serve only as non-official advisers. Many of them are even out of pocket. I myself, although I have not been able to receive a single penny so far, have been out of pocket for doing what I consider my effective parliamentary duties. I think, Sir, the time has come when the whole question should be considered on a broader outlook than the parochial needs of this House. In my opinion, Sir, I feel that we should consider the present legislators as well as the prospective legislators and give them an economic interest in their parliamentary duties. I have often felt that the duties asked of Members are badly and indifferently done because of the Members having no interest in coming long distances and attending to their parliamentary duties. With these observations, Sir, I propose that the discussion be adjourned *sine die*.

THE HONOURABLE THE PRESIDENT: As Honourable Members are aware, it is entirely within the discretion of the Chair whether it will accept an amendment of the nature which has been moved by the Honourable Mr. K. C. Roy and put it to the House. There are obviously occasions when a motion of that kind should not be put to the House. It seems, however, that the Honourable Mover of the amendment has given some cogent reasons why the debate should be adjourned. I say that without desiring to express any opinion on the merits of the case at all. I therefore accept his amendment and I put it to the House. The amendment moved is:

"That this discussion be adjourned *sine die*."

[The President.]

Members will, for the present at all events, confine themselves to that amendment.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I think, Sir, the amendment is very sound.

(No other Honourable Member rose to speak.)

THE HONOURABLE THE PRESIDENT: If Honourable Members do not wish to speak on that amendment, I will put it to the House.

The original motion was:

"That the Resolution standing in the name of the Honourable Dr. Rama Rao be adopted."

Since which an amendment has been moved by the Honourable Mr. Ramadas Pantulu to substitute other words for the text of the original Resolution, and a further amendment has been moved, that this discussion be adjourned *sine die*.

The question is:

"That this discussion be adjourned *sine die*."

The motion was adopted.

#### STATEMENT OF BUSINESS.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): With your permission, Sir, I desire to supplement and in some respects to modify the statement which I made at the conclusion of our last meeting. After the presentation of the Railway Budget on Thursday next, time will be given for the discussion of the Honourable Mr. Sethna's Resolution standing in his name on to-day's list of business. In view of this arrangement, the reason for which has already been explained to Honourable Members, the two small Bills which were to have been taken on that day have been included in to-morrow's list of business which is already in the hands of Honourable Members. On the other hand, the Trade Unions Bill, which was to have been taken to-morrow, will now be deferred to a later date which will be announced in due course. In deference to wishes expressed by certain Honourable Members the Contempt of Courts Bill will not be taken before Tuesday, the 2nd March, while the two Bills which were laid on the table to-day,—the Naturalisation Bill and the Insolvency (Amendment) Bill—will probably be proceeded with on Tuesday, the 23rd February.

The Honourable Mr. Chadwick's Resolution regarding the action to be taken on Chapters 4 and 5 of the Report of the Indian Tariff Board will be moved either on that day or on Thursday, the 25th February.

The Council then adjourned till Eleven of the Clock on Tuesday, the 16th February, 1926.

#### APPENDIX A.

#### ROYAL COMMISSION ON AGRICULTURE.

TELEGRAM TO THE SECRETARY OF STATE FOR INDIA, No. 83-C., DATED THE 18TH NOVEMBER 1925.

The Government of India have, as you are aware, for some time past, been anxiously considering what steps should be taken to develop and improve agriculture in this country. The Central Government have long felt that there is room for greater development and co-ordination of effort generally in India; and that it is incumbent upon the Central Government to set on foot investigations in this direction with a view to assisting the Provincial Governments towards this end. The necessity for action has been fully explained and endorsed by observations made in speeches during the last few months by you and by the Governor-General. In latter's speech at the opening of the Simla session of the Indian Legislature in August last, he referred to a scheme for the formation of a Central Board of Agriculture to assist in co-ordinating Provincial activities and in promoting and extending existing systems of research and education. Since then, after careful consideration of the scheme, we have come to the conclusion that it cannot be expected to yield the desired results. Government of India feel that the Board is unlikely to command sufficient authority and weight to effect the required improvements or to be sufficiently detached in outlook to scrutinise the agricultural activities of the Central and Provincial Governments from a fresh angle of view and to make recommendations or suggestions for reform of real permanent value. We strongly feel that the requirements of the situation could only be met by the appointment of a Royal Commission so constituted as to include members from outside India, possessing knowledge and experience of agriculture in other countries together with members from India with local knowledge of agriculture and rural economy and in sympathy with the Indian agricultural population. Before consulting Local Governments and making more precise recommendations after ascertaining their views regarding a Royal Commission, we desire to let you know of our conclusions and to acquaint you with the scope of the work which we contemplate should be undertaken by the Royal Commission, if appointed. Our suggestions are embodied in the form of a portion of a suggested draft of instructions or terms of reference which are contained in my telegram next following. The position of agriculture, as a transferred Provincial subject, the necessity of excluding from purview matters of jealous interest to Local Governments, such as revenue and irrigation charges, and the expediency of not arousing any apprehension of disturbance of the relation between landlords and tenants, has made the drafting of the terms a matter of considerable difficulty and delicacy. The terms as now drafted are the result of very careful examination and discussion by the Government of India.

Before consulting Local Governments as to the scheme for recommending the appointment of a Royal Commission, we desire to receive your approval to our communicating the general scheme and the general purport of the draft terms on which we are agreed to Local Governments for their opinion, informing them that you and the Government of India are inclined to favour a Royal Commission and with terms of reference as suggested.

[15TH FEB. 1926.]

Before reaching final conclusions we desire to consult the Local Governments upon these matters. It is recognised that there may be necessity later to make verbal alterations in the draft terms.

TELEGRAM TO THE SECRETARY OF STATE FOR INDIA, No. 84-C., DATED THE 13TH NOVEMBER 1925.

The following are the draft terms of reference referred to in our immediately preceding telegram:—

Generally—

To examine and report on the present conditions of agriculture and rural economy in British India and to make recommendations for the improvement of agriculture and the promotion of the welfare and prosperity of the rural population.

In particular, to investigate—

- (a) the measures now being taken for the promotion of agriculture and veterinary research, experiment, demonstration and education, for the introduction of new or better crops and for improvement in agricultural practice, dairy farming and the breeding of stock;
- (b) the existing methods of transport and marketing of agricultural produce and stock;
- (c) the method by which agricultural operations are financed and credit afforded to agriculturists;
- (d) the main factors affecting rural prosperity and the welfare of the agricultural population and to make recommendations.

It will not be within the scope of the Commission's duties to examine the existing system of land-ownership and tenancy or of the assessment of land revenue and irrigation charges, or the existing division of functions between the Government of India and the Local Governments. But the Commission shall be at liberty to suggest means whereby the activities of the Government of India may best be co-ordinated and to indicate directions in which the Government of India may usefully supplement the activities of Local Governments.

TELEGRAM FROM THE SECRETARY OF STATE FOR INDIA, No. 346-S., DATED THE 20TH NOVEMBER 1925.

No. 8073. Royal Commission on Agriculture. I warmly welcome your telegram of November 13th. You may certainly say, when addressing Provincial Governments, that I am in cordial agreement with your view that this enquiry should be initiated and that, subject to any criticisms which Local Governments themselves may offer, I am of opinion that the general purport of the terms of reference is suitable. But I offer some observations on these terms.

I should prefer to alter word "examine" in (d) to words "make recommendations regarding". I agree that Commission, if for no other reason than that it is not qualified, cannot be expected to deal with such questions as relationship of landlords and tenants, land revenue systems, assessments or irrigation charges. Nevertheless, it is inevitable that witnesses will refer to them during enquiry, and I do not think that Commission should be precluded from examining witnesses on them with a

view to eliciting whether and to what extent present conditions of agriculture, etc., are affected by them, and although Commission should certainly not investigate these subjects or make specific recommendations in respect of them I consider it should not be precluded from referring to them as matters directly connected with the main question under enquiry.

TELEGRAM FROM THE VICEROY TO THE SECRETARY OF STATE, No. 213-C., DATED 2ND DECEMBER 1925.

Royal Commission on Agriculture. The change has now been accepted by the Members of my Council and we are addressing Local Governments.

CIRCULAR LETTER TO ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS, DEPARTMENT OF EDUCATION, HEALTH AND LANDS, No. 1637, DATED THE 4TH DECEMBER 1925. (CONFIDENTIAL.)

I am directed to invite a reference to the remarks of His Excellency the Viceroy, in his opening address to the Indian Legislature on August 20th, 1925, on the subject of Indian Agriculture. His Excellency then said "My Government, while giving due attention to industries in the restricted sense of the term, are determined, so far as circumstances permit, not to neglect the interests of what is really the greatest of all Indian industries, namely, agriculture. I know from my discussions with the Secretary of State that my Government can rely upon his most cordial support of this policy. The direct responsibility of the Government of India for agricultural development in the Provinces ceased with the inception of the Reforms. In view, however, of the paramount importance of agriculture as the basic industry of the people of India, of the improbability of Provincial Governments being in a position to undertake research on the scale required and of the necessity for co-ordinating activities in the wide field of agricultural development, the Central Government must continue to play an important part in agricultural progress". Striking progress has undoubtedly been made in recent years in many directions in promoting the science of agriculture and introducing improvements; and both the Central Institutions under the Government of India and the Departments of Agriculture in the Provinces under the charge of Ministers of the Local Governments have every reason to be proud of the results of their activities and the sum total of their achievements. Nevertheless in view of the great importance of agriculture to India and of the large numbers of the population engaged in the industry and wholly dependent upon it, the Government of India feel that there is room for more extensive co-ordination of effort towards agricultural improvement. No possible step should be left untried in making available to those concerned in the industry the latest scientific and practical knowledge. Nothing which holds out promise of amelioration in conditions, should remain unexplored. It cannot be gainsaid that the average standard of production and the general level of rural welfare in India is lower than that prevailing in other countries where there has been for some time past marked concentration on agricultural problems. The agricultural practice in many parts of India also is admittedly still primitive and the bulk of the agricultural population is generally unversed in modern methods of improvement. This situation calls for remedy of a comprehensive nature; and the Government of India feel that the time

is opportune for examination of means of strengthening activities by co-ordination and of methods for applying the fruits of experience in other countries to the solution of the problems of agricultural conditions in India. After correspondence with the Secretary of State and exploration of various methods of fulfilling this purpose, the Government of India are inclined to think that the objects which they have in view can best be attained by the recommendation of the appointment, at the earliest possible date, of a Royal Commission on Agriculture in India. The Secretary of State is disposed to agree with the Government of India, and the Government of India wish to consult local Governments as to the proposal and the draft terms of reference.

2. I am to explain that in arriving at this conclusion, the Government of India have no intention of interfering with the full control of local Governments over this subject which is in most of its aspects both provincial and transferred. Their object is not to curtail but to supplement the work which is now being carried on in the Provinces. The proposed terms of reference, of which I am to enclose a copy, will make clear to the local

Government Administration the precise scope of the enquiry which it is proposed to entrust to the Royal Commission. It is the hope of the Government of India that the terms of reference as drafted will enable the Commission, as a result of its investigations, to make recommendations which will be of value to Ministers responsible for agriculture in the Provinces and to Local Administrations as well as to the Central Agencies working under themselves in connection with agricultural and veterinary research and education. It will be observed that all questions connected with land tenure and the rates of land revenue assessment and irrigation charges are specifically excluded from the field of the Commission's recommendations. Systems of land-ownership and tenancy are extremely technical and vary from Province to Province. The principles on which the system of land revenue assessment and irrigation charges rests, are generally well known and recognised in India. Although these questions have in a sense a definite connection with rural conditions, it appears to the Government of India undesirable and unnecessary to invite a Commission, primarily devoted to examination and report regarding agricultural improvement to burden their enquiry by exploration into these subjects for the purpose of making recommendations concerning them. They will be glad to consider any comments which the local Government Administration desire to offer on the main proposal and the suggested terms of reference. It is specially requested that the replies should reach them not later than the end of the year.

3. I am to add that the Royal Commission will be instructed to place themselves in communication with local Governments on their visit to any province and to carry on their investigations and to take evidence in close consultation with the Ministers responsible for agriculture, co-operation, and the other subjects that come under their consideration.

*Proposed terms of reference.*

Generally,

To examine and report on the present conditions of agriculture and rural economy in British India and to make recommendations for the improvement of agriculture and the promotion of the welfare and prosperity of the rural population;

In particular to investigate—

- (a) the measures now being taken for the promotion of agricultural and veterinary research, experiment demonstration and education, for the introduction of new or better crops and for improvement in agricultural practice, dairy farming and the breeding of stock;
- (b) the existing methods of transport and marketing of agricultural produce and stock;
- (c) the methods by which agricultural operations are financed and credit afforded to agriculturists;
- (d) the main factors affecting rural prosperity and the welfare of the agricultural population;

and to make recommendations.

It will not be within the scope of the Commission's duties to make recommendations regarding the existing systems of landownership and tenancy or of the assessment of land revenue and irrigation charges, or the existing division of functions between the Government of India and the Local Governments. But the Commission shall be at liberty to suggest means whereby the activities of the Governments in India may best be co-ordinated and to indicate directions in which the Government of India may usefully supplement the activities of Local Governments.

LETTER FROM THE SECRETARY TO THE GOVERNMENT OF THE UNITED PROVINCES, AGRICULTURE DEPARTMENT, No. 786, DATED THE 10TH DECEMBER 1925.

I am directed to reply to your confidential letter No. 1637, dated December 4, 1925, regarding the proposal to appoint a Royal Commission on Agriculture.

2. The Governor, acting with his Ministers, welcomes the appointment of such a Commission, the more so, as it is meant to supplement the work now carried on by provincial departments and is expressly precluded by the proposed terms of reference from interfering with the existing division of functions between the Government of India and the local Governments.

3. This Government consider the terms of reference to be suitable and agree that the Commission should confine its inquiries to matters that bear directly on agricultural improvement.

LETTER FROM THE CHIEF COMMISSIONER OF COORG, No. C-4212-758, DATED THE 15TH DECEMBER 1925.

I have the honour to refer to your confidential letter No. 1637, dated the 4th December 1925, and to state that the proposed Royal Commission will be cordially welcomed.

LETTER FROM THE SECOND SECRETARY TO THE GOVERNMENT OF ASSAM, No. AGRI-702-7673-G.J., DATED THE 16TH DECEMBER 1925.

I am directed to acknowledge the receipt of your letter No. 1637, dated the 4th December 1925, and to say, in reply, that His Excellency the Governor and his Minister consider the time ripe for an authoritative examination of the position of agriculture in India and agree that it could best be



[15TH FEB. 1926.]

carried out by a Royal Commission. They have no comments to offer on the terms of reference which seem suitable.

LETTER FROM THE SECRETARY TO THE GOVERNMENT OF BIHAR AND ORISSA, No. 2777-D. DATED THE 18TH DECEMBER 1925.

With reference to your letter No. 1637, dated the 4th December 1925, I am directed to say that the Government of Bihar and Orissa welcome the proposed appointment of a Royal Commission on Agriculture in India and they consider the terms of reference sufficiently wide.

2. The local Government think, however, that the attention of the Royal Commission should be called, at the outset, to the necessity of considering separately the problems of the various parts of India. Owing to local circumstances, these problems vary considerably in the different provinces, and it would seem desirable that the Commission should report separately on the circumstances of the main divisions of the country in the same way as was done by the Indian Sugar Committee. While it may be possible to recommend the general lines of policy applicable to India as a whole, the area is so vast and the local conditions are so diverse that if such recommendations are to be of practical use, they must be supplemented by specific advice as to the special measures required in the different parts of India, which have so far developed on very different lines. The local Government suggest, therefore, that the first paragraph of the proposed terms of reference might be amended by the addition of the words "the several provinces of" before "British India" in line 2.

LETTER FROM THE FINANCIAL COMMISSIONER AND SECRETARY TO THE GOVERNMENT OF THE PUNJAB, DEVELOPMENT DEPARTMENT, L., No. 4604-D., DATED THE 21ST DECEMBER 1925.

In reply to your confidential letter No. 1637, dated 4th December 1925, I am directed to say that His Excellency the Governor in Council welcomes the proposal to appoint a Royal Commission, which will deal with matters of unique importance to this province.

2. With regard to the terms of reference, I am to suggest that the enquiry should embrace a reference to the suitability of existing educational methods and curricula as applied to the needs of the rural population, and to the possibility of providing a better ground work for those who desire study in agricultural courses.

3. Your letter under reply recognises that agriculture is a Transferred Department in charge of Ministers. His Excellency the Governor in Council has no doubt that the Royal Commission, when pursuing its enquiries, will take cognizance of the position and responsibilities of the Ministers and will associate them fully in their proceedings. It should, in the opinion of His Excellency the Governor in Council, be open to Ministers to suggest lines of detailed enquiry required in the particular interests of their own provinces, and to seek the advice of the Royal Commission on any point of importance to the Departments of which they are in charge.

4. I am to add that, in view of the circumstances of the case, it is hoped that the Government of India will consult His Excellency the Governor and his Ministers regarding the personnel of the Royal Commission.

TELEGRAM FROM THE GOVERNMENT OF THE CENTRAL PROVINCES, No. 279-1, DATED NAGPUR, THE 23RD DECEMBER 1925.

Proposed Royal Commission on Agriculture. Absence of Minister, who might have views to submit regarding all-India treatment of transferred subjects, places Central Provinces Government in peculiar position. Subject to this, this Government fully approve appointment of Royal Commission and will gladly co-operate in its work. Regarding proposed terms of reference it has no suggestions to make.

The foregoing is with reference to Agricultural Department letter dated December 4th.

LETTER FROM THE GOVERNMENT OF BURMA, No. 345-O.—25, DATED THE 21ST DECEMBER 1925.

In reply to your letter No. 1637 (Confidential), dated the 4th December 1925, I am directed to say that the Government of Burma (Ministry of Agriculture) cordially approves the coming of a Royal Commission on Agriculture to Burma, and considers that the proposed terms of reference are suitable.

LETTER FROM THE GOVERNMENT OF BENGAL, No. 6534, DATED THE 23RD DECEMBER 1925.

I am directed to invite a reference to your letter No. 1637, dated the 4th December 1925, and to state that the Government of Bengal agree with the Government of India in the view that the time has now come when an enquiry into the means of strengthening agricultural activities by co-ordination and of the methods for applying the fruits of experience in other countries to the solution of the problem of agricultural conditions is likely to be of great assistance to the further development of the agricultural industry in India. His Excellency the Governor in Council agrees that the only satisfactory method of conducting such an enquiry would be through the agency of a Royal Commission.

The terms of reference suggested for the proposed Commission in your letter under reply appear to the Local Government to be generally suitable and would presumably cover an investigation into measures for the introduction of agricultural machinery and implements, methods of compilation of agricultural statistics and the facilities at present existing for co-operative purchase of agricultural requirements and co-operative sale of agricultural produce. In the opinion of this Government these are subjects which should also come within the purview of the Royal Commission's investigations.

LETTER FROM THE GOVERNMENT OF MADRAS, No. 1834, DATED THE 21ST DECEMBER 1925.

In reply to your letter No. 1637-Agr., dated 4th December 1925, I am directed to report that His Excellency the Governor acting with his Ministers welcomes with pleasure the proposal to appoint a Royal Commission at the earliest possible date to examine and report on the present conditions of



agriculture and rural economy in British India. This Government has no doubt that the appointment of such a Commission would afford valuable assistance in solving the many problems now awaiting solution in connection with the agriculture of the country and in focussing public attention on the subject of agricultural improvement and the part it plays in rural prosperity. The proposed terms of reference do not call for any special remarks except that His Excellency acting with his Ministers considers it desirable to include specifically in their scope the application of co-operative principles to agriculture in all its aspects, such as production, credit, marketing, etc. The importance of this subject has been recognised in several Western countries and in Japan.

LETTER FROM THE CHIEF COMMISSIONER, AJMER-MERWARA, No. 782-P.,  
DATED THE 23RD DECEMBER 1925.

I have the honour to acknowledge the receipt of your letter No. 1637, dated the 4th December 1925, and to state that I have no comments to make as I consider the terms of reference sufficiently comprehensive.

LETTER FROM THE CHIEF COMMISSIONER, NORTH-WEST FRONTIER PROVINCE,  
No. 1072-REV., DATED THE 23RD DECEMBER 1925.

In reply to your confidential letter No. 1637, dated the 4th December 1925, I have the honour to state that the opinions of my District Officers and of those other officers whom time has allowed of my consulting, are unanimously in favour of the proposal to appoint a Royal Commission on Agriculture in India. With that consensus of opinion I am in entire agreement.

The proposed terms of reference seem to me to be suitable and sufficiently comprehensive. There is, however, one suggestion which I venture to make with regard to point (d) of the proposed particular terms of reference and that is that the terms may include a specific direction to investigate the means by which it may be hoped that the cultivator can be made a match for the professional money-lender. As Mr. Darling remarks in his "The Punjab Peasant in Prosperity and Debt," page 280:—

"The cultivator sows that another may reap, and toils that his creditor may gain. Of what use to him, then, are all the devices for improving the quantity or the quality of his harvest".

\* \* \* \* \*

"and to the Indian cultivator no freedom is possible till the power of the money-lender is broken."

LETTER FROM THE SECRETARY TO THE GOVERNMENT OF BOMBAY, REVENUE  
DEPARTMENT, No. 5426-A./24-CONFDL., DATED THE 30TH DECEMBER  
1925.

*Proposed appointment of a Royal Commission on Agriculture in India.*

I am directed by the Government of Bombay (Transferred Departments) to acknowledge the receipt of your letter No. 1637, dated 4th

December 1925, inviting the views of this Government on the proposed appointment of a Royal Commission on Agriculture in India and the suggested terms of reference thereto.

2. In reply, I am to state that in the opinion of this Government the problems of agriculture are largely local in character and even the results of general research frequently require prior local investigation before they can be applied successfully to any particular area. The Government of India are aware, that much useful work has been done in this Presidency as in other Provinces in defining local problems and determining their solution. An extension of these activities has been limited only by the financial stringency from which this Presidency, in common with other Provinces, has suffered. The Government of Bombay recognise that the findings of a Royal Commission on Agriculture would throw much light on numerous important problems connected with that industry. In particular, should the appointment of the Commission result, as is anticipated in paragraph 1 of your letter, in research work on a larger scale than hitherto being undertaken by the Government of India, it would be of very great value. The Government of Bombay however believe that much of the work of the Commission would require to be supplemented by local investigation which they, and possibly other Provincial Governments may be unable to undertake in their present situation. I am therefore to state that while they would welcome in several respects the appointment of the proposed Commission, they feel bound to point out that the full measure of its benefits might be lost to the Provinces by their inability to apply or follow up the results of the inquiries.

3. With regard to the proposed terms of reference, the Government of Bombay are in full agreement with the view that all questions connected with land tenure and rates of land revenue assessment and irrigation charges should be specifically excluded from the scope of the Commission's recommendations. They further welcome the assurance contained in paragraph 2 of your letter that the Government of India have no intention of interfering with the full control of local Governments over agriculture. Subject to these two conditions they approve of the terms of reference generally. I am however to point out that clause (d) of the proposed terms as at present worded would cover a very wide range extending beyond the restrictions proposed above. The Government of Bombay would therefore prefer if it could be somewhat narrowed down so as to accord more strictly to the proposed scope of the Commission's recommendations.

LETTER FROM THE AGENT TO THE GOVERNOR GENERAL IN BALUCHISTAN, No.  
13-S.R., DATED THE 4TH JANUARY 1926.

*Proposed appointment of a Royal Commission on Agriculture in India.*

With reference to your Confidential letter No. 1637, dated the 4th December 1925, on the subject indicated above, I have the honour to say that the proposed terms of reference to the Royal Commission appear to me to be suitable.

2. Agriculture in Baluchistan, as the Government of India is aware, is handicapped for the most part, by a paucity of water due to an ever increasing deficiency in the annual rainfall as a result of which springs and other sources of supply are either drying up or becoming much depleted.

To increase this supply is the greatest problem so far as the Agriculturist is concerned, which faces this Administration and any measures not prohibitively expensive, which the Commission could suggest in this direction would be of inestimable value to all concerned.

TELEGRAM FROM THE VICEROY (EDUCATION DEPARTMENT), TO THE SECRETARY OF STATE FOR INDIA, LONDON, No. 71-S, DATED 12TH JANUARY 1926.

Priority—

Royal Commission on Agriculture. On December 4th, we sent Local Governments and Administrations a confidential circular inviting reference to His Excellency's remarks in his opening address to Indian Legislature on August 20th, 1925, on subject of Indian Agriculture. The circular also mentioned the striking progress made in recent years in many directions in promoting science of agriculture and introducing improvements; and it was added that, in view of great importance of agriculture to India and of large numbers of population engaged in the industry and wholly depended upon it, we felt that there was room for more extensive co-ordination of effort towards agricultural improvement; that no possible step should be left untried in making the latest scientific and practical knowledge available to those concerned in the industry; that nothing should remain unexplored which held out promise of amelioration in conditions; that average standard of production and general level of rural welfare in India was lower than in other countries, where there has been for some time past marked concentration on agricultural problems; that agricultural practice in many parts of India also was admittedly still primitive and bulk of agricultural population was generally unversed in modern methods of improvements; that this situation called for remedy of a comprehensive nature; and that we felt that time was opportune for examination of means of strengthening activities by co-ordination, and of methods for applying fruits of experience in other countries to solution of problems of agricultural conditions in India. The circular went on to say that after correspondence with you, we were inclined to think that objects which we had in view could best be attained by recommendation of appointment of Royal Commission on Agriculture at earliest possible date; that you were disposed to agree with us and that we wished to consult local Governments as to this proposal and as to draft terms of reference, copy of which as amended in accordance with your telegram of November 20th was forwarded to them.

2. It was explained to local Governments that we had no intention, in arriving at this conclusion, of interfering with their full control over this subject, which is in most of its aspects both provincial and transferred; that our object was not to curtail but to supplement work now being carried on in Provinces; that we hoped that terms of reference as drafted would enable Commission, as result of its investigations, to make recommendations which would be of value to Ministers responsible for Agriculture in Provinces and to local Administrations as well as Central Agencies working under us in connection with agricultural and veterinary research and education. It was explained that all questions connected with land tenure and rates of land revenue assessment and irrigation charges were specifically excluded from field of Commission's recommendation; and that although these questions had in a sense definite connection with rural conditions, it appeared to us

undesirable and unnecessary to invite Commission to burden their enquiry by exploration into these subjects for purpose of making recommendations concerning them. It was added that Commission would be instructed to place themselves in communication with local Governments on their visit to any province, and to carry on their investigations and to take evidence in close consultation with Ministers responsible for agriculture, co-operation and other subjects that came under their consideration.

3. All local Governments and Administrations except Delhi have replied. All are in favour of appointment of Commission. United Provinces, Burma, Central Provinces, Assam, Coorg, Ajmer-Merwara and Baluchistan consider proposed terms of reference suitable.

It is considered by Bihar and Orissa that attention of Commission should at outset be called to necessity of considering separately problem of various parts of India. Owing to local circumstances, these problems vary considerably in different provinces, and local Government consider it desirable that Commission should report separately on circumstances of main divisions of country in same way as was done by Indian Sugar Committee. Local Government also suggest that in order that Commission's recommendations should be of practical use they should be supplemented by specific advice as to special measures required in different parts of India, which have so far developed on very different lines. With this object, local Government suggest addition of words "the several provinces of" before "British India" in first paragraph of draft terms of reference.

It is suggested by Punjab that enquiry should embrace reference to suitability of existing educational methods and curricula as applied to needs of rural population, and to possibility of providing better ground work for those who desire to study in agricultural courses. Local Government considers that it should be open to Ministers to suggest lines of detailed enquiry required in particular interests of their own provinces, and to seek Royal Commission's advice on any point of importance to Departments of which they are in charge. Local Government also hopes that Governor and his Ministers will be consulted regarding personnel of Commission.

Bengal assumes that proposed terms of reference would cover investigation into measures for introduction of agricultural machinery and implements, methods of compilation of agricultural statistics and facilities at present existing for co-operative purchase of agricultural requirements and co-operative sale of agricultural produce. In the opinion of local Government these are subjects which should also come within purview of Commission's investigations.

Madras suggests including specifically the application of co-operative principles to agriculture in all its aspects, such as production, credit, marketing, etc.

North-West Frontier Province is of opinion that clause (d) of proposed terms of reference should include specific direction to investigate means by which it may be hoped that cultivator can be made a match for professional money-lender.

Bombay while recognising value of proposed Commission believes that much of Commission's work would require to be supplemented by local investigation which in their present financial position they and possibly other Provincial Governments may be unable to undertake. While, therefore,

welcoming in several respects the appointment of a Commission, local Government point out that full measure of its benefits might be lost to Provinces by their inability to apply or follow up the results of the inquiries. Bombay adds that clause (d) covers a very wide range as at present worded and should be somewhat narrowed down so as to accord more strictly with proposed scope of Commission's recommendations.

4. After having considered suggestions made by local Governments and Administrations, we are of opinion that only new point, which may now be included in proposed terms of reference, is in relation to agricultural statistics. With this object, we propose to insert in (a) of terms words "for the compilation of agricultural statistics" after words "demonstration and education". Questions relating to application of co-operative principles to agriculture are already covered by terms of reference and especially by (b) and (c). As stated in paragraph 2 above, Commission will consult with Ministers responsible for co-operation, and this is an additional reason for non-inclusion of such questions in terms of reference. Suggestion of Punjab Government about education appears to fling net too wide. Royal Commission could not go into general scheme of primary and secondary education of rural population. Special agricultural education is sufficiently covered by (a) and under (d) it might be possible for Commission to recommend that ordinary primary and secondary education for agricultural population should be of a kind helpful to agricultural vocation and not of character to alienate their sympathy from this industry. For this reason, we have not specifically included in proposed terms of reference any question of survey of general scheme of ordinary education. With reference to word "research" in (a) in terms of reference, it may be mentioned that in Punjab, apart from agricultural research, there is technical officer who studies problems of application of water for irrigation of different soils and crops and that this has direct bearing on agricultural productivity.

5. We consider that it is desirable to announce the decision to appoint a Royal Commission and to publish terms of reference at an early date, and we hope that you will find it possible to telegraph your orders. Above is with reference to your telegram No. 346-S., dated 20th November 1925.

TELEGRAM FROM THE SECRETARY OF STATE FOR INDIA, LONDON, TO THE VICEROY (EDUCATION DEPARTMENT), DELHI, NO. 147, DATED 15TH JANUARY 1926.

Terms of reference of Royal Commission on Agriculture. I agree that a reference to agricultural statistics is only alteration necessary.

His Majesty the King has approved appointment of Commission and you are authorised to make an announcement to this effect.

This is with reference to your telegram No. 71-S., of the 12th instant.

## COUNCIL OF STATE.

Tuesday, 16th February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### MEMBER SWORN.

The Honourable Sir Bijay Chand Mahtab, G.C.I.E., K.C.S.I., I.O.M., Maharajadhiraja Bahadur of Burdwan (Bengal: Nominated Non-Official).

### MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: I have a Message for the Council from His Excellency the Governor General which runs:

(The Message was received by the Members of the Council standing).

"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 Budget is under consideration.

(Sd.) READING,  
Governor General."

There is a further Message which runs:

(The Message was received by the Members of the Council standing).

"For the purposes of sub-section (1) of section 67A of the Government of India Act, and in pursuance of Rules 43, 46 and 47 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Rufus Daniel, Earl of Reading, hereby appoint the following days for the presentation to the Council of State and to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways and for the subsequent stages in respect thereof in the Council of State and in the Legislative Assembly, namely:—

|                        |     |     |                                                             |
|------------------------|-----|-----|-------------------------------------------------------------|
| Monday, March, 1st     | ... | ... | Presentation in both Chambers.                              |
| Thursday, March, 4th   | ... | ... | } General discussion in the Legislative Assembly.           |
| Friday, March, 5th     | ... | ... |                                                             |
| Saturday, March, 6th   | ... | ... |                                                             |
| Monday, March, 8th     | ... | ... | } Voting of Demands for Grants in the Legislative Assembly. |
| Tuesday, March, 9th    | ... | ... |                                                             |
| Wednesday, March, 10th | ... | ... |                                                             |
| Thursday, March, 11th  | ... | ... |                                                             |
| Friday, March, 12th    | ... | ... |                                                             |

(Sd.) READING,  
Viceroy and Governor General."

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill further to amend the Code of Criminal Procedure, 1898, for a certain purpose which was passed by the Legislative Assembly at its meeting held on the 15th February, 1926.

SMALL CAUSE COURTS (ATTACHMENT OF IMMOVEABLE PROPERTY) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I move:

"That the Bill to resolve certain doubts as to the powers, in regard to the attachment of immoveable property, of Provincial Small Cause Courts, as passed by the Legislative Assembly, be taken into consideration."

This Bill is intended to settle a doubt which has recently been raised as to the power of Provincial Small Cause Courts to attach immoveable property before judgment. These Courts have no power to entertain any suits with regard to immoveable property nor have they any power to attach immoveable property in execution of their decrees. They had prior to the Code of Civil Procedure of 1908 no power to attach immoveable property before judgment, but since the passing of the Act of 1908 and very recently a doubt has been raised as to whether the Provincial Small Cause Courts have power to attach immoveable property before judgment. There is no question that they have no such power to attach after judgment. So far as it can be made out, the Legislature when passing the Act of 1908 never intended to give any such power to Provincial Small Cause Courts, but the Committee which framed the Act of 1908 in re-arranging the provisions of the Code of Civil Procedure with regard to the powers of the Small Cause Courts have so arranged a provision that a doubt has been raised as to whether the Small Cause Courts have now been given power to attach before judgment. Recently a Full Bench of the Calcutta High Court had this question before them and by a majority they held that as the Civil Procedure Code was now arranged power seems to have been given to Small Cause Courts so to attach, although the Judges held that there was some doubt as to whether the Legislature really intended that. As a matter of fact, these Courts, as the House is aware, are intended for speedy disposal of small causes, and that is the reason why they have not been given any power to deal with immoveable property which raises generally complicated questions of fact and law. This doubt having been raised, it became necessary to settle it and practically all the High Courts are agreed that the Small Cause Courts should not have power to attach before judgment. Of course, it is a very anomalous position. They have not got power to attach after decree and necessarily they should not have power to attach before decree. This was placed before the Legislative Assembly and they have passed the Bill. Now I move that the Bill, as passed by the Legislative Assembly, be taken into consideration by this House.

The motion was adopted.

Clauses 2, 3 and 4 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

THE HONOURABLE MR. J. CRERAR (Home Secretary): I move:

"That the Bill further to amend the Code of Criminal Procedure, 1898, as passed by the Legislative Assembly, be taken into consideration."

This is a small Bill comprising four or five separate items, the necessity for which has become apparent in the course of experience of the application of some of the amendments carried out in the Code of Criminal Procedure in 1923. I can hardly say that these items present any single definite principle except this, that it is desirable to remove the administrative inconveniences that have been observed to arise; and the safeguards which it is proposed to set up will operate almost entirely in favour of witnesses and of accused persons. I do not think I need go more into the actual details of the Bill than to illustrate my point in the case of one or two of the provisions of the Bill. Honourable Members will see that it is proposed to repeal sub-section (4) of section 170. The result will be that, while in many cases witnesses are now required to present themselves in court on a day when the accused himself has not been produced and are compelled to go and waste their time, return to their villages and appear on some later date, this harassment and inconvenience will be largely reduced. The effect of another clause is that, when a complaint is filed, it will be necessary for some formal documentary record to be maintained either in the form of a written complaint or, where the complaint is not in writing, by means of an examination of the complainant reduced to writing. Again when a complaint is made in pursuance of section 476 by a court in respect of certain offences against public justice or certain contempts, as the Code at present stands the Magistrate to whom that complaint is referred is practically bound to issue process against the person complained against. Now it may quite conceivably happen, and in fact it has occasionally happened, that if the Magistrate were empowered to direct an inquiry or investigation before actually issuing process, the necessity of bringing the person complained against into court would be obviated. These are instances of the general effect of these amendments. They will, as I have said, operate to reduce the hardship and inconvenience entailed on witnesses and accused persons.

The motion was adopted.

Clauses 2, 3, 4, 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. J. CRERAR: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

## GOVERNMENT TRADING TAXATION BILL.

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): I move:

"That the Bill to determine the liability of certain Governments to taxation in British India in respect of trading operations, as passed by the Legislative Assembly, be taken into consideration."

This is a very simple Bill of a non-controversial character. It is the result of a recommendation accepted at the last Imperial Economic Conference in 1923. The principle involved is one which, I am sure, has only to be mentioned to meet with universal acceptance. It is that any Government in the Empire which takes part in trading operations or commercial undertakings in any other part of the Empire should be subjected to the same taxation as any business concern. The proposal to legislate on these lines was referred to all Local Governments and all of them have agreed to it. The Government of India waited to see the form which the corresponding legislation would take in the United Kingdom, and this Bill follows the corresponding provisions of the British Finance Act of last year.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. C. MCWATTERS: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

## GUARDIANS AND WARDS (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): I move:

"That the Bill further to amend the Guardians and Wards Act, 1890, as passed by the Legislative Assembly, be taken into consideration."

This is a very short Bill introduced with a view to carry out one of the recommendations of the Civil Justice Committee. I cannot do better than read from an extract from that Committee with reference to this matter. The Committee says:

"Section 4 of the Guardians and Wards Act (VIII of 1890), defines the Court as 'the District Court having jurisdiction to entertain an application under the Act for an order appointing or declaring a person as guardian and in any matter relating to the ward the District Court having jurisdiction in the place where the ward for the time being ordinarily resides.' By that Act jurisdiction in guardian and wards cases is given exclusively to the District Judge and an appeal lies to the High Court against his orders in a variety of matters, such as the appointment and declaration of guardians and their removal or discharge, the custody of minors and the regulation of the conduct or proceedings of the guardian.

Applications under the Act often relate to estates whose value is much less than the pecuniary jurisdiction of Munsifs. They are sometimes filed with the sole object of stopping a marriage, securing the custody of a minor or harassing a woman who is managing her infant's estate as natural guardian or for other ulterior purposes unconnected with the welfare of the minor and often in order to allow of alienation of immovable property to pay ancestral debts. The guardian when appointed is put on terms and in the discharge of his duties under the bond executed by him, he files accounts and from time to time seeks the directions of the court on various matters. The hearing and determination of these applications naturally take time and interfere with other more important work of the District Judge.

Section 19 of the Central Provinces Act, and section 30 of the Punjab Courts Act provide for the transfer of proceedings under the Guardians and Wards Act, 1890, to any subordinate Judge according to the general or special order of the Judicial Commissioner and High Court respectively. The absence of similar provisions in the Civil Courts Acts of other Provinces has nothing to do with the propriety or desirability of the devolution of the District Judge's powers at the present day to lower judicial tribunals under his control. Here again we consider there is no objection to contested cases being heard by senior subordinate Judges. The power already exists under the Punjab and Central Provinces Acts, and we consider that it should be used when necessary and provision made in the other Civil Courts Acts for similar powers of transfer."

Well, instead of making provision in other Civil Courts Acts it has been thought better to amend the Guardians and Wards Act itself and provide for the recommendation of the Civil Justice Committee. This is a very short Bill. It enables the High Courts and the District Courts to empower courts subordinate to the District Court to hear applications under the Guardians and Wards Act. It also empowers the District Court to transfer from one Subordinate Court to itself or to another Subordinate Court any of these applications. It means a saving of a good deal of time by the taking of a number of minor applications by Subordinate Courts instead of having them made in the District Court or the High Court.

The motion was adopted.

Clauses 2, 3, 4 and 5 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

## INDIAN LUNACY (AMENDMENT) BILL.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I move:

"That the Bill further to amend the Indian Lunacy Act, 1912, as passed by the Legislative Assembly, be taken into consideration."

The object of this Bill is to remove a defect which exists in our present law relating to lunacy to which attention has been drawn by one of the most eminent alienists in India. Under sections 5 and 6 of the existing Act before a lunatic can, in certain circumstances, be received into an asylum it is necessary for a reception order to be made by a Magistrate, and petition can be made for such a reception order by the persons specified in clause 6 of the Bill, the husband or wife of the alleged lunatic or any other relative of his. Coming to a later provision of the Act, section 32, we see in what circumstances lunatics may be discharged. It is provided in that section that a lunatic may be discharged on the petition of the person on whose petition the original reception order was made. Now considerable inconvenience has been experienced because, if the person who originally made the petition for a reception order is dead or cannot be found, action cannot be taken under this section. The object of the Bill therefore is to lay down a procedure, which Honourable Members will observe, is very carefully regulated and safeguarded, by which a Magistrate may make what is known

[Mr. J. Crerar.]

as a substitution order. That is to say, if the person who originally made the petition cannot be found, or for various reasons it is impracticable or inexpedient that action should be taken on his petition, then another fit and proper person may be substituted after due inquiry. That will greatly facilitate and render more elastic the procedure for the discharge of a lunatic. That is the object of the measure.

The motion was adopted.

Clauses 2, 3 and 4 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. J. CRERAR: I move, Sir, that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 17th February, 1926.

## COUNCIL OF STATE.

Wednesday, 17th February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### QUESTIONS AND ANSWERS.

#### DECLARATION OF THE SONTHAL PARGANAS AS A BACKWARD TRACT.

97. THE HONOURABLE MR. MAHENDRA PRASAD: (a) Will the Government be pleased to state if the district of Sonthal Parganas is declared backward under section 52/A, Clause 2, of the Government of India Act?

(b) If the answer be in the affirmative, will the Government be pleased to lay on the table the copy of the notification issued declaring the Sonthal Parganas to be a backward tract?

THE HONOURABLE MR. J. CRERAR: (a) Yes.

(b) I do not think it necessary to lay a copy of the notification which is somewhat voluminous on the table. Honourable Members who desire to refer to it will find it reproduced on pages 261 to 263 of the publication of the Government of India Act and rules, copies of which are in the Library.

#### APPLICATION OF SECTION 71 (1) OF THE GOVERNMENT OF INDIA ACT TO THE SONTHAL PARGANAS.

98. THE HONOURABLE MR. MAHENDRA PRASAD: (a) Will the Government be pleased to state if section 71 (1) of the Government of India Act is in force in respect of the Sonthal Parganas?

(b) If the answer to (a) be in the affirmative, will the Government be pleased to lay on the table the copy of the notification by which section 71 (1) of the Government of India Act was applied to the Sonthal Parganas?

THE HONOURABLE MR. J. CRERAR: (a) Yes.

(b) A copy of the notification of the Government of India in the Home Department, No. 478, dated the 12th March 1872, is placed on the table. The territories referred to are those which now comprise the Sonthal Parganas.

### JUDICIAL.

The 13th March 1872.

No. 478.—It is hereby notified that the Secretary of State for India has, by Resolution in Council, declared the provisions of the 1st Section of an Act passed in the 33rd year of Her Majesty's reign Chap. 3, entitled an Act to make better provision

for making Laws and Regulations for certain parts of India and for certain other purposes relating thereto, to be from the 15th day of March, 1872, applicable to the following parts of the territories under the government of the Lieutenant-Governor of Bengal, that is to say :—

THE DAMIN-I-KOH.

So much of Pergunnah Bhaugulpore and of Pergunnah Sutticare as lies east of the Gerooah Nuddee and south of a line drawn eastward from Humza Chuck to the village of Dighee.

*Zillah Bhaugulpore.*

|                        |     |     |                                                                                                                                                                                                              |
|------------------------|-----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pergunnah Teleeagurhee | ... | ... | } Except such parts of them as are now or may be hereafter situate on the left bank of the main stream of the Ganges so that in any change in the course of the river the main stream shall be the boundary. |
| " Jumoonnee            | ... | ... |                                                                                                                                                                                                              |
| " Chetowleah           | ... | ... |                                                                                                                                                                                                              |
| " Kankjole             | ... | ... |                                                                                                                                                                                                              |
| " Bahadurpore          | ... | ... |                                                                                                                                                                                                              |
| " Akbernuggur          | ... | ... |                                                                                                                                                                                                              |
| " Inayutnuggur         | ... | ... |                                                                                                                                                                                                              |
| " Mukraen              | ... | ... |                                                                                                                                                                                                              |
| " Sooltanguge          | ... | ... |                                                                                                                                                                                                              |

*Zillah Bhaugulpore.*

|                   |     |     |                                                                                                                    |
|-------------------|-----|-----|--------------------------------------------------------------------------------------------------------------------|
| Pergunnah Umber   | ... | ... | } Except such detached villages as lie within the general boundaries of Pergunnahs not mentioned in this Schedule. |
| " Sooltanabad     | ... | ... |                                                                                                                    |
| " Godda           | ... | ... |                                                                                                                    |
| " Umloo Mootesh   | ... | ... |                                                                                                                    |
| " Pussye          | ... | ... |                                                                                                                    |
| " Hendwa          | ... | ... |                                                                                                                    |
| Tuppeh Muneeharee | ... | ... |                                                                                                                    |
| " Belputta        | ... | ... |                                                                                                                    |

*Zillah Beerbhoom.*

|                                                                                    |     |     |                                                                                                                    |
|------------------------------------------------------------------------------------|-----|-----|--------------------------------------------------------------------------------------------------------------------|
| Pergunnah Pubbia                                                                   | ... | ... | } Except such detached villages as lie within the general boundaries of Pergunnahs not mentioned in this Schedule. |
| Tuppeh Saruth Deoghur                                                              | ... | ... |                                                                                                                    |
| " Kundit Kuraye                                                                    | ... | ... |                                                                                                                    |
| " Mohumdabad                                                                       | ... | ... |                                                                                                                    |
| Such part of Pergunnah Dureen Molissur as lies north of the Chilla or Chundun Ghat | ... | ... |                                                                                                                    |
| Nullah                                                                             | ... | ... |                                                                                                                    |

Such detached portions of other Pergunnahs and Tuppehs as lie within the general boundaries of any of the above-mentioned Pergunnahs and Tuppehs.

Such portions of Pergunnahs belonging to Maldah and Purneah below the village of Khederpore in Pergunnah Teleeagurhee as are now or may hereafter be situate on the right bank of the main stream of the Ganges.

REGULATION VII OF 1925.

99. THE HONOURABLE MR. MAHENDRA PRASAD: (a) Will the Government be pleased to state if the Local Government of Bihar and Orissa submitted any objects and reasons for the promulgation of Regulation VII of 1925, along with the draft as required by section 71 of the Government of India Act?

(b) If the Government of India circulated the draft of Regulation VII of 1925 for eliciting public opinion before its enactment?

(c) If the answer to (a) be in the affirmative, will the Government be pleased to lay on the table the said objects and reasons and any correspondence between the Bihar and Orissa Government and the Government of India relating to Regulation VII of 1925?

(d) If the answer to (b) be in the affirmative, will the Government be pleased to lay on the table the opinions received from local officers and the public?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (a) and (c) The reasons for the Regulation which was promulgated by the Government of India as Regulation VII of 1925 were stated in the letter from the Government of Bihar and Orissa No. 1142/III-P-3-R. T., dated 28th August, 1925, copies of which and of the reply of the Government of India, No. 499/25-G., dated 21st December 1925, are placed in the Library of the House.

(b) It is not usual for the Government of India to circulate for public opinion the draft Regulations proposed by Local Governments under section 71 of the Government of India Act. A reference to paragraph 7 of the Bihar and Orissa Government's letter of 28th August 1925, referred to, will however show that that Government satisfied themselves after consultation with the principal proprietors of the district that the measure met with general approval.

(d) Does not arise.

PRIVATE NOTICE QUESTIONS AND ANSWERS.

THE HONOURABLE MR. PHIROZE C. SETHNA: Sir, His Excellency the Commander-in-Chief has been pleased to accept private notice of a question. Have I your permission to read it out, Sir?

THE HONOURABLE THE PRESIDENT: Yes.

REPORT OF THE TERRITORIAL AND AUXILIARY FORCES COMMITTEE.

THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state in regard to the Report of the Territorial and Auxiliary Forces Committee which was published nearly a year back—

(a) if the same has been considered?

(b) if all or any of its recommendations are approved? and

(c) the earliest date when their decision will be made public and given effect to?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) to (c) The Government of India have been actively considering the Report of the Auxiliary and Territorial Forces Committee, but they have, so far, not reached any final conclusion. I may mention that actually the final replies of all Local Governments have not yet been received. Government expect, however, to decide in a very short time upon the course of action which they propose to take on the recommendations of the Committee. But it will then be necessary to address the Secretary of State.

PURCHASE OF FOREIGN RAILS BY COMPANY-MANAGED RAILWAYS.

THE HONOURABLE MR. PHIROZE C. SETHNA: (1) Is it a fact that the Indian Railways not under Government management are at present contemplating the purchase of foreign rails?

(2) In view of the recommendation of the Tariff Board in their original and supplementary reports as to the price which should be obtained by



the Indian manufacturer for rails, and the fact that the scheme of protection accepted by Government and the Assembly has in this respect failed, will Government consider the advisability of immediately imposing a duty similar to the duties imposed on other classes of steel on foreign rails in order to protect the Indian manufacturer against such foreign imports?

(3) Are Government aware that recently the London and North Eastern Railway in England passed orders to the effect that no steel other than that of British manufacture was to be used for certain articles on their Railway, and have Government brought this expression of policy on the part of this English Railway to the notice of the Indian Railways who contemplate ordering foreign steel?

(4) Is it a fact that the Indian Railways in question are contemplating the order for immediate delivery of a sufficient quantity of foreign rails to meet their requirements for several years with the object of evading any protective duties that may be imposed as a result of the further inquiry into protection for steel promised by Government?

(5) If so, are Government taking any steps to prevent such evasion of their professed policy?

THE HONOURABLE THE PRESIDENT: Before the reply is given by the Government to the Honourable Member's question, I think I should point out to the House and to the Honourable Mr. Sethna, in particular, that there are considerable portions of his question which, if notice had been given in the ordinary way, I should probably have found myself obliged to disallow. The greater portion of part (2) of the question, more than the first half of it, is argumentative, and would probably have to be omitted, and the last portion of part (4) of the question contains an inference, that is to say, it is purely the Honourable Member's own opinion as to the object of the action taken by certain Railways. I understand, however, that the Honourable Member (Mr. Chadwick) is perfectly prepared to answer the question and therefore I do not propose to take any formal steps to have the question amended.

THE HONOURABLE MR. D. T. CHADWICK: (1) No. The position is that certain of the Company-managed Railways contemplate calling for tenders for the supply of rails for next year. In preparing their tenders Indian manufacturers of rails will have the advantage of the protection and bounties afforded to them by the Steel Industry (Protection) Act and by the recent Resolution passed in the Legislature.

(2) The Indian manufacturer already receives in regard to rails by way of duty plus bounty the same assistance as he receives in regard to other articles he manufactures. It is not understood that the Honourable Member suggests that a greater degree of protection should be given to rails than to other steel articles manufactured in India. The Government cannot accept the assumption that the mere fact that some of the Railways propose to call for tenders connotes that the scheme of protection has failed.

(3) Yes.

(4) The answer is in the negative.

(5) Does not arise.

THE HONOURABLE SIR ARTHUR FROOM: Are the Government aware whether the action of the North Eastern Railway at home of the issue of an order to purchase rails of British manufactured steel was based on a question of quality?

THE HONOURABLE MR. D. T. CHADWICK: I am not aware of all the considerations which influenced the North Eastern Railway Company to issue that order.

THE HONOURABLE SIR ARTHUR FROOM: Are Government aware that recently Japan placed large orders for British rails on account of quality?

THE HONOURABLE MR. D. T. CHADWICK: I am aware that Japanese Railway Administrations recently published a report that they found that of all their purchases of rails those from Great Britain had proved to be the most satisfactory in actual use.

#### STATEMENT REGARDING NEGOTIATIONS WITH THE UNION GOVERNMENT OF SOUTH AFRICA.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, in his speech at the opening of the Legislative Assembly, His Excellency the Viceroy outlined the general course which the negotiations with South Africa regarding the Asiatic question have taken, and appealed to the House to continue to trust the Government while the negotiations were still proceeding. The Government of India and the Union Government of South Africa have now agreed that a stage has been reached at which the correspondence that has passed between the two Governments during the last year can suitably be made public. I am therefore placing in the Library of the House copies of the communications that have passed between the two Governments on the subject of the position of Indians in South Africa.

From this correspondence it will be seen that last April, with the approval of the Secretary of State for India, the Government of India took up with the Union Government direct the question of formulating a comprehensive Indian policy in South Africa which would be acceptable to all the parties concerned, and utilised the suggestion thrown out by Mr. Thomas, Secretary of State for the Colonies, to propose a conference on the subject preferably in South Africa, but if the Union Government so desired in India, or on neutral ground such as Geneva. In the alternative, they asked the Union Government to make other suggestions to bring about a satisfactory settlement of the Indian question. The Union Government replied in June last that, while they were quite ready to receive suggestions from the Government of India towards making their policy of repatriation more effective, they regretted their inability to agree to a conference since it was the policy of all parties in South Africa, by means of strict prohibition of Indian immigration and of active repatriation, to reduce the Indian population in the country, as nearly as possible, to an irreducible minimum, and such a conference would be viewed with suspicion as an interference from outside. On July 14th, the Government of India renewed the suggestion for a conference on the ground that repatriation could not by itself provide an effective solution of the problem, since

[17TH FEB. 1926.]

[Sir Muhammad Habibullah.]

68 per cent. of the resident Indian population were born in South Africa and regarded that country as their home, and on the ground that in order to arrive at a satisfactory settlement, alternative measures of mitigating European and Asiatic competition in the economic sphere should be explored. In July the Areas Reservation and Immigration and Registration (Further Provision) Bill embodying the policy of the Union Government towards the Asiatic problem was introduced, and in September the Union Government replied regretting their inability to hold a conference on the Indian question, unless its main object was more effective repatriation and unless it was limited to some definite and concrete questions connected therewith. They seemed, however, inclined to favour conversations both in connection with repatriation and with methods of reducing Asiatic and European competition. In October the Government of India replied to the Union Government that, before entering into a discussion of the repatriation question or the general question of alleviating direct competition, they would like to send a deputation to South Africa to collect information regarding the economic condition and general position of Indians residing in the Dominion. The Government of South Africa agreed to this proposal on November 10th, and the deputation sailed from Bombay on November 25th. Its defined purpose was to inquire into and report on the economic condition and general position of the resident Indian community in South Africa and to form an appreciation of their wishes and requirements with a view to furnishing material to the Government of India for use in connection with their negotiations with the Union Government. That deputation has collected material and come to provisional conclusions which enabled the Government of India on January 10th to press once again on the Union Government the desirability of a round table conference on the whole question, or, failing that, a fresh inquiry, before the proposed legislation was proceeded with. The Union Government replied on February 6th that they fully realised our anxiety to place the case of the Indian community in South Africa as fully as possible before them. They expressed their willingness, therefore, to propose the reference of the Asiatic Bill to a Select Committee before the second reading so as to enable the Committee to take evidence on the principles of the Bill as well as on its details, subject to the understanding that the Committee should be required to report to Parliament within such limited period as would enable Parliament to deal finally with the proposed legislation during the present session. This offer the Government of India have accepted, but they have made it clear that their objections to the Bill are fundamental and that they are instructing their deputation to present the case before the Select Committee in respect of general principles. It will follow from the statement of their objections to principles that the Government of India are also opposed to the details of the Bill; but it is not proposed to discuss the latter because the Government of India cannot take any action which might be thought even remotely to imply that they are prepared to waive fundamental objections or acquiesce in the principle of the Bill.

From this very brief summary of the course which the negotiations have taken, it will be clear that the Government of India have obtained two important results. In the first place, they have, for the first time

since Sir Benjamin Robertson's deputation, their own representatives on the spot in South Africa who are in a position to keep them informed of the progress of events and to present the Indian case on their behalf before the Select Committee, when it is appointed. While the Government of India have on their records a mass of evidence relating to the position of Indians in South Africa, they feel the necessity of keeping it up to date and abreast of the changing economic conditions of the Union and of relating it to the particular legislation under consideration. They are anxious moreover to establish closer touch with the wishes and needs of the Indian community in South Africa. It is in these respects that the presence of their deputation in South Africa is proving invaluable to them. Secondly, they have induced the Union Government to agree that the Asiatic Bill should be referred to the Select Committee before, instead of after, the second reading. The principles involved in this Bill are so grave and its effects on the position of Indians in South Africa are of such far-reaching consequence, that the Government of India attach great importance to this concession. India naturally takes the strongest objection to measures calculated to relegate Indians to a position inferior to that of other classes of His Majesty's subjects. The Select Committee before the second reading gives a desired opportunity of stating the case and opposing the Bill on these grounds before the Legislature of the Union is committed to the principle of the Bill. The Government of India gratefully acknowledge the assistance that they have derived in the past from the attitude of the Legislature in regard to Indian affairs in South Africa and they trust that, when the Members of the two Chambers have had an opportunity of studying the correspondence which is now made public, they will approve of the line which has been taken.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay: Non-Muhammadan): Sir, I am sure the House and the country at large will feel very grateful to Government for the statement which the Leader of the House has made to us to-day. I would however like to ask the Honourable Sir Muhammad Habibullah if it would suit Government to name a day when the statement he has read out and the correspondence he has laid on the table might be discussed in this House.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Sir, I must say that I am not in a position, on the spur of the moment, to accept the suggestion which has been made by the Honourable Member opposite, but I can assure him that I shall give the matter my best consideration and announce the decision as soon as I possibly can.

#### RESOLUTION RE LEADER OF THE INDIAN DELEGATION TO THE LEAGUE OF NATIONS.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay: Non-Muhammadan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council to appoint an Indian of suitable rank and qualifications to be the leader of the delegation representing India at the next session of the Assembly of the League of Nations."

About two years ago, or to be precise on 10th March, 1924, I moved a Resolution in the then Council of State on identically the same lines as the Resolution I have just now read out. In moving the Resolution, I

[Mr. Phiroze C. Sethna.]

pointed out that there were highly capable and distinguished Indians who could certainly be trusted to lead the Indian Delegation to the Assembly of the League of Nations. In speaking on the Resolution the Leader of the House, the Honourable Sir Muhammad Shafi, on behalf of Government expressed full sympathy with the Resolution and gave an assurance that the proposal would receive the most careful consideration. Let me quote his exact words. They were:

"The Government of India fully recognise that the wish expressed in the Resolution which has been moved by my Honourable friend, Mr. Sethna is natural. The Government of India fully recognise that fact, and the House may rest assured that the proposal will receive the most careful consideration of the Government of India when the time for appointment arrives."

On this assurance being given I withdrew the Resolution.

Nearly two years have passed since then and two sessions of the Assembly of the League of Nations have been held. But I regret very much to say that in spite of this assurance on the part of Government—an assurance which was virtually in the nature of a promise—no action has been taken in the matter and no Indian has been appointed to lead the Delegation. Nay, further, the Government have not taken the House into their confidence and have hitherto given no explanation whatever why the assurance given by Government has not been carried out. This is a circumstance upon which it is impossible to congratulate Government. I do not wish to use harsh language, but it pains me to think that though Government recognised that the wish expressed in the Resolution was natural and reasonable and promised sympathetic consideration, nothing was done either in 1924, or last year, to meet that natural and reasonable wish.

India is an original member of the League of Nations. The Covenant of the League of Nations was signed at the Peace Conference at Versailles in 1919, by the late Mr. Montagu, His Highness the Maharaja of Bikanir and Lord Sinha on behalf of India, together with the representatives of 12 other States signatories to the Treaty of Versailles. These 12 States are the original members of the League of Nations, and that number has now increased to 55. Its present annual expenditure is roughly £900,000 and the question of the allocation of this expenditure has been a very contentious problem. At first it was based on population. It is now based on the revenues of each country which is a member of the League and each member is asked to pay so many units. The total number of units for the years 1926-27 and 1928, is 937, and India has to pay 56 units which is roughly 6 per cent. of the total contribution. I may state that there are only four other countries which pay more than India. They are Great Britain which will pay 105 units, France 79, Italy and Japan 60 each and India 56. According to this we shall be paying annually about Rs. 8,00,000 for our share for the next three years, and which certainly is a high sum to pay. I am aware that our delegates did the best they could at the last sessions with the result that they have brought down the payment by India from 60 to 56 units, but we should very much like it to be reduced yet further.

In this connection I may remind the House of the telegrams which appeared in this very morning's papers, which say that Germany is likely to be included amongst the permanent members of the Council. This requires some explanation. The executive work of the Council of the

League of Nations is performed by 10 members. Of these 10, four are permanent and the permanent ones are England, France, Italy and Japan. These four pay the largest contributions, their shares being respectively, England 105, France 79, Italy and Japan 60 each, India coming fifth with 56 units. Besides these four permanent members, the Council consists of six more non-permanent members who are elected annually, and the point that I desire to make is, that the Government of India should impress upon the Indian Delegation to take up the question at the next session and see that, because India is the fifth largest contributor and although it cannot become a permanent member, still she ought on occasions to be made a non-permanent member. In 1925, the non-permanent members were such States as Brazil, Uruguay, Spain, Czecho Slovakia, Sweden and Belgium, and there is therefore greater reason why India, which contributes as many as 56 units, or 8 lakhs of rupees a year, should be made certainly in some years a non-permanent member of the Committee of the League of Nations.

Anything that enables India to play a part in International Councils is a source of gratification to the Indian people. During the war and some years after it, due care was taken to raise the international status of India and maintain and safeguard every point of vantage gained in that direction. The late Mr. Montagu was very particular in that respect. But of late years, a change seems to have taken place and no particular efforts are made to maintain and raise India's international status. The fact that India is not yet a self-governing country involves in itself serious limitations upon our international status with the result that we cannot yet rise to the full height of our stature. This fact in itself renders it necessary that in every international sphere which is open to the Indian people they should be enabled to truly represent their country and to fill positions of leadership and initiative. It is very humiliating to us to have always to fill subordinate places and to play second fiddle to other people, however able and eminent they may be.

Ever since the formation of the League of Nations distinguished Indians such as Lord Sinha, Sir Ali Imam, the Rt. Honourable Srinivasa Sastri, Sir Sivaswamy Iyer, Sayyad Hussan Imam, Sir Dadiba Dalal, and Sir Atul Chatterjee have been appointed on the Indian Delegation and they have discharged their duties with credit to themselves and to their country. Why should not the Delegation then be led by Indians? I see no reason whatever unless it be that when Britishers and Indians work together the first or leading place must necessarily be given to the former, even when India's representation is concerned and when thoroughly capable Indians are available. Such considerations have no longer any place, and they ought not to weigh with Government.

I know that Sir Muhammad Shafi when replying to me two years ago did say that the appointment of representatives will depend to a considerable extent upon what are the subjects which have to be discussed. Government have not told us that the subjects discussed in 1924, and in 1925, were such as could not be tackled, and tackled efficiently, by Indian representatives if any Indian representative were in charge of the Delegation. We have now Indians with considerable experience not only in Government administration matters, but in all other connections and I do not think that if Government are at all serious in acceding to the wishes of the people that they will experience any difficulty in finding suitable Indians.

[Mr. Phiroze C. Sethna.]

to lead the deputation no matter whatever the subjects that come up for discussion.

He next observed that so far no one has ever been actually appointed leader of the Indian Delegation by Government, but he in the same breath added that as a matter of practice the British member has acted as the leader because of his position and of his special qualifications. This clearly implies that whilst no one is officially recognised as the leader, yet Government look upon the British member of the Delegation as the leader and this is what my Resolution desires to avoid in the future. The time will come when we shall also put forward the claim that at the Imperial Conference also an Indian should lead. I am not putting forward that claim at the present moment, but I certainly urge that the Indian Delegation to the League of Nations from now onwards will always be headed by an Indian.

I trust my Resolution will meet with the ready support of the entire Council.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadian): Sir, I beg to move the following amendment to the Resolution so ably proposed by the Honourable Mr. Sethna:

"This Council recommends to the Governor General in Council that the leader and other members of the Delegation representing India at the next session of the Assembly of the League of Nations be appointed from out of a panel of six persons to be elected by both Chambers of the Central Legislature."

I am entirely at one with the Resolution moved by my Honourable friend and I also heartily support the very cogent reasons with which he backed the Resolution. My object in bringing this amendment is a very simple one. If India is to be represented in the League of Nations, it ought to be represented by persons who can really be defined as representatives of the people of India. Among the nations which constitute the League of Nations, there is already a feeling that England has got 6 votes on her side by including the Colonies and India as members of the League. The suspicion that existed against the Colonies was largely removed in later years by the independent line of action which the Dominion representatives took in the deliberations of the Assembly. We are told that with regard to India the suspicion still exists. I am therefore anxious that the representatives who represent India in the Assembly ought to be in a position to take a line of action which is their own, which is dictated by the interests of India alone. With your permission, Sir, I shall read a small sentence from Roth Williams, *League of Nations*, To-day, page 170. It says:

"One thing is certain—unless substantial independence is achieved before League membership is applied for, other States will object. The 'six votes to one' cry was already raised when the Dominions came in and only stilled when it became obvious to the world at large that the Dominions are in fact independent nations and that their delegations to the Assembly take their own line in all questions. But India is still looked at askance as a member of the League for the same reason."

I wish to remove this impression on the minds of the Members of the League by giving India, if possible, an opportunity to let her representatives take their own line of action like the Dominions. When the Government of India nominates representatives it cannot be denied that the policy is dictated by the agency which nominates its representatives. Therefore my amendment is both in the interests of England as well as of India, in the interests of England to remove suspicion that England is weighting her

votes by the inclusion of India as one of the members in her own interest, in the interests of India because she will get representation which is to some extent at least a real one. One objection that is raised is that in the case of other countries the Delegations are nominated by the Executive Government and in no case do the Legislatures nominate these representatives. Sir, it is a fact, but you must remember that the Executives of other countries are responsible to the people, and therefore the nominations made by the Executive will be in consonance with the popular wishes. India, however, occupies a very peculiar position in the constitution of the British Empire as well as in the League of Nations, and such representative character, as we can, consistently with our present constitutional position, give ought to be offered to India. Therefore, I have suggested that the Government be requested to appoint this Delegation out of a panel of 6 persons to be elected by the Central Legislature. I have taken care to say 6 persons advisedly. I do not say that these 6 persons ought to be members of the Central Legislature. They can be any persons outside the Legislature. At the same time, I have not asked that all these people should be Indians. They may be Europeans or they may be Indians. So long as the principle of representation is maintained and so long as India represents all nationalities who made India their home, I do not believe in excluding a European or an Englishman from the scope of election by the Central Legislature. Therefore, I have advisedly used the word "persons". There is another reason also, namely, that I find women are already admitted to the Assembly of the League of Nations. In the third Assembly there was a very distinguished lady who represented a country and who startled the House by proclaiming that the League of Nations was very soon to become a "League of Mothers." Therefore, my amendment does not have the effect of restricting the choice or the scope of selection.

Then, Sir, while discussing this question with my friends, certain objections were urged against this amendment and, when analysed, they resolve themselves into two. One objection is that some people do not seem to have faith in the Central Legislature. In fact, one friend, a colleague of mine, actually put me a strange question. He said—supposing to-morrow the Legislature elects Mahatma Gandhi as a representative and the Swarajists elect him, is the Government to nominate him? Such a question really startled me because, if Mahatma Gandhi were to be induced to accept such an unreal position, I should think the League of Nations and India ought to feel honoured by his representation. I do not think that a distrust of the Central Legislature to discharge its duties properly in selecting six representatives out of whom three can be selected, is justified. Then, Sir, the other objection raised was that the selection by the Central Legislature will to a great extent restrict the Government's choice. The very object of my amendment is that the choice of Government ought to be restricted. The choice ought to be primarily with the representative Government or the Government representing the people. In the absence of a representative Government, the choice is to be vested in the Central Legislature, and therefore I have purposely restricted the scope of the Government. But I have given as wide a field for choice as possible, in order that the Government may be satisfied with at least 3 out of the 6 persons of the panel elected by the Central Legislature. On the question of the leadership, I am in entire agreement with the Honourable Mr. Sethna, and perhaps I should have framed my amendment as a supplement to the original Resolution. But under the constitution of the League of Nations the three members of the Delegation command a single vote. Each Delegation has only a single vote and therefore all these three gentlemen who

[Mr. V. Ramadas Pantulu.]

will represent us will cast one single vote. Even if the leader is an Indian and his two colleagues are Europeans who have come to a different conclusion, the Indian leader cannot cast a different vote. He could only try to persuade them by bringing to bear upon them his knowledge and skill in dealing with the question. Beyond that he cannot go. He cannot have a separate vote. The object in view cannot be achieved merely by having an Indian as a leader because the three people act together and cast only a single vote. I doubt not that the Government will consider the claims of Indians for leadership. I have not the least idea of running counter to the original Resolution moved by my friend Mr. Sethna. He has also referred to the desirability of nominating Indian representatives to the International Labour Conference and to the Imperial Conference and such other international bodies in which India is represented. This Resolution, I take it, is only a symptomatic one and it expresses the desire of this House that India should be represented by Indian representatives as far as possible. There are competent men who can represent India in all these Conferences, especially the International Labour Conference. There are both employers' and workmens' representatives who can represent India very honourably. Therefore, Sir, my aim is not to embarrass the Government or to do anything which limits its scope of the choice of India's representatives to the League of Nations. My only idea is to make them real representatives of the country and not to be considered by the outside world as nominees of the Executive Government which is itself irresponsible to the people of the country. So long as the Government is irresponsible and also irresponsible, according to me, to the popular wishes of the people of India, the representatives of the Government of India will not carry any weight. As at present situated in the League, we are merely considered to be the tail-bearers of England and whatever we do we do at the dictates of England. Will England give India's representatives a better status by making them representatives of India? With these words, Sir, I move my amendment and in doing so I heartily support the Resolution also and hope that this House will be able to accept it.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That for the original Resolution the following be substituted:

'This Council recommends to the Governor General in Council that the leader and other members of the Delegation representing India at the next session of the Assembly of the League of Nations be appointed from out of a panel of six persons to be elected by both Chambers of the Central Legislature'."

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, before I deal with the proposal embodied in the amendment, I think it would, perhaps, be useful if I remind this House of the constitutional position in relation to the appointment of delegates to the Assembly of the League of Nations. I think the House will find that the practical difficulties which would arise, if effect were given to this Resolution, are much more in the case of India, situated as she is, than in the case of a self-governing State. Now, under Article 1 of the Treaty of Versailles the original members of the League of Nations are those signatories whose names are given in the Annex and para. 2 of that Article provides that thereafter that is after the Treaty, any fully self-governing State, Dominion or Colony could become a member of the League of Nations subject to certain conditions with which I need not trouble you. Now a glance at the Annex will show this House that of

all the original members India is the only member which is not a self-governing State, so that, but for the fact that India as a signatory to the Treaty became an original member, she could not have now become a member of the League of Nations, that is to say, not being a fully self-governing State she is not qualified to be a member.

Now Article 8 of the League of Nations provides:

"The Assembly shall consist of representatives of the members of the League."

What is meant by "representative"? How is this representative of a member of the League to be chosen? I would ask the House in the first place to consider the case of self-governing States. Let us take for example England or France. How is their representative to be chosen? Now I think it is obvious that the representative of a self-governing State must be one who represents the Government for the time being in power in that State. If a Conservative Government is in power, the representative must be a member of that Government, or someone chosen by that Government. Similarly, if a Liberal Government was in power, or a Labour Government was in power, the representative must be a representative of that Government. I do not suggest for a moment that there is any legal difficulty in the Government for the time being electing someone, for instance, who is in opposition to that Government. I am taking an extreme case. There is no legal difficulty in the way of doing that, but the practical difficulties, which I think the House is sure to appreciate, are enormous, because the Government are responsible for their policy to the Legislature, and if they are represented in the League of Nations by someone who is not prepared to carry out their instructions as to the policy to be pursued or the action to be taken, it will be difficult to hold the Government responsible for what their delegate does in the Assembly.

I am now only dealing with the case of self-governing States. I will come to the position of India presently, but so far as the self-governing States are concerned, the point that I would like to make is that the representative must be the representative of the Government.

The next point to consider is who is to appoint that representative, and I think it will be found that that representative has been and must always be appointed by the executive government. In a self-governing State the election of the representative by the Legislature, or the election of a panel by the Legislature, from which the executive government is to choose its representative would be an encroachment on the executive. The Legislature exercises its influence when a particular policy is pursued by the representative on the instructions of the executive government, and if the Legislature think that the policy which is pursued is not a correct policy they can exercise their influence on the executive government. But the point I would ask the House to bear in mind is that the representative in all self-governing States represents the Government for the time being in power, and he is appointed by the executive government and must be appointed by the executive government, for after all the executive government is responsible to the Legislature and you cannot hold it to its responsibility if the appointment of its representative is to be interfered with by the Legislature.

That then is the position in self-governing States. Now let us come to India. India is not self-governing. The Indian Government is not responsible, as I shall show presently, to the Legislature or to the people.



[Mr. S. R. Das.]

Its responsibility is to Parliament. Now sub-section (2) of section 2 of the Government of India Act enacts:

"The Secretary of State may, subject to the provisions of this Act, superintend, direct and control all acts, operations and concerns which relate to the government or revenues of India."

And section 33 further enacts:

"Subject to the provisions of this Act and rules made thereunder, the superintendence, direction and control of the civil and military government of India is vested in the Governor General in Council who is required to pay due obedience to all such orders as he may receive from the Secretary of State."

Then section 65 and the following sections, which I need not read but with which the House must be quite familiar, give the powers of the Legislature. Therefore, under the Government of India Act it is clear that the responsibility of the Government of India vests in the Governor General in Council, subject to the control of the Secretary of State, and subject to such control by the Legislature as is conferred on the Legislature by the Act itself. That is the constitutional position, therefore, so far as India is concerned.

Now, who is to appoint the representative? We may all deprecate the position that India is not self-governing, that the Governor General in Council is not responsible to the people but to Parliament. We may all deprecate that position, but until that is changed, and while the constitution remains as it is, I submit to this House that we can only consider the question of the appointment of the representative of the Government of India from the point of view of the present constitutional position of India. From that standpoint, and as I have submitted we can only consider that standpoint, from the point of view of Government, the representative of the Government of India must be someone on whom the Government can rely to carry out its instructions at the meetings of the Assembly. It must be someone on whom the Government can rely, because just consider for a moment what the position would be, and look at the practical difficulties in the way. If the Government of India were to send as its delegate someone who has been elected, say, by the Legislature or by the country, or from a panel which has been elected by the Legislature, the Government of India cannot discharge its responsibility if the delegate who has been elected by the Legislature chooses to pursue a policy in the Assembly which is contrary to the views of the Government of India. So far as the present constitution goes, it is the Governor General in Council who is responsible to the Secretary of State and to Parliament, and therefore if you thrust on the Government of India a person on whom the Government cannot rely, or whose views are not the same as those of the Government, the Government of India cannot possibly discharge the responsibility which is put on it by the constitution, which the present constitution of India, however much we may deprecate it, vests in that Government.

Just as in the case of a self-governing State the responsibility is in the executive government and the executive government must appoint its delegate, so here also the executive government must appoint its delegate, for the time being at any rate, if I may use the same words that I did with regard to the self-governing State, for the time being it is the Governor General in Council who is responsible. Now an election by the Legislature of a self-governing State would not give rise to so many practical difficulties, or rather I should say, may not give rise to the practical

difficulties that arise in the case of India, if the procedure suggested by the amendment were followed, because, after all, in a self-governing State the majority of the Legislature at any rate is more or less of the same view as that of the executive government. It is the majority of the Legislature which keeps the executive government in power, and therefore in a self-governing State, if the majority of the Legislature were to elect a panel or elect a representative, there would not be the same practical difficulty, if the executive government were to accept that, as there would be in the case of India, where, as I have pointed out, the Government is not, by its constitution, responsible to the Legislature, and where, from the very nature of things, the Legislature may elect persons or a panel whose views may be directly opposed to those of the Government on a particular question which arises in the Assembly. Therefore, by reason of the anomalous position of India, if I may put it that way, by reason of its present constitution, the practical difficulties of carrying out the proposal made in the amendment are enormous, and I am certain, if the Honourable Members will consider it from that point of view, they will find it is difficult for the Government to accept the proposal made by the Honourable Member in the amendment. Under these circumstances the Government are bound to oppose the amendment and I trust the House will see that the amendment cannot be given effect to and will reject it.

With regard to the original Resolution proposed by the Honourable Mr. Sethna, I am rather in a difficult position. All that I can say to him is that, since he moved that Resolution in, I believe, March 1924, the Government have been giving very serious consideration to it, and I am afraid I am not in a position to-day to make any definite statement as to what the Government propose to do with reference to that Resolution, but the Government hope, this year at any rate, to be able to make an announcement before very long as to how far Government can give effect to the proposal at the next session of the Assembly. I can only repeat what my predecessor said on the last occasion in March, 1924, that the Government recognise the wish, have the fullest sympathy with the motion, and, subject to what I have said as regards the constitutional position, they have every sympathy with the motion; and though I am not in a position now to accept the motion because, as I have said, it is still under very serious consideration and no definite decision has been arrived at, we do not propose, from the point of view of the Government, to oppose that Resolution.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, at first I thought there would be no difficulty on the part of the Government to accept the Resolution. It is a very modest request, and in view of the attitude taken by the Government on previous occasions, I thought there would be little or no difficulty in accepting the original Resolution as it stood. I can understand some objection being taken to the amendment because the amendment tries to bring in the elected principle and we are all aware that these delegations are delegations of the Governments and are responsible to the Governments of the various States. That is the position that the Honourable the Law Member wants us to face before asking the Government to accept either the original Resolution or the amendment. I tried to follow closely the arguments that were advanced by the Honourable the Law Member, but I thought he gave us very cogent reasons for accepting the Resolution rather than for rejecting it. To me it appeared as though all the facts which he adduced in support of his conclusions are

[Mr. P. C. Desika Chari.]

the very things on which we can rely for asking the House to accept the Resolution. First he said it is a matter for congratulation that India was admitted as an original member of the League of Nations. Perhaps he meant that if India had waited and applied for membership later, the tests of responsible government, the tests of individuality, the tests of full nationhood might have been applied to the case of India and India might not have come into the League of Nations at all. India is a member of the League of Nations and the membership implies that she has got a status equal to that of any other member of the League of Nations—so far as the Assembly goes,—though she is not on the same footing as regards the Council of the League of Nations, which is the executive body. I bring in this merely for the purpose of showing that there is not much achieved by merely getting into the League of Nations on the same footing and with equal status with other members. It is necessary further that the Delegation representing India should be regarded as an Indian Delegation, as a Delegation apart from that of Great Britain. It must have a national character so that full weight and full consideration may be given to the voice of this Delegation which places the views of India before the Assembly. Unless this national character is emphasised, and unless steps are taken to make the world understand that the Delegation proceeding from India is an Indian Delegation which has got views of its own apart from and distinct from the views of Great Britain, this Delegation is not likely to command any respect. It will be regarded merely as playing the second fiddle, as a second vote taken by Great Britain in the name of India. The Honourable Mr. Ramadas read out to you a passage which would show that the Indian Delegation is looked at askance by some members of the League of Nations. I do not think we need take that as gospel truth, but it shows there may be parties who may be interested in belittling the character of the Indian Delegation and in showing before the other people who are members of the League that the words of this Delegation are not entitled to any weight. They may say these are merely echoing the sentiments expressed by the British Delegation; these are merely repeating what they have been asked to say. It is necessary to make the Assembly understand that the Delegation is really Indian in order that the Indian Delegation can have its proper place, in order to enable it to fight for all the privileges which my friend, the Honourable Mr. Sethna, referred to, in bringing down the share of India's contribution, in acquiring further rights consistently with the dignity which India occupies among the nations of the world. Unless the national character of the Delegation is emphasised in some way or other, it is not possible for India to take her proper place among the nations of the world. India is not likely to be heard to say that she ought to be given a prominent place, as suggested by my Honourable friend Mr. Sethna. Unless some method is adopted, unless it is shown to the world that this Delegation really represents India, it is not a Delegation of merely the British administration, which is carrying on the administration of India with a sort of semi-responsibility to the Legislature, unless this aspect of the case is emphasised, it is not possible for the Indian Delegation to command the respect which it ought to command if this Delegation is to serve any very useful purposes at all, and it is this aspect of the matter that I wanted to bring prominently forward before this Council.

As regards the objections which have been raised, I find they are all purely technical and from a legal point of view. From a bare construction

of the Government of India Act and the Constitution which we find in the Government of India Act itself, the Honourable the Law Member may be quite correct, but it is not this aspect that is sought to be emphasised when this Resolution has been brought forward. No doubt there are difficulties. We take note of the fact that the executive government alone is entitled to appoint the members of this Delegation. This Resolution does not want to alter that. We merely ask let it not be a Delegation of a Government, which is well known to be not responsible to the Legislature, a Government which does not reflect in all its aspects the national, the Indian character, which some Government fully responsible to the Legislature would make it out. In the case of other members of the League, no doubt there is this principle that these Delegations are Delegations of the Government concerned and they are only responsible to the Government, but that attitude cannot very well be taken if the suspicion referred to by previous speakers is to be removed at all. We must make it clear that though the Government are not fully responsible to the Legislature, all the same the people have been taken into confidence, the representatives of the people have been taken into confidence, and the Delegation, though sent out by a Government not responsible to the Legislature, is really a national Delegation, because it has got the approval of the representatives of the people who meet in conclave in the Council of State and the Legislative Assembly. I take it that there may be some difficulties if the Government do not see eye to eye with the representative who is sent out. I can very well understand the difficulty which the Government will be put to if in essential matters the Delegation takes a line of attitude which the Government may not fully approve. And it is for that purpose if the Government fully represent the Indian view point, if the Government take care to select a representative who would be suitable, who would be approved not only by the Government but also by the people—I daresay there are many who can satisfy this test—it may be possible not to conflict with the principle of Government appointing representatives and at the same time the representatives who are sent out may have a national character to impress in the Assembly. If this is done, the words of the Delegation will certainly be entitled to greater weight and they will have their proper place among the other delegates who meet in the Assembly, and perhaps there would not have been very much difficulty in getting into the Council of the League of Nations as the fifth largest contributor of the funds necessary for carrying on the work of the League. As regards the other reasons adduced against this Resolution, I will only say this, that in the case of Governments which are run on party lines, where the Government represents the majority party in the Legislature, then there ought to be no difficulty. If a representative is sent he happens to have the same views as that of the Government. In any other case among the members of the League of Nations we do not find any difficulty at all in the matter of selection by the Government. It is only a solitary instance, where a nation which has not attained to its full nationhood, or which is not allowed to attain to its full nationhood owing to various causes of which we are all aware, it is this solitary instance of a member of the League of Nations which places the delegates of India in a peculiar position. It is necessary to take all steps to remove the suspicion: if anything is done, in the shape of the recommendation contained in the original Resolution, that will go to some extent, if not a great deal, to remove the suspicion, to disarm the critics who may be inclined to belittle the activities of this Delegation. As regards the elective principle, there is no harm in accepting that even.



[Mr. P. C. Desika Chari.]

After all, the Government are given the last word in the matter, and we may trust the Legislatures to select a panel of persons of whom some at least would be acceptable to the Government, and the Government have got the last word in the matter. They can by appointing those delegates and by giving them necessary instructions how to act—that is the most important thing—they may see that the person who is leading the deputation does not act contrary to the instructions given by the Government, while at the same time taking care not to make it appear to the Assembly that this Delegation is merely a Delegation which is asked to repeat parrot-like the British view point, but a Delegation that can also take an independent line of action of its own. I have therefore great pleasure in supporting the original Resolution as it stands, because I find it is expedient and prudent to do so, because half a loaf is better than no bread, and it is better that something at least is done in this direction to see that the Delegation has the national character. It will be of some purpose and the Delegation may do some good work and may make itself felt and create an impression on the other members of the League of Nations.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN (Bengal: Nominated Non-Official): Sir, before a nation becomes a self-governing State, if a compliment is paid to it by Government in allowing it to send delegates to the League of Nations, naturally that Government gets tied in a knot such as the Government of India have got into at the present moment by sending delegates from India to the League of Nations. I do not propose here to criticise the present position. What, however, I am concerned with is not only the Resolution moved with such clarity by the Honourable Mr. Sethna, with which I may say at once I have the fullest sympathy, but also the amendment to that Resolution moved by Mr. Ramadas Pantulu. Sir, I would not like to give a silent vote against the amendment of Mr. Ramadas Pantulu. I am very grateful to the Honourable the Law Member for giving such a clear statement as to the present position of the Government of India as well as the constitutional position of a self-governing State. I think the Indian Legislatures are very often—and very naturally—inclined to overrate their own importance, forgetting, at the same time, the constitutional position. Whether the present constitutional position is to be entirely regretted is a matter I leave to others. What I feel is this that, if India aspires to be a self-governing State, it is making a great mistake in trying to inflict undue importance of the Legislatures over the Executive even if the Executive to-day were a Swaraj Executive. In these matters, as the Honourable the Law Member has pointed out, the Cabinet or the Executive Government must have unfettered discretion. It is quite true that in a self-governing State the majority of the members of the Legislature or the Parliament, as the case may be, would no doubt sway the Executive or the Cabinet of the day in their decisions. But I do not think that even in a self-governing State any Legislature would consider such a panel necessary. It is because the constitutional position in India is not fully realised that this idea gains ground. I am glad that Mr. Ramadas Pantulu, however, has been liberal enough in suggesting that these six members would not necessarily belong to the two bodies of the Legislature. But I would certainly deprecate, and deprecate strongly, if these two bodies became a mutual admiration society. But the real point to-day is Mr. Sethna's Resolution

and I should like to ask the Honourable the Law Member from what he said whether he did convey or not that, whilst the Government of India were not in a position to accept the Honourable Mr. Sethna's Resolution, he was not going to oppose it.

THE HONOURABLE MR. S. R. DAS: That is so.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN: That being so, I beg to support Mr. Sethna's Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I think the Law Member has taken the wind out of the sails of the amendment from the legal point of view. As to the Resolution I would like to put before the House that when we call India a unit, it does not mean British India only but also the territories of Ruling Chiefs. I think to a very large extent the present Resolution has been met in a way by the Government because they have sent during the last few years as India's representatives able and picked Maharajas. The Maharaja who represented India last time has since been chosen as a Chancellor of all the Maharajas.

THE HONOURABLE MR. PHIROZE C. SETHNA: Not of the League of Nations.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: At any rate, the Ruling Chiefs must also be considered as the representatives of India. I think the real representative of India is one who is able to help the State and materially help the country from foreign encroachment or to make it more able to support its cause and not the one who by misleading the voters becomes a representative. Now, Sir, if we were to see nominations and elections. I can say that India's representatives hitherto have done some substantial service to the Government and that the Government have chosen better representatives than some of the representatives of the people. This question has also to be taken into consideration. I personally think that whoever have been chosen hitherto by the Government and sent under the circumstances were the best representatives. If, for instance, Government were to choose the Nizam of Hyderabad, he is the ruler of a country just as big as Germany or France, or any of these members, taking the territory, etc., into consideration, and the same is the case with those who have been chosen by the Government. If you were to see their State forces who went to fight the battles of the Empire as well as those of India, I think there is no one who can claim that he has helped India more than those. That way too I think the representatives chosen by the Government were the best representatives. If election were resorted to, as far as I have seen in these days, any man who is able to block or try to block the present machinery of government is considered to be the best representative, so the danger is that such a man will be the first to be elected and the last to be representative. So long as India does not become a nation in the true sense you cannot call the representatives representatives of the nation. I have said this many times that India consists of various religions, various creeds, and perhaps there is one section absolutely against the other, and perhaps also one nationality in a province or in a smaller portion of a province is dead against the other; so that if that was considered I do not know who would claim to be representatives of the nation. There

[Colonel Nawab Sir Umar Hayat Khan.]

would have to be a good many battles between the provinces and the provinces and various religions, etc., before one gets predominant so as to call himself a representative. I think a nation which is a third party, which has come from outside and controls all the various small nations of India and tries to keep them together, is, I think, up to the present time the best authority to represent this continent. I think in one way all that Mr. Sethna has asked has practically been acted upon and as to the amendment, as I have pointed out, it is practically impossible now as things stand because the elected representative will not be a proper representative of India at all. I think the House for the present ought to reject both the amendment and the Resolution because it is premature.

**THE HONOURABLE MR. K. C. ROY** (Bengal: Nominated Non-Official): Sir, the House is indebted to the Honourable Mr. S. R. Das, for the lucid exposition of the constitutional position of the Government, and I think I am convinced by his arguments. At the same time I wish to point out that the Delegations in recent years have given little or no satisfaction. I will only recall the Delegation for last year whose report was before us only a few days ago. It was headed by the Right Honourable Viscount Willingdon, *ex-Governor* of Madras, possessing very little experience of the Central Government and of Northern India; then we had His Highness the Maharaja of Patiala as second representative. He represents a small State of mediæval autocracy. Lastly, we had Sir Atul Chandra Chatterjee, a distinguished member of the Indian Civil Service, who recently retired from the Viceroy's Executive Council to take his place as High Commissioner for India in London. He really and truly represented the people of India. But, Sir, what are the functions which these gentlemen are called upon to perform? They were asked to discuss the reduction of armaments, the pacific settlement of international disputes, they were invited to consider the protection and welfare of children and young people, the protection of minorities, mandates, collaboration of the Press in the organisation of peace, and so on. What this House has to consider is whether these gentlemen discharged their duties thoroughly. In my opinion future Delegations should be such as would contain a sitting member of the Viceroy's Executive Council, a Prince of some eminence and a representative of the Central Legislature with substitute members from our Legislatures.

Compare our last years Delegation with the Delegation of Canada. Canada was represented by the Honourable Raoul Dandurand, Senator, Member of the King's Privy Council for Canada, Minister of State, representative of the Government in the Senate. I don't think we had a Member of this House in the last delegation. The next was the Honourable Hewitt Bostock, Senator, Speaker of the Senate, Member of the King's Privy Council for Canada. Even the Government of India had not the courtesy to ask you, Sir, to go to Geneva on our behalf. And the last name is more important, the Honourable Philippe Roy, former Senator, Commissioner-General in France. And the substitutes are equally important, Mr. Walter Riddell, Dominion of Canada Advisory Officer accredited to the League of Nations, M. Jean Desy, Member of the Canadian Bar, Professor at the University of Montreal, Professor "agréé" at the Sorbonne, Counsellor to the Ministry for Foreign Affairs. Compare their Delegation with ours. Why do not we follow the Canadian example as far as possible?

I shall not, Sir, further pursue this point. I will refer you to the amendment of my Honourable friend Mr. Ramadas. He wants a panel of six persons to be elected by both Chambers of the Central Legislature, from which the Government are to choose their representatives. But he himself has answered the question, and I need not pursue it further than to quote his own dictum. He talked of policy. The policy must be the policy of the Government of India and in fact in regard to the question of the reduction of armaments it must be the policy laid down by His Majesty's Government. If Mr. Ramadas is one of the panel of six who is chosen to represent India, will he carry out the mandates of the Government of India or of His Majesty's Government? The position is one of constitutional importance. I therefore oppose his amendment.

I now come to Mr. Sethna's Resolution, and I feel inclined to oppose it also, because though my heart is with Mr. Sethna my head is with the Government. There is a very knotty point kept in the background by Mr. Sethna as well as by the Honourable the Law Member, and that is the position of the Indian Prince in the Delegation. That is the only thorn in the way. I can assure the Members of this House that the leadership of Indian Princes of India's Delegation will never be accepted by the people of India. If we support the leadership of an Indian Prince we shall be stamping the seal of the approval of this House to the continuance of mediæval autocracy which exists in certain parts of India.

**THE HONOURABLE RAO SAHIB DR. U. RAMA RAO** (Madras: Non-Muhammadian): Sir, the Law Member has explained to us the constitutional position, that is to say, that we Indians having no self-government are not in a position to send representatives to the League of Nations. Such being the case what is the object, what is the gain by joining the League of Nations?

**THE HONOURABLE THE PRESIDENT:** The Honourable Member is perhaps misunderstanding the Resolution. There is no question of whether India should or should not be a member of the League of Nations. That question is not before us.

**THE HONOURABLE RAO SAHIB DR. U. RAMA RAO:** The Law Member said that, as we have no self-government, we could not send our representatives to the League of Nations. Such being the case, is it necessary for us to take part in the deliberations of the League of Nations? We are paying a large sum of money, namely 8 lakhs of rupees. Apart from that there is no advantage gained by our taking part in the deliberations of the League of Nations. There is no question of the Assembly of the League of Nations giving us any extra position in the League of Nations.

**THE HONOURABLE THE PRESIDENT:** I am afraid I fail to follow the Honourable Member's argument. Am I to understand that he is opposing both the Resolution and the amendment? There is no question of whether India should or should not remain a member of the League of Nations. What the Honourable Member is apparently arguing is that India should not send any delegation at all.

**THE HONOURABLE RAO SAHIB DR. U. RAMA RAO:** I say that India must be represented by a representative of the people, by a Member of the Central Legislature. If we are not in a position to do this there is no use of India taking part in the League of Nations.

[Dr. U. Rama Rao.]

Either we must have the Honourable Mr. Ramadas's motion carried, or if you are unable to carry that, the best thing is not to take part in the delegation at all. Then, Sir, Mr. Sethna has said in his Resolution that the Governor General should appoint an Indian of suitable rank to be a leader of the Delegation representing India. How could a man who is not a representative of both the Central Legislatures be in a position to represent India? His representation will not have any value or strength in the country. Such being the case, I am strongly of opinion that we must support the amendment moved by Mr. Ramadas.

THE HONOURABLE MR. PHIROZE C. SETHNA: Sir, two days ago was the first non-official day of the Council. The Leader of the House congratulated the Council that its first non-official Resolution should have been on so important a subject as agriculture. May we, the non-official Members, be allowed to congratulate the Leader, and through the Leader, the Government, for having accepted the first non-official Resolution, and I trust that similarly during the life of this Council the percentage of non-official Resolutions which will be accepted by Government will be a far larger one than was the case in the life of the last Council. I am glad, to judge from the remarks of the Honourable the Law Member, that, whilst he will not accept my Resolution, he will have no objection to my Resolution being passed. That is exactly I take it the reply he gave in answer to the Honourable the Maharaja of Burdwan.

I think, Sir, the Honourable the Law Member has reason to thank my friend Mr. Ramadas for his amendment, for the reason that the greater portion, may I say 9-10ths of his reply, was devoted to the amendment and only one-tenth to my Resolution. I think he devoted only a few sentences to my Resolution because in his heart of hearts he must admit that Government have not carried out the assurance that was given to this House two years ago and are therefore to blame. But what pleases me most, and I am sure it will please this House also, is the concluding remark in his speech that he hopes that Government will very soon make a pronouncement which he thinks will prove satisfactory to the Council. We may take that to be a very satisfactory answer to the Resolution which I have had the honour to bring forward to-day.

The Honourable Mr. Das has given very cogent reasons for not allowing the amendment to be passed. I would only like to add one more. My friend Mr. Ramadas's amendment gives very little scope to Government for the selection of suitable men; it practically gives them no selection, because it is ten to one that the men chosen for the panel might not be persons who would be in agreement with the views of Government, and as the Honourable Mr. Das has pointed out, it is absolutely useless to send a man whose views do not coincide with those of Government. On the other hand, no self-respecting delegate would undertake to go on behalf of the Government of India if he was forced to carry out views which were not his own. For that reason too I oppose the amendment. But another reason is that human nature is what it is, and if we have a panel of six, in spite of what fell from my friend Mr. Ramadas, it is quite likely that all the six would be Indians, and I for one do suggest and would insist that at least during the transition period there must be a Britisher on the delegation. For this reason as well, I oppose the amendment.

In regard to what fell from the Honourable Mr. Das and to which reference was made by Dr. Rama Rao, did I understand the Honourable the Law Member to say that India is there as a member of the League of Nations only by accident?

THE HONOURABLE MR. S. R. DAS: Because we were one of the original signatories, not by accident.

THE HONOURABLE MR. PHIROZE C. SETHNA: Yes, the accident of being an original member. Do I understand that if we were not amongst the original members, we would not be included now?

THE HONOURABLE MR. S. R. DAS: We would not be elected to-day because it is only a self-governing colony which is entitled to join.

THE HONOURABLE MR. PHIROZE C. SETHNA: My answer then is that because we contribute 8 lakhs a year surely some means would have been devised to bring us in so that the League of Nations did not lose these 8 lakhs. However that is beside the point.

In conclusion, I would once again thank the Honourable the Law Member, for no matter how briefly he has replied to my Resolution, he has informed us that a pronouncement is to be made very soon, and I do trust that this House will be satisfied with the pronouncement which is to be made. But, Sir, I would like this motion to be put to the vote in order that Government may know what is the wish of the non-official Members and consequently the chosen representatives of the people.

THE HONOURABLE MR. S. R. DAS: In order to avoid any future misunderstanding I should like to make one matter quite clear. I said in my speech that we hope to be able shortly to make a final decision on the subject-matter of this Resolution and to announce it. I should not like the House to understand that that is a definite promise on my part to make the announcement very shortly. We hope to be able to do so before very long.

THE HONOURABLE MR. PHIROZE C. SETHNA: At any rate, Sir, it will be before the members of the next Delegation are chosen?

THE HONOURABLE MR. S. R. DAS: Oh, certainly.

THE HONOURABLE THE PRESIDENT: The original question was:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council to appoint an Indian of suitable rank and qualifications to be the leader of the Delegation representing India at the next session of the Assembly of the League of Nations.'

To which an amendment was moved:

"That for the original Resolution the following be substituted:

'This Council recommends to the Governor General in Council that the leader and other members of the Delegation representing India at the next session of the Assembly of the League of Nations be appointed from out of a panel of six persons to be elected by both Chambers of the Central Legislature.'

The question I have to put is that these words be substituted for the original Resolution.

(A division was claimed by the Honourable Mr. V. Ramadas Pantulu and taken by Members rising in their places.)

THE HONOURABLE THE PRESIDENT: The Ayes are 6 and the Noes 84; the Noes therefore have it.

The amendment was negatived.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted:

"This Council recommends to the Governor General in Council to appoint an Indian of suitable rank and qualifications to be the leader of the delegation representing India at the next session of the Assembly of the League of Nations."

The motion was adopted.

### RESOLUTION RE FORMATION OF A SEPARATE KANNADA PROVINCE.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO (Madras: Non-Muhamadan): Sir, I beg to move the following Resolution which stands in my name

"This Council recommends to the Governor General in Council that a Committee of officials and non-officials be forthwith appointed to inquire into, and suggest ways and means for, the formation of a separate Kannada Province."

Sir, this Resolution aims at the long-wished-for redistribution of Provinces in India on a linguistic basis. The proposal is no new one nor has it been flung at the Government all of a sudden to-day as a surprise. In fact, it has been agitating the peoples' minds ever since the inception of the Indian National Congress. Year in, year out, during the past forty years, the Congress has been putting forth its demand for the regrouping of Provinces in India based on language before the Indian Government. Just before the inauguration of the Reforms, the Honourable Mr. (now Sir) B. N. Sarma moved a Resolution in the old Imperial Council, *anent* the rearrangement of Provinces on a language basis.

Sir, the existing territorial distribution in India is the result partly of administrative expediency and partly of historical accident. The history of Indian administration under British rule reveals a steady growth in the number of Provinces into which the country has been divided. This increase was not only due to the gradual expansion of territory acquired by the British from time to time, but also to the necessity of effecting suitable rearrangements on grounds of administrative expediency. The growth of the Indian Provinces has, therefore, been more or less chronological and was not based on the operation of any logical, linguistic or ethnic considerations. This accounts for the arbitrary divisions of the country into provinces and the heterogeneous grouping of districts into each province. For instance, the Mahrattas are divided between Bombay, the Central Provinces and the Nizam's Dominions; the Telugus between the Central Provinces, the Nizam's Dominions, Mysore State and the Madras Presidency; the Canarese between Mysore State, the Madras Presidency, the Bombay Presidency, Coorg and the Nizam's Dominions; the Urivas between Madras

and Bihar provinces and till recently, the Central Provinces. Such an arrangement based on no principle whatever clearly indicates that the whole grouping was haphazard, and that neither ideals of administrative efficiency nor those of national upbuilding have ever exercised the minds of the rulers or the ruled.

Nevertheless, there have arisen individual administrators from time to time who had the perspicacity to discover the error in the existing territorial divisions and sketched a correct plan of distribution. Sir John Strachey pointed out that "the political limits of the Provinces have little connection with any physical characteristics". Sir Thomas Holderness observes that:

"with the exception of Burma, no province represents a natural unit, that is to say, the provinces do not stand for differences of race or language or geographical distribution. They are purely administrative divisions of territory."

So far back as 1902, Lord Curzon's Government wrote:

"The question of territorial and administrative redistribution in India is, indeed, in our judgment, one of the most urgent and vital of the many problems for which we are at present endeavouring to find a solution."

The Montagu-Chelmsford Report on Indian Constitutional Reforms has expressed the view that in order that provincial administrations under the new dispensation might be efficient and effective, the provinces should be redistributed in such a manner that it should be rendered possible even for non-English knowing people to take an active part in the administration of their respective provinces by the adoption of the vernacular as the language in the Councils. This can be expected only in administrative units where there is one common language and the report consequently urges on the speedy redistribution of provinces on a linguistic basis. Lastly, we have the opinion of Sir Frederick Whyte, who, in his book on India's Reformed Constitution, which is being published by the Government of India, says:

"Language is an important factor in connection with national unity in India. The various provinces should have their own languages."

He thinks local patriotism is the foundation of enduring Federalism and considers the revival of Bengali very significant. A similar revival of provincial languages in other parts of India should provide a sound foundation for provincial autonomy.

Sir, I think I have now established a strong case for the redistribution of provinces on a language basis and Kannada must on that ground be constituted as a separate Province. As I have already pointed out, the Canarese-speaking people are scattered over the various provinces of India, to wit—the Madras Presidency, the Bombay Presidency—the Mysore State, the Nizam's Dominions and Coorg. The greatest disadvantage of this political misfortune has been the *alienation among our own people*. Karnataka has a glorious historical past, it has a language rich and variously cultured and developed from different inspirations—the Jains, the Lingayats and the Brahmins—and it has a culture of its own and is bound to play an important part in the consolidation of the future federated states of India. But, at the same time, Sir, it requires no great historical insight to see that during the turmoils of political unrest in the country before the advent of British rule, she has suffered much and that since the fall of the Mahratta Empire in the first quarter of the 19th Century, the ruin of Karnataka has been complete. The peace under British rule has been

[Dr. U. Rama Rao.]

the peace of the land of the dead. To-day, Sir, owing to the helpless and dissipated condition of the Karnataka people, we find our language mutilated, our culture gone, our traditions, literature and art almost forgotten. To a man from Belgaum, Kannada from the lips of a Mangalorean sounds effeminate like the affected voice of a male actor playing the rôle of a female on the stage. The Mysorean retorts that the Bijapur Kannada is a ruthless slaughter of that beautiful language. Government also, though they parcelled out the Kannada people in different administrative compartments, find that in their educational policy, they want different primary text-books in the Bombay Karnataka from those that are in vogue in the Canarese Schools of the Madras Presidency. The Mysoreans again want a third set of text-books. And yet all these people represent the same culture and must be proud of their own heroes, military, literary, religious

and others. By mixing together in one chaldron, two or three languages, the administration becomes more expensive and less efficient. There are at present, in the whole of the Karnataka, excluding Mysore and the Nizam's Dominions, about 3 colleges and 48 High Schools, but the curriculum of studies is different in different provinces and therefore, the uniformity in cultural advancement and progress is in no way maintained. Further, the Karnataka people sadly suffer from the want of a University of their own. Local self-government cannot be developed consistent with the character, civilization, culture, tastes and inclinations of the Kanarese-speaking people. There is no scope for the fostering of local patriotism. Nor is their voice patiently heard and their grievances adequately redressed in the local Legislative Councils, their representatives therein being in a hopeless and miserable minority unable to enforce their will against the overwhelming odds of other communities and interests. To cite a recent instance, Sir, when the Andrah University Bill was rushed through in the Madras Legislative Council, the inhabitants of Bellary, who are mainly Karnatakas, begged, petitioned, entreated, cajoled, in fact, did all that human nature is capable of doing under such circumstances, to see that Bellary is not included within the fold of the Andrah University. But, Sir, their voice had been the voice in the wilderness; so, one fairly good district of the Karnatakas had been torn from their map and there is every likelihood of its being completely Andrahsised, if no separate Karnataka province is constituted in the immediate future. The fate of other districts in other provinces also is similarly doomed.

Sir, it has been admitted on all hands that opportunities for self-development, scope for civic discipline, chances for the cultivation of one's own language and literature, and above all conditions for effectual political autonomy, could exist only when each language area has a scheme of administration wholly unto itself. Recognizing this, Lord Hardinge had laid down three cardinal principles which must be satisfied before any scheme of redistribution of provinces on a language basis is undertaken. There are (1) that the settlement of boundaries in order to be satisfactory and conclusive should provide convenient administrative units, which are at once furnished by contiguous tracts of country, where the people speak a common language, (2) that the settlement should satisfy the legitimate aspirations of the people, and (3) that the settlement should be clearly based upon broad grounds of political and administrative expediency. Let us now apply those principles in the case of Karnataka. Sir, the Karnataka province of the future will consist of 10 districts, the northern

division consisting of Belgaum, Dharwar, Bijapur, Karwar and Bellary, the southern consisting of Anantapur, Hosur, the Nilgiris, Coorg and South Kanara. The total area of the British Karnataka would come to 43,615 square miles with a population of 8,211,750. Though the area is less than that of Assam, Karnataka has a population much larger than that of Assam. Geographically also it will form one contiguous tract of country providing a convenient administrative unit. The second principle is that it should satisfy the legitimate aspirations of the people. Sir, the people of Karnataka have been crying themselves hoarse for the formation of a separate Karnataka Province for a long time past. The Karnataka people with one voice demand it and the Karnataka Press warmly support it. The Indian National Congress, on a representation made to it by the people of Karnataka, has carved out a separate Congress Karnataka Province, so to say, which is now functioning as a separate and independent entity and recently the Congress had its session also held at Belgaum, in the newly constituted Congress Karnataka Province. When the late Right Honourable E. S. Montagu was in India, in connection with the reform inquiry, the people of Karnataka in the Bombay and Madras Presidencies and Coorg assembled in public meeting, resolved to present a memorial to him regarding the unification of Karnataka, and the memorial that was accordingly presented urged that:

"for the proper realisation of self-government, it is necessary to organise the country into a series of self-governing provinces, and principalities federated by one Central Government and that in order to make provincial autonomy real and effectual, the re-adjustment of provinces on a language basis is absolutely essential."

Now, Sir, the second of the conditions is thus fulfilled. Then comes the last condition, i.e., political and administrative expediency. As matters now stand, we, the Karnatakas, can never exercise in either of the Provinces, Madras or Bombay, that influence to which we consider ourselves entitled by reason of our numbers, wealth and culture. This is a substantial grievance which will be felt all the more keenly in course of time as the representative character of the Legislative Council increases and with it the influence which these Assemblies exercise upon the conduct of public affairs. To take again the example of Assam, though it has a population less than our own, it has a Legislative Council of its own of a much larger representative character, while we, Karnatakas, have only 6 members to represent us in the Bombay Council and 4 in the Madras Council. Thus, administrative expediency also calls for the carving out of a separate Kannada Province. Let me add one more principle to be applied here, namely, the cost of administration. In my opinion, the cost of general administration would be comparatively small, having regard to the smallness of the area and population. Enormous savings may be effected under various headings, including travelling allowances. There are already several small administrative units in India, such as Ajmer, Merwara and the like and Karnataka will be one among that fold. The probable income of the would-be British Karnataka would be about 3½ millions and with the rapid expansion of railways, irrigation facilities, coastal traffic, etc., which are woefully neglected at the present day, the income is bound to increase and the prosperity and well-being of the Karnatakas assured and placed on a firm basis.

Before I close, Sir, let me answer one or two possible objections to this proposal. It is said that the scheme of redistribution of provinces on a language basis is not conducive to national unity, and this would eventually lead to disintegration. Sir, the upbuilding of the Indian nation is only



[Dr. U. Rama Rao.]

possible on a plan of federation in which each provincial factor shall occupy a sub-national position. To secure this end, the Provinces should be homogeneous and be devoid of elements that lead to inequality of progress so that various subordinate centres of self-consciousness may come into existence around which national life groups itself into distinct units. We have the mighty example of the United States of America and the humble instance of Switzerland in support of my statement. The United States of America consist of as many as 48 provinces each independent in itself. The biggest province has an area of 100,000 square miles and the smallest, namely, Columbia, about 70 square miles. Switzerland with an area of 15,951 square miles and with a population of 3,315,343 has got 22 provinces divided according to linguistic area. Each province is independent of the other and is not bigger than even two of our *taluks*. In our own country, we will have at the utmost 19 provinces based on language instead of 15 incongruous, irresponsible units which we have at the present day.

The next objection is that the redistribution should not precede the grant of full provincial autonomy. To make it follow is in my opinion to place the cart before the horse. By the time we get provincial autonomy, we must have ready-made administrative units based on language and territorial integrity. Such is the scheme of provincial autonomy which Lord Hardinge had outlined for India. According to his scheme there would come into being separate, small, self-contained and self-reliant States, in which no one community could retard another in its progress. It is only thus, Lord Hardinge said, that:

"all the nationalities in India can be started simultaneously on the road to self-development and ultimate self-government. Those which advance rapidly would be given greater facilities and would necessarily be more independent than those that lagged."

Lord Hardinge added:

"No greater facilities could be given to the people of India than the fostering of local patriotism by the construction of a new map on an ethnological and linguistic basis and the consequent friendly inter-racial competition for civilized progress and ultimate autonomy."

Now, Sir, my Resolution merely asks for the necessary spade work to be done before the advent of full provincial autonomy, which, it is hoped, will come in the near future, so that a new Kannada Province may be formed at once and endowed with a separate autonomous administration. This is by no means an easy task and I have therefore proposed the appointment forthwith of a Committee of officials and non-officials to inquire into and suggest ways and means for the purpose of forming a separate Karnataka Province. There will be nothing lost by this inquiry; on the other hand a good mass of useful evidence and public opinion will be gathered and made available for ready use. I now commend this Resolution for your kind acceptance.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadan): Sir, I beg to move the following amendment:

"This Council recommends to the Governor General in Council that, with a view to regrouping of Provinces, as far as possible, on a linguistic basis, a Committee with a non-official majority be appointed to inquire into, and suggest ways and means for, constituting the Kanarese-speaking tracts of the provinces of Madras and Bombay into a separate Kannada Province."

Sir, I am in substantial agreement with the Resolution and my amendment is intended to emphasise one aspect of the question. It is this. I desire that the claims of the Kanarese to separate provincial integration should be dealt with as a part of a comprehensive scheme of reform affecting the whole country. It is well known that with the exception of Burma and two or three other provinces in India no province represents a natural unit, and that most provinces are artificial aggregations of tracts of country which owe their origin to historical accidents or political and administrative exigencies. On the one part a single people characterised by a common tradition, culture and language are cut up between different administrations and on the other hand as many as five or six distinct linguistic groups are thrown into a single province. The province from which I come, Madras, is composed of Tamils, Telegus, Keralas, Kanarese and Ooriyas.

At the same time the Telegus, Kanarese and Ooriyas are divided between four different administrations. It cannot be disputed that this arrangement has very grave defects. Firstly, it is a hindrance to good government as it cannot produce administrative efficiency. Secondly, it prevents the process of the upbuilding of the nation as it destroys the sub-national spirit of the homogeneous groups by rendering them weak, disorganised and disunited. The defect in the existing territorial divisions engaged the attention of several British administrators and their views are well worth consideration. Sir John Strachey, Sir Thomas Holderness, Sir Bampfylde Fuller, Sir George Chesney and Sir Francis Younghusband all pronounced themselves in favour of the reform. A very comprehensive survey of the question is to be found in the famous despatch sent by Lord Hardinge's Government on the 25th August, 1911, in connection with the reunion of the 5 Bengali-speaking divisions into one province and integrating the Hindi-speaking population of Bihar and Chota Nagpur into another. All the arguments that can be urged in favour of reorganisation of provinces on linguistic bases are embodied in that document.

From the popular side, the anti-partition agitation in Bengal, the Biharis' plea for separation from Bengal, Berar's desire to be added to Maharashtra, and the demand of the Ooriyas, the Sindhis and the Kanarese for separate provinces were the outcome of the desire for self-expression. But each of these peoples urged their respective claims with a desire to secure greater advancement for them in education and influence in their separate provinces and did not put forward any comprehensive scheme for reorganisation of the country as a whole. The first organised attempt at formulating a scheme for the country as a whole was made by the Andhras. When Mr. Montagu visited India in 1919 and toured the country along with Lord Chelmsford, an influential deputation, composed of representatives of the 11 Telegu districts in the Madras Presidency, waited on the Secretary of State and the Viceroy and presented a memorandum on the subject. That memorandum was presented later on to the Joint Parliamentary Committee by Diwan Bahadur M. Ramachandra Rao and is to be found in the Appendices to the Joint Select Committee's Report (Volume III, page 110). I respectfully commend it for the perusal of the Members of this House. It also contains annexures giving a detailed scheme for the whole of India. From the figure then obtained the proposed Kannada Province would comprise 7 British districts covering an area of 29,000 square miles and a population of 6 1/3 millions. It is certainly large enough to have a separate administration. It will be two and a half times the size of Belgium.

[Mr. V. Ramadas Pantulu.]

It is hardly necessary to point out to this House the place which language and literature play in national development and the advantages to be derived by integrating people speaking a common language and possessing a common literature which enshrines their traditions. But I am anxious that the reform should be undertaken as a part of a comprehensive scheme, as I stated at the outset. My reasons are *threefold*. In the first place the existing provisions of the Government of India Act relating to the creation of new provinces and sub-provinces are very unsatisfactory. Dealing with the clause which corresponds to section 52A of the Government of India Act, the Andhra spokesmen before the Joint Parliamentary Committee said as follows:

"The clause does not contain any safeguards that the same form of administration prevailing in the Province from which it is separated would be guaranteed to the new province. We feel that the proposal for the appointment of a Deputy Governor and the creation of a sub-province is beset with difficulties. In the first place the clause does not define the relations between the executive of a major province and the executive of a minor province. We presume that a legislature will also be created for the minor province with subordinate powers of legislation. If this is the intention various questions, such as the powers of the two legislatures, the powers of the representation of the minor provinces on the legislatures of major provinces, the question whether the administration of the minor province will be entrusted to ministers, these and other questions arise for consideration. If it is the intention of the framers of the Bill that all these questions should be left to the decision of the Governor General in Council, we see very strong objection to the clause as it stands."

It now stands as section 52A with all these defects. So my Kanarese brethren are not in a position to know what kind of administration will be vouchsafed to them if they are forthwith integrated into a separate small province. Secondly, as Swarajists, the mover of the Resolution and myself cannot desire the multiplication of dyarchical provinces. At the same time I agree that we ought not to wait till we get autonomy. So we urge the necessity to take immediate steps, from now, to find ways and means for constituting Kannada into a separate province with such provincial autonomy as her sister provinces will secure in the revision of the constitution, which cannot be long delayed. Thirdly, by reason of the very confused manner in which various groups seeking separation are now intermingled, the adjustment of the claim of one for integration as a separate unit will necessarily lead to a consideration of the claims of the other groups. So with this emphasis on the desirability of tackling the whole question as part of a comprehensive scheme, I heartily support the Resolution of my Honourable friend.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I am thankful to the Mover for bringing this Resolution because the first Resolution had long been disposed of and we would not have had anything to do this time before the Council adjourned.

I am sorry, Sir, that most of my colleagues by leaving have left this Resolution to be moved in an empty Chamber. Perhaps they may say they do not know what this province is. Great trouble has been taken to explain, but owing to the language used and the accent of the Honourable Member some of us have been unable to grasp what was said. But all the same, as India is so backward in industry, it is a very nice thing to manufacture new provinces. I have to oppose the Resolution, Sir, because my province has lost this portion of Delhi as well as the North-West Frontier

Province, and if there are any more partitions made the provinces will become very small. That is one of the reasons why I oppose this Resolution. In India, Sir, they say that every 18 miles the language changes, so if the language was the essential condition in grouping provinces, there would be provinces every 18 miles apart all over the place. Then comes the question of economy. If this province were made, it would have to have a Governor and all the paraphernalia and all the expenditure of a province. Unless our friend would like to do the work as a Governor and pay the expenses which India would have to pay, I think it would not be acceptable to India. So I do hope, Sir, that this proposition will be rejected.

THE HONOURABLE MR. J. E. B. HOTSON (Bombay: Nominated Official): Mr. President, the Resolution which has been moved lays stress upon the particular needs of the people of the Kanarese-speaking country, while the amendment seeks to strike a more general line and asks for a reconstitution of the whole of India on linguistic grounds. I would ask the House, before they accept this Resolution or the amendment, to consider it very carefully both from the point of view of principle and also from the question whether there is any genuine, strong popular demand for such a regrouping, and in the third place, whether the proposal is administratively and financially practicable. On the question whether a linguistic basis is the best one on which to divide a country into provinces a very great deal has been said. I do not think we need go into that now. I will only point out that the experiences among the succession states of the Austrian Empire and in the Balkans do not show that distribution on this particular basis leads to peace or to happiness. It leads rather to the creation of oppressed minorities. I do not think we can press this comparison very far; at the same time it must be remembered that all over India now the cry of Bombay for the Bombay people, Burma for the Burmese, is becoming stronger than it used to be, especially in the search for all sorts of employment and most of all among candidates for Government service among their friends. Now, if we divide all India linguistically, shall we not rather be introducing a new element of difference into the country, a new division, and not strengthening, not increasing its unity? Looking at the Bombay Presidency, it consists of four large language divisions. I do not think any one can say that the Province of Bombay has been hampered by the existence of different languages. I think, on the contrary, its culture has been widened by intimate contact between neighbours. Undoubtedly its financial resources have been increased. Sind could not have taken up the Barrage now being built at Sukkur without the assistance of the rest of the Presidency; the great irrigation schemes going on in the Deccan now could not have been taken up unless the other members of the Presidency had helped. If the forest policy in Kannada had been shaped merely by the immediate need for money in a small province, they would not have been in as flourishing a condition as they are in to-day. In Gujerat even the famines that struck so sorely at the people would have been more severe in their effects on the province and those effects would have been more lasting had not the treasury of the whole Presidency been open to help the Gujaratis. I think we must hesitate before we can accept this principle as a suitable one. Now, whether large or small provinces are better for India is another point on which I will not enlarge at the moment. At the same time some of



[Mr. J. E. B. Hotson.]

us have been in various provincial legislatures. I think each provincial legislature is proud of its own position and its own power, and it is felt very strongly that if India was broken up into a larger number of small provinces, the power of each local legislature would be less than it is now. The power of the Central Legislature would be enhanced. Now are we prepared to say at once that this is altogether a step in the right direction? Our friends want provincial autonomy. Are they going to get that provincial autonomy sooner? Are they going to make it more real by reducing the powers that the provincial legislatures have already? I think it is very doubtful. I will not say more on that point now.

I pass on to the question whether there is any strong, popular demand for this change. On this point I can only say that about three years ago it was proposed to bring in a Resolution into the Bombay Council asking for the creation of a separate Kannada Province. That Resolution was disallowed for certain reasons. It was disallowed because in the form in which it came forward it proposed in the Bombay Council that large portions of the Madras Presidency should be taken away and added to the Bombay Presidency. Had there been any great demand it would have been very easy for the people who desired to press the question to have framed that Resolution in a different way, in such a form that it would have been admitted and could have been discussed. To the best of my knowledge no Resolution of that sort has ever been brought forward or put on the paper in Bombay since then. I remember very well having seen a number of Resolutions asking for an additional Member to represent the Kanarese districts in the Bombay Legislative Council, but owing to the luck of the ballot, and to the abstention of our Swarajist friends from taking part in business during part of the last two Sessions, those Resolutions never came forward. They were put on the paper though, whereas a demand for a Kannada province has never appeared on the paper. I have had many friends among the representatives of that part of the country and have never heard them press this question strongly. Our friends from Sind have asked for separation occasionally. I do not think they really want it, but we have heard their request. We have not heard in Bombay any equally strong request from the Kanarese-speaking people. One reason I would bring forward, but time is short, is that there is no real homogeneity in the Kanarese country now. My Honourable friend has already mentioned the differences in dialects. We have also great differences in religion and in caste. We have now the people that used to be the rulers of the whole of the Karnatic reduced to the state of outcasts. We have people in the very lowest stages of social evolution, and along side them people in the highest stages. We do not see as a matter of fact that those in the highest stages are doing anything to bring forward those in the lower stages. That is not the case even in such parts of the country as are homogeneous. There is nothing to show that it would be the case were these provinces differently constituted. Now, as to practicability, we have had lots of figures. The Mover of the Resolution said that there were 8 million inhabitants in the country which he would make into a Kannada province. The mover of the amendment, if I caught his words correctly, said there were 6-1/3 millions. I have got certain figures here which show that the Kanarese-speaking people in any tract which could be brought together would not number more than about 3 millions. There

are only two districts which are almost entirely Kanarese, those are Bijapur and Dharwar. In two other districts the Kanarese number a large proportion; those are Belgaum and North Kanara. There are two more, namely, South Kanara and Bellary, in which there is a very considerable proportion of Kanarese-speaking inhabitants. Elsewhere there are very few. It is conceivable that four districts and parts of two other districts might be made into a Kannada province. In Anantapur, out of a population of 9 lakhs, there are 90,000 speaking Kanarese. In Madura there are 1 lakh out of 2 millions. In Salem, there are fewer than 1½ lakhs out of over 2 millions. In South Kanara there are 2½ lakhs out of 1½ millions. In Coimbatore there are ¼ million out of nearly 2½ millions. In Bellary, one of the districts where they are strong, there are 482,000 out of 862,000. I do not think our friends mentioned Sholapur, but at a meeting which was held at Belgaum a short while ago, they claimed this district, on the strength of numbering 50,000 out of 7½ lakhs. In North Kanara, i.e., Bombay Kanara, there are 226,000 out of 401,000, and in parts of that district there are no fewer than 131,000 who speak Konkani, a dialect of Mahratti. In Coorg, I find out of 163,000 only something under 70,000 speak Kanarese. The Kanarese population there is not quite 45 per cent; of the rest, a large number speak a dialect called Coorgi or Kodagu, which, I understand, is related to Kanarese but not the same. The two languages together will amount to 70 per cent., but the Coorgi people themselves are as strongly particularist as the Kanarese, and would as strongly resent domination by outsiders. They do not want to be eaten up by the Kanarese any more than the Kanarese want to be eaten up by others. Thus the province which the Honourable Mover would desire to create would really be nothing more than a large hole with a fringe round it. The hole is Mysore—I do not mean any disrespect to that great State by this description—and the fringe is the Kanarese-speaking country round it, with a lump on one side to represent the four Bombay districts. The total revenues of the province, so far as I have been able to make an estimate, would not reach 2 crores of rupees. Out of that how are you going to make a province with a Government and a Legislature that could command any influence in India as a whole? The Kanarese people in the Bombay Council now hold an important place; their counsels are listened to. They have influence which is as strong as that of any other section there. Where would they be if they had a tiny legislature of their own and sent up 1, perhaps 2, Members to the Central Legislature of India? It would be against their interest, not in their interest, that this proposal should be accepted.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I should like to express in the first instance my gratitude to my Honourable friend from Bombay, for by the first speech which he has made in this Council, he has relieved me of a very great deal of what would otherwise be my responsibility. His lucid and cogent statement can, I think, have left little doubt in the minds of the House as to the practical possibilities of both the Resolution and of the amendment. My task is therefore limited to explaining very briefly what is the attitude of the Government of India towards this particular proposition and to other propositions of the same character. The Government of India regard, and will always regard, with respectful and sympathetic consideration any proposals for the constitution of administrative units on the basis of linguistic areas which are clearly supported by a very strong popular sentiment and which on examination are found to produce a reasonable, sound and progressive administrative proposition. That view was held and is expounded in the Joint Report.

[Mr. J. Crerar.]

It is dealt with in the Joint Parliamentary Report on the Government of India Bill. But I should like to invite the special attention of the House to this fact that the Joint Parliamentary Report in particular lays stress upon two points. They indicate very strongly that any such proposition must have a genuine and forcible popular opinion behind it, and that opinion must, and ought to, be expressed in the first instance in the local Legislative Councils concerned. Now, Sir, it is a very remarkable thing that the Honourable Dr. Rama Rao gave no clear indication of the existence of any strong measure of popular support. Still less did he indicate to us that the measure had been considered and debated in the local Legislative Councils. Having regard therefore to the very careful pronouncement on this matter which was made in the Joint Parliamentary Report, I think that we should be acting very dangerously indeed if we ourselves at this stage accepted this Resolution, regarding which we have not the slightest ground for believing that the local Legislative Councils desire to urge it—with regard to which indeed we have evidence that opinion in one local Legislative Council at any rate is distinctly averse from it. Now, Sir, when I defined very briefly what the attitude of the Government of India would be towards a measure of this kind, I said it would necessarily be one of respectful and sympathetic consideration, but naturally also any further action to be taken would necessarily be conditioned on the existence of a large number of other factors in what would undoubtedly be a most important decision. The Honourable Member who moved this Resolution did not, I think, succeed in satisfying the House with regard to the existence of these other factors. I do not deny myself that a linguistic basis might be a very important, a very potent, factor in the constitution of an autonomous provincial area. But after all the linguistic factor is by no means the only one. The history of the Presidencies of Madras and Bombay covers a long space of time (though not precisely in their present form) and the association with them of these linguistic communities is not a thing of yesterday or to-day. Traditions, connections and interests have been formed, to which very careful consideration must be given in any scheme for a reformed administration. The historical, geographical, political, economic and social factors in the modern world are factors almost as powerful, as, if not in some instances, even more powerful, than those of language alone. On these points, I say that the Honourable gentlemen opposite have not succeeded in satisfying us. But I have one further objection to make and I wish to make it clear that I am not now discussing the general merits of the constitution of provinces in the comprehensive manner suggested by my Honourable friend Mr. Ramadas Pantulu, nor indeed am I entering into the precise merits of the proposition of the original Mover. Speaking generally, the objection which I think must weigh with us as a very powerful objection is that we are invited to take official action in a matter which I should have thought every consideration of prudence and statesmanship would have dictated should be left to popular initiative. I fear our experience sometimes has been that action taken by the Government of India with regard to the redistribution of provinces has not always been received with a very warm welcome and that its history has not always been a very happy one. It, therefore, behoves us to be particularly careful. I know that any action that we may take in this direction, however much it might be in accordance with the wishes of one of the gentlemen opposite, would be received with a very great deal of suspicion in many quarters. Might it not be said, as was indicated by the Honourable gentleman who preceded

me, that the Central Government had its own interests in having smaller, poorer and therefore weaker provinces under its control? If the Honourable gentlemen, having considered and gone into the matter further, come into this House once more with a proposition which satisfies all the necessary preliminary conditions that there is a strong, genuine and powerful demand for it, that that demand has received its natural and immediate constitutional expression in the local Legislative Councils and that the proposition which emerges will be one which is administratively sound, politically progressive and economically favourable to the populations concerned and moreover that, after taking all these considerations into account, the results of the proposition will be one which will be conducive not only to the interests of the province, not only to the interests of the communities, but to the interests of India as a whole, then we should be prepared to give our most careful consideration to that proposition and take such steps as may be found to be incumbent upon us. For these reasons I must ask the House to reject both the Resolution and the Amendment.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: The Honourable Member who spoke just now said that there was no popular demand. I have said in my opening speech that people have been anxiously asking for this province for several years. Any member of this House who will read the papers of the Karnataka province from Mangalore, Bijapur, Dharwar and other places will find that local papers have been asking every day for a separate province. Apart from that, when the Right Honourable Montagu came out to India in connection with the Reforms scheme, the deputation that waited upon him, among other questions, asked for a separate Karnataka province. The Indian National Congress after going into the facts of the case did come to the conclusion that a Karnataka province was very necessary, and so they formed the Karnataka congress circle for their own purposes. Then, again, Sir, my Honourable friend said that there ought to be a demand from the local Legislative Council. I remember aright one Member from Bombay who belongs to the Karnataka area did bring this matter to the notice of the Bombay Legislative Council, but he was told that it was not the concern of the Local Government but that of the Government of India. Sir, that was the attitude that was taken up then. Now I am asked to go to the local Legislative Councils. So, between the two Councils, there is no chance for the Karnataka province to be carved out. As for the popular demand, if the Honourable Member is not satisfied that there is any such demand as I have just now mentioned, then the best thing for him is to appoint a committee which should go about and make inquiries to find out if there is any demand or not in the country. I have shown in my opening speech that a number of meetings were held all over the province of Karnataka during the last 4 years. I am myself a Karnataka man and ought to know the feelings of the people living there. Such being the case, if the Honourable Member is not satisfied that there is a popular demand, the best thing would be to appoint a committee to go about all over the province and find out the real facts. I am much obliged to the Honourable Member, however, that he has accepted the principle that provinces ought to be formed on a linguistic basis. Sir, there is a good deal of popular support. My Honourable friend to my left said that the population of Karnataka is 3 millions. I have got a slip here by which I can show it comes to 13 millions including Mysore and Hyderabad. If you exclude Mysore and Hyderabad, the population comes to 8 millions. So, the figure that he has quoted is not correct. The figure that I have quoted

[Dr. U. Rama Rao.]

is from the Census Report which is much more reliable than either my figure or his figure.

THE HONOURABLE MR. J. E. B. HOTSON: My figure also came from the Census Report.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: But the figures which he quoted for Dharwar, N. Kanara, Coorg and Bellary are not correct. There are a number of people who talk Kanarese in Madras Districts. In all these districts Salem, Nilgiris, Coimbatore, Anantapur and the Southern portion of South Kanara they did talk Kanarese originally but now they talk Tamil, Malayam or Telugu. I want all this bordering area to be carved into a separate province. If you do not do this, year after year the number of Kanarese-speaking people will go down. In another 30 years half the population of Karnataka will speak Telugu or Maharatti or some other language. As for the income, I said 3½ crores. The moment we have a separate province, it will go up considerably. We have no railway facilities at present and if you have a coastal railway from Mangalore to Goa, the income will go up considerably. At present there is no irrigation facility at all in Belgaum, Bijapur and Dharwar and other places. They cannot raise more than one crop a year. So, unless you help us, we have no means of getting any assistance at all. Madras does not help us. So between Bombay and Madras we are nowhere. There are at present in the whole of the Karnataka about 4 colleges and 36 or 37 high schools. Sir, these are all the considerations which must weigh with the Government in forming a separate Karnataka province. With these few observations I once more appeal to Members of this House to look at this question dispassionately and see that a committee be formed to go into the question. As for expense I do not think you require a very costly machinery as in the other provinces. We do not want Members of the Executive Council or Ministers on a high pay of Rs. 5,000 per mensem.

THE HONOURABLE THE PRESIDENT: The original question was:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council that a Committee of officials and non-officials be forthwith appointed to inquire into, and suggest ways and means for, the formation of a separate Kannada Province.'

To which an amendment has been moved:

"That for that Resolution the following be substituted:

'This Council recommends to the Governor General in Council that, with a view to regrouping of Provinces, as far as possible, on a linguistic basis, a committee with a non-official majority be appointed to inquire into, and suggest ways and means for, constituting the Kanarese-speaking tracts of the provinces of Madras and Bombay into a separate Kannada Province.'

The question that I have to put is that that substitution be made.

The motion was negatived.

The question then is that the original Resolution be adopted.

The motion was negatived.

The Council then adjourned till Eleven of the Clock on Thursday, the 18th February, 1926.

## COUNCIL OF STATE.

Thursday, 18th February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### MEMBER SWORN:

The Honourable Sir Clement Hindley, Kt. (Chief Commissioner, Railways).

### BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with rule 25 of the Legislative Rules, I lay on the table a copy of a Bill to amend the Steel Industry (Protection) Act, 1924, for the purpose of increasing the total amount payable by way of bounties under that Act in respect of railway wagons and of providing for the grant of bounties in respect of underframes for railway passenger carriages, which was passed by the Legislative Assembly at its meeting held on the 17th February, 1926.

### THE RAILWAY BUDGET FOR 1926-27.

THE HONOURABLE SIR CLEMENT HINDLEY (Chief Commissioner, Railways): Sir, I have the honour to present to the Council a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1926-27 in respect of railways. This is the second occasion on which the Railway Budget has been dealt with separately from the general Budget, and it will be perhaps unnecessary for me to repeat the description which I gave last year of the benefits which we anticipated from this change in procedure and policy. If any doubt of the efficacy of this change remained in the minds of those responsible for it or of the wider circle of those in the Legislature who were associated with us in carrying it out, I believe that that doubt will be removed when the financial position which I am about to explain has been fully appreciated.

2. Amongst other benefits arising out of this change has been the improved opportunities which we are able to give to the Legislature to consider and criticise our work and our proposals. The convention regarding separation of finances enables us to settle the figures of our budget independently of those pertaining to the general budget, and while last year we were able to give much greater opportunities for discussion than had been

[Sir Clement Hindley.]

possible before, this year we have been able to carry out the intention, which we indicated, of thoroughly examining the figures in consultation with the Standing Finance Committee for Railways. They have approved of all our figures and in these circumstances we feel a considerable measure of confidence in placing the figures before the Legislature. Not that we expect to pass through the ordeal without criticism. The figures and explanations which accompany them are in effect a presentation of an account of our stewardship, and I will not pretend that our work has been so perfect or that this Council is so tolerant that we can avoid matters for criticism. But whatever criticism may be levelled against us or against those responsible to us, I would ask this Council, the members of which are many of them here for the first time, to show the same consideration in criticism of the Railway Department which was such a marked feature of our relations with the former Council of State.

3. One of the benefits which we anticipated from the separation of finances, and which I mentioned last year, was the fact that the obligation contained in the convention to pay a heavy contribution to the general revenues would be an impelling factor of a constructive nature running through the whole of our activities and organisation. In the figures and facts which follow I hope to show that this factor has been at work, and that, on the one hand, we have taken great strides during the past year in bringing the railway system of the country into line with requirements, and, on the other hand, that our proposals for next year are actuated by a desire to still further develop this great national property and to perfect the organisation and equipment necessary to enable it to fulfil its proper functions. I would, however, take leave to point out that the stimulus underlying this great co-ordinated effort to provide the country with a transportation system adequate to its needs had its origin in something rather less recent than the separation of finances, and separation may perhaps be looked upon as an incident, although an important one, on the path of reconstruction and re-organisation.

4. The Council will remember the parlous condition into which the railways of this country had fallen at the time when Sir William Acworth's Committee reported. They will remember the nature of the evidence brought before that Committee on the one hand by the public indicating the artificial restrictions imposed on trade and travel by the inadequacy of transportation facilities, and on the other by responsible railway administrations showing how their efforts towards improvement and development were cramped and stunted by the intolerable system of financing the railways which had obtained so long.

They will remember no doubt the remedies suggested, reorganisation of the controlling department, decentralisation, and a more business-like method of allotting funds for improvement and development. These and many other minor remedies we have been endeavouring to apply. In some directions we have had success, in others we still have much to do, but I claim that we have at least made progress.

The Council will remember that before sufficient time had elapsed for the implications of the Acworth Committee's report to be fully understood or acted upon, the railway business of the country was again brought under close examination by Lord Incheape and his Committee. Looked at in the proper perspective, which we can apply at this distance of time,

we can recognise that the report which this Committee submitted was in many respects the complement of the former Committee's report. Though to many critics at the time there seemed to be divergent views and recommendations, I feel that nothing but the ruthless analysis of our business in all its ramifications which those two Committees applied, could have enabled us to build up our present position. The application of the ideas and principles contained in those reports to the whole of our business has brought about a synthesis of all that was admirable in both of them, and we should be ungrateful indeed if we did not give full recognition to the work which they did and the stimulus to which that work gave birth.

I cannot attempt without taking up an inordinate portion of the time of the Council to give a complete picture of the change which has been brought about as the result of this new spirit, but in dealing with the figures in the estimates and in describing our work, I hope I shall be able to show that the railway property which my department controls is now in a sound financial position, that it is being maintained with efficiency, and that it is meeting the transportation needs of the country in a manner which has never been approached before.

5. Honourable Members of this Council will have shortly placed in their hands copies of the statement of the revised and budget estimates, together with a memorandum explaining the budget and separate books which have been prepared for each railway administration under our control. They will also be furnished with copies of the speech now being made by the Honourable Railway Member in the other House. I will ask Honourable Members to exercise patience while I endeavour to give a brief summary of the outstanding figures in the estimates.

#### *Working Results (Revenue Receipts and Charges) Commercial Lines.*

6. I will first deal broadly with the estimated working results in the current and next financial years. In the budget presented last year we estimated the gross traffic receipts from commercial lines at 100 crores 65 lakhs, or with the addition of miscellaneous receipts, 101 crores and 34 lakhs of gross receipts. The working expenses were estimated at 65 crores 5 lakhs, and the total charges including interest, etc., 90 crores 54 lakhs, leaving a net gain from the commercial lines of 10 crores 80 lakhs. From the results now available for the current year the budget estimate figures have been revised and the gross traffic receipts are expected to reach 98 crores 86 lakhs only which, with the addition of miscellaneous receipts, will give total receipts of 99 crores 81 lakhs. Working expenses are now estimated at 63 crores 87 lakhs, and the total charges at 89 crores 36 lakhs, leaving a net gain of 10 crores 45 lakhs, or about 35 lakhs less than anticipated in the budget estimate.

7. For next year, 1926-27, we estimate traffic earnings at 101 crores 95 lakhs which with miscellaneous receipts will give us total receipts of 102 crores 58 lakhs. Working expenses are estimated at 65 crores and 18 lakhs and total charges at 92 crores 13 lakhs, giving a net gain of 10 crores 45 lakhs, the same as in the revised estimate for the current year.

8. Of the net gain of 10 crores 45 lakhs estimated for the current year, the net contribution to general revenues after meeting the loss on strategic railways will be 5 crores 32 lakhs, while 8 crores 45 lakhs will be transferred to railway reserves. For next year if we realise the estimated net gain of 10 crores 45 lakhs, general revenues will receive a net contribution of 601 lakhs and railway reserves will receive 2 crores 70 lakhs.

[Sir Clement Hindley.]

9. I should like to emphasise certain figures which are of importance from the commercial point of view. The total capital at charge on all railways at the end of last financial year was 655 crores, of which 580 crores was the expenditure on commercial lines exclusive of the capital contributed by Companies. At the end of the current year the total capital at charge is expected to be 674 crores, of which 599 crores represents commercial lines. After meeting all interest charges our contributions to general revenues since the separation of finances will amount to 6 crores 78 lakhs in 1924-25, 5 crores 32 lakhs in 1925-26 and 6 crores 1 lakh in 1926-27, or a total of 18 crores 11 lakhs in the three years. In the same period the amounts placed to railway reserves are: 6 crores 38 lakhs in 1924-25, 3 crores 45 lakhs in 1925-26, and 2 crores 70 lakhs in 1926-27, or a total of 12 crores 53 lakhs.

It is interesting to compare this position with the position in 1921-22 when with a total capital at charge of 606 crores, the net income was insufficient to meet the interest charges by 9½ crores. From the close of that year to the end of the current financial year the net additions to capital at charge will be approximately 68 crores, general revenues will have received no less than 19 crores 73 lakhs as clear contributions after paying all interest, the railways will have built up a reserve fund of 9·83 crores and have further established a depreciation fund which, after meeting all necessary appropriations for replacements and renewals, is expected to show a balance of 6 crores 71 lakhs. These figures present a striking contrast to the financial position of the railways at the time when Lord Incheape's Committee reported, and it is well to remember what that Committee considered should be the aim for our future work. They laid down the principle that the railways as a whole should yield not less than 5½ per cent. on the capital invested, and they calculated that when we had had time to effect economies in working expenses we should be able to make a net return of 8½ crores per annum to the State. They did not expect that this result could be obtained immediately and in fact they even made drastic proposals for postponement of necessary expenditure in order to enable the railways to produce a net return of 4 crores in that year.

In effect we made a net return of nearly 6½ crores, while in the subsequent two years we have produced an average net profit considerably above the figure anticipated by the Committee. These figures, I claim, show that the railway property of the State during the last few years has been brought into a sound financial position, a position which has been achieved largely by the application of commercial principles and a wise financial policy.

Before passing on I would call attention to the fact that while during each year since the date of separation, the contribution of one per cent. on the capital at charge to general revenues is an increasing figure, moving from 540 lakhs in 1924-25 to an estimated figure of 580 lakhs next year, the amount to be placed to railway reserves is a steadily decreasing figure, and we are budgetting for a smaller figure for next year than the estimated amount for the current year. We have yet to learn by experience what amount should ultimately be required in our reserves, but from the analogy of what is found necessary in other commercial concerns and other commercial railways we are still a long way off from reaching a figure which will place the railways in a perfectly safe position having regard to

the obligations of the separation convention and the unknown obligations of the future. In a year, for instance, in which bad monsoon conditions might bring with it a heavy set back in earnings without an opportunity of bringing down working expenses to a corresponding degree it is conceivable that the payment of the contribution might make a very heavy call indeed on our reserves. Our contribution increases every year and our liability is an ever-increasing one. We cannot, therefore, yet estimate what figure we should finally aim at for the accumulated reserve.

On the other hand the existence of a reserve fund, meagre as it is at present, and the existence of financial arrangements which will ensure a fair share of profits going into the reserve in the future makes it possible to take temporary risks with our earning power. And as I shall explain later we have had during the past few months a most careful examination made by all the railway administrations with a view to ascertaining the best form to give to this risk. It has been decided that certain reductions in fares and freights, most of which have already been notified, will be justified by eventual increases in earnings and the existence of reserves entitles us to take the risk of making these reductions.

#### REVISED ESTIMATE, 1925-26.

##### Gross Earnings.

10. In the Budget presented last year we estimated the gross earnings for this year at 100 crores 65 lakhs. Although we have had an increase in passenger earnings estimated at about 37½ lakhs, in goods traffic we have had a serious falling off, and we anticipate receiving about 245 lakhs less than we had budgetted for. The net effect is anticipated to bring our total receipts for the year to 99 crores 81 lakhs, or 1 crore and 53 lakhs less than the budget estimate figure.

##### Working Expenses.

The working expenses in the current year are now estimated to be 1 crore and 18 lakhs less than in the budget estimate for the current year. This reduction is due partly to the fact that we have deferred expenditure on the work of fitting our rolling stock with automatic central buffer couplers pending a re-investigation of the method of conversion. It is now probable that we shall be able to shorten the period of interference with traffic by adopting the method of preliminary alteration and adaptation instead of using a transition device, but it may be some time before we can proceed with the actual conversion.

There is a further cause for the reduction in working expenses, namely, the fact that the special provision of 50 lakhs for speeding up repairs to rolling stock has only been drawn upon to the extent of 25 lakhs, but the solution of the difficult problem of keeping repairs up to date depends largely on the completion of certain schemes of workshop improvement which are now in hand and the results of the investigation into workshops facilities which is now going on. Meanwhile the general position in regard to repairs of locomotives and wagons shows an improvement over the position a year ago although the position as regards coaching stock is not altogether satisfactory.



[Sir Clement Hindley.]

# BUDGET ESTIMATE, 1926-27.

## Gross Earnings.

11. Next year we are budgetting for gross earnings of 101 crores 85 lakhs, an increase of about 249 lakhs over the revised estimate for the current year. In making this estimate we have assumed a continuance of the present favourable conditions and a good monsoon. But we have also taken into account the reduced earnings resulting from the reduction in rates and fares to which I have already referred. But for these reductions we should have been justified in placing the estimate at about 2 crores higher than this figure. As regards passenger fares, full particulars of the reductions already notified will be found in the proceedings of the Standing Finance Committee for Railways, and those who have leisure to study these proceedings will see that a very careful examination has been made of the position as regards passenger traffic on each of the large railways. The principle which the Railway Board have adopted is to let each railway administration take stock of its position, and arrange the level of its fares so as to encourage the largest volume of traffic at a paying rate. As I have said, the stronger financial position in which we now find ourselves owing to the separation of finances and the prospect of building up an adequate reserve fund makes it possible to take the risk of a temporary drop in earnings. It is, however, essential to bear in mind that reductions in fares can only be made where commercial justification exists and where such action will lead ultimately to larger net earnings and consequently a further strengthening of the reserves. Where, for instance, the normal growth of passenger traffic has been arrested or retarded, it is legitimate to conclude that a reduction of fares will stimulate travelling and bring the rate of growth back to what is regarded and what has been more or less established as the normal annual growth.

Rate fixing is always a matter of trial and error, and if a rate is fixed too high traffic will be discouraged, while if it is fixed too low profits will vanish. To hit the happy mean where profitable traffic is stimulated is the object we have in view. The recently notified reductions must be looked upon as a further stage in the experiment rather than necessarily the beginning of a downward movement of unforeseen limits. Our financial obligations compel us to go cautiously, for to drop below the remunerative point would be fatal to the whole of our financial structure. But we are confident that, with the method now adopted of analysing the flow of traffic and studying the effect of changes in fares we shall be able to go further in adjusting the charges to the needs of an ever-increasing travelling public. Railway administrations will perhaps be criticised for moving too slowly in reductions, but when the actual reductions in earnings on the different railways which we are budgetting for are studied, for instance, 34 lakhs on the Great Indian Peninsula Railway, 17 lakhs on the South Indian Railway, 33 lakhs on the North Western Railway, 18 lakhs on the East Indian Railway and reductions now proposed on the Burma Railways costing 12 lakhs, I do not think that such criticism will be held to be justified. We have at any rate made a beginning, and we have also made a beginning in the reduction of rates.

There are, of course, many claimants for reductions in goods rates. But here again the problem of rate fixing is one largely of trial and error.

although it is beset with many indeterminate factors which do not influence passenger traffic to the same extent. Commodities and their movements have to be watched and studied in different localities, and unless the greatest care is exercised changes in rates may have entirely unforeseen results. Where the movement of commodities between different points is handicapped by the level of rates to an extent which actually restricts traffic, it is obviously a business proposition to make some adjustment, subject always to the consideration that the traffic is still earning a profit. The examination which is required for this purpose is one which is continually going on, but, as in the case of passenger fares, we have felt justified in asking railway administrations to give this matter special attention with a view to stimulating the movement of any commodity where this may be possible. It is, however, specially in regard to coal traffic over long distances that we feel that there is an opportunity of affording some stimulus. We believe that in so far as we can increase the area within which the industrial use of coal is economically possible we shall thereby be stimulating industries themselves, and ultimately benefitting our railway business through the traffic which arises as a consequence of the growth of these industries. There are therefore good arguments for carrying coal over long distances as cheaply as possible. The rates at which we carry coal at present are low rates. Having regard to the high proportion which coal traffic bears to other traffic on two, at any rate, of our great railways, it is held in some quarters that these rates in themselves amount to a subsidy. There is considerable doubt whether any reduction would not bring this traffic to the point of being non-remunerative. But that is an argument which I need not enter into now because we are emboldened by what has happened in the past to believe that the reduction which we now propose to make will act as a stimulus, and that at a time when the business of coal producing and coal using is in need of such a stimulus. It is being arranged, therefore, with effect from 1st April to reduce the rates on coal carried more than 400 miles to a scale which will be equivalent to a reduction of 14 As. a ton at Cawnpore, 1 Re. 2 As. a ton at Ahmedabad and 1 Re. 10 As. at Bombay. With this new scale the charges for carrying coal over long distances will be about 10 per cent. less than at present and only 20 per cent. higher than the scale in force in 1905.

As regards the rates for coal carried over shorter distances, there is no evidence to show that any reduction that we could afford to make would result in an appreciably larger volume of coal being moved. We have, however, before us the recommendation of the Coal Committee in regard to a further rebate on export coal, and when the new Grading Board gets to work, we shall be in a better position to come to a decision on this point.

I have explained the reductions in rates and fares already decided upon. As I have said, we shall during the year bring further examination to bear on this matter, and we have, in fact formed our estimate of earnings on a basis which, if other assumptions we have made are fulfilled, allows for some further adjustments.

## BUDGET ESTIMATE, 1926-27.

### Working Expenses.

12. The estimate for gross expenditure during next year, 92 crores 13 lakhs, is 2 crores and 77 lakhs more than the revised figures for the



[Sir Clement Hindley.]

current year. Of this sum, an increase in our interest charges owing to our higher capital at charge accounts for 130 lakhs, while an increase of 40 lakhs must be made in the appropriation to the Depreciation Fund which depends on a calculation based on the probable life of our wasting assets. There is also an increased provision for repairs to rolling stock by 35 lakhs and a slightly higher provision for operation, counter-balanced largely by the saving in our fuel bill consequent on the lower prices for market purchases of coal during the coming year, the effects of which have been explained in the Budget Memorandum.

#### REVISED ESTIMATE, 1925-26.

##### *Capital Expenditure.*

13. The approved programme of capital expenditure in the current year was 32 crores 7 lakhs, but while authority was given to push on with all approved works, we estimated that the railway administrations would not spend more than 22 crores 90 lakhs. Actually we expect now that the expenditure will be about 19 crores 50 lakhs, leaving a lapse of 3 crores 40 lakhs. The lapse has mainly occurred in the expenditure on new lines largely owing to delays in land acquisition proceedings, and we have been able to spend to within 40 lakhs the amount estimated for open line works.

We have taken special steps to expedite the process of obtaining approval to works of proved necessity and have simplified the system of preparing and submitting estimates and for the certification of indents, and we have also delegated larger powers of sanction to Agents and Boards of Directors. In this connection it is satisfactory to be able to announce that the Secretary of State recently has increased largely our powers of sanction for new works, and many projects which formerly had to be referred to him for sanction can now be sanctioned by the Government of India. In agreeing to this delegation the Secretary of State has recognised that the obligation which we have undertaken under the separation convention to pay not only the interest on our capital at charge but an additional contribution to the general revenues furnishes a guarantee for economical working such as justifies a wide relaxation of his control.

#### BUDGET ESTIMATE, 1926-27.

##### *Capital Expenditure.*

14. The programme for next year for expenditure on approved works represents an estimated outlay of 34 crores 58 lakhs from capital and of 10 crores 65 lakhs from the Depreciation Fund. We do not propose to restrict expenditure on sanctioned works as it is of obvious advantage, once they are sanctioned, to expedite them as much as possible, but we have formed our own estimate of the probable actual expenditure, which we place at 22 crores from capital and 8½ crores from the Depreciation Fund. The total demand for capital expenditure will be 26 crores as we have included 4 crores for the purchase of the Delhi Umbala Kalka Railway. The terms of this purchase and the reasons which justified it are explained in a statement attached to the Budget Memorandum.

15. The gross figure of capital expenditure involved in the programme for next year is divided into 24 crores 76 lakhs for open line

works and 9 crores 82 lakhs for the construction of new lines and lines at present under construction. For open line works we are allotting 17 crores 87 lakhs and for rolling stock 8 crores 10 lakhs. The Budget Memorandum gives full particulars of these open line works, which are shown in greater detail in the separate books for each railway. This expenditure is directed not only towards the better and more efficient handling of present traffic, but also towards enabling the railways to meet the natural expansion of traffic and further to stimulate that expansion. Amongst the most important of the various items included in this category is the provision for remodelling marshalling yards 3 crores 40 lakhs and doubling and quadrupling of existing tracks 1 crore 40 lakhs. These works are primarily intended to expedite and facilitate the movement of traffic by increasing the capacity of various routes. For instance, the Bombay-Poona section of the Great Indian Peninsula Railway is to be improved by eliminating the reversing station at Bhore Ghat, the doubling of the Grand Chord line of the East Indian Railway is approaching completion, the Bombay, Baroda and Central India Railway line into Bombay is being quadrupled, and the Ishurdi-Gopalpur section of the Eastern Bengal Railway is being doubled. Amongst the larger yard remodelling schemes are the Victoria Terminus at Bombay, Ahmedabad station, Lucknow and Trichinopoly, important junction stations whose limited capacity has been a severe handicap to traffic, while progress will also be made on improving a number of other stations which are at present unable to deal with traffic with that expedition and efficiency which we must have if we are to continue the present all-round improvements. In this connection I may mention that the introduction of improved statistics has been of great value in analysing the work done in marshalling yards and has been the means of suggesting many improvements and economies in working. We have also had during the year an officer on special duty making a special study of some of the larger centres of traffic congestion, and his work has been of great value in designing improved arrangements. The work done covers, for instance, the important centres of Delhi, Cawnpore, Agra, Naihati and certain stations and sections on the Bengal Nagpur Railway.

Another important group of improvement works is represented by the provision of 2 crores and 25 lakhs for improved rails and sleepers and 1 crore for strengthening of bridges. These works are the yearly instalment of the steady process of raising the standard of our main lines to carry the heavier train loads now necessary. Each railway now has its properly co-ordinated programme for strengthening and improvement of bridges and track, working up towards definite standards which the Railway Board has prescribed. In regard to these standards, in which considerations of the design of locomotives and rolling stock, the design and weight of rails and track and the design of bridges have to be co-ordinated, the Railway Board continue to investigate and study the question of appropriate standards, and for this purpose we have permanent Standing Committees to advise us on the different aspects of the subject. There is perhaps no branch of our technical work which requires more attention and care if we are to meet the growing demands for improved capacity and at the same time take adequate advantage of the accumulated experience in this and other countries. To carry our increasing traffic with efficiency we have to continue to make progress towards heavier train loads, which means larger rolling stock, heavier locomotives and heavier axle loads with the natural consequence of stronger track and bridges. The normal length of life of bridges and permanent way

[Sir Clement Hindley.]

make it necessary to take very long views of probable increase in loading, and it is necessary therefore to continually study and improve the standards by which design of all this equipment is governed.

Another important item is 2 crores for electrification of lines. The opening of the electrified Harbour Branch at Bombay a year ago was mentioned as the first step in introducing electrification in India. Within the last few days the electric train service has been continued to Bandra, and the great improvement in the convenience which this affords to those who live in the suburbs and work in Bombay is expected to result in a large increase in traffic. The electrification of the suburban lines of the Bombay, Baroda and Central India Railway is well in hand, and when this is completed and electric trains take the place of steam trains in the whole of the Bombay suburban area, there is little doubt that Bombay will feel a very great benefit and that a better distribution of its great population may be looked for in the early future.

The re-examination of the problem of suburban traffic in Calcutta, as the result of the decision to proceed with the construction of the new bridge at Bally, is now approaching completion, and we expect shortly to receive the report of the Electrical Engineers on the revised electrification scheme. If on this report it appears that a sound financial scheme can be worked out, there is little doubt that we shall go forward with it without delay, and we hope that it will be possible to bring suburban passengers much nearer to the centre of the city than is now possible.

The Madras suburban traffic problem will also be dealt with in the coming year, and we expect to make considerable progress with the additional tracks on the South Indian Railway which are the primary necessity in this area. The question of electrification depends to some extent on the prospects of hydro-electric power supply and in regard to this we are in close touch with the Government of Madras.

On the Bombay side the main lines of the Great Indian Peninsula Railway are to be electrified as far as Poona and Igatpuri at a total cost of 5½ crores, and we are making a provision of 19 lakhs for the initial work next year.

We are continuing a fairly heavy programme of workshop improvement and remodelling including the provision of new plant and machinery, the necessity for which was fully explained and accepted at the time of last year's budget. So far as the State railways are concerned, the problem of co-ordinating the facilities and equipment in the larger workshops has become an urgent one. In making extensions and revisions of the lay-out of these workshops, which must be done if we are to work economically and take advantage of modern improvements, it is necessary to avoid overlapping and duplicating where this is possible, and we, therefore, decided to get expert advice on the whole subject. We were fortunate in obtaining the services of Sir Vincent Raven, an eminent mechanical engineer and President of the Institution of Mechanical Engineers, and he and his committee are at present engaged on investigating this problem. We hope that as the result of the advice of this committee we shall get the best possible value from the expenditure which in any case will be necessary on these workshops in the near future.

16. The programme for rolling stock authorises the construction of 692 broad gauge units and 285 metre gauge units for lower class traffic, and 146 broad gauge and 71 metre gauge units for upper class, part of these being renewals and part additions. Altogether we are allotting 148 lakhs for additions and betterments to lower class stock. The work which can be put through in the year is still limited to a large extent by the capacity of our workshops, and in view of the fact that reductions in fares must, if they are to be justified, stimulate traffic, it will be understood that workshop improvement admits of no delay.

17. As regards locomotives, we are providing for the addition of 90 new broad gauge engines and 63 new metre gauge engines besides normal renewals. The policy of the Railway Board in regard to standardisation of locomotives has been fully explained in successive Administration Reports, and we have recently reached the point of having new standard designs for a number of types of locomotives finally drawn up. These standard designs embody modern locomotive practice which is considerably in advance of the present standard engines designed many years ago and are specially suited to Indian conditions. Before these types are finally accepted as our future standards, they must be tried out and any defects which become apparent in actual work must be eliminated by changes in design or detail as may be required. The provision in next year's budget will be largely utilised for obtaining the necessary number of trial engines to the new type to enable them to be tried on the principal railway systems under varying local conditions. This marks an important stage in our development and brings us measurably nearer to complete standardisation—a condition which will enormously simplify many of our present problems of repairs and renewals.

18. In concluding my remarks about rolling stock I may mention that the programme includes allotment for 2,702 additional goods wagons besides the renewal of 4,650 wagons during the year. It is, of course, necessary to place orders for wagons required in any one year several months before the beginning of the year owing to the time taken for manufacture and delivery. The various railway administrations requiring wagons of similar types agreed to combine in making a simultaneous call for tenders. These tenders from Indian, British and Foreign firms were examined by the Railway Board and orders have been placed with Indian wagon building firms to the full extent of their capacity as certified by the Indian Stores Department. The balance has been ordered from an English firm which submitted the lowest satisfactory tender. Prices quoted by the Indian firms were the lowest hitherto quoted by them. The difference between these prices and the equivalent of the lowest satisfactory quotation from abroad will be met from bounties payable under the Steel Protection Act.

#### *New lines.*

19. As will be seen from the Budget Memorandum we are expecting to have under construction during next year a new construction programme of over 2,500 miles covering no less than 63 different projects. But this represents only a part of the development which we are actively considering. We have dealt with the problem of new construction on the basis of examining the whole country in separate areas roughly corresponding to the areas served by the different railway administrations, and we have asked each railway administration to prepare a continuous programme of survey and construction over a period of years taking, as in the case of the improvement programme, the quinquennium as the most suitable

[Sir Clement Hindley.]

period for this purpose. The investigation of projects by means of surveys and the collection of data for traffic estimates takes a considerable time and the number of months in the year when this work can be undertaken is somewhat limited. Also most railways have been so pre-occupied during the past few years with the problem of improvement to their open lines that they have not been able to spare the necessary staff for the full investigation of the construction problem. We have got over this to some extent by special recruitment on a temporary basis, and we have arranged that most railways shall have an officer at headquarters specially engaged on this important work. We have also been in close consultation with Local Governments and are endeavouring to meet their wishes as regards the routes to be taken and the order in which projects shall be taken up. In this connection I may remind the Council of the arrangement we have established under which it is open to a Local Government, in cases where our estimates do not show a remunerative prospect, to obtain the construction of a railway by guaranteeing us against loss. This arrangement is already proving advantageous in enabling us to consider and bring up to date projects which would otherwise have been indefinitely deferred.

20. The programmes of work on survey and construction which the railway administrations are now engaged on, revising them and adding to them from year to year, indicate that we have only made a bare beginning on favourable construction projects, and our improved financial position resulting from the separation of finances enables us to take a bold line in this direction. The total mileage of the projects which we have either sanctioned or are having investigated amounts to between 6,000 and 7,000 miles, and when all our arrangements are in full swing, I see no reason why we should not bring up our total yearly mileage addition to something in the neighbourhood of 1,000 miles. With this in view we are providing a larger allotment for survey work in the coming year with the object of completing and revising projects which promise to be satisfactory investments.

21. I will deal briefly with the various large areas which we have examined in the present investigation. In Burma construction is proceeding on a number of important new branches. In addition we have under consideration further branches which it is hoped will open up the country, while a survey is now being made for an extension to Tavoy and Mergui with the possibility of a connection in the future with the Siamese Government Railways. A survey is also in progress, in collaboration with the Government of Burma, for a better route through the Arakan mountains, a region which has hitherto opposed great physical difficulties to successful railway construction. The total mileage of the lines on the future programme of the Burma Railways amounts to about 1,800 miles in all, most of which, we hope, will prove to be of a remunerative nature.

In South India our papers will show that active construction is proceeding on the South Indian Railway on a programme contemplating the addition of 250 miles a year during the next 6 years.

The territory served by the Madras and Southern Mahratta Railway does not present such a promising field for new construction, but prospects are being investigated of a number of projects amounting with those already sanctioned to about 500 miles. New branches with a total length of about 100 miles have recently been sanctioned and others are under investigation.

In the area lying between the East Indian Railway and the East Coast which is largely served by the Bengal-Nagpur Railway we have two great projects in hand. The first is the Central Indian Coal Fields Railway with a total mileage of nearly 300 miles designed to serve the new Karanpura coalfields area and to give an outlet to Daltonganj on the one side and to the Bengal-Nagpur Railway main line on the other, with a future connection towards the west which it is hoped will enable the coal measures in Korea to be developed and will considerably cheapen the transport of coal to the west of India. The Hesia Chandil Railway, which forms a part of the scheme, will probably be opened in the course of the year, while the line from Berino to South Karanpura has recently been completed. The second is the completion of the Raipur-Vizianagram line, 260 miles in length, with which is intimately connected the construction of a new harbour at Vizagapatam. Construction on the railway has commenced and a provision of 1½ crores has been made for next year. Work on the harbour has also commenced, and the suction dredger which has been ordered is expected to arrive at the harbour next October. If all goes well, it is anticipated that a channel will be opened during next cold weather which by this time next year may enable an oceangoing ship to reach smooth water in the harbour area which is now being prepared for that purpose. I may mention that the harbour construction project does not find a place in the railway budget, but in the general budget, although for administrative reasons the work is under the control of the Railway Board.

In Eastern Bengal, several remunerative projects with a mileage of about 150 have recently been sanctioned, and several other projects are under investigation.

In Assam, we are in agreement with the views of the Board of Directors of the Assam-Bengal Railway that that railway can only be made to pay its way by the development of the area it serves by means of branches, and the Agent is preparing a programme which will eventually add a mileage of some 550 miles in that province. For the present we have sanctioned several small branches which give promise of bringing considerable additional traffic to the main line. I may say that after many years of unremunerative working this railway is at length shewing signs of reaching a better financial position, but it has many handicaps owing to its geographical position, and the greatest care is still necessary in watching expenditure.

In the United Provinces and Bihar, we hope to go forward with new construction through some of the prosperous districts which are still meagrely served by Railways and where there is a chance of improving traffic to the benefit of the locality and to the main lines of railway. At present between 200 and 300 miles of new lines are under consideration.

The problem on the Bombay side is being tackled by the Great Indian Peninsula Railway and the Bombay, Baroda and Central India Railway, and it is hoped that the result of their present investigations will enable us to go forward with new construction in that area on a fairly extensive scale, although it must be admitted that except for cheaply constructed branch lines there is not the same inducement to build as there is in some of the more populated and highly cultivated areas.

In the Punjab, we have already come to decisions in regard to some of the projects which have been under consideration, and apart from the Kangra Valley Railway on which construction is now commencing, we

[Sir Clement Hindley.]

hope shortly to begin work on the Narowal-Amritsar connection and the Narowal-Shahdera line, while we have recently appointed a special engineer to investigate a large number of smaller projects, some of which were formerly considered to be suitable for agricultural tramways. We have been working in agreement with the Punjab Government in this matter, and we have decided that many of these lines can only prove to be remunerative if built on a lower standard than that usually adopted. We have in fact in preparation a scheme of building light broad gauge branches suitable for agricultural areas which, with the facility they give for interchange of rolling-stock, we believe, will prove of great use to the local population. I would draw attention to the assistance which it is hoped that railways will thus be enabled to give towards the improvement and betterment of agriculture generally, and I have no doubt that this subject will be one which will be of interest to the Royal Commission which has recently been announced, when it comes to make the investigation.

In Sind also we have taken up the question of feeder lines in agricultural districts where extensions of irrigation promise a definite improvement in output, and North Western Railway administration are in close communication with the local authorities in that province.

In concluding this review of the construction programme I would repeat that the mileage added to the railways last year and this year are only a partial index to the work which we have in hand and that we expect before long to reach a much higher output.

#### *General Matters.*

22. I now wish to mention a few of the directions which our activities have taken during the past year and in which we hope to make further progress during the coming year, but which are not perhaps very apparent from the papers connected with the Budget.

#### *Management and Organisation.*

23. The direct management of the Great Indian Peninsula Railway was taken over on 1st July 1925 and a few months later the Allahabad-Jubbulpur line was transferred from the management of the East Indian Railway to that of the Great Indian Peninsula Railway, thus completing the rearrangement which had been earlier decided on. The amalgamation of the East Indian Railway and the Oudh and Rohilkhand Railway and the transfer of certain portions of the combined system to the North Western Railway administration has resulted in consolidating our State-managed railways into self-contained units, each working in a well defined geographical area. These administrations are now organised on a Divisional basis and the new organisation is already showing satisfactory results. It is interesting to note that several of the Company-managed railways are considering the adoption of a somewhat similar organisation.

#### *Rates Advisory Committee.*

24. His Excellency the Viceroy recently announced in this Council the appointment of Sir Narasimha Sarma, the former distinguished Leader of this House, to be the first President of the Rates Advisory Committee. It is expected that the Committee will be fully constituted very shortly, and that it will be able to take up its duties by the beginning of April.

It is a matter for great satisfaction that we have come to an agreement with the Company-managed railways which enables us to constitute this Committee because the Railway Board have consistently held the view that the work which it will undertake in investigating questions of railway rates will serve to present to the public a reasoned analysis of the system upon which railway charges in general are based, and thus help to meet in a large measure the criticism, at present mostly of an uninformed nature, which is so frequently levelled against the present system. We court the fullest publicity in these matters, and it is the inherent difficulty in explaining the details of the problem to those who naturally only see one side of it, which has so often given rise to difficulties in the past in justifying what is being done by the railways. We also believe that the study and examination of the various rates problems which the Committee will no doubt be called upon to investigate will be of practical and constructive assistance to the railway administrations themselves in building up rates structures on a scientific and generally understood basis. We, therefore, look forward with confidence to the establishment of this body and the results of its labours.

#### *Health of Railway Staff.*

25. One of our greatest preoccupations is concerned with the many difficult questions which centre round the problem of the health and comfort of railway staff. I am aware that there is a school of thought which professes to regard this problem as of subsidiary importance or even of no importance at all compared with the comfort of our clients—the travelling public—and are prone to read into any provision which we may make for the betterment of the conditions of the staff a necessary neglect of the passenger and his comfort. There are others who accuse us of wilful ill-treatment and a callous neglect of the interests of those who serve the railways. Actually the subject is always before us and the railway administrations, and there are at present sitting committees of the Indian Railway Conference Association to consider, for instance, how the conditions of railway labour can best be brought into line with the obligations assumed by India under the various International Labour Conventions. That subject is a very complex one, and there is always a danger in generalising, but at any rate we have made a great deal of progress in the direction of complete conformity with the standards laid down, and I hope that the result of this committee work now being done will help to resolve some of the practical difficulties. But in the direction of improvement in health and surroundings there is much to be done, and during the last year we have had a senior administrative medical officer on special duty to study the problem on the North Western Railway. The object of his investigations has been to devise a better organisation for medical treatment of the staff on that railway and for dealing with public health problems in railway settlements. We have his report now under consideration, and I hope that in the course of next year we shall be able to bring about the desired improvement, for we are satisfied that improvement is necessary. The officer referred to has visited practically every railway in India and has made a careful study of the medical arrangements on each of them. His work has assisted in making it clear that a great deal has yet to be done in studying the incidence of sickness and disease amongst railway employees, and apart from the obvious obligation to give these men adequate opportunities of treatment the subject has its commercial aspect in the loss of working time which at present preventable disease entails.

[Sir Clement Hindley.]

#### *Timber Supplies.*

26. Another important subject on which we have been working is the improvement of supplies of indigenous timber for various classes of railway work. Last year we had an examination of the sources of timber supply for sleepers throughout India, and subsequently we had an inquiry into the possibility of extended use of cheaper Indian timber in coach building. In both of these investigations the Forest Research Institute at Dehra Dun afforded us very valuable assistance as well as helping us with advice and supervision in connection with the sleeper treating plant which we have established in the Punjab. In furtherance of the object in view, namely, the use of indigenous timber to the fullest extent possible coupled with economical purchasing we have attached to our staff as a temporary measure an officer of the Imperial Forest Service who helps our purchasing officers, keeps our engineers and other users of timber in touch with local conditions of supply, and who will, I hope, afford useful help in exploring the uses of cheaper substitutes for the few timbers which have so long been regarded as the only ones suitable for railway work.

#### *Training of the Staff.*

27. The School of Transportation which we have started at Chandausi has done good work during the year, and over 1,000 railway men, officers, upper subordinates, and lower subordinates, Indian, Anglo-Indian and European, selected mainly from the East Indian Railway and North-Western Railway, have attended for varying periods for courses of instruction in railway duties. Junior officers and probationers from most of the railways have also been sent for training. The accommodation at the school is rapidly becoming inadequate to the requirements of the upper and lower subordinates from the area which it is designed to serve, and it will be necessary in the early future to separate the senior classes and move them to another centre in order to cope with the subordinate staff training. The object we are aiming at is to make provision for courses of training and refresher courses for all the staff who have duties in connection with train movement, and it is obvious that the full benefit of this scheme will not be attained until the school is equipped to deal with a sufficient yearly quota to enable all the staff in the area to attend within a period of a few years. For this purpose Chandausi as an area school will deal with the Northern Divisions of the East Indian Railway and the Eastern Divisions of the North Western Railway. The remainder of the East Indian Railway staff are at present dealt with at Asansol where a similar school exists, but this will eventually be removed to Sahebganj and suitably expanded. A similar area school is now being constituted at Lyallpur on the North Western Railway, while the Great Indian Peninsula Railway are arranging to establish one at Bina.

As I have said, the time is approaching for the officers classes now at Chandausi including the probationers training to be moved to another centre where it will be possible to develop them on broader lines with the eventual aim of establishing a Railway Staff College for the training of the superior staff of various departments. We have been looking for a suitable site and there is now the possibility of obtaining one at Dehra Dun. We hope, therefore, that in the near future we may be able to see the beginnings

of this new institution which, in my opinion, will be of incalculable benefit to our railways.

#### *Railway Accounts.*

28. In one of the matters on which we received healthy advice from Sir William Acworth's Committee, namely, the re-organising of our accounts on a commercial basis, it must be confessed that we have not made much progress, although we have made a beginning by introducing a new system of compiling statistics with very great benefit to the work of all our departments. We have further, with the assistance and the approval of the Auditor General and the Finance Department, undertaken an experiment on the East Indian Railway in the direction of separation of accounts from audit. Our accounts however still bear the impress of many years of association with those of Government Departments of a purely administrative character, and I am very glad to say that it has at last been decided to have them overhauled from top to bottom by a firm of commercial accountants of world-wide repute, who have great experience of railway accounting in Great Britain and America. In this wise decision I venture to hope that we have at length seen appreciation of the fundamental difference between audit and accounting, and I trust that it will be the means of putting into the hands of both our administrative and executive officers accounts which will show them easily, and from day to day, the true commercial aspect of the various branches of work they control, while affording us the very great benefit of completely independent auditing of our accounts. I do not think I shall find any one to quarrel with the statement that accounts should be the servant and not the master of a commercial undertaking or with our determination to give effect to this principle in the commercial business of railway management.

#### CONCLUSION.

29. I have earlier in my speech compared the position of the railways now with their position when they were reported on by Sir William Acworth's Committee and Lord Inchcape's Committee, and in concluding my remarks I would like to draw attention again to this startling change. The railways are now paying their way. They are not only paying a satisfactory return on the capital invested, which in itself gives confidence in embarking on an extensive programme of new construction, but they are already building up reserves, although the process of rehabilitation, improvement and development goes on at a rate not thought attainable 3 years ago. And lastly, while we believe they are meeting the transportation needs of the country more fully than ever before, they have been able to make a beginning in the reduction of their charges to the public for the commodity which they sell. With this short summary I feel that I can confidently leave the Budget to the friendly criticism of this Council, but I should like finally to pay a tribute to the energy and ability with which the Agents and officers of the various railway administrations have approached the great problem of reconstruction, as well as the loyalty and efficiency of the staff of all grades in carrying out their daily work in the service of the public and in the interests of the railway systems on which they serve.



## ELECTIONS TO THE PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: Nominations for election to the panel from which Members to the Standing Committee on Emigration will be nominated were receivable up to 12 noon to-day. The following Members have been duly nominated:

The Honourable Mr. V. Ramadas Pantulu.  
The Honourable Mr. Phiroze C. Sethna.  
The Honourable Seth Govind Das.  
The Honourable Mr. P. C. Desika Chari.  
The Honourable Rai Bahadur Lala Ram Saran Das.  
The Honourable Saiyed Mohamed Padshah-Sahib Bahadur.  
The Honourable Mr. K. C. Roy.  
The Honourable Rao Sahib Dr. U. Rama Rao.  
The Honourable Mr. Mahmood Suhrawardy.  
The Honourable Mr. Haroon Jaffer.

As there are ten nominations and there are only eight vacancies on the panel, an election is necessitated unless two Members at least withdraw in the meantime.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: I beg to withdraw, Sir.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: I also beg to withdraw.

THE HONOURABLE THE PRESIDENT: Two Honourable Members having withdrawn their nomination, I am therefore in a position to declare the following Members duly elected to the panel:

The Honourable Mr. V. Ramadas Pantulu.  
The Honourable Mr. Phiroze C. Sethna.  
The Honourable Seth Govind Das.  
The Honourable Mr. P. C. Desika Chari.  
The Honourable Rai Bahadur Lala Ram Saran Das.  
The Honourable Saiyed Mohamed Padshah Sahib Bahadur.  
The Honourable Mr. K. C. Roy.  
The Honourable Mr. Haroon Jaffer.

## RESOLUTION RE APPOINTMENT OF A ROYAL COMMISSION TO INQUIRE INTO THE WORKING OF THE INDIAN CONSTITUTION.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay; Non-Muhammadan): Sir, I beg to move the following Resolution which reads thus:

"This Council recommends to the Governor General in Council to urge upon His Majesty's Government the appointment forthwith of a Royal Commission to investigate and inquire into the working of the present Indian constitution and to formulate a scheme for the establishment of responsible government in India."

( 162 )

I need make no apology for bringing forward this Resolution, for the constitutional question is irrepressible and it is bound to press again and again for consideration until a permanent satisfactory solution is reached. More than five years have passed since the reformed constitution was introduced. The very first year of the meeting of the Indian Parliament was signalised by the adoption by the Legislative Assembly of a Resolution, the original of which was altered as suggested by Government themselves, and in its amended form it recommended a re-examination and revision of the constitution at an earlier date than 1929. Much water has flowed under the bridges since then, but the one most outstanding feature of the currents and under currents of thought during the last five years has been a persistent demand for such further constitutional advance as will secure the goodwill and co-operation of all schools of political opinion in this country—I mean all those schools which unitedly may be taken to represent the bulk of the Indian people—and thereby lay the constitutional issue comparatively at rest. If this is done it will lead to the concentration of the energies and efforts of the chosen representatives of the people and other leaders upon the numerous problems of internal development and progress, which, owing to the overpowering pressure of the constitutional problem, have not been receiving and indeed, in the very nature of things, cannot receive, that measure of undivided and steady attention to which they are entitled. The constitutional issue has thus loomed the largest on the political horizon of India. It has demanded the earnest attention of Government and of the Indian Parliament in one form or another. Only last year in the Simla Session, the question came up in the form of an amendment to a Government Resolution moved in the Legislative Assembly, by the leader of the Swaraj Party, and in the then Council of State by myself. The different decisions of the two Houses on that amendment are well known to Honourable Members. The Legislative Assembly adopted it by a very large majority which represented the unanimous view of the Swaraj, the Independent and the Liberal Parties. In this Honourable House, the amendment was rejected and the Government Resolution was adopted.

Since the September Session, the Indian National Congress, the Muslim League, the Liberal Federation, the Non-Brahmin Conference, the Christian Conference and other Congresses and Conferences whose number, as has been remarked by a European writer, is legion, have met at their annual sessions, and we have once more had the considered views of the more important political bodies on the constitutional question. One notable and significant event in this connection has been the open declaration by a section of the Swarajist Party—a section by no means inconsiderable or uninfluential—that they disapprove of the policy of obstruction and are in favour of pursuing what is called the policy of responsive co-operation which means nothing more nor less than the policy of co-operating with the Government in carrying out all such policies and measures as are not repugnant to reason or detrimental to the interests of the people.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official): From their point of view.

THE HONOURABLE MR. PHIROZE C. SETHNA: Yes, each man has his own point of view.

Now, Sir, the Resolution which I am moving has been brought forward in the light of all these circumstances. It has been framed in the light.



164

COUNCIL OF STATE.

[18TH FEB. 1926.]

[Mr. Phiroze C. Sethna.]

first, of the history of the constitutional issue during the last five years, secondly, of the decisions of the Indian Parliament in the last Simla Session, and, thirdly, of the considered views which different sections of Indian opinion have expressed in their conferences held within the last six or seven weeks. With regard to this second circumstance, I am not blind to the significance such as it is of the decision reached by the predecessor of this Honourable House. After all, the Indian Constitution is bi-cameral and Indian opinion, as far as I know, is very largely in favour of its being and continuing to be bi-cameral. The decisions of this House are therefore entitled to as much consideration and weight as those of the Legislative Assembly. In this connection however I may be permitted to add that some of those Honourable Members in the last Council, who voted against my far-reaching amendment, expressed themselves in favour of the appointment of a Royal Commission before the statutory period and indeed my Honourable friend Mr. K. C. Roy moved an amendment recommending the appointment of a Royal Commission or any other suitable agency not later than 1927. It is true he withdrew the amendment, but there is the important fact that such an amendment was moved, and further that it was supported by some of those who were not able to go the whole length with me. After these remarks which I have deemed necessary to make in order to clarify the issue and to enable this Honourable House to see the question which I am submitting to its judgment in the proper perspective I shall turn to the Resolution itself. My Resolution is a plea for the immediate re-examination and revision of the existing constitution by a Royal Commission. In urging that plea and bespeaking the support of this House to my Resolution I wish to appeal to the intellect and reason of the House and of the Government. I shall scrupulously avoid all passion, bitterness of feeling, recrimination, all uncalled for and unnecessary attacks upon Government for their sins of commission or omission, real or fancied. I shall further eschew all considerations of sentiment except to the extent that the sentiment which is strong, which is persistent, which is entertained by varied or large sections of the community constitutes in itself a fact of great importance which reason ought not to brush aside as irrelevant nor statesmanship ignore as of no value.

What, then, are my grounds for urging that the time has now come when the existing constitution of this country should be examined and revised, and that a Royal Commission should be immediately appointed for the purpose? I start with the position that it has been conceded by Government that there is no legal bar to the appointment of a Royal Commission for this purpose at any time before the expiry of the period of ten years fixed by the Government of India Act. We all know the statement made in such picturesque and arresting language by the Secretary of State that "Wise men are not the slaves of dates, rather are dates the servants of sagacious men". So far then the position stands beyond question. Starting from that point, I contend in the first place that the working of the constitution during the last five years and indeed the examination of the constitution by the Reforms Inquiry Committee, better known as the Muddiman Committee, even within the limited terms of reference made to it have clearly shown that the constitution has not succeeded in achieving the object with which it was established to the

extent and in the manner expected. The constitution has failed not in the sense that the administration is not going on and going on as efficiently as before, not in the sense that the Legislatures are not working and that the Executives are at a standstill, but in the much higher sense that it has failed to give that measure of training in responsibility which was its avowed object and without which no real and continuous progress in the attainment of full responsibility is supposed, I think rightly supposed, to be possible. And it has failed to achieve this result, not for any fault on the part of the people, not on account of non-co-operation, not owing to any obstructive tactics of the Swarajists, but owing to the supreme fact that at its very inception and to a considerable extent in its very nature it was so conceived and devised that it could not have produced any better results.

I concede, Sir, that training in responsibility is necessary before full responsible government becomes familiar to the people and can be worked by them with a high degree of efficiency and a large measure of success. But in order that such training might be acquired, the measure of responsibility must not be stinted. It must be substantial, it must be real. It must not be an apology for liberty, not a liberty so hedged round with limitations and qualifications as to make it a mere camouflage or flimsy and unsubstantial in its nature or working. The responsibility which the present constitution has granted in the domain of the provinces is of such a nature. And I say, therefore, it is utterly ill-calculated to give the electorates that training in responsible government upon which insistence is laid. In the domain of the Central Government, indeed, where vital issues are decided there is an utter absence of responsibility. The constitution of the Central Government is, in fact, open to the same serious objections as were urged against the Congress League Scheme of 1916 and to some extent against the Morley-Minto Reforms, all arising from an irremovable executive which has to depend for support upon an elective majority and which in its turn, owing to its being excluded from responsibility, is naturally inclined to play the role of permanent opposition. Such a constitution cannot fulfil the ends it has in view and the sooner it is revised the better for all.

My second ground for urging the early appointment of a Royal Commission to review and revise the existing constitution is that there is a general, I might say almost unanimous, strong and insistent demand for further constitutional advance. And I wish to emphasise the fact that this view that the time is now ripe for further constitutional advance is maintained not only by political parties or leaders, but also by those who have worked or have been working side by side with the Government either as Executive Councillors or Ministers. It is impossible for those who have closely studied the reports of the Local Governments on the working of the reformed constitution for the year 1924, which have been published along with the reports of the Reforms Inquiry Committee, not to come to the conclusion that a large, weighty and responsible opinion as represented by most Ministers and many Indian Members of the Executive Councils strongly favours such further constitutional advance. The position in this matter has been ably expressed by the Honourable the Raja of Pannagal, himself a Minister to the Madras Government and a leader of the non-Brahmin Party, a party the moderation of whose political views is beyond question and which has been most heartily co-operating

[Mr. Phiroze C. Sethna.]

with the Government in working the constitution. He said in his speech at the non-Brahmin Conference held during last Christmas:

"It is perfectly apparent that the most weighty, the most considered and the best informed opinion is in favour of an immediate advance in the political status of the country. Ministers and Indian Members of Councils almost without exception, in various Governments who have had actual experience of carrying on the administration of the country, whose knowledge of departmental difficulties and complications has certainly not been of a comparatively insignificant character, whose keenness for co-operative work with the authorities is incapable of doubt or suspicion, whose enthusiasm for the diarchic system of government when they assumed office is admitted, whose regard for Parliamentary conventions and, in particular for the opinion of the English Parliament is obvious, practically from every Presidency have given their opinion almost unanimously in favour of an immediate extension of the political status of the country."

The same position has been reflected in the resolutions passed by most of the Conferences held during X-mas last. The All-India Muslim League which met at Aligarh has adopted a resolution demanding the appointment of a Royal Commission without any delay, and this resolution was moved by Sir Ali Imam, an ex-Member of the Viceroy's Executive Council. The Liberal Federation has drawn up an outline of the reforms that should be introduced and also urged the appointment of a Royal Commission, and the Federation was presided over by Sir Moropunt Joshi, who has just laid down the reins of office as Home Member of the Central Provinces Government. The non-Brahmins at their conference have demanded the immediate establishment of full provincial responsible government and of a measure of responsibility in the Central Government. The All-India Conference of Indian Christians which met at Calcutta also passed a resolution asking Government to appoint a Royal Commission and demanding immediate provincial autonomy and the introduction of responsibility in the Central Government.

All these facts prove beyond doubt that, however much they may differ on other points, there is general agreement among the various political bodies in India that the investigation of the question of further constitutional reform should be immediately undertaken by a Royal Commission. Now, Sir, I put it to Government. Will they be justified in ignoring all these expressions of opinion? Do they carry no weight with them? What effect will it have upon the Indian mind when it finds that all these expressions of opinion, this general and insistent demand for further constitutional advance, are ignored and flouted as of no account? I have said at the outset that I want to appeal not to sentiment, but to the reason both of the House and of the Government. It may be that the Government think all these expressions of opinion and views to be wrong, that, in their judgment, no immediate revision of the constitution is justified, though it would seem from the reasons hitherto given by them whenever they have opposed the demand for such revision, that their opposition is based not so much on the merits of the question as on the absence of a certain condition which they demand.

But assuming for the sake of argument that in the considered opinion of the Government on the merits of the question the immediate revision of the constitution by a Royal Commission would not be justified we have here two different and conflicting opinions, and I trust the Government give us credit for the honesty of our view, just as they expect that we should give them credit for the honesty of their view. In this conflict of two

honest and sincere views what can be a better agency than a Royal Commission to decide the great issues involved? And then again supposing that the judgment of most Ministers, many members of Executive Councils and of these various public bodies as to the desirability of immediately appointing a Royal Commission to investigate the question of further constitutional advance is swayed more by considerations of sentiment than of pure cold reason, the Honourable House will see that it is too big and gratuitous a supposition to make, is not that in itself a fact of great importance which the Government ought not to ignore? The Indian Government claim to defer to Indian public opinion even when they think that that opinion is not quite correct or sound. This deference to public opinion is in fact claimed to be the basis of the Government and the administration since the inauguration of the reformed constitution. Why should not Government then attach proper weight and importance to this demand for further constitutional reforms, a demand which has behind it the support of moderate, weighty, sober, influential responsible elements in society—and refer the question to an independent tribunal such as a Royal Commission? Whether they consider the demand for an immediate revision of the constitution as based on reason, or on sentiment, pure and simple, or partly on sentiment and partly on reason, in any case it is a demand which Government should not be so callous or indifferent as to pay no heed to whatever. Certainly the demand deserves a much better fate than it has hitherto met with.

But, Sir, the question urged against the immediate appointment of a Royal Commission is, and I am now coming to grips with the main question, that the appeal of Lord Birkenhead for co-operation, for goodwill and friendship has not evoked adequate and sympathetic response from political leaders in this country. I want to examine this point as fully and as frankly as I can. This same objection has been repeated by His Excellency the Viceroy in the speech he made at the opening of the Legislative Assembly on the 20th of last month and ten days ago at the opening of this Council. I welcome that pronouncement and frankly I am not so disappointed with it as some critics evidently are. I wish to speak of it with the greatest respect, particularly as it may be taken as expressing and embodying the latest position of Government on this important question. Now, with great deference to His Excellency, I must say in the first place that the attitude taken up by Government, as expressed in that pronouncement, appears to me to be somewhat vague. It is difficult to understand what exactly is meant and asked for. So far as working the constitution is concerned, the spirit of goodwill, friendship and co-operation shown by all the Legislatures during the first three years is acknowledged by all, even by Government themselves.

During the last two years the same has been manifested by all the Provincial Councils, except those of Bengal and the Central Provinces, and even in these two refractory provinces, the situation has shown a decided improvement. The Bombay Swarajists have now declared themselves emphatically in favour of responsive co-operation. The improvement in the attitude of the Legislative Assembly in the direction of reasonable co-operation has been acknowledged by His Excellency himself. The attitude of the Swarajists too has undergone a change for the better. The leader of the Swarajist Party and one more of its stalwarts are now working in co-operation, the first, Pandit Motilal Nehru, on the Sken Committee and the other, Mr. V. J. Patel, as the Speaker of the Legislative Assembly.

[Mr. Phiroze C. Sethna.]

Then there is a split in the Swarajist Party and the Swarajists in the Maharashtra in Bihar and in the Central Provinces have now openly abandoned the policy of obstruction. It is true, the Indian National Congress which met at Cawnpore has passed a resolution to which objection might justifiably be taken. Personally, I strongly deprecate that resolution and more particularly that part of it which speaks of civil disobedience. It is neither sound statesmanship nor wise political leadership to indulge in such futile and misleading and mischievous talk about civil disobedience. But in fairness to the Congress it must be pointed out that civil disobedience is held out as a remote mode of direct action to be resorted to when all other methods fail, and that too, as explained by Mahatma Gandhi, as an alternative in utter exclusion of any method of violence.

Such then is the present situation and I do contend that taken as a whole and on a close sympathetic and not hypercritical analysis it meets essentially and substantially, with the condition put forward by Lord Birkenhead and His Excellency the Viceroy. What more do the Government want? Do they want that the Swaraj Party should dissolve itself and openly declare that they are in the wrong? Are Government going to make the whole country suffer for the sins, if any, of a single political party—a party too, which is now divided against itself and which, in spite of its avowed policy and programme, has shown friendship and goodwill in a fair degree and really practised a considerable and increasing measure of co-operation? Would it be fair to make the whole country suffer in that manner? Is the Swaraj Party everything and other parties nothing? Is not the heart of the nation thoroughly sound? And I am confident the Government of India believe it to be sound.

I am afraid, Sir, the Swaraj Party seems to be on the brain of Government. Let them shake off that obsession which is evidently warping their judgment and drying up the sources of their large-hearted sympathy and let them not allow it to come in the way of India's progress. The Swarajist Party, if I understand it rightly, is nothing but the old Extremist Party. In every country there is and there will be a party of extremists, aye even a party of extremist irreconcilables. Such a party existed before the introduction of the Morley-Minto Reforms, but that did not deter those two eminent statesmen from introducing reforms. It existed all the time of the Montagu-Chelmsford reforms but it did not deflect the late Mr. Montagu and Lord Chelmsford from the path of reform which they had chosen. All these four statesmen had the courage to conciliate and rally all the sober elements in the country, and, so far as I can judge, they have certainly succeeded to a very appreciable extent. All the frowns and threats of Extremism did not make them hesitate in the great task of conciliation and reform, and I for one believe that in the main their policies have been justified.

Sir, I feel not the slightest doubt that if an announcement of the appointment of a Royal Commission is now made, the ground would be cut from under the feet of Extremism at all events to some extent, and the forces of co-operation, of good-will and of friendship will not only be rallied, but they will also be strengthened both in numbers and influence, and above all they will be justified in the eyes of the Indian people. May I in this connection say a few words to my Swarajist friends? I do earnestly appeal to them to reconsider their position in the light of the fresh pronouncement of His Excellency the Viceroy. Let them not treat that

speech light-heartedly as of no account, let them give up any idea, if they have it at all, of throwing out the Budget, let them give every proof of friendship and goodwill and judge of the Budget and of all the measures which Government may submit to their votes on their own merits. In other words, if I may say so, let them once at least stoop to conquer. I have no doubt that this new attitude will be justified but if not they can then go with a clean conscience to the electorates and tell them that they have done their best and that the onus now lies on Government and on Government alone.

A minute ago I said I am confident the Government of India believe that the heart of India is sound. For a reflex of this opinion I will quote from recent utterances in England. Writing in the *Sunday Times* of London of a fortnight back from last Sunday Lord Meston observed:

"Non-co-operation in its virulent form is dead and the European if he behaves reasonably is again welcome. Below the surface, trouble simmers as it has always done, but on the face of the waters there is little trace of the hurricanes which have been raging since 1919."

He concludes by saying that there is nothing in the situation to-day calling us to diverge from the course of political development laid down six years ago. Lord Meston was in India a few weeks ago and what he has written to the *Sunday Times* is the result of what he has seen and learnt for himself, and it cannot be forgotten that but a few years ago he was himself a member of the Government of India and he is bound to be in close touch with the principal officers of the Government of India to-day. The views he has expressed are therefore the views of our Honourable friends sitting on the opposite Benches.

Take again the Prime Minister himself. Speaking at Sunderland on the 26th of last month he observed:

"In India where our trade has not been wholly satisfactory in recent years, we find that the economic position has improved and extremist agitation has subsided. These facts are not wholly unconnected, but I rejoice in them and if the present indications hold good we may anticipate increased trade in that quarter."

Mr. Baldwin does not know India and it is evident that the views he has expressed are those of the Secretary of State and of the Government of India.

The House is familiar with the views of Sir Frederick Whyte which he has expressed more than once so forcibly. He repeated them the other day at an interview he gave to an Australian journal. He said that although he thought that:

"Indians have yet to prove that western institutions are appropriate to the East, he recognises at least that it is necessary to confer on them a great measure of responsibility."

Sir Percival Phillips who was in this city a few weeks ago wrote from here to the *Daily Mail* to say that His Excellency Lord Reading has restored India to quiet and prosperity. He has undoubtedly induced the Indians to cultivate a friendlier spirit. Practical sedition is almost dead. These must be his views after personal observation and also evidently from what he gathered from the Government of India officials themselves.

[Mr. Phiroze C. Sethna.]

Just one more quotation and this time from a well known journalist Mr. J. A. Spender, late Editor of the *Westminster Gazette* from what he said but a week ago to a Calcutta audience of brother journalists:

"If a system was fundamentally vicious no time limit could be placed for making things better. If this Government were to say 'Behave like good boys and you will get something better', the natural result would be to make people do the reverse. As between a public man and the public or a Government and its people, that Government attitude should not be taken up."

May I be allowed to conclude with only one observation? His Excellency the Viceroy has spoken in eloquent and impressive language of winning the heart of England. May I not say that it should equally be the proud and pleasant task of England and of her august representatives here and at Whitehall to win the heart of India? I have suggested to the Swarajist leaders that they should stoop to conquer. May I not in the same way say that England, mighty as she is, should if need be even stoop to win the heart of India? Sir, I feel confident that the appointment of a Royal Commission just at this juncture will go a great way to usher in an era to use His Excellency's noble language "of more sympathetic understanding, more widespread trust and more universal goodwill" and thereby to strengthen the foundations of the British connection in this country.

THE HONOURABLE THE PRESIDENT: It may assist the Council if I indicate briefly the course which, I think, this debate should take. There are three amendments printed on the paper. Of these, two standing in the name of the Honourable Seth Govind Das are placed on the paper as alternatives. I may assure him at once that his first amendment is in order, and we may for the purposes of the debate, therefore, ignore his second amendment. Of the two amendments that remain therefore, namely, that one and the first standing in the name of Mr. Chari, I regard the second amendment, that of the Honourable Seth Govind Das, from the point of view of the original Resolution, as the more drastic. I am therefore proposing to call the Honourable Seth Govind Das at once to move his amendment, and I think that the debate should confine itself to that until it has been disposed of. The two amendments are fundamentally based on the same matter, that is to say, they both make references to two Resolutions passed in another place. One amendment asks for a declaration of an announcement of a decision to take immediate steps to give effect to those Resolutions. The other amendment asks for the appointment of a Royal Commission to formulate a scheme of responsible government to give effect to those Resolutions. I think, therefore, that the Honourable Mr. Chari, if he wishes to move his amendment, should frame it as an amendment to that of the Honourable Seth Govind Das.

THE HONOURABLE SETH GOVIND DAS (Central Provinces: General): Sir, I rise to move the amendment which stands in my name. It reads thus:

"This Council recommends to the Governor General in Council to move His Majesty's Government to make a declaration in the Parliament announcing its decision to take immediate steps to embody in the constitutional and administrative machinery of India the fundamental changes asked for in the Resolutions passed by the Legislative Assembly on 18th February, 1924 and 8th September, 1925, and to obtain the decision of His Majesty's Government thereon."

I move this amendment, Sir, on behalf of the Swaraj Party. There is a fundamental difference, Sir, between the Resolution moved by my Honourable friend Mr. Sethna and my amendment. My friend Mr. Sethna wants merely a Royal Commission, while we Swarajists, Sir, want a declaration of His Majesty's Government on the point. We Swarajists have no faith in these Royal Commissions, because many such Royal Commissions have come and gone and the net result is nothing more nor less than an addition of a few lakhs of rupees to the poor taxpayer. To me it appears, Sir, that the main item in the national demand is for an announcement followed by a Round Table Conference. Unlike Australia and South Africa, Sir, we are a very old nation, and our history goes back to thousands of years. We have tried almost all the constitutions known to the human race; we have our own traditions, and therefore, Sir, it will be doing a great injustice to us to inflict a constitution alien to our spirit upon us and then to blame us if it fails to work smoothly. Therefore the future constitution of India can only be settled by the true representatives of the three hundred millions of the people of India, and not by a few Britishers or by a few members who are appointed on these Royal Commissions. I am surprised, Sir, to see that the Honourable Mr. Sethna is now moving a Resolution and is not sticking to his old Resolution which he moved in this very House a few months ago. My Honourable friend Mr. Sethna says, Sir, that he has brought forward this Resolution in accordance with the public opinion of the country. May I ask him, Sir, to point out which public body representing the real public opinion of the country has passed a Resolution merely asking for a Royal Commission?

THE HONOURABLE MR. PHIROZE C. SETHNA: All except the Swarajists.

THE HONOURABLE SETH GOVIND DAS: No, Sir. I say no public body has asked merely for a Royal Commission. The only public body which represents the real public opinion of the country is the Indian National Congress, and it has endorsed the Resolution which was passed on the 8th September in the Legislative Assembly.

Almost every Indian who has studied the question has said that the present constitution of India is defective and that it should be re-examined. As my Honourable friend Mr. Sethna has just pointed out, the very first fear of the introduction of the reforms, I mean in 1921, a Resolution was passed by the Indian Legislative Assembly asking for a revision of the constitution; and although that Resolution was accepted by the Indian Government, it was turned down by Lord Peel. In 1924 again, Sir, a Resolution demanding a Round Table Conference was passed by the Legislative Assembly, and what was the Government's reply to that demand? His Majesty's Government in England only sanctioned a Reforms Inquiry Committee with a very restricted scope, and therefore all the Swarajist Members, including Pandit Motilal Nehru, had to declare that that Committee could not solve the problem of India.

Then, Sir, my Honourable friend Mr. Sethna said that we Swarajists are co-operating now and that we have changed our policy.

Well, Sir, the Swarajists know better what they have done. I say that the Swarajists are not co-operating. Their view is that there is nothing to co-operate with. What the Government want is merely co-operation on one side. Is such co-operation ever possible? If they want real

[Seth Govind Das.]

co-operation they should also extend their hand, and when the hands are extended from both sides, then only can there be co-operation. The same thing was repeatedly said by our late leader Deshabhandu Chitta Ranjan Das and the same thing has been declared many times by our present leader Pandit Motilal Nehru. May I ask, Sir, why there has been non-co-operation? His Majesty's Government know the reply to this, and it is this, that we have no trust in the British policy. If we take a glance at recent history, do we find a complete and wholesale co-operation offered by any nation to their alien rulers? Did the Boers, Egyptians and the Irish ever co-operate with the British Government before getting full responsible government? The answer is that not only did they not co-operate but they offered resistance and uncompromising resistance. Do the Government of India or His Majesty's Government want the same kind of co-operation from us? Human nature is much the same whether it is in Europe, Africa or India.

The Honourable Mr. Sethna has dealt at length with the failure of the present constitution and I need not say much on the point. That is the reason why we Swarajists have no faith in tinkering with the constitution, a bit here and a bit there. That is why, Sir, when in September last Government moved a Resolution asking for the acceptance of the reactionary Reforms Inquiry Majority Report, the Swarajists brought forward a Resolution in the House which was passed by an overwhelming majority demanding a declaration of the policy of His Majesty's Government. As has been said by the Honourable Mr. Sethna, that Resolution was endorsed by all the public bodies of the country, by the Cawnpore session of the Indian National Congress, by the Liberal Federation at Calcutta, and by many other public bodies. Neither the Hindus nor the Muhammadans nor any other community in the country is against this national demand. Even the Anglo-Indians, if Colonel Gidney is to be taken as their spokesman, are not satisfied with the present state of things. It is true that there are some communal organisations here and there wanting some special concessions for their community, but it does not mean that they are opposed to the national demand. Rightly or wrongly, there is an impression, Sir, that the landed aristocracy of the country is against the national demand. Let me hasten to correct this impression. We landholders are not opposed to responsible government. We are as keen on having full responsible government as any other community in India. In the lower House, when this Resolution was brought by the Honourable Pandit Motilal Nehru, I supported it on behalf of the landholders whom I had the honour to represent in that House, and my recent election to this august House from the general constituency of the Central Provinces is proof positive that my constituency was not opposed to these views, because most of my present electors also belong to the same class.

The amendment which I am moving to-day is only a request that the Resolutions which were passed by the Legislative Assembly on the 18th February, 1924, and the 8th September, 1925, should be given effect to by the Government. I think, Sir, it is a mere mockery if the Government do not want to give effect to the Resolutions passed by such an overwhelming majority in the popular House. If such a united and popular demand is

treated in this way, may I be permitted to say, Sir, that the representatives of the people will again have to adopt the policy of civil disobedience. I am not making any threat, Sir. I am only putting forward before this House the true sentiments of the people in very very plain words. The last session of the Congress at Cawnpore rightly voiced the opinion of the country when it declared that the time has come for the parting of the ways and now it is for England to choose whether she wants a peaceful and contented India or an India seething with disloyalty and disaffection and opposed to the British connection. In the history of nations, Sir, as in the history of individuals, a time for stock-taking comes, when decisive steps have to be taken, and never before in the history of the British nation, since 1774, has such a time come. The whole world is watching how England solves the problem of India. It will not be possible for England to say that this is only a domestic affair between England and India, because, one-fifth of the population of the world is concerned here and the future peace and prosperity of the world depends on the solution of the Indian question. It was the moral sense of America which brought the Irish people their Free State constitution and perhaps brought freedom to Egypt too, and it will be the same moral sense which will decide the connection between India and England. Will His Majesty's Government have courage and foresight to declare their policy before it is too late? Let us wait and see. With these words, Sir, I move my amendment and I have full hope that the Honourable Mr. Sethna will accept my amendment because it is substantially the same as the amendment which he moved in this very House in September last.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, I formally move an amendment to the amendment proposed by the Honourable Seth Govind Das. My amendment, as an amendment to the proposition just moved by the Honourable Seth Govind Das, will be as follows:

"That for the words 'to make a declaration in the Parliament announcing its decision to take immediate steps to embody in the constitutional and administrative machinery of India the fundamental changes asked for' the following words be substituted, namely: 'to appoint forthwith a Royal Commission or other suitable agency to formulate a scheme for the establishment of responsible government in India in accordance with the recommendations contained'."

The second portion of my amendment is that the words "and to obtain the decision of His Majesty's Government thereon" be omitted. Before I formally place this proposition before this House and before I deal fully with this amendment, I should like to make a few observations as regards the position which I wish to lay before the Council for acceptance. Sir, I am a student of constitutional history, and as a student of constitutional history I tried to understand the origin and growth of all constitutions. I have found that in the constitutional history of Great Britain and her Colonies and of all countries which have full responsible government, at one stage or another a condition of things takes place which we find here in India to-day. In matters of detail it may be somewhat different, there are different aspects of it; but all the same we have all the difficulties which are pointed out to us when we ask for a substantial form of responsible government. I find that in all countries parliamentary institutions preceded the unification of the nation. That was the case in England. That was the case in several Continental countries. The fitness for responsibility, the full attainment of nationality and all those things do not precede parliamentary institutions, institutions in the real parliamentary



[Mr. P. C. Desika Chari.]

sense with an Executive fully responsible to the Legislature. We always find that there were elements in those countries which would be very good arguments for not introducing this element of responsibility in the government of those countries. I wish to preface my remarks in this way because, as my friend the Honourable Mr. Sethna pointed out, it is not a matter which has to be decided purely on sentiment. It is more a question of reason; and I beg to add that sentiment also has to be taken into account. I have closely watched the attitude of British statesmen from the very beginning ever since the days of Lord Macaulay who advocated the introduction of a western system of education in India. Those statesmen, I take it, were fully aware of the consequences of the steps which they boldly advocated. They knew that the introduction of a western system of education would lead sooner or later to a demand for responsible institutions. But they were far-seeing statesmen and they never doubted that they should in time have to consider the desirability of introducing the element of responsibility in the Government of India. They knew the demand would come sooner or later and they were watching for the opportunity when that demand should come, and they took it for granted that when that demand was made it would be an indication that the people were prepared to undertake the responsibility of representative government. They never thought it must be subjected to a series of tests or that it must be subjected to the tests on the lines of the question which is being put to us now—"Show us that you understand representative institutions! Show us that you understand responsibility! Show us that you can discharge fully and effectively the duties of administrators if this principle of government is introduced in this country!" They never thought these questions ought to be put. But, unfortunately, we are not living in the days of those great statesmen, those far-seeing statesmen, who only thought there ought to be a demand for it to be fully conceded, who thought the demand as and when made ought to be met straightaway without delay or excuse by the grant of responsible government. Now as things went on I find in the history of the Indian constitution that successive British statesmen wavered. There was a tendency to go backwards and forwards; there was a vacillating tendency. No doubt as a result of this we have had several Royal pledges, in 1857, 1887, 1898, 1906, and lastly we have had the pronouncement of 1917. All these things show that latter-day statesmen never wanted to place the constitution of India on the same footing as the earlier British statesmen who were more far-seeing in their outlook. We know how these pledges have been kept. We know the effect of those pledges. All the same they are there as distinctive landmarks, I take it. In 1861 the principle of associating the people of India in the government of India was recognised and in the Act of 1892 the principle of allowing the people of India to choose their own representatives was acknowledged. These are two important landmarks. Instead of conceding it the moment there was a demand for representative institutions they went on giving little by little. I only refer to these things for the purpose of showing that it is too late in the day to meet our demand in the fashion in which it is met to-day. We are told "Show us that representative institutions are quite suitable to you; show us by the working of the Act and by actual administrative ability that you are fit to undertake responsibility." That brings me to the present Government of India Act. What have we got in it? There is the Preamble which has been a battle ground ever since the Act was enacted. It is not necessary for me to go into the merits or demerits of the question

from the point of view of the purely constitutional lawyer. It will serve no purpose because the Preamble is there and we have to face it. It may be in conflict with the general principles and general rights of Indians as a nation, but it serves no useful purpose to question the Preamble. Let us face the facts; let us face the reality. The Act according to all accounts is unsuitable in various respects. We shall see what the Act is. It merely gives representation, a larger measure of formal representation, partial responsibility and a wide scope for criticism. From the working of such an Act no conclusion can be drawn. If a proper share of responsibility had been given to the representatives—I mean if people had been given an opportunity to work the reforms in a practical manner—it would be different. My Honourable friend Mr. Sethna said we must have training in responsibility before we can ask for responsible government. There I join issue with my Honourable friend. I say no person can feel the sense and weight of responsibility unless and until he is shouldered with responsibility. Before responsible government is given in the proper way how can you test whether a person is fit to shoulder responsibility, whether he is in a position to discharge that responsibility? We have a half-hearted attempt to deal out some kind of responsibility in the Provinces, and we know that in all these measures the representatives of the people were considerably handicapped and could not show fully what they were capable of understanding and feeling a sense of responsibility. The Act gave plenty of scope for criticism, and the representatives of the people having been brought together they had to do something. They found they had not very much to do in shouldering responsibility, and they did exactly what any opposition in a Government conducted on party lines would have done. From the speeches that are made in the Assembly and in the Councils we do not find much of a difference—though there may be some difference in details—between methods here and the methods adopted in Parliaments of countries having fully responsible government. When there is wide scope for criticism, when people are not allowed to feel their responsibility and where they have not to shoulder any responsibility, it is but natural that they should make the fullest use of the scope for criticism that is given to them without any real share in the working of the constitution.

Then there is a further test of responsibility which was a part of the scheme of the Government of India Act, and that is dyarchy. Dyarchy, I take it, is an artificial and ingenious device to test our capacity as to how we are able to feel the sense of responsibility under the most trying conditions. The test was one which it was almost impossible for any person to pass successfully. But I take pride in the fact that our people, even under the most trying conditions which dyarchy brought in, were able to show that they are capable of realising fully the responsibility of conducting constitutional government with responsibility attached to it. I take pride in the fact that the province of my birth, Madras, and the province of my adoption, Burma, have not only passed these tests in dyarchy but have done so with credit and distinction. I would also say that the remaining provinces of India have also succeeded in this test of dyarchy in a greater or less degree. You may say: "There is Bengal; there is the Central Provinces." Yes; there are those provinces; and the view I take of the working of the constitution in those provinces is this: that they have understood dyarchy and they have understood the elements of responsibility involved in carrying out dyarchy and they have further had the courage to show in the practical working of it, the unworkability of dyarchy in responsible institutions. That is what has happened. From the elements of responsibility that have



[Mr. P. C. Desika Chari.]

been introduced, under the present Government of India Act, judged from the working of that Act during all these years, I can say with confidence and without fear of contradiction, that the people have shown that they are capable of realising their responsibility and it is not necessary to go further to test the capacity of Indians for realising responsibility because, as I have already stated, responsibility can only be tested if people are shouldered with it to see if they are in a position to feel the weight of their responsibility of carrying on the administration . . . . .

**THE HONOURABLE THE PRESIDENT:** The Honourable Member has exceeded his time limit. I must ask him to bring his remarks to a close.

**THE HONOURABLE MR. P. C. DESIKA CHARI:** I shall, Sir. As regards my amendment I need not deal at very great length with it. The amendment merely comes to this, that for the Royal Commission I want to say Royal Commission or other suitable agency. Personally, I am not opposed to a Royal Commission being appointed; but in order to make it wider and to make it possible for the Resolution to be acceptable to a larger number of people I have proposed this. There is no harm in this. So long as an agency is appointed which would consider the various aspects put forward by the respective leaders of political thought, it does not matter whether it is a Royal Commission or any other agency, so long as it is a suitable agency, which would be appointed by Parliament or by His Majesty's Government, to find out actually the views of the respective parties. So long as there is a chance of the case of all parties being heard fully before that agency there can be no objection to the form of agency. I believe there is no objection to make the Resolution as wide as possible. As regards the other amendment, I have brought in the Resolutions of the Assembly for this purpose . . . . .

**THE HONOURABLE THE PRESIDENT:** I am afraid I cannot allow the Honourable Member to start now on the Resolutions of the Legislative Assembly. He has exceeded his time in discussing matters which are not directly connected with his amendment, and I am afraid I cannot allow him to go back to his amendment now.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

**THE HONOURABLE MR. V. RAMADAS PANTULU** (Madras: Non-Muhammadan): I wish to intervene in this debate at this early stage in order to state what the attitude of the Swaraj Party is towards this Resolution. I know that I cannot contribute anything to the discussion on the merits of the Resolution for the arguments have been repeated . . . . .

**THE HONOURABLE SIR ALEXANDER MUDDIMAN:** I wish the Honourable Member would raise his voice. I cannot hear one word of what he is saying.

**THE HONOURABLE MR. V. RAMADAS PANTULU:** I desire to intervene in this debate at this early stage in order merely to state what the attitude of the Swaraj Party is towards the Resolution, for I know that I cannot contribute much to the merits of the discussion for the arguments have been repeated perhaps for the hundredth time for and against it. The Swaraj Party is accused of inconsistency and impracticability in its attitude towards constitutional reform. I repudiate these charges most emphatically. Ever since the reforms were adumbrated in 1919, genuine public opinion in this country and the Indian National Congress have condemned them unequivocally as being unsatisfactory, inadequate and disappointing; in fact, they were considered to be so illusory as to induce the Congressmen not to seek election to any of the reformed Councils during their first term. But our abstaining from entering the Councils was taken advantage of in order to show that the constitutional machinery was running very smoothly and that there was a good case made out for prolonging if not perpetuating that system. The Swarajists therefore made up their minds to enter the Councils in order to show up this pretension and to demonstrate the utterly unworkable and sham character of the reforms. We firmly believe that the so-called partial responsibility in the provinces with an irresponsible executive is an utterly unworkable scheme. The responsibility of the Government of India to the British Parliament and to the Secretary of State and their irresponsibility to the people of this country and to the Central Legislature nullified the effects of any reform scheme however well it might be conceived. So, our representatives as soon as they entered the reformed Councils in 1924 took the very earliest opportunity afforded to them to state their case and formulate their demand. That demand was acceded to by the Assembly and I have no hesitation in calling that the demand of the country. I do so with greater confidence to-day for the Indian National Congress, which represents the best political opinion in this country and which is the most representative political body, has endorsed that demand in a Resolution which was carried unanimously at the recent session of the Cawnpore Congress. That resolution is as follows:

"This Congress adopts on behalf of the country the terms of the settlement offered to the Government by the Independent and Swaraj Parties of the Assembly by the Resolution passed on the 18th February 1924."

Our demand of the 18th February 1924 led to a secret departmental inquiry which was followed up by an open inquiry by the Muddiman Committee, and when the Government tabled a Resolution to give effect to the recommendations of the majority of that Committee, we brought forward an amendment to reiterate our demand. That amendment was, no doubt, moved by Pandit Motilal Nehru as he was the leader of the largest non-official party in the Assembly, but it was supported by all sections of non-officials in that House and it was carried by a large majority. It subsequently appeared, from comments in the Press, that outside the Assembly also every section of politicians welcomed it as being a legitimate, reasonable and proper demand. In this House my Honourable friend Mr. Sethna and myself moved a similar amendment, though naturally it shared a different fate, in September 1925. I regret that my Honourable friend, Mr. Sethna, has to-day contented himself with merely asking for a Royal Commission. But, however, so far as we Swarajists are concerned, nothing has happened in the interval to make us change our attitude. It is said in some quarters that the demand of September 1925 was purposely pitched

[Mr. V. Ramadas Pantulu.]

in a lower key as the earlier one was found to be impracticable and that the time has now come to realise that the second demand was equally impracticable and therefore it ought to be lowered when a third demand is made. I must submit that this is an entire misreading of both the demands. I shall only state in a word what the effect of those demands is. It is true that we stated that our goal was full responsible government. Even the Government of India Act says so. I do not think that there is any need to quarrel over that. After stating that, we said that we are willing that our national claims may be examined by a suitable agency in which the varied interests which are involved in the momentous question of self-government are properly represented. We did not ask for Swaraj being tied up in a bag and handed over to us, as was very aptly pointed out by Pandit Motilal Nehru in the Assembly. We never burked an investigation; we never burked an inquiry. The only thing that we wanted was that the agency should be a suitable one and that certain preliminaries should be conceded. That was the attitude we took up. Then in the second demand we reiterated our first one in express terms, and stated that there ought to be some minimum agreement before we could negotiate for the settlement of a suitable scheme by mutual understanding. The main point in the second demand is this. We say that unless the revenues of India are vested in the Government of India and administered by a responsible Central Legislature, there cannot be any responsibility in the administration, and that no other change except this will meet the requirements of the situation. We maintain that, unless a declaration is made in Parliament, by His Majesty's Government of its intention to embody in the constitution of India this fundamental change, it would not be much use to negotiate with the Government for an honourable settlement. That is the attitude we took. After the necessary declaration was made, all that we said was we were willing that other questions might be investigated by any suitable agency. May I ask what there is which is impracticable or impossible in either of these demands? So our position remains to-day precisely the same as it was in 1924 and 1925. The very fact that my Honourable friend Mr. Sethna moved the very same amendment as the Honourable Seth Govind Das moved to-day shows that Mr. Sethna did not then consider that amendment as ruling out a Royal Commission from our contemplation. There is no charm in a Royal Commission. Any agency will be equally good provided certain pre-requisite conditions are satisfied. If we are satisfied that there is a genuine change of heart on the part of Government, and if there is any indication that we are likely to get what we are aiming at by a Royal Commission, we Swarajists have certainly no objection to it. I do not understand my Honourable friend Seth Govind Das to say that he does not want a Royal Commission. He said he had no faith in a Royal Commission. As a matter of fact, we have no faith in many of these things. But if there is going to be any indication of a change of heart on the part of Government, if a Royal Commission is going to give us the kind of thing we want, or if we know that the terms of reference or the personnel and other things are so satisfactory as to inspire confidence in our minds, we should be certainly willing to co-operate with this agency. That is the attitude that we take; but I may at once state that any Resolution for the appointment of a Royal Commission without any definition of its scope or without any indication

of the basis on which it is to formulate its proposals for further constitutional advance will not be acceptable. At the same time we reserve to ourselves the right to reconsider our position, and to decide whether to co-operate or not to co-operate with any agency when it comes into existence. That is our attitude, Sir, towards this proposal for a Royal Commission.

Now, Sir, I have very briefly to answer two objections which are brought against the Swarajists. They are both based upon two different portions of the Preamble to the Government of India Act. The first objection is based upon the portion of the Preamble which says: "that the advance is to be by successive stages of which the Parliament will be the sole judge", and we are told that it would be impossible for us to ask for any other agency or for any other mode of settlement except with the intervention of the Parliament. Our short and brief answer to this is, we consider that the Preamble is absolutely wrong. It is an insult to our national self-respect. According to us, the only test of fitness for self-government is national self-consciousness and self-determination. The Government of India Act is one of the many pieces of legislation passed by the British Parliament, and I do not believe that any special sanctity attaches to it any more than to any other Act. Our claim is that the Preamble along with the Act ought to be repealed. Therefore, it is no use to confront us with a recital in a document to which we take very serious exception.

Then the second objection is based upon that portion of the Preamble which says: "Whereas the action of Parliament must be guided by the co-operation received from those on whom new opportunities of service will be conferred". With regard to this demand for co-operation, I will make two respectful submissions. If the co-operation that is demanded of us consists of asking us to work the unworkable provisions of the Government of India Act, I am afraid the Government are asking for the moon. We are fortified in our view that many of the provisions of the Act are unworkable by the mass of the voluminous evidence which was recorded by the Muddiman Committee. Ministers who had faith in the reforms and who went into the Councils with the determination to work them to the best of their ability have declared that the Act was unworkable. And after their evidence and after the general consensus of opinion in the country on the part of various political bodies, it is useless now to tell us that it is still workable and that we should work it. We have made our position clear time and again and it is no use asking us to work Dyarchy. But if the co-operation that you want us to extend consists in a change of heart and the attitude of the Swarajists towards Government and their willingness to participate in the beneficent activities of Government, I claim that we have given ample evidence of our co-operation in the past, and I assure you, Sir, that in the future we are willing to pursue such a policy. Deshabandhu C. R. Das in his Faridpur speech has extended the hand of honourable co-operation and fellowship if the Government desire to grasp it. Our leader Pandit Motilal Nehru every day also extends the hand of fellowship and co-operation to the Government from his place in the Assembly, but I find that it is not grasped. That is the difficulty. And more than all this, more than Pandit Motilal Nehru and Deshabandhu Das, the Indian National Congress has declared in unequivocal terms that if there is a right gesture from the Government, if there is a genuine change of heart on the part of Government, the people can co-operate with the Government.

[Mr. V. Ramadas Pantulu.]

Then my Honourable friend Mr. Sethna referred to the Resolution which spoke of Civil disobedience. But I will refer to another portion which runs thus:

"The Congress is also of opinion that the guiding principle in carrying on political work shall be self-reliance in all activities which make for the healthy growth of the nation and resistance to every activity governmental or other which would impede the nation's progress towards Swaraj."

Now, I ask, is that not honourable co-operation? If that is not, what else can be? An absolute surrender to the Government's demand to co-operate with them without their co-operating with us is certainly not honourable co-operation. As for Civil disobedience, I will say only one word. As an ultimate resort, it is true that the Congress pronounced that that was the only legitimate weapon, that was under the inspiration of the great man Mahatma Gandhi who ruled out all violence. He said that for a subject people, if it is oppressed and if the foreign bureaucracy impedes progress, the ultimate weapon was civil disobedience. The Congress accepted it. We are accused of want of constructive talent. May I ask my Honourable friend Sir Alexander Muddiman to place himself in our position and to suggest, if he were a Congressman, what weapon he would place in our hands. Let him take up constructive statesmanship in his hands. Let him for a minute suppose that he is guiding the deliberations of the Indian National Congress. What advice will he give to a disarmed nation in order to win liberty, if not civil disobedience? If he can suggest an alternative, and if the Honourable Mr. Sethna can suggest his alternative, we will certainly take them. But we want some alternative, because a nation struggling for liberty ought to have some weapon for attaining that liberty. They ought to be really glad that resort to violent methods which is tried in the West is tabooed by the wisdom of those who are at the helm of affairs in the Indian National Congress. Therefore, Sir, the two objections that are raised against a further constitutional advance on the lines of the demand of the Swarajists, namely, that the responsibility rests with the Parliament and that co-operation has not been forthcoming are not real. I would characterise them as mere inventions to obstruct our progress. That is the attitude that is taken by Government. I once more beg to reiterate our attitude towards this question. We have not ruled out any agency by which further investigation can be made towards constitutional advance. All that we want is a genuine indication of a change of heart on the part of the Government and some guarantee that progress on the lines on which we wish to achieve it is forthcoming. If it is forthcoming, there is no particular objection to a Royal Commission, nor is there any particular charm in it. We Swarajists are not prepared to accept any agency unconditionally without its scope being defined or without some indication of our demand being complied with. With these words, Sir, I heartily support the amendment moved by the Honourable Seth Govind Das. At the same time, I assure my Honourable friend Mr. Sethna that we do not take an attitude hostile towards his Resolution, although we cannot approve of it in its present form.

THE HONOURABLE SIR ALEXANDER MUDDIMAN (Home Member): Sir, I take it that it is your desire that the debate should now proceed merely on the amendment and the amendment to the amendment. I shall

therefore confine myself strictly to the amendments and to the speeches which have been made on them.

"Two Voices are there;

One is of the sea,

One of the mountains;

Each a mighty Voice."

Had I been told that the voice which spoke for the Swarajist Party from behind me belonged to the same party as that of the gentleman in front of me to whose speech I have just listened, I confess I should not have been able to believe it. They seemed to me as different in terms as they are different in argument. My Honourable friend Seth Govind Das's amendment runs as follows: He desires that we should recommend to His Majesty's Government to make a declaration in Parliament announcing its decision to take immediate steps to embody in the constitutional and administrative machinery of India the fundamental changes asked for in the Resolutions moved in the Legislative Assembly on the various dates he specifies. What were those Resolutions? They were, with a few minor reservations, for complete responsible self-government. We were invited to go home and say, "You should now scrap the Government of India Act, scrap the Preamble which they dislike, scrap any trials that have been made, and with a stroke of the pen grant responsible self-government; or rather say that you will do it." Now, two gentlemen have spoken on that amendment and they have used very different arguments in support of it. I will turn first of all to the Mover of the amendment. He told me that he spoke for the Swaraj Party. The Swaraj Party seems to have two voices in this House

THE HONOURABLE MR. RAMADAS PANTULU: No, Sir.

THE HONOURABLE SIR ALEXANDER MUDDIMAN: Two very different voices. Who is speaking for the Swaraj Party? Who is the representative in this Chamber of that Party which looms so largely in another place? Is it the Honourable Seth Govind Das who has moved the amendment or my Honourable friend who had an amendment on the paper which he did not move? That, Sir, is a matter for consideration, and I await an answer. What did the Mover of the amendment say? He said he had no faith in a Royal Commission. He was not for a Royal Commission. He distrusts them. That was not the language used by my Honourable friend opposite. He said nothing of the kind. He seemed to me to approach the question from a different attitude. The Resolution does not ask for any preliminary inquiry or for any preliminary steps. We are to take this action without any preliminary steps at all, and yet, in his argument, what did my Honourable friend say? He said, "You must have a Round Table Conference attended by representatives of the 320 millions." Is there anything in his Resolution about 320 millions or a Round Table Conference? He told us that he does not have faith in Parliament. He does not want to go to Parliament. He would regard anything that came from that source as suspicious. That is not again the language used just now. Before Government can deal with arguments of this kind, said to be addressed in the name of the same Party, it will be necessary for that Party to get rather closer under its own umbrella than it seems to be at present. Sir, we saw a remarkable instance, which is very much what is going on here, in another place on the Resolution in September. There we saw a Resolution dubious in its terms, possibly intentionally dubious in its terms, intended to bring under agreement or supposed agreement very dissimilar

[Sir Alexander Muddiman.]

opinions. What happened when the discussion took place? Nothing was clearer than that speakers were putting forward views which were almost fundamentally different. Although they gave their adherence to the Resolutions which, if very carefully looked into and very carefully interpreted, might possibly bring those views together, yet the arguments used and the considerations put forward were entirely different. That is what is happening to-day. This amendment is moved by a Member said to be a Member of the same Party and is supported by a Member said to be of the same Party for entirely different reasons and in an entirely different way. My friend opposite says that he is a reasonable man. He is willing, given certain conditions by means of the holding out of the hand of friendship, to accept without quarrel gifts from Parliament. Indeed, if I may say so, that is the only way he can attain any of his desires. He sits here, as I sit here, entirely owing to the decree of the English Parliament and the sooner that is grasped, the better it will be for all of us. We have heard a good deal of the fact that no threat is used, but what did my Honourable friend behind me say? He said, "We are not co-operating. We do not desire to co-operate." My friend in front of me said, "We are co-operating. We desire to co-operate. We wish to co-operate." Sir, those are words I heard very willingly, and I congratulate my Honourable friend on the straightforward view that he has taken, but they are discrepant to the words I heard from behind me. The Honourable Seth Govind Das observed that he had no trust in the British policy. I took his words down. He has no trust in the British policy. I did not hear my Honourable friend opposite say that he had trust in the British policy. I will just remark that he did not say that he had distrust in the British policy. Then I was told that of course the final right of every country, of every people, if it does not get what it wants is civil disobedience. On the one hand, it was used in the form of a threat; on the other, as the last resort of a desperate people. There is a wide distinction undoubtedly between those two propositions; but let me tell both my Honourable friends that civil disobedience will not remain civil disobedience, it will become very uncivil disobedience in a very short time. It has become so in the past, it will become so in the future, and those who use words of that kind will do well to weigh the consequences of their words.

Sir, this particular amendment I am bound to oppose on behalf of Government. It was opposed on a previous occasion in this House. It was opposed in another place. This House rejected it. I trust this House with its usual consideration, with its usual weight of judgment, with its usual foresight, will again reject it. On this amendment I am in a position to give the considered opinion of the Government of India. It was brought forward in September. We considered it then and we put forward the provisional opinion of the Government of India then. We have considered it since then and after the debates in both Chambers and I have authority to say that the Government of India are unable to make any such recommendation to His Majesty's Government in the terms of the amendment. And, Sir, what is the difference between the amendment and the amendment to the amendment? Nothing, a difference of terms, very small indeed. The Royal Commission my Honourable friend behind me, Mr. Chari, wants is to be a Royal Commission not to examine, not to consider the steps to be taken; it is not a Commission such as is contemplated by section 84A of the Government of India Act; it is not to inquire and report as to what extent it is desirable to extend, modify or

restrict the degree of responsible government; it is a Commission which has a mandate, which is sent out with a mandate and it is merely to formulate the machinery by which that mandate is to be given effect to. Indeed there is no difference in effect between the two—the amendment and the amendment to the amendment; and on those grounds I must oppose both the amendment and the amendment to the amendment.

THE HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-official): Sir, while listening to the debate on this motion, the old story came to my mind about the three tailors living at one time in England in Toole Street who said "We are the people inhabiting the British Isles and it is our desire to do so and so." Now those three tailors were no more the whole of England than the Swarajists are the whole of India. It is absolutely wonderful that my Honourable friend should render an explanation in the way he did and say: "We Swarajists want so and so". I may tell my Honourable friend that we are not all Swarajists here and we do not mind what the Swarajists think, at any rate the present day Swarajists who like the three tailors of Toole Street put themselves forward as representing the whole of India. At all events, that has nothing to do with it and I wish to support the proposition put forward by the Honourable Mr. Sethna about the Royal Commission . . . . .

THE HONOURABLE THE PRESIDENT: If the Honourable Member wishes to speak specially on Seth Govind Das's amendment I will allow him to proceed, but I think he should reserve his remarks on Mr. Sethna's Resolution until we have got the amendment out of the way.

THE HONOURABLE MR. G. S. KHAPARDE: I wish to speak on the main proposition. I am not to speak on the main proposition?

THE HONOURABLE THE PRESIDENT: Not at the moment.

THE HONOURABLE MR. G. S. KHAPARDE: Well, I oppose the amendment.

THE HONOURABLE RAO SAHIR DR. U. RAMA RAO (Madras Non-Muhammadan): Sir, in supporting the amendment of my friend, the Honourable Seth Govind Das, I beg to draw the attention of the Council to the two Resolutions passed by the Legislative Assembly, one on the 18th February 1924, and the other on the 8th September, 1925, putting forth our demands with regard to the grant of a further instalment of reforms to India. I would like to know what the Government have done to give effect to these Resolutions. These Resolutions constitute the united demand of all parties and shades of political opinion represented in the Assembly. Is that not the demand of the entire Indian nation? What have the Government done in the matter? The only thing we have heard from Lord Birkenhead downwards is, "We want co-operation. We want co-operation".

His Excellency the Viceroy told us the other day not only that by "the evidence of a spirit of a more friendly co-operation and goodwill, an earlier appointment of the statutory commission might be secured," but also that the appointment of a Statutory Commission was "the aspiration of all in India whose avowed desire is to attain political progress by constitutional means." Sir, I do not desire to refute this statement here to-day at any length. But if by this he meant that the Swarajists' avowed desire is to attain political progress by unconstitutional means, it is wholly incorrect so far as their existing programme is concerned. If in spite of them any

[Dr. U. Rama Rao.]

parties in any part of the country are hereafter driven at any time to unconstitutional means of attaining political progress, the responsibility will be wholly that of the Government. When the Swarajists deliberately suspended their full non-co-operation programme and came into the Legislatures, the head of their Party, my revered leader Pandit Motilal Nehru, made an offer of friendly co-operation and goodwill in the Assembly which to this day remains unaccepted and unappreciated. This was two years ago and his words may be quoted again with advantage. He then said:

"Sir, we have come here to offer our co-operation, non-co-operators as we are, if you will care to co-operate with us. That is why we are here. If you agree to have it, we are your men; if you do not, we shall, like men, stand upon our rights and continue to be non-co-operators."

This offer was followed, so far as we in the Indian Legislature are concerned, by action which in every way has kept that offer open to this day and evinced marks of a desire to co-operate with the Government whenever necessary in the interests of the country from time to time. Well, never mind about us. What about the demand made by politicians of other Schools who had co-operated and who had worked the reforms faithfully and sincerely from the very commencement, for instance, the Justice Party in Madras? Was not their cry for a further instalment of reforms also a cry in the wilderness? What consideration have the Government shown to the Justice Party who have been extolled by the Government as having worked the reforms very successfully in the Madras Presidency? The fact of the matter is that the bureaucracy are unwilling to part with their power which they had so long enjoyed and there is absolutely no question of our co-operation or non-co-operation coming in the way nor our capacity to work the reforms. In spite of the many proofs of the co-operation we had so far shown His Excellency the Viceroy would want "a more ready and complete response". By "complete response", does His Excellency mean an abject surrender and offer to do whatever may be demanded of us in the name of the Government? Sir, is that the pre-requisite condition of political progress? If that is so, even in this rarified atmosphere of the Council of State I venture to say, Sir, no self-respecting Indian worth his salt would accept that position. We, Swarajists here, therefore, still await the final reply to that offer that has remained open for these two years; and on the response to that offer will depend the further course of action which we Swarajists, as representing the constituencies, will decide to take.

THE HONOURABLE SAYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, I intend to speak on the amendment moved by my Honourable friend, Mr. Chari, and I should like to know if I am in order in speaking on that amendment.

THE HONOURABLE THE PRESIDENT: The Honourable Member can proceed.

THE HONOURABLE SAYED MOHAMED PADSHAH SAHIB BAHADUR: I am thankful to you, Sir, for having permitted me to take part in the discussion of so important an issue which is now engaging the attention of the House. Sir, in spite of the hair-splitting that has just been indulged in, in spite of the vast gulf of difference that seems to have been discovered by the Honourable Member who spoke on the Government side between the main Resolution moved by my Honourable friend, Mr. Sethna, and the amendment moved by my Honourable friend, Mr. Chari, I see, Sir, that in

effect they are both one and the same. Sir, this amendment which the Honourable Mr. Chari proposes does not seek to rule out a Royal Commission. It differs only, in this respect, that it tries to bring prominently to the notice of the Commission which would be set up to make this investigation, one aspect to which they would have to direct their attention, namely, to make every honest and possible effort to see that the foundation is laid for the speedy realisation of responsible government. For after all, that amendment proposes that a scheme should be framed for the establishment of responsible government in India in accordance with the recommendations contained in the Resolutions of the Legislative Assembly of the 18th February, 1924, and the 8th September, 1925, respectively. Now, Sir, any committee, any body of reasonable people who will be asked to frame a scheme for this particular purpose, would not at once jump to the decision that the government that is given to the country here should be all at once a responsible government. Before doing this I believe, Sir, it stands to reason that this Royal Commission or Round Table Conference or any other suitable agency that may be appointed will certainly go into the question as to whether there are circumstances here which necessitate the framing of the scheme and also whether the scheme that is proposed would be suitable to the conditions which now obtain here. Therefore, Sir, even though to the Resolution moved by the Honourable Mr. Sethna two amendments have been moved, and though I am not in agreement with the amendment moved by my Honourable friend, Seth Govind Das, since it seems to exclude the appointment of a Royal Commission, I for one would welcome any agency that may be appointed to go into this question which calls for an immediate solution. Now, as I said, two amendments have been moved to the Resolution of the Honourable Mr. Sethna. To me it seems quite clear that in all the three different suggestions that have been placed before this House, there is one common feature; there seems to be one idea which permeates them all, which pervades them all through. That idea is this, that there is a demand made by all shades of political opinion in this House and outside for a substantial and real advance—a demand for an advance which is not to be circumscribed within the four corners of the Government of India Act, 1919, but an advance which would place the Indian constitution on a broader and more liberal and more popular basis. Now, Sir, when we see this demand made, the question that naturally arises for consideration is whether we have reached a stage which calls for a step forward. To make out an answer to this question in the affirmative, I do not think any great effort is needed or any very clever arguments advanced at this stage; since this question has been before this and the other Chamber on more occasions than one. All that I say is this: that the present state of things, the stern facts, the grim reality of which you cannot ignore, the glaring defects which have been disclosed at every inch that you proceeded to work the dyarchy system—all these point to one and the only natural and inevitable conclusion—that the whole system of administration calls for a complete overhauling, for a change affecting root and branch. Now, Sir, as we have seen, dyarchy has been tried here too long. Even those that had faith in it and made every possible effort to work the system successfully, have ultimately lost their faith and have at last acknowledged it to be thoroughly unsuitable to the conditions of this country and entirely unworkable. Even in Madras, Sir, the province I come from, where dyarchy is supposed to have worked best, the little measure of success that was achieved was achieved by ignoring dyarchy and, in the



[Saiyed Mohamed Padshah.]

words of Lord Birkenhead, by making very considerable inroads on the dyarchic principle. Therefore, Sir, I would ask whether it is not time that the system is done away with and that we tried seriously to consider ways and means by which a better state of things may come into being, that we try and evolve a system which may be more workable, which it may be worth one's while to work well, and worth one's while to try to work well. Now, as long ago as 1921 the Government thought that the Government of India Act should be revised earlier than 1929. Now, Sir, these 5½ years which have elapsed since have witnessed great developments, have seen very great changes, so that I would not be far wrong if I say that the political horizon to-day in India is much brighter than what it was before, and the case for a revision of the Government of India Act is very much stronger now than it was in 1921. I am of opinion that even though there may be some difference in the point of view of some schools of thought here and even though it may not be readily appreciated by the powers that be, the offer that has been made by the people who have till now stood outside the Councils should not be rejected. Time and again it has been made clear to Government by responsible Members both in this House and in the Assembly that whatever might have been their attitude in the past the Swaraj Party is now perfectly willing to co-operate provided it feels that there will be some real advantage in doing that. Though it is a fact that this statement is hedged round with a lot of other things which may seem to some people who are apt to take alarm too quickly to be objectionable, to me the offer appears to have been made in the plainest of terms possible and we should not therefore mind the way in which it is hedged round so long as they have proclaimed that they are prepared to co-operate. I will close my remarks by submitting this. Whether a Royal Commission is the agency by which this investigation has got to be made or whether it is by a Round Table Conference, let every honest effort be made in order that the investigation may after all prove more fruitful than the Reforms Inquiry Committee. There was overwhelming evidence before it which went to show the thorough undesirability and the utter unworkability of the present constitution but it failed to produce any result. I only hope that the new agency that may be created to investigate the problem will be given much wider terms of reference so that even though they may not now and all at once give us responsible government, they may prepare a scheme which will set us on the right path to work our way soon to responsible government. With these words I resume my seat.

THE HONOURABLE THE PRESIDENT: I gather from the last two speeches that it will certainly assist the Council if I proceed to clarify the issue by taking a decision of the House on the two amendments and I proceed now to put them to the House.

The original question was:

"This Council recommends to the Governor General in Council to urge upon His Majesty's Government the appointment forthwith of a Royal Commission to investigate and inquire into the working of the present Indian constitution and to formulate a scheme for the establishment of responsible government in India."

To which an amendment was moved:

"To substitute for the original Resolution the following:

'This Council recommends to the Governor General in Council to move His Majesty's Government to make a declaration in the Parliament announcing its decision to take immediate steps to embody in the constitutional

and administrative machinery of India the fundamental changes asked for in the Resolutions passed by the Legislative Assembly on 18th February, 1924, and 8th September, 1925, and to obtain the decision of His Majesty's Government thereon."

To which two amendments were moved:

"That in the amended Resolution proposed by the Honourable Seth Govind Das for the words 'make a declaration in the Parliament announcing its decision to take immediate steps to embody in the constitutional and administrative machinery of India the fundamental changes asked for' the words 'appoint forthwith a Royal Commission or other suitable agency to formulate a scheme for the establishment of responsible Government in India in accordance with' be substituted, and the words 'and to obtain the decision of His Majesty's Government thereon' be omitted."

The first question that I have to put to the House is that those two amendments be made in the amended Resolution proposed by the Honourable Seth Govind Das.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question that I have now to put to the House is that the amended Resolution proposed by the Honourable Seth Govind Das be substituted for the Resolution proposed by the Honourable Mr. Sethna.

The Council divided.

AYES—8.

Govind Das, The Honourable Seth. Mukherjee, The Honourable Srijut Lokenath, Ramadas Pantulu, The Honourable Mr. V. Rama Rao, The Honourable Rao Sahib U.

Sett, The Honourable Rai Bahadur Nalininath, Sinha, The Honourable Mr. Anugraha Narayan, Suhrawardy, The Honourable Mr. Mahmood, Zubair, The Honourable Mr. Shah Muhammad.

NOES—37.

Abbott, The Honourable Mr. E. R. Abdul Karim, The Honourable Maulvi, Akbar Khan, The Honourable Major Nawab Mahmood, Alay Nabi, The Honourable Syed. Bell, The Honourable Mr. J. W. A. Bijay Chand Mahtab, The Honourable Sir, Maharajadhiraja Bahadur of Burdwan, Chadwick, The Honourable Mr. D. T. Charanjit Singh, The Honourable Sardar, Commander-in-Chief, His Excellency the, Crerar, The Honourable Mr. J. Das, The Honourable Mr. S. R. Desika Chari, The Honourable Mr. P. C. Emerson, The Honourable Mr. T. Froom, The Honourable Sir Arthur. Harnam Singh, The Honourable Raja Sir, Hindley, The Honourable Sir Clement, Hutson, The Honourable Mr. J. E. B. Hubback, The Honourable Mr. J. A. Khaparde, The Honourable Mr. G. S. Ley, The Honourable Mr. A. H.

MacWatt, The Honourable Major General Sir Charles, MacWatters, The Honourable Mr. A. C. Manmohandas Ramji Vora, The Honourable Mr. Misra, The Honourable Pandit Shyam Bihari, Morarji, The Honourable Mr. R. D. Muhammad Habibullah, The Honourable Khan Bahadur Sir, Sahib Bahadur, Nawab Ali Khan, The Honourable Raja, Padshah Sahib Bahadur, The Honourable Saiyed Mohamed, Ramul Singh, The Honourable Raja Sir, Ram Saran Das, The Honourable Rai Bahadur Lala, Roy, The Honourable Mr. K. C. Sethna, The Honourable Mr. Phiroze C. Tek Chand, The Honourable Diwan. Thompson, The Honourable Mr. J. P. Todhunter, The Honourable Sir Charles, Umar Havat Khan, The Honourable Colonel Nawab Sir, Wachha, The Honourable Sir Dinshaw.

The motion was negatived.



THE HONOURABLE THE PRESIDENT: That brings the House back to the original Resolution moved by the Honourable Mr. Sethna.

THE HONOURABLE SIR ALEXANDER MUDDIMAN: Sir, before I proceed to deal with the terms of the main Resolution, let me commence by congratulating my Honourable friend Mr. Sethna on the able and moderate way in which he put his arguments, and let me assure him that I shall meet him entirely in the same spirit. He is an accomplished speaker to whom I have listened on many occasions from another position in this House, Sir, and if on this occasion I meet him on the floor of the House, it is with great pleasure because I know he is a fair, impartial and reasonable antagonist. If he was somewhat unfortunate in some of his propositions, I doubt not that the reception they met with in this House was somewhat of a surprise to him also.

Now, Sir, I would ask the House to consider very briefly what are the actual terms of the Resolution which my Honourable friend has brought forward. He will pardon me for saying Sir, that his speech seemed to me to adumbrate a Resolution somewhat different in terms from that which is placed on the agenda. He asks that this Council should recommend to the Governor General in Council to urge upon His Majesty's Government the appointment forthwith of a Royal Commission. That is, there is to be an immediate Royal Commission, and that Royal Commission is to do two things. It is, in the first place, to investigate and inquire into the working of the present constitution, and in the second place, it is to formulate a scheme for the establishment of responsible government in India. That is to say, the Royal Commission is not to inquire if, how or in what direction any extension of the present system is to be made. It is to formulate a scheme for the establishment of responsible government. Therefore, what my Honourable friend apparently contemplates is not the advancement of the date of the Statutory Commission provided for by section 84A of the Government of India Act. I must really take up the time of the House by reading this section once again. It is, I think, very important, that we should clarify our views on the subject of a Royal Commission. The Parliament which passed the Act itself also provides a machinery under the Act for the appointment of a Statutory Commission. Reference is often made to a Royal Commission of a different kind. But the method for examining the constitutional position created by the Government of India Act was in fact provided by Parliament itself in section 84A of that Act. That section runs as follows:

"At the expiration of ten years after the passing of the Government of India Act, 1919,"

—and there I pause to point out what is well known to the House that there must be in 1929 a Statutory Commission,—

"the Secretary of State with the concurrence of both Houses of Parliament shall submit for the approval of His Majesty the names of persons to act as the Commission for the purposes of this section. The persons whose names are so submitted, if approved by His Majesty, shall be a Commission for the purpose of inquiring into the working of the system of Government, the growth of education and the development of representative institutions in British India and matters connected therewith, and the Commission shall report as to whether and to what extent it is desirable

to establish the principle of responsible government or to extend, modify, or restrict the degree of responsible government then existing therein, including the question whether the establishment of the second chambers of the local legislatures is or is not desirable."

Now, the words of that section require very careful consideration by this House. What is contemplated is a commission of inquiry by a tribunal which will come out, investigate matters, from its own conclusions and make its own recommendations. If I understand my Honourable friend rightly, his Commission—the Commission, I will not say at any rate that he adumbrated in his speech, but the Commission which he referred to in his Resolution—is something quite different. His Commission anticipates the decision, if I may say so, on the main point which will be in issue. It is to formulate a scheme for the establishment of responsible government in India. Sir, the progress towards responsible government has frequently been compared to a road and we have heard a good deal of the milestones on the road. My Honourable friend apparently contemplates that we should arrive at the last milestone at once and that we should formulate the procedure which is to be followed after we get there. That, Sir, is not what the Government of India Act contemplates. I recognise that my Honourable friend's speech was not quite in accordance with the terms of his Resolution. He there, I think, did contemplate something different. He did contemplate that it would be useless having regard to the long history of these constitutional debates and constitutional controversies which have been going on for some years to ask Government to recommend any fundamental change in the existing constitution without an inquiry of the nature contemplated by the Government of India Act, and I would point out to the House that that was the view taken also by the minority report of the Committee over which I had the honour to preside. They took the view that any drastic constitutional changes in the body politic in India must necessarily be preceded by an inquiry of the nature I have put forward and not by an inquiry with a pre-determined issue. My Honourable friend in speaking put forward the view that what is in issue is a further and immediate advance. He said, "We do not say we are right. We contend we are ready for a further immediate advance. We ask you to submit that case to a tribunal. You may differ from us. You may be right or you may be wrong, but we wish to go before the tribunal now. We are not concerned whether you think we have a good case or a bad case. We ask that we may prove our case." That is to say, in effect, his view is that he has now a case which would justify an impartial tribunal in granting the establishment of responsible government in India. But that is not what his Resolution asks for. His Resolution asks for something quite different. As My Honourable friend (the Honourable Mr. S. R. Das) points out to me, the Commission would come out with the main issues that it has to try decided in the affirmative.

Now, Sir, this question of the advancement of the date, assuming that my friend is basing his arguments on what he said in his speech and that his Resolution does not mean what it appears to mean in clear terms,—the case that he has really put forward is an advancement in the date of the Statutory Commission—this question has frequently been discussed. We discussed it in this House last September. The attitude of Government towards the proposition is well known. It cannot be better stated than in the words of the Secretary of State which must be in the

[Sir Alexander Muddiman.]

recollection of some at least of the Members of this House. The Secretary of State, speaking on this point, said:

"We shall not be diverted from its high obligations by the tactics of restless impatience. The door of acceleration is not open to menace; still less will it be stormed by violence. But there never has been a moment since the Constitution was adopted in which the Government of India, acting in harmony with the Government at home, has not been vigilantly and attentively considering the spirit in which the present reforms have been received in India."

Now, I am not prepared to say that there has not been some change in the attitude in certain circles towards reforms. My Honourable friend opposite made a speech which differed fundamentally, if I may say so, from the speech that he made in September.

THE HONOURABLE MR. RAMADAS PANTULU: No, Sir.

THE HONOURABLE SIR ALEXANDER MUDDIMAN: Am I to understand that my Honourable friend has not moved an inch since last September?

THE HONOURABLE MR. RAMADAS PANTULU: I have not.

THE HONOURABLE SIR ALEXANDER MUDDIMAN: I have been supplied with the answer I require to give to my Honourable friend Mr. Sethna. We are told that there has been no change. The Honourable Mr. Sethna said that there has been great change. But speaking on behalf of that Party which at any rate is the most numerous in one House of this Legislature and is well represented even in this House, he said that there had been a change of heart, that they are co-operating. My Honourable friend, speaking with perhaps more authority than even the Honourable Mr. Sethna, says that it is not the case. Sir, it is no part of my brief to overstate my case. I am prepared, in spite of my Honourable friend's protest, to admit that there has been some change. I have seen some weakening, shall I say in the cement that holds together those who hold views which I understand my Honourable friend (the Honourable Mr. Ramadas Pantulu) holds. I have seen a distinct weakening. But, Sir, that does not really greatly alter the case. It is true, and I admit it, that the general attitude in the country has improved. It is true that in certain places Bills which might have been rejected have been considered on their merits and passed. I admit all that. I must also remember however that in other places there has been no such change, that in two important provinces in India now, my own Province and the Central Provinces, the reforms are not working. I do not agree with the arguments that have been put forward that they are not working in other provinces. They are working in other provinces and it proves that with goodwill those reforms can be worked. As has been said you have not come to us and said "You have not given us enough; we will prove by the use of that which you have given us our use for more". That is not my Honourable friend's argument. His argument is "We will have nothing whatever to do with the reforms!" That at any rate is the argument of his party. He tells me that it was not. I again wait for confirmation.

Then, Sir, since last September after the debates in the two Houses the Government of India have been most carefully considering the position. They have considered the debates in both Chambers. They have watched

what has been going on. They have observed, it was a matter that was thrust on their attention, the resolutions which have been referred to which were passed at Cawnpore. I am told, I think by one speaker, that those resolutions were not in the nature of a threat; they were the hand outstretched. Sir, I am always willing to put a favourable construction on any statement that may be made; but admitting the hand outstretched, I ask the House to say, was it the hand of friendship? I fear not. The Government of India have considered whether since the debates took place last September there has been anything which would justify them in modifying the provisional conclusion which they then laid before the Legislature on those occasions. They have done so with an anxious and eager desire to see the position from all points of view. They put themselves in the position of those who would desire to put the case in the most favourable light. They are unable to come to any other conclusion; they must adhere to the position which they then adopted. And what is that position? It is this. It has been brought before this House in words which must have made the greatest impression on those who heard them, and if the House will permit me to take up their time for a few seconds I will repeat them again. No less a person than the head of the Government of India in addressing this Council made the following observations:

"In the first place by the evidence of a spirit of this character an earlier appointment of the Statutory Commission might be secured. I understand that this is the aspiration of all in India whose avowed desire is to attain political progress by constitutional means. Not less important is the other consideration, that by this spirit alone a better political atmosphere would come into existence and prevail at the time the Commission commenced its inquiry. It is thus made clear that proof of genuine goodwill in the direction of working the constitution to the best advantage will be regarded by the British Parliament as an important factor for their guidance in determining the course to be pursued in the immediate future. If this view is correct, and I can scarcely conceive the possibility of contradiction, and as the future stages of advance must be decided by the British Parliament, would it not benefit India's political progress to provide plain and unambiguous evidence of this goodwill."

Now those are considered words, well weighed words and they are words which cannot be repeated too often to this House. They are not spoken in anything but a spirit of goodwill and with a genuine desire to see India advance in the course which it has so greatly at heart. My Honourable friend will probably tell me that there have been unambiguous expressions of goodwill. I do not think he really feels that. I do not think after having heard what was said in this House he could expect me to believe it. I do not deny that the atmosphere has improved. I hope the atmosphere will improve and when the atmosphere does improve then the condition that is laid down will be on the road to fulfilment and India may be nearer to that which she so much desires. But it is not by referring to existing institutions as camouflage; it is not by arguments of that kind that reasonable men are convinced. It is not true to say that the existing constitutional institutions in India are camouflage. They give power; it may not be such power as you desire or to the extent which you desire, but they give power and the proof that they give power is the awakening of the consciousness of power in the various communities. Much of the trouble that has been experienced in the last two years is nothing unusual, nothing to be disappointed at in one sense; it is that at last the communities have felt that they are in touch with realities; it is that these painful years of development have been useful to India in

[Sir Alexander Muddiman.]

that they have brought India to know that the future is not to be determined by a stroke of the pen, that you cannot force people to work constitutions, that you may grant constitutions but unless you can work constitutions you are no further forward. The peoples of India are beginning to recognise the fact that it is by facing realities that we shall solve those problems which so urgently call for solution; it is not by a conspiracy of silence, it is not by hiding, by putting away in a corner, those questions which are and must be the vital questions to be decided, that advance will be made. It is said—my Honourable friend said it no doubt not too seriously—it is said that we have the Swaraj Party on the brain. Sir, I do not recognise any party. I recognise that there are influences in this country which we have to consider. I do not think we have them on the brain; they were at one time very present in the body; there still are a large number of them in the Legislatures of this country, and, as it must be in all important bodies of men, perhaps there are right wings and left wings, but still they are a very present and important factor in India; and my Honourable friend when he speaks in their name would do well I think to ascertain that he has authority to speak in their name. I must confess that when I listened to the speeches I found that on that point he needs no further refutation than the refutation that has come from those Benches themselves.

Sir, I have detained the House at considerable length. I have endeavoured to bring forward matters for your consideration which I think it is essential that you should consider. I trust I have given no inconsiderate or hasty reply to the Resolution on the paper. I have shown that as far as Government are concerned we stand exactly where we did in this respect. We have done and are still prepared to do what we said we will do; but it is useless to come and put forward a Resolution which in effect is entirely contrary to anything that has ever been put forward as the possible result of a Royal Commission. You will prejudice the issue if you ask us to accept a Resolution of this kind and it is quite impossible for me on behalf of Government to do so, and I trust the House will take the same view.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution so ably moved by my Honourable friend Mr. Sethna. We have seen that Dyarchy has everywhere failed; and it is natural it should have failed. Functions of Government cannot be separated. All departments are intimately connected with one another. It is impossible to shut them in water-tight compartments like those of Reserved Departments and Transferred Departments. The only solution is unitary system of Government. The Government must make up their mind to make the representatives of the people in the Legislative bodies fully controlling authorities in all departments of Government excepting military defence and political and foreign relations with protected Princes and foreign powers.

It may be said on the other side, that the Preamble to the Government of India Act of 1919 lays down, that further advance in self-governing powers will depend on the amount of co-operation received from the people in working the reforms. Sir, we all know, and the Government also admit it, that in the first Legislative Assembly and in the first Council of State, the Government received full co-operation, from the representatives

of the people. In the second Legislative Assembly too, Sir, some of the most important measures moved by Government have been supported by the Members of the Assembly. They supported the scheme for the separation of Railway Budget from the General Budget. They supported the proposal of Government in connection with the iron and steel industry. Ordinarily, Sir, the Government received co-operation from the Assembly; but even most of the Swarajists have adopted responsive co-operation and are veering round to co-operation. But I would like to ask, which Legislature in the world does not at times adopt obstructive methods? Even the Mother of Parliaments, the British House of Commons, does at times adopt obstructive methods against the ministry in power. The representatives of the Indian people in the Legislative Assembly, Sir, have conducted themselves in a responsible manner. They have not in practice followed a policy of continuous and constant obstruction. Sir, I hold that we have satisfied the condition regarding co-operation in the Preamble, and I am sure, any Royal Commission that may be appointed will give its verdict in our favour.

Members occupying the Official Benches may tell us that India is not yet fit to defend herself; and that self-government without ability to defend means nothing. I would like to ask, Sir, whether this condition was imposed on the other self-governing Dominions before self-government was granted to them? Was Australia fit to defend herself against Japan or any other great power when self-government was granted to her? Was Canada fit to defend herself against the United States of America, or any other power, when dominion status was granted to her? No, Sir, this argument does not hold water. The inclusion of the Dominions within the British Empire is a source of great strength and advantage to England. The ever-expanding population of England finds a home in these Colonies without being obliged to go out of the Empire. Similarly, the continuance of India within the British Empire is a source of great strength and advantage to England. In fact the British Empire without India is no Empire. A very large number of Englishmen find employment in India. England finds in India the greatest market for her goods. It is undeniable that England derives immense material advantages by possessing India within her Empire. For her own sake, therefore, it is England's duty to defend India against foreign aggression, just as it is her duty to defend the other self-governing Dominions. But, Sir, there is another aspect of the question also. Indians do not shirk the responsibility of defending themselves. On the other hand they have been crying hoarse themselves for a number of years past to have greater opportunities for military service. We have been asking for the expansion of our territorial forces, but we have received a very meagre response from Government. We have been asking for the extension of recruiting operations for the Indian Army to all parts of the country, but they have so far confined their activities in this matter to only one or two provinces. The restrictions imposed by the Arms Act have unmanned the entire Indian population. Does it, under such circumstances, lie in the mouth of the Government to say that India cannot get self-government, because she is not fit to defend herself? We may well ask, who has rendered us unfit for this work?

Our friends on the opposite side may say that we have not yet defined what Swaraj exactly means. They may say we have not yet indicated what kind of constitutional government we want. Sir, we have given

[Lala Ram Saran Das.]

the answer to that question on the 8th of September, 1925. In the Simla Session of the Central Legislature, the Legislative Assembly formulated the Indian demands. These demands have been confirmed by the Congress as well as the Liberal Federation in Calcutta. The details of this scheme can be worked out by a Royal Commission or any other body appointed by Government. All political parties, Sir, are now agreed on what should be the further stage in the constitutional reforms in India.

It may be urged that the masses in India are not yet politically awakened, and that they cannot as yet be trusted with votes. It may be said that India is as yet very backward in education, and that the Indian masses cannot as yet intelligently exercise the franchise. In this connection, Sir, I would like to ask, what was the condition of the English educationally at the time of the Reforms Act of 1832, or even at the time of the Reforms Act of 1884 and 1885? In 1832, Sir, the English people were very backward in education, and yet the people were trusted with votes.

We are sometimes told, Sir, the Hindu-Muhammadan differences, and the Brahmin and non-Brahmin differences stand in the way of the successful working of democratic institutions. But, Sir, I must frankly point out that the acceptance by Government of a policy of having communal representation in all spheres of Governmental activities is responsible for all this tension. Instead of confining it to legislative bodies, and even that temporarily, the Government are now extending communal representation to local self-governing bodies, to the services, to the admission of students into schools and colleges, in fact everywhere. The extension of communal representation is clearly responsible for all this present communal tension. It is in the hands of the Government to remove this communal tension.

We were told the other day by a very high authority that the present political atmosphere in England is not as yet favourable to the appointment of a Royal Commission. I do not know, Sir, how political atmospheres in England can be improved. What I do know, Sir, is that India wants England to do her justice. India is of very great material advantage to England. It is England's interest to see that India does not remain a discontented and dissatisfied member of the commonwealth of British nations. A contented India within the British Empire would be a source of great strength to England. The demands of India are reasonable, and I should think, Sir, that England should give her responsible government. India wants to remain within the British Empire. She has learnt a good deal from England. India is a pupil of England, and by being within the Empire India like other self-governing Dominions feels a great sense of security. It is to the mutual advantage of both England and India to be indissolubly bound in a tie of everlasting friendship; and I hope, Sir, England will not refuse to meet the reasonable and just demands of India.

The Reforms Commission is to come sooner or later, not later than 1929—why not have it now? Be generous and you will secure the goodwill of not only this House, but of the Assembly as well and of Liberals, Independents, and Swarajists in India. Generosity will breed generosity and the result will be peace, contentment, and happiness all over India.

With these remarks I support the Resolution which my Honourable friend Mr. Sethna has so ably and admirably moved in this House.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN (Bengal: Nominated Non-Official): Mr. President, when the leaders of all parties in a country press for the raising of that land to the level of the nations of the world and show a haste, even an unpardonable haste, for liberation and liberty the position is full of pathos. It is undeniable that whatever the reasons may be the present reforms as well as the present constitution do not satisfy Political India. But may I ask those who ask for a Commission, this? Does the remedy lie in simply appointing a Commission or some other agency to inquire? I hope that both parties here, those on behalf of Government as well as those who are advocating this Commission, will forgive me if for a moment I try to appear as an amateur surgeon and try to dissect things. I should like to put some direct questions. Are the British Government prepared to leave India? If not, do they think that in a land inhabited by people alien to them dominion status like Canada or Australia, is possible? If not, what is the alternative shape in which self-government in India, or to use the nomenclature responsible government, could be realized?

The forces in India that are making themselves more and more visible every day may be classified for my purpose into four groups. First of all, we will have to put the anarchists and revolutionaries. Then we shall have to put the extreme wing of the Swarajists, i.e., the militant Swarajists to which I take it the Sethji from the Central Provinces belongs. Then we shall have to bring in the Independents and Nationalists, and lastly those who are still considered as the Constitutionalists or Moderates. The last category is for the moment very much in the minority, and in fact, at times I am unable to find a Moderate in some quarters. The first two, it is no good denying, are tired of British rule in India, and would probably prefer Bolshevism, Brown Rule, Revolution, Yellow Rule anything except British Rule. That being the situation, the British Parliament has to be asked to make up its mind definitely as to what is to be the future government in India. But one thing must not be forgotten that in all future advances the Government in this country as well as the Government in England have got to consider those vested interests which have hitherto believed in them, i.e., British Rule. If they do not and if they still wish to hold India, may I bring a parallel and I trust I will be pardoned for the parallel. Let us imagine ourselves for a moment in the Appian way of Rome. Let us imagine St. Peter and his little group of Christian followers about to leave Rome for the persecutions. Let us then imagine the shadow of Jesus Christ appearing and St. Peter taken aback exclaiming "Domine quo vadis?" Let not the condition come to such a pass in India when the British Government, the British element is forced to say to those vested interests, "Where goest thou?" because they can turn round and say with justification, "Where goest thou?" It is all right for one Sethji to be so soft-hearted as to become a ewe lamb to be shorn by his Swarajist friends, but there are others who would not be willing to be fleeced so easily. There is also that India which counts, that India of which His Highness the Maharaja of Baroda reminded us at a Banquet held not very long ago at Baroda. For all these reasons the future advance is neither so easy nor can one so light-heartedly ask for responsible government to be given to-morrow, immediately at once.

[Sir Bijay Chand Mahtab.]

Now, let me come to the question of the atmosphere. To my great delight I have had the honour and privilege to hear from two Members of the Central Government two of the best and clearest pronouncements that I have had the privilege to hear for a long time. Yesterday the Honourable Mr. S. R. Das, the Law Member, made an excellent speech defining the position of the constitution of the Government of India. To-day my Honourable friend, and an old friend too, the Home Member has told us in unmistakeable language what the position is. And I congratulate him, and through him the Government of India, because what we do want in India is this firmness and not the rumour and sometimes more than a rumour that goes round "that those that hammer most get the most." A friend who is now holding a very responsible position in the Punjab Government once told me a story, and I think there is something in it. To an old military friend of his he had complained that the class or community to which he belonged did not always get the attention it deserved. The military officer turned round and said: "My dear fellow, you do not hammer half enough like your political friend. The Englishman only gives in when he is hammered". That is the position, Sir, and if by hammering people get something, they will go on doing so and there will be many more Sethjis who will join the Swaraj Party. But what I wish to submit in all seriousness to the Government of India is this one fact, that whilst a Royal Commission as suggested by the Honourable Mr. Sethna may not be possible, and I do not think it is constitutionally possible, if the atmosphere does not change, then before very long, I think the Government of India will have seriously to consider whether oligarchy will ever be a success in India, whether or not bureaucracy must continue, whether it be more tinted and more coloured than it is now. Further, if the obstruction continues, that obstruction itself might act in a very different way to the larger majority of Indians who really do want to see India raised to the level of the nations of the world, the British Parliament might turn round and turn round very rightly and say: "We gave you partial responsibility and we gave you responsibility, but you would not have it, therefore all that we gave has got to be changed until you prove that you are fit, until every party shows that it is fit to shoulder those responsibilities." I think, put in a nutshell, that is the position which the Government of India themselves put forward. I therefore appeal in all earnestness to all parties in India, being a non-party man myself, that the best way to get a further instalment of reforms is to work those we have now wholeheartedly and not to bring forward Resolutions of this nature at every Session.

Sir, I have only one more word to say, because by a strange coincidence of course, you the Honourable President, Sir, cannot join us in the debate, but by a strange coincidence in this Chamber to-day, there are present four out of the five signatories to the Majority Report of the Reforms Inquiry Committee, the Honourable Sir Arthur Froom, the Honourable Sir Alexander Muddiman, the Honourable the President and myself, and I may remind those who were my colleagues then that in a note at the end of the Majority Report, I doubted the wisdom of any Commission just now, and I still doubt it. I further said that we should not wait for a Commission and delay the examination of the possibilities of inquiring in greater detail into the question of provincial autonomy. I am glad that the Government of India took up that suggestion, and the valuable

report which Sir Frederick Whyte has submitted is indeed a very useful document, although it has been belittled in some quarters. I should like to draw the attention of those who somewhat light-heartedly use the words "provincial autonomy" to study what Sir Frederick Whyte has said on the subject. For all these reasons, Sir, I would ask the Honourable Mr. Sethna to withdraw his Resolution.

THE HONOURABLE MR. G. S. KHAPARDE (Bihar: Nominated Non-Official): Sir, hitherto the objection to a Commission was based on three grounds. One was that under the existing law it was possible to make progress and therefore we should not be in a hurry to make any change. The next ground was that the merits and capabilities of the constituencies had got to be properly tested, and Government wanted to test them before making an advance. The third ground was that the constitutional machinery as it is functioning in India requires to be tested, and until it is tested it is not advisable to make an advance. To all these grounds, Sir, two more grounds have been added to-day, one by the Honourable the Home Member for whom, as everybody knows, I have very very great respect, and with whom I am on terms of even private friendship, and that ground is this. The Commission spoken of in the Resolution by the Honourable Mr. Sethna is not the same as was mentioned in the House of Commons the same evening this Act was passed. Sir, when this Act was passed, or when it was on the anvil—I forget now exactly the stage—it was, I think, Mr. Ben Spoor who put a question and asked whether for the next ten years no attempt would be made at all to advance the cause of India. Then Mr. Montagu pointed out that he never said that nothing would be done until after 1929, but an inquiry might come before 1929. Well, the matter remained there, and we came to India. I quite admit that even in the very first Session the Assembly passed a Resolution asking for full responsible government. Then I made an attempt to explain it by saying that India had been starving for a long time and has been asking for more reforms, and since a small step had been taken, they naturally ask for more. Now, what happens in famines? People who are famished or hungry for days and days together do not get a good meal all at once, because it is not good for them. The doctor says to them: "Take a little *coujee*". Then the people ask for more, and the doctor says that he will not give it. Then again the famished people cry out for more and more, and the officer on special duty or the doctor who looks after these famished people gives them little by little. Similarly, such a thing happens here. In the First Session of both the Assembly and the Council of State,—my Honourable friend behind me (the Honourable Nawab Sir Umar Hayat Khan) will bear me out—it was said "Don't attend to what these people say because they have been famished for a long time, they will go on asking for more and more".

Because they have been famished in the matter of reforms for a long time they will go on asking for more. But that does not matter. You need not put it as anything against them. I gave the instance of Sir Walter Scott. He was a poet and a novelist. He had a horse given to him for the first time at the age of 18. He was fond of the days of chivalry and gallantry. He thought that he had himself become a knight. He got on that horse and made it run faster than it could. I told you that story. It is because we were famished for a long time. During all the 20 years of the administration not a single reform was given. And now



[Mr. G. S. Khaparde.]

that we are given it in very little doses, we naturally ask for more. I said that this does not matter. Don't take this seriously. My friend replied that we are not legislating for children, therefore we need not talk about it. That, however, is not the point. The point is that what they said in the First Session either in this House or in the other House need not be taken very seriously. Of these four objections which I have mentioned three already were urged later on. This is not a new thing. That is the case with everything in this world. First we distrust a thing, and generally ridicule it. When it is urged with a little more strength, we come to argue about it and ultimately we come to an agreement. That is the process in which the world goes on. We live and learn. In the very First Session of the Assembly and the Council they talked of having Swaraj. I laughed at that. Others laughed at that and I joined with them in their laugh. Later on, argument went on, and the argument reduced itself to these three objections that I have mentioned. The fourth ground taken to-day by the Honourable the Home Member is that the Royal Commission that the Honourable Mover has put down in his Resolution is not the same Commission that was spoken of on the night when the Government of India Act was passed. He thinks that this Commission is something different. I myself think that the two are the same. What the Honourable Mr. Sethna means is that this Royal Commission may be appointed any time before 1929. The date was fixed with the idea that it should not be delayed beyond that date. My Honourable friend Mr. Sethna says: "Kindly have that inquiry made now." That inquiry, if granted, will deal with all the objections that have been taken here and before.

The first objection taken is that it is possible to make progress under the Act as it stands. I quite agree that it is possible, but you do not wear a coat threadbare. You do not wear it until it becomes thoroughly unseviceable. You do not throw it away only when it becomes absolutely inconvenient to wear. So, I do not see why all the possibilities of the existing Act should be exhausted before a further step is taken. Such a proposition is unthinkable either in law or in practice. If a coat is fairly worn out and shows signs of being old, we throw it away and have a new coat made. Similarly, there are possibilities of a further advance in the present Act, but it has grown old to a great extent. Six years is not a small period now. In olden days, 20 years was a much smaller period than six years now. We run faster nowadays with all this new machinery, motor cars, aeroplanes and balloons. 5 or 6 years now means what formerly 20 or 25 years meant. We have had experience for 5 years.

Then they say that the capabilities of the electorate have to be tested. I do not know of any test that can be applied to the electorate. We have seen in England electorates which threw overboard men like the great Mr. Gladstone in those days. In the present days they threw Mr. Asquith (now Lord Oxford) overboard. So electorates are not to be relied on. In all countries they are fickle. I do not know of any test being prescribed for them. If I am ignorant, I hope I shall be corrected. But there is no test laid down, so far as I know, how to examine and pass an electorate.

The third argument was that the capabilities of the machinery have to be tested. This always frightens me. I think the Honourable Sir Alexander Muddiman will remember that when machinery was talked of, I said that I was tremendously afraid of machinery in the 20th century, because,

in the 20th century, to eat one ounce of food, you require 20 tons of furniture. You want a table and all the furniture and all the crockery. Before you eat one egg, you want 20 tables, 30 spoons and 15 forks. Machinery is a terrifying thing. In the 20th century, it has multiplied so tremendously that whenever any one speaks of machinery I get terrified, and run away from the place. You know the history of the present income-tax. It was originally introduced when I came to the Council to improve the machinery for collecting it. What is it now? It has become perhaps the principal item of income in our Empire and it exceeds the land revenue. So, this improving of the machinery leads to other things. So I do not quite understand this. The machinery is the electorate. The District Officers and Commissioners are appointed Returning Officers. What more machinery do you want? The voters are there. They are taken care of. They are led to the Returning Officer. What further machinery you require, I do not know.

The fourth objection that is taken is that this is not the same Commission that was talked of in 1919, as likely to come in 1929. I humbly submit that it is. My friend the Honourable the Home Member will ask: "What is the meaning of formulating a scheme for responsible government?" This is what is called the *fala sruti*. In Indian books, supposing it is a prayer, at the end you say: "Whoever says this prayer will go to Heaven; a man who is unmarried and wants to marry will get a good wife; a man who has not got sons will get sons." This is called the *fala sruti*. You are told that you would get all these things if you read the prayer. In the same way, the Honourable Mr. Sethna has given the *fala sruti* part of the Resolution. He says that we want an inquiry. We want it a little earlier than 1929. Why should it be advanced in date? Because it will lead to responsible government and self-government. That clause is not the operative clause of the Resolution. It is merely the *fala sruti*, something added merely to induce you to read it and to follow it. That is not the operative clause. That Commission is the Royal Commission that has been spoken of in Parliament and out of Parliament. The other day His Excellency the Viceroy kindly said what the Honourable the Home Member has read out. I intended to read it myself and I have got it marked. He stole a march over me and read it first. The Viceroy also has said that if we give co-operation, then the inquiry which is to be made by the Royal Commission will be hastened. I therefore thought that this was an auspicious time, a propitious time for putting forward this Resolution. One Member of the Swaraj Party, as the Honourable the Home Member himself pointed out, took the responsibility of speaking for the whole Party and got into a mess over it. Then he said they were co-operating. Another Member said that he had no faith in British Government, and that the Swarajists were not co-operating at all. I depend upon this circumstance that in the beginning they talked very wildly. Now, greater wisdom is prevailing and out of the non-co-operation party arose the Swaraj Party, and out of the Swaraj Party I am very glad to see that there is a party of responsive co-operators coming to the front. Hitherto I had the monopoly of my views. I was a corporation sale. I was the only one who was for responsive co-operation, but now, I am pleased very much that many more people are coming along, and I pray to God that the responsive co-operators will multiply and thereby hasten the regeneration of India and lead us to self-government or responsible government as we



[Mr. G. S. Khaparde.]

call it. So far then for the objections taken by the Honourable the Home Member.

The Honourable the Maharaja of Burdwan put forward a new argument which unfortunately I could not understand. If I am mistaken, I beg to be corrected. His idea appears to be that you should attempt no advance unless the British people are willing to go away from India bag and baggage. Unless this can be done he says you need not think of any advance at all. His further argument appears to be you have got to wait and wait so long.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN: May I offer an explanation, Sir. I did not say anything of the sort. I asked a question of the Government, whether the British wanted to leave India. There is no question of waiting until the British have left, bag and baggage, as my Honourable friend puts it.

THE HONOURABLE MR. G. S. KHAPARDE: The putting of that question means that you need not consider this proposition until you are prepared to leave India, as I interpret it. If it is wrong it may be criticised, but the idea underlying the putting of that question, "Are you prepared to make India over to an oligarchy, are you prepared to put up with all kinds of injustice?"—all that is that the Honourable Mr. Sethna has put something so terrible before us that unless you are prepared to do that you need not think of it.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN: Sir, may I rise again? I think the question was this. I was enumerating the difficulties of making a jump towards responsible government immediately, and as one of those difficulties I asked: Was the British Government prepared to leave India at once?

THE HONOURABLE MR. G. S. KHAPARDE: Well, to that the reply is that it is preparation for leaving the country.

THE HONOURABLE THE PRESIDENT: Order, order! The Honourable Member has exhausted his time and I would advise him to get on with his own speech and leave other Honourable Members' speeches alone.

THE HONOURABLE MR. G. S. KHAPARDE: My speech, Sir, is coming near its end. I was dealing with the objections that have been urged against this Resolution and I was dealing with the last objection that was taken by the Honourable the Maharaja of Burdwan, and it was in the course of that that our conversation arose for which I am very sorry. I still maintain that those questions were intended to make out that unless the British Government were prepared to walk out of India they need not think of this proposition.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN: It was not meant to convey that, it was meant to tell the British Government if they do not propose to walk out of India that is all the more reason that the future advances have got to be most carefully considered.

THE HONOURABLE MR. G. S. KHAPARDE: That is what my own argument was. I do not say they will give Swaraj to-day. I do not maintain that proposition. I agree with the Honourable the Maharaja of Burdwan,

or rather the Maharaja agrees with me, and our opinion is that this inquiry should be undertaken, should be gone into, and if it is reasonable by all means give us a further advance; if it is not reasonable then there it will end, you need not give it. So I have endeavoured as well as I can to meet all these objections that have been taken to this Resolution. I maintain that it is a proposition which if assented to and carried out here will do a great deal of good at the present time in India. It will show that something is being done, that something is being attempted, and those attempts that are being made outside to tell people that no pledges will be observed and nothing will be done and you will all be led into traps—all those objections will disappear. Whereas if you did nothing, simply sat with folded hands, you would give an additional weapon into the hands of those people whose business it is to misrepresent and to create some kind of misunderstanding between the Government and the people. With these few words I heartily support the proposition suggested by my friend the Honourable Mr. Sethna.

THE HONOURABLE SAYYID ALAY NABI (United Provinces West: Muhammadan): Sir, I listened with a great deal of care and attention to the Honourable the Home Member. I am sorry, however, that I find myself unable to agree with him either in the interpretation which he has put upon the Resolution as it has been placed before the Council or in the reasoning he has employed in opposing the Resolution. In any case I should expect that a Resolution like this has not to be objected to or approached simply on the ground that technically it offends against the provisions of some section or other. After all there is some difference between a court of law and a Council like this. Even a court of law if it finds that it is barred from hearing a certain suit or a certain claim only on technical grounds will be very reluctant indeed to throw it out on the basis of such objections, it very often finds a way out of it. Now in this case you find that reference has been made by the Honourable the Home Member to section 84A of the Government of India Act. It is said that the Government of India Act laid down in the body of that section the words—I will not read the whole of the section but only clause 2 and I will not read the whole of clause 2 but only those important words on which reliance has been placed. The section lays down that:

"the Commission shall report as to whether and to what extent it is desirable to establish the principle of responsible government, or to extend, modify, or restrict the degree of responsible government then existing therein."

Those are the words. Now it cannot be denied, I think, that the principle of responsible government has not only been established, but there it is in practice and you will find, Sir, help in this direction from the Select Committee's Report on this where in paragraph 3 they say:

"In the declaration made by His Majesty on August 17th, 1920 there is enunciated the problem for which the Bill endeavours to provide a solution. It is designed as the first stage and a measure of progress towards responsible government."

"Responsible government"—there it is. Now the question remains only of the extension, modification or restriction of the degree of responsible government. The word "extension", of course, means that the extension may be in part or the extension may be in full. So if the Honourable the Mover of the Resolution says that he wants the establishment of responsible government, he is not far wrong. The Royal Commission may when it comes, Sir, after taking into consideration all the factors come to

[Saiyid Alay Nabi.]

the conclusion that the principle of self-government that has been introduced in this country may be extended. It may come to the conclusion again that it may be extended to its fullest length. So my submission is that it is rather a narrow technical and restricted view to take of the Resolution that it seeks full responsible government. A Resolution like that in a Council like this has to be met on its merits. Now so far as the merits are concerned, you will find, Sir, that the Honourable the Home Member has referred to an extract from the speech of the Secretary of State where he used these words: "The door of acceleration is not open to menace". I am the last person to say that. I think nobody in this Council, not even the Swarajist Members even though they make heated and excited speeches, means to say that the door of acceleration is open to menace, and I do not think that that is the position of the country as a whole. There may be some wild talk about it here and there but that is not as a matter of fact the mind of the country as a whole. But when referring to this I may refer also to another extract from the speech of the Secretary of State for India which sums up the position of the Government where he said:

"Even assuming co-operation it was thought that a period of ten years would be required to afford the data for reliable conclusions and generalisations. But I do not consider and I wish to make clear my own view that it was not the intention of the Legislature to attempt to shackle any succeeding Government if a spirit of cheerful and loyal co-operation was generally exhibited on the one hand, or if, on the other, grave and glaring defects disclosed themselves."

Now these were the two conditions. The Secretary of State on behalf of Government said that there were two conditions by which the pace of progress can be accelerated: one condition is that glaring defects must be found in the constitution; and the other is that there must be cheerful and loyal co-operation on behalf of the people at large. These are the two conditions; and the meaning of this is that if these two conditions are found to exist, then the pace of progress can be accelerated. Now, Sir, it is a question of fact whether these two conditions exist or not, a question of fact which depends upon testimony. Now what is the testimony so far as the glaring defects are concerned? Five years after the working of the reforms scheme the Government constituted a Committee presided over by the Honourable the Home Member. That Committee nominated certain people to give evidence before it; they came and gave evidence. If I may say so, they were their own witnesses; but I do not want to take that narrow and technical view. They were true and honest men who had worked the reforms in a loyal and ungrudging spirit and who had tested material parts of the machinery. They were men who had whole-heartedly entered into the reforms scheme and they had pledged themselves to make it a success. They did their level best and tried to make it a success. But then what was their experience when they had worked the machinery or that part of the machinery? Their experience was that they could not possibly work that machinery. They said it was a failure. That was the general opinion about it. That was the opinion of those people who were concerned with it most intimately. That is the evidence of these people, the evidence of the Ministers who had worked it, the evidence of some of the Executive Councillors who had worked it. What more evidence do you want on that? Is it not a fact which is established by most unimpeachable evidence? What more do you want? What more evidence

can you find about the glaring defects of the machinery? That is this part of the case. When the evidence was over the Committee sat down to record its finding. What was the finding of the Committee? The finding was that that part of the machinery, namely, dyarchy, was neither a success nor a failure. That sort of finding of course is not ordinarily intelligible to the ordinary man. It must be a success or it must be a failure. The people who were most concerned with it said dyarchy was a failure; but the people who heard that evidence said it was neither a success nor a failure. The only conclusion that any impartial body of men can come to on that evidence is that it was a failure. That is one part of it.

The other part is about the cheerful and loyal co-operation, a sincere and genuine desire to take part in the reforms. Now, that is again a question of fact. I have heard to-day from the remarks of the Honourable the Home Member that there has been an absence of that sincere and loyal co-operation which he expected. It is a question of opinion more or less. But if people's intentions are to be judged by their conduct—and I do not know of any other test—then the evidence of conduct should be forthcoming and has to be relied on for the consideration of a case like this. What is the evidence before us, as to whether there has been co-operation or not? You started these Legislatures in 1921. The first Assembly came in and sat down and worked the reforms very well and to your entire satisfaction. You were quite happy with them; you applauded them and you went so far as the Honourable Mr. Sethna said in his speech that you recommended that the constitution may be reviewed or revised. You passed a Resolution in the Assembly to that effect and you were thoroughly happy and you had no complaint about non-co-operation. I remember of course having read the proceedings that your complaint was that the men who were outside were complaining about the conduct of the Government and that they were non-co-operating, and therefore the country as a whole was not co-operating. I do not want, Sir, to minimise the importance of the Swarajists or some of the Swarajist Members; they are very vociferous people no doubt. But the question is, if a certain section of the people remaining outside and cry and raise a protest against the actions of the Government, are you justified, is it fair, is it right, is it the correct attitude for you to adopt—to condemn the whole country from one end to the other? That is a position that ought not to have been taken. After all this is a vast and stupendous country with teeming millions. You have a limited franchise; and you cannot expect people from one end of the country to the other, consisting of thousands of leaders, to be all of one mind, to be acting according to the pleasure of the Government, raising no voice of protest against the actions of the Government. If you judge the amount of co-operation by that test then I think you will have to wait till eternity. There is no shorter time for it. But if you judge of the conduct of the people when they come to you in the Legislatures and have been given some responsibility, that would be the right test of their conduct. There you see and watch how they are conducting themselves.

Now, Sir, the second Assembly came and sat. The Swarajists came in; they came in of course to work the constitution. It is all wild talk to say that they did not come to work the constitution but to destroy it. It is only talk and nothing else; they came in and took the oath to bear true allegiance to the King Emperor, and they came in under theegis of the Government of India Act, 1919, to work the constitution as embodied in

204

COUNCIL OF STATE.

[18TH FEB. 1926]

[Saiyid Alay Nabi.]

that Act. They could not possibly take up any other attitude and they did not take up any other attitude. Of course they took advantage of the approved methods of opposition in the constitutional manner and they are expected to do that. If anybody were to complain about that sort of conduct, namely, opposition in the Legislatures, which are legislatures modelled on British institutions, then I think it is rather hard on those people. People working representative institutions, holding power in representative institutions, are expected at every moment of their life to defend themselves against opposition. That is the very essence of the constitution. That is the beauty of the constitution. They work under the fierce search light of public criticism, day in day out, and they ought to be prepared for it; they ought to be prepared for the opposition of every Bill and measure brought in by them; the opposition Benches are there for that purpose. If they are Government servants, not elected by the people to-day, and if to-morrow elected people come in their place, certainly they would be subjected to the same sort of criticism. That is the constitution. So to feel unhappy or to criticise want of co-operation on the ground that there has been strong opposition to all the Bills and motions and measures which are brought by the party in power, is, I think, wrong and of course goes against the fundamentals of the constitution. That, Sir, has been the history of the second legislature. Whether there has been real non-co-operation or not again depends upon the testimony that you have, upon the facts as they stand. You have people sitting in the Legislative Assembly, people who are thoroughly impartial; they have given their testimony on this point. I read the other day in the proceedings of the Assembly Sir Darcy Lindsay and Sir Basil Blackett speaking in high terms about the co-operation of the members in the Assembly and in the Committees. Well, Sir, not only that, but I think the best possible evidence on that point which could possibly be available would be that of Sir Frederick Whyte. He was the President for about five years. He watched the proceedings. He controlled the parties, he controlled the whole House. He entered into the hearts of the people and he had occasion to find out the motives of the people acting in the Assembly. What testimony did he give? He had that unique position which only a man in his position could have to be able to speak on this point. And what does he say? He says that there has been co-operation and that the people are entitled to more responsible powers. That is his verdict about it. It is a fact that so far as the Assembly is concerned there has been co-operation and it is based upon the most unimpeachable evidence, the most trustworthy evidence, evidence which cannot be assailed. What more do you want? Do you expect that the time should come when this country will from one end to the other cry 'there is co-operation and nothing but co-operation.' Can a state of things like that ever exist in any country in the world? Where self-governing institutions have been working for generations and centuries there are people who will always oppose the manner and method of administration, and you cannot expect that there should be one voice acclaiming your actions. These are the two tests that were put forward by the Secretary of State, and I claim and very strongly claim that these two tests have been fulfilled. If you go on talking of non-co-operation, as I said before, time will never come when you will have the cry of co-operation from one end of the country to another and to attain that stage you will have to wait till eternity. This

country like any other country can never be of one mind from one end to the other, except perhaps when there is war or there is some heavenly calamity when people must sink their differences.

There is one thing more which I wish to bring to the notice of the House. If there is any unanimity to-day on any topic in this country between all people, between all associations, between all bodies of people it is on this Resolution that the pace of progress should be accelerated. The All-India Muslim League is of that view. The Liberal Federation is of that view. Of course I do not know how far the talk of my friends the Swarajists about being the keepers of the conscience of the Indian nation is right, and how far the proceedings of the Indian National Congress are approved by the people at large, and the politically minded people; but I can very safely say this much and I do not exaggerate the statement at all when I say that the whole country from one end to the other is united on this question as it was never united before. With these few words I support the Resolution.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official): I will not detain the House to-day for more than ten minutes. I consider that on the whole the discussion has been going off the rails latterly. The question is a very simple one. We should confine ourselves within the four corners of the Act and find out how far the Resolution which my Honourable friend, Mr. Sethna, has brought forward is reasonable so far as the Act itself is concerned. I must first congratulate him on the very able way in which he put his own case, namely, that the Royal Commission could be brought forward a little earlier than it is put under the Act. But having said so much and having appreciated all that he said, and the method and manner, (the model manner in which he put the whole case before the House)—and also appreciated whatever fell from the Honourable the Home Member on this subject, I put this question to the House. Are we not going too fast? Are we going to have earlier this Commission, which is to examine the experience gained during the ten years from 1921 to 1931, before Parliament can be moved to consider how it may go further in the direction of the policy laid down by it in 1919? Are we going to have this Commission earlier than the date fixed by the Parliamentary Statute? We all know that from the very day the Act was passed there has been prevalent what you call discontent in some parts of the country and among some public bodies and individuals. But that was anticipated. It has always been so on the introduction of a new constitution. Whenever there is a reform, particularly of the constitution, what happens is this. While a vast majority wisely accept it a minority, more or less uniformly disaffected do not accept it. These consider that the constitution is not reformed because it is not reformed in the way they like it or in conformity with their views. We know as a matter of fact that long ago people agitated for a reform of the constitution in England. At that period they were not so educated as they are now; education then was in an elementary character. In 1832, when the first Reform Bill was passed, there was a good deal of agitation on the subject. The agitation was noisily and unprofitably carried on by the Chartists for some 16 years. And yet it was not till 1866 or 84 years later, that the second Reform Bill was passed by Parliament. Consider those 34 years and the five years that have passed here since the Act of 1919 came into operation. What are five years in the affairs of a nation? Time is a

[Sir Dinshaw Wacha.]

very important factor to test the real effect of a change. Who will venture to assert that they are adequate for a proper test? Consider what we have done in these five years. Practically nothing. I do not hesitate to say that for the first three years we have been only beginning to feel our way. After the first three years had passed and the Assembly was elected for a second time there was a great deal of agitation about adopting a policy of non-co-operation and later of a blind attempt at destruction of the Act. Violent wrangles were conspicuous instead of steadily working the Act in a reasonable way with a view to further progress. There was obstruction of a blind character leading to arrest which all sober-minded people, interested in the real progress and welfare of the country on constitutional lines, were very sorry to witness. That obstruction and arrest have not abated. They are still going on; and in the midst of such a deplorable impasse we are asked that the Royal Commission which under the Act should come in 1931, ought to be immediately appointed or considerably accelerated. I wish that Members who spoke in support of the proposal had taken pains to read, mark and digest the Preamble of the Act. I am afraid that during the last few years that the agitation is going on, those who have vociferated about it seem to have entirely forgotten the Preamble and given it complete go-bye as it was non-existent. The Preamble is the real key to the right understanding of the whole Act. Parliament in its supreme wisdom, after long and mature consideration and after the Joint Parliamentary Committee had made its report on the subject, passed the Bill. This Preamble on which immense thought was bestowed is so clear and is so relevant for a clear understanding that, Sir, you will allow me to read some extracts:

"Where it is the declared policy of Parliament to provide for the increasing association of Indians in every branch of Indian administration, and for the gradual development of self-governing institutions, with a view to the progressive realisation of responsible government in British India."

etc., etc., and further:

"whereas progress in giving effect to this policy can only be achieved by successive stages."

and further:

"whereas the time and manner of each advance can be determined only by Parliament, upon whom responsibility lies for the welfare and advancement of the Indian peoples:

And whereas the action of Parliament in such matters must be guided by the co-operation received from those on whom new opportunities of service will be conferred, and by the extent to which it is found that confidence can be reposed in their sense of responsibility, etc."

I beg Honourable Members to consider and weigh this extract. And I ask them how is responsible government to progress? In the first place, the Government have faithfully put this Act into operation as an experiment in the full spirit of the Preamble just referred to for the first ten years to see how it has worked. Parliament has already provided the machinery which is so elastic, that it is susceptible to many an improvement. The Act has to be worked for ten years, so that the British people and the framers of the Act may fairly satisfy themselves how it has worked during the period laid down and how far responsible government can be safely conceded. Now, at the present moment I admit there is no responsible

government in its true sense. The framers of the Act themselves were aware that it must be so in the experimental stage. That was the very reason why dyarchy was first introduced. It was so introduced deliberately and of purpose in order that the British Parliament wanted the people of this country to learn how responsible government should be worked and eventually made a reality. In other words, to test the preliminary experiment how people elected for the various provincial Councils should become Ministers and how Ministers should take part in the administration of Government in the matter of transferred subjects and so on, and then form their own conclusion how far dyarchy had succeeded to enable them to concede the first proper medium of self-government. That is the aim and object at present, till 1929. But unfortunately, in the very beginning a section of the elected cried out, even before they had fully carried out the experiment that dyarchy was a "failure", that it could not be worked. In fact, dyarchy has never yet got a full and fair chance to be worked impartially. Dyarchy has been prejudged without a full and fair trial and at once condemned without making even the first honest attempt to work it in the spirit Parliament intended it should be worked. Now, Sir, Parliament sat for many months to bring this matter to a satisfactory conclusion. They appointed a Joint Parliamentary Committee, consisting of experienced Members of both Houses of Parliament. I mean Members of the House of Commons and the House of Lords. This Committee carefully went into the question. They attentively heard the several deputations of the Indian people who had gone there to submit their diverse suggestions. And it was after everything has been weighed and decided and put down in clear and unambiguous language in the Preamble that the final report was submitted to Parliament and Parliament after further mature discussion and consideration passed the Act. You now say that a Royal Commission should be appointed at once. Why should you do it? I ask my colleagues here assembled to say if the material which Parliament so sincerely wished to collect for purposes of test is there. If a Commission comes out now, it will have in the first instance to see if they have before them all the necessary material, that is, the accumulated experience of the first ten years on which to proceed, deliberate and arrive at their final recommendations? Have you been able to put before them that experience? We have I greatly fear not attempted to work the Government of India Act in the spirit Parliament earnestly wished. As I said, in the first three years, it was not very seriously tried, and in the last two years, there has been a hue and cry, ill-founded in my opinion raised in the country and a section of the Central Legislature has been agitating for a Royal Commission before the date fixed in the Act, and that without giving dyarchy that full and fair chance which was necessary as a condition precedent to further action. But nothing has been actually done so far to work the Act in a loyal and earnest spirit. Now, what is responsible government? You freely talk of responsible government, but what is it? Responsible government implies the existence of a strong element in the Legislature—a body of experienced persons who can tolerably well carry on the government of the country, and if such persons fail, whether other men of the Legislature could take their place and do so. Can we conscientiously say from our experience that there are persons enough in the Central Legislature here or in the other place, who can carry on responsible government in the way that the British administration has gone on for the last so many years? We have no such I say? Where are those persons who will carry on the government?

[Sir Dinshaw Wacha.]

I admit there are exceptions. Those are not enough. Then what is the use of talking about responsible government when we have hardly any such and when our experience is yet to be fully and fairly acquired. If we persist in going the wrong way we shall never be qualified. Therefore, before you get yourself really qualified, it is premature to agitate outside and inside the Legislature and bring forward Resolutions of this character demanding a Royal Commission or any other agency earlier than 1929. I fervently appeal to every Member of this Council to think seriously over the question without being carried away by the shibboleths and catchwords of the theatre and the market place. If those who cry aloud will calmly and dispassionately consider the question for themselves, if they think over the matter imperially, they will see that the Act provides fully what ought to be done. They should wait yet and meanwhile educate themselves and gain the experience wanted before demanding the Commission. In the matter of changing the constitution, we ought to wait and see how far we have ourselves proved fit and worthy; we have to show to the Government and Parliament that we are fit to receive a further instalment of reforms in the right direction. It is only after working the Act for the stipulated period in a manner to satisfy Parliament we should go forward and demand further reforms. But what have we done here? Can we conscientiously declare that we have worked the Act in a proper and impartial spirit? On the other hand, a hue and cry has been irrationally raised all over the country that the Act is unworkable. Perhaps some leaders manufacture opinions on their own workshop and a slavish press under their instructions and other so-called public bodies cry out in the name of "the people" and "the country." They cry out in the name of the people and the country and shout "the country, the people." But what is the country, who are the people, I should like to know? The majority of the people of this country, say nearly 80 per cent., are illiterate, they are steeped in ignorance, are credulous and know nothing about the constitution or reforms. They look to the educated classes for their guidance in all such matters. But what have the educated classes who are really a microscopic minority done? They have hardly worked the Act in its spirit and have condemned dyarchy outright and the Reforms from the very beginning, without even showing a desire honestly to try them in a proper and right spirit. They say that the constitution should be changed, that the Government should be handed over to the people, that Government have not kept their promises and so on. I am, Sir, very indignant with that section of my own countrymen who ought to know better and express gratitude to the generous British Government for all the inestimable boons that they have conferred on the people of this country. I repeat, I am very indignant with them, because they have miserably failed to appreciate the numerous blessings which British rule has conferred on them. Instead of gratefully accepting the reforms in the spirit in which they are bestowed, instead of working the Act in a right spirit and trying the experiment in the way it ought to be tried, they condemn the reforms and even question the motives of Government and create unnecessary unrest in the country. Sir, I strongly deprecate this action of a section of my countrymen. That is not the attitude for a practical people to adopt. We want to build up a national spirit. But is that the way to build it? I say no. A nation can never be built in that way. Everything

must take time. We must go forward step by step. You cannot jump up to the top of a hill all at once, you can only climb up step by step. Therefore, we must proceed slowly, gradually and cautiously. That is the proper way to reset the scale of nations. Now, what are we doing here? There is a superficial cry raised by some one that the reforms are unworkable, that they will do no good to the country. One man takes up the cry and everybody sheeplike follows it. That is not the way. Now, what does this Resolution ask for? It says that a Royal Commission should be appointed forthwith to inquire and investigate into the question of reforms. Well, we all want a Royal Commission. But has the time come for it yet? Have we prepared the ground and the necessary material to be placed before it? Has dyarchy been worked for the last five years in the spirit so well contemplated by the framers of the Act? Have we got anything substantial to show, assuming that a Royal Commission comes out now? We have done next to nothing, to my mind, to justify our demanding a Royal Commission at present. Facts will have to be put before a Royal Commission, so that they may see how far we have worked the Act, how much experience we have gained, and what real, well-founded defects have to be remedied. I may say that the same phenomenon now witnessed occurred during Lord Ripon's administration in 1882 when he first courageously introduced local self-government in this country. At that time there was not enough material, nor was there a proper machinery, but it was introduced slowly in different places and then was gradually extended. But in the present case there is the full machinery ready provided. The seed has been sown. It has to germinate, it needs some time to grow. It takes time. But without waiting for a time, and without looking after it and watering it properly, you want a tree to spring up all at once. Is that the way that a gardener takes care to nurse a plant and bring it up? He sows the seed, he waters it daily and looks after it tenderly, and then it germinates and steadily grows up. The same process has to be adopted for the new constitution. The seed has been sown by the British Government, but you the gardeners would not allow it to germinate; you want to see the tree rise to its full growth all at once. It is indeed monstrous to expect anything of that kind. It is so unnatural. I do not consider that a nation which aspires to be practical can go on in this way. You have to work the Act in a practical way. Now, I would ask my Honourable friend Mr. Sethna, who is endowed with good and sound common sense, I would also ask all my other friends in this House, are they going to advance? They must bear in mind that as practical politicians that this colossal work of reforms cannot be carried on, whether in this House or in the other, by sudden jerks and jumps. No. It can only be worked step by step. We should prove by our exertions, by our independence and by our practical common sense that we are worthy of further advance and that we are prepared to take responsible government. Therefore, I would appeal to my Honourable friend Mr. Sethna to withdraw this Resolution and wait for another three years and accumulate all the proofs that we are duly prepared and qualified. Parliament by itself will then appoint a Statutory Commission. When that Commission comes out, you can put all the evidence, all the materials, before it, to enable it to arrive at a satisfactory conclusion. But this is not the time to ask for a Royal Commission. I will not further enlarge on this subject and take up the time of the House, but I do again appeal with all the earnestness at my command to all my friends here—I am not speaking with any indignation or in anger or wrath, I am speaking from a practical point of view, as a practical man with my



[Sir Dinshaw Wacha.]

fifty years' experience in public life,—that this is not the way to go on if you really wish to have a constitution which will enable you to go forward step by step till you reach the goal of your aspiration. I repeat, wait till 1929, work the Act meanwhile in a proper and impartial spirit, prove by your sincerity and industry, that you are deserving and worthy of receiving larger responsibilities. As I said before, what have you hitherto done? What substantial materials are there for you to put before a Commission even if one comes out now? Remember, Parliament is a wise body. There are very many sagacious and experienced men in the British Parliament. When they gave us the boon of a reformed constitution, they really wished to do good to India; but of course they wanted us to proceed slowly and cautiously. That is the reason why they have deliberately fixed a period of ten years in the Act. But before we have really and fully worked the Act in the way wanted we are trying to jump to the top of the ladder all at once. How is that possible? Sir, I will not say more. But I would only again appeal to my Honourable friend Mr. Sethna and to my other friends here to think imperially and in a broadminded way. They should consider seriously the effect of making a demand now for a Royal Commission, before they agree to the Resolution of my Honourable friend Mr. Sethna.

THE HONOURABLE MR. PHIROZE C. SETHNA: Sir, as the House is aware, the discussion on this motion was originally fixed for the 15th of this month. But to suit the convenience of the Honourable the Home Member, the date was transferred to to-day, the 18th. This fact evidently got into the Press and also the reason for the transfer of the date, and I may take the House into my confidence and tell them that I received more than half a dozen messages from different parts of the country expressing the hope that because the Honourable the Home Member had chosen to be personally present in the Council of State that I might surely rely upon my Resolution being accepted *in toto* or at least my receiving a very satisfactory reply. I may assure the House I was not hasty enough to acknowledge those congratulations in anticipation, and I now find that I shall have to await their condolences.

Sir, the Honourable the Home Member is a personal friend of mine, and he has been pleased to refer to me in very kind terms, but he would have been kinder still if he had met me to some extent. As it is, his speech carries us no forrader. We understood the speech of His Excellency the Viceroy to mean that a Royal Commission would be granted at a date earlier than the date laid down in the Act provided certain conditions were fulfilled. I made out a case that the conditions were being fulfilled. The Honourable the Home Member thinks otherwise, and unfortunately for me, and fortunately for him, the two very contradictory speeches of two Honourable Members of this House who belong to the Swaraj Party . . . .

THE HONOURABLE MR. V. RAMADAS PANTULU: Question?

THE HONOURABLE MR. PHIROZE C. SETHNA: . . . . has perhaps strengthened his hands. May I know what "questioned"?

THE HONOURABLE MR. V. RAMADAS PANTULU: They are not contradictory.

THE HONOURABLE MR. PHIROZE C. SETHNA: I still say that they are contradictory. I think I need not enlarge upon this because the Honourable the Home Member has proved this conclusively. But, Sir, the

Honourable the Home Member took me to task for saying that the Swaraj Party was on the brain of the Government, and he said that it was not so. I am glad to hear it. He said that it is not the Party but the influence of the Party that he has been considering. I hope the Honourable the Home Member is aware that the Swaraj Party to-day is not as strong in numbers or perhaps as strong in influence as it was even a little while ago (*The Honourable Seth Govind Das*: "Question".) I will answer that "question".

In India, as elsewhere, the municipal elections are an index showing the way the wind blows, and I think we may take the result of the recent municipal elections in the city of Bombay . . . .

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: What about Madras?

THE HONOURABLE MR. PHIROZE C. SETHNA: . . . . as an index of the elections for the Assembly next November, and I think the Honourable the Home Member will find that there will not be as large a phalanx of Swarajist Members in the other House to oppose him. The municipal elections in the city of Bombay were held on the first of this month. There were 76 seats. Three years ago, of these 76 seats, I believe as many as 40 were captured by members who labelled themselves Swarajists. That number had dwindled down this year to only 27. That shows how the wind blows. Take again another election, the result of which we have heard this very day. I mean the return of a Member by the Bombay University in place of Mr. Jayakar, who was at one time a Swarajist, the leader of his party in the Bombay Council, but has now severed his connection. He did not want to continue in the Bombay Council under the Swarajist ticket and so his seat was contested by Dr. Paranjpye and Dr. Deshmukh. Dr. Deshmukh was a Swarajist candidate and the voting, I understand, was 1,254 for Dr. Paranjpye and 1,036 for Dr. Deshmukh. I hope, therefore, that the Honourable the Home Member will, as I said this morning, not make the other parties suffer because of the Swarajist Party, and that is exactly what he and the Government are doing, and that is my grievance.

The Honourable the Home Member referred to what I regard more as a technical point. Not being a lawyer, I will not take it upon myself to answer it. I think my friends the Honourable Mr. Kharparde and the Honourable Mr. Alay Nabi have dealt with the interpretation of section 84A of the Government of India Act. I put before him the layman's point of view. Has it not been suggested time after time that the date of the Royal Commission can be brought nearer and no legal or technical objection has been taken before now? It is only in furtherance of that view that I have asked for the immediate appointment of the Royal Commission. I said in my speech this morning that Government themselves had observed that there is no legal bar to the statutory period being lowered from 10 years to a shorter period. Perhaps my Honourable friend the Home Member means that under section 84A as drafted, it is perfectly open to the Commission either to suggest an advance or perhaps even a set-back, whereas my Resolution, as he used the words, has a pre-determined issue for an advance. May I ask the Honourable the Home Member, does he or does any one of the Government Benches say or does any one here or elsewhere contemplate for a moment that no matter what action the Swarajists may be responsible for, the hands of the



[Mr. Phiroze C. Sethna.]

clock are going to be set back, whether the Royal Commission is held in 1929 or in 1926? That, Sir, to my mind is a clear impossibility, no matter what the Government Benches may say. I think the Honourable Sir Alexander Muddiman put my view of the case very clearly before the House when he said that perhaps my view was that in my opinion and in the opinion of those who agree with me, we have advanced so far and we have co-operated generally so well that we think that a Royal Commission, if we are allowed to place our case before it, would most undoubtedly favour an advance in the constitutional reforms. If, on the other hand, they thought otherwise, they might say, "Let there be a stand-still for some years longer." That certainly is my view, if my Honourable friend Sir Alexander has interpreted it in that way. My Honourable friend has himself admitted,—no matter what my friend Mr. Ramadas Pantulu may now say, that the Swarajist attitude has changed. The Honourable Mr. Ramadas Pantulu said that there has been no change since the Simla Session in September last, but the Honourable the Home Member, who has better opportunities of knowing what is happening all over the country, has told us that Bills have been considered on their own merits and passed. I presume from that that he means that they have been passed with the help and support of the Swarajist Members of the different Councils.

THE HONOURABLE MR. V. RAMADAS PANTULU: Even before September.

THE HONOURABLE MR. PHIROZE C. SETHNA: I think I heard the Honourable the Home Member say later than September.

However, what I would like to urge is this. The Honourable Sir Alexander Muddiman, in referring to the Honourable Mr. Ramadas Pantulu's speech observed that he himself and Mr. Ramadas Pantulu were here by the "decree of Parliament." We do not deny that for a moment. But what is meant by the decree of Parliament? What do the British people know of India when you do not get even a quorum to listen to the Indian Budget debate in the House of Commons? It is the Government of India which dictates to Parliament, or suggests to Parliament what they should do. Therefore, Sir, there is no use telling us time after time—even His Excellency the Viceroy has repeated it—that Parliament will do this and Parliament will do that. If the Government of India are disposed to do it, Parliament will simply follow what the Government of India ask them to do, and if the Government of India choose to enhance the constitutional reforms, they can do so to-day. The Government of India have always had and have some very good friends amongst the Indians. I propose to quote a few lines from a speech made as far back as 25 or 30 years ago by an eminent Indian on the Bombay side, the late Justice Govind Mahadev Ranade. He said:

"There can be no question that a nation of 250 millions can ever be permanently held down by sheer force and sooner or later in God's providence, and under the encouragement of the British example and discipline the people of this country must rise to the status of self-government and learn to control their own affairs in subordinate alliance with England. The transfer of power is inevitable."

That is the point. But that transfer is so slow, is very very slow, and that is our complaint. It ought to be hastened and it has not been hastened for some time. I think the proverb "bis dat qui cito

dat" is as true to-day as when it was first written centuries ago; and I would appeal to the Government of India not to do things grudgingly as they have all along done or do them only when they are coerced into it. Let me respectfully appeal to them and tell them that if they do so cheerfully it will be very greatly esteemed and promote a better understanding between England and India. There is one fault which I have always found and the history of this country will show that England—when I say England I mean the Government of India advising England—is always slow and only does things when it is compelled to. Sir, I would ask my English friends to look to their own history. I do not propose to quote chapters from that history myself, but I will read to you a paragraph, very pregnant with meaning from a book published only a few months ago known as "The Other Side of the Medal," the author of which is Mr. Edward Thompson. He refers to the trouble in India and says:

"I spoke of a struggle which is at its commencement. Yet may we not ask, need there be a struggle at all? Having chosen in the case of South Africa the wisest and most magnanimous course of action that ever showed a nation's greatness—having at long last the promise of friendship with Ireland, and, through that finish of old enmity, with the United States, having long ago passed safely through the dangerous stages of our relations with Canada and Australia and New Zealand—can we not settle this latest of our great imperial problems also? Or, if there must be a struggle before there is peace, need it be embittered?"

I repeat my appeal: do not allow the struggle to be embittered, give what you can, give it soon and give it graciously.

Sir, just one remark in regard to what fell from the Honourable Sir Bijay Chand Mahtab, the Maharaja of Burdwan. He seemed to think, as far as I understood him, that because the people of India are divided into four groups or parties, the Anarchists, the Swarajists, the Nationalists or Independents, and the Moderates, if there is a constitutional advance it will mean that vested interests will suffer and that there will be Bolshevism or greater Bolshevism in the country.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN: I am afraid that here again the Honourable Member is at fault. I tried to analyse the different parties in India at the present moment and I tried to make out what those parties thought of the British Government in India. Then I went on to define the difficulties. Among those difficulties I pointed out vested interests. I did not say that vested interests would suffer either at the hands of the Bolsheviks or anybody else.

THE HONOURABLE MR. PHIROZE C. SETHNA: With all deference to my learned friend, what other conclusion could I myself or the House draw from that statement which he made first and which he has now repeated? The only presumption is that if a further constitutional advance is granted vested interests will suffer. I must be very dense if I have not understood him aright. However, I will tell him that if further constitutional advance is not granted, Bolshevism will come into the land perforce; you are inviting Bolshevism by not granting further constitutional advance and you have to thank yourselves for it. That is my reply to the Honourable Member and to the Government Benches.

In conclusion, Sir, a request has fallen from my Honourable friend the Maharaja of Burdwan, as also from my revered and patriarchal friend the Honourable Sir Dinshaw Wacha, and of course from the Honourable the Home Member that I should withdraw this Resolution. I see no reason for doing so. I do not mind the fate of the Resolution. But whilst I do

[Mr. Phiroze C. Sethna.]

not accept their advice in this respect I want to pay a compliment to the Honourable the Maharaja of Burdwan by accepting the recipe which he has prescribed on the recommendation of his friend from the Punjab who told him that the English will never give unless you go on hammering away, and I therefore propose to go on hammering away until the Royal Commission is appointed earlier than the date fixed in the Act.

THE HONOURABLE SIR ALEXANDER MUDDIMAN (Home Member): Sir, the hour is late and the House, I am sure, feels somewhat exhausted. I will not therefore detain it at any great length. But there are one or two observations which appear to me to be necessary in view of the course of the debate. Now, Sir, I had a sort of feeling when I heard my Honourable friend replying that he had slightly misconceived my previous speech. I think he may have thought that I had not been as generous and as fair as I might have been to that part of the Indian community which has endeavoured in spite of great discouragement, in spite of considerable obloquy, to work the reforms. I desire to acknowledge the greatness of their services, not to the Government but to their country. I desire to say that it is on those lines that India will advance. My Honourable friend told me with some pride that his party has been victorious in certain municipal elections. (*The Honourable Mr. Phiroze C. Sethna*: "I did."). I trust it may continue to be victorious—I mean any party that desires to work with the Government. (*The Honourable Mr. Phiroze C. Sethna*: "Thank you, Sir."). But let me say a word to him. It was said, and I assented at any rate by gesture to that proposition, that India is sound at heart. Sir, I believe India to be quite sound at heart but India is inarticulate, largely inarticulate, and it is only by the efforts of those like my Honourable friend who believe in constitutional advance on the lines laid down in Parliament that an informed public opinion will be created in India. I trust it will not be from any apathy on the part of men of light and learning of his way of feeling that that position is not brought home to the inarticulate masses of India. I would ask him before he prides himself too greatly on the result of certain municipal elections to carry his campaign further, to spread his banner more widely and seek and find new fields of victory.

Then, Sir, if I understood my Honourable friend aright he seemed to think that I was contending there is some legal bar to the appointment of his Committee. I noticed he did not meet my point at all, that his Commission is a very different Commission from the Commission contemplated by the Government of India Act, because he presumes—I again repeat with all deference—presumes the conclusions and prejudices the issue at stake. I am not endeavouring to construe the terms of the Resolution in any narrow legal sense, as my other Honourable friend over there seemed to think. I take it in the ordinary meaning of the language.

And as to the advancement of the date of the Statutory Commission I never suggested, I have not suggested and it has never been suggested, that there was any legal difficulty in the way. The method of acceleration has been clearly stated on many occasions. I again restate it. It is co-operation. Now, I quite understand this House feeling that to repeat this word in a parrot-like way is to give no real answer. But co-operation is not a word. It is a continued and steady course of conduct. If every Member of this House and in every Legislature in India stood on his legs and shouted "We co-operate", that would have no effect on my mind at all. It is by a

steady course of conduct that facts are established. It has been said that co-operation has been received to a considerable extent. I will not deny that in certain quarters it has been received. I acknowledge thankfully on the part of Government the co-operation that has consistently and steadily been extended to the Government by the first Council of State, and which I am perfectly sure will continue to be extended by the present House. I acknowledge that. There are other instances undoubtedly; and the atmosphere is getting better. I hope so and I hope it may continue. I look to my Honourable friend to produce that result by his own efforts and by the efforts of those that think with him. I will not enter into the difficult intricacies of some parties with which I am not fully acquainted lest I tread on delicate ground. I trust soon that all parties may have at any rate one view and that is that they will work the existing constitution for all it is worth; and when that comes about, then my Honourable friend will move his Resolution in a happier time. I regret therefore I am still unable to accept the Resolution moved by my Honourable friend, and I trust that in spite of what he has said he will follow, as I know he wishes to do, the ways of peace and accept the advice of one who is older than himself who sits in front of him, and withdraw his Resolution.

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

"This Council recommends to the Governor General in Council to urge upon His Majesty's Government the appointment forthwith of a Royal Commission to investigate and inquire into the working of the present Indian constitution and to formulate a scheme for the establishment of responsible government in India."

The motion was negatived.

#### ELECTION OF PANELS FOR STANDING COMMITTEES.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, as the hour is late and the House has spent the whole day debating an issue of the very first importance I will not detain them longer in making this motion, though the matter is one of very considerable importance. I move, therefore:

"That this Council do proceed to elect in the manner described in the rules published in the Home Department notification No. F. 49, dated the 22nd August, 1922, as amended by the Home Department notification No. D. 794, C., dated the 30th January, 1924, 4 panels consisting of 6 members each, from which the members of the 4 Standing Committees to advise on subjects in the Home Department, the Department of Commerce, the Department of Education, Health and Lands and the Department of Industries and Labour respectively will be nominated."

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Saturday, the 20th February, 1926.

## COUNCIL OF STATE

*Saturday, 20th February, 1926.*

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### QUESTIONS AND ANSWERS.

#### ACTION TAKEN ON THE RESOLUTION PASSED BY THE COUNCIL OF STATE ON THE RECOMMENDATIONS OF THE MAJORITY REPORT OF THE REFORMS INQUIRY COMMITTEE.

100. THE HONOURABLE MR. K. C. ROY: Will the Government be pleased to state what action, if any, has been taken on the Resolution passed by the Council of State on the recommendations of the majority report of the Reforms Inquiry Committee on the 11th September, 1925?

THE HONOURABLE MR. J. CRERAR: Recommendations Nos. 6 and 14 are pending before the Legislative Assembly.

Recommendations Nos. 12, 13 and 24 (c) have already been given effect to.

On other recommendations, Local Governments have been consulted and their replies have been received and are receiving due attention. In the case of certain recommendations, the Government of India have made their final proposals to the Secretary of State and his decision is awaited.

THE HONOURABLE MR. K. C. ROY: Is the Honourable the Home Secretary in a position to state whether His Majesty's Government will be able to undertake legislation on the majority report of the Reforms Committee this summer?

THE HONOURABLE MR. J. CRERAR: I regret that I am not in a position to make a statement on that point.

#### CORRESPONDENCE BETWEEN THE SECRETARY OF STATE AND THE GOVERN- MENT OF INDIA ON THE RESOLUTION PASSED BY THE COUNCIL OF STATE ON THE RECOMMENDATIONS OF THE MAJORITY REPORT OF THE REFORMS INQUIRY COMMITTEE.

101. THE HONOURABLE MR. K. C. ROY: Will the Government be pleased to lay on the table any correspondence that passed between them and the Secretary of State on that Resolution of the 11th September last?

THE HONOURABLE MR. J. CRERAR: Government regret they are unable to accede to the request of the Honourable Member.

**ACTION TAKEN ON THE RESOLUTION ADOPTED BY THE INDIAN LEGISLATURE  
ON THE RECOMMENDATIONS OF THE MAJORITY REPORT OF THE  
REFORMS INQUIRY COMMITTEE.**

102. THE HONOURABLE MR. K. C. ROY: With reference to the speech of His Excellency the Viceroy to the Council of State on the 17th September last, when he said: "The Resolution on Reforms proposed by the Government and accepted by this Chamber will be duly considered by my Government, together with the amendment carried by the Legislative Assembly. The conclusions of the Indian Legislature must be considered as a whole," will Government be pleased to state what action, if any, has been taken to give effect to that assurance?

THE HONOURABLE MR. J. CRERAR: As the Honourable Member will have observed from the statement made by the Honourable the Home Member on Thursday, the Government of India, having carefully considered the result of the debates in both Chambers, have decided to adhere to the terms of the Resolution accepted by this Council.

**INCREASE OF THE GRANT TO THE BOSE RESEARCH INSTITUTE, CALCUTTA.**

103. THE HONOURABLE MR. K. C. ROY: Will the Government be pleased to lay on the table all correspondence, including the report of Mr. Littlehailes, relative to the increase of the grant made to the Bose Research Institute, Calcutta?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Government are unable to accede to the request, but the attention of the Honourable Member is invited to pages 189-190 (Volume V—No. 4) of the proceedings of the meeting of the Standing Finance Committee held on the 12th January, 1926, where a summary of the correspondence will be found.

THE HONOURABLE MR. V. RAMADAS PANTULU: Is it a fact that the Government of India consider Mr. Littlehailes' deputation sufficient authority to report upon the Bose Institute which attracted the notice and secured the approbation of European scientific authorities?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: He was their educational adviser, and the Government of India considered him a sufficient authority to investigate into the matter.

**DEPUTATION OF MR. LITTLEHAILES TO INSPECT THE BOSE RESEARCH  
INSTITUTE, CALCUTTA.**

104. THE HONOURABLE MR. K. C. ROY: Will the Government be pleased to state whether Sir J. C. Bose was consulted as to the deputation of Mr. Littlehailes to inspect the Institute and whether he agreed to it?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The answer is in the affirmative.

THE HONOURABLE MR. K. C. ROY: Is the Honourable Member aware that a considerable amount of dissatisfaction exists because there is no official scientific body to report upon an institute of this sort, and will the Honourable Member consider the advisability of revising the old board of scientific advice?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: As regards the former part of the question, I do not think, Sir, I am aware of it. As regards the latter part, I will note the suggestion.

**GRIEVANCES OF POSTMASTERS.**

105. THE HONOURABLE MR. G. S. KHAPARDE: (a) With reference to No. 15-P. T., of 5th December, 1925, from the Secretary to the Government of India to the Honourable Mr. Chandradhar Barooah of Jorhat, Assam, will the Government be pleased to state whether any decision has been reached with regard to the grievances of Postmasters?

(b) If the answer to (a) be in the affirmative, will the Government be pleased to state what the decision is?

THE HONOURABLE MR. A. H. LEY: A decision has not yet been reached. The points raised by the Honourable Mr. Barooah are being examined by the Director General, who expects shortly to forward his views to the Government of India.

**SCHOLARSHIPS FOR TRAINING IN THE LEATHER INDUSTRY.**

106. THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Will the Government of India be pleased to state:

- (i) how many students have since the end of the war been sent to England on Government scholarships for qualifying themselves in the leather industry;
- (ii) whether one of the terms of the scholarship is that qualified students should return to India so that their expert knowledge may be utilized in this country;
- (iii) how many have since qualified themselves in that industry and what was the amount spent on each;
- (iv) whether all the qualified men in the leather industry are employed either under Government or private companies;
- (v) if not, what steps have the Government of India taken to provide such of them as are yet unemployed with suitable appointments;
- (vi) whether students are still being sent annually to England on Government scholarships for qualifying themselves in the leather industry and, if so, how many every year; and
- (vii) if it is not possible to provide all the trained men in the leather industry with suitable employment in this country, whether the Government of India will consider the desirability of putting a stop to further recruitment at Government expense?

THE HONOURABLE MR. A. H. LEY: (i) I may remind the Honourable Member that the State Technical Scholarships were provincialised with effect from 1918. The Government of India can only sanction such scholarships from central revenues where the technical education relates to a central subject or where a scholarship is granted to students residing in areas under the minor Local Governments. No scholarship for training in the leather industry has been awarded by the Government of India since the war. The remaining parts of the question do not therefore arise, so far as the Government of India are concerned.

## NOMINATIONS TO THE PANELS FOR STANDING COMMITTEES.

THE HONOURABLE THE PRESIDENT: With reference to the motion adopted by the Council on Thursday last, I have to announce to the House that nominations to the panels for the Standing Committees to advise on subjects in the Home Department, the Department of Commerce, the Department of Education, Health and Lands, and the Department of Industries and Labour will be received by the Secretary up till 12 noon on Thursday next, and that, in the event of an election being necessary, the election will be held on Monday, the 1st March.

## BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill further to amend the Code of Civil Procedure, 1908; a Bill further to amend the Legal Practitioners Act, 1879; a Bill to provide for the validation of certain promissory notes; and a Bill further to amend the Indian Registration Act, 1908, which Bills were passed by the Legislative Assembly at its meetings held on the 18th and 19th February, 1926.

## GENERAL DISCUSSION OF THE RAILWAY BUDGET.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to the first stage, that is the general discussion of the Budget, Part I.

THE HONOURABLE MR J. W. A. BELL (Bengal Chamber of Commerce): Sir, in submitting the Railway Budget to this House on Thursday my friend, the Honourable Sir Clement Hindley, asked for the same consideration in criticism as had been shown by the previous Council of State. I have no doubt that, when he made that request, my Honourable friend was fairly certain, both in view of the satisfactory nature of the statement which he was about to put before the House, and in view of his knowledge of the Members of this Council, that it was unlikely that there would be any criticism, unless criticism of a friendly nature. But my Honourable friend is a cautious man and he was taking no risks. He therefore arranged matters so that it was very unlikely that there would be any serious criticism at all. He handed us the Budget documents, 19 in number, on Thursday, and it was announced that the general discussion would take place to-day. On Thursday afternoon this House sat until six o'clock, although I must admit that that was a contingency which my Honourable friend may not have anticipated. But at any rate we had to sit till six o'clock, and that means that there was only left one day in which to study these nineteen volumes containing as they do masses of statistics and figures. I do not think it is possible for any one in the course of that part of one day which it is possible to devote to their study, to grasp the meaning of all these figures and all these statistics. I hope that in future Government may find it possible to allow a longer period to elapse between the time in which the Railway Budget is presented and the date on which it is discussed.

But even a cursory examination of the Budget makes it clear that the country has reason to be well satisfied with the position of the Railways and with the manner in which they are administered.

I need hardly refer to the question of the separation of the Railway finances from the general finances of the country. The advantages are so obvious that they practically require no explanation. And now that these advantages have been recognised, even by those who were very strongly opposed to any change, the general feeling seems to be one of surprise that the method now in force was not adopted at an earlier date.

It is not possible in the time at my disposal to deal with all the points raised in my Honourable friend's speech, and I shall therefore confine myself to one or two.

I note with satisfaction, not only the substantial balance of earnings over disbursements, but also that particular attention has been paid to the building up of Reserves and a Depreciation Fund. This is really one of the secrets of successful commercial management. There are many commercial concerns, both in India and at Home, which in this period of trade depression, would have ceased to exist, had it not been that, when times were better and profits were being earned, they rigorously wrote down their assets and built up substantial reserve funds.

The country will hear with pleasure of the proposed reductions in passenger fares and goods rates. These reductions will be for the benefit of the country and for the benefit of the people, and I hope that it will be possible for the Railway Board to maintain them. At the same time, I trust that the Railway Board will not allow themselves, by any pressure from any source, to be diverted from their policy of building up substantial Reserve and Depreciation Funds to carry them over when times are less favourable. Reductions in fares and rates are very important, but they are not so important as the building up of the Railways of the country on a sound and unassailable financial basis.

I was glad to hear from my Honourable friend's speech that the Railway Board were keeping before them the recommendations of the Coal Committee with regard to a further rebate on export coal, and, subject to what I have said with regard to Depreciation and Reserves, I trust that it will be possible for the Railway Board to grant this assistance to the coal industry of India which is at the present time passing through a period of acute depression. It will be money well spent, because a flourishing coal industry will be a source of great profit to the Railways.

With regard to capital expenditure, it is gratifying to notice the provision made for the remodelling of marshalling yards and the improvement of workshops. It is difficult to overestimate the importance of these two items in the building up of an efficient railway service. The provision for strengthening bridges is of greater moment than is apparent at first sight. Speed is an essential element, and one of the handicaps in this direction with which the Railways have to contend is the loss of time in crossing bridges not constructed strongly enough to carry modern trains and modern locomotives. But I welcome this announcement also, because it gives me an opportunity of addressing my Honourable friend on another subject. If he will allow me when next he is in Calcutta, I will show him a bridge.—I will not tell him the name of the bridge at the moment,—which requires not only strengthening but rebuilding. It forms one of

[Mr. J. W. A. Bell.]

the most serious traffic problems of Calcutta, and the assistance of Government in the matter is urgently required. Attempts have previously been made to enlist the sympathy of my Honourable friend in this subject, but I am sorry to say that these attempts have not been successful. But I propose to adopt the tactics of my Honourable friend Mr. Sethna and the Honourable Mr. Ramadas Pantulu and keep hammering away my Honourable friend on this subject, in the hope that some day he will yield to my importunity.

Another problem of great importance to the city to which I belong is the Calcutta electrification scheme. I trust that the report of the engineers to which my Honourable friend has referred, will be expedited as the question of providing suburban accommodation for the city workers of Calcutta is becoming a very urgent and acute one, and nothing much can be really done until some definite scheme is adopted for transportation between the city and its suburbs.

I would repeat that the country has reason to be well satisfied with the position of the Railways, and what is disclosed in the budget statement confirms the feeling which the community I represent have always had, that, in the hands of the Commerce Department and of the Railway Board, the Railways of India are carefully and wisely administered in the best interests of the country. There is, of course, in the case of State-managed Railways always the danger of interference by the Legislature with the management. There is always the danger that in the making of appointments, in entering into contract, and in other matters, efficiency will be subordinated to political considerations. I trust that this country and in particular, this Council, will not countenance any such interference for it would mean the beginning of the end of the prosperity of the Railways.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadan): Sir, I join my Honourable friend the previous speaker in complaining that the time given to Members to study this Budget was too short, and I hope Government will see their way to give sufficient time to Members to consider this important Budget.

With regard to the prosperous Budget that is presented to us, we find that after providing for interest on capital and other expenditure, there remains a large surplus to be divided between central revenues and building up Reserves for the Railways. I welcome the apportionment of such huge sums from the profits. But one has got to remember that when the State undertakes to work any institution on commercial lines, the question of making more profits should be only a secondary consideration. I do not say that it should be worked at a loss, but the aim should be to have reasonable balances to cope with future requirements and contingencies and cover the cost of the concern, and then, whatever surplus may be left over should go towards the reduction of rates and fares. That should be the main object to be kept in view, and I hope due attention will in future be paid to that point.

Further, Sir, I see that there is great diversity between the recommendation of the Acworth Committee with regard to the appointment of a Rates Tribunal and the recent appointment of an Advisory Committee. Instead of the object recommended by the Acworth Committee being carried into effect, we see that an announcement has been made

that there is going to be an Advisory Committee. I want to draw the attention of Honourable Members to the fact that there is a great deal of difference between an Advisory Committee and a tribunal. A tribunal possesses certain powers, whereas an Advisory Committee can only advise, and the advice may be accepted or not. The authorities may take the advice into consideration or may reject it, whereas the action of a tribunal will have a certain effect. That is the difference between the two. I hope, if it is not too late even now, that this question will be considered.

Sir, during the limited time at my disposal, I am at a loss to understand why the working cost of the Great Indian Peninsula Railway which is now managed by Government, amounts to 69 per cent., whereas in Company-run lines it is less, e.g., in the Madras and Southern Mahratta Railway it is 60.4 per cent. and in the case of the Bombay, Baroda and Central India Railway I think it is somewhere about 62 per cent. When the State works the Railways or any other commercial institution, there is always the danger of the expenses rising, and I hope that in future due attention will be paid to keep down the expenses and prove that the Government also can successfully run its undertakings on the same lines as the companies.

With these remarks I think that, on the whole, the separation of the Railway Budget from the General Budget has done very well.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I congratulate the Honourable Sir Charles Innes, Sir Clement Hindley and the other officers concerned on the sound financial position the Railway Administration has attained in recent years. After meeting the working expenses and the interest charges, the Railway Administration hopes to contribute to the general revenue of India a sum of 18.11 crores in the 3 years 1924-25 to 1926-27. In addition to this, we are told that the Railway Administration will build up a reserve of 12.53 crores during these 3 years. We now find that the Railway Administration includes in its working expenses something towards depreciation. It has now built up a Depreciation Fund out of which it can in future meet its expenditure on replacements and renewals. Even in this Depreciation Fund we are told there is now a surplus balance of 6.71 crores. All this shows that the financial position of our Indian Railways is now sufficiently strong.

The separation of the Railway Budget from the general revenue has guaranteed to the Indian Exchequer a certainty in revenues. The Secretary of State for India could therefore afford to give larger financial powers to the Railway Administration. It can now sanction works within much larger limits. I congratulate it on the grant of this larger autonomy. I welcome the attachment of a Forest Officer to the Railway Board for the purpose of advising it in the purchase of timber. The Railways ought to place their orders for stores with Indian firms to the full capacity of their output. But I would suggest in placing orders with firms in foreign countries, that tenders should be called for in rupees. If the tenders are called for in rupees, we can avoid a good deal of unnecessary expenditure due to uncertainty in exchange. It would be better if the Government prepare annually a statement showing the value of stores purchased in India and stores purchased in foreign countries. Such a statement should be presented to both Houses of the Indian Legislature along with the budget papers.



[Lala Ram Saran Das.]

I congratulate the Government on the improvements and betterments on the Railways. I would like the Government to provide quarters for their subordinate traffic staff in big towns as such staff cannot afford to pay the high rentals that now prevail. Bungalows for officers and quarters for senior subordinate staff have been provided but nothing much has so far been done for the junior subordinate staff in big towns.

I am sorry that the announcement of the Rates Tribunal has not been received well, as the Tribunal is only to advise in the matters that may be referred to it. I fully agree with what the Honourable Mr. Manmohandas Ramji has said in this connection. I hope the personnel of the Tribunal will be such as to have a majority of Indians on it and of such competent persons as are in close touch with the commerce and industry of our country.

I welcome the reductions announced in third class and higher class fares, but the public expects a further reduction in third class fares. Before the War there used to be special reduced rates of freight between certain stations where other means of transport stood in competition. Such rates were withdrawn after the War with the result that the Railway is losing the traffic in such cases. They lose revenue and the province is burdened on account of the extra traffic that is thrown on the metalled roads, which makes them to wear out abnormally.

It is a matter of pleasure to find a good start having been made in the construction of new railway lines. New railways help a great deal in the development of the country and the construction of say 1,000 miles a year as announced by the Chief Commissioner will be very much appreciated by the people being a boon to the country. His Excellency Sir Malcolm Hailey, who is very much interested in the development of the Punjab, is to be congratulated on getting a good many lines in his province sanctioned for this year.

It is gratifying to see that Government have been pleased to take favourable action on my Resolution adopted in this House last year on the reduction of coal freight and have made a reduction of 10 per cent. on the carriage of coal for long distances of 400 miles and over. I thank the Government for this but the Government should bring the rates of coal freight down to the pre-war level. When they can afford to sacrifice, about 40 lakhs of rupees in rebate in freight on coal for export, can they not sacrifice another Rs. 15 lakhs to bring the coal freights down by another 15 per cent.? More rebate is not justified on export coal yet. Reduction of railway freights on liquid fuel, petrol, mill and agricultural machinery and manure is very desirable.

I find, Sir, that Indians are very meagrely represented in the Traffic and Mechanical Departments of State Railways. In 1921 on the North Western Railway there were 22 Indians out of 220 in the Senior Subordinate Service of the Traffic Department. In 1925 there were 27 out of 237. There has been an advance of only from 10 per cent. to 11.4 per cent. in four years. For the same period on the East Indian Railway the proportion of Indians has progressed from 17 per cent. to 35.6 per cent. In the Eastern Bengal Railway it has increased from 9.2 per cent. to 17.5 per cent. It does appear that on the North Western Railway the proportion of Indians in the senior subordinate service is the smallest. I hope that the North Western Railway administration will pay greater attention to the Indianisation of the senior Subordinate Services in the Traffic Branch. When we

take the senior Subordinate Service in the Mechanical Branch we find that on the North Western Railway there are 10 Indians out of 312, hardly 3 per cent. on the Eastern Bengal Railway there were 9 Indians out of 142, that is a little more than 6 per cent. It thus appears that in the Mechanical Branch Indians are practically nowhere. I think Government ought to pay greater attention to the Indianisation of the Railway Services, especially in the Mechanical and Traffic Branches.

There is one other complaint from which the middle class Indian passengers suffer. There are very few important stations on which there are no waiting rooms for intermediate class passengers. I would draw the attention of the Government to this grievance. On big stations I would suggest that there ought to be separate windows in the booking offices for female passengers. This class of passengers at present experience great inconvenience in purchasing tickets. Sir, there is one other point in this connection to which I wish to draw the attention of the Railway Administration. On the roadside stations the supply of water is very inadequate. Besides the pointsmen and the sweeper there is only one waterman and the duties assigned to that waterman are taking line clears to the engine driver, taking out parcels from the parcel wagons, lowering the signals for the departure and arrival of trains and a good many other duties, and the result is that on these small road-side stations the water supply is not what it ought to be. I hope that the Railway Administrations will see their way to increase the water supply in those stations by some means or other.

Another important point which I bring to the notice of Government is the increase in thefts on the railway platforms on small roadside stations. Being a business man I travel widely and hear numerous complaints from passengers who have lost their belongings on the platforms owing to insufficient lighting. At night time one single lamp with a very low candle power is burning on such stations a few minutes before the arrival of the train. At some stations people from agricultural areas come there early to catch their night trains with the result that they have to wait for hours on the platforms and there being no light their bag and baggage are sometimes stolen. And these cases are now becoming frequent and so they necessitate my drawing the attention of the railway authorities to this important matter.

It was a great pleasure to find that for the training of Indians for the senior Subordinate Service in the Traffic Branch a school was opened at Chandausi in addition to another school which existed in Bengal. If I rightly understand, 10 station masters are selected every year from the North Western Railway and sent to this school for training. So far as my information goes, 80 station masters went there and passed the examinations and some of them attained very high percentages in pass marks which were in some cases over 90 per cent. It is a pity to find that out of these successfully trained station masters who passed very high in the Chandausi School none of them has so far got any promotion. Some time ago in this House a Resolution on the increase in the number of Traffic Inspectors in the Transportation Branch of the Traffic Department was adopted with a little amendment by the Government itself. So far as my information goes (because my question on the subject could not unfortunately elicit the information sought for) on the North Western Railway the number of Traffic Inspectors on the transportation side instead of having increased has since gone down, and in case I am wrong I hope my

[Lala Ram Saran Das.]

Honourable friend, Sir Clement Hindley will correct me. So far as I understand, there is only one permanent Traffic Inspector in the Transportation Branch on the North Western Railway, and that man has been occupying that post for the last 10 or 15 years. During the last few years a few station masters and clerks from offices were promoted to the rank of Traffic Inspector, Transportation. Out of the four that were appointed two have retired, one has died and the fourth was reverted. That man has now been appointed to officiate. Is it not a pity to find that, while the instructions of the Railway Board on this matter have been carried out by all other State Railways, I mean the Eastern Bengal Railway, the Oudh and Rohilkhand Railway, now the East Indian Railway, these instructions have not been carried out by the North Western Railway in this respect?

Another point to which I wish to draw the attention of the Government is the question of raised platforms. Now, as the revenues from Railways have increased we ought to have raised platforms, whether pucca or simply of earthwork, on railway stations. At present there are a large number of stations on which there is no platform and the womenfolk in particular find great difficulty in alighting from or entering into the railway carriages. In the case of women who were in the family way, there have been serious accidents due to the absence of these raised platforms. I wish to draw the serious attention of the railway authorities to this matter again.

I welcome the fact that on fast passenger trains the Railways have provided search-lights, but I hear that Engine Drivers feel some trouble with distant signals and home signals. When two trains are running on double lines, sometimes the drivers cannot very well see the distant and home signals with the result that they get confused. I hope that the Railway Administrations will soon do something in the matter in case this complaint is well-founded.

In the programme for the construction of new rolling stock I find that no provision has been made for any addition to the refreshment cars for Indian passengers. At present, Sir, on the North Western Railway there are only two Indian refreshment cars which run on that railway between Lahore and Delhi and in case one of these cars gets damaged the people have to be without it for some time. There was a case last year when one of the cars got damaged and it could not be replaced for some time and in the time tables and other circulars issued by the Railway there was no intimation given to the passengers so that they might learn that on certain days or during certain months there would be no refreshment cars running on the usual trains. I hope that Government will see their way to provide more Indian restaurant cars and also provide more Indian refreshment rooms.

Another point that I wish to bring to the notice of this House is the question of unemployment. Unemployment is certainly one of the chief causes of the unrest in the country. My proposal in this connection is that in the Mechanical Branch of the Railways, in case we can find say at least 50 posts for literate apprentices in the mechanical line—I mean the driving line—the people will feel very grateful. Now, a lot of Anglo-Indians are recruited in the 50-rupee grade every year as literate firemen. In case that is also liberally extended to Indians on a larger scale, the Railways will be able to get a better class of recruits who will subsequently prove much better Indian drivers than we have at present. In the work-

shops before the establishment of mechanical engineering colleges in various provinces the Railways used to recruit literate apprentices on certain terms. When these mechanical colleges were founded the recruitment of these literate apprentices was transferred to them. I understand that it is through them that Railways get their apprentices. There are rumours that those literate apprentices who were recruited some four years ago and who are likely to finish their courses for the fifth year term and who are likely to qualify soon will not be provided with any permanent posts. This is a matter for us to deplore. If I am wrong in this respect I hope that Sir Clement Hindley will put me right. We are thankful to Government for giving these boys the right training, but these boys have been given one certain line of training which does suit a big concern like the Railways but does not suit an ordinary factory owner. The ordinary factory owner requires an all-round mechanic. The training which has been given to these young boys is only on one machine. The person who has joined as a turner to-day will retire as a turner 30 years hence. But if these fellows who have been given training only in one line, are thrown out at the end of five years, I think their future will be spoilt. Therefore I request that all these apprentices who qualify themselves and who have been given proper training according to the railway requirements ought to be given permanent places at the end of their apprenticeship.

THE HONOURABLE THE PRESIDENT: I hope the Honourable Member will not take advantage of the fact that I have refrained from exercising my discretion to impose a time limit to speeches. I would remind him that only one day has been allotted and that there are probably many Honourable Members who are desirous to speak and that if every speech reaches the limit which the Honourable Member has already attained one day would not suffice, nor would two days, for the general discussion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I will soon bring my remarks to a close. One more point that I want to bring to the notice of this House is the question of the provision of automatic couplers on the broad gauge railways. This scheme, I imagine, is to cost about 20 crores of rupees, and I wish, Sir, that before this scheme is practically adopted it ought to be scrutinised by the greatest experts of the world. We have the sad experience of the Bombay Back Bay Reclamation Scheme and we do not want that another blunder should be committed for want of competent scrutiny.

One more point, Sir, and I have finished. That is the composition of the Advisory Committee of the various railways which is not quite satisfactory so far. I wish that the composition of Railway Advisory Committees should be such as they may discharge their duties most efficiently and usefully. What I mean is that commerce and industry is not sufficiently represented. The composition therefore needs revision.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): I congratulate the Member in charge of the Budget but there is always room for improvement. I will only offer a few suggestions as some of my suggestions have already been brought forward by previous speakers. So I would not repeat them. We all know the troubles of the third class passengers. They pay more into the railway exchequer and I think we should pay more attention to their comforts, especially when there are certain fairs. They may be minor ones about

[Sir Umar Hayat Khan.]

which the authorities do not know and inconvenience is caused. As to the intermediate class, now the Anglo-Indians and other classes claim that they ought to get service with Indians because they are Indians. So, I hope that the places which are set apart for them will in future not be so set apart because if they want service with us, they can easily sit with us also.

There is one other point which I have been thinking of bringing forward to-day. When a compartment has already four or five reserved seats one has to take the permission of the guard to allow a servant. If all these people agree to have some one to work for them and if the servant with a third class ticket could be allowed, it will be better in one way because in the third class there will be one man short. I think it would be very useful, especially if there were two passengers, say in the second or first class, and if they could both agree, they could have a man to look after their luggage at night. Then they could go to sleep. Sometimes they have got fire-arms and money, etc., as we have heard the Honourable Rai Bahadur say; and either one of them will have to sit up all night and keep a watch, or they may be allowed to have a servant. If they have three or four servants travelling with them, it would be very convenient if they could have one of them in the compartment looking after their luggage, etc. This is the suggestion I want to put before the railway authorities, that when a compartment is already reserved, they should allow the servants to travel in that compartment without having to ask the guard. The same thing should be done in the case of the first class passengers also. As to the compartments proceeding towards Bombay and Baroda, there is a doorway leading from the servants' compartment to the first class compartment. That is very convenient, and I do hope that the North Western Railway also will follow that example, and that because of the presence of the words "North Western", as in the case of the North Western Province, arrangements should not be made as if everything was pointing to the north-west in the way of general backwardness.

The Honourable Rai Bahadur has spoken fully on the subject of the Indianization of the railway services. I think if graduates were allowed more positions, a good deal of the present agitation would grow less because they would get something to do.

Finally, I want to refer to the case of my own district, Sargodha, from which one has to travel about three times the distance in order to get to any point on three sides. Of course people in the capital of a province always raise their voice about their needs, but that does not mean that others have not their needs because they do not raise their voices so much. I hope that something will be done to construct a new line from Lahore to my part of the country.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO (Madras: Non-Muhammadan): Sir, it is indeed a matter for gratification that, consequent on the separation of the Railway Finance from the General Revenues and the introduction of better and more economical methods of running the Railway Administrations, the railway property is now in a sound financial position. Although the Inchcape Committee put down the net return from the Railways to the State at 8½ crores per annum, the average net profit is

now considerably above the figure anticipated by the Committee. Apart from the efficiency of the administration, it must be admitted, that this result is also the outcome of the vigilance of the Legislative Assembly and the Standing Finance Committee on Railways and the proper check and scrutiny exercised by them over the Railway expenditure. Nevertheless, I consider that there is still larger scope for economy and retrenchment and for the prevention of leakage and wastage and the Railway Departments must set to work in this direction forthwith and not rest content with their past success.

The first thing I would urge, for the earnest consideration of the Government, is the rapid Indianization of the Railway Services. The progress of Indianization would undoubtedly contribute to economy. Some measures are said to have been taken to accelerate Indianization but they are halting and the result so far is disappointing. Indians in the Superior Engineering and Revenue Establishment in State Railways are only about 23 per cent. of the total strength. There is no reason why the more educated classes of Indians should not fill the superior positions of Engineers and Assistant Engineers and also hold superior positions in the Traffic and Locomotive Departments. There is no doubt that the present high cost of working expenses in the State Railways in India is due to the highly paid European agency at the top of the administration. In fact, the railway officers are paid a good deal more than the civilians and they enjoy even greater privileges than they. Even the Lee Commission's recommendations are made applicable to these railway officers. This costly machinery must, therefore, be replaced by a cheaper one at the earliest moment possible. One of the arguments that is usually put forward against Indianization is that it will lead to inefficiency. But efficiency is not the birthright of Europeans alone. I am not one of those who want to sacrifice efficiency at the altar of economy. I am sure efficient men will be forthcoming also from among Indians, if only you give them the necessary facilities for training and opportunities to serve. While Indians have distinguished themselves as civil engineers, electrical engineers, mechanical engineers and so on and are holding high positions under Government as such, will it be difficult for them to acquire the necessary knowledge and capacity to fill a Railway Engineer's place? After all, Railway officers are born and not made. If other nations like Japan, Germany and America have been able to train and turn out Railway officers in no way inferior to Englishmen, why should not India do likewise? In America, very great attention is paid to railway training. In the University of Illinois, for instance, an elaborate course of training in railway transportation, railway economics, and railway engineering is provided and successful students after three or four years' training are given the degree of B.A. in Railway Economics, and B.Sc. in Railway Transportation or Railway Engineering. The Railways help such Universities by providing them with lecturers from the railway staff and by recruiting men on their staff from the students trained at such Universities. Why should not the Government of India make some such arrangement as exists in America between the Indian Railways they own and the Indian Universities they control? Even a small sum from the Railway Budget spent in this way annually would help a great deal in solving the problem of Indianization more easily. The railway schools we now have give training to railway employees already in service, but for those not in railway employ but wishing to be trained for railway service, there are no facilities at all in existence in this

[Dr. U. Rama Rao.]

country. I hope the Government will consider this aspect of the question when the proposed Railway Staff College is going to be established at Dehra Dun.

Now, Sir, coming to the passenger traffic on Railways, I must say that the existing passenger fare is abnormally high. The time has arrived when we must consider the question of reducing the railway fare and providing a uniform rate for all Railways. A small beginning has no doubt been made in the matter of reduction of fare but the relief given is miserably poor and niggardly. The South Indian Railway Company, for instance, has made a very meagre reduction from  $3\frac{1}{2}$  pies to  $3\frac{1}{4}$  pies, i.e.,  $\frac{1}{4}$  pie per mile for all distances in the third class fare. The Company might as well bring the fare at least to the level of the Madras and Southern Mahratta Railway rate, namely,  $3\frac{1}{2}$  pies per mile for 1—100 miles and 3 pies for additional distances. In so far as the fare for first and second class is concerned, the Company has adopted the rate prevailing on the Madras and Southern Mahratta Railway. There is no dearth of third class passenger traffic on the South Indian Railway. In fact, according to the Company's Budget Memorandum, third class traffic is 98.8 per cent. of the passenger traffic and brings in about 92 per cent. of the receipts. So, the lower the rate, the more the traffic, and the greater the yield. Again, Sir, in the Proceedings of the Standing Finance Committee for Railways dated 20th January 1926, Volume II, No. 6, I find it stated that there is no intermediate class on the South Indian Railway. There is, I submit, Sir, all intermediate class provided on the Ceylon Boat mail. Quite recently, at a meeting of the Advisory Committee of the South Indian Railway, the question of reduction of the intermediate class fare was also raised. In view of the congestion of passenger traffic in the third class, an intermediate class is absolutely necessary on that Railway, so that the middle class people travelling long distances may avail themselves of it. I cannot understand why a total denial of even the existence of an intermediate class on the South Indian Railway has been made by the Government in their Proceedings. The existing rate for intermediate class is  $7\frac{1}{2}$  pies per mile and when a proposal was made to reduce the fare from  $7\frac{1}{2}$  pies to 6 pies per mile on mail trains and  $4\frac{1}{2}$  pies on other trains, the Agent appears to have expressed the opinion that intermediate accommodation was provided only as an experimental measure and the effect of other reductions in fares, namely, 2nd class, must be seen before considering this proposal. This is what a member of the South Indian Railway Advisory Committee writes in *The Hindu* of 10th February, 1926:

"This reply reveals the attitude of the Railway administration towards providing intermediate class accommodation. It appears to me they want to make out a case that intermediate class accommodation is not popular and thus to put a stop to it. For, with  $7\frac{1}{2}$  pies per mile for intermediate class in the Boat mail and 9 pies per mile for the second class in the Trivandrum Express trains, many would naturally prefer the second class in Express trains to intermediate in the Boat mail and convenient statistics will not then be wanting to show that the intermediate class is not popular."

This is really an unfair method for the Railway administration to pursue and I would like to know in the first place whether the Government are aware of the provision of intermediate class on the South Indian Railway and if they are aware, as they must be, how are they going to reconcile that statement they have made in the Railway Financial Committee's report that there is no intermediate class on the South Indian Railway?

If it was an experimental measure, why not say so? How are the Honourable Members in this Council and the public outside, who are unacquainted with Madras, to know about the experiment that is being carried on and the success or otherwise thereof, when an authoritative document like the Railway Finance Committee's Proceedings gives a totally different version, and denies the very existence of an intermediate class on that Railway?

Let me now pass on, Sir, to the Madras Suburban traffic of the South Indian Railway. This question, I must point out, is correlated with the problem of overcrowding in Madras. A close study of the analysis of passenger traffic on the South Indian Railway reveals the fact that the Suburban traffic has increased considerably during the period 1910—14. But the present prohibitive rate for season tickets has practically given a setback to the relief of congestion in Madras. It is inadvisable on the part of the Railway Company still to continue the war time rate and not attempt to reduce the fare for season tickets. A substantial reduction in the season ticket rates, a faster train service than at present exists and the provision of a better and more convenient type of rolling-stock will, I am sure, go to solve the housing problem in Madras half-way at least. This brings me on to the subject of doubling the railway lines and the Electrification of the Suburban trains. The first of the above schemes has, I notice, just been undertaken and I am glad to find that a sum of Rs. 54.50 lakhs has been provided in the Budget for Madras improvements. The Electrification Scheme, I hope, will also be pushed through simultaneously and not be made to drag along for an indefinite length of time.

In regard to the construction of new lines, I am sorry to observe that the long-projected line between Mangalore and Hassan has practically been abandoned for the time being. In reply to my interpellation on the subject the other day in this Council, the Honourable Mr. Chadwick said that its financial prospects do not justify the construction of the line at present. The above line was originally conceived for tapping the planting area on the Western frontier of Mysore and for linking up that inland province with the sea-coast and providing her with a direct communication with the sea-board. These purposes still remain to be fulfilled or in other words, Mysore still lacks an outlet for her produce in general and for her coffee in particular, nine-tenths of which always finds its way to Mangalore in spite of the defective means of transport now available. Not a little traffic now passes between the two places and a railway is bound to stimulate it contributing to the advantages of both the countries concerned. Till recently, the Assam Bengal Railway was being worked at a loss. That Railway's Budget Memorandum says:

"In 1925-26, for the first time in its history, the Assam-Bengal Railway shareholders, were under the terms of working contract entitled to surplus profits."

Why was this Railway opened then and why is this Railway maintained still, though working at a loss all along? Is it not in the interests of the European planters of Assam? My own district of South Kanara is very poor in railway communications. All railway communications end with Mangalore. The interior still remains unexplored and unserved. A line from Mangalore to Goa is sadly wanted. If one wants to go to Bombay, he must go by steamer from Mangalore or via Bangalore and Poona taking a very circuitous route. Steamer service, especially in rough weather and rainy season is seldom availed of. I hope the Government will see their way to give us some relief in the matter of Railways in the near future.

[Dr. U. Rama Rao.]

The comforts of the travelling public are not properly attended to in most of the Railway Administrations. So far as the upper classes are concerned all is well with them. With regard to third class passengers, it is really a monstrous and at the same time pitiable sight to see them penned in like cattle in every compartment; even to the point of choking. It is really cruel to admit more passengers than accommodation would permit. It may pertinently be asked: "Why do they rush in like that?" The answer is "When is the next train to go? Is it not after another twelve hours that the next train leaves?" The fact of the matter is that Railway Administrations are unwilling to run more trains partly from a sense of false economy and partly from want of rolling stock. Again, no arrangement has been made for supply of meals to Indian passengers in long-distance trains. There ought to be an Indian restaurant car, as there is a European restaurant car, attached to those trains. The Indian buffet will not do, as it provides only refreshments. At some junction stations, meals can be had but it is impossible for one to take his meals within the short time the train stops. Further, there appears to be no kind of sanitary check or control exercised over those places. There is no separate sanitary staff in any of the Railways. There are petty vendors of edibles, fruits, etc., in every station who are all licensed by the Company. I would like to know for what the license is issued. Is it issued merely for them to enter the railway premises and sell any stuff they like? How much is being collected from these people and how is the amount utilized? Why should not the Railway Administrations set apart this sum for the maintenance of a sanitary staff to enforce sanitary conditions on these licensed vendors. These vendors with their unclean habits, with their old foodstuffs, rotten fruit exposed for sale and subjected to the ravages of fleas and flies must really be revolting to the sanitary conscience of the passengers and must be endangering their health considerably. The waiting rooms or third class waiting sheds as they are called, are too small to accommodate all the passengers. The retiring rooms for upper class passengers at junction stations are meant only for Europeans and are available to the Indians only in their absence. There is racial discrimination even here. The Railway Administrations must first look to the comforts and conveniences of passengers before they begin to count their profits. I appeal to the Honourable Member for Railways to insist on Railway Administrations not to overlook this important duty they owe to the passengers.

Lastly, Sir, I come to the question of the health of the railway staffs themselves. Medical relief on Railways is in my opinion very inadequate. Out of about 39 Railways, there are only about 10 Railways who have got some sort of medical establishment of their own. The superior staff of medical officers are in all about 70, which is very insufficient to administer to the needs of a vast railway population. I am glad the Government have recognized their inaction if not negligence in the matter for so long a time and are anxious to make amends. I do appreciate the sentiments expressed in the speech of the Honourable Sir Clement Hindley delivered the other day, which runs as follows:

"In the direction of improvement in health and surroundings, there is much to be done and during last year we have had a senior administrative medical officer on special duty to study the problem on the North Western Railway. The object of his investigation has been to devise a better organization for medical treatment of

the staff on that Railway and for dealing with public health problems in Railway settlements. We have his report now under consideration and I hope, in the course of next year we shall be able to bring about the desired improvement, for, we are satisfied that improvement is necessary. The officer referred to has visited practically every Railway in India and has made a careful study of the medical arrangements on each of them. His work has assisted in making it clear that a great deal has yet to be done in studying the incidence of sickness and disease amongst Railway employees and apart from the obvious obligation to give these men adequate opportunities of treatment, the subject has its commercial aspect in the loss of working time which at present preventable disease entails."

These are weighty words indeed and I trust Government will translate them into action and thus ensure the health and well-being of their employees ere long.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): Sir, as a preface to a few remarks I wish to make on the Railway Budget, I congratulate the Honourable the Commerce Member, and through him the Chief Commissioner for Railways and his staff, for the very admirable way in which the Budget has been drawn up and the form in which it has been presented to this Council. In perusing the figures given in the Budget and more especially the references to them in the speeches of the Honourable the Commerce Member in another House and, in this House, of the Honourable the Chief Commissioner for Railways—to give him the full honour to which he is entitled by reason of his recent nomination to this Council an honour lately attached but not yet obliterated—I clearly recognise a certain finger in the pie. The finger is that of my old friend Mr. Sim whose appointment to the Railway Board was the Central Board of Revenues' loss but the Railway Board's gain.

The final results of the financial year 1924-25 were extremely gratifying and must have induced a pleasing glow in the stalwart frames of the Honourable the Finance Member and of our friend here the Finance Secretary.

The revised budget estimates for 1925-26 are perhaps not quite so comforting, but I sincerely congratulate the Railway Department, and all those concerned with it, in that the difference between the revised estimated balance and the estimated balance submitted to us about a year ago shows a falling away of only 35 lakhs and that, during a year of what we all know to be one of much trade depression. That the Finance Member is likely to receive from Railways only 16 lakhs less than he was led to expect he would receive should not elicit even the smallest of growls from him, knowing, as he does the extreme dull days of trade through which we have been passing for many months will affect adversely the excess balance over 3 crores of which the General Revenues receive one-third. Some of us, if not all of us, in this Council can appreciate keenly the difficult times which the Railways in India have gone through and are going through in the current financial year. While perusing the figures given on the revised estimates for the current year 1925-26, I cannot find for how many months or up to what date actual figures are forthcoming; I trust that the revised estimated earnings for those months of the year for which actual figures cannot be yet obtained are on a sufficiently conservative basis.

The budget estimates for 1926-27 are extremely interesting, and this Council is of course aware that to a large extent they must necessarily be speculative. I am an optimist by nature and I admire the optimism of the Chief Commissioner in describing the present conditions as favourable and in anticipating a favourable monsoon, and I sincerely hope his optimism will prove to be justified.



[Sir Arthur Froom.]

Turning to the Capital Budget of 1925-26, I am sorry to see that the net grant of some 23 crores for the current year is not likely to be spent but will fall short by some 3½ crores and I trust that the old bogey of programme revenue is not responsible in any way for this. To my mind it is most essential that there should be no slackening in the work of the improvement of the permanent ways, of the reconstruction and—where necessary—the strengthening of bridges, of providing up to date and economical locomotives and rolling stock, in short in the whole work of bringing our Railways up to the highest state of efficiency possible. By this means, only, can we look for further improvement in handling passenger traffic of all classes with comfort, safety and expedition and in dealing with the transport of goods rapidly and promptly in order to avoid congestion, which in past years has been a serious drawback to the trade of this country.

The electrification of the Railways in and about the large railway centres and termini is a matter of great importance; Bombay, as pointed out by the Honourable the Commerce Member and the Chief Commissioner, is showing the way and, there not only has the Harbour Branch of the Great Indian Peninsula Railway been open for some time with an electric service but one of the suburban lines of that Railway is also running trains whose motive power is electricity. We are anxious to go forward as quickly as we can with this in Bombay and I hope that other provinces will follow our example.

Not least among the pleasing features of this Budget is the reduction of passenger fares and also the proposed reduction of the long distance freight on coal. This question of a reduction in existing coal freights was debated in this House last September on a Resolution, brought forward by my friend, the Honourable Rai Bahadur Lala Ram Saran Das, which was passed without a division. And here may I digress for one moment. In his speech introducing the Railway Budget in another place the Honourable the Commerce Member expressed his thanks to the Standing Finance Committee for Railways, composed almost entirely of non-official Members of the Legislature, for the great assistance accorded by that body in framing the Budget. In fact he pointed out that the Budget was one recommended to the Legislature by a number of its elected representatives; and yet recently in this House we heard speeches to the effect that no progress was possible under the present constitution. In this House we have passed many recommendations the values of which have been acknowledged by Government and which have been acted upon. What about Agriculture to examine which a Royal Commission has been appointed, what about the Skeen Committee of which an Honourable Member, unfortunately not present is a Member. Our advice has frequently been sought by Government. And now Government has acted upon our Resolution in favour of a reduction in the long distance freight on coal, although, I would remind you, no doubt for their own very good reasons, the Resolution was not received with open arms by the Railway Department. And yet there are some who say we make no progress and can achieve nothing under the present constitution.

I listened with interest the other day to the Chief Commissioner's statement of open line works directed towards a more efficient handling of existing traffic and to meet and foster a natural expansion of traffic. I

have always held the opinion and have expressed it on more than one occasion that the solution of a congestion in passenger and goods traffic does not lie in supplying your railways with more rolling stock to the extent of choking them but in improved facilities for the rapid and effective handling and moving of the existing stock which at the same time should be brought up to date. I am glad to see that the Railway Board continues to give close attention to this important matter. I notice that a considerable sum is to be spent on the remodelling of Victoria Terminus at Bombay which I know to be necessary to meet growing traffic requirements. May I ask my friend opposite if any decision has yet been arrived at as to where the terminus of the long distance traffic of the Bombay, Baroda and Central India Railway, is to be located when Colaba station is closed?

Honourable Members of this House are no doubt aware that Viscount Inchcape has recently paid a brief visit to India—a holiday trip and not a business or political one as has been suggested in some quarters—and I feel sure that had he been able to extend his holidays he would have been the first to congratulate the Railway Department on the achievements attained during the three years since the hardworking Inchcape Committee made its report. It is exceedingly gratifying to learn from the Honourable the Commerce Member's speech in the other House that the results of the past three years' workings of our Railways have exceeded the figures which the Inchcape Committee suggested should be aimed at.

Sir, I do not wish to take up more than my fair share of the time allotted to Honourable Members for the discussion of the Railway Budget. At the beginning of my remarks I congratulated the Railway Board on the way in which the Railway Budget has been presented. I have however one suggestion to make, which is that this small white booklet described in the Note as the "Budget Proper" should be printed in a larger form say of the size of the pink books of the estimates. The printed figures in the white booklet are exceedingly small and bearing in mind that we have been described as a body of elderly statesmen it can be readily imagined that the sight of some of us is not as keen as that of our younger brothers and it is a difficult matter to peruse figures which almost necessitate a magnifying glass to read them.

In his speech the Honourable Sir Charles Innes said that this is the last Railway Budget which he will defend in the Legislature. This I feel sure all of us regret exceedingly. I wish he had been able to be present here this morning, but I have heard on very good authority, first-hand authority, that the regret we feel in not seeing him here is more than shared by the Honourable Member himself. He had been called away to attend some other meeting which he told me he could not possibly get out of. The Legislature will miss him keenly when he goes, but I will not say more about this now as he has not gone yet. I do not think he will find much difficulty in defending—I use the Honourable Member's own words—the Railway Budget before us. The present financial year has been and is still one of very considerable trade depression; we hope for brighter conditions in 1926-27, and under the circumstances I feel that, although there may be criticisms the Honourable the Commerce Member, the Chief Commissioner for Railways, and the whole of the Railway Department cannot be fairly attacked on their Budget generally, but on the contrary that they will receive very many congratulations on the results achieved.



THE HONOURABLE SIR BIJAY CHAND MAHTAB: MAHARAJADHIRAJA BAHADUR OF BURDWAN (Bengal: Nominated Non-Official): Sir, I shall detain this House for a very few minutes. In an academic discussion of this kind one gets an opportunity of conveying to the Government various aspects of railway administration in India. I shall however confine myself to two or three small matters which relate mainly to the province to which I belong. First of all, I should like to ask the Honourable the Chief Commissioner for Railways whether the provision to be found on page 16 of the Eastern Bengal Railway Budget for the conversion into broad gauge from Parbatipore to Siliguri means that he will complete the conversion into broad gauge from Sealdah to Siliguri by the end of the year for which the Budget has been presented.

Now I shall just bring to his notice two matters which I think call for attention. As we all know, motor traffic is very much on the increase in the mofussil and only a short while ago, in fact just before I unfortunately got ill, I had to go up from Calcutta into the interior and coming to one level crossing at night—it was only about 8 o'clock in the evening—and the level crossing near a wayside station, one was told that the orders were that after the last passenger train had passed that that particular level crossing was not to be opened. Of course I being the landlord of the whole of that area I had no difficulty in getting the man to open the crossing for me, although perhaps under the Railways Act I might have been run in. But I do think that in view of the increasing motor traffic better arrangements are necessary, and that this plea that after the last train has passed that particular level crossing is not to be opened to motor traffic until the next morning is a bit thick.

I welcome the provisions in the Railway Budget for the improvements of the marshalling yards and workshops in large railway stations; but I may remind Sir Clement Hindley when he was not an official of Government, when he was the Chief official of a railway now officialised, that in recent years the railway stations that have been constructed by the East Indian Railway have paid more attention to goods traffic than to the convenience of the passengers, and I can point out to him dozens of railway stations in Bengal proper where although there is a cover over the heads of the passengers and although the area covered is by no means small, in the monsoon it gives little, in fact no protection from rain, and I therefore wish to draw the attention of the Honourable the Chief Commissioner that in future development of the railway programme more attention should be paid to a better style of railway stations, especially on the East Indian Railway. When I recollect the old railway station with pillars that used to be at Burdwan, very like some of the railway stations upcountry, and when I compare that with the one that now exists there I must say it is a sad difference because even a big railway station like that of Burdwan gives little or no protection from rain to passengers waiting on the platform, and it is a matter to which I should like to draw the attention of the Government.

These are all the observations I have to make on the Railway Budget.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, I have been reading the proceedings of the meetings of the Standing Finance Committee for Railways. We had not enough time to go thoroughly into the facts and figures which are given. Having regard to cases like mine I mean the new members who are not familiar with the facts and

figures, more time for preparation should have been given with a view to find how the facts and figures stood with reference to the Burma Railways. I casually went through the pages and strange to say I came across at pages 69 and 70 of the proceedings of the Finance Committee for Railways some figures which go to show that there is a concession for passengers travelling beyond 300 miles. But what do I actually find? That the so-called concessions were no concessions at all because neither the Southern Shan State Railway nor the Myohauing Lashio Branch extend to anything like 300 miles. One is only 85 miles and the other about 173 miles. I tried to find out whether this concession is extended to people who travel along other lines and then proceed along these hill lines, but as a matter of fact on working it out I found there were no concessions at all even in the case of persons who travel more than 300 miles. I wish to point out this fact because if one comes across figures like these which have no meaning, and statements of concessions which are really no concessions at all, one would have to go through the budget statements with a certain amount of scrutiny as regards the other figures which are laid before us. It is a misnomer to say that a concession exists as regards these two lines. The concession can never exist because they do not extend to anything like 300 miles. I wanted, before going any further, to deal with that aspect of the figures because we have not had time thoroughly to scrutinise the figures. We have to take the figures as they are without a critical study, and find out if the conclusions arrived at by the member who is responsible for the administration of the Railways have been correct. From a cursory glance at the figures I find that, when separating railway finance from general finance, the separation was effected at a time when it was expected to give a good advantage to railway finance, and in consequence a condition of things exists now which is a matter for congratulation. As it is we have got about two crores of rupees in excess of the estimated amounts available in the first three years after separation to the Reserve Fund, and in the Depreciation Fund we have got plenty and there is no need to be anxious about the Reserve Fund being drawn upon to advance money to the Depreciation Fund, at least in the near future. I wish to point out that there is a large amount available out of the Reserve Fund for one of the purposes for which that Reserve Fund is intended, that is for the purpose of the reduction of rates of fares and freights. We find also a sum of Rs. 123 lakhs and another sum of 40 lakhs set apart for the reduction of fares. All these figures put together give me an impression that the railway administration has been niggardly in making concessions for the poorest classes of people who contribute a very large share, nearly 50 per cent. to the revenues of the Railways. The first relief that ought to be given out of the amount available for such a purpose should be to the people who stand most in need of it and to the people who contribute the largest share of it. Concessions are sought to be granted only to passengers travelling beyond 300 miles, and the concession also is very small because it applies mostly to passengers travelling by mail trains. Most of the poorer class of people who travel under 50 miles, that is the average Indian, have necessarily to go by the ordinary trains and not the mail trains. Mail trains do not stop at ordinary stations. Generally the run on the mail trains from one stop to another is on the average over 50 miles. It may be a little more or a little less, but it is generally more than 50 miles, so the concession which is intended to be given to people travelling by mail trains is not really a concession for the class of people who have the first

[Mr. P. C. Desika Chari.]

preference in claiming relief, that is the mass of the Indian population who contribute the largest share of the revenue. As regards the concessions proposed to be granted to first and second class passengers, that is merely a business proposition. It is expected that it is likely to bring in revenue, not now, but in the near future to cover up any deficiencies that may arise by the grant of those concessions, so that need not be taken into account in the matter of granting relief to the ordinary third class passenger in ordinary trains. I want to make it clear that the relief, if any, is to be given in the largest measure to the masses of the population who travel by the ordinary trains. It does not matter if the mail train fare is kept as it is, but the whole of the amount set apart for the relief of third class passengers ought to go to the ordinary third class passengers because it would give relief to the largest number of people. That is as regards the fares. As regards the reduction in freight, I find some relief is sought to be given to the coal industry in the transport of coal. It is a very good thing in itself because that would, to some extent, help the pioneer industries in this country in getting the coal which is necessary for industrial and manufacturing purposes. But it is also a relief intended to be given to the rich man. I would suggest that the first consideration of the railway administration ought to be to give relief to the poorest people, and having regard to this principle, it is better if the amount set apart for this purpose is allotted for the grant of some sort of relief in the transport of rice and other food-stuffs of ordinary consumption which are wanted by the generality of people, by the mass of the population.

Then as regards the purchase of stores, I find my Honourable friend from Calcutta has been referring to the tendency on the part of the Legislature to interfere with the Railway Administration and to make it less efficient, and he warned the House against interfering with the administration on purely political considerations. I am not going into this question of the purchase of stores from the purely political standpoint. The matter has been dealt with by a Committee as early as 1919, the Stores Committee, and the recommendations of that Committee have been accepted. I only ask that it may not be made to appear by the working of the recommendations of that Committee that the Railway Administration want to make a point out of some small loopholes that may be available. It is quite possible to defend any position, but I would say that it is necessary to lead the people into confidence when the recommendations are carried into effect. I refer to this because there is a general impression that there is a tendency to prefer to go outside India or to give contracts to Europeans in preference to Indians and to purchase outside India goods which are available in India itself. In this connection I would crave the leave of this House to read a copy of a telegram which was sent to the Railway Board by the Burma Indian Chamber of Commerce as regards the tender for 229,000 jarrah wood sleepers by the Great Indian Peninsula Railway, which was published in the *Indian Trade Journal* of the 4th instant. This is what they say:

"Committee Burma Indian Chamber of Commerce strongly protest against practice of inviting tenders for foreign sleepers although teakwood and junglewood for railway sleepers available in abundance in India and Burma. The Committee consider such practice in absolute contravention of accepted policy of Government regarding purchase of stores for public services specially. As railway concerned is now under State management they respectfully urge Railway Board to take immediate steps to undo injustice done in this instance to country's interests concerned."

I read this out not because this particular incident is very important. It is only important for this purpose that it serves to create an impression in the people that the Railway Administration tries its best to get out of the recommendations of the Committee as much as possible on some ground or other. It is necessary that there should be no room for this suspicion—well I would not call it so much suspicion as a critical attitude on the part of the population of India with regard to its administration caused by incidents like these—it is necessary that there should be no scope given for such criticism in future.

Then coming to the question of railway construction I find a statement made that there is not much scope for development in the Madras and Southern Mahratta Railway. I come from the North Arcot district which is served mostly by this Railway. There we find there are large tracts of country where there is no difficulty of introducing railway communications, where people find that they have to go long distances, something like 50 or 60 miles, before they come to a railway station. The Honourable the Leader of the House who comes from the same district will bear testimony to that; and I hope this representation of mine will be taken into consideration to find out whether there is scope for development in the matter of the construction of feeder lines in the area served by the Madras and Southern Mahratta Railway.

And then as regards new construction I find there is a tendency to take railway lines, so far as Burma is concerned, along regions which are more or less uninhabited. That is specially so in the case of the railway line which has been taken to the Siamese frontier. It is a thickly wooded country where there are hardly any human habitations. I do not see why after spending a good deal of money in surveying the Indo-Burma frontier, the scheme of an Indo-Burma connection has not been taken into serious consideration yet. I find in the printed speech of the Railway member some pious hope is held out that in the far distant future, I take it, there may be a chance of connecting India and Burma, and the lines, some of which are now proposed to be constructed, may lead to that consummation.

I also find that in the case of the lines served by the Assam Bengal Railway the geographical position makes the railway unremunerative. I would suggest that if that Railway is so extended and I believe it will not involve a cost which is out of all proportion to the remuneration which is expected, it may be better to take that line and make it reach the line which is being constructed by the Burma Railways, so that both the Assam-Bengal Railway and the Burma Railways in that region may be remunerative.

I hope the Railway Administration will take these things into consideration from the Indian point of view more specially as there is no Indian element at the top of the Administration. Efforts are being made from time to time to bring to the notice of the authorities that it is necessary to have some Indian as a member of the Railway Board. No doubt in the case of the Railway Board it was thought that an expert having knowledge of railway administration ought to be appointed, and as an Indian with such qualifications is not available an Indian has not been appointed. No useful purpose will be served in suggesting that the Financial Commissioner of Railways must be an Indian because it is not a practical proposition now

[Mr. P. C. Desika Chari.]

as it stands. It may be when further developments occur it will be taken into consideration because it cannot be said that for the post of Financial Commissioner an Indian with suitable qualifications is not available. In this connection I may also refer to the Rates Advisory Committee. It was thought that the absence of the Indian element from the Railway Board and the difficulty of finding an Indian for appointment to the post of Financial Commissioner would be somewhat compensated by the appointment of a Statutory tribunal which would be in a position to deal with the rates in a satisfactory manner. Now as it is we have got an Advisory Committee and I hope and trust the scope and object of that Committee will not be narrowed and that it may be possible for individuals and private organisations to bring before the Rates Tribunal questions they may want to refer to the Tribunal, and I hope it will not be the sole province of the Government or of the Railway companies to refer all matters which will have to be decided by the Rates Advisory Committee. I hope this Rates Advisory Committee, though it does not go far to satisfy the demands of the people, will at least be enabled to widen the scope of its duties and take into consideration references made to it by individuals and private organisations in matters in which it is expected to discharge its functions.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, when I came this morning I had no intention of taking part in this debate because the Railway Budget is an intensely financial and the subject matter of Sir Clement Hindley's speech a highly technical one. But, Sir, statements have been made in this House on which I think it is my duty to give my own views. The Honourable Mr. Bell who is absent from the House at this minute complained of the shortness of notice. I do not share his views. In fact, Sir, more than 24 hours is an adequate notice for any Member of this House. But the biggest drawback from which we suffer, Sir, is the non-representation of this House on the Railway Standing Finance Committee of which the Honourable Mr. Sim is the Chairman and the mouthpiece. He must be a bold man, Sir, if he has taken that Standing Committee into his full confidence and has given them in advance the ways and means programme of the Budget. This is not in consonance with the constitutional practice in any legislative House, not even in the British House of Commons. If he has done so he is a bold man.

Then, Sir, I come to the speech of my Honourable friend Mr. Manmohandas Ramji. Mr. Ramji is not satisfied with the Rates Advisory Committee; but, Sir, the practice of condemning an institution in advance is a bad practice. It is done mainly in the other House and not in this House. I would ask the Honourable Member to give the Advisory Committee a chance to give my friend Sir Narasimha Sarma a chance. He is a man of great integrity, honesty of purpose and of great foresight and statesmanship.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA: I never questioned his personal qualifications.

THE HONOURABLE MR. K. C. ROY: I did not mean that for one moment either. Then, Sir, I come to the speech of my friend the Honourable Lala Ram Saran Das. Although he tired the House there was a good deal of substance in his speech. But when he wants me to believe that roadside

stations should be manned like the Delhi station I respectfully differ from him. In fact when I visit a railway station I try to compare my impressions of an English railway station. Here you find troops of men, station masters, assistant station masters, yard masters—I do not know who else—legions of them infesting all the stations. I would ask my Honourable friend to remember that in an English station all the work is done by one or two porters, one or two station masters and a few people like that and sometimes a railway station is run by a woman. Unless we can strive for English efficiency we shall never be successful in our business concerns, and I deprecate in the strongest terms the way in which the menial staff is sought to be increased in all stations on the Indian Railways.

Then, Sir, reference has been made by my Honourable friends, Rai Bahadur Lala Ram Saran Das, Dr. Rama Rao and Mr. Chari to the question of Indianisation. This is a very old swan song of this House. It began in 1910, and it took a definite shape in 1911 when there was a heated debate between Mr. Gokhale on the one hand and Sir Trevellyn Wynne on the other; and in order to mark his displeasure Mr. Gokhale divided the House. The division was lost to him, and the minority included my friend the Maharaja of Burdwan who is now present here to-day. What has happened since then? Very little progress has been made with Indianisation. To-day we have not got a single man occupying a responsible position on the Railway Board purely on the railway side: I am not speaking of the audit or finance side at all. Then, Sir, we had the Railway Conference Association in Simla. Did we have a single Indian on it? No. I do not blame anybody for what has happened in the past. I think the country is indebted to the Honourable Sir Charles Innes and the Honourable Sir Clement Hindley for the bold measures they have taken to inaugurate a real policy of Indianisation on Railways. Let us give them a chance; let us not refer to it year after year; let us at least give the new scheme a chance for five years, and then cry for more. Sir, our views on Indianisation are well known. I was asked to answer this question by a Commission with which my Honourable friend Sir Mubammad Habibullah was associated and I said that in respect of the Indian Civil Service, the Indian Police Service and the Indian Medical Service the utmost care should be taken not to Indianise those services rapidly because they represent the security services of India; but as regards the technical services of the State, engineering and railways, there should be more rapid Indianisation; and to those views I still subscribe.

Lastly, Sir, I come to Sir Arthur Froom. I entirely endorse nearly all he has said on the general aspect of the Budget. But, Sir, I differ from him in his claims for more money, for more consideration, for more favourable terms for Bombay. In fact, Sir, when I read the Budget for the first time I thought that the Budget had been framed only to placate Bombay because Bombay somehow or other has secured a dominant voice in our Indian Legislature. Then, Sir, when my friend Mr. Bell spoke here, for the support of an unknown bridge, I wanted him to mobilise Bengal opinion not only in this House but also in the other and put full pressure on Sir Clement Hindley and Sir Charles Innes and make them feel that Bengal has yet a function to perform here and to demand her full rights. Sir, I congratulate Sir Charles Innes and Sir Clement Hindley on their able budget speeches.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadan): Sir, both the Honourable Member for Railways and the Chief Commissioner have told us in their very lucid and optimistic speeches that the Standing Railway Finance Committee examined the figures thoroughly and that they agreed to all the Demands. Speaking for myself this agreement has merely relieved me of the necessity of examining those figures with any care, because they will no doubt come under the close scrutiny of the Assembly when the Demands for Grants are voted upon. But it does not lead to the conclusion to which my Honourable friend Sir Arthur Froom has jumped, namely, that a great deal is possible under this constitution although we wicked Swarajists and others deny it. The fact that Standing Finance Committees on Railways agreed to the Demands did not justify him in finding that our assertion was wrong. I shall not make any reference either to the Skeen Committee or to the Royal Commission on Agriculture to which he also referred, because I feel them to be irrelevant considerations so far as this question is concerned. I shall confine myself entirely to the railway policy. I may tell my Honourable friend, Sir Arthur Froom, and this House, that an examination of the figures and accepting the demands, which are regulated and controlled by a policy in which the Indians have absolutely no voice and in which the Indians are not consulted, do not mean much to my mind. Certain proposals are put by the Railway Board before the Standing Finance Committee for Railways which is asked to scrutinise the figures relating to them just as any auditor or expert clerk does, and if my friend suggests that the members of the Standing Railway Finance Committee control the policy underlying these figures, I beg emphatically to differ from this assertion.

Sir, ever since 1870 we are told that there is absolutely no political disability for an Indian to be appointed to any position in the administration of Railways either as a member of the Railway Board or as a Financial Adviser or to any superior appointments. In the discussion in another place in 1924, I found that, though no promise was made, yet hopes were held out in the speeches made by the Honourable Sir Basil Blackett and the Honourable Sir Charles Innes that the claim of Indians to a place in the higher direction and control of the Railways would be favourably considered. But after a period of three years, I find that we are where we were. And to-day I am in a position to assert that there is a large volume of feeling in this country that the railway policy of the Government of India is directed mainly in the interests of the foreign capitalist and the foreign merchant and not of Indian interests. Normally, Sir, I agree, that schemes for the expansion of the Railways and railway prosperity are a true index of the commercial and industrial development of a country, but in a country like India which is under a foreign political domination and foreign capitalistic exploitation, they have a different meaning. It is obvious to every student of economics and industries in this country that with the growing expansion of our railway system, the indigenous trade and commerce are being destroyed. I heard yesterday a very remarkable speech by one of our foremost commercial men in India, Lala Harkishen Lal from his place as President of the Indian Commercial and Industrial Congress which is now sitting in this city, in which he depicted in a very vivid manner how the industries of India have been going down day after day in spite of the so-called transport facilities afforded by our Railways. I do not wish to elaborate this point. Every one knows that our pre-rail-

way manufactures have steadily been going down, and the present railway policy is serving to facilitate the import of foreign goods and the rapid export of raw material and commercial products like jute and cotton. This has resulted in the impoverishment of the country and a steady degeneration of our indigenous industries. It is a fact which will stand examination, it will be borne out by an examination of the industrial and railway policy of the Government of India. The primary concern in a self-governing country will be the prosperity of the subject based upon the economic and industrial possibilities of Railways but in a country like India, which is governed on different lines, the test of prosperity is the figures relating to the export and import trade as an index of the prosperity of the foreign trade and not the inland trade.

Then with regard to the railway lines in India, we are told that to-day we have nearly 38,000 miles of railways in this country. But what is 38,000 miles of railway in a country like India with a population of 318 millions? In a country like England with a population of 43 millions, we have 50,000 miles of railway; in Germany with a population of 60 millions, we have 34,000 miles and in the United States of America, with a population of 118 millions we have 262,000 miles. Out of a total railway mileage of 660,000, we have only got 38,000 miles though we have one-fifth of the population of the world. These 38,000 miles of railway are so constructed as to be useful in the main either for strategic purposes or for the purpose of helping the import of foreign material into India and facilitating the export of raw material from India. I say, Sir, that the spirit of the railway policy to-day is the same as it was in 1845 when it had its humble beginnings, and 120 miles of railway were built from Calcutta to Ranegunj, 33 miles of railway from Bombay to Kalyan and 30 miles from Madras to Arkonam. The significance was that they wanted foreign ships arriving at those ports to dump India with their foreign goods and to-day, the same is the spirit, because, I find that some development schemes proposed by agencies like District Boards to improve the communications in the interior of the country are held up while lines which are strategic or which are profitable to the foreign merchants and capitalists are taken up more readily. Therefore it is no use saying that the Standing Railway Finance Committee's work is an index of the possibilities of this constitution.

Then, Sir, before I deal with the Railway Board's achievements, I shall mention one fact regarding the mentality of the Railway Board. It may be a very small matter but it shows the whole attitude that underlies the Railway Board's administration. When the Khyber Pass Railway was opened, invitations were sent out to some Anglo-Indian journals but not a single Indian journal was invited to the function. I believe my Honourable friend Sir Charles Innes had to answer a number of questions on that point in another place only a few days ago and the only explanation he had to give was that these Anglo-Indian papers had editors who came in contact with the tin gods of Simla and Delhi and therefore they had received invitations. Is that an explanation worthy of a body which is responsible for the administration of such a huge enterprise as the Indian Railways? The Indian editors do not care for the invitations of the Railway Board, for they are self-respecting men. I only instance it as a point to show the mentality of the Railway Board which is supposed to be safeguarding the interests of this country.

[Mr. V. Ramadas Pantulu.]

Then, Sir, with regard to the way in which the Railway Board is Indianising the services, I will not cover the same ground that has been covered by other Honourable Members. But I will only give you two startling figures. In the State-managed Railways there are 450 high paid officials (Europeans and Anglo-Indians) whose monthly salary is Rs. 3½ lakhs and there are 45 Indians whose monthly pay amounts to Rs. 26,000. In the Company-managed Railways we have to-day 1,088 European officials whose monthly pay is Rs. 8½ lakhs and 28 Indians with a miserable monthly pay of Rs. 12,000. There is not a single Chief Engineer, a single Superintending Engineer, a single Agent, a single Deputy Agent, a single Traffic Manager, a single Deputy Traffic Manager, a single Loco Superintendent, a single Controller of Stores, a single Bridge Engineer, a single Electric Engineer, who is an Indian and this is considered to be the correct policy pursued by the Railway Board and we are told that there is possibility of the realisation of our legitimate aspirations within the constitution itself. I do not think a further refutation is necessary. I will only allude to one more matter. In the railway workshops training is afforded to Europeans and Anglo-Indians to a very efficient degree. Foremen and other higher appointments are made available to persons trained in these workshops. But Indians are nowhere. This glaring injustice attracted the attention of the Industrial Commission. I will read a sentence from the Report of the Industrial Commission. This is what they say:

"Railway workshops are, as we have stated, in many cases, already receiving European and Anglo-Indian apprentices to whom some degree of technical training is given with the object of enabling them to obtain posts as foremen or in special cases even higher appointments. There is, however, a noteworthy absence of provision for the middle class Indian. We consider it of great importance that the conditions of training should be such as the educated Indian youth will consider consistent with his sense of self-respect; for if this is not satisfied we shall be depriving ourselves of a most promising field of recruitment."

If the policy is directed by Indians in the Indian interests, is it possible that the workshops which are maintained at India's cost will not have room for India's sons to be trained there? With regard to the purchase of stores, several Honourable friends have alluded to it and the report of the Stores Purchase Committee of 1920 has in the main been ignored though to some extent it has been adhered to. That is because of two things, one, there has not been sufficient relaxation of rules which regulate purchases, and secondly, because of the influence of the India Office on the purchase of stores. The Indian Industrial Commission has drawn pointed attention to the fact and said that the experience of the Great War has taught us the necessity of making India self-sufficient in industrial output even with regard to the Railways so that they may not suffer when another great war comes.

Then, Sir, with regard to freights and fares I will not go into details, but there again the policy of giving relief to long distance traffic is also calculated to favour the capitalist and the rich. A poor man on an average travels short distances. I find, on an examination of these voluminous records which were furnished to us only the day before yesterday, that in most Railways the distance travelled by the poor people varies from 35 to 50 miles. It is not uniform on all Railways, but it is from 35 to 50 miles. What is the use of telling us that relief has been given to third class passengers travelling over 300 miles when the average travelled by a poor man is between 35 and 50 miles. In the case of goods, they are trans-

ported over long distances by foreign capitalists and merchants and there is no attempt made to facilitate short distance internal transportation of goods from one place to another in the interior of the country to relieve famine conditions or to encourage indigenous production and sale. In regard to third class passengers, while both the speeches of the Honourable Sir Clement Hindley and of the Honourable Sir Charles Innes make sympathetic references to their grievance and also promise redress, I find a good deal of over-caution and it is said that there is a certain amount of risk in proceeding more quickly in allowing a temporary drop in earnings. I think the caution expressed is over-abundant in view of the fact that, after paying a contribution of one per cent. on the capital at charge, also one-fifth of the surplus and one-third of the excess after taking Rs. 3 crores to the Reserves, we find our position very sound to-day. With a Depreciation Fund of Rs. 10 crores, with a Reserve Fund of about Rs. 12 crores and in addition a contribution of Rs. 18 crores to the general revenues during the last 3 years the position is so sound that irritating caution with regard to the relief of third class passengers is unnecessary and over-abundant. I think that the Government ought to take up a bolder attitude in the matter. Therefore, I think that, viewed from any standpoint the administration has not been satisfactory and the whole thing is due to the fact that we have not got the direction and control of the railway policy in our hands and that the policy is entirely controlled and directed by others. There are many more things that I wish to say, but I do not want to take up the time of the House as many Honourable Members wish to speak. I repeat once more my statement that the entire policy is wrong and until the Railway Board is Indianised, the service is Indianised, and the policy is Indianised, there is no use of telling us, "We have got this or that facility for examining the figures" which can be done by a clerk or an auditor. I therefore hope that Government will make up their minds and revise their entire Indian railway policy so that it can best serve the interests of India.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier: Nominated Non-Official): Sir, I warmly congratulate my Honourable friend, Sir Clement Hindley on the fact that the Budget which he had an opportunity of presenting to this House the day before yesterday is uncommonly good. The more one has the time to study it, the more one feels inclined to appreciate it. In studying the Budget one is often tempted to endeavour to find points in it, to which objections can be taken. But I venture to think that any one approaching the Railway Budget in this spirit will find very little to take exception to. There will be a difference of opinion with regard to the allocation of Capital expenditure and each Honourable Member will naturally be more impressed by the needs of his own province. Although each item under "New Constructions" appears to have been examined with care and with due and fair regard to the needs of the country generally, I do not think I would be going wide of the mark if I venture to draw the attention of this Honourable House generally, and the Honourable the Railway Member especially, towards the extension of the railway line in the Charsadda and Swabi Tahsils of Peshawar, the District, where the necessity for opening a line from Mardan is keenly felt by the inhabitants of the said localities, as it is expected to do much in the way of promoting trade and consequently peace and prosperity. In addition, it will be certainly remunerative. Apart from this I would suggest the opening of a line from Peshawar to Kohat through the Durra, and connecting it with Bannu. From Quetta to Hindubagh, the



[Nawab Mahomed Akbar Khan.]

railway line already exists. From Hindubagh to Fort Sandeman the line is under construction. There is a distance of 100 miles from Fort Sandeman to Tonk. This, if connected, will give a direct route from Quetta to Tonk and other important military stations on the frontier. Moreover, there ought to be a bridge at Mari Indus Kalabagh, as it will prove the means of an easy access into the North West Frontier Province from the Punjab. Another line connecting Kashmore and Dera Ghazi Khan should be constructed and this should be extended to Dera Ismail Khan and connected at Pessu. This project stands in need of no comment as its construction apart from the fact of promoting peace, tranquillity and civilisation, is of great importance from the strategical point of view.

The Decauville Railway between Tonk and Dera Ismail Khan should be converted into the Kalabagh Bannu railway gauge as early as possible because great trouble is experienced by the travellers in finding accommodation. There is one point that has been left out by the Honourable Lala Ram Saran Das, although he made a very exhaustive speech and I should like to bring that point forward. It is that water tank wagons should be attached to the trains passing through a cholera stricken area in order that passengers should not contract this disease by drinking infected water or some proper arrangements should be made at every station for the thorough disinfection of water to guard travellers and passengers in the trains against the danger of contracting disease. That was the point that my Honourable friend Lala Ram Saran Das told me to bring out in my speech.

There is another point, Sir, that some of the Honourable Members put questions in this House, and it is complained that the answers to those questions regarding Railways put in the Council are evaded and shelved and that when they insist on replies being given to them, they are asked to approach the Railway concerned through its Railway Advisory Committee. Well, Sir, personally I have had no occasion to make complaints myself, but of course people who are always greatly interested in the Railways do complain now and then.

As regards the expenditure of 30 crores of rupees to be incurred in the replacement of buffers and draw-bars by automatic couplers, I would like to remark that the spending of so much money on the replacement of things working quite satisfactorily is a bit hard on a poor country like India.

It is a matter of great pleasure to note from the budget estimates under discussion, that in spite of reductions in freight and fares the net receipts of the year 1926-27 are calculated to exceed the expenditure in the same year by nearly 10 crores of rupees. The reduction in the fares is quite welcomed, but I would like to bring to the notice of the Honourable Members that the restriction, namely, that it will not be given effect to in the case of Intermediate and third class passengers travelling under a distance of 50 miles will tell hardly on the majority of the passengers and especially in the North-West Frontier Province. There the majority of the people seldom chance to travel above 50 miles, and almost 80 per cent. of the population of that Province cannot afford to travel except in the third and intermediate compartments. Similarly, one cannot but see with joy the concession granted in respect of coal freight over and above the distance of 400 miles, although had it been a little more, it would have enabled us better to compete more safely in the industrial market. The freight on petroleum should also be reduced as both these commodities are not luxuries but are necessities of life.

As regards the Railway Reserves, it is a matter of great delight that they are expected to stand approximately at 10 crores of rupees, but keeping in view the objects for which these Reserves are to be used, I do not think the railway authorities will suffer them to decrease. Honourable Members of this House can have some consolation as to their increase every year from the words of the Honourable the Railway Member, who does not regard this as anything to boast about.

Before resuming my seat, I would like to say a few words with regard to the services in the Railway Department. It is a matter of thankfulness to the Government that the number of Indians in this Department is increasing every year, but on the other hand I regret to observe that they are given little chance in the Mechanical, Locomotive, Gas and Electric Departments. Would the Honourable the Chief Commissioner for Railways please see that Indians are allowed a better chance of acquiring practical training in these respects also? It would be better if an institution like that at Chandausi is opened at Lahore or Lyallpore on the North Western Railway as this is the most important and the largest line in India. The location of such an institution in the Punjab will enable the people of the North to avail themselves of the facilities intended by Government in respect of practical training in mechanical engineering.

\*THE HONOURABLE RAI BAHADUR NALININATH SETT (West Bengal Non-Muhammadan): Sir, with some of the speakers who have already spoken, I also think that the time allowed to the Members of this House for the study of the Budget is too short. I confess, Sir, that I have not been able to go in detail into these papers, I shall therefore confine my remarks, specially with reference to the province which I have the honour to represent here, to a few points. Speaking on behalf of the inhabitants of Calcutta, I regret that no decision has yet been arrived at with regard to the bringing of the railway system within easy reach from the centre of Calcutta. Comparing Calcutta with Bombay we find that the inhabitants of Calcutta are much worse off in the matter of travelling from and to their suburban homes from the business quarters of Calcutta. While the suburban areas of Bombay are now being served by electric trains, Calcutta has no chance of having such a convenience within a year or two. I would therefore urge on the Honourable Member in charge to try to expedite matters. There is a great deadlock in connection with the expansion of the town of Calcutta northwards owing to the existence of the Chitpur marshalling yard. It would certainly be proper and expedient to remove the yard to some distance thereby setting free the vast area occupied by it for the expansion of Calcutta. In this connection I would like to draw the attention of the Honourable the Chief Commissioner to the inadequate width of the overbridges in and near Calcutta. These bridges when constructed were no doubt adequate and wide enough, but the condition of traffic over these bridges has considerably altered and these bridges have at present become quite insufficient. I hope, Sir, that in connection with the inquiry for having a central railway station in Calcutta the improvement of these overbridges will also be favourably considered. There are some important railway stations which have no overbridges, such as Simultola station on the East Indian Railway. At such an important station as Madhupur on the East Indian Railway the overbridge does not cover a

\*Speech not corrected by the Honourable Member.



[Rai Bahadur Nalininath Sett.]

new goods siding and people have to crawl under the wagons when a train is standing in order to reach the railway station. I think, Sir, that these defects, although very minor, ought to be remedied at once.

THE HONOURABLE SIR CLEMENT HINDLEY (Chief Commissioner: Railways): Sir, I wish first of all to thank Honourable Members of this House who have congratulated the Railway Department on the Budget for their many encouraging remarks about the work we are trying to do. There have been a few dissentient voices, but I recognise that that must always be the case in a controversial matter like our Railways. The Honourable Mr. Bell has complained that we did not give him sufficient time to read the 19 volumes of statistics and figures which necessarily accompany our Budget. I can only say that I am very sorry about it, but I am not at all certain that the Honourable Mr. Bell ever really meant to read those volumes even if we had given him longer time. The actual allotment of days for this business depends, as the Honourable Mr. Bell and others know, on the business which the Council has before it, and I cannot undertake that longer time shall be provided between the presentation and the discussion. The business must be regulated by other business in hand. At the same time I will make note of his complaint, which was voiced by others. The Honourable Mr. Bell expressed himself as being satisfied with the results of separation of finances and particularly urged the Railway Board not to submit to pressure from any source to depart from their policy of steadily building up reserves. I was glad to have that statement from the Honourable Mr. Bell, but I was rather unprepared for his next statement, namely, that he thought we should at once proceed to grant a larger rebate on export coal. I am quite aware that he said that this should be subject to his previous remarks, but the two things to my mind, Sir, are at first sight incompatible.

Then, Sir, I was asked or perhaps the Honourable Mr. Bell was trying to draw me—in a slang term perhaps he was trying to pull my leg—about the Howrah Bridge. The Honourable Mr. Bell knows perfectly well, I think, that the Howrah Bridge at the present moment is under the consideration of the Government of Bengal and it is not before us as a subject. He knows perfectly well that the future Howrah Bridge has always had my sympathy and will always continue to have it. But I am not at the moment prepared to extend very much sympathy, as I said last year, to the people of Calcutta who will not make up their minds to build the bridge and be done with it. We feel exactly as he does about the electrification of suburban railways in Calcutta and we intend to push that scheme forward as soon as we have a satisfactory report.

Sir, the Honourable Mr. Manmohandas Ramji pointed out rather an interesting series of figures with regard to the working expenses of certain railways before and after they came under State management. He pointed out that the Great Indian Peninsula Railway working ratio was at present 69 per cent, whereas Company lines like the Madras and Southern Mahratta Railway and the Bombay, Baroda and Central India Railway were working in the neighbourhood of 60 per cent. It is always possible to use figures like these to get any particular argument. But perhaps the Honourable Mr. Manmohandas Ramji does not remember that about three years ago the Great Indian Peninsula Railway as a Company-managed railway was

working at about 90 per cent. That is to say, its working expenses were very nearly equal to its earnings. It is now working at 69 per cent. That is my answer. This matter, as the Honourable Member himself knows, was threshed out several years ago.

I cannot attempt to deal with all the subjects that the Honourable Rai Bahadur Lala Ram Saran Das dealt with in his speech because many of them, as he would admit himself, deal with matters of detail in a particular part of India and it is not possible for me at this moment nor would it be in accordance with the wishes of the Council to go into them in any detail. But I wish to mention one or two matters which he brought up. As opposed to the Honourable Mr. Bell, the Honourable Rai Bahadur asked that we should not give rebate on export coal but should reduce the long distance coal freights by another 15 per cent. Well, Sir, that is a very nice proposition for the people who live at long distances. But I want the Honourable Rai Bahadur and others to again read our papers and to see how difficult it has been to make the reduction that we have made. We have taken great risks of losing revenue by making that reduction and I want the Council to realise that we cannot go forward rapidly in this matter. As I said in my speech, we must make experiments and we must see the effect before we go further. It is doubtful indeed whether, with our present expenses, it would be a remunerative proposition, to carry coal at long distances at a lower rate than we have at present. We have to remember the increases in our working expenditure, that is to say, the increase in all our fundamental expenses as compared with a few years ago. The Honourable Rai Bahadur asked for my particular sympathy in regard to certain literate apprentices in the North Western Railway workshops who were appointed and received their training before the present arrangements with the MacLagan College were made. I have no knowledge of the rumour that these young men will not get appointments, but I do not believe that they are going to be thrown out in the streets. I have no reason to believe that if they have completed their training satisfactorily there will be any difficulty in finding places for them. As the report of the Industries Commission has been mentioned I would say that it was expressly recommended to us by the Industries Commission that railway workshops should try and train mechanics and literate Indians for mechanical work not only for Railways but for outside work, and in railway workshops like Moghulpura they do get an all-round mechanical training and therefore have something in their hands which they had not got before they went there.

I wish to contradict one statement that my Honourable friend the Rai Bahadur made that they were trained only for railway work and were of no use for outside work.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I think what I said is right, because those apprentices are being trained in one particular department, either in the erecting, millwright or some other department.

THE HONOURABLE SIR CLEMENT HINDLEY: I cannot go into details now, but my impression is that the present course of training takes them through all the workshops in the railway and they get very varied experience.

I would also like to correct another impression which is unhappily prevalent that training schools like Chandausi will necessarily take men straight away from their subordinate duties into the superior services. The

[Sir Clement Hindley.]

training school at Chandausi is primarily for training the staff in their duties so as to make them more efficient in their duties and qualify them gradually for getting up in the service, but because those ten station masters to whom reference has been made have been through the school and have passed the examination, it does not follow that they can at once expect to get promotion. Our object is to take all the staff through that school and improve them in their duties so that they can gradually get promotion.

The Honourable Rai Bahadur in the last of his remarks said that we were going to spend something like 20 crores of rupees on the getting of our rolling stock for automatic couplings and he compared this with the work that is being done in Bombay on the Back Bay Reclamation scheme. There is no comparison at all between these two things, and I am sure the Honourable Member did not intend us to take his remarks seriously. In the first place this is an ordinary business matter which has to be attended to. We do not propose to spend anything like 20 crores. If we go through this work we expect to spend 5 or 6 crores spread out for a number of years. I expect very great benefit to result in the matter of reduction of expenses and in the reduction of first cost of new rolling stock and considerable benefit to the staff who have to do the work of coupling of wagons. I should like to say that this is not extravagance of any kind. It is an essential improvement which we must make in our rolling stock in order to carry the heavier traffic and it is also going to be the means of reducing the risk to workers who have to couple up wagons. With these automatic couplings there will not be such great risk to the men who have to do the coupling. I therefore deprecate the matter being considered as a sort of extravagant adventure. It is a very necessary requirement of our railways and I hope it will go forward rapidly.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: One word . . .

THE HONOURABLE THE PRESIDENT: The Honourable Member is not entitled to another speech.

THE HONOURABLE SIR CLEMENT HINDLEY: Now, Sir, I come to the speech of Dr. Rama Rao, and perhaps I might include with that speech some remarks made by Mr. Ramadas Pantulu. Really, Sir, I cannot believe that the Honourable Mr. Ramadas Pantulu intends me to take quite seriously some of the things he said to-day. It seemed to me, that while he had been contemplating the state of India when there were only a few miles of railway running out of Calcutta and running out of Madras, he had become obsessed with things of those days, and that his mind had not moved forward from that period to this, because he did not seem to know anything about what we have been doing in the last few years on the Railways. If he had read our papers a little more carefully or had studied the subject with that earnestness which he puts into his statements I am quite certain he would not have come to the conclusions which he did. He quoted and read at considerable length a statement from the Industrial Commission's Report. He said things are very backward in regard to the training of Indians as mechanics and that even the Industrial Commission brought this to notice. When did the Industrial Commission sit? In 1915. I think it was in 1915 that that Report was written; more than 10 years ago. Does the Honourable Member intend this House to believe that the state of affairs is now as it was when it was reported on by the

Industrial Commission? Has the Honourable Member tried to find out what we have been doing to improve the training of Indians as mechanics in the workshops and the recruitment of Indians as mechanics? The Honourable Member must be completely ignorant of what has been done at Jamalpur, at Moghulpura, at Kanchrapara and half a dozen other centres where technical schools have been built and hostels have been built and where Indians are now being trained, and where, as another Honourable Member pointed out, the boys who went in for five years' training, have now come out fully trained. That is all I have to say on that subject. The Honourable Mr. Ramadas Pantulu is completely out of date in his information of what we are doing in training on our Railways.

Then, Sir, we have had several statements made by our critics here to the effect that the policy laid down for stores purchase has been completely ignored. I strongly deprecate statements of this kind because we are following out the policy laid down by the Stores Committee, which policy has been embodied in the Stores Purchase Rules. It is only necessary, if any Honourable Member wishes to ascertain the facts to see what we have been purchasing in India and what we have been purchasing abroad, as shown by the figures in our published statements, which shew that a steadily increasing amount of our stores are being purchased in India. One individual case has been mentioned, where the Agent of the Great Indian Peninsula Railway has called for tenders for certain jarra wood sleepers. Well, Sir, there are cases where the indigenous product is not altogether suitable. I reserve my judgment in this particular case; but I wish to say that there is no injustice to India in calling for tenders for materials. After all it is matter of finding out whether the material is cheaper and can be produced cheaper abroad than the indigenous article, or whether the indigenous article is cheaper.

The Honourable Mr. Ramadas Pantulu charged us with excessive caution. He said that we had given a very meagre reduction in fares and rates. He sees a very large reserve and he thinks there should be no need for caution. In the next sentence he went on to say that he regretted very much that this House did not control the Railways, and perhaps he regretted that he and his Party did not control the Railways. Now, Sir, if that is a sample of what he would do if he had control of the Railways, that he would throw all caution to the winds the moment he got a small reserve fund and reduce rates and fares wholesale for the good of the people, instead of first building up reserves, then, Sir, I hope that day may be distant. But I do not think he really meant that.

THE HONOURABLE MR. V. RAMADAS PANTULU: Over-caution, too much caution!

THE HONOURABLE SIR CLEMENT HINDLEY: Well, Sir, the amount of caution any one is entitled to use in a matter of this sort must be a matter for very careful consideration; and I gathered the Honourable Member would use considerably less caution than we should and take much greater risks. At the same time I claim that in view of the possible difficulties in the future in finding the money necessary for our heavy obligations we have gone as far as we can and as far as caution advises us to go. We have promised—the Honourable the Railway Member promised and I myself in my speech promised—that the matter was being further examined; and we do not propose to stop further examination of the subject, simply because we have been able at first examination to make some reductions.

[Sir Clement Hindley.]

I think, Sir, I must leave the various suggestions that were made for additional construction in various parts of India and not comment on them now. We shall have them on the record and refer to them in preparing future construction programmes. But I would like to suggest that some Honourable Members seem to have spoken without having had time to fully study what new lines are proposed in their particular localities.

The last suggestion made by the Honourable Member from the North-West Frontier Province was that we should have further institutions like that we have at Chandausi. He mentioned that he would like to see one at Lahore or Lyallpur. Well, Sir, I have already announced that we are setting up one at Lyallpur which will give training to railway employees in a large portion of the Punjab. We may have one further West later on, but we want this established first at Lyallpur.

I think, Sir, that I have now answered the main criticisms that have been put forward.

THE HONOURABLE SIR CHARLES INNES (Member for Commerce and Railways): Sir, I feel that I have not much excuse for addressing the Council of State this morning, but I do wish to express my regret that an important Select Committee prevented me from attending the earlier part of this debate. Sir Clement Hindley has dealt faithfully with my Honourable friend Mr. Ramadas Pantulu; but I must confess that I myself have a good deal of sympathy with the Honourable gentleman. When I heard his speech it struck me that what the Honourable Member really would have liked would have been a really bad Budget when the Honourable gentleman would have had a really good excuse for an attack upon the Government. But as it was, with the Budget as it is, the Honourable Member laboured very heavily. He had to trot out all the timeworn fallacies which I thought had been put away for ever. The Honourable Member told us that the policy of the Indian Railways was directed solely for the benefit of the foreign capitalist. He made the startling announcement that our Railways were based mainly upon our ports. He went on to say that our railway rates were so designed as to facilitate the import of foreign goods and to encourage the export of raw materials. Well, Sir, that old superstition was dealt with in 1921 by the Acworth Committee. The Acworth Committee said:

"In one respect, at least, the Indian Railways have refrained from following the accepted railway practice in other countries. It is usual in most countries to concede for export traffic through a sea-port rates which are not available to that seaport for local traffic; and *vice versa* in countries which adopt a free trade policy, to fix lower rates for the carriage inwards of goods imported through a port than for goods produced locally at the port town. This practice is not, so far as we have been able to ascertain, followed in India, Bombay receives from upcountry large quantities of raw cotton, part of which is worked up on the spot and part exported. Similarly, Bombay distributes to upcountry points large quantities of cotton cloth, part of it locally manufactured and part imported. The raw cotton rates down to Bombay port and to Bombay town are the same, and so are the manufactured cotton rates upwards. The same principle, we understand, is applied elsewhere, in the case, for instance of the great Calcutta jute trade."

Now, Sir, I think that before the Honourable Member repeats these hoary old fallacies he really ought to make himself conversant with the literature existing on subjects of this kind. Again, Sir, he used rather an extraordinary argument. In repeating his statement that the Railways existed

solely for the benefit of the foreign capitalist, he pointed out that in reducing third class passenger fares we had mostly reduced long distance fares; he gave that as an instance of the way in which we favoured the capitalist; but surely the Honourable Member must see that the capitalist does not use third class carriages; still less does the foreign capitalist. I think, Sir, the time is past for statements of the kind that Mr. Ramadas Pantulu just made. I have now been connected with the Indian Railways for five years. I have assisted in this House and in the other House in many debates on railway questions. Particularly in the other House, three or four years ago, statements of this kind were made; but my experience is that these statements are being made less and less; and I think it is beginning to be realised generally that the Government of India and the Railway Department have made it their aim and their sole and single-minded aim to develop the Railways to the best of their ability in the interests of India and in no other interest. I have always had from this Council full recognition of that fact, and I am glad to say that in the other House that fact is being recognised more and more; and I do suggest for the consideration of my Honourable friend that he should reconsider his position in this matter, and that before he makes statements of this kind he should, as I have said before, try to make himself acquainted with the literature which exists upon the subject.

There is just one more subject to which I wish to refer before I sit down, and that is the old and ancient question of Indianisation. Every time I speak upon the Railway Budget I speak upon this particular question. I am quite prepared to admit, Sir, that up to a few years ago Indians were not commonly employed, at any rate, in superior appointments on Indian Railways. But during the last five years there has been a considerable change in this respect. I had the figures taken out only the other day; and if we exclude those departments for which facilities of training do not now exist in India—I am referring to such departments as the Carriage and Wagon and Locomotive Departments—I find that in the last five years 65 per cent. of such vacancies have been filled by Indians, and I claim that that is a very real improvement. It is perfectly true that there are not at present very many Indians in the higher appointments in the Railway Department; but, Sir, as was said in this debate in this Council last year, it must be a question of time before we reach that result. All our higher appointments in the Railway Department are technical appointments; for them we require special knowledge and above all special experience, and you cannot measure the progress of a policy by an hour glass. It is perfectly useless every few months to get up and say "Why have you not got Indians in the higher appointments in the Railway Board?" You must give time for a policy of this kind to work out. But I do claim that we have made in the last few years a very real advance. Even in the Railway Board itself there has been a very great advance ever since last year. Last year in the Railway Board we had 22 gazetted appointments and five Indians. This year we have 17 and seven Indians. Below the Railway Board itself there are Directors and this year two out of the five directors are Indians; and I wish to make it plain that those Indians were not appointed to those particular posts because they were Indians; they were appointed because they were what we considered to be the best men for those jobs; and I claim that that is the only right principle to follow. You must get the best qualified men for higher appointments of this kind; but what I say is that if the best

[Sir Charles Innes.]

qualified man happens to be an Indian, well, nobody is more pleased than I. I think, Sir, that we can claim that in the Railway Department, whatever the Honourable Mr. Ramadas Pantulu may say, that in the last five years, we have made a very great improvement in our Railways. I believe, Sir, that there are very few countries in the world that can show such satisfactory results from their Railways as India has been able to do in the last few years. We are improving the permanent way, we are improving our arrangements for traffic every year, and if only people would trust us, if only they would recognise that we are trying to do our best for India, I am perfectly sure that Sir Clement Hindley and the men who are working with him in a very few years' time will have made the Railways in India an even better instrument of commerce than they are to-day.

#### STATEMENT OF BUSINESS.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, the lists of business for Monday and Tuesday next week are already in the hands of Honourable Members and the list of business for Wednesday will reach them this evening.

On Thursday next motions will be made for the consideration and passing of the Promissory Notes (Stamp) Bill, the Legal Practitioners (Amendment) Bill and the Trade Unions Bill. The House is aware that the General Budget will be presented on Monday, March the 1st. The principal business for Tuesday, March the 2nd, will be the Contempts of Courts Bill, while Wednesday, March the 3rd, is a non-official day.

With a view to give Honourable Members an opportunity of studying the General Budget prior to its discussion on the following Saturday, it is proposed that the Council should not meet on Thursday, the 4th, and Friday, the 5th March.

The Council then adjourned till Eleven of the Clock on Monday, the 22nd March, 1926.

255

#### COUNCIL OF STATE.

Monday, 22nd February, 1926.

The Council met in the Council Chamber at Metcalfe House at Eleven of the Clock, the Honourable the President in the Chair.

#### MEMBERS SWORN:

The Honourable Raja Moti Chand, C.I.E. (United Provinces Southern: Non-Muhammadan); the Honourable Sir Chettur Sankaran Nair, Kt. (Madras: Non-Muhammadan); and the Honourable Raja Sri Rawu Swetachalapati Ramakrishna Ranga Rao Bahadur of Bobbili (Madras: Nominated Non-Official).

#### STATEMENT LAID ON THE TABLE.

THE HONOURABLE MR. J. CRERAR (Home Secretary): I lay on the table a statement giving information which was promised in reply to a question asked by the Honourable Mr. Anugraha Narayan Sinha, on the 10th February, 1926, regarding Committees appointed in 1922-24.

| Year. | Names of Committees.             | Report submitted or not. | Expenditure. | REMARKS. |
|-------|----------------------------------|--------------------------|--------------|----------|
|       |                                  |                          | Rs. A. P.    |          |
| 1922  | Committee on Public Petitions.   | Yes.                     | Nil.         |          |
|       | Staff Selection Board Committee. | "                        | Nil.         |          |
|       | Indian Arms Rules Committee.     | "                        | 16,046 1 0   |          |
|       | Frontier Enquiry Committee.      | "                        | 76,550 0 0   |          |
|       | Railway Industries Committee.    | "                        | Nil.         |          |
|       | Seamen's Recruitment Committee.  | "                        | 7,383 13 11  |          |
|       | Railway Risk Note Committee.     | "                        | 4,186 0 0    |          |
|       | The Indianization Committee.     | "                        | Not known.   |          |
|       | The Waziristan Committee.        | "                        | Ditto.       |          |

| Year. | Names of Committees.                                                                                                    | Report submitted or not.                                                                                                                               | Expenditure.                                                                                                                           | REMARKS.                                                       |
|-------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
|       |                                                                                                                         |                                                                                                                                                        | Rs. A. P.                                                                                                                              |                                                                |
| 1922  | The Braithwaite Committee.                                                                                              | Yes.                                                                                                                                                   | 22,448 0 0                                                                                                                             |                                                                |
|       | The Indian Retrenchment Committee.                                                                                      | "                                                                                                                                                      | 71,000 0 0                                                                                                                             |                                                                |
|       | Bengal Pilot Service Committee.                                                                                         | "                                                                                                                                                      | 6,000 0 0                                                                                                                              | Estimated.                                                     |
|       | Machinery Committee.                                                                                                    | "                                                                                                                                                      | 1,200 0 0                                                                                                                              |                                                                |
|       | Railway Depreciation Fund Committee.                                                                                    | "                                                                                                                                                      | 88,938 0 0                                                                                                                             |                                                                |
|       | Railway Statistics Revision Committee.                                                                                  | "                                                                                                                                                      | 27,870 0 0                                                                                                                             |                                                                |
|       | New Capital Enquiry Committee.                                                                                          | "                                                                                                                                                      | 8,500 0 0                                                                                                                              |                                                                |
|       | Preliminary Committee on Workmen's Compensation Bill.                                                                   | "                                                                                                                                                      | 3,913 0 0                                                                                                                              |                                                                |
|       | Joint Committee on the Cotton Transport Bill.                                                                           | "                                                                                                                                                      | 1,843 0 0                                                                                                                              | Committee met when the legislature was not in Session.         |
|       | Joint Committee on the Indian Boilers Bill.                                                                             | }                                                                                                                                                      | 3,951 18 0                                                                                                                             | Ditto.                                                         |
|       | Joint Committee on the Indian Mines Bill.                                                                               |                                                                                                                                                        |                                                                                                                                        |                                                                |
| 1923  | The Tariff Board.                                                                                                       | ...                                                                                                                                                    | 1,52,065 (1923-24) (actual)<br>1,97,800 (1924-25) (Revised Estimate)<br>1,89,744 (1925-26) (Estimated).                                | The Board has submitted 8 reports so far. It is still at work. |
|       | Indian Mercantile Marine Committee.                                                                                     | Yes.                                                                                                                                                   | 1,97,623 0 0                                                                                                                           |                                                                |
|       | Committee to make recommendations regarding the re-organization of the administrative methods of the Forest Department. | "                                                                                                                                                      | 4,450 0 0                                                                                                                              | Approximate.                                                   |
|       | Coal Dust Committee.                                                                                                    | The Committee submitted its first report in May, 1924. Its investigations have not yet been completed. Further experimental work is being carried out. | A sum of Rs. 7,592 has been incurred up to September 1925. It is anticipated that a further expenditure of Rs. 2,400 will be incurred. |                                                                |
|       | Committee on Police Uniforms.                                                                                           | Yes.                                                                                                                                                   | 1,500 0 0                                                                                                                              | Estimated.                                                     |
|       | Calcutta High Court Retrenchment Committee.                                                                             | "                                                                                                                                                      | 2,934 0 0                                                                                                                              |                                                                |

| Year. | Names of Committees.                                                                          | Report submitted or not.                                                                           | Expenditure.                            | REMARKS.                                                                                                                                                              |
|-------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                               |                                                                                                    | Rs. A. P.                               |                                                                                                                                                                       |
| 1923  | Indian Bar Committee.                                                                         | Yes.                                                                                               | 1,17,000 0 0                            | Approximate including printing charges.                                                                                                                               |
|       | Royal Commission on Superior Services in India.                                               | "                                                                                                  | 4,70,000 0 0                            | Approximate.                                                                                                                                                          |
|       | Select Committee on the abolition of Transportation Bill.                                     | "                                                                                                  | 180 0 0                                 | "                                                                                                                                                                     |
| 1924  | Civil Justice Committee.                                                                      | "                                                                                                  | 2,82,867 0 0                            | Excluding the cost of printing.                                                                                                                                       |
|       | Reforms Enquiry Committee.                                                                    | "                                                                                                  | 46,000 0 0                              |                                                                                                                                                                       |
|       | Carriage and Wagon Standards Committee.                                                       | "                                                                                                  | 74,198 0 0                              |                                                                                                                                                                       |
|       | Locomotive Standards Committee.                                                               | "                                                                                                  | 33,569 0 0                              |                                                                                                                                                                       |
| 1924  | Colonies Committee.                                                                           | The Committee was not instructed to submit a report and did not, as a Committee submit any report. | 37,770 4 0                              |                                                                                                                                                                       |
|       | Auxiliary and Territorial Forces Committee.                                                   | Yes.                                                                                               | 17,500 0 0                              | Estimated.                                                                                                                                                            |
|       | Indian Taxation Inquiry Committee.                                                            | Report expected shortly.                                                                           | 5,00,000 0 0                            | Approximate                                                                                                                                                           |
|       | External Capital Committee.                                                                   | Yes.                                                                                               | Negligible and not separately recorded. |                                                                                                                                                                       |
|       | Coal Committee.                                                                               | "                                                                                                  | 76,162 0 0                              | Approximate.                                                                                                                                                          |
|       | Post and Telegraph Committee.                                                                 | "                                                                                                  | 28,500 0 0                              |                                                                                                                                                                       |
|       | Standing Emigration Committee.                                                                | ...                                                                                                | 5,140 12 -0                             | This is a Standing Committee and meets when the legislature is in sessions. It is elected annually. No formal reports of the meetings of the Committee are submitted. |
|       | Committee of Enquiry into the working of the London Timber Agency of the Government of India. | Yes.                                                                                               | £754 10 0                               |                                                                                                                                                                       |

## INDIAN MEDICAL EDUCATION BILL.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO (Madras: Non-Muhammadan): Sir, I beg leave of the House to introduce a Bill to regulate medical education in India.

The object of the Bill is clearly set forth in the Statement of Objects and Reasons appended to the Bill. Let me, however, make a brief statement explaining the necessity for and pointing out some of the salient features of the Bill. The Bill follows, in the main, the principles and procedure contained in the British Medical Act of 1886. The first attempt at medical reform in India was made in 1914, when the Madras Medical Registration Act III of 1914, and the Bengal Act VI of 1914, were passed. The other Presidencies and Provinces followed suit with the result that we have now 8 different pieces of legislation in 8 different Provinces pertaining to the registration of medical practitioners. The objects of the legislation undertaken in the Provinces are no doubt identical and they are (i) to constitute a body called the Medical Council, which is responsible for the preparation and maintenance of a register of medical practitioners possessing certain qualifications and (ii) to secure that practitioners who are registered shall enjoy certain privileges and that those who are not registered shall suffer certain disabilities. Thus, it will be seen that the primary function of a Provincial Medical Council is merely to supervise the maintenance of the register of medical practitioners in the respective Provinces. The principal defects in the existing Provincial Medical Registrations Acts are lack of uniformity and full reciprocity. Further, these enactments have more to do with ethics and discipline than the organization, direction and control of medical education. The removal of existing anomalies and the securing of uniformity and full reciprocity can only be obtained by legislation initiated by the Government of India and this Bill is intended to supply that want.

Another point to which I would like to invite the attention of this House is the attempt made in this Bill for the establishment of a qualification in the indigenous methods of treatment which are independent of western medical science but which administer to the needs of a large population in this country. The Government of India and the various Provincial Governments have begun to recognize, of late, the usefulness of these systems of medicine and have even gone to the length of establishing indigenous schools of medicine in important provincial centres for imparting instruction in these systems. This Bill merely provides for a future contingency, when the degrees and qualifications in the indigenous systems of medicine come to be recognized by the proposed All-India Medical Council. The Council will then sanction the constitution and working rules and leave the rest to any Faculty of Indigenous Medicine that may come up hereafter. A similar device exists even in the General Medical Council of Great Britain where practitioners belonging to the homoeopathic school of medicine are thus admitted to the Council. I am simply adopting that procedure here. With these words, Sir, I request the leave of the House to introduce the Bill.

The motion was adopted.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: Sir, I introduce the Bill.

## ELECTION OF A PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE MR. D. T. CHADWICK (Secretary, Commerce Department): Sir, I beg to move:

"That this Council do proceed to elect in such manner as may be approved by the Honourable the President a panel consisting of 8 members, from which 6 shall be selected to serve on the Central Advisory Council for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of railway finance."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the motion just adopted by the Council I understand that the Department concerned is desirous that the panel should be completed at a very early date, and I therefore announce to the House that nominations to this panel for the Central Advisory Council for Railways will be received by the Secretary up till 12 Noon to-morrow, and that in the event of an election being necessary the election will be held on Thursday, the 25th instant. With reference also to the terms of the motion just adopted I shall announce to-morrow, should an election prove necessary, the form which the election will take. I may also remind elected Members of the Council that the election of their representatives to the Court of the Delhi University will be held in the Members' room to-day immediately.

The Council then adjourned till Eleven of the Clock on Tuesday, the 28rd February, 1926.



260

261

## COUNCIL OF STATE.

Tuesday, 23rd February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### QUESTIONS AND ANSWERS.

#### RAILWAY FREIGHT ON RICE FROM KHULNA TO KALIGHAT ON THE EASTERN BENGAL RAILWAY.

107. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the rate of railway freight on rice from Khulna to Kalighat on the Eastern Bengal Railway was increased from 1/9 pies per maund in 1912 to 3/1 pies per maund in 1922?

#### INCREASE OF THE MAXIMUM RATE OF RAILWAY FREIGHT ON FOOD GRAINS

108. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state why the maximum rate of railway freight on food grains was raised in 1922 from '33 pies to '38 pies per maund per mile?

#### REDUCTION OF THE RAILWAY FREIGHT ON FOOD GRAINS.

109. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state if any proposals are under consideration to reduce the present freight on food grains?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (on behalf of the Honourable Mr. D. T. Chadwick): I propose to answer questions Nos. 107 to 109 together.

In 1922, in order to meet the heavy increase in working expenses of Railways, it was found necessary to enhance the maximum rates chargeable on goods traffic from 15 to 25 per cent. The maximum rate for food grains was accordingly raised from '33 pie to '38 pie per maund per mile which represented an increase of 15 per cent. The Railways have power to quote rates between the prescribed maxima and minima according to local circumstances and the existing scales for food grains in force over the principal Railways show that the rates generally charged are below the maximum. In the circumstances Government have no intention of recommending any general reduction in rates for food grains.

#### CONGESTION OF THIRD CLASS PASSENGER TRAFFIC ON STATE RAILWAYS.

110. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether any and, if so, what steps are proposed to be taken to relieve the congestion of passenger traffic in third

class railway compartments on the several State Railways in India, and to give third class passengers greater comforts?

THE HONOURABLE MR. D. T. CHADWICK: It is impossible within the scope of an answer to detail all that the railways have been doing for improving the conveniences for third class passengers. The baldest summary of what has been done for third class passengers occupies 4 pages in print in the Administration Report of the Railway Board for 1924-25. I must therefore invite the attention of the Honourable Member to pages 67 to 71 of that Report. I would mention, however, that during the last two years there has been an addition of two million passenger train miles.

#### REDUCTION OF FARES FOR THIRD CLASS PASSENGERS ON STATE RAILWAYS.

111. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether any and, if so, what steps are being taken to reduce third class passenger fares on the State Railways of India?

THE HONOURABLE MR. D. T. CHADWICK: The question of reducing passenger fares has been receiving careful consideration by the Railways, and as a result most of the Railways are reducing third class fares according to local circumstances. A fairly complete list of recent changes is published in the proceedings of the Standing Finance Committee on Railways which was printed about three weeks ago.

#### CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I move that the Bill further to amend the Code of Civil Procedure, 1908, as passed by the Legislative Assembly, be taken into consideration.

This is a very short Bill which carries out one of the recommendations of the Civil Justice Committee. Under section 103 of the Civil Procedure Code in a second appeal the High Court may, if the evidence is sufficient, determine a question of fact which has been left undetermined by the lower appellate court. But it has no power to determine a question of fact which has been determined by the lower appellate court, though the lower appellate court came to that finding upon a misreception of evidence or through an error in law. The Civil Justice Committee pointed out that the High Court should have power to determine a question of fact where the decision of the lower appellate court was arrived at through misreception of evidence or other error of law. This Bill is merely to give effect to that recommendation.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### INDIAN NATURALIZATION BILL.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I move that the Bill to consolidate and amend the law relating to the naturalization in British India of aliens resident therein, as passed by the Legislative Assembly, be taken into consideration.

The law in India on the subject of naturalization for the last 70 years has been regulated partly by the British Statute and partly by an Act of the Indian Legislature, the Act of 1852. The Act of 1852, as necessarily follows from the limitations imposed upon the legislative powers of the Indian Legislature, provided only for local naturalization, that is to say, for naturalization within the limits of British India. That Act was of a somewhat antiquated character and its amendment was under consideration when the Imperial law of naturalization was consolidated and re-enacted in the form of the British Statute of 1914. One of the objects of the British Statute of 1914 was, firstly, to devise a naturalization procedure which should be as far as possible valid throughout the British Empire. It was also devised to restrict as far as possible the provisions for local naturalization. It was obviously inconvenient that there should be any considerable number of persons whose status as British subjects was restricted to one area in the British Empire. That was inconvenient to the grantees of such naturalization certificates themselves because their position was ambiguous and was frequently misunderstood not only by themselves but by others. It was inconvenient also to our authorities abroad, such as consular officers as their assistance was invoked as British subjects by persons who did not hold that status, e.g., in the Straits Settlements. When we came to consider, however, the effect of the British enactment of 1914, although it confers upon the Government in India powers in certain circumstances to grant certificates of naturalization of empire-wide validity, the question arose as to whether that was really sufficient for our purposes. The question arose as to whether the provisions for a certain measure of local naturalization, as they had subsisted hitherto in India, did not in fact perform a really useful function, and though the considerations of uniformity which underlay the re-enactment and consolidation of the British Act were of importance, nevertheless it appeared to us that a very considerable amount of inconvenience would be inflicted if the restrictions on naturalization were carried so far as to abolish the modest provisions already standing on our Statute-book. After some discussion we prevailed on His Majesty's Government to permit us to proceed with this measure. It is based to a very large extent on the provisions of the British Act and those of our old Act brought up to date. I mentioned just now that the British Act does confer on the authorities in British India certain powers for the grant of naturalization certificates which would be of empire-wide validity. One of the prescriptions of the British Act was that all applicants should be able to speak either English or some one language which was accepted in any particular British possession as the equivalent of English. That obviously presented very serious difficulties in India. I do not intend to embark on any of those difficult questions of a linguistic character which we have recently had before us in another connection, but I think it is apparent that it would be impossible to prescribe any one Indian vernacular as being substantially equivalent to English throughout the whole of the presidencies and provinces of India. It was necessary therefore to devise some provision which would enable Local Governments, in respect of their own territories, to certify

[Mr. J. Crerar.]

that some particular vernacular was one of the principal vernaculars of the presidency or province.

Those really are the most material provisions arising out of this measure. Perhaps I had better invite the attention of the House to one matter upon which a good deal of misapprehension has been felt with regard to this measure, that is to say, what are precisely the class of persons whom we desire to benefit by this measure. It has nothing to do with persons who already have the status of British subjects or with citizens of States in Europe or America. It has not very much to do with persons whose normal course of acquiring British naturalization would be through the medium of His Majesty's Government. It is mainly concerned with citizens of States bordering upon India, or persons residing in areas bordering upon India who perhaps in many cases have no very definite national status at all, but who have interests in India and who desire to settle in India and to obtain the privileges of British Indian subjects. I may take the instance of a merchant who came from Tibet, settled in Darjeeling, married a hill girl there and acquired very considerable business in the sale of curios and objects of art. His interests lay wholly in India and he had no intention to return to the wilds of Tibet. It would be a great hardship if men in that position were not allowed to acquire the status of British Indian subjects. There is also the pretty large class of subjects of Indian States who are not strictly speaking within the rigid letter of the law, born within the dominions and allegiance to His Majesty. Many such cases necessarily occur among the large flourishing and enterprising commercial communities whose place of origin is in an Indian State but who nevertheless form no inconsiderable part of the enterprising commercial community of such a large city as Bombay. It would, I think, be inequitable if we did not continue provisions which would enable, say the Khoja merchants settling in Bombay to acquire the status of British Indian subjects. That is the object of the Bill which I now commend to the consideration of the House.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to consolidate and amend the law relating to the naturalization in British India of aliens resident therein, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5 and 6 were added to the Bill.

Clauses 7, 8, 9, and 10 were added to the Bill.

Clauses 11, 12, 13, 14, and 15 were added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. CRERAR: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadan): Sir, I wish to say only one word. I am told that there are certain countries which place restrictions upon the rights of Indians to

acquire real property, even if Indians become naturalized subjects of those countries. I am told that in Japan retaliatory provisions exist. The attention of the Government was drawn to this fact in the Assembly and Mr. Tonkinson promised to consider the question and introduce further legislation if it was a fact. I only wish to draw the attention of the Honourable the Home Secretary to this fact that, if there is such a distinction observed in other countries, I hope that Government will be willing to examine the question and take necessary action in the matter.

THE HONOURABLE MR. J. CRERAR: Sir, if I may be allowed at this stage to answer the point raised by my Honourable friend opposite. I would point out that under clause 5 (1) of the Bill powers are reserved in granting certificates of naturalization, to except such rights and privileges as may be specifically withheld by the certificate.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to consolidate and amend the law relating to the naturalization in British India of aliens resident therein, as passed by the Legislative Assembly, be passed."

The motion was adopted.

#### STEEL INDUSTRY (AMENDMENT) BILL.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I beg to move that the Bill to amend the Steel Industry (Protection) Act, 1924, for the purpose of increasing the total amount payable by way of bounties under that Act, in respect of railway wagons and of providing for the grant of bounties in respect of underframes for railway passenger carriages, as passed by the Legislative Assembly, be taken into consideration.

The reason for this amending Bill is very simple and practical. This Council will recollect that it passed the Steel Industry (Protection) Act in June, 1924. Section 4 of that Act permitted the Governor General in Council to pay 7 lakhs a year for three years by way of bounties on wagons manufactured in India. Immediately after that Act was passed tenders for wagons were called for and orders were placed in August, 1924. By that time, however, five months of that official year had passed, and as it takes any manufacturer some time, after getting his order, to collect his material, it was impossible in that year to pay out the whole of the 7 lakhs of bounties that was authorised for that year by the Act. In fact, as every business man knows, and the House will see at once, what the Railway Board wishes to know in this matter of bounties is what bounties are available at the time when they are placing the orders. They are not so much interested as to what is happening at the time at which the wagons are delivered, but it is when they are placing orders and are comparing the different prices of tenders, it is then that they want to know what amount of bounty is available. That is the great reason of this Bill. We are in fact changing the form of this section round, and as the House will see, we are giving the Governor General in Council permission to incur liabilities for bounties at the time when the orders are placed. Arising from the same practical business fact there is

[Mr. D. T. Chadwick.]

another difficulty. This Steel Protection Act is in force to the 31st March 1927, and next year there will be a complete inquiry into the steel industry. This Council will probably at about this time next year be considering whatever recommendations are then made, if any. But in August, 1926, it will be about time for the Railway Board to place their orders for wagons for delivery next year, and therefore they will wish to know next August whether for wagons to be delivered during 1927-28 any bounties will be available. The Tariff Board inquired into this point, and they have recommended that bounties should be given to cover wagons ordered for delivery in 1927-28. This Bill provides for that.

Now, Sir, I have given the reasons for this Bill; I will take its practical effect. The Steel Industry (Protection) Act allowed a total amount of 21 lakhs to be spent in three years. This Bill allows Government to incur a liability of 38 lakhs spread over four years instead of three, and for the last two years of this period to bring under the bounty system underframes as well as wagons. I need not detain the Council over clause 4 (1) of the Bill. That merely deals with past history; it merely turns into the language of the Bill what has already happened. During the last two years Government have incurred liabilities on wagons of 13.59 lakhs. That is the sum which is referred to as 13.60 lakhs in clause 4 (a). Clause 4 (b) is the real one of interest because that deals with the present. The Council will observe that this authorises the Governor General in Council to incur an additional expenditure of Rs. 19,40,000 on bounties for wagons and underframes. The Tariff Board recommended 40 lakhs. We have reduced it to Rs. 19,40,000. The Council will quite rightly expect me to give some explanation for this. The Tariff Board found very definitely that there was no need to increase the rate per wagon of bounties, but it did find that the number of wagons that could be delivered in India was very much larger than they had anticipated, with the result that while the total rate of bounty per wagon was less, the total amount required was more than they had anticipated. For instance, in their first report they forecasted it was probable that, under the bounty system the wagon firms in India would, in the course of five years, be able to produce 1,600 wagons a year. Well, Sir, last October the Railway Board placed orders for 3,200 wagons to be delivered in 1926-27. Realising that a larger sum would be needed the Tariff Board had to estimate how much would be required. They sent in their report in October last and they had then only available for calculation the results of tenders of January 1925. From an examination of those tenders they deduced that as much as Rs. 600 per wagon would probably be required for orders this year and Rs. 500 per wagon for orders to be placed next year. Taking as probable an output of 3,000 wagons in 1926-27 and of 3,200 wagons for delivery in 1927-28, the Board calculated that 18 lakhs each year would be required. However, Sir, since the receipt of the Tariff Board's report we have examined the tenders which were called for at the end of 1925. On examining them in November or December last the Railway Board found that it was possible to place orders in India for 3,200 wagons for delivery in 1926-27 instead of the 3,000 the Board expected, and that in order to do so, the total amount of bounty that would be required would be somewhat under 7½ lakhs, instead of the 18 lakhs which the Board had estimated. I do not for a moment think that the Council would agree to authorise the Governor General to spend 11 lakhs extra upon this purpose when the

latest figures available show that 7½ lakhs have been sufficient. It can be assumed fairly safely that about the same sum ought to suffice for the next year. As the House sees, that practically halves the Board's estimate. Another two lakhs we expect would be required for underframes which now the Tariff Board say should be brought within the bounty system. Hence it is clear that nineteen lakhs should be ample to cover all orders for delivery in the next two years. That, Sir, is the full extent of this Bill. I submit to the House it is simple; it is straightforward: it is a practical business proposition, and it is conceived both in economy and in fairness, and I ask the House to support it.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to amend the Steel Industry (Protection) Act, 1924, for the purpose of increasing the total amount payable by way of bounties under that Act, in respect of railway wagons and of providing for the grant of bounties in respect of underframes for railway passenger carriages, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. D. T. CHADWICK: Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): Sir, I merely wish to say a few words with regard to this Bill and those words are in the form of a warning, a warning which I have given voice to in this House on more than one occasion. I would like the House to consider carefully where these protective duties and bounties are leading this country. Bounties sound very nice. They sound like a very pleasing gift. But Honourable Members should remember that when you make a present to anybody you have got to pay for it; and on this occasion the country is paying for these bounties. I think I cannot better illustrate what I have in mind than by a short reference to the speech made in this Council by the Chief Commissioner for Railways in introducing his Railway Budget. On page 10 he spoke as follows:

"The difference between these prices and the equivalent of the lowest satisfactory quotation from abroad will be met from bounties payable under the Steel Protection Act."

By "these prices" he was referring to the prices or the cost of wagons and steel frames bought in this country, and he at once demonstrated that he could have bought them cheaper elsewhere. Now I am not averse to assisting industries, these wagon-building industries, in their infancy; but what I do want to lay stress on is that after they have been in existence for a few years if they cannot manufacture wagons and frames in competition with the wagons and frames which can be purchased elsewhere, then I think the industries had better close down. The Railway Department on this special occasion I think might be considered to be standing on velvet. What are they doing? They are buying wagons, the full cost of which they ought to debit in their accounts and then immediately write them down. And where would they get the money to write down? Not from the railway accounts. That is not keeping your accounts commercially, because you are obtaining your money for writing down from the

[Sir Arthur Froom.]

tax-payer of India, through another Department. Sir, I do not wish to say anything further on this. I am not opposing the Bill, because, as I have said, the constituency I represent have not opposed the principle of some assistance being given to these industries in their infancy; but I do maintain that after a few years, during which they have been assisted, these industries ought to walk by themselves.

THE HONOURABLE MR. D. T. CHADWICK: Sir, with regard to what my Honourable friend has said, I would only remark that the object which he has so clearly put before the Council is the object we all have in view in this policy of discriminating protection. As was explained when the Resolution regarding that policy was brought before the Assembly, it was no part of the Government's idea that bounties should be paid for ever. It is our hope—I trust it may not be a false hope—that in a few years these firms will be able to stand and meet competition without assistance. In that direction I would only point out a few facts. In the first year, as is shown in the last Report of the Railway Board, bounties were given at the rate of somewhere near Rs. 600 to Rs. 700 per wagon. On the tenders to which I just alluded, opened in December last, although everybody knows in the last 3 years how the prices of steel have fallen, it was only necessary to give per wagon a bounty of Rs. 228. I trust that in another year that sum per wagon will be considerably less. Lastly, the whole question will be examined again during the current year, 1926-27, by the Tariff Board. Thus the rate of bounty per wagon is coming down and another inquiry is due, but yet I believe the Council, as a whole, endorse the principle which the Honourable Sir Arthur Froom has just enunciated.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to amend the Steel Industry (Protection) Act, 1924, for the purpose of increasing the total amount payable by way of bounties under that Act, in respect of railway wagons and of providing for the grant of bounties in respect of underframes for railway passenger carriages, as passed by the Legislative Assembly, be passed."

The motion was adopted.

#### INSOLVENCY (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I move that the Bill to amend the Presidency-towns Insolvency Act, 1909, and the Provincial Insolvency Act, 1920, as passed by the Legislative Assembly, be taken into consideration.

This Bill also seeks to give effect to certain recommendations of the Civil Justice Committee. In the first place, it extends the Presidency-towns Insolvency Act to the town of Karachi where now the Provincial Insolvency Act applies. Then it amends section 104 of the Presidency-towns Insolvency Act as also a similar section in the Provincial Insolvency Act. By that it deals with offences against the Insolvency Act. Hitherto these offences have had to be tried by the High Court in a Presidency-town and in a district town by the District Judge and took up a considerable part of their time. The amendment, which is in accordance with the recommendation of the Civil Justice Committee, enacts that if the Insolvency Court is of opinion that an offence has been committed then it has to complain to the Presidency Magistrate in a Presidency-town or to a Magistrate of the first class in the district towns, and that the

Magistrate is to try the offences in the regular way. The other amendments are more or less consequential amendments for the purpose of carrying out those two objects.

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5 and 6 were added to the Bill.

Clauses 7, 8, 9, 10 and 11 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### CODE OF CRIMINAL PROCEDURE (SECOND AMENDMENT) BILL.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I move that the Bill further to amend the Code of Criminal Procedure, 1898, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration.

Sir, I recently had occasion to present to this House a measure, including three or four distinct items, which involved amendments of the Criminal Procedure Code. These were intended to rectify certain defects which had been found in practice to emerge from the amendment of the Criminal Procedure Code in 1923. Of the measure as originally presented in another place one item was at that time not passed. On further consideration, I am glad to say, it has been passed and it is with respect to that item that I make the motion standing in my name. Until the amendment of the Code of Criminal Procedure in 1923, it was open to the Magistrate, where a person failed to give security under those sections of the Criminal Procedure Code which are commonly called the bad livelihood sections, to order that in default of security the imprisonment awarded might be either rigorous or simple. The effect of the amendment passed in 1923 was to remove from the discretion of the Magistrate the power to award either simple or rigorous imprisonment in cases of orders made under section 108 or section 109 of the Code. The measure which I now present to the House has nothing whatever to do with section 108. It relates solely to section 109, that is to say, to cases where a Magistrate has received information:

(a) that a criminal is taking precautions to conceal his presence within the local limits of such Magistrate's jurisdiction, and that there is reason to believe that such person is taking such precautions with a view to committing any offence, or

(b) that there is within such limits a person who has no ostensible means of subsistence, or who cannot give a satisfactory account of himself. I invite the very close attention of the House to these two prescriptions which are very material indeed to the objects of the Bill. The discretion of the Magistrate to award either simple or rigorous imprisonment was removed when the Act was amended in 1923 and the effect of that amendment has been found to be extremely inconvenient. A greater part, at any rate a very considerable part, of the persons against whom action of

[Mr. J. Crerar.]

this character is necessary are, as the House will readily realize, persons who, under the corresponding English law, which is a more severe law, namely, the Vagrancy Act of 1924, would be denominated either idle and disorderly persons or rogues and vagabonds or incorrigible rogues. Of the total of 3,000 persons now in prison in pursuance of this section no less than one-third were persons with previous convictions against them. They were persons who are in the ordinary parlance called jail birds. Two inconveniences arose or rather two distinct classes of inconvenience arose. It was a matter of great difficulty to the Magistrates that they could not in the cases coming before them really discriminate in cases which required discrimination. There was a large proportion of cases in which the Magistrate was conscious that in awarding simple imprisonment he was ordering a most inappropriate form of imprisonment. Honourable Members are aware that when a sentence of simple imprisonment is awarded either under these preventive sections or for any specific offence, the person so sentenced cannot, except of his own free will, be called upon to do any kind of work while in prison. He can while away his time from morning till night doing nothing. He is fed, clothed and housed at the expense of the State, but he does not do or may not do one single hand stroke to earn his bread or to reduce the charges which fall upon the tax-payers of the country. That is a very unsatisfactory state of things. It is very unsatisfactory that the discretion of the Magistrate should be restricted in this way. I may also mention that there was another kind of inconvenience which emerged from the operation of this amendment. It related to the internal administration of the jails. Every Local Government reports that both their Magistrates and their jail officials have complained of the evil results which are the consequence of the removal of this discretion from the Magistrate. First of all, taking broadly the class of persons against whom action under this section may be necessary, it must, I think, be obvious that to detain a man for 12 months with no honest work which he can be compelled to do is very demoralizing to him. It would be demoralizing to any man. It is particularly demoralizing to a person who from the character of his antecedents and possibly of his environment—I do not entirely blame the man but we have to take things as they are—is naturally indisposed to do any honest work. Further, the manner of his life in jail does not dispose him to do honest work after he emerges from the jail. It is not only demoralizing to him but it is also demoralizing to his associates. The House will realize that besides persons in jail under section 109 there are a considerable number of persons who have been sentenced to simple imprisonment. Simple imprisonment is awarded normally in cases where the character of the offence or the character of the convicted person is such that he ought not to be put to rigorous imprisonment. In other words, you get quite a number of people who are certainly not jail birds, habitual thieves, habitual robbers or habitual bad characters or idlers or vagabonds but are persons who have broken some provision of the law and are sent to jail. Many of them are in other respects quite respectable persons. Now, is it reasonable or proper that they should be mixed up with a considerable number of persons dealt with under these sections who are *ex hypothesi* in the vast majority of cases persons of the *badmash* class? My point is that the award of simple imprisonment without any discretion on the part of the Magistrate is demoralizing not only to the person proceeded against under section 109, but it is also demoralizing to his associates who are not of the same character as himself and, generally

speaking, it is very prejudicial to the maintenance of discipline in a jail where persons of these different classes are confined together. Sir, that is the object of restoring this discretion to the Magistrate.

It has been urged that it is not necessary to grant this discretion to a Magistrate because section 110 of the Criminal Procedure Code is sufficiently wide. Now, I ask the House to give its very close attention to the precise provisions of section 109. I will now, if the House will bear with me because it is a matter of considerable importance, read out to them the provisions of section 110. Action under section 110 may be taken against any person who:

- (a) is by habit a robber, house-breaker or thief, or
- (b) is by habit a receiver of stolen property knowing the same to have been stolen, or
- (c) habitually protects or harbours thieves or aids in the concealment or disposal of stolen property, or
- (e) habitually commits, or attempts to commit, or abets the commission of, offences involving a breach of the peace, or
- (f) is so desperate and dangerous as to render his being at large without security hazardous to the community."

Now, it does not require very close examination of these provisions to see that they apply to a different class of persons from those dealt with under section 109. It may be that persons who have at one time been dealt with under section 110 may subsequently come within the scope of section 109, but it is entirely wrong to allege, as has been alleged, that section 110 fully provides for all cases of habitual offenders.

Let me explain that a little more in detail. Under section 110 any of the habitual offenders falling within the terms of that section may be required to give security for good behaviour and on failing to do so may be sentenced to imprisonment not exceeding three years. If it were not necessary after a man has done a period of say one year to find any further cause against him, it will be open to the police officer to arrest the man the moment he has left the jail. He can take him before a Magistrate and if the Magistrate thinks fit he can award another sentence of one year. It has been held repeatedly by the High Court that after a person has been discharged after his period whether of security or imprisonment under section 110 he must be given an opportunity to show whether or not he really intends to take up an honest means of livelihood, and unless and until you give him the opportunity you cannot proceed against him under that section. That explains how it is that a man may have ten or fifteen, in some cases seventeen, previous convictions, or have been proceeded against five or six times before under section 110, but when he comes out from his last period under section 110 you cannot proceed against him unless he has once again brought himself within the danger of that section. He may be concealing himself within the local limits of the Magistrate's jurisdiction, he may have given reasons to believe that he is about to commit an offence, but he has not brought himself within the danger of section 110. He has brought himself within the danger of section 109. I have made this somewhat lengthy explanation because there has been rather persistent misapprehension of the real case. Section 110 deals with classes of cases of a different kind and is not a substitute for section 109. These sections deal with two very distinct classes of cases. While I ask the House to restore that discretion to Magistrates in respect of action taken under section 109, I would like to point out that additional safeguards have been provided and will still be in operation. Formerly a person proceeded



272

COUNCIL OF STATE.

[23RD FEB. 1926.]

[Mr. J. Crerar.]

against under these sections had an appeal to a District Magistrate. Now he has got an appeal to a Sessions Court and the revisionary powers of the High Court still continue. Therefore there is very little likelihood of this section being abused. If it is abused the person concerned has an easy and adequate remedy.

I make the motion standing in my name.

**THE HONOURABLE THE PRESIDENT:** The question is:

"That the Bill further to amend the Code of Criminal Procedure, 1896, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**THE HONOURABLE MR. J. CRERAR:** I move that the Bill, as passed by the Legislative Assembly, be passed.

**THE HONOURABLE MR. V. RAMADAS PANTULU** (Madras: Non-Muhammadan): Sir, it is impossible for me to record a silent vote on this motion. It will be in the memory of Members of this House that the same provision which is sought to be introduced by this Bill was twice negatived in the Legislative Assembly on former occasions. It was only in September 1925 that the Honourable the Home Member sought to re-introduce this provision into the Criminal Procedure Code and that attempt failed. It has no doubt succeeded recently in the Assembly, but there was a very wide divergence of opinion on the question; therefore I have decided not to record a silent vote on this motion. Before I say anything, Sir, against the proposal embodied in this small Bill I wish to assure the Government that we who oppose such measures are not so dense or perverse as not to recognise the use of legislative measures which are intended to promote law and order in this country. We recognise that such measures are intended mainly for the benefit of citizens. Therefore, when we oppose some of them, it is not due to any feeling of hostility to measures inaugurated by the Executive Government, but it is only because we feel that the mischief of the Statute which is sought to be introduced far outweighs its benefits in some cases. It is really a sad comment on the political aspect of our legislation that the Legislatures distrust the executive and the executive distrust the Legislatures. But I hope that each of us will make our position clear and that there will be no room for misunderstanding.

So far as this measure is concerned, my objections to it are threefold. Firstly, I maintain that section 109 is intended to be a preventive measure and not a punitive measure. I quite agree with the Honourable the Home Secretary that sections 110 and 109 deal with different classes of persons. I will concede that; but at the same time it is by no means certain that persons who ought to be proceeded against under section 110 are not frequently proceeded against under section 109. I do not contend that we can properly bring persons for whom section 110 is intended under section 109. Many of the persons who are now in jail under sections 110 and 109 should have been run in under section 110, not under section 109. That is the comment I make. Section 109 is intended to deal with two classes of persons.

The class of persons covered by clause (a) are those who conceal themselves with intent to commit an offence, and clause (b) deals with the class of persons who are vagrants or vagabonds and who have no ostensible means of livelihood and are not able to give a satisfactory account of themselves. It is meant to apply to persons of bad livelihood or persons who adopt a dishonest means of livelihood or persons who harbour criminal intent. And these persons are sought to be prevented from committing any crime. My submission is that the requirements of the State and the requirements of the citizen will be absolutely met by preventing these people from committing the intended crimes by putting them in jail and imposing simple imprisonment upon them. To give them hard labour and treat them like other criminals who are convicted for substantive offences is unjustifiable under a civilized law. That is my first objection. The second objection is this. The Honourable the Home Secretary said that all that was asked for was mere discretion for the Magistrate either to give simple imprisonment or rigorous imprisonment, and that it was not necessary to give in every case rigorous imprisonment. It is true that all that the section seeks to secure is merely discretion, but, Sir, we know that when the judicial and executive functions are not separated and the Magistrates are mostly responsible to the executive head of the district, this discretion is a very illusory one. The Magistrate is likely to exercise the discretion more by executive bias or executive exigencies than in a judicial manner. We were told by the Home Secretary that a substantial improvement was made in the law when section 406 was amended so as to make the appeal lie not to the District Magistrate, but to the Sessions Judge in the case of mofussil courts, and to the High Court in the case of Presidency Magistrates. But those of us who have been practising in the courts for some time know that appellate courts rarely interfere with discretionary orders. Therefore it is no use telling us that the original Magistrate exercises discretion subject to an appeal. Then, Sir, the third objection is that no case has been made out within the last three or four months, since September 1925, to ask for a law which was then deliberately turned down by the Assembly. The Assembly refused in September last to embody this provision in the Criminal Procedure Code and then to come up after six months' time with the same proposal requires a very strong case, and I submit no case has been made out. I note in this connection that a White Paper was put in the hands of Members of the Assembly embodying the opinions of the Local Governments and authorities concerned in the administration of the jails. The same courtesy has not been shown to the Members of this House. I do not complain. I can assure my Honourable friend opposite that I had an opportunity of looking into that book by the kind courtesy of a Member of the Assembly who had it. It does not impress me at all. The only reasons stated there are that the Local Governments considered that in some cases simple imprisonment was absolutely inadequate and the jail authorities considered that putting people into jail without work would demoralise the other inmates in the jail. These are certainly no arguments in favour of sentencing to hard labour people who are merely convicted on suspicion and sent to jail to prevent them from committing some crime in the future and not because they committed some offence under the Penal Code. These arguments are unconvincing and I do not think they form any basis for the change in the law such as is now advocated.

Then, Sir, finally this section 109 has been misused very badly in many cases. The most glaring instance of it was the Nagpur Flag case.

[Mr. V. Ramadas Pantulu.]

Hundreds of persons who had good means of livelihood were run in under that section and sent to jail for long terms. I know personally many of those young men who went to jail. Some of them were graduates of the Universities and had ample means of livelihood in their own homes, but when they went from my part of the country to Nagpur they could give no satisfactory account of themselves because they had no property in Nagpur. Many of them were sent to jail on the charge of being persons who had no ostensible means of livelihood. That is enough to show that that law is an engine of oppression in the hands of those who wish to use it so. I know I will be told that if a section is misused, it is no use saying the form of imprisonment should be simple and not rigorous, and if a section is misused it is no argument against the section. If however the mischief of the section cannot be remedied, we at least want some restraint on that mischief by seeing that people who are run in under the section escape the hardship of rigorous imprisonment. I am able to say, from a perusal of the debate in the Assembly, that the fact that the section was misused was not seriously disputed even by the Government. Therefore, Sir, we are not impressed with the Government's case for a change in the section, and the Government have not really disclosed their motive or their reasons for this demand for a revision of the Statute at such a short interval since September 1925. There is a widespread belief that there is some dark motive underlying this enactment, and whether it is so or not, I am content to base my objection on the broad grounds that no case has been made out, that the discretion is an illusory one, and being a preventative and not a punitive section, hard labour is not justified. I will only add one word; if keeping people who are sent to jail, without doing any work is considered to be objectionable from the standpoint of the State, because they are fed there while doing nothing, and it is considered that such people are likely to demoralise other inmates of the jails, I would suggest one remedy. Such people who are not really criminals and who are sent to jail because they are not able to give a satisfactory account of themselves, should be provided with work in some kind of institutions like workhouses where their services could be utilised and where at the same time they are not subjected to the humiliations and hardships of rigorous imprisonment like persons who are convicted of substantial offences. The State ought to be humane in the treatment of such persons who are imprisoned merely on suspicion for failure to give security. For all these reasons, Sir, I cannot but vote against this motion.

THE HONOURABLE RAI BAHADUR NALININATH SETT (West Bengal: Non-Muhammadan): Sir, on a consideration of the debate that took place in the Assembly over the Bill, I had to look into the history and decisions regarding sections 109 and 123 of the Code of Criminal Procedure as amended in 1923. I find that the Select Committee then appointed went into the matter fully and were deliberately of opinion that "in cases under sections 108 and 109, imprisonment in default of furnishing security should be simple." The said Select Committee consisted of men of experience in the legal line such as Sir Tej Bahadur Sapru, Sir William Vincent, Mr. J. Chaudhri, Sir B. C. Mitter, as well as you, Sir. That the above was not a mere passing observation is also evidenced by a consequential amendment of section 397 of the Code by the addition of a proviso under clause 103 of their report.

That proviso laid down that "imprisonment for a subsequent offence will not be concurrent with *detention* under section 123." This shows not

only deliberation on the part of the Select Committee as also their point of view that an order under section 123 is not a sentence but merely detention. And this is quite consonant with judicial decisions. This order of imprisonment for failure to give security is not a conviction for an offence under section 75 of the Indian Penal Code. The person proceeded against is not an accused under section 167 or under section 250 of the Code. He is committed to prison and not sentenced. It is upon these judicial decisions, I think, the learned Members of the Select Committee made it consistent with the idea of mere detention and made the term of imprisonment merely simple.

Sir, I have not been able to find any mention of these obvious facts either in the speech of the Honourable the Home Member at the time of the consideration of the Bill in the Assembly or by any of the supporters. Nor was any reason given by any one as to why the weighty opinion of the said Sub-Committee, as I have shown, should be brushed aside. I have also gone through the White Paper circulated along with the Bill, and I have not missed the appeal made by the Honourable the Home Member when he said:

"The implications of this are far beyond the mere amendment I am moving. I am asking the House to co-operate in making an amendment which has been recommended by executive authority in India. I am asking this House to say once for all whether they will, in any circumstances, under any conditions, carry any measure which is brought forward with the united force of the executive."

I have on my part equally to put it to the Government: the implications of this are far beyond the amendment asked for. I ask them, has not the executive from the very start of the Code in 1923 moved to restore the discretionary power of the Magistrate to award simple or rigorous imprisonment in default of furnishing security under section 109? Do not the reports furnish an ample answer that they did not co-operate to appreciate the view of criminal jurisprudence taken by the Select Committee? Do not the reports suggest that their view of the order under section 123 is punishment and not detention? Do not the jail reports point to the only conclusion that the vanities of the jail authorities have been touched by men who are not guilty of any insubordination but only "wear an expression of superiority" over other prisoners? The White Paper furnishes an example that our executive is very slow to move and to assimilate advanced ideas of criminal law that hard labour and harsh measures are often incentives to harden a prisoner. I would have been glad if any amendment could be moved that rigorous imprisonment should not be awarded to any one who had not been previously convicted under any sections of Chapters XVI and XVII of the Indian Penal Code (offences against person and property) but as it is, I have no other alternative but to oppose it.

THE HONOURABLE MR. T. C. DESIKA CHARI (Burma: General): Sir, in opposing this amendment I shall lay before the House certain legal considerations and my humble experience in the working of the Criminal Procedure Code in some of the provinces of India. Section 109, sub-clause (b), as it stands, applies not only to cases of bad livelihood which the Legislatures intended to deal with, but also covers cases of misfortune where a person fails to get some means of livelihood. Of course the original object was to deal with persons of bad livelihood, but as it stands the section is broad enough; and when the principle underlying that preventive section is taken into account the present amendment is certainly very objectionable. As my friend the Honourable Mr. Nalininath Seti,

[Mr. T. C. Desika Chari.]

Rai Bahadur, pointed out, the action to be taken by the Magistrate under the provisions of the preventive sections was not by giving a substantive punishment but by taking only a measure of prevention or safeguard against certain classes of persons doing injury to the safety of person or property in the State. My objection to this amendment is that it tries to overlook the principle on which these sections are based and to bring in a measure of punishment into the Criminal Procedure Code in dealing with persons under section 109. I have carefully gone over the White Paper which was placed in the hands of Members of the Legislative Assembly, and from a reading of the opinions of the various Local Governments and the jail authorities it is perfectly clear to me that they want to make out a case for giving rigorous imprisonment in the cases covered by section 109 by pleading that there are a large number of people convicted under that section who are persons who can easily come under section 110. It is this way. There is an abuse of section 109 and as a result of the abuse persons who ought to have been dealt with under section 110 have been dealt with under section 109. And so there is a large proportion of people dealt with under section 109, who are persons of notoriously bad character, who have had several previous convictions and who ought to be differently dealt with from persons who have had no previous conviction at all. I tried very carefully to follow the speech of the Honourable the Home Secretary, and there also I found his reason for bringing in this amendment is that soon after a person is released from imprisonment under section 110 he cannot be dealt with under the same section without being given an opportunity of showing that he was trying to reform himself. His object, I take it in bringing in this amendment, is to make away with that safeguard by proceeding under section 109 against those persons. That is the purpose, as I understand it, of the Honourable the Home Secretary in bringing in this form of punishment for a purely preventive measure.

My second objection is that it is no good saying "It is discretionary and the discretion will be properly exercised; there are cases where discretion may be properly exercised and so provision ought to be made to give discretion to the Magistrate to give either simple imprisonment or rigorous imprisonment." The principle to be applied to all these cases from a purely judicial point of view is this. It is better to make provision which may allow a number of people to escape from the clutches of justice rather than that one man who ought not to be dealt with under the provisions of this section should be brought under it. That is better in cases of doubt. It is no explanation to say that Magistrates are all right, they know how to exercise discretion and so on. The question is they ought not to be allowed to exercise a discretion which may possibly work hardship in the case of at least some people who ought not to be given rigorous imprisonment.

THE HONOURABLE MR. J. CRERAR: But how could these Magistrates at all on that basis?

THE HONOURABLE MR. T. C. DESIKA CHARI: My answer to that is Magistrates deal with this section, and if they are given this discretion there may be some chance of a person who ought not to be given rigorous imprisonment being given rigorous imprisonment under this section. It may be an extraordinary circumstance, but all the same it is the duty of the Legislature to frame the law in such a manner as not to give any scope of such abuse of discretion at all. I, therefore, oppose this amendment of the Code

because it goes against the very root of the principle underlying section 109 and other preventive sections of the Criminal Procedure Code. They are not sections which deal with substantive offences but they deal with extraordinary safeguards against injury to the person and property of individuals. These are cases where measures are taken against persons not in the form of punishment but cases where they are dealt with under measures of extreme precaution in the interests of the public so that they may not commit mischief against the public at large. For these reasons, Sir, I oppose the Bill.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO (Madras: Non-Muham-madan): Sir, not being a lawyer myself, I do not wish to say anything which will involve the expounding of legal quibbles and legal technicalities and I have therefore decided to leave them to hair-spitting lawyer friends in this Council. But, I think, I would be failing in my duty if on the present occasion I should record my silent vote and not enter my emphatic protest against what I consider to be a dangerous and iniquitous piece of legislation. This Bill raises a plain issue. Are you or are you not prepared to arm the Magistracy with discretionary power to award simple or rigorous imprisonment in security proceedings taken under section 109? This section is, under normal conditions, intended to haul up a habitual criminal who has not been caught red-handed in the act of thieving or committing any other offence but who, for the purpose of committing an offence, is taking the necessary precautions to conceal his presence or who is looking about with no ostensible means of subsistence or cannot give a satisfactory account of himself. Such a person is asked to furnish security for good behaviour under this section, and if he fails to do so, is punished with simple imprisonment only under the recently amended section 123 (b). The complaint now is that simple imprisonment has no deterrent effect on these habitual criminals who lordly while away their time in jails refusing to do any work and are therefore a burden to the State, and the law should therefore be amended giving Magistrates discretionary power to award hard labour in such cases. A Bill was introduced in September last in the Legislative Assembly making the necessary amendments but was thrown out then on cogent grounds. The Honourable the Home Member reintroduced this Bill in the Assembly a few days ago and in doing so made a curious statement which I consider to be an insult to this House and which I do not like to pass unnoticed. He said:

"I would not lightly invite another rebuff in this House. It was open to me to take the Bill to another place, to endeavour to secure—(mark these words, please)—the re-insertion of this clause and bring it back here again. I did not wish to do that out of respect for this House."

Is it not an implication, Sir, that this House is ever ready to play to the tune and do anything to the dictation of the Honourable the Home Member? Let us at least wipe out that impression from his mind by throwing out this Bill this time. According to the Bill, Sir, any person who has no ostensible means of subsistence or cannot give a satisfactory account of himself can be booked and sentenced to hard labour, if he fails to find security. If it is expressly mentioned that this section applies only to a habitual criminal, then there can possibly be no objection to this Bill. But, as it stands, this section has a very wide range of application extending its scope from a habitual criminal to an innocent pauper, a true patriot and an honest politician. Anybody can come under the clutches of this law and be

[Dr. U. Rama Rao.]

awarded rigorous imprisonment if the Police and the Magistrate are so minded. This section gives into the hands of the Police and the Magistracy a very dangerous weapon to suppress not merely crime but the shame of poverty and unemployment, to suppress political agitation and demand for national freedom, in fact, anything that comes in the way of the Government and is repugnant to the Government. There has been a gross abuse and misuse of this section by the Magistrates in the past by their applying it to political offenders, which the Government has never denied nor taken any steps to prevent. No guarantee is held out to prevent its recurrence in the future. As long as the executive and judicial functions are combined in one, so long will this abuse of power continue. The Legislature is asked to give a *carte-blanc* to the Executive to deal with the people in any arbitrary manner they like under this section. I hope our appeal will not be in vain and this House will consider the question calmly and without any bias or prejudice and reject this Bill in the interests of the people at large.

THE HONOURABLE PANDIT SHYAM BIHARI MISRA (United Provinces: Nominated Official): Sir, I rise to support the Bill, the consideration of which has so ably been moved by the Honourable Mr. Crerar. I had thought, Sir, that this Bill was not a controversial measure. It should not have been treated as a controversial measure. As a matter of fact, those who have experience of criminal administration of the country know that it is only the worst criminals who are usually dealt with under sections 109 and 110 of the Criminal Procedure Code. I have, Sir, personal experience of more than a quarter of a century of administration of criminal justice in the country. Unfortunately, I was only a Magistrate, but I think I can conscientiously say that never in my experience of 25 years was my judicial discretion interfered with by any District Magistrate. A reference to this point has been made by one of the previous speakers. Well, Sir, I can confess that there are Magistrates whose decisions and actions are sometimes interfered with by District Magistrates. But I must say that those subordinate Magistrates themselves are largely responsible for this state of affairs. We cannot be justified in believing and assuming that District Magistrates are always wrong and subordinate Magistrates are always right. I know—I must confess with shame—of instances where some subordinate Magistrates sought the help of District Magistrates for the sake of their own convenience, perhaps unworthy convenience. I must repeat that they wanted to seek the advice of District Magistrates for their own motives and it is such Magistrates whose discretion and action are sometimes interfered with by the District Magistrates. But I must add that no District Magistrate has ever been known to me to interfere with the discretion or action of an honest and intelligent subordinate Magistrate. This is my reply to the insinuation of my Honourable friends.

Then, Sir, it has been suggested that this section 109, Criminal Procedure Code, is liable to abuse and that therefore the discretion of awarding simple or rigorous imprisonment should not be given to Magistrates. May I ask, Sir, if any other section is not liable to abuse? Even the best thing in the world is liable to abuse, but we deal with the rule and not with the exceptions. The rule is that we must provide and legislate for what is usually done, and not for what may happen by an abuse of something. I do not know.

but there might have been instances of an abuse of this section. There might have been instances of an abuse of any other section of the Indian Penal Code.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAO: What about the Nagpur flag case?

THE HONOURABLE PANDIT SHYAM BIHARI MISRA: I do not say that there is no possibility of abuse. I do not know about the Nagpur case. It is said that some Nagpur flag Satyagrahis were dealt with under section 109. They might perhaps have been rightly dealt with under that section, or the section might have been abused. I have already admitted that every section is liable to abuse. But shall we scrap the Indian Penal Code because every section of it is liable to abuse? If so, then let us repeal the whole of the Indian Penal Code. Because a man might be wrongfully hanged, is it right that therefore section 302 should go? Then there would be no end to murders. My experience is that *pax Britannica* is more due to the discriminate exercise of the discretion of Magistrates under sections 109 and 110, Criminal Procedure Code, rather than to all the penal laws of the land put together. That is my firm conviction. *Pax Britannica* is really based on sections 109 and 110, provided they are properly worked. Any sections might be abused, but I think that such cases are rare. In my experience I do not remember that any abuses of section 109 ever took place in my court. Section 110 has been at times abused, but I do not remember section 109 being abused. I admit it is liable to be abused, but a salutary section cannot go because it is liable to be abused.

Mr. Ramadas Pantulu has put forward three objections. One is that prevention should not be punitive. I admit that and I do not think that it ever was the object of the Legislature to provide that prevention should be punitive. But how are we to deal with confirmed criminals? It is a question of discretion. I do not say the Magistrates must always give rigorous imprisonment to a man unable to furnish security. We must give discretion to the Magistrates. I think, Sir, that Mr. Bipin Chandra Pal, if I remember aright, said in the lower House, when somebody remarked that he had been to jail, that he was in jail when jail was really a jail and not a father-in-law's house. If you give simple imprisonment to a hardened criminal, it means sending him to his father-in-law's house to be the guest of His Majesty at the expense of the ratepayer. The honest man has to subscribe towards his maintenance, while he lives in jail a life of peace and perhaps luxury. That cannot be the intention of any Legislature. We must deal with each case on its merits, and this is why discretion is being asked to be restored. If there is a hardened criminal, and he is found to be sitting behind my house at mid-night with instruments of housebreaking in his possession—he has not begun his housebreaking operations—and if he runs away when seen and is captured and produced under section 109 before a court, shall we say: "You were going to commit housebreaking, but nevertheless you can comfortably be lodged in your father-in-law's house"? No, this would be preposterous; therefore to refuse restoration of discretion to Magistrates in such cases is to my mind absolutely wrong.

Then Mr. Ramadas Pantulu also pointed out that some persons who could be proceeded against under section 110 were wrongly proceeded against under section 109. It is a surprising suggestion and a surprising

[Pandit Shyam Bihari Misra.]

argument. Section 110, as Honourable Members are aware, provides for imprisonment on failure to give security, either rigorous or simple, for three years, whereas section 109, so far as I remember (I have not been dealing with these sections for three or four years), provides for imprisonment for only one year; so why should section 109 be substituted for section 110? My friend Mr. Chari has pointed out that this section is substituted for section 110, because in case of a person dealt with under section 110, some time must be allowed to elapse to give him a chance of reforming himself, before he can again be proceeded against under that very section, and that therefore such persons are wrongly proceeded against under section 109. This is a very ingenious suggestion, but to me with all my criminal court experience it looks rather funny. Section 109 can hardly be substituted for section 110. Section 109 is really used against criminals when they are actually caught under very suspicious circumstances, and at least I think I can be justified in hoping that I shall be credited with *bona fides* when I tell you that my experience has never shown that section 109 has been abused. I never knew this to happen in the 25 years of my experience.

Then the third objection of the Honourable Mr. Ramadas Pantulu was that no case has been made out for restoration of this discretion which was rejected by the Assembly in 1925. The Honourable the Home Member's speech in the other House should convince all who are open to conviction that a very good and strong case had been made out, and all the opinions of the Local Governments and High Courts and jail authorities go to show that this discretion should be restored. I really do not see why it should not be restored. All cases must be dealt with on their merits. Nobody can say that all persons dealt with under section 109 are good people and that none of them must be given rigorous imprisonment when they have failed to furnish security. If the merits of the case demand it, why should this discretion be refused to Magistrates? To say that Sessions Judges are unwilling to interfere with the discretionary powers of Magistrates is quite wrong. Sessions Judges always interfere when they think it necessary, and I think it would be an absolutely salutary provision. I think under such conditions the fear of abuse is very, very remote. I support the Bill.

THE HONOURABLE MAULVI ABDUL KARIM (East Bengal: Muhammadan): Sir, I had a mind to undergo my ordinary period of apprenticeship like a good old boy, but just now after hearing what has fallen from some of the Honourable Members of this House on a subject in which I have dabbled for 25 years of my life exclusively as a criminal practitioner, I think I would be doing an injustice to myself and also to the Honourable Members of this House if I did not place at their service a little bit of personal experience and knowledge which I have acquired in connection with the operation of sections 110 and 109.

Sir, I rise to support the motion of the Honourable Mr. Crerar, not only heartily but most whole-heartedly, and I will endeavour as best I can to supplement the arguments that have been advanced in this House by the Honourable Mr. Crerar, and also by the Honourable Sir Alexander Muddiman in the debate on this question in the other House. Sir, I come from a province or a part of a province which has given birth to political thoughts as they are now widely understood and expressed, I

mean I come from Eastern Bengal, and as the Honourable Members of this House are fully aware, circumstances connected with the partition of Bengal and its subsequent modification are circumstances which have widened the Indian political outlook and have given not a little trouble to those who have had to administer the law in this country. Sir, I do not dogmatically assert things because I have dabbled in this law for 25 years of my life, nor do I prefer to look at the question merely from an academician's point of view. I will place my own personal experience of this matter before the Council. The present political situation has arisen after 1905. The law of 1898 that is going to be restored by the present enactment provided for simple or rigorous imprisonment according to the discretion of the Magistrate. Now, Sir, as the Honourable Members of this House have already learnt from the Honourable Mr. Crerar, and as they themselves already know, in 1923 that law was modified, taking away the discretionary power of the Magistrate. In the year 1926 that power is going to be restored. In the debate in the other House I beg to submit that as a matter of fact legal opinion veered round under the somewhat politically atmospheric pressure and what was enunciated there does not exactly commend itself to those who have studied the law very carefully. I will not go over it again in this House because I am sure the Honourable Mr. Crerar has been able to make a full presentment of the Government's case on this subject. I will only just refer to one point. It is said that discretion to the Magistrates in the matter of ordering either simple or rigorous imprisonment in the case of failure to give security under both provisions (a) and (b) of section 109 should not be given because, as the principal argument advanced therefor has it, that sort of discretion is sometimes abused. My submission to the Members of this Honourable House is that, because discretion may be abused sometimes, that is no reason why discretion should not be given at all. All laws that are progressive in their nature must have the merit of elasticity. Without that there can be no advance worth the name. Now, Sir, the question is whether the law as it stands gives sufficient scope and opportunity to the Magistrate to exercise that discretion properly or not in appropriate cases. The whole question may be looked at from that point of view. My submission is that there may be cases, and there have been cases to my knowledge, in which simple imprisonment under section 109 would not meet the ends of justice. I will place one such case for consideration before this House which has come to my personal knowledge. A man comes as a forerunner—I call him a forerunner because he comes first—to help in the perpetration of a dacoity. That forerunner comes forward in the guise of a “Sannayasi”. I refer to “Sannayasi” because his case was mentioned in the other House as a case in which the Magistrate might wrongly exercise his discretion to punish a *sannayasi* and sentence him to rigorous imprisonment. Now suppose that man who comes in the guise of a *sannayasi* to my house, makes a plan of my house showing therein the approaches and the ins and the outs of my house with the intention of going back to his confederates at some centre of the conspiracy from which he is an emissary taking all the material particulars necessary to enable the dacoits to come and raid my house afterwards. Now, Sir, this man is arrested by the police and he is actually found with a notebook in his pocket which shows the plan of my house, the house of a rich millionaire. He does not give a satisfactory account of himself; he does not like to disclose the names of the persons who have sent him out. “What is your name?”



[Maulvi Abdul Karim.]

he is asked and he does not give a satisfactory reply to that. He is not a photographer or an artist by profession and the Magistrate has absolutely every reason to think he must be a criminal forerunner of that kind—I do not say political. Now, Sir, is the present law sufficient to meet a case of that kind? That section of this House who are lawyers know, as a matter of fact, that there are certain stages of a crime which are not touched by the substantive criminal law. I cannot say this man had been preparing to commit a dacoity. I cannot say that he is there with the object of committing dacoity, although he is there with the object of furnishing such valuable information to the persons who have conceived the idea of committing the dacoity. With regard to that man I cannot say he is preparing to commit a dacoity or concealing himself with the object of committing an offence. I cannot bring him under clause (a), section 109. I cannot haul him up under the Indian Penal Code because it is the preparatory stage of only one crime that is taken account of by the Indian Penal Code. I cannot say I can bind him down under the Criminal Procedure Code, section 110, because he is not a habitual offender. Section 110 will not touch him, nor clause (f) of that section which is intended only for those persons who are dangerous or of desperate character. Now, Sir, is the man to go scot free? I cannot bring him under any of the conspiracy sections which have lately been enacted to meet the larger requirements of the country, due to the larger political movements of the day, because he refuses to disclose the names of his associates or principals. Unless there are at least two persons, I cannot say that he is a party to the conspiracy. Now, Sir, certainly a case of that kind is intended to be covered by section 109 (b). If he were to be given simple imprisonment under the law as it was remodelled or recast in 1923, the man would be sent to jail and live, as an Honourable Member on the other side said, like a son-in-law in the Government House. Would not the circumstances of a case like this behove the Magistrate in inflicting upon the man, on his failure to give security, no other punishment than that of rigorous imprisonment? My submission before the House is this that such cases have actually come before me and I have conducted a number of cases in which the accused were actually found in possession of such notebooks showing the plans of the houses of well-to-do and respectable people. As a matter of fact it was this that opened the eyes of the Government, and my submission is that it was in the light of these recent experiences now coming to the notice of the Government that the Government in their wisdom thought of bringing up a Bill like this and restoring the old power to the Magistrate. It is in view of these considerations and other considerations with which I will not tire the House now that I not only strongly but whole-heartedly support the motion brought forward by the Honourable Mr. Crerar, that this Bill as passed by the Legislative Assembly, though with some difference of opinion, be passed here also.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, the speeches made by my two immediate predecessors relieve me to a very large extent from replying to the objections which have been raised to this Bill, and in particular I am obliged to my Honourable friend Maulvi Abdul Karim for an able and comprehensive speech, his first speech in this Council, which gives us every prospect of important contributions from him to our debates in the future.

I was very much gratified, Sir, to have from the Honourable and learned gentleman from Madras an assurance that when Government move measures in this House relating to questions of law and order it is always his strong instinct and desire, as far as in him lies, to support any legitimate appeal made by Government for any reasonable proposition in the matter of powers to maintain law and order. My gratification was however on reflection slightly qualified when I recalled that I had heard preliminaries of that character several times from my Honourable and learned friend and that he invariably followed it up by some measure, usually a very strong measure, of opposition to the particular provision of that nature with which I myself happened to be concerned. I was also particularly struck by the fact that the Honourable and learned Member appeared to express some preference for measures of a preventive rather than a punitive character. Nevertheless it has usually been on occasions when it has been my duty to lay before the House measures of a preventive or precautionary character that I have found more particularly my differences of opinion with my Honourable and learned friend to be fundamental.

Sir, he said he had three special grounds of objection to this Bill. The first was that the section was intended to be preventive and not punitive, and he was therefore inclined to think the measure we proposed to be in the direction of being punitive rather than preventive. Well, in the first place, I should point out that an objection of that character would equally apply to any action taken under section 110 though I think the common consent of persons conversant both with the law and with the practical application of the law, both in this House and elsewhere, has been that in the case at any rate of section 110 it would be absurd to deprive the Magistrate of a discretion to order rigorous imprisonment. In so far as that argument rests upon the undoubted fact, which I fully admit, that these provisions are primarily of a preventive and not a punitive character, the objection ought to go further and induce my Honourable and learned friend to adopt the same proposition in regard to section 110, which I venture to suggest would not be supported by anyone who has a knowledge of the law or any considerable experience of its application in practice.

He then put forward his second objection which related to the discretion of the Magistrate and an Honourable Member who spoke on this side of the House urged the same point, apparently suggesting the view that you are not only not to give a Magistrate a discretion but you are to remove from him all power in any circumstances whatsoever of committing an indiscretion. Well, Sir, all I can say is if you attempt to legislate on those lines, and if you fail to find an undeviating succession of archangels to fill your magisterial and judicial chairs, you will never succeed in putting into form any form of penal legislation whatsoever.

THE HONOURABLE MR. T. C. DESIKA CHARI: I am sorry the Honourable the Home Secretary did not understand me. I merely said section 109 ought not to be so worked as to make an honest person come within the clutches of the law and punished under the amended section and it must be made clear that particular provisions are not intended to be applied to particular persons. That is all that I said.

THE HONOURABLE MR. J. CRERAR: I am afraid I am not much more illuminated with regard to the Honourable Mr. Chari's objection now than I was before. But my reference was to the point relating to the discretion of the Magistrate, and the objection to which I particularly wish to



[Mr. J. Crerar.]

reply is not that of the Honourable Mr. Chari (which I confess I do not understand) but that raised by my Honourable and learned friend from Madras. The Honourable and learned gentleman from Madras took this point in particular, that inasmuch as judicial and executive powers had not been completely separated there was a very grave fear that the discretion imposed on Magistrates in regard to this particular section would be abused. Well, I should like to make two points in reply to that. The first is that *ex hypothesi* we are both agreed on this that this particular measure is preventive; it is not punitive. That is to say, we are not concerned with the formal conviction of an accused person of an offence, nor with the sentence which is duly to be passed upon him. Those are judicial functions. We are concerned with preventive measures; and I maintain preventive measures are essentially executive measures and must be in the hands of persons who have executive authority. My second point is this. If it is necessary to appeal to any well-known analogy, that is to say, if we are to refer to the source of most of our conceptions of criminal law in India, which is the English law, I would remind my Honourable and learned friend what the state of the English law in the matter is. The English Vagrancy Act enables an idle and disorderly person, that is to say, a person who has once infringed section 3 of that Act to be at once sent to prison with hard labour for one month, and no security. If he comes once more within the danger of that Act he is liable as a rogue and vagabond forthwith to be sent to prison for six months' hard labour, and no security. If he comes under the Act for the third time he then becomes an incorrigible rogue and is liable to 10 months' hard labour; he is also liable to whipping and no security again. Moreover, those orders are to be passed not by a bench of persons who exercise solely judicial power but by the Justices of the Peace, who, as Honourable Members are very well aware, though the matter is not always fully recognised, are in some of the most important aspects of their functions undoubtedly executive functionaries. Indeed until quite recent times the most important local executive functionaries in the United Kingdom were the Justices of the Peace; and it is to them that the operation of the analogous and as the House will see much more severe laws relating to vagrancy and bad livelihood is entrusted.

The third objection raised by my Honourable and learned friend was this. He inquired what has happened since September 1925, to justify Government in bringing this measure into this House. I will only say this, Sir, that if wiser counsels had prevailed elsewhere in September 1925, this measure would have been long ago before this House and what has occurred since 1925, regarding which my Honourable and learned friend desired to be informed is the gratifying fact that Honourable Members in another place have changed their mind, and changed it for the better. Those, Sir, are the three main points raised by the Honourable gentleman and by those who spoke after him, and I hope and trust that I have met them to the satisfaction of the House.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Code of Criminal Procedure, 1898, for a certain purpose, as passed by the Legislative Assembly, be passed."

The motion was adopted.

## MADRAS CIVIL COURTS (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill further to amend the Madras Civil Courts Act, 1873, as passed by the Legislative Assembly, be taken into consideration.

This, Sir, is another small Bill to give effect to one of the recommendations of the Civil Justice Committee. I will explain shortly the object of this Bill. Under the Indian Succession Act, outside the High Courts, it is only the District Judges who can take cognizance of proceedings under that Act. Practically all the provinces other than Madras have by their local Civil Courts Acts empowered the High Courts to authorize subordinate courts as also the District Judges to enable subordinate courts to take cognizance of proceedings under the Indian Succession Act. The Civil Justice Committee recommended that that power should also be given to the Madras High Court and to the District Judges under the Madras High Court and this Bill simply proposes to give effect to that recommendation.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 2 stand part of the Bill."

THE HONOURABLE MR. S. R. DAS: Sir, I move as an amendment:

"That in clause 2 in the new section 29 proposed to be inserted in the Madras Civil Courts Act, 1873:

(a) the words 'or District Munsif' wherever they occur, and

(b) the proviso to the proposed sub-section (3)

be omitted."

The matter arises in this way. The Bill as originally drafted and passed by the Legislative Assembly empowers the High Court as also the District Judge to authorise all District Munsifs as also Subordinate Judges to take cognizance of these proceedings. The proviso to sub-section (3) enacts that an appeal from an order of a District Munsif in any such proceedings shall lie to the District Judge. A question was raised during the debate in the Assembly as to whether under the present law an appeal would lie from the order of the District Judge on appeal from the District Munsif to the High Court, and it was pointed out that it would not be right that there should be no appeal to the High Court in some of these contentious proceedings which might be taken by the District Munsif. At that time, my Honourable colleague, the Home Member, gave an undertaking that he would look into the matter. It now appears that there would be no appeal to the High Court from an order of the District Judge passed on appeal from the District Munsif. Under those circumstances, we have thought that the best course would be to take away the power of the High Court to authorise District Munsifs to hear these proceedings and restrict that power only so far as subordinate Judges are concerned. With that view I have to move the amendment that the words "or District Munsif" wherever they occur and the proviso to the proposed sub-section (3) be omitted.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 2 stand part of the Bill."

[The President.]

Since which an amendment has been moved:

"That in clause 2 in the new section 29 proposed to be inserted in the Madras Civil Courts Act, 1873:

(a) the words 'or District Munsif' wherever they occur, and

(b) the proviso to the proposed sub-section (3) be omitted."

The question I have to put is that that amendment be made.

The motion was adopted.

Clause 2, as amended, and clause 1 were added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: I move, Sir, that the Bill, as passed by the Legislative Assembly and as amended by the Council of State, be passed.

The motion was adopted.

#### RESOLUTION RE GRANT OF SUPPLEMENTARY ASSISTANCE TO THE TIN-PLATE INDUSTRY.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that no action be taken on Chapters IV and V of the Report of the Indian Tariff Board regarding the grant of supplementary protection to the steel industry, except that supplementary assistance should be given to the tin-plate industry in India, (a) by increasing from Rs. 60 to Rs. 85 per ton the specific protective duty on all steel tin-plates and tinned sheets, including tin taggers, and (b) by reducing the duty on tin, block, from 15 per cent. *ad valorem* to a specific duty of Rs. 250 a ton."

With this Resolution I bring before the Council the remaining portions of the third report of the Tariff Board on Steel. Last September the old Council disposed of their recommendations on rolled steel. This morning we have disposed of their recommendation in regard to wagons and now there remain only two Chapters to be dealt with, one on fabricated steel and the other on tin-plates. My Resolution covers those two Chapters. The Council will see from the terms of my Resolution that Government propose to take no action whatever in regard to fabricated steel. To that extent perhaps it might not have been necessary to bring it to the notice of the Council but we think it advisable for the Council to have a chance of discussing these recommendations of the Tariff Board even when the Government do not accept them. I am also very anxious that the Council will endorse the interpretation that the Government place upon one of the important sections in the Steel Industry (Protection) Act. The engineering industry in India applied under section 3 (4) of the Indian Tariff Act for additional protection on the ground that there had been such a change in prices as to render the protection afforded by that Act ineffective. The Tariff Board thereupon made their inquiries and, as we all know, they found that prices had fallen considerably. Their original recommendation for the engineering industry was to raise the duty from 10 per cent. *ad valorem* to 25 per cent. *ad valorem*. I think it will be clear to the House that an *ad valorem* rate, when prices are falling, means an actually smaller number of rupees. On the whole, therefore, the

Tariff Board found that in order to restore the figures which they calculated in 1924, an additional protection of 7½ per cent. would be required. The Government do not challenge those calculations or those figures in any way. If it be held that the meaning of those words which I have read out from section 3 (4) of the Steel Industry (Protection) Act is, in effect, that when prices fluctuate additional protection must be imposed from time to time in order to restore the exact measure of protection contemplated at the time of the original inquiry, then the finding of the Tariff Board is perfectly logical and perfectly correct. But, Sir, I have said when speaking on these questions of protection before, that it is not a portion of the policy of protection to guarantee prices. Prices must fluctuate and it is beyond the wit of any Government to be repeatedly altering tariff duties in order to chase prices either up or down. It is also most undesirable from the point of view of trade and commerce to be perpetually altering our customs duties, and in a policy of protection this idea of guarantee of a fixed measure of protection is not necessarily inherent. The Honourable the Commerce Member in another place, when speaking on this very Bill in 1924, explained that in his opinion that section only ought to be used on rare occasions, when the need is very real and also very urgent. That is the proper way in which this section ought to be used, not as a weapon for adjusting rates by mathematical calculations, but for reasons of urgent or unforeseen emergency. The Government therefore examined this proposal to give additional protection to the steel industry from that point of view, and at once one notices that we are really dealing not with a new industry but with one which has been going on for the best part of a hundred years. It has had its ups and downs, and has been through a period of depression before. At the present moment it is not suffering from the flood of imports, but if it is suffering it is suffering from general depression in trade. Imports have not been phenomenally large during the last twelve months, and lastly the Tariff Board itself have reported that these firms said in evidence that although orders were difficult to obtain the difficulties were not so great as they had been before the Steel Industry (Protection) Act was passed. In view of those circumstances it seems to Government that an emergent need has not arisen in regard to the fabricated steel industry, especially when it is remembered that that Act has only one more year to go. I hope the Council will endorse that interpretation because it will be a most unsettling thing for the trade and commerce of this country if it is given out that the Government and the Legislature are prepared to vary their customs duties so as to meet any fluctuation in prices. It would also have, I think, a very enervating effect on those who were receiving protection if they thought that when prices fall somewhat they could come to the Legislature and have the difference made up to them. So much for fabricated steel.

I now turn to the other Chapter, namely, the tin-plate industry. The Government consider that the circumstances are somewhat different here. The Council will remember that in that case the Tariff Board originally raised the duty from 10 to 15 per cent., not from 10 to 25 per cent. They certainly made the duty specific which has been a great advantage to the tin-plate industry, but yet the increase given was compared with others small. They have made calculations similar to those they made in regard to the fabricated steel industry; and conclude that there is a gap required of Rs. 38 a ton in order to restore the measure of protection for tin-plate

[Mr. D. T. Chadwick.]

that they had anticipated two years ago. They recommend that this gap should be made good. They, however, do not suggest that they should put the whole of the Rs. 38 as additional duty on tin-plate, but only Rs. 29 as additional duty and make up the remaining Rs. 9 by remitting the duty which the company have to pay on the block tin imported for galvanising. In this case the Council is dealing with an absolutely new industry, not with one that has been here a hundred years. The industry has started well I am bound to say. The industry has made very great technical advance in its first three years. It has reached very nearly its full maximum output of 622 thousand boxes a year and is using some 45 thousand tons of steel a year. Technically it has done well, also as a new industry it stands in a different category from the fabricated steel industry. I have already said that in regard to this section 3 (4) of the Act, we ought not to use it to make up mathematical differences but only to use it when the need is urgent and real and then only to the minimum extent. It is perfectly clear from what the Tariff Board has reported that although the industry has made this technical progress, prices and conditions have changed so much that it is by no means meeting even its work costs at the present day. Therefore, the Government propose that the amount of additional benefit which should be given to this company should be restricted to just covering and meeting the works cost, that means additional benefit of Rs. 29 a ton. The Government also do not like the idea of making a remission of duty to only one company as would be the case by remitting only to this company the duty on tin block. It would be fair to reduce it for every body who uses that article and consequently the proposal I place before this House is that the duty on tin be reduced to Rs. 250 a ton, practically half, and the duty to be placed on tin-plates should be increased from Rs. 60 to Rs. 85 a ton. The revenues which we should get from the additional duty on tin-plates will balance the loss incurred by reducing the duty on block tin; therefore, as far as general revenue is concerned, there is no difference. At the same time I wish to point out to the House that the question of giving protection to the tin-plate industry is not now in question. That is settled up to the 31st March 1927. It is only a question of meeting a present need over the next year. Next year an inquiry will be held to consider whether this industry should or should not be protected. While the company has made great technical advance, one point arises affecting next year's inquiry, and that is that there has been a good deal of doubt in regard to the capital arrangements of this Company, which in the opinion of many is badly arranged and probably excessive. No doubt the Company will bear that in mind.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): Sir, here again the question of protection is raised. The House this morning has already heard my views on protection and those are that when protection is intended to foster a national industry in its infancy I have no great fault to find with it. This Resolution moved by the Honourable the Commerce Secretary has my support up to a certain point, in so far as it refers to the question of fabricated steel, but when he gets on to the tin-plate industry, I am afraid I must differ from him. This tin-plate industry is a small industry and why the Commerce Department should consider it worthy of protection I am at a loss to understand.

except perhaps that it is a sort of offshoot of the Tata Iron and Steel Industry. I have said this morning that protection always costs something to the country and if you provide protection for one particular article, something else has got to pay for it. I gathered from the Honourable the Commerce Secretary's speech that he did not agree with me in this instance because he pointed out that, when he proposed to reduce duty on tin block, he proposed to increase the duty on imported tin-plates. Well, I am afraid I cannot agree with his mathematics. What would be the position if you increase the duty on an article which is being imported to this country? I presume it is with the idea of striking at that article coming into the country, and therefore the duty on that article must be correspondingly less, and I very much doubt whether the proposal of the Honourable the Commerce Secretary that the increased duty obtained from imported steel plates will meet the amount that the country has got to pay. I will not detain the House very much longer; they are aware of my views on this question of protection, I insist that protection is expensive. As I said, I do not oppose protection to a great national industry, but I challenge anybody in this House to say that this little tin-plate—I very nearly said tinpot—industry is a national industry. I do not suppose the Commerce Department, in moving this Resolution, had in mind the large shareholders of this industry. I do not suppose the shareholders, and I hope they do not, interest the Commerce Department at all, but I take it they moved this Resolution from the point of view that this industry is a sort of offshoot of the Tata Iron and Steel Industry; in fact it receives its supplies of steel for this industry from the Tata Iron and Steel Company. Sir, had the Commerce Secretary been able to show that this very small, minute, industry was a national industry, he would have received my support. As I have said before, I contend that this is merely an offshoot of the Tata Iron and Steel Industry which is the grandparent, and there may be some other grandchildren springing up. Are you going to provide protection for them? Once the thin end of the wedge is introduced there is no knowing where it will stop, and I am afraid I must oppose that portion of the Honourable Member's Resolution which refers to the tin-plate industry.

THE HONOURABLE MR. D. T. CHADWICK: Sir, earlier in the day when my Honourable friend spoke on the Bill in regard to wagons, I heartily agreed with him. Now I join issue with him entirely. He has not spoken on the Resolution a single word. The matter that is before the Council is not the question, as I explained, of protection to the tin-plate industry. That has been settled. That is settled up to March 31st, 1927. Nor was it settled by the Commerce Department. It was settled by the Legislature of the country. To-day we are dealing purely with the addition of protection that is required to meet the particular circumstances which have arisen. Therefore, Sir, it is not incumbent upon me to prove that this industry is a national industry, or is any other description of an industry or even that it is not a "tinpot" industry; the point is it is already protected. And I can assure my Honourable friend—besides he knows it because he was here in the House at the time—it was not protected by the Legislature because the Tata firm is one of the shareholders, nor because the Burma Oil Company is a shareholder . . .

THE HONOURABLE SIR ARTHUR FROMM: I never referred to the Tata firm being one of the shareholders.

THE HONOURABLE MR. D. T. CHADWICK: I am sorry, Sir, because I thought the Honourable Member would have known from the report of the Tariff Board that this Company has only two shareholders, one being the Tata Steel Company and the other the Burma Oil Company.

THE HONOURABLE SIR ARTHUR FROOM: Yes, the Burma Oil Company.

THE HONOURABLE MR. D. T. CHADWICK: I thought that knowledge was common property. This industry came under the general scheme of protection in the same way as the engineering industry, namely, that it used steel. It came in for inquiry exactly in the same way as the wire industry. When these subsidiary industries were examined by the Tariff Board and when their report was placed before the Legislature,—the Legislature, including this Council, decided that it was a worthy industry to protect.

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

"That this Council recommends to the Governor General in Council that no action be taken on Chapters IV and V of the Report of the Indian Tariff Board regarding the grant of supplementary protection to the steel industry, except that supplementary assistance should be given to the tin-plate industry in India, (a) by increasing from Rs. 60 to Rs. 85 per ton the specific protective duty on all steel tin-plates and tinned sheets, including tin taggers, and (b) by reducing the duty on tin, block, from 15 per cent. *ad valorem* to a specific duty of Rs. 250 a ton."

The motion was adopted.

#### NOMINATIONS TO THE PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT: The following Honourable Members have been duly nominated for the Panel of the Central Advisory Council for Railways:

The Honourable Mr. P. C. D. Chari,  
 The Honourable Mr. V. Ramadas Pantulu,  
 The Honourable Rai Nalininath Sett Bahadur,  
 The Honourable Rao Sahib Dr. U. Rama Rao,  
 The Honourable Mr. Mahendra Prasad,  
 The Honourable Mr. Mahmood Suhrawardy,  
 The Honourable Sir Arthur Froom,  
 The Honourable Mr. Phiroze C. Sethna,  
 The Honourable Rai Bahadur Lala Ram Saran Das,  
 The Honourable Mr. J. W. A. Bell,  
 The Honourable Raja Sir Rampal Singh,  
 The Honourable Mr. K. C. Roy,  
 The Honourable Sir Sankaran Nair.

As only eight members are required on the panel and thirteen have been nominated, an election will have to take place. As I announced the other day, the election will be conducted on Thursday, the 25th of this

month, and it will take place, according to the regulations laid down for the conduct of an election according to the principle of proportionate representation, by means of the single transferable vote.

As the House is aware, to-morrow was one of the days allotted for the disposal of business promoted by non-official members, and the list of business which has already gone out contains one item of business only, a Resolution to be moved by an Honourable Member from Madras. He has now given me notice that he does not intend to move that Resolution and there will therefore be no necessity for the House to meet to-morrow.

THE HONOURABLE MR. V. RAMADAS PANTULU: I should like to withdraw.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member wish to withdraw his nomination?

THE HONOURABLE MR. V. RAMADAS PANTULU: If I am permitted to do so.

THE HONOURABLE THE PRESIDENT: The Honourable Member is in time.

The Council then adjourned till Eleven of the Clock on Thursday, the 25th February, 1926.

## COUNCIL OF STATE.

Thursday, 25th February, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### QUESTIONS AND ANSWERS.

#### EXPENDITURE ON THE IMPERIAL FOREST RESEARCH INSTITUTE, DEHRA DUN, ETC.

112. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state what is the total cost of the Imperial Forest Research Institute, Dehra Dun, to the Government of India? How many sections are there in the Institute? How many sections are put in charge of (a) European officers, and (b) Indian officers? How many officers in charge of the sections are in permanent employ and how many temporary? What are the qualifications of the officers in charge of the sections?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The work done at the Institute is of two kinds, research and education. Separate figures for the Research Institute and for the Forest College are not available, but as a result of the recommendations of the Indian Retrenchment Committee, the annual expenditure for the Institute and College was limited to Rs. 8,73,000 per annum for 1923-24 and the two following years. An annual revenue of over one lakh is realised from Local Governments, etc., on fees for students and from other sources.

There are five branches at the Institute, *e.g.*, Botanical, Economic, Silviculture, Entomological and Chemical.

A statement giving the further information asked for in this question is placed on the table.

| Branch.                    | Officer.                                      | Qualifications. | REMARKS. |
|----------------------------|-----------------------------------------------|-----------------|----------|
| 1. Silviculture            | H. G. Champion on deputation from U. P.       | B. A., I. F. S. |          |
| 2. Economic Branch         | C. C. Wilson, on deputation from Madras.      | B. A., I. F. S. |          |
| <i>Sections.</i>           |                                               |                 |          |
| (a) Minor Forest Products. | Vacant.                                       |                 |          |
| (b) Wood Technology        | Kept in abeyance for 5 years from April 1924. |                 |          |

| Branch.                 | Officer.                                                  | Qualifications.                                 | REMARKS.                                                                                                                             |
|-------------------------|-----------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| (c) Paper Pulp .        | W. Raitt (Temporary) .                                    | F.C.S. is a paper and pulp maker by profession. |                                                                                                                                      |
| (d) Seasoning .         | S. Fitzgerald (Temporary).                                | Is a seasoning expert by profession.            |                                                                                                                                      |
| (e) Wood Preservation . | J. H. Warr (Temporary)                                    | Is a wood preservation expert by profession.    |                                                                                                                                      |
| (f) Timber Testing .    | L. N. Senman (Temporary).                                 | M.A., B.Sc., M.E.I.C.                           |                                                                                                                                      |
| (g) Workshops .         | W. Nagle (Temporary).                                     | Is an expert wood worker by profession.         |                                                                                                                                      |
| 3. Botanical Branch     | R. N. Parker on deputation from the Punjab.               | I. F. S.                                        | Mr. Parker is at present on leave and his Assistant Mr. B. C. Gupta, M.Sc., F.L.S., is now in charge of current duties of that post. |
| 4. Entomological .      | D. J. Atkinson on deputation from Burma.                  | I. F. S. Special trained in forest entomology.  |                                                                                                                                      |
| 5. Chemical .           | Dr. J. N. Sen, on deputation from Agriculture Department. | M.A., Ph. D.                                    |                                                                                                                                      |

#### INDIANISATION OF THE POSTS OF SPECIALISTS AT THE IMPERIAL FOREST RESEARCH INSTITUTE AT DEHRA DUN.

113. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state what efforts have been made to put Indians in permanent charge of sections when the posts fall vacant or when the terms of the temporary specialist officers expire?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Four Indians have already been appointed to understudy the Paper Pulp, Wood Preservation, Timber Testing and Seasoning experts.

The sole test for charge of these very technical sections is efficiency. When vacancies occur Indians available will be judged by that test and if found suitable they will be appointed.

#### APPOINTMENT OF AN INDIAN TO THE POST OF PRESIDENT OF THE IMPERIAL FOREST RESEARCH INSTITUTE, DEHRA DUN.

114. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state whether they have considered the advisability of appointing an Indian expert with scientific and commercial training as the President of the Imperial Forest Research Institute, Dehra Dun?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The reply is in the negative. The qualifications requisite for this post are more varied than is assumed in the Honourable Member's question and the *sine qua non* is a thorough practical experience in forestry. When an Indian with requisite qualifications is available the Honourable Member may rest assured that his claims will be considered.

#### REDUCTION OF THE NUMBER OF OFFICERS IN RECEIPT OF RS. 1,000 A MONTH IN THE IMPERIAL FOREST RESEARCH INSTITUTE, DEHRA DUN.

115. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state whether they have considered the advisability of reducing the number of officers getting over Rs. 1,000 a month with a view to retrenchment?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: It is assumed that the Honourable Member's question refers to the Forest Research Institute and College, Dehra Dun. If so, the reply is in the negative.

It is necessary to have officers of experience at the Institute and a limitation of the rate of pay in the manner suggested would make it impossible to carry out the purposes of the Institute.

#### NUMBER OF INSTRUCTORS AND ASSISTANT INSTRUCTORS IN THE IMPERIAL FOREST RESEARCH INSTITUTE AND COLLEGE, DEHRA DUN.

116. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state the number of Instructors and Assistant Instructors in the Forest College, Dehra Dun? How many of them are Europeans and Indians? How many Indians have held posts as Instructors since the College was founded?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The sanctioned cadre includes 4 Instructors and 4 Assistant Instructors. Of these, seven are filled at present. Three Europeans hold Instructors' posts and four Indians hold Assistant Instructors' posts.

No Indian has yet held the post of an Instructor.

#### CLOSING OF THE IMPERIAL FOREST RESEARCH INSTITUTE, DEHRA DUN.

117. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state whether they contemplate closing a part or the whole of the Institute in the near future?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The answer is in the negative.

#### GRANT OF EXTENSIONS OF SERVICE TO TEMPORARY SPECIALIST OFFICERS EMPLOYED IN THE IMPERIAL FOREST RESEARCH INSTITUTE, DEHRA DUN.

118. THE HONOURABLE SETH GOVIND DAS: Will the Government be pleased to state how many of the temporary specialist officers have been given extensions of tenures and the length and number of the extensions granted to each officer?



296

COUNCIL OF STATE.

[25TH FEB. 1926.]

**THE HONOURABLE SIR MUHAMMAD HABIBULLAH:** A statement giving the information asked for is laid on the table.

| Name of Officer. | Section.       | 1st appointment.                           | 1st extension.                   | 2nd extension.                  |
|------------------|----------------|--------------------------------------------|----------------------------------|---------------------------------|
| W. Raitt         | Paper Pulp     | For 3 years from December 1920.            | For 2 years from December 1923.  | For 1 year from December 1925.  |
| S. Fitzgerald    | Seasoning      | For 6 months from February to August 1924. | For 2½ years from August 1924.   | ...                             |
| L. N. Seaman     | Timber Testing | For 3 years from September 1920.           | For 2 years from September 1923. | For 5 years from November 1925. |
| W. Nagle         | Workshops      | For 3 years from February 1921.            | For 3 years from February 1924.  | ...                             |

#### GRANT OF EXTENSIONS OF SERVICE TO THE TIMBER TESTING EXPERT OF THE IMPERIAL FOREST RESEARCH INSTITUTE, DEHRA DUN.

119. **THE HONOURABLE SETH GOVIND DAS:** Will the Government be pleased to state whether it is a fact that the officer in charge of the timber testing section was first employed for three years in September, 1920, and has been since given an extension first of ten years and, when that term expired, for a further term of five years on a salary of Rs. 1,750 per month? If so, will the Government be pleased to state whether no qualified Indian was available for the post?

**THE HONOURABLE SIR MUHAMMAD HABIBULLAH:** As will be observed from the statement laid on the table in reply to the Honourable Member's previous question, the services of Mr. L. N. Seaman, officer in charge, Timber Testing Section, have been retained for a total period of 10 years in all.

No qualified Indian was available for the post because the work done in the Timber Testing Section is of an exceptionally technical nature. No Indian is as yet available to take charge of the Section although two Indian officers have been tried under training. Mr. Seaman has been at Dehra Dun for a total period of 5½ years.

#### LEGAL PRACTITIONERS (AMENDMENT) BILL.

**THE HONOURABLE MR. S. R. DAS (Law Member):** Sir, I move that the Bill further to amend the Legal Practitioners Act, 1879, as passed by the Legislative Assembly, be taken into consideration.

This is another Bill which intends to give effect to a recommendation of the Civil Justice Committee and is intended to deal with the evil of toutting. In accordance with the suggestion of the Civil Justice Committee the Bill provides a new definition of the word "tout". Under the present Legal Practitioners Act it is the District Judge who can declare a person to be a tout and he has to hold the necessary inquiry. The Civil Justice Committee suggested that the district courts should be empowered to authorise subordinate courts before whom a particular tout is supposed to carry on his work to make the necessary inquiry and submit a report to the

District Judge who should be the person to include the name of the tout in the list of tous, of course, after again hearing the person who is charged as a tout. The Bill attempts to give effect to that recommendation. Again, there has always been a difficulty in proving what is the general repute of the tout, and the Civil Justice Committee recommended that if the Bar Associations passed a resolution by a majority that a certain person was a tout, that should be taken as evidence of general repute, and the explanation in clause 3 of the new Bill provides for that. The Civil Justice Committee also suggested that there should be some punishment for a tout who, after being declared to be a tout, still carries on his work as a tout, and the last sub-clause of clause 3 provides for that. I move that the Bill be taken into consideration.

The motion was adopted.

**THE HONOURABLE MR. S. R. DAS:** Sir, I move as an amendment:

"That in clause (a) of the definition proposed to be inserted in the Legal Practitioners Act, 1879, by clause 2 of the Bill:

- (1) the words 'or from any person interested in any legal business' be omitted, and
- (2) for the words 'in such business' where they first occur, the words 'in any legal business' be substituted."

In the definition given in the Bill a tout is said to be a person who procures, in consideration of any remuneration moving from any legal practitioner or from any person interested in any legal business, the employment of the legal practitioner in such business. It was pointed out during the debate in the Legislative Assembly that the words "or from any person interested in any legal business" may include the case of a client employing a person to procure him a legal practitioner which he would be justified in doing and which would not necessarily make that person a tout, and it was suggested that this matter should be considered in the Council of State. In view of the expression of opinion of the Legislative Assembly, with which the Government agree, I am now moving as an amendment that the words "or from any person interested in any legal business" should be omitted, and that as a consequential amendment in place of the words "in such business" where they first occur, the words "in any legal business" be substituted.

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**THE HONOURABLE MR. S. R. DAS:** Sir, I move that the Bill, as passed by the Legislative Assembly, and as amended by this Council, be passed.

The motion was adopted.

#### PROMISSORY NOTES (STAMP) BILL.

**THE HONOURABLE MR. A. C. MCWATTERS (Secretary, Finance Department):** Sir, I move that the Bill to provide for the validation of certain promissory notes, as passed by the Legislative Assembly, be taken into consideration.

[Mr. A. C. McWatters.]

The object of this Bill is to validate certain promissory notes which erroneously but in good faith have been stamped with postage stamps of two annas and four annas. The situation has arisen in this way. The Indian Stamp (Amendment) Bill which came into force on the 1st October 1923 raised the rate of stamp duty on promissory notes from the uniform rate of one anna to a sliding scale from one anna to four annas according to the value of the promissory notes. On the same date a notification was issued amending the Stamp Rules to allow postage and revenue stamps of one anna and half an anna to be used for stamp duty on such notes. Later, on the 5th of January, 1925, a further notification was issued which allowed the use of postage stamps of two annas and four annas. But it has come to our notice that in the meantime between the date of the passing of the Act and the 5th of January 1925 certain promissory notes have been stamped with postage stamps of two annas and four annas under the impression that this was legitimate. The Government of India, in order to validate such notes and to avoid any possible hardship to people who have stamped their documents in this manner, have brought forward this Bill after consulting Local Governments.

The motion was adopted:

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### INDIAN TRADE UNIONS BILL.

THE HONOURABLE THE PRESIDENT: Before I call on the Honourable Mr. Ley to move the motion standing in his name on the paper, I have to place certain facts before the Council. If the Council will turn to clause 15 of the Bill as passed by the Legislative Assembly, which is before them, and if they will turn to sub-clause (d) of clause 15, they will see the words "the conduct of trade disputes" printed there. In the Bill which the Assembly was considering when it was passed, clause (d) ran as follows: "the conduct of trade disputes on behalf of the Trade Union or any member thereof". An amendment was moved in another place to omit those last ten words, and it was rejected. Therefore in the Bill as passed there those ten words were retained, but by some unaccountable mistake, for which I may say at once, the staff of this Council is not responsible, those ten words were omitted in the copy of the Bill which was laid on the table of this House as the Bill passed by the Legislative Assembly. Technically, therefore, the Bill as passed by the Legislative Assembly was not laid on this table the other day. I think I may assume, after the explanation I have given to the Council that the Bill, a correct copy of which is now laid on the table, has now been laid on the table of this House.

Under the Standing Orders the Honourable Mr. Ley is therefore now entitled to give three days' notice of his motion to take this Bill into consideration. At the same time, the Chair has discretion to allow him to move the motion without notice. I have explained the circumstances to Honourable Members, because I am myself willing to leave the decision in their hands whether we should proceed with this measure to-day or not. I have the power to allow the Honourable Mr. Ley to move the motion standing in his name, but if any Honourable Member objects on the ground that we should require further notice in view of the facts to which I have drawn attention that those last ten words in sub-clause (d) have not till now been before them, I should be quite prepared to consider the matter.

(After a pause.)

I may take it, I think, that the House is prepared to proceed with the Bill.

THE HONOURABLE MR. A. H. LEY (Secretary for Industries and Labour): Sir, I move that the Bill to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India, as passed by the Legislative Assembly, be taken into consideration.

This important measure, Sir, is one which has been the subject of public discussion for a very long time. Before the Bill was actually introduced in another place, so long ago as January 1925, the principles of the Bill had been publicly canvassed, and after the Bill was introduced, it was, as this Council is aware, the subject of much discussion and prolonged debate in another place. I think it is unnecessary for me, therefore, to take up the time of this House by describing the origin and history of this measure, as I am quite sure all Honourable Members are familiar with it, and I can pass on at once to deal with the main principles of the Bill as it now appears before us. It is a truism to say that Trade Unions are a new growth in this country. They have not behind them the long history of a hundred years and more which led up to the various pieces of Trade Union legislation in England and other countries, where the education of the labouring classes and the organisation of labour are much further advanced than they are in India. The Bill before the Council is consequently designedly framed with the specific object of meeting the comparatively simple needs of a young movement in this country, and it was designed solely with the object of guiding that young movement in the right direction and of fostering the growth of Trade Unions in India on right and sound lines. It is a Bill in the first place for the registration of Trade Unions, and in certain respects to define the law relating to registered Trade Unions. There is, it will be seen, no compulsion to register. It is left to any Trade Union to register or not under the provisions of this Bill as it likes, and the position in law of an unregistered Trade Union will, of course, remain exactly as it is at present. The Bill merely seeks to give to Trade Unions which do register certain privileges and, as a corollary, certain responsibilities. The whole principle of the Bill is that privileges and responsibilities should go hand in hand, and that is why the benefits of the Bill are confined to registered Trade Unions. I mention this point specifically—it is clearly an obvious point—because it is one which has been the subject of a considerable amount of discussion in another place.

[Mr. A. H. Ley.]

That is the first and cardinal principle of the Bill. It applies to registered Trade Unions and no other.

Now, what are the privileges and what are the responsibilities which the Bill confers or imposes on registered Trade Unions? The main privileges are those conferred by clauses 17 and 18 which give immunity to registered Trade Unions from liability in certain circumstances from the ordinary provisions of the civil and criminal law. I do not think I can do better than quote, in explanation of what these privileges are, the Statement of Objects and Reasons contained in the Bill as it was originally introduced in another place. Clause 17, which used to be clause 16 in the Bill as introduced in another place, deals with criminal conspiracy in trade disputes.

"Under the existing criminal law an agreement to do an illegal act is itself a criminal offence. 'Illegal act' includes all acts which provide grounds for civil actions. Thus, for example, two men who agree to persuade workmen to break their contracts with their employers are guilty of criminal conspiracy. The clause, which is similar in its effect to the corresponding provisions of the English law, protects trade unionists from prosecutions for criminal conspiracy where the agreement into which they have entered is not an agreement to commit an offence."

That is the immunity granted by clause 17 from the ordinary provisions of the criminal law. The next clause, clause 18, deals with immunity from civil actions and reproduces a part of the English law on the subject.

"The first part of this clause"—I again quote from the Statement of Objects and Reasons—"corresponds to sections 1 and 3 of the British Trade Disputes Act, 1906, and protects trade unions and their officers and members from certain civil actions. An important type of action which this clause will prevent is a suit arising out of the persuasion exercised on trade union members and others to join in a strike, where that strike (as is frequently the case) involves breach of contract on the part of workmen."

The second part of the clause gives Trade Unions a large measure of immunity from liabilities arising out of tortious acts committed by their agents; that is to say, it alters the ordinary law of agency in favour of Trade Unions. That gives them a very privileged position to which an ordinary person is not entitled under the ordinary law. Those, Sir, are the main privileges which the Bill confers upon registered Trade Unions.

Now, what are the responsibilities? The responsibilities will be found mainly in the provisions of clauses 15 and 16 which provide for the objects on which the funds of a registered Trade Union can legitimately be spent. I wish to make it clear that the Bill itself places no restriction at all upon the objects which a Trade Union may pursue. It merely provides that the expenditure of its funds must be limited to certain specified trade union objects. I think I need hardly deal with that point at any length because the propriety of the principle will, I feel sure, be recognised by all shades of opinion in this Council. I think, however, that I should make a little more detailed reference to clause 16. This clause, as Honourable Members are no doubt aware, was introduced by the Select Committee of the Legislative Assembly and did not find a place in the proposals of Government when the Bill was first introduced. The clause provides for the constitution of a separate fund for political objects. There was, as the House is well aware, a good deal of controversy when this legislation was on the anvil on the point whether, in the existing state of education and organisation of

the labouring classes in this country, it was wise to allow Trade Unions to spend their funds in furtherance of political objects. There are, I think, speaking very broadly, two extreme points of view on this subject. One school of thought urged that it was not only right and proper but that it was essential for the upkeep and the awakening of the labouring classes in this country to allow Trade Unions to spend money in procuring the candidature of labour representatives in political institutions. Indeed, that school would go a great deal further than is provided for in the Bill and would have adopted the full provisions of the English law on the subject, to which I shall refer presently. The other school of thought dwelt on the danger of allowing funds subscribed by the illiterate and comparatively unorganised working classes in India to be frittered away for purely political purposes in which the labourers were possibly not interested or concerned. In other words, they were afraid that the introduction of a political fund might be utilised by interested persons for the exploitation of the workman against his own best interests. The provisions of the Bill as it comes before this Council—clause 16—are obviously a compromise between those two extreme points of view, with a distinct bias in favour of the former. The Bill does not go as far as the English law on the subject. The English law which was introduced in 1913 provides that if a Trade Union by a resolution passed on a ballot of the members chooses to establish a political fund it may do so, and that means that the members of the Trade Union are obliged to subscribe to that political fund unless they, what is called, "contract out," that is to say, sign a declaration or give notice that they do not wish to subscribe to that fund. The Bill before this Council, if I may say so, reverses the process. It allows a member of a Trade Union to "contract in," the opposite of contracting out. Any member of a Trade Union may ask to be allowed to contribute to the political fund, if a political fund exists, but, of course, contribution to that fund is in no way a condition of admission to the Union. It is perhaps unnecessary for me to remind Honourable Members of this Council that even in the advanced conditions of labour organisation in England there has been a great deal of criticism on this subject of the "contracting out" system on the ground that it leads or may lead to illegitimate pressure being brought to bear upon the workman himself. The question is a highly controversial one in England, but I am sure that Honourable Members will agree with me when I say that in the interests of the much less organised and comparatively uneducated working classes in this country the Bill before the House is wise in not adopting the full provisions of the English law.

Now, Sir, I have only two other points of principle in the measure to which I think I need refer and they are points of some importance. If Honourable Members will turn to clause 6 (1), they will see that that clause provides for an annual audit of the accounts of a registered Trade Union. That, I think everybody will agree, is a most salutary, and even an essential, part of this Bill, the reasons for which are so obvious that I do not think I need go into them. The other point to which I would draw the attention of the Council is clause 22 which provides—it is not one of the responsibilities or the privileges, but it is an important clause,—which provides that not less than half of the total number of the officers of every registered Trade Union shall be persons actually engaged or employed in an industry with which the Trade Union is concerned, subject to a proviso with which I need not trouble the House as it does not affect my argument. This clause, while recognising that in the infancy of the Trade Union movement

[Mr. A. H. Ley.]

in this country and in the comparatively uneducated condition of the labouring classes it may be essential for a Trade Union to invoke the assistance of outsiders on the executive of the Union in the furtherance of Trade Union affairs, secures that the workers themselves shall obtain the full opportunity of education in Trade Union affairs. This is based on the principle that, after all, the workman is himself in the best position to look after his own interests, and that it is highly desirable even in the very early stages of trade unionism in this country that he should have opportunities of doing so and educate himself in the conduct of Trade Union affairs.

Now, Sir, I have dealt with the main principles of this important measure, and I would ask Honourable Members to give it their support. The Bill may not possibly meet the wishes or satisfy the opinions of all of us. Nobody pretends that it is perfect. Nobody pretends that it is the last word on the subject. But, after all, it must be remembered that the Bill breaks new ground; it breaks entirely new ground in legislation in India, and it is obviously our duty to walk warily and to evolve a measure, which, as I have said, is a measure of sufficient simplicity divined with the one object of guiding the Trade Union movement, which has undoubtedly come to stay, and fostering it on sound and genuine lines.

The motion was adopted.

Clause 2 was added to the Bill

Clauses 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 were added to the Bill.

THE HONOURABLE MR. A. H. LEY: I move:

"That in sub-clause (j) of clause 15 for the words beginning with 'provided such' and ending with 'at the time of such payment' the following be substituted, namely:

'Provided that the expenditure in respect of such contributions in any financial year shall not at any time during that year be in excess of one-fourth of the combined total of the gross income which has up to that time accrued to the general funds of the Trade Union during that year and of the balance at the credit of those funds at the commencement of that year.'

This is little more than a drafting amendment. It is designed to give full effect to the intentions of the Legislative Assembly in passing this clause of the Bill. There was a good deal of discussion in another place on this particular sub-clause, and the intention of the Legislative Assembly was that it should be permissible for a registered Trade Union to spend up to one-fourth of its funds in any year on the extraneous purposes provided for in the first part of this clause, that is to say:

"the payment, in furtherance of any of the objects on which the general funds of the Trade Union may be spent, of contributions to any cause intended to benefit workmen in general."

The intention was to introduce a measure in the law which on the whole is salutary, and I think there will be general agreement on that point. But unfortunately the wording actually adopted in another place can possibly be used to frustrate the intention of the other House. The wording as adopted by the Assembly was:

"provided such payment does not exceed one quarter of the amount of the general funds available at the disposal of the Trade Union at the time of such payment."

and the difficulty arises merely because of the use of the words "at the time of such payment". It is obvious that in the clause as settled in

another place it would be possible for a Trade Union to dissipate the whole of its funds within a week or within any specified time on these extraneous purposes. Supposing a Trade Union to-day, on the 26th February, we will say, has Rs. 100 to its credit. It could pass a resolution that one-fourth of this sum shall be devoted, let us say, to the Servants of India Society. That would leave a sum of Rs. 75. It could then pass another resolution within a week taking away one-fourth of that amount and so on *ad infinitum*, till there was nothing left. It is obvious, therefore, that it is necessary to get the wording corrected so as to give effect to the intention of the Legislative Assembly in passing this clause. That, Sir, is the sole object of my motion.

The motion was adopted.

Clause 15, as amended, was added to the Bill.

Clauses 16, 17, 18, 19, 20 and 21 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 22 do stand part of the Bill."

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadian): Sir, I do not want to give a silent vote on this clause, because the provision of half the number of outsiders is too much. But in the beginning we have to try the effect of the working of this Bill, and therefore I do not want to object to it. The real object ought to be that those who are to be benefited by the provisions of a certain Act should predominate in the guidance of the working of that Act, and therefore it is but right that there should be a majority of the people who are thereby affected. When an enactment of this sort is passed in this country there ought to be as little objection as possible, but I think that as time goes on particular attention would be paid that no more than the necessary proportion should be allotted to outsiders for the conduct of the business of any institution of this nature.

THE HONOURABLE MR. A. H. LEY: I do not gather, Sir, that my Honourable friend who has just spoken wishes to object to the clause as it stands at present—at any rate we have not had any notice of amendment. I quite see the force of his point, and it is obviously desirable that as the Trade Union movement develops in this country—and we hope that that will take place—the working classes should themselves take more and more part in the direction of Trade Union affairs. I think that is an object which we all sympathise with. But the present clause as it stands and as it has been sent up to this Council by the Legislative Assembly is really, if I may say so, a compromise. The clause as it emerged from Select Committee in the Legislative Assembly provided for even a smaller number of workers themselves in the executive of the Trade Union. It provided only one-third; and, as my Honourable friend is aware, there was an amendment made in another place which restored the Bill to very nearly its original state by providing that not less than one-half of the members of the executive of a Trade Union shall be workers in the industry concerned. And I think myself that that is a reasonable proposition at present in the existing state of the comparatively illiterate, unorganised and uneducated position in which the working classes in India find themselves at the present moment.

[25TH FEB. 1926.]

Clause 22 was added to the Bill.

Clauses 23, 24, 25, 26, 27, 28, 29, 30, 31, 32 and 33 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. H. LEY: Sir, I move that the Bill, as passed by the Legislative Assembly, and as amended by the Council of State, be passed.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non Muhamadan): Sir, I am in entire agreement with the principle of this Bill. No doubt there is a feeling that the Bill has not gone as far as it ought to have gone in order to give effect to the principles underlying it. But speaking in my individual capacity I feel that legislation of this experimental character ought to proceed slowly, and therefore I am in a position to give my whole-hearted support to this Bill. In doing so I will say one word. Since 1924 the Railway Board has delegated large powers to Agents and there is a feeling in some of the railways that while the employees are anxious to form Labour Unions of railway employees, I am told—how far it is true I do not know—that in the Bombay, Baroda and Central India and some other Railways the Agents are not favourably inclined towards these Unions. I have some little experience of Labour Unions of railway employees. If the Government want this Bill to be given a fair chance in its application and tried in its entirety, I think it is but right that the Government ought to instruct Railway Agents and the Local Governments to see that nothing is done to disfavour the formation of Unions and that nothing is done to discourage such Unions. Unless those Unions work in an atmosphere of goodwill and sympathy no beneficial results will accrue from this Bill. Therefore, this Bill which is beneficial in its effects will, I hope, be given a fair trial by instructing the Railway Agents to whom large powers are delegated by the Railway Board, and against whose decisions, I am told, appeals do not lie now, not to do anything to curtail such freedom as the Unions enjoy under this Bill. With this observation, Sir, I support this Bill.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I did not come prepared to talk about Trade Unions in connection with Railways, but I can assure my Honourable friend quite whole-heartedly that the Railways always do carry out and will carry out in the spirit in which it is meant, the legislation that is passed by the Legislature of this country.

THE HONOURABLE THE PRESIDENT: The question is:

“That the Bill to provide for the registration of Trade Unions and in certain respects to define the law relating to registered Trade Unions in British India, as passed by the Legislative Assembly, and as amended by the Council of State, be passed.”

The motion was adopted.

## ELECTION OF A PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT: Honourable Members will now proceed to elect a panel of 8 Members from which the Members of the Central Advisory Council for Railways will be selected. The Council will recollect that on Tuesday last at the close of the proceedings, the Honourable Mr. Ramadas Pantulu requested that he might be allowed to withdraw his nomination. I am glad to say that he reconsidered that request and desired to withdraw it. His name, therefore, appears in the list of duly nominated Members. There is also one other name in the list which I had not read out to the Council on Tuesday, that of the Honourable Shah Muhammad Zubair, whose nomination had been received by the time fixed for these nominations but was not at that moment in my hands. The Council will now proceed with the election.

(The ballot was then taken.)

## NOMINATIONS TO THE PANELS FOR STANDING ADVISORY COMMITTEES.

THE HONOURABLE THE PRESIDENT: I have received the following nominations for the panels for the various departmental Standing Advisory Committees.

### HOME DEPARTMENT.

For the panel of the Standing Advisory Committee in the Home Department:—

The Honourable Mr. P. C. Desika Chari.  
The Honourable Colonel Nawab Sir Umar Hayat Khan.  
The Honourable Mr. V. Ramadas Pantulu.  
The Honourable Seth Govind Das.  
The Honourable Rai Bahadur Nalininath Sett.  
The Honourable Mr. Shah Muhammad Zubair.  
The Honourable Sir C. Sankaran Nair.  
The Honourable Mr. Phiroze C. Sethna.  
The Honourable Mr. G. S. Khaparde.  
The Honourable Major Nawab Mohamad Akbar Khan.

### COMMERCE DEPARTMENT.

For the panel of the Standing Advisory Committee in the Commerce Department:—

The Honourable Mr. J. W. A. Bell.  
The Honourable Sir Arthur Froom.  
The Honourable Mr. Phiroze C. Sethna.  
The Honourable Rai Bahadur Lala Ram Saran Das.  
The Honourable Saiyid Raza Ali.  
The Honourable Mr. V. Ramadas Pantulu.  
The Honourable Mr. Mahendra Prasad.  
The Honourable Mr. Shah Muhammad Zubair.  
The Honourable Mr. Manmohandas Ramji.  
The Honourable Seth Govind Das.  
The Honourable Mr. Lokenath Mukerjee.  
The Honourable Mr. P. C. Desika Chari.

[The President.]

DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

For the panel of the Standing Advisory Committee in the Department of Education, Health and Lands:—

The Honourable Colonel Nawab Sir Umar Hayat Khan.  
 The Honourable Mr. P. C. Desika Chari.  
 The Honourable Rai Nalininath Sett Bahadur.  
 The Honourable Mr. Mahmood Suhrawardy.  
 The Honourable Mr. Anugraha Narayan Sinha.  
 The Honourable Dr. U. Rama Rau.  
 The Honourable Saiyid Raza Ali.  
 The Honourable Mr. Ratansi Dharmasi Morarji.  
 The Honourable Raja Sir Rampal Singh.  
 The Honourable Major Nawab Mohamad Akbar Khan.

DEPARTMENT OF INDUSTRIES AND LABOUR.

For the panel of the Standing Advisory Committee in the Department of Industries and Labour:—

The Honourable Sir Arthur Froom.  
 The Honourable Mr. Mahendra Prasad.  
 The Honourable Mr. Lokenath Mukerjee.  
 The Honourable Mr. Shah Muhammad Zubair.  
 The Honourable Seth Govind Das.  
 The Honourable Mr. Phiroze C. Sethna.  
 The Honourable Saiyid Raza Ali.  
 The Honourable Mr. J. W. A. Bell.  
 The Honourable Mr. K. C. Roy.  
 The Honourable Sir C. Sankaran Nair.  
 The Honourable Rai Bahadur Lala Ram Saran Das.  
 The Honourable Mr. P. C. Desika Chari.  
 The Honourable Mr. Manmohandas Ramji.

The number of Members required on each panel is six only, and as the number of nominations in each case exceeds that number, there will have to be an election in each case. Those elections will take place in the ordinary manner, that is to say, in the manner in which the election has taken place to-day, on Monday, the 1st March, to which day at 11 O'clock the Council will now stand adjourned.

The Council then adjourned till Eleven of the Clock on Monday, the 1st March, 1926.

COUNCIL OF STATE.

Monday, 1st March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

DIFFERENTIAL TREATMENT ACCORDED TO EUROPEAN AND ANGLO-INDIAN AND INDIAN APPRENTICES IN THE RAILWAY WORKSHOP OF THE EAST INDIAN RAILWAY AT JAMALPUR.

120. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that differential treatment is accorded to Anglo-Indian and European first class bound apprentices as against their Indian colleagues in the Jamalpur East Indian State railway workshop, in the matter of their respective pays, allowances, pass, leave and holiday advantages, as well after employment as before it?

ALLOWANCES OF EUROPEAN AND ANGLO-INDIAN AND INDIAN APPRENTICES IN THE EAST INDIAN RAILWAY WORKSHOP AT JAMALPUR.

121. THE HONOURABLE SHAH MUHAMMAD ZUBAIR Is it a fact:

- (a) that Indian, Anglo-Indian and European apprentices are taken in after passing a test examination of the same standard and thereafter have to undergo the same course of training; and
- (b) that Indian apprentices get only Rs. 30 each as their initial food and pocket allowances rising up to Rs. 40 in the fifth year of their training, whereas their European and Anglo-Indian fellow brethren start with Rs. 52 rising up to Rs. 75 in the last year, i.e., fifth year?

INITIAL STARTING PAY, AFTER THE CONCLUSION OF THEIR COURSE, OF EUROPEAN AND ANGLO-INDIAN AND INDIAN APPRENTICES ON THE EAST INDIAN RAILWAY.

122. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that an Indian apprentice, after finishing his 5th year's course, is given, on employment, Rs. 61 only as his initial pay rising up to Rs. 81 at the rate of Rs. 5 a year, whereas his European and Anglo-Indian colleague starts with any pay between Rs. 170 and Rs. 190?

SCALE OF PAY OF INDIAN APPRENTICES ON THE EAST INDIAN RAILWAY.

123. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that the scale of pay of passed Indian apprentices, after employment, is no higher than that of illiterate second class mistries before the introduction of the new system?



**NON-EMPLOYMENT OF INDIAN APPRENTICES TRAINED AT JAMALPUR  
AFTER THE CONCLUSION OF THEIR TRAINING.**

124. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that most of the Indian apprentices are given no employment even after they have undergone the prescribed course of training?

**EMPLOYMENT AT HIGH RATES OF PAY OF EUROPEAN AND ANGLO-  
INDIAN APPRENTICES ON THE EAST INDIAN RAILWAY.**

125. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that some trained Anglo-Indian and European apprentices, who possess no superior qualifications to those of the trained Indian apprentices, are employed on Rs. 210 or above by special sanction from the Agent?

**METHOD OF RECORDING ATTENDANCE OF EUROPEAN AND ANGLO-INDIAN  
AND INDIAN APPRENTICES ON THE EAST INDIAN RAILWAY.**

126. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that passed Indian apprentices, after employment, have to draw attendance tickets and that their European and Anglo-Indian colleagues are allowed to record their attendance in the "Bundy Time Recorder"?

**METHOD OF ENTRANCE TO AND EXIT FROM THEIR WORK OF EUROPEAN  
AND ANGLO-INDIAN AND INDIAN APPRENTICES EMPLOYED ON THE  
EAST INDIAN RAILWAY.**

127. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that passed Indian apprentices, when employed, have to enter and leave the shops by gates used also by coolies, whereas their Anglo-Indian and European colleagues enter and come out by the main gate?

**METHOD OF PAYMENT OF THE SALARIES OF EUROPEAN AND ANGLO-  
INDIAN AND INDIAN APPRENTICES ON THE EAST INDIAN RAILWAY.**

128. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that Indian apprentices, after employment, receive their pay on the "Box-payment" system, whereas their Anglo-Indian and European colleagues sign their pay-sheets?

**OVERTIME ALLOWANCES OF EUROPEAN AND ANGLO-INDIAN AND INDIAN  
APPRENTICES ON THE EAST INDIAN RAILWAY.**

129. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that passed Indian apprentices, after employment, and all other Indian employees in the workshop, get overtime allowances only for the actual periods of work, whereas all the Europeans and Anglo-Indians are allowed time and a half, that is to say, for working two hours' overtime they get three hours' allowance?

**HOLIDAYS OF EUROPEAN AND ANGLO-INDIAN AND INDIAN APPRENTICES  
ON THE EAST INDIAN RAILWAY.**

130. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that the "no work, no pay" system obtains in the said workshop in the

case of Indian employees, whereas Anglo-Indian and European employees enjoy all the holidays with full pay?

**LIABILITY TO SEARCH OF INDIAN APPRENTICES EMPLOYED ON THE EAST  
INDIAN RAILWAY.**

131. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that trained Indian apprentices, when employed, are liable to have their persons searched and that their Anglo-Indian and European colleagues are not so liable?

**TRAVELLING PASSES GRANTED TO EUROPEAN AND ANGLO-INDIAN AND  
INDIAN APPRENTICES ON THE EAST INDIAN RAILWAY.**

132. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: Is it a fact that, owing to disparity in the matter of pay and allowance, an Indian apprentice, during his training period as well as after employment in the workshop, gets third class free pass for travelling, whereas his Anglo-Indian and European colleagues enjoy intermediate and second class free passes?

**EUROPEAN AND ANGLO-INDIAN AND INDIAN APPRENTICES ON THE EAST  
INDIAN RAILWAY.**

133. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: If the answer to all or any of the preceding questions be in the affirmative, do the Government propose to take measures to alter the present position?

**GRANT OF HOLIDAYS FOR IMPORTANT FESTIVALS TO MUHAMMADAN  
CLERKS, APPRENTICES AND COOLIES EMPLOYED ON THE EAST  
INDIAN RAILWAY WORKSHOP AT JAMALPUR.**

134. THE HONOURABLE SHAH MUHAMMAD ZUBAIR: (a) Is it a fact that Muhammadan clerks, apprentices and coolies in the Jamalpur workshop are allowed no holidays even for such important festivals as Id, Bakr Id, etc., and that office clerks are allowed to absent themselves on those days only at the cost of the usual period of casual leave allowed to them?

(b) If the answer to (a) be in the affirmative, do the Government propose to take any action in the matter?

THE HONOURABLE MR. D. T. CHADWICK: Sir, with your permission, I propose to reply to questions Nos. 120—134 together. The Government are making inquiries and will communicate with the Honourable Member in due course.

**GOODS TRAINS ON BROAD GAUGE RAILWAYS.**

135. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What has been the approximate number in each of the last 3 years of through goods trains on broad gauge railways running distances of 300 miles or over in which the number of wagons calculated on the 4-wheeler basis was 72 or more?

THE HONOURABLE MR. D. T. CHADWICK: The information asked for by the Honourable Member is not readily available on railways and cannot be obtained without an expenditure of time and labour which the value of results would not warrant.

**SUFFICIENCY OF WATER IN THE INDUS FOR THE SUKKUR BARRAGE  
AS WELL AS THE IRRIGATION SCHEMES IN THE PUNJAB.**

136. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that some time ago the Government of India expressed the opinion that there is sufficient water in the Indus for the Sukkur Barrage as well as for all the coming irrigation schemes in the Punjab (Thal and Havelian)?

THE HONOURABLE MR. A. H. LEY: The answer is in the negative.

**DISPUTE BETWEEN THE GOVERNMENT OF BOMBAY AND THE PUNJAB  
GOVERNMENT REGARDING THE APPORTIONMENT OF WATER IN  
THE INDUS.**

137. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will the Government be pleased to state the exact nature of the dispute between the Government of Bombay and the Punjab Government with regard to the apportionment of water in the Indus?

(b) Will the Government be pleased to state when it is likely to decide this dispute?

THE HONOURABLE MR. A. H. LEY: (a) The dispute relates to the question whether on the completion of the Sutlej Valley Project there will be sufficient water in the Indus and its tributaries to allow of other large projects being undertaken without prejudice to the Sukkur Barrage Project.

(b) Government are not in a position to say when a decision is likely to be reached.

**ARTICLE IN THE ENGINEERING SUPPLEMENT OF THE TIMES REGARDING  
THE GAUGES AND DISCHARGES AT SUKKUR.**

138. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Has the attention of the Government of India been drawn to an article written by Mr. F. W. Woods, late Chief Engineer of the Punjab, in the Engineering Supplement of the Times, dated 5th April, 1924, on the subject of the gauges and discharges at Sukkur during the last 50 years?

THE HONOURABLE MR. A. H. LEY: The answer is in the affirmative.

**SPEECH OF DR. SUMMERS, LATE CHIEF ENGINEER, SIND, REGARD-  
ING THE AVERAGE LEVEL OF WATER AT SUKKUR DURING THE  
LAST 60 YEARS.**

139. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Has the attention of the Government of India been drawn to a speech which Dr. Summers, late Chief Engineer of Sind, read before the East India Association in July, 1921, on the subject of the average level of water at Sukkur during the last 60 years?

THE HONOURABLE MR. A. H. LEY: The answer is in the affirmative.

**PURCHASE OF GOVERNMENT STORES THROUGH THE INDIAN STORES  
DEPARTMENT.**

140. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (a) Will the Government of India be pleased to state if it was the object of the Govern-

ment, in creating the Indian Stores Department, to further the development of Indian industries?

(b) If the answer to (a) is in the affirmative, will the Government kindly say whether the requirements of the Central and Local Governments are being supplied by the Indian Stores Department and whether the supplies are all of Indian make?

THE HONOURABLE MR. A. H. LEY: (a) Yes, this was one of the principal objects in view.

(b) Local Governments and the consuming departments of the Central Government are not compelled to purchase all their requirements through the Indian Stores Department. The purchases made by this Department include imported stores which may be purchased in India in accordance with the Stores Purchase Rules of the Central Government (provided certain conditions are fulfilled) in addition to supplies of Indian manufacture.

**PURCHASE OF GOVERNMENT STORES THROUGH THE INDIAN STORES  
DEPARTMENT.**

141. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Is there any Local Government or Department of the Central Government which purchases the stores required by it through its own agency without placing the order through the Indian Stores Department?

THE HONOURABLE MR. A. H. LEY: Yes; I would refer the Honourable Member to Chapter III of the Administration Report of the Indian Stores Department for the year 1924-25, a copy of which is available in the Library.

**LEVY OF CHARGES FOR SERVICES PERFORMED BY THE INDIAN STORES  
DEPARTMENT.**

142. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Is the Indian Stores Department run on commercial lines and, if so, what percentage do the Government charge for the services of the Department?

THE HONOURABLE MR. A. H. LEY: The Department is not run on commercial lines in the sense of levying such charges for its services as completely cover the cost of its operation. But charges of 1 per cent. under each head are levied for the services of the Department in respect of purchases and of inspection carried out by it. Other charges, according to special scales, are levied for work done by the Metallurgical Inspectorate at Jamshedpur and the Government Test House at Alipore.

**ABOLITION OF THE LEVY OF THE DEPARTMENTAL CHARGES CHARGED  
BY THE INDIAN STORES DEPARTMENT.**

143. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Is there any proposal to abolish the levy of the departmental charges charged by the Indian Stores Department?

THE HONOURABLE MR. A. H. LEY: Such a proposal has been considered, but Government, as at present advised, are not disposed to pursue it.

**TOTAL VALUE OF PURCHASES MADE BY THE INDIAN STORES DEPARTMENT DURING THE LAST TWO YEARS, ETC.**

144. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: What was the total value of purchases made by the Indian Stores Department during the past two years, the percentage charges levied on the indenting departments and the maintenance charges of the Indian Stores Department during the same period?

THE HONOURABLE MR. A. H. LEY: The figures are as follows:

|         | Total value of purchases made by the Indian Stores Department. | Percentage charges levied in respect of the foregoing purchases (not completely adjusted within the same financial year). | Total cost of the maintenance of the Indian Stores Department. |
|---------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
|         | Rs.                                                            | Rs.                                                                                                                       | Rs.                                                            |
| 1923-24 | 1,67,24,401                                                    | 1,07,214                                                                                                                  | 9,22,667                                                       |
| 1924-25 | 2,59,11,141                                                    | 2,59,111                                                                                                                  | 10,36,772                                                      |

I should like to explain that the difference between the figures showing the percentage charges and the cost of maintenance do not represent the actual loss on the working of the department, the revenue of which includes, in addition to the charges of 1 per cent. on purchases arranged:

- (1) One per cent. for inspection of stores purchases by the department if they are also inspected;
- (2) Inspection fees on stores purchased direct by other departments of Government but the inspection of which is entrusted to the Indian Stores Department;
- (3) Testing fees for tests and analyses carried out by the Government Test House; and
- (4) Miscellaneous receipts by sale of tender forms, etc.

The receipts and expenditure of the department as a whole for the last two years compared as follows:-

|         | Receipts. | Expenditure. |
|---------|-----------|--------------|
|         | Rs.       | Rs.          |
| 1923-24 | 5,69,650  | 9,22,667     |
| 1924-25 | 7,63,208  | 10,36,772    |

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: May I know if the percentage levied is sufficient to cover the cost of the stores organisation?

THE HONOURABLE MR. A. H. LEY: As already explained in my answer

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: I did not hear the Honourable Member at all.

THE HONOURABLE MR. A. H. LEY: I am afraid the reply is rather long. The percentage does not at present cover the whole cost of the maintenance of the Department.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: If not, how do the Government propose to meet the deficit?

THE HONOURABLE MR. A. H. LEY: I should explain that during the process of the organisation of the Department it is hardly to be expected that the percentage charges levied should cover the whole cost of the Department, because until the Department is fully organised and fully utilised, the overhead charges are higher than they would otherwise be. It is hoped that as the Department grows the charges will cover the cost of maintenance.

**NUMBER OF INDIAN OFFICERS EMPLOYED IN THE INDIAN STORES DEPARTMENT.**

145. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: What is the total number of Indian officers at present in the headquarters and provincial branches of the Indian Stores Department?

THE HONOURABLE MR. A. H. LEY: There are at present 22 Indian officers of gazetted rank, of whom 5 are employed at headquarters and 17 in the Provincial Circles?

**INDIANISATION OF THE INDIAN STORES DEPARTMENT.**

146. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Was it the intention of the Government to Indianize the Department when it was first started?

THE HONOURABLE MR. A. H. LEY: I would invite the Honourable Member's attention to paragraphs 196 and 234 of the Stores Purchase Committee's Report which indicate the policy followed by the Government of India in this matter.

**PURCHASE OF BLACK LEAD PENCILS FOR THE USE OF GOVERNMENT OFFICES.**

147. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government be pleased to state:

- (a) the actual quantity of black lead pencils indented for by the Government of India during the past three years;
- (b) whether the supplies were obtained from accepted tenderers or purchased from the market as occasion arose; and
- (c) if the latter, whether they were purchased from Indian or foreign markets, and what was the quantity from each source during the past three years?

THE HONOURABLE MR. A. H. LEY: (a) 1923-24, 4,895 gross, 1924-25, 4,080 gross, and 1925-26, 5,220 gross.

(b) From accepted tenderers only.

(c) Does not arise.

**PURCHASE OF PENCILS FOR THE USE OF GOVERNMENT OFFICES FROM THE  
MADRAS PENCIL FACTORY.**

148. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (a) Are the Government aware of the existence of a firm in Madras known as "The Madras Pencil Factory"?

(b) Was any offer made by "The Madras Pencil Factory" recently to supply the Government of India with the requisite quantity of pencils at a cheap rate?

(c) What have the Government done to support the indigenous pencil industry?

THE HONOURABLE MR. A. H. LEY: (a) and (b). Yes.

(c) Orders have, when possible, been placed in India. Large orders were formerly placed with the particular firm mentioned in the previous parts of this question, but owing to the poor quality of the pencils supplied, which led to numerous complaints, the placing of further orders had to be discontinued.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: May I ask for what period the firm was supplying?

THE HONOURABLE MR. A. H. LEY: 1923-24, and 1924-25, as far as I recollect. No orders were placed for 1925-26, or it may be perhaps a year earlier. I am not quite sure.

THE HONOURABLE SIR ARTHUR FROOM: May I ask the Government whether the pencils supplied to the Honourable Members of this Council come from the Madras factory?

THE HONOURABLE MR. A. H. LEY: I am unable to answer that question.

**ESTABLISHMENT OF THE PUBLIC SERVICES COMMISSION.**

149. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government of India be pleased to state when the Public Services Commission proposed by the Royal Commission on Public Services is likely to be constituted?

THE HONOURABLE MR. J. CRERAR: I regret that I am not yet in a position to give the Honourable Member the information for which he asks, as the personnel of the Public Services Commission is still under the consideration of the Secretary of State in Council.

**SMUGGLING OF SACCHARINE.**

150. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (a) Is it a fact that the Government of India imposed a duty of Rs. 20 per pound on the imports of saccharine, in March 1923, to protect their revenue from sugar?

(b) Is it a fact that the actual import of saccharine to India from foreign countries has decreased during the past two years and, if so, by how much per cent.?

(c) Is it a fact that the market price of saccharine in India has not gone up and that it is being sold at Rs. 7 per pound?

(d) Have the Government received representations from the saccharine merchants of Bombay that there is a good deal of smuggling going on in saccharine and that the Government of India and the saccharine merchants have been put to considerable loss owing to the activities of the smugglers?

(e) If so, what action have the Government of India taken thereon?

THE HONOURABLE MR. D. T. CHADWICK: (a) Yes.

(b) Customs duties were collected in 1923-24 on 6,778 lbs., in 1924-25 on 13 lbs. and in the first nine months of this year on 11 lbs. The decrease in imports of duty paid saccharine is therefore 99.69 of the duty paid imports in 1923-24.

(c) Yes. The Government have been informed that saccharine has been freely sold in Bombay at prices in the neighbourhood of Rs. 7 per lb.

(d) Yes.

(e) The Government proposed to reduce the duty on saccharine to Rs. 5 a lb. and included a clause to that effect in the Tariff Amending Bill introduced this Session in another place.

**INQUIRY INTO THE PREVALENCE OF TUBERCULOSIS IN INDIA.**

151. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (a) Is it a fact that in 1913 or thereabouts the Government deputed Dr. Lankester, I.M.S., to investigate and report on the best method of combating tuberculosis?

(b) If so, will the Government be pleased to lay the papers on the table of the House and to state what action was taken thereon?

(c) Do the Government propose to institute a fresh inquiry into the matter?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (a) and (b) Dr. Lankester, who was not a member of the I. M. S., but a missionary doctor, was deputed by the Indian Research Fund Association in 1914 to conduct an inquiry into the prevalence of tuberculosis in India. Copies of the report submitted by him and of a memorandum by the Scientific Advisory Board of the Indian Research Fund Association on this report were forwarded to all Local Governments for information and such action as they considered necessary. The question of making these papers public will be considered.

(c) The matter is now primarily the concern of Local Governments, and the Government of India do not at present contemplate instituting a fresh inquiry.

**IMPORT DUTY ON SACCHARINE.**

152. THE HONOURABLE MR. ANUGRAH NARAYAN SINHA: (a) Will the Government be pleased to state the rate at which the duty on import of saccharine is levied?

(b) Is it a fact that this import duty was intended to protect the revenue from sugar? If the answer be in the affirmative, has it attained the object in view?

THE HONOURABLE MR. D. T. CHADWICK: (a) Rs. 20 per lb.

(b) The answer to the first part is yes and to the second part no.

## SMUGGLING OF SACCHARINE.

153. THE HONOURABLE MR. ANUGRAH NARAYAN SINHA: Is it a fact that the saccharine merchants of Bombay have drawn the attention of the Government of India to the existence of smuggling on a large scale?

THE HONOURABLE MR. D. T. CHADWICK: Yes, Sir.

## SUPPRESSION OF THE SMUGGLING IN SACCHARINE.

154. THE HONOURABLE MR. ANUGRAH NARAYAN SINHA: (a) Is it a fact that the Saccharine Merchants' Association made many practical suggestions for the suppression of smuggling?

(b) Do the Government propose to give effect to them? If not, will the Government be pleased to state their reasons?

THE HONOURABLE MR. D. T. CHADWICK: (a) and (b). The Government gave very careful consideration to the suggestions received from this Association but did not adopt them because they entailed applying to dealings in saccharine the whole machinery of the Excise administration with powers of search, seizure and punishment for being in possession of unlicensed saccharine. The Government did not think that such measures would either be acceptable to the country or would be advisable.

## ABOLITION OF THE IMPORT DUTY ON SACCHARINE.

155. THE HONOURABLE MR. ANUGRAH NARAYAN SINHA: Is it a fact that the Government of India contemplate abolishing import duty on saccharine altogether?

THE HONOURABLE MR. D. T. CHADWICK: No.

## QUANTITY OF SACCHARINE IMPORTED INTO INDIA FOR THE YEARS 1919-20 to 1924-25.

156. THE HONOURABLE MR. ANUGRAH NARAYAN SINHA: Will the Government be pleased to lay on the table a statement giving the figures for the import of saccharine for the years 1919-20 to 1924-25?

THE HONOURABLE MR. D. T. CHADWICK: A statement is laid on the table.

*Statement showing the quantity and value of saccharine imported into British India during the years 1919-20 to 1924-25.*

| Year.     | Quantity. | Value.   |
|-----------|-----------|----------|
|           | lbs.      | Rs.      |
| 1919-1920 | 41,810    | 4,45,700 |
| 1920-1921 | 55,750    | 7,44,270 |
| 1921-1922 | 48,939    | 4,17,165 |
| 1922-1923 | 1,00,254  | 3,86,922 |
| 1923-1924 | 33,915    | 1,14,915 |
| 1924-1925 | 2,080     | 12,607   |

## RESULT OF THE ELECTION TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT: I have to announce to the House the result of the election held on Thursday last to the Central Advisory Council for Railways. The following Members have been elected:

The Honourable Sir Arthur Froom.  
 The Honourable Mr. V. Ramadas Pantulu.  
 The Honourable Mr. Phiroze C. Sethna.  
 The Honourable Mr. J. W. A. Bell.  
 The Honourable Mr. K. C. Roy.  
 The Honourable Rai Bahadur Lala Ram Saran Das.  
 The Honourable Raja Sir Rampal Singh, and  
 The Honourable Mr. Shah Muhammad Zubair.

## ELECTION TO THE ADVISORY PUBLICITY COMMITTEE OF MESSRS. RAMADAS PANTULU AND KHAPARDE.

THE HONOURABLE MR. J. CRERAR (Home Secretary): I move:

"That this Council do proceed to elect the Honourable Messrs. Ramadas Pantulu and Khaparde to be members of the Advisory Publicity Committee in the place of Sir Maneckji Dadabhoy and Mr. G. A. Natesan, who have ceased to be Members of this Council."

The motion was adopted.

## ELECTIONS TO THE PANELS OF DEPARTMENTAL STANDING COMMITTEES.

THE HONOURABLE THE PRESIDENT: Honourable Members will now proceed to elect the panels of the four departmental Standing Committees beginning with the election for the Home Department.

(The ballots were then taken.)

## GENERAL BUDGET FOR 1926-27.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1926-27 in respect of subjects other than Railways. I should perhaps first explain to the House the reason why we have reverted this year to the old procedure of introducing the Budget on the 1st March instead of, as in the last two years, on the last day of February. There has been no change of policy. It is because not only was the last day of February a Sunday, but the day before was an important Hindu holiday and we were unable to go further back and introduce the Budget on the 26th of February, because the holiday on Saturday was not one which was observed at all the customs ports. We have therefore reverted to the old procedure, I hope only temporarily: provided that is that the calendar does not play us any further tricks.

[Mr. A. C. McWatters.]

First of all I will as usual give the House some account of the final figures of the year which ended last March, the year 1924-25. The detailed accounts of that year have only just reached us—I myself got my copy last week. A year ago in our revised estimates we anticipated that there would be a surplus of approximately 4 crores in that year. The final surplus as shown by the audited accounts is 5.68 crores. This difference of one crore and 68 lakhs is fully accounted for under two heads of the Budget. In the first place there has been a saving in military expenditure of 70 lakhs which took place entirely in England and was due to reduced purchases of stores and also to certain adjustments of war expenditure with the War Office. I might mention at this point that these adjustments have nothing whatever to do with the major war claims about which this House on various occasions has heard a good deal. Negotiations have been proceeding throughout the year in connection with those claims, and I hope that before very long we shall arrive at a solution not unfavourable to this country. The other source which added to our surplus was Railways. The contribution from Railways to central revenues was larger by no less than 114 lakhs. This was due largely to the increased earnings of the Railways during the months of February and March, mainly on account of the early movement of the cotton and grain and other crops which set in in those months. This early movement incidentally largely accounts for the reduced earnings of the Railways in the following months of the summer. The working expenses of Railways were also lower, partly on account of certain economies which were introduced, and partly on account of adjustments which were necessitated in connection with the decision of the Privy Council by which the customs duty on imported stores on company lines had to be credited to railway revenues. So far as the rest of the civil Budget is concerned, the difference between the revised and actuals is 15 lakhs only, of which 11 lakhs is under Posts and Telegraphs. There were, it is true, considerable divergences in both directions under different heads, but I think on the whole we can take considerable credit for being as accurate as we were. I will return, when I come to the subject of ways and means, to this increased revenue surplus of 168 lakhs, because last summer when we took the decision to do without a cash loan there was a good deal of misunderstanding in certain quarters as to how we were able to effect this. Certain people imagined that the Finance Member had many crores of revenue surplus up his sleeve, but when we come to the ways and means portion of the Budget, I shall explain to the House exactly what our increased ways and means resources were.

I now pass to the current year. The Honourable Sir Arthur Froom speaking in this House a few days ago on the Railway Budget said that it had been a year of trade depression. The Honourable Member's views are not unnaturally coloured by the position in Bombay and by the very serious depression in the cotton mill industry. That industry has been passing through a crisis, perhaps the severest in its history, and it is not unnatural that it has cast a shadow over the year as a whole. Also it has been a year of falling prices, and falling prices are not usually coincident with expanding trade. In December 1924 the wholesale index number of prices in India was 176. It had fallen 12 months later to 163, and this fall is almost exactly parallel to the corresponding fall of sterling prices

in England. A year ago the price of raw cotton and the price of cotton piece-goods were far above the general level. In the last year the price of raw cotton has largely readjusted itself, but cotton piece-goods still maintain their unenviable position in spite of some fall in price in the last six months. There are however some brighter spots in the picture. In spite of the fall in prices which I have mentioned, the total volume of the foreign trade of India in the 10 months ending January last has reached very nearly 500 crores, which is very little less than the figure for the corresponding 10 months of the year before; and, still more important, the balance of trade in those 10 months has been in favour of India (after taking into account imports of gold and silver) to the extent of nearly 86 crores. This can be compared with 42 crores in the year before and 63 crores in the year before that. This favourable balance of trade is an important matter for a country situated as India is and it has helped us not a little to maintain a steady level of exchange during the last year. Also there is another point which I should like to emphasise and that is that Government were able to keep out of the loan market altogether during this year, and this, I think, has contributed considerably to the much greater easiness in the money market which has been characteristic of the present busy season. We have to go back many years before we can find a bank rate of 6 per cent. at this time of the year; nor has the Imperial Bank so far been compelled to take any portion of their seasonal loans from currency. All the same the feature of the situation which has been uppermost in our minds is no doubt the position of the cotton mill industry, and although it is anticipating a little what I shall have to say later, I will tell Honourable Members now that the Finance Bill, which will shortly be in their hands, contains a clause for the repeal of the cotton excise duty, I hope for ever.

The figures for our revised estimates for the current year under Customs naturally are affected by the suspension of the cotton excise duty from December. We shall lose thereby 71 lakhs. Also the depression in the piece-goods trade will mean that we shall be short by a crore and a quarter under that head. On the other hand, the imports of sugar have been exceptionally large, and as the duty is now at a specific rate instead of as previously *ad valorem*, we get the full advantage of the increased imports. We expect to get 180 lakhs more from sugar alone, which more than counterbalances the loss under piece-goods. Other heads of the tariff which have done well during the war have been the protective and export duties, and more particularly the petrol excise which in spite of the reduction by one-third in the rate will yield more money in the current year than in the year before. There have also been very good imports of motor cars, I am glad to say mostly of British makes. The net result is that under Customs we expect to have an improvement of 50 lakhs in spite of the suspension of the cotton excise duty. Under Taxes on Income, I am afraid the picture is not quite so rosy. We adopted a figure which was 87 lakhs below the Budget of the previous year. I am sorry to say that we expect to be short by no less than 110 lakhs under this head. Also under Salt, in the early months of the year there were considerable accumulations of stocks which affected issues, especially in Northern India, and although the issues in the later months have been well up to normal, we expect to be short by 55 lakhs. Under Opium we had to ask for a supplementary grant of 51 lakhs in the autumn, but we shall only use 35 lakhs of that, and on the other hand the stocks of opium which were taken



[Mr. A. C. McWatters.]

over and paid for by Provincial Governments on the 31st March have proved to be higher by 24 lakhs than we had calculated, and also the receipts from our sales have been somewhat higher; so that under the Opium head as a whole we shall have an improvement of 48 lakhs, and the net revenue from Opium will be slightly over 2 crores. Under Railways, as the House knows, we shall get a small increase of 8 lakhs in the contribution. The only other items I need mention on the revenue side are a considerable improvement in the interest on our cash balances in England and on the interest on the securities in the Paper Currency Reserve. This also is the first year in which we obtain an instalment of the reparation receipts from Germany under the Dawes scheme—a small item of about £60,000.

Turning to the expenditure side, exchange has been slightly higher than the figure which we took, viz., 1s. 6d., and we expect to gain 10 lakhs from this source, besides small amounts under Railways and under capital heads. In respect of military expenditure we took a figure of 56½ crores, and this figure will be almost exactly worked to. The figure which we are adopting in the revised estimate is 56 crores 28 lakhs. In fixing the figure of 56½ crores for the Budget we made an overhead cut of 20 lakhs in military expenditure, and it will be seen that this cut has been practically given effect to. The same is true of the civil expenditure. We made an overhead cut of 15 lakhs under 12 different heads, and this will be given effect to in all cases except two—the Survey of India and the Indian Stores Department, for both of which we have had to ask for supplementary grants. But on the civil side there are four big items of a book-keeping character which have the effect of adding to our surplus. The first of these is connected with the new procedure relating to capital stores for the Telegraph Department. The House may remember that in the current year we are taking these stores direct to the capital head instead of, as under the old procedure, taking them first to a suspense head. The result of this is that in the current year we obtain a non-recurring credit of the value of the stores in suspense on the 31st March last. This was expected to be 120 lakhs. The value of these stores on the 31st March is now however found to be 181 lakhs; so we obtain 52 lakhs non-recurring credit under this head. Secondly, there is the item to which I have already referred, the increased value of the stocks of opium in our treasuries which were taken over and paid for by Provincial Governments amounting to 24 lakhs; and thirdly, there is an item of 80 lakhs which results from the Government of Bombay paying interest on some of their loans from the Provincial Loans Fund for 15 months instead of 12, their object being to bring their interest payments down to 31st March, which is a more convenient date for them; and finally, there is an item of 17 lakhs which is due to the cost of certain buildings for the Security Printing Press at Nasik being transferred from revenue to capital at the wish of the Assembly. These four items taken together amount to 123 lakhs, and if it had not been for these items, our revised estimates would have been almost the same as the Budget. As it is, taking account of the 24 lakhs surplus for which we budgeted, our expected surplus in the current year will be 130 lakhs.

This 130 lakhs would in the ordinary course go automatically to debt redemption, but the Government of India have a proposal of a somewhat novel kind to put before the Legislature, to apply 50 lakhs of this surplus

to form the nucleus of an Archaeological Trust Fund for the prosecution of archaeological research and excavation. All of us must, I think, have been impressed by the interest and importance of the recent discoveries of ancient civilizations in the Indus Valley which take us back long before the Christian era and link up India with the ancient civilizations of the valleys of the Tigris and Euphrates, and perhaps take us still further back to the very dawn of history. To prosecute these researches is a national privilege and a national duty. They have a value which is incalculable not merely in illuminating the origins of Indian civilisation, but in throwing light on the origins of the civilisation of the world. There are obvious advantages in making this endowment a permanent one and not depending upon the supply of funds year by year. First of all, it ensures continuity—continuity in working out a definite programme over a period of years, and continuity in training the necessary expert staff with certainty of permanent employment; and secondly, we hope that the initiation of this Fund will strike the imagination of individuals and of bodies outside Government. We hope to enlist their interest and their co-operation and to obtain from them perhaps also financial support. Who knows, we may even find our Rockefeller. The details of this proposal will be explained to the House on a later occasion. At the present moment I am principally concerned with emphasising the financial effect of it. So far as the current year is concerned, it simply means that 50 lakhs of the surplus which would otherwise go to debt redemption is used to capitalize an annual charge of about 2½ lakhs. So far as future Budgets are concerned, it means that the Budgets will be relieved of this charge of 2½ lakhs, but as we must assume that our borrowings will ultimately be increased to the extent of 50 lakhs on which we shall have to pay interest, the financial effect, so far as future Budget is concerned, is nil.

Before I turn to the Budget for next year, I should like to mention some changes which have been made in the form of the documents which will shortly be presented to the House. The first and most obvious change which will strike the eye is that a number of the documents have been printed this year in octavo form. By so doing, we save a considerable amount of expenditure in printing because much of this information has in any case to be printed in octavo form for presentation to Parliament. Also we hope that the octavo form will be found more convenient to handle; and remembering a complaint which I heard the other day from an Honourable gentleman opposite I hope that the printing will not be found so small as to try the eyes of elder statesmen. The most important change which we have made is in the Demands for Grants. During the course of the year the Auditor-General has been conducting an inquiry into our Appropriation Reports with the object of improving their form and adopting, so far as possible, the form which is in force in England. His inquiry was undertaken at the request of the Public Accounts Committee and his recommendations have been approved by them. It is as a corollary of these that we are making changes in the form of the Demands for Grants, the most important of which is that the details will be shown in all cases under the sub-heads of account by which the expenditure will be finally accounted for, so that the Public Accounts Committee can follow the actual expenditure under each sub-head more easily and can watch the reappropriation from one head to another. I may add that the Demands for Grants contain the usual information by circles of account and all the detailed information in the same fulness as before.

[Mr. A. C. McWatters.]

I now turn to the Budget. As usual we have to fix a rate of exchange, but this year I think we had no option but to accept the rate of exchange which has practically been prevalent for the last 18 months. We have adopted, as in the current year, 1s. 6d. As regards military expenditure we have taken a figure of 54.88 crores, which is 187 lakhs below the Budget for last year. This year the military Budget is disturbed by fewer non-recurring items, but it still includes a sum of 66 lakhs for gratuities to demobilised officers and 28 lakhs for buildings in Waziristan and for the Royal Air Force, and it also contains a non-recurring credit of 25 lakhs from surplus war stores. The House will see that we have now long passed the first stage of the Inchcape Committee's recommendations, namely, 57 crores, and have proceeded some way towards their second goal. It may be said that the military Budget has been helped a good deal by exchange standing at 1s. 6d. instead of 1s. 4d. which was the rate taken by the Inchcape Committee. That is true, but on the other hand the Army has now to bear a large number of charges which were not contemplated by the Inchcape Committee. For instance, they now bear the customs duty on imported stores and also the charges for stationery and printing and a large number of similar items. I shall not trouble the House with further details about the Military Budget, because I think Honourable Members will wish to go into it fully for themselves. But I may say that in the military estimates this year are given explanations in much greater fulness than has ever been attempted before.

So far as civil expenditure goes, there is an apparent increase of 30 lakhs over the revised estimate for this year. But this increase really disguises a very large decrease because in the current year, the House will remember, we have a large non-recurring credit of 181 lakhs from telegraph capital stores. In the budget year, on the other hand, we are able to point to a definite saving of more than 1 crore in interest charges. This of course is due to our having been able to meet our capital expenditure including that for the Railways and Provincial Governments without fresh borrowing. The actual reduction in the interest on our market debt is 179 lakhs. We have to set off against this, however, an increase of 75 lakhs in the interest on our unfunded debt which includes provident funds, post office cash certificates and savings banks and so on. The other item of civil expenditure to which I should like to draw attention is Opium. The expenditure under Opium has been reduced very drastically in the coming Budget, both because we have restricted the area of cultivation and also because we are reducing the prices paid to cultivators. On the other hand, we do not next year obtain a non-recurring credit from stocks of opium in treasuries and the net result is that our income from opium next year will be practically the same as in the current year, slightly over 2 crores.

Last year I was able to tell the House that we had made a beginning in extending our expenditure for items of a specially beneficial character. This year I am glad to be able to tell the House that we have found it possible to go a good deal further. I will give the House a few instances of such items. First of all we have raised the grant to the Indian Medical Research Fund to 6½ lakhs; secondly, we have given a recurring increase of one lakh for education in the North West Frontier Province and also a non-recurring grant of 1½ lakhs to the Government High School at Peshawar; we have provided Rs. 50,000 for the Victoria Hospital at Ajmer and a

similar sum for Dr. Shroff's new Eye Hospital at Delhi. We have increased the recurring grants to the Aligarh and Benares Universities by Rs. 25,000 each and that to the Delhi University by Rs. 10,000 and to the two first named Universities we have given non-recurring grants of 2 lakhs each as the first instalment of non-recurring grants. We have also allotted a considerable sum towards the completion of the Forest Research Institute at Dehra Dun and have added to our grants to the Research Institutes at Coimbatore, Pusa, Muktesar and elsewhere. I think the House will realise that now that we are able to do something for the provinces by enabling them to extend their expenditure on beneficial services, we are not unmindful of our own obligations of a similar character.

So far as the revenue side of the Budget is concerned, I need only mention that under Customs we cannot expect to get the same return from sugar, but we do expect a better return under piece-goods. We expect trade to be slightly better on the whole and have adopted a figure which is 130 lakhs better than the revised estimate for this year, but for the moment this figure includes 1½ crores for the cotton excise duty. Excluding this our figure would be 45 lakhs below the revised estimate of this year. Under Taxes on Income we have had to take into account the serious depression in the Bombay mill industry and we have adopted a figure which is 10 lakhs below the revised estimate for the current year, that is no less than 120 lakhs below the Budget for last year. Under Salt we have budgeted for a normal year. From Railways we get a contribution of 601 lakhs, because the basic year happens to be a favourable one. I will deal slightly more fully with Posts and Telegraphs. In the current year the net result of the profit and loss account of that Department—which I may remind the House is not by any means yet a final account, some figures, such as those for interest, being still doubtful quantities—is neither a profit nor a loss. In the coming year we expect the working expenses of the department to be higher by 61 lakhs, which includes a substantial amount improving the conditions of service of the subordinate staff. On the other hand we do not expect the gross revenue to be more than 41 lakhs better than in the current year. The final result according to the profit and loss account is that the Department will be working at a loss next year of 10 lakhs. The Postal Department will show a profit of 20 lakhs, the Telegraph Department a loss of 20 lakhs and the Telephone Department a loss of 10 lakhs. I do not wish to draw any inferences from this, though I think Honourable Members will find that the Honourable the Finance Member in another place is drawing such inferences. I will merely say that the Department seems to be in a state of unstable equilibrium. The only other head of the Budget to which I wish to refer is that we are still taking to revenue the interest on the Paper Currency Reserve and the excess of the Gold Standard Reserve over 40 millions. There is no doubt that the Royal Commission on Currency when they report may make recommendations regarding these reserves of an important character, but we are entitled to assume that whatever their recommendations may be the net profit which Government obtain from these sources should be the same as before. We are now able to strike a balance and remembering that in the revenue side I have included 1½ crores for the cotton excise duty, the surplus for the budget year works out at 305 lakhs.

Before discussing what is to be done with this surplus I will turn to ways and means. The ways and means portion of our Budget is certainly

[Mr. A. C. McWatters.]

not the least important and I think that this year it presents several striking features. I will take the House back to the extra revenue surplus of 168 lakhs which we had in the year 1924-25. When we came to our decision in the summer to do without a cash loan we found that our resources were larger by very much more than that amount. That 168 lakhs includes 114 lakhs extra contribution from Railways, but that is by no means the whole of the extra amount which the Railways contributed to our balance because we have to take into account their capital expenditure and also the amount which they set aside to reserve. The actual amount by which our balances were increased on the 31st March by the Railways was 346 lakhs. The second source from which our balances were increased was the Provincial Governments. The Provincial Governments, one and all, prepared their revised estimates with an embarrassing conservatism and the increase to our resources from the Provincial Governments was no less than 680 lakhs. I am not making any complaint but I think it is clear that the preparation of the ways and means Budget of the Central Government is in these circumstances rendered extraordinarily difficult. We had from these two sources alone 9½ crores addition to our balances and the decision which we took to do without a cash loan, as the House will realise, has been abundantly justified. In spite of the very large amounts which we have been remitting to England throughout the year in excess of the Secretary of State's requirements, we have been able to avoid entering the market for a loan and we have not borrowed either by means of Treasury Bills or by means of ways and means advances from the bank, and the result I think has been that our operations have contributed to the much greater ease which has been noticeable in the money market during the current year. I turn now to the conversion loan itself. That loan was issued at 5 per cent. income-tax free, which is roughly equivalent to 5½ per cent. subject to tax. The result of the loan was that besides redeeming a certain portion of the 1925 bonds last year, we have converted 29 crores of debt which will mature in the next three years, and most important of all we have converted 18 crores of the bonds which would have matured in 1926. We have reduced our liabilities for 1926 bonds from 38 crores to 20 crores, which is a much more manageable proposition. The effect of the conversion loan on our interest charges will be apparent when I say that we had to make cash payments of 64 lakhs but the recurrent saving by the conversion of the debt is 18½ lakhs a year, and in addition to that 4½ crores of our debt has been transferred from debt which was free of income-tax to debt which is subject to income-tax.

I turn now to the next year. We have as usual a very considerable programme before us. In the first place we have to meet 24 crores of maturing debt, including the 20 crores of 1926 bonds and certain railway debentures in England. We have also a new capital programme of 28½ crores, which includes 26 crores for the Railways, and a further 7 crores for Provincial Governments. The total of these items is approximately 59 crores. We expect to meet these liabilities first of all by reducing our balances by 15 crores; secondly, from miscellaneous sources, such as unfunded debt, post office cash certificates, savings banks and so on, we expect 11½ crores. Thirdly, the provision for reduction of debt which is included in the Budget gives us 5 crores, and finally, from the railway reserves and the railway and other depreciation funds we shall get 5½ crores. The net result is that we shall have to find by borrowing a sum

not greater than 22 crores, which I would point out to the House is scarcely larger than the amount of the Bonds which are actually maturing in India this year. I think the position is one which we can regard with considerable satisfaction and I hope that it will be reflected in our borrowing rates. At this point I should like to refer to post office cash certificates. In view of the reduction in our borrowing rates and the further reduction which we expect in the future, we consider that the rates which we are now offering are too high, and an announcement will shortly be made reducing those rates. But at the same time we are adding some new features which we hope will preserve and add to the popularity of these certificates.

I now come back to the surplus of 305 lakhs. The problem that always confronts us with regard to a surplus, when we have a surplus, is whether it is a real surplus and what we are to do with it? Now in considering whether this surplus is a real surplus we have to remember first of all that we have taken in the Budget a rate of exchange of 1s. 6d. and that we shall have in our hands very soon the Report of the Royal Commission on currency, and what that report may be is on the knees of the gods. In the second place, we have to consider the question of the contribution from Railways. It was stated in the House the other day that the contribution from Railways is a constantly increasing figure. Now it is perfectly true that the one per cent. on the capital at charge of the commercial lines is an increasing figure, but that does not necessarily mean that the contribution from Railways will increase from year to year because the total amount of the contribution also depends upon the earnings of the Railways in the penultimate year. Now our budget figures are based upon a very favourable year for Railways, and the actual fact is that the railway contribution in the year 1927-28 is expected to be less than in the budget year by about 79 lakhs. Thirdly, we have to consider our opium revenue. The House is aware that I have given notice of a Resolution with regard to opium policy which contemplates the progressive reduction and eventual extinction of our exports of opium. I shall not say anything more about that policy at the moment, but if it is given effect to we have to regard our 2 crores or so of opium revenue as a disappearing figure. The Government of India have considered all these points very carefully. They do not think that it would be proper to set aside any of our surplus as an insurance against what the Royal Commission on Currency may or may not recommend. With regard to the loss of revenue from opium, this cannot take effect in one year or two, and we should be able before that revenue is entirely extinguished to make it up from other sources of revenue or by reductions of expenditure. I have in mind particularly the income-tax. We have spent large sums on improving our income-tax staff and arrangements but we have never yet tested them in a year of good trade, and secondly, I have in mind military expenditure. The Military Budget, as I have explained to the House, still contains some items of a non-recurring character, and also there are other items, such as the reduction of pay of the British soldier, which took effect this last year but will not show its full effect for several years to come. Considering all these factors the Government of India have decided not to hold up as an insurance any appreciable part of this surplus but to make available 3 crores of it for distribution. 175 lakhs of the surplus will, as I have already told the House, be devoted to the abolition of the cotton excise duty, and 125 lakhs will be devoted to the

[Mr. A. C. McWatters.]

reduction of provincial contributions in accordance with the Devolution-Rules. This means that Madras will get 57 lakhs, the United Provinces 33 lakhs, the Punjab 28 lakhs and Burma 7 lakhs.

As regards the Finance Bill, apart from the clause repealing the cotton excise duty, it contains no proposals for alteration in taxation. It does however contain one clause of a novel character which contemplates the allocation to redemption of debt of the reparation receipts from Germany after deducting such compensation claims as have to be paid to private individuals or public bodies who have suffered from enemy action. I will not trouble the House with a long explanation of that at the present time, but will explain it fully when the Bill comes before the House. I will merely mention that as a set off to that proposal we are discontinuing in the next year the allocation to debt redemption of an amount equivalent to the customs duty on imported capital stores. These two items practically balance each other; in fact the second item is slightly larger, so that the net amount which goes to debt redemption is slightly smaller than it would otherwise be.

I think the House will agree that in the course of these last three Budgets we have effected something substantial. We shall have got rid of 4½ crores of provincial contributions, including the 63 lakhs to Bengal. This it is true is not quite half of the total contributions, but it is a sufficiently substantial achievement to lead us to hope that within a measurable period we shall be able to get rid of the remainder; secondly, we shall have got rid of the cotton excise duty; and, thirdly, we shall have made a beginning in the reduction of fares and freights on Railways. And in the meantime the Railways, as the House has heard, have built up a very strong position and have accumulated considerable reserves; while the credit of the Government of India if it is measured by their borrowing rates and by the price at which our securities now stand has certainly improved materially in the course of these three years. There is one problem however which we have not touched, I mean the relation of central and provincial finance. Only the other day Honourable Members received copies of the Taxation Inquiry Committee's Report. It is a report in which this House ought to take a special interest as we number among us not merely the distinguished Chairman, the Honourable Sir Charles Todhunter, but another eminent member of the Committee the Honourable Maharajadhiraja Bahadur of Burdwan, and until a few days ago we had a third representative in the Honourable Sardar Jogendra Singh who has now been translated to other important activities elsewhere. The House has probably not had time to study that Report fully, but I think even after a cursory glance they will agree that the Chairman and members of that Committee are to be most heartily congratulated on the speed and the thoroughness with which they have covered such a vast field of inquiry. The Report is full of information of the most valuable kind, and I specially mentioned it in connection with this problem of central and provincial finance because I believe that the Report will enable us to look at that problem from a wider outlook than has been possible hitherto. It is a problem which I am convinced is not insoluble, but it certainly does demand a great deal of sympathetic consideration by all parties concerned of the special difficulties of the others. After all, our interests are in the long run the same and I think our motto should be that of Dumas's heroes, "One for all and all for one". I should like to emphasise also that the

most necessary and essential preliminary for the improvement of relations between the Central and Provincial Governments in matters of finance is the continued strengthening of the finances of the Central Government itself.

That is all, Sir, that I have to say this morning. This is the third Budget which I have had the honour of presenting to this House, and I regret to say that it will also be the last. I beg to thank the House very cordially for the attention with which they have listened to what I have had to say. (Applause.)

The Council then adjourned till Eleven of the Clock on Tuesday, the 2nd March, 1926.

## COUNCIL OF STATE.

*Tuesday, 2nd March 1926.*

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### RESULT OF THE ELECTIONS FOR THE PANELS OF THE STANDING DEPARTMENTAL COMMITTEES.

THE HONOURABLE THE PRESIDENT: I have to announce to the House the result of the elections held yesterday for the panels of the Standing Departmental Committees. The following Honourable Members have been duly elected:

#### *For the Home Department.*

The Honourable Colonel Nawab Sir Umar Hayat Khan.  
The Honourable Sir C. Sankaran Nair.  
The Honourable Mr. Phiroze C. Sethna.  
The Honourable Mr. G. S. Khaparde.  
The Honourable Mr. V. Ramadas Pantulu.  
The Honourable Mr. Shah Muhammad Zubair.

#### *For the Department of Commerce.*

The Honourable Mr. J. W. A. Bell.  
The Honourable Sir Arthur Froom.  
The Honourable Mr. Phiroze C. Sethna.  
The Honourable Rai Bahadur Lala Ram Saran Das.  
The Honourable Mr. P. C. Desika Chari.  
The Honourable Sriyut Lokenath Mukherjee.

#### *For the Department of Education, Health and Lands.*

The Honourable Saiyid Raza Ali.  
The Honourable Raja Sir Rampal Singh.  
The Honourable Mr. R. D. Morarji.  
The Honourable Mr. P. C. Desika Chari.  
The Honourable Dr. U. Rama Rao.  
The Honourable Colonel Nawab Sir Umar Hayat Khan.

#### *For the Department of Industries and Labour.*

The Honourable Mr. Phiroze C. Sethna.  
The Honourable Saiyid Raza Ali.  
The Honourable Sir Arthur Froom.  
The Honourable Mr. J. W. A. Bell.  
The Honourable Mr. K. C. Roy.  
The Honourable Mr. Mahendra Prasad.

## CONTEMPT OF COURTS BILL.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I move that the Bill to define and limit the powers of certain courts in punishing contempts of courts, as passed by the Legislative Assembly, be taken into consideration.

Brief though the Bill is which I have the honour to present to the House, it nevertheless represents the result of long years of labour and deliberation. Though the matter is a very important one, the issue actually involved is in its essence simple and is capable of being very concisely stated. The details, the technicalities and the involutions of the law of contempt are very well known to the Honourable Members of this House who are lawyers. To those of them who are laymen, they are probably not of very much interest, and I think I shall earn some title to the gratitude both of the lawyers and of the laymen if I avoid unnecessary details and technicalities and state the case as simply and precisely as possible. We have to consider in the first instance what exactly is meant by contempt of court. Broadly speaking, it consists in disobedience to or disregard of the rules, orders, processes or dignity of a court. Contempts may be direct, that is to say, they may consist in insulting or resisting the powers of the court or the powers of the presiding judges. They may be consequential. Without definitely resisting or disobeying a specific order of a specific authority of the court, they may nevertheless plainly tend to create a universal disregard of the authority of a particular court or of courts of justice in general. Another distinction is to be made between contempts of courts in so far as they are committed either in or before the court itself, in the legal phrase in *facie curiae*, or outside the court. The first class of contempts, comprises generally disrespectful or obstructive conduct in the court itself. The other is almost equally important, in some respects even more important. It covers all cases of intimidating or corrupting parties, witnesses, persons or officers of the court. It includes cases of speaking or writing disrespectfully of the authorities of the court. It includes prejudicial comment on proceedings before the court—such comment as might result in the deflection or perversion of the course of justice, and it further includes what is commonly known as the scandalisation of courts. That indicates in a broad and summary way the general character of contempts of courts. In England the law is to a very large extent contained in the common law. Courts of record have power in England to punish contempts. Inferior courts of record like certain courts in this country in the present state of our law have power only to punish contempts which are committed in *facie curiae*, that is to say, in the presence of the court itself. The superior courts of record which include, *e.g.*, the High Court of Judicature, the Judicial Committee of the Privy Council and even the High Court of Parliament itself have powers to deal summarily with contempts of court whether committed in or before or against themselves or in, before or against courts subordinate to them.

I will not go at any length into the question of the jurisdiction and procedure in cases of contempt in England. Now in India, so far as the main principles are concerned, as frequently happens in regard particularly perhaps to criminal law in this country, the principles are precisely the same, but there are nevertheless some marked distinctions both in the matter of jurisdiction and in the matter of procedure. A considerable body of the existing law relating to contempt of court in India is in statutory form. For

example, Chapter X of the Indian Penal Code deals generally with contempts of the lawful authority of public servants and a considerable number of the offences set up by Chapter X of the Indian Penal Code would be contempts of court. In addition in the Indian Penal Code we find in section 228 a provision that intentional insult or interruption to a public servant sitting in a judicial proceeding is an offence for which punishment of imprisonment for a term of six months or fine extending to one thousand rupees can be given. Now the important point to note in regard to these offences is that they are statutory offences, many of which may be committed either in or out of court, but before the punishment incidental to such offences can be inflicted, the accused person must be brought before a court on a complaint, a charge must be framed against him, evidence for the prosecution and, if necessary, for the defence must be taken and then in the ordinary course the magistrate or other presiding officer of the court proceeds to pass judgment and sentence. We have one other provision of a statutory character relating to contempts which is contained in section 480 of the Criminal Procedure Code. Section 480 prescribes that where certain offences which are of the nature of contempts of court, drawn from the prescriptions of the Indian Penal Code to which I have just adverted, are committed in the view or presence of any civil, criminal or revenue court, the court may deal summarily with the offender. The main distinction then is that in the case of offences specifically contained in the provisions of the Indian Penal Code the procedure contemplated is that the accused person will after due trial if found guilty be sentenced. Section 480 permits in certain circumstances, where the contempt is offered in the presence and before a court, that the summary procedure may be adopted.

These provisions are applicable to all courts. There are however certain other provisions of law relating to the superior courts of record in India, that is to say to what are commonly known as High Courts, as distinguished from the Chief Courts and Courts of Judicial Commissioners. These courts inherit and exercise the powers at common law of the superior courts of record in England and the procedure before those courts may be summary. Those courts may take notice of contempts committed in their own presence or of contempts committed outside the court or of contempts committed in or in respect of courts subordinate to their authority. I have stated that conclusion somewhat summarily because I do not wish to enter too largely into technicalities. But as a matter of fact one of the reasons for bringing forward this measure is to make clear that that is the law, as certain doubts have been raised in the matter. Well, in their exercise of this jurisdiction at common law superior courts of record in India may take notice of contempts summarily, and they have at common law—or at any rate this is a view which is held on high authority, though it has not been entirely unquestioned—they have that jurisdiction at common law and their powers of punishment in respect of imprisonment or of fine are unlimited. I mentioned just now that the proposition which I stated somewhat concisely with regard to the jurisdiction and powers of superior courts in India is not entirely uncontested. As a matter of fact there is a very serious conflict of decisions in the matter. The High Courts of Madras and Bombay have held that they exercise intact the jurisdiction at common law which is vested in superior courts of record in England. The High Court of Bengal has expressed very grave doubts as to whether they do exercise jurisdiction and powers to that extent. Therefore one of the main objects of this Bill is, firstly,



[Mr. J. Crerar.]

the resolution of doubts. It is exceedingly undesirable that in so important a matter as the law relating to contempt of court there should be any doubt whatsoever. The second effect which will be produced if this Bill is passed is that the unlimited powers of the High Courts in respect of the penalties they are now empowered to impose, or conceive themselves to be empowered to impose, will be limited. They will be limited to simple imprisonment amounting to 6 months and to a fine of Rs. 2,000. I should also point out that by clause 2, sub-clause (3), of the Bill no High Court shall take cognizance of contempt alleged to have been committed in respect of a court subordinate to it where such contempt is punishable under the Indian Penal Code: that is to say, in respect of the offences to which I have already referred which are set up by specific provisions of the Indian Penal Code, the ordinary procedure of law under the Criminal Procedure Code will apply. Thirdly, the powers which are now vested in superior courts in India will be extended to Chief Courts in respect of contempts committed against themselves but not against courts subordinate to them.

That, Sir, is the purport and the effect of the Bill. I have endeavoured to divest it of all irrelevant technicalities and of anything which is not strictly necessary for the consideration of the matter before the House. I should only like in concluding to impress upon the House what an extremely important matter this question of contempt of court is. It is not merely a question of affronts offered personally to individual magistrates or judges. That in itself is a serious enough matter. The serious character and the consequences of contempts of court go very much further than that. Unless they are strictly abridged and penalised the consequence would undoubtedly be the arrest, perversion and deflection of the course of justice. There would be great danger that the majesty of the law would be brought into weakness and disrepute, to the great disadvantage and injury to the interests and liberty of the subject. It is therefore of the utmost importance that we should have a precise and unquestionable law on the subject. This measure may not perhaps go so far as some Honourable Members might prefer to see it go. Nevertheless, it is a useful and important piece of legislation and I have every confidence in commending it to the best consideration of the House.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, I have heard with very great interest the legal exposition of the Honourable Mr. Crerar and I felt that I could sit and give a silent vote, but that would be unfair to my own profession and unfair to the Members of this House. Mr. Crerar said that he felt that there are Members in this House who might have wished the Bill to go further, but I am one of those who think that the Bill has already gone too far. At the outset, Sir, I should like to ask Mr. Crerar two very important questions. This is a very important piece of legislation and the other House was given almost a year over it. I should like to know why this Bill was not referred to a Joint Committee of the two Houses. It was a Bill not only very important and very interesting to our judicial system of administration, but also to the profession of journalism to which I have the honour to belong. In the second place, I should like to say that the Bill has been considerably changed by the Select Committee, and, in fairness to the Provincial Governments as well as to the High Courts, I think that the Bill ought to have been republished and recirculated, and that fresh opinions should have been

elicited before it was put to the final vote of the Assembly and to the final vote of this House.

Sir, with these preliminary remarks I come to the detailed consideration of the Bill. Sir, as a member of my profession I had an opportunity as one of the office-bearers of the Upper India Journalists' Association as well as of the All-India Journalists' Association in Bombay to give our views. When the Bill was originally introduced, it was a very drastic measure and we felt that it was our duty to oppose the Bill lock, stock and barrel, and we advised the non-official Members of the other House to turn the Bill down. But, Sir, speaking from my place as a Member of this House, I can no longer visualize the Bill as a member of the journalist fraternity; I have to visualize it as a Member of this House, I have to visualize it also from the point of view of the good administration of law in this country; and I think, Sir, it is our duty to uphold the dignity of our law courts, so that no press criticism, however just it is considered in the light of newspaper interests, should in any way hamper that administration of justice. Sir, the Bill as it was originally introduced contained drastic changes. There was a spirit of compromise in the Select Committee for which we are grateful to the Home Member. The Bill to-day is a great improvement upon the present position, and therefore I am in a position to vote for Mr. Crerar's motion. I may in the first place state that no attempt has been made to define the word "contempt". I find from the proceedings of the Select Committee that my Honourable friend, Sir Hari Singh Gour, was very keen about it. I made a little research into the question of "contempt", and I find that the only country which has a definition of the word "contempt" is China; (Laughter), and I am very glad, Sir, that our law-givers in India have decided not to follow that celestial Empire. The next point, Sir, which has really improved the Bill is the decision that the imprisonment should only be simple. Sir, I belong to a profession which is mainly manned by the intelligentsia, and rigorous imprisonment would not really be a just and fair punishment to mete out to members of my profession. Even when they commit a contempt, they feel that they are doing it in the discharge of their legitimate duties. There may be errors of judgment, but there is no mistaking the motive; we are all for upholding the tradition of the administration of justice in this country. The third point on which I am greatly indebted to the Honourable the Home Member is that the amount of the fine has been restricted to Rs. 2,000. The Press in India, Sir, is a poor man's profession, it is indeed a poor man's profession and a fine of Rs. 2,000, I consider, is very excessive. The economic life of an Indian newspaper man is far from satisfactory. He does not earn enough, he is often exposed to temptations and other vicissitudes of life in respect of which perhaps a man who is serving in other capacities, such as the lawyer or the Government servant, is immune; and, Sir, although I quite frankly admit that the Bill has been improved, it has not been improved to the extent we should have liked it to go. Sir, in this connection I will quote the opinion of an eminent Judge in the United Provinces, Mr. Justice Lal Gopal Mookherji, who says:

"I approve of the Bill except as to the nature and amount of punishment. A 'contempt of court' committed out of court (and not in the presence of it) is much milder in form and substance than a 'contempt' committed in court itself, yet the maximum sentence provided by section 228 I. P. C. is 6 months' imprisonment and a

[Mr. K. C. Roy.]

fine of Rs. 1,000.' \* \* \* 'A heavier sentence may result in gagging the public opinion \* \* \* I would fix the maximum sentence at one month's simple imprisonment with a fine not exceeding Rs. 500.'

Sir, this is what we as press men would have liked to see enacted.

I have now, Sir, only one objection to the Bill, and that is with regard to the extension of these powers to the Chief Court. Sir, I have nothing to say against the Chief Court. I believe it is an anachronism in our judicial system. Sir, there is only one Chief Court now which we have got at Lucknow. Its establishment was sanctioned by the United Provinces Government with the full consent of the local Legislature. So, Sir, if anybody is to be blamed for the existence of the Chief Court, it is the provincial Legislature. But what I feel on this question is that the Chief Court should not have been given those powers, because, Sir, you are only widening the scope of our courts competent to punish contempts. I should have liked to see it restricted only to the High Courts. The way in which the Bill has been dealt with has convinced me that it has received the utmost consideration in all stages, and I have no desire to oppose this motion. All we feel, Sir, is that no amount of deterrent punishment will give you the result which the Government aim at; it can only be secured by the growth of goodwill and public opinion in this country, and I depend more upon the latter than upon Mr. Crerar's remedies to prevent contempts of court happening oftener than now. Sir, with these words I support the motion.

THE HONOURABLE MR. J. CRERAR: Sir, I am extremely glad to note that though the Honourable Mr. Roy labours, or laboured, under certain apprehensions with regard to this Bill, he nevertheless considers that on the whole this Bill merits his own support and the support of the House. I understood him to make two complaints; firstly, that the Bill was not submitted to a Joint Committee of both Houses. Well, I think the reason why that particular procedure was not adopted was that though the measure itself is an important one, and though it represents, as I have already said in making my original motion, the result of many years of labour and deliberation, it is nevertheless a measure perfectly simple in itself, a short measure, a concise measure, and one which could with every justice to the issues and the principles involved be debated on the floor of both Chambers of the Legislature. He also suggested some dissatisfaction that the Bill was not circulated for eliciting opinions. I would however remind him that the original Bill as introduced in another place was so circulated, and as all substantial issues were at that time before the various authorities concerned, it was really unnecessary to circulate it a second time for the same purpose. We were indeed substantially in possession of all the opinions that were likely to assist either the Government or the Legislature in proceeding with the measure, and this course would only have added to the delay, the exceedingly unfortunate and prolonged delay, which has already taken place in the progress of this measure towards enactment. With regard to what the Honourable Member said as to the attitude of himself and the illustrious profession to which he belongs, I have nothing to say except words of gratitude and acknowledgment. I think his apprehensions as to how far this measure might bear hardly upon that profession are entirely unnecessary. I can hardly imagine, it is beyond my wildest dreams of conception, that any question could possibly arise as to whether

the Honourable Mr. Roy should be awarded simple or rigorous imprisonment; and as I feel completely relieved from any such unpleasant hypothesis, so I feel sure that the Honourable Mr. Roy and his colleagues may equally feel relieved from any such apprehension. I welcome nevertheless all the more his statement that the deliberate and united opinion of all responsible persons in his profession is that the authority and the dignity of the courts ought to be supported in this matter. The Honourable Member went on to make some observations on the point that the Bill contains no provision for the definition of contempt. I was not quite clear whether he considered that a defect or an advantage.

THE HONOURABLE MR. K. C. ROY: An advantage.

THE HONOURABLE MR. J. CRERAR: I understand that he considers it an advantage. If, however, there is any misgiving in the mind of any other Honourable Member of this House on that point, I should like to explain that an attempt was made to define the offence "contempt" and the attempt, I am bound to admit, was not very satisfactory. Indeed it was rather opposed to the tradition and practice in such matters as these of the common law; and here, I must remind Honourable Members, we were endeavouring to place in the form of a Statute a point of law which hitherto has been almost entirely regulated by the traditions and principles of the common law. The word "contempt" is, as the lawyers say, a term of art, that is to say, it is a term perfectly well understood by lawyers, perfectly well understood by the courts, and it is not left entirely to the imagination either of lawyers or courts to say what "contempt" is. What it means is settled by a long series of judicial decisions, and I think it is really much better to leave to the discretion of the high and responsible courts in whom it is proposed to invest these powers to apply to the cases before them the great traditions which it is their duty to enforce, to keep alive and to interpret. I am gratified that this Bill has received the measure, the handsome measure, of support it has received from the Honourable Mr. K. C. Roy, and if I may infer so much from the silence of other Honourable Members, the approval or acquiescence of the House as a whole.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to define and limit the powers of certain Courts in punishing contempts of courts, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. J. CRERAR: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadian): Sir, we now find that the Bill embodies three principles; the first is to resolve certain doubts as to the powers of High Courts to

[Mr. V. Ramadas Pantulu.]

punish contempts committed in respect of courts subordinate thereto; the second principle is the extension of the powers to punish contempt to courts which did not hitherto enjoy such powers; the third is the limitation upon the powers of the High Courts with regard to punishment. Sir, my Party had no objection to the first and third principles, the resolving of doubts and the limitation to powers regarding punishment. So, Sir, when the Bill was introduced in another place, the Swaraj Party did not oppose the consideration of the Bill, nor did it object to its being referred to a Select Committee. But with regard to the second principle, the extension of the powers of punishing for contempt to courts which did not enjoy such powers, it was very objectionable in our view. We wanted to get rid of this objectionable feature in the Select Committee stage and we tried our best. Not having succeeded in that attempt and the objectionable provision having ultimately found a place in the Bill as presented to the Assembly, after it emerged from the Select Committee, we had no alternative but to oppose it and I will take the same course here. As we were in agreement with the first and third principles I did not oppose the Bill at the consideration stage, but as a very vital principle is involved in this Bill, namely, the second to which I take exception, I cannot but vote against the motion that the Bill be passed. I shall briefly state, Sir, my reasons for voting against this motion. So far as the first principle is concerned, resolving doubts, as pointed out by the Honourable the Home Secretary, the Madras and Bombay High Courts held that Chartered High Courts had power to punish contempts not only in respect of themselves but also in respect of courts subordinate thereto, but the Calcutta High Court took a different view. We feel that in the administration of law and justice there ought to be some uniformity and when there is a difference of opinion in the Highest Courts it is desirable for the Legislature to intervene and settle the conflict. So we agreed to that; and with regard to the limitation of punishment also the principle is sound, though I agree with my Honourable friend Mr. K. C. Roy that, even as it is, the punishment provided for in the Bill is far in excess of the requirements of the situation. But with regard to the second principle, namely, the extension of powers to courts which did not hitherto enjoy them, there are serious objections. In the first place, I do not agree with the statement made by the Honourable the Home Secretary that all the High Courts in India, which are said to possess the powers of courts of record by section 106 of the Government of India Act, do enjoy the powers which are sought to be conferred by this Bill. As I understand the law, I think only the presidency High Courts situated in Bengal, Madras, and Bombay do enjoy such powers. The Privy Council have definitely put it on the basis that those three High Courts succeeded to the powers of the Supreme Courts, and therefore they possessed the powers enjoyed by the King's Bench Court in England of punishing for contempts. But with regard to a High Court like that at Allahabad it has not succeeded or inherited any powers of any supreme court. Therefore, I maintain that under the law as it stands, the High Court of Allahabad does not possess any power to punish people for contempts committed even in respect of itself as the High Courts of Madras, Bombay and Bengal do. Clause 2 stands thus:

"\* \* \* the High Courts of Judicature established by Letters Patent shall have and exercise the same jurisdiction, powers and authority, in accordance with the same procedure and practice, in respect of contempts of courts subordinate to them as they have and exercise in respect of contempts of themselves."

It is open to us on the clause as it stands to contend that if at present some of them do not enjoy such powers in respect of themselves, they cannot exercise such powers in respect of courts subordinate thereto. As clause 2 now stands, the Allahabad High Court does not possess the power regarding itself, and therefore much less can it exercise this power in respect of courts subordinate thereto, because it is not correct to say that all courts of record have such powers in India, whatever may be the law in England. Therefore, section 106 of the Government of India Act does not confer any such powers on High Courts other than those established by a Charter.

Sub-clause (2) of clause 2 of the Bill further seeks to confer such powers on Chief Courts which certainly did not enjoy these powers till now; and we find that it is not sought by this Bill to extend those powers in respect of courts subordinate to the Chief Courts. I am therefore justified in drawing the inference that this Bill makes a distinction between the High Courts and the Chief Courts with regard to the status and powers with which they are to be invested. While entrusting to the High Courts larger powers to punish for contempt, it does not confer all those powers on Chief Courts. Therefore, I take it, that it is recognised that the Chief Courts occupy a position inferior in status to the High Courts. Therefore this Bill certainly extends powers to certain courts not possessed of such powers hitherto and it is to this extension that we object. My objections are threefold. I submit that firstly the extension is undesirable on principle. In England the power to punish for contempt is not a statutory power but a common law power. The growth of common law in England is a matter of centuries, of labour of great jurists and judges. Nevertheless the law of contempt in England cannot be said to have reached a state of perfection. It is still in a state of flux, and to seek to import that common law into India is not defensible. This power to punish contempts, it must be confessed, is an extraordinary power. As pointed out by the Home Secretary, there are already some safeguards in existence to protect courts from interference in the due administration of justice. The provisions of the Indian Penal Code, section 480 of the Criminal Procedure Code, and the provisions of the Civil Procedure Code do contain provisions which are safeguards for protecting courts in the due discharge of duties by them without molestation or interference. This power which is sought to be given is of an exceptional character. The person who is offended against is constituted judge, witness and prosecutor; therefore such an extraordinary power should only be given to courts which command the highest confidence, and it should not be extended unless urgent and unavoidable necessity has been proved.

Now, Sir, this power also is undefined and said to be indefinable. The scope for courts exercising very wide discretion is patent from the fact that it is not found possible to frame a comprehensive definition. Again the procedure is very summary and no appeals lie. Therefore in placing such dangerous and very exceptional powers in the hands of courts, we ought to proceed very cautiously, and it is wrong to extend them.

Then *secondly*, I think as a matter of expediency it is very dangerous to extend the power to Chief Courts which have not hitherto enjoyed this power. In India the judicial and executive functions are not separate. The District Magistrate is the chief executive authority who really moves in the matter. For instance, if a subordinate magistrate is said to have been wrongly attacked by a newspaper, when the District Magistrate takes

[Mr. V. Ramadas Pantulu.]

up the question of proceeding against the paper for contempt I am afraid a lot of executive bias will be thrown into it. All persons objectionable to the executive will be brought within its net, and therefore there will be room for the abuse of power by executive intervention. With regard to the Chief Courts we should not forget that it is the Government of India which appoints judges. The judges of these courts do not enjoy the same amount of confidence as judges of High Courts appointed by His Majesty. I mean no disrespect to them. It is the feeling. Sub-clause (2) of clause 2 does not intend to entrust Chief Courts with all the powers given to High Courts by sub-clause (1) and thus recognises the distinction between the two. Therefore I think any extension of power to Chief Courts is dangerous as a matter of expediency.

Thirdly and lastly, my objection is that absolutely no need has been made out for this legislation. As pointed out by the Honourable Mr. K. C. Roy, the Press on the whole has shown great moderation and a due sense of its responsibility in dealing with the judiciary. I hope it has won approbation from all quarters. I do not think any case has been made out by citing instances in which it has been brought to the notice of Government that a measure of this sort is imminently needed. The Press has on the whole done very well and there is no apprehension that it will not do equally well in the future. With a growing sense of responsibility and public opinion the Press is trying to show greater regard to law, and there is not the slightest danger of its going wrong. The Home Secretary said that the matter had engaged the attention of the Government for a long time. I do not think that that is any justification for the measure, unless it is shown at the same time that in these long years matters have grown so serious as to justify the measure. Because the measure has been hatched for a number of years it will not be a sufficient justification for its introduction. I would point out that there is a loud, strong and almost unanimous protest against the measure. All sections of the Indian Press objected to it and many newspapers of eminence, well conducted and respectable, launched reasoned protests against the measure. I think Government ought to pay heed to these protests unless they can show some strong case; otherwise there is no justification for it. I do not think that either on principle or in the way of expediency has any case been made out for the extension of these powers. No need for it has been felt; we have got on very well with powers which the courts at present enjoy, and there is no demand for newly investing those courts with other powers. I have not been shown any papers in which the need for this measure has been urged. I therefore vote against this Bill which contains a vital objection in principle. On these grounds I oppose this motion.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, I do not want to say much on this motion; I find that the codification of the law of contempt is certainly a step in the right direction, and it is the duty of the Legislature to set doubts at rest in cases like this. The law of contempt as everybody here knows is a very delicate branch of the penal law, and it is as well that an attempt is made by the Legislature to place it on a proper footing whereby not only the lawyers and judges, but the people concerned, may know where they stand in regard to this measure. In the Bill before us I find the law of contempt has certainly

been very much improved and there is every reason to be gratified at the measure of punishment which is sought to be given in connection with contempt against the highest courts in the land and also the courts subordinate to the High Courts. As the law was administered, we come across cases where severe punishment in the form of imprisonment for disobedience to orders of the court have been given. I know of a case where a Judge sitting on the Original side of the Madras High Court awarded punishment for contempt by giving the man a term of imprisonment which could last till the pleasure of the court. No doubt the man was not brought into the clutches of the law, because he managed to escape, and later on it was brought to the notice of the court that he showed signs of repentance and he was let off. I bring in this instance merely to show that the law of contempt, as it stood, was administered very rigorously in small cases where a court thought that its dignity had been infringed. People are all aware of the punishment awarded to the *Kesari* in one case of contempt where a fine of Rs. 5,000 was imposed, but I believe it is not possible for any of the High Courts to give imprisonment to last till the pleasure of the court or punishment which may extend to a fine of over Rs. 2,000. And then it is clearly laid down that only simple imprisonment can be awarded and there is no question of rigorous imprisonment being awarded in cases of contempt. The Honourable Mr. Ramadas Pantulu objected to the extension of these powers to Chief Courts, i.e., the highest courts which are not High Courts. I fail to see why, if the Presidency High Courts, established by Royal Charter, can be safely entrusted with this power, the other courts which are the highest courts in the land, should not be given the same power. Of course it may be argued that, because these Chartered High Courts in the Presidency-towns have been exercising this jurisdiction, they can safely be entrusted with it as they have been used to exercise such power, but I do not think such an argument is sufficient to prevent the power being given to the highest courts in the land under the existing circumstances. When they can have the right to punish people to the same extent in all other respects as the Chartered High Courts, there is no danger in entrusting this power to them, though they are not Chartered High Courts. It is only an accident in the evolution of the judicial history of India that some only of these High Courts are chartered and there is no reason why the other High Courts should not be given the same powers.

Then I find no attempt has been made to define the word "contempt", and I am glad that no attempt has been made to define it because it is not a thing that can be defined as a term of law, and it is better that the old tradition of the law of contempt of the common law as it stands should be allowed to stand because there would be difficulties in applying the law if some form of definition was given to the word "contempt." It may lead to trouble afterwards.

Then as regards the other objection, that no case has been made out to extend the power to other High Courts. I admit that the Press, including the vernacular Press, has shown that they understand fully their responsibility and they have been very fair in their criticism; but when an attempt is made to codify the law of contempt, it is better to define what the law is and to make it as satisfactory as possible, and there is no need to make out a case for placing this law of contempt on a satisfactory footing. It does not imply that the Press has been giving trouble and it is

[Mr. P. C. Desika Chari.]

necessary to bring in legislation of this kind. It has been thought fit to resolve certain doubts, and in resolving certain doubts, to extend the provisions of the law in such directions as are considered satisfactory. With these words I heartily support the Bill.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I am reluctant further to trespass upon the indulgence of the House and I only rise now lest I might be considered guilty of some discourtesy in making no reply to the observations which have fallen from the Honourable and learned gentleman from Madras. It is only a few minutes ago that the House passed, without a single dissentient voice, a motion to take this Bill into consideration, and, in doing so, it accepted the principles involved in the Bill. I was therefore somewhat surprised to hear the character of the arguments which were brought forward by my Honourable friend at this stage in the debate. It appeared to me that they referred solely, singly and entirely to the main principles involved in a measure which in principle the House has already accepted. The Honourable Member will therefore, I trust, pardon me if I reply to his criticisms in only the very briefest terms. The Honourable Member said that his objections to the Bill were threefold. He thought any extension of such powers in contempt as existed was in itself undesirable. Well the extension contemplated by the Bill is not a very great one. It extends it to Chief Courts in respect of contempts of themselves. Now the real point that arises in the matter—because I think no one can contest the proposition that the actual effect of the law ought to be perfectly clear—the only question that can possibly arise with regard to this point is whether or not Chief Courts constituted in India are worthy to be entrusted with these powers. For my own part I should very gladly have seen the Chief Courts entrusted with similar powers in regard to the courts subordinate to them, and that feature of the Bill, I need not attempt to conceal from the House, was largely a matter of compromise. My Honourable and learned friend now alleges it as a discrimination against the Chief Courts and as constituting a ground why the Chief Courts should not have the power to punish contempts committed in their own presence. I do not think that is a fair argument, but the real point on which the House has to satisfy itself, after getting rid of all technicalities, all unfounded apprehensions and all matters of prejudice, is whether it is really the fact that the Chief Courts in India are unfit to exercise powers of contempt. I say if they are unfit to exercise jurisdiction in contempt, they are probably unfit to exercise most of the other powers entrusted to a Chief Court.

The second objection alleged by the Honourable gentleman was that, in the case of prosecutions for contempt, the matter was usually set in train by the executive power. Well, I think the House has already heard a little too much of this attempt to treat the intervention of the Executive Government in any judicial process as a matter for constant suspicion and constant disparagement. But the argument that has now been introduced in regard to proceedings in contempt leads me to ask the Honourable Member does he really contend that in the matter of the administration of the criminal law, in the matter of the prosecution of offenders, the executive power is to be totally excluded? Is that a possible position? The Honourable and learned gentleman is far better aware than I am that in the ordinary processes of the criminal law prosecutions are undertaken on behalf of the King, that

serious criminal offences are committed not only against the law but against the King, that the King is the prosecutor in these cases and the executive authority takes part in those proceedings in its capacity as exercising that part of the functions of the Crown. If the Honourable Member alleges this as a reason why the House should not accept any provision for jurisdiction in contempt, he employs an argument which if carried further would reduce the whole of the criminal administration of this country or of any other country to an absurdity.

Finally, the Honourable and learned member said that no need for this measure had been disclosed. I think that point has been adequately replied to by the Honourable Mr. Chari. He pointed out, as I had already myself pointed out, that if you have an important branch of law in a state of flux, in a state of doubt, it is surely in the interests not only of the legal profession but also of the courts and of the public that that law should be made precise and clear.

Those were the three main objections taken by my Honourable and learned friend, and I am afraid I cannot regard any one of them as tenable. I submit the motion to the House.

THE HONOURABLE THE PRESIDENT: The question is:

“That the Bill to define and limit the powers of certain Courts in punishing contempts of courts, as passed by the Legislative Assembly, be passed.”

The motion was adopted.

#### INDIAN MEDICAL EDUCATION BILL.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras: Non-Muhammadan): Sir, I beg to move that the Bill to regulate medical education in India be circulated for the purpose of eliciting opinions thereon before 1st July 1926.

Sir, in doing so, I do not wish to tread on the same grounds as were adduced already in support of this Bill, once again now. The Statement of Objects and Reasons clearly defines the scope and purpose of the Bill. The importance of this legislation cannot be minimized and the public must have their say in the matter. The Government too may be anxious to invite the opinions of Local Governments and the various Provincial Medical Councils on this Bill. I, therefore, move that the Bill be circulated and that public opinion be elicited before 1st July 1926, so that the Bill may be piloted through in all its other stages, during the Simla Session and passed into law without undue delay.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, I think the House will expect that I should at this stage indicate briefly the attitude of the Government towards this measure. I may at once state that the Government of India reserve their opinion until they have fully considered the expressions of opinion which the motion of the Honourable Mover is intended to elicit. All the same, Sir, I think I cannot refrain from making a few general observations. A cursory examination of the Bill has disclosed certain defects which I think I should bring to the notice of the House. Honourable Members will have observed that the Bill attempts to regulate the standard of qualifications for the purpose of the practice of indigenous systems of



[Sir Muhammad Habibullah.]

medicine, and this I venture to think is rather impracticable. Further, it seeks to place on the same register the practitioners of this system and those of the allopathic system, and I fear that it may lead to difficulties with the General Medical Council. Even in regard to the practice of Western system of medicine the Bill seeks to regulate standards of qualifications in respect of the Sub-Assistant Surgeon class as well, which for obvious reasons ought properly to be left to Provincial Governments. It is indeed significant that the Bill is silent in regard to the source from and the methods by which the various, or shall I say the long, catalogue of the activities of the proposed All-India Medical Council should be financed. It is, I take it, a truism which I need not stress that without finance no organisation can function; and perhaps, lastly, the proposed All-India Medical Board is rather unwieldy.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Sir, with regard to the observations made by the Honourable Member, I beg to point out that it is futile to depend on the allopathic system alone, should we desire to make medical relief available to every class of people in every corner of the country. The indigenous system has the merit of being or at least of becoming cheap if it is sufficiently encouraged. The first step in popularising it, is to systematise the training given in it and make it scientific. The late Director-General, Sir Pardey Lukis, while speaking of the Ayurvedic system of medicine said:

"The longer I remain in India and the more I see the country and the people, the more convinced I am that many of the empirical methods of treatment adopted by the Vaidas and Hakims are of the greatest value and there is no doubt whatever that their ancestors knew ages ago many things which are nowadays being brought forward as new discoveries."

There are similar opinions held by other competent foreigners who cannot be accused of national bias. Besides, the Ayurvedic system having been evolved in this country is better suited to the people, their habits and mode of life, their constitution, their temperament and their environment. It is hoped that no manner of opposition would be raised against this particular provision in the Bill and that under the fostering care of the would-be Council, each system will be allowed to grow independently of the other for the ultimate benefit of suffering humanity.

Sir, objection has been taken to coupling the Ayurvedic and Unani practitioners with allopathic practitioners. In England, the General Medical Council has allowed that class of practitioners who practise homoeopathy to be associated with allopathic practitioners.

It has also been said that the proposed Council is a very big body. I would merely point out in this connection that whereas in the British Medical Council there are as many as 42 members, my Bill provides only for 35 members. And I may further point out that it is not correct to say that the Sub-Assistant Surgeon class should be left to the Provincial Governments and should not concern the Government of India.

We have been told that the Government are averse or unwilling to interfere with the provincial transferred subject of medical education; but it must be understood that the regulation of medical and other professional qualifications is a reserved provincial subject and is moreover subject to legislation by the Indian Legislature. All-India legislation is therefore necessary. If I remember aright, some years ago the Government of India

consulted all the provincial medical councils as to whether it was possible to have an all-India medical registration, on the lines of my proposed Bill, and I understand that most of the Provincial Governments gave a favourable opinion. Further, Sir, I have myself privately got the opinions of many of the associations and provincial councils and most of them are in favour of this Bill. I am only asking the Government to elicit further information; and if they do that and get favourable opinions, then the Government can themselves take up the matter. As regards the financial aspect of the question, when the Bill is referred to Select Committee, they can introduce provisions concerning the financial aspect. With these few words, Sir, I would suggest to the House to pass this motion.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to regulate medical education in India be circulated for the purpose of eliciting opinions thereon before 1st July 1926."

The motion was adopted.

#### PHOTOGRAPHIC GROUP OF THE MEMBERS OF THE COUNCIL OF STATE.

THE HONOURABLE THE PRESIDENT: It has been suggested that as usual a photographic group of Honourable Members of the Council should be taken before the close of the present Session. I think that is a proposal which may commend itself in general to the House, and arrangements have accordingly been made for the attendance of a photographer on Saturday morning at 10-30, so that a group of as many Honourable Members as can possibly be present may be taken before we meet to discuss the second part of the Budget.

I think it may be useful also to Honourable Members to know that of the items on the List of Business for to-morrow, one will not be brought forward. The Honourable Mr. Desika Chari has given notice that he does not intend to move the Resolution standing in his name which concerns the Burma Expulsion of Offenders Act, 1925.

The Council then adjourned till Eleven of the Clock on Wednesday, the 3rd March, 1926.



344

345

## COUNCIL OF STATE.

Wednesday, 3rd March, 1926.

The Council met in the Council Chamber at Eleven of the Clock; the Honourable the President in the Chair.

### RESOLUTION RE IMPORT DUTY ON ARTIFICIAL GHEE.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to move:

"That this Council recommends to the Governor General in Council that 100 per cent. *ad valorem* duty be levied, as early as possible, on the import of 'Vegetable Product', 'Vegetable Solidified Oil', 'Vegetable Compound', 'Vanaspatti Ghee' and any other similar preparations imported into this country for being marketed as artificial ghee for adulteration with pure ghee."

Sir, up to the pre-war days the price of ghee was rising only normally along with other commodities, but when the Great War broke out, the Government purchased such a large quantity that the entire produce of the country could not meet the Government demand. In pre-war days, I mean in the year 1914, the Government fixed the price of ghee at 7 annas per lb. for the ghee purchased for its troops, the bazar rate of ghee in those days being Rs. 40 to Rs. 42 per maund, and the demand, as far as the Military Department was concerned, was about 28,000 maunds a year. The troops used to take on an average half an ounce per head of ghee when there was no free rationing. In 1915 the demand for ghee on behalf of the Government began to rise, and in 1916 the total military demand for ghee rose to 9 lakhs of maunds per year, out of which India could supply only 5 lakhs of maunds, and the remaining 4 lakhs of maunds of ghee was being supplied by Mesopotamia, Egypt and other countries. In 1918 the price of ghee rose to Rs. 64 a maund, and the result of this demand was that the people began to adulterate ghee with animal fats and vegetable oils, like tallow, lard, fish oil, and sesum oil, in fact even the fat of pythons was used for such admixture. In the year 1917, the Government demand for ghee fell to 3½ lakhs of maunds. In 1919 the price of ghee rose to Rs. 90 per maund, and in 1920 it rose to Rs. 105 per maund. This rise after the war, as far as I can make out, is due to the Military Department purchasing ghee after chemically analysing it, and that led to a further rise, because generally in those years after the war ghee could not be had in a pure condition. Such adulteration was however always detectable by the expert eye and nose, and the ghee dealers in general could distinguish it in no time. After the war the Government made it a rule to issue free rations to the Indian troops as well, the result of which has been that the Government has become regular purchasers of ghee on an exceedingly large scale. This has caused an abnormal rise in the price of ghee, but its consumption still continues as the intrinsic value of ghee is very well known to Indians irrespective of caste or creed. Every farmer has to keep cattle

[Lala Ram Saran Das.]

for field work and has to maintain a permanent complement of live-stock, in addition to keeping cows and buffaloes for breeding purposes. The ghee which he finds surplus to his own domestic requirements is sold by him in the nearest markets. Nobody would deny that ghee owing to its rich and nutritious properties is a necessity of life for Indians as a race. In spite of its dearness Indians have not given up ghee nor have they replaced it even by the purest vegetable oils. The practical experience of thousands of years has taught Indians that ghee is a boon for their health and strength. It frequently occurs that a person who is in the habit of not using oils in his daily food, gets sore throat, cough, indigestion, etc., when he is compelled to eat, though for a few days, food cooked in oil. This is exactly the case when such a person uses Vanaspati Ghee or other similar preparations. The imported so-called ghee is the compound of a certain vegetable oil, and the process under which it has been treated is that the oil is hydrogenated or deodorized. Sometimes it is given the flavour of ghee. It is, however, very difficult to say whether animal fats are also chemically mixed with it, as such fats, if passed through a chemical process, cannot be easily detected. Such a ghee may serve the purpose of the kitchen, but after passing through all the chemical treatment at a very high temperature it loses all its vitamins which even the ordinary vegetable oil contains. At present the price of pure ghee is Rs. 63 to Rs. 70 per maund, and that of imported artificial ghees is Rs. 35 to Rs. 40 per case containing two tins weighing 80 lbs. net. It cannot be said whether in the various brands of artificial ghee the composition of oil and other substances is the same or each has a different composition. Animal fats being always cheaper than vegetable oils, it seems probable that the cheaper brands may have an admixture of such fats. I have seen a letter which one of the importers received from the suppliers to say that their brand does contain fish fat. Artificial ghee has so rapidly gained a footing in the Indian markets that even the producers of pure ghee are freely buying it for adulteration with ghee before marketing it. It is very hard to detect such adulteration without proper chemical analysis. I tried to get information from the Government by asking a question in this House as to the quantity of artificial ghee imported into India, but I was disappointed at receiving no information in this respect. However, according to the best of my information from its importers, the import of such artificial ghee up to the end of 1925 was about four lakhs of cases, or say four lakhs of maunds of 80 lbs. each. Thus the import duty at 15 per cent. *ad valorem* must have been about Rs. 24,00,000 roughly speaking.

Out of these four lakhs of cases, 135,000 were landed at Bombay and a similar quantity at the port of Calcutta. This means that many crores of India's money have gone to Holland, Belgium and such other foreign countries in which India has no interest.

Notwithstanding the Adulteration of Foods and Drugs Acts being in force in the Punjab and perhaps in certain other provinces, the admixture of artificial ghee has during the past few years very greatly increased. The law has, therefore, proved quite ineffective in this respect. A very large, nay, an overwhelming majority of ghee producers having become habitual offenders in this matter cannot all be prosecuted, and so I am suggesting a prohibitive import duty on this stuff to solve the difficult situation so created.

The Government, since the termination of the Great War, have been regularly making a yearly purchase of about 3,000 tons of pure ghee for their Indian troops. My presumption is that if the military medical authorities had approved of the use of pure ghee mixed with artificial ghee, the Government would not have lost the big sum of about Rs. 13,55,000 per year, as the mixed ghee could have been had at about Rs. 15 per maund cheaper. The Military Department gives 2 ounces of pure ghee per head for maintenance of normal strength, and as the mixed ghee fails to answer this purpose, the saving has not been effected, and rightly too.

The Indian Ruling Princes, whose States have a reputation for producing pure ghee, are giving serious attention to this matter. The Patiala Durbar, as far as my information goes, has prohibited the import of artificial ghee within its territory. The Gwalior Durbar is keenly watching the situation. An instance is reported to have occurred in the Gwalior State where a merchant importing artificial ghee as oil with the intention of adulterating it with pure ghee fled on the State authorities getting the correct information.

If the Government are unable to see their way to impose a cent. per cent. import duty, I suggest that such duty be levied as to bring its price to a par with pure ghee and thus solve this important difficulty.

I may, for the information of this House, give some figures of the quantity of pure ghee which some of the provinces in Upper India produce for marketing after meeting their own domestic requirements. These figures seem correct as far as my information goes. The Punjab produces about 40,000 maunds of pure ghee, of which as much as 30,000 maunds are consumed through the local markets and the surplus of 10,000 remains for export to other provinces. The United Provinces produce 60,000 maunds, of which 10,000 maunds are consumed through the local markets and there remains a surplus of 50,000 maunds for export. Central India produces 100,000 maunds, of which 90,000 maunds are exported; only 10,000 maunds are consumed through the local markets. The Central Provinces produce about 60,000 maunds, of which 20,000 maunds are for the local markets and 40,000 maunds for export. The present prices are about Rs. 70 in the Punjab, Rs. 65 in the United Provinces and in the Central Provinces and Rs. 63 in Central India.

From these figures it is clear that the Punjab consumes more ghee per head than any other province, and pays a higher price as well. So the Punjab suffers most in this respect. In giving these figures I have not taken into account the amount of ghee which the producers themselves use for their own domestic requirements.

The free adulteration of this stuff with pure ghee is now a daylight scandal which Government should not allow for even a moment.

With these words, Sir, I commend this Resolution for the acceptance of this House.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, as this Council knows, it has been my fate and my interest during the last 8½ years to receive a good many applications for enhanced duties. Some of these applications have been for very heavy increases. It is possible that there are probably a few in this Council—I refer especially to my friends on the front Bombay Bench—who will regard me with sadness as a hardened exponent of high duties. But although I have had many such applications,

[Mr. D. T. Chadwick.]

I have had very few indeed that asked for a cool hundred. The scale of our tariff is high, yet there are only two articles which carry a duty of 100 per cent. or over, namely, matches and saccharine. Matches yield a very high revenue; saccharine has no food value. Here, my Honourable friend from the Punjab wants to add another article to that list. Therefore, Sir, it behoves this Council to look very carefully into the article and see what this pernicious article is which he wishes to add to this little category of two and to see also his reasons for it. Well, Sir, what are these Vanaspati and many other vegetable fats? Some of them are manufactured in factories in Europe and Holland which are renowned for the excellence of the margarine they make. What happened in Europe in the case of margarine? 80 years ago the price of butter in Western Europe was very high. It was largely out of the reach of the poorer classes. Human skill, human industry, human invention found methods of utilising the vegetable oils to produce a wholesome fat of the consistency of butter. That was put on the market as margarine. Dairying interests, vested interests, were horrified at anybody having the temerity and the rashness to produce anything that could be used instead of butter. The States were, however, wiser than those people and did not yield to their request to prohibit this manufacture altogether. They said, and said rightly, that this was a useful pure vegetable foodstuff and that it was unreasonable to prevent people from having access to this foodstuff. The only condition they laid down was that it should be sold fairly under its own name. So it was done. The manufacture of margarine, as we all know, has improved very greatly indeed, and it is now sold in practically all the grocery shops in any large town in Western Europe. The net result is that now another extremely useful foodstuff has been made available to the people.

Now, Sir, very much the same sort of thing is happening here. Vanaspati and other vegetable fats that the Honourable Member has mentioned were first imported into India in 1923. As soon as they appeared, they were seized by the customs officers to make certain that they had not been misdescribed. They were sent to the Chemical Analyser for examination and his verdict upon the sample tins that were sent to him was that "this was a perfectly pure product consisting wholly of pure vegetable products". These articles have been analysed and submitted to examination repeatedly in different municipalities, and in regard to every one of them the decision and result has always been the same. I quote from the *Bombay Chronicle* of the 19th January, 1926:

"Ahmedabad, Jan. 17.

The Sanitary Committee of the Ahmedabad Municipality has expressed the opinion that vegetable ghee has been testified to as harmless by the chemical analysers and no steps can, therefore, be taken against sellers of vegetable ghee nor can its import be prohibited. Food Inspectors, however, should be instructed to keep an eye on the adulteration of indigenous ghee with vegetable ghee. This opinion of the Sanitary Committee was endorsed by a general meeting of the Municipality recently."

Why did these manufacturers, who had brought to a high pitch of excellence the manufacture of margarine, turn their attention also to the production of a wholesome vegetable product similar to that of ghee? The reason for that, I think my Honourable friend has largely given. It was that there was in reality a genuine demand for such a product. Long before 1923, the demand in this country for pure ghee had far outrun the supply. Before the war I had the fortune of being the Director of Agriculture in Madras

and I put on one of my Deputy Directors to make a detailed inquiry into the cattle and live-stock of Madras with a view to starting cattle breeding farms and endeavouring to improve the live-stock of the province. Mr. Sampson, who was one of our most careful officers, made a report as far back as 1914, that is 10 years before these new forms of vegetable fat came to this country. He reported as follows:

"Formerly the demand was much more of a local one and was more or less limited; thus there was a competition in the supply and the ghee was good. Now the whole of India, as well as Burma, forms the market, with the consequence that every corner of the country is now exploited by merchants for the supply of ghee. The result is that, at every change of hand from the producer to the consumer, the ghee is liable to be adulterated. . . . In the Ceded districts safflower oil is largely used for adulterating ghee. In some cases this is done even by the ryot before it is sold to the petty dealer. The petty dealer, it is usually stated, makes six tins out of four of the ghee which he collects. This is done by adding safflower oil or animal fat, which latter is obtained from the Malas, who melt it down from the carcasses of dead animals. It is stated that at each change of hands four tins of ghee are made into six tins, and, if this is so, there is no wonder that complaints all over the Presidency are loud when the question of the purity of the ghee supply is mentioned. Every district reports the same complaint that ghee is not only very much adulterated but that it has risen greatly in price."

Then we come to the war years. The Honourable Sir Charles Innes, speaking about this Resolution to me this morning, recalled an incident in his own experience when he was during the war years in charge of the civil supplies as Director of Industries in Madras. Then the question of ghee came up and he told me that the proportion of four tins to 6 tins no longer held them, but that it was one bottle made into ten by the time it reached the town of Madras. This was before any of these vegetable products came into this country. I can go further back. Sir George Watt, a name well honoured in Bombay and remembered by my Honourable friends on the other side, wrote in 1885 as follows:

"The chief articles used in the adulteration of ghee are vegetable oils such as cocoanut, ground-nut, cotton, safflower, poppy, sesamum, niger and *kokum*. These are all harmless enough, though cheaper than ghee; but injurious oils are also used, especially mahua, Salvadora and castor-oil. Other animal fats, especially mutton, are largely utilised. . . . One of the most valuable papers on the adulteration of ghee is that written by Mr. Shroff, who states that the Bombay ghee trade is in the hands of a dozen merchants, and that adulteration is effected, not by the dairymen, but by the traders. The fats used are often most offensive and deleterious substances, at times even obtained from the carcasses of diseased animals. Numerous complaints have been made and even legal proceedings recently taken regarding the adulteration of ghee."

That goes right back to 1885 and my Honourable friend tells us that this adulteration started after the war! Another set of events shews that it is perfectly impossible that this adulteration started after the war, for between 1917 and 1919 nearly every Local Government passed an Act making it an offence to mix anything with ghee and sell it as ghee.

Now, Sir, these vegetable fats have, as I have said, been proved again and again to be a wholesome, clean, vegetable product. My Honourable friend wants to put on a 100 per cent. duty on them. His object in desiring to do so was clear. It was obviously not to increase the revenue; it was to prevent them coming in. He wants in fact to cut off the supply of these vegetable fats. That is, he desires to deprive the people of this country of the chance of having a wholesome, clean foodstuff; in other words, he recommends that we should go back to pre-war days and encourage the adulteration of ghee in the manner which I have already read out to the House. You cannot deprive a country of their cooking fats. People need

[Mr. D. T. Chadwick.]

cooking fats; and, as I have shown, the plain truth is that the demand for pure ghee far exceeds the supply. That means that if you cut off the supply of a wholesome alternative adulteration becomes more rampant.

My Honourable friend has given us some figures of the quantity of imports. These imports are not recorded separately in our trade returns. They come under the general category of "Other Provisions". He told us that the figure was 4 lakhs of maunds in 1925. I have got the figure here of the total imports of "Other Provisions", in the financial years ending 1924 and 1925. That total imports of all "Other Provisions" in which this vegetable ghee is only one item were 48,000 maunds. Where the balance between his figure and the figure I have given comes from I am afraid I do not know. My Honourable friend has also carefully avoided one great difficulty in which he is, by not alluding to it. If I understand him rightly his objection to these vegetable oils is that they are not wholesome. (The Honourable Lala Ram Saran Das shook his head). Then they are wholesome? I am glad to hear from him that they are wholesome. Therefore, what he wants to do is to prevent the poor people of this country from having a wholesome food! I take it that his objection was that there are no vitamins in them and that I leave to my Honourable friend, Sir Charles MacWatt, to deal with. He states that these fats have lost their vitamins by the process of hydrogenation and that is why he wants to get rid of them. But what about Cocogem which is made in this country? It is manufactured in Southern India from vegetable oils by exactly the same process. If he is going to prevent the import of those vegetable fats because they are made by hydrogenation, then he ought to make it an offence to manufacture Cocogem, or at least put on an equivalent excise duty on an Indian industry since that is also made by hydrogenation. I was rather hoping that I would get some support for an excise duty from one of our chief industrialists and business men of the Punjab, but I see he desires to give a 100 per cent. protection to Cocogem.

Now, I can sympathise heartily with one purpose he probably has in view, namely, that articles of food should not be adulterated. There I am with him entirely, and it is doubtless the desire of every Member of this Council that articles of food which are sold should be wholesome and clean. That aim should be attained not by trying to prohibit the entry into this country of clean and wholesome food, but by enforcing the laws which already exist in most provinces against adulterating ghee and which provide for the punishment of traders who adulterate ghee with other products. In other words, the proper way to deal with this question and all other questions of a similar nature is that which was enunciated by the Ahmedabad Municipality in the extract which I have just read, namely, that there is no case whatever to prohibit the import of these vegetable oils, but that food inspectors should be instructed to keep an eye on the adulteration of indigenous ghee and take the necessary disciplinary action. If that were done and done vigorously and if that could be enforced throughout our bazars, not only ghee but also many other foodstuffs offered for sale to the people of this country would be vastly improved both as regards quality and quantity. Such kind of action has been found necessary in every country in the West, and the time is coming, nay has come, when it ought to be enforced also in India. We should not try to cut off supplies. Let every man have as much variety of food as he wants, but let us try and see that food offered for sale is clean and is good. The administration of such

Acts is in the hands of the provinces. It is not the task of the Central Government.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras: Non-Muhammadan): Sir, the whole point is ghee is much more easily digested than vegetable oil. My Honourable friend who has just now spoken said that ghee is adulterated in India with gingelly oil, cocoanut oil, ground-nut oil, and so on. I do admit that such admixture is going on in India. That is no reason why we should permit some other oil to be imported from other countries. The question is whether the vegetable oil which we have got in India is purer than the imported oil or not. Now the vegetable oil produced in India is not in such a bad condition as the vegetable oil imported from outside. Of all the fats ghee is the easiest to digest. I think it is admitted by all including the scientists that ghee is also one of the thinnest of fats. It is so very easy of absorption. In India most of us are vegetarians. Those who are not vegetarians use large quantities of ghee with their fish and meat. If ghee is adulterated with lard or vegetable oil imported from outside, the food gets spoiled. Even the gingelly oil and cocoanut oil, if they are kept for more than a certain number of months, become rancid and they spoil the system. I know of instances where attacks of diarrhoea were due to the use of bad oil. Of course in India we are using vegetable oil mixed with ghee but this must be put a stop to. In India the death-rate is rising. About 26 per cent. of the deaths among infants is due to digestive troubles, such as diarrhoea, dysentery or other allied troubles. The death-rate in India is double that of the United Kingdom. (An Honourable Member: "Is it owing to ghee?") It is owing to ghee. Most of our things are fried in ghee. Our cakes are fried in ghee. If the ghee is bad, it brings on diarrhoea, indigestion and dyspepsia. The Honourable Member who has just spoken also said there is provision in the Municipal Act to prevent adulteration. I do not know about the other parts of the country, but so far as Madras is concerned, the provisions of the City Municipal Act are a dead letter. For want of proper equipment, and for want of proper laboratories, the fixing of the standard of purity has not been done. No cases can be prosecuted unless the standard of purity is fixed. So far as Madras is concerned, the Act is nothing but a dead letter. I said ghee is a very fine fat. Ghee is not only a fat but it contains some kind of vitamins. These are very essential to keep our lives safe. Unless we have vitamins in the foodstuffs we take, we are apt to contract certain kinds of diseases. In good old days when sailors had to travel long distances without any fresh vegetables they were supplied with vegetables preserved in tins. For want of fresh vegetables which contain vitamins, they used to suffer from a disease called scurvy. People who are accustomed to eat rice, if the rice is very polished and the husk is removed, suffer from a disease called beri-beri. As for ghee it is not fat but fat with vitamins, that is necessary. Without vitamins the system can never be in a healthy condition. The Sanitary Commissioner of the United Provinces once wrote:

"by cheapening the price of milk so as to bring it within the reach of the poorer classes, more would be effected towards reducing infantile mortality than the presence of any number of trained *dhais* would accomplish."

Again the death-rate among females between the ages of 15 and 30, that is to say during their child-bearing period, is appreciably higher than the death-rate of men of corresponding ages, and this is doubtless due mainly to the want of nourishing foods, such as milk and ghee which they most

[Dr. U. Rama Rau.]

require at this period of life. Indians are practically vegetarians and even among non-vegetarians the quantity of fish and flesh consumed being considerably small, milk and milk products form their chief sources of nutrition. Owing to a number of causes, economic and otherwise, which it would be needless for me to go into now, the output of these nutritious foodstuffs is becoming considerably low. The market is full of patent foodstuffs which do not contain vitamins. To meet the growing demands of the people various artifices are resorted to and adulteration is among them the most successful one. Pure unadulterated ghee, Sir, is very hard to procure in these days. The Indian markets sell mostly adulterated ghee. So far as I know there is absolutely no control whatever over the adulteration of foodstuffs. These vegetable oils and vegetable compounds, apart from their unsuitability as substitutes for ghee, will only go to augment the sources of adulteration. They will be sold in the market as ghee and at the rate at which ghee is sold. This is really fleecing the ignorant public and the Government must come to their rescue now. To prevent their being marketed as artificial ghee, which has no nutritive value whatever except the nutrition of the fat in it and to avoid the risk of adulteration with pure ghee, which would tell upon the health of the people, Government must impose a prohibitive tariff. I even object to cocogem and margarine, both of which contain no vitamins at all. With these few words, Sir, I strongly support the Resolution moved by my friend.

THE HONOURABLE SIR BIJAY CHAND MAHTAB MAHARAJADHIRAJA BAHADUR OF BURDWAN (Bengal: Nominated Non-Official): Sir, from the speech of the Honourable Mr. Chadwick I have been able to gather the fact that these different vegetable oils that are imported into India are from the point of view of purity not an undesirable foodstuff. Well, with that I have no quarrel. I rather regret that I did not have an opportunity to discuss with my friend from the Punjab the wording of this Resolution, for the Resolution as worded puts the Government not only into a difficulty, but I think it can be construed, whether rightly or wrongly, that a dead-set is being made at quite a whole-some foodstuff because it comes from foreign countries. I am sure that is not the object which Rai Bahadur Ram Saran Das has in view. I think what the Rai Bahadur really means is that those who are accustomed to use pure ghee for their food should have better facilities for procuring it. Had he worded his Resolution in that way probably we would have got a very sympathetic reply from the Government. In Southern India if you go to the bazaar to get some food you will never get any food that is cooked in ghee; it is invariably cooked in some kind of vegetable oil; perhaps because the people of that part of India prefer food cooked in vegetable oil or because there is not sufficient pure ghee to be had. But in Upper India if you go to the bazaar, whether the ghee is adulterated or not, you certainly get food in the bazaar cooked in some sort of ghee. Naturally the question is not only one in which a protective tariff arises, but really the question is to devise some means to increase the output of ghee in the country, and, whether that object can be achieved in the way that my friend desires by the wording of his Resolution or not, I have every sympathy with his Resolution inasmuch as it seeks to bring to the market a purer and unadulterated ghee. I therefore hope that the Honourable Member in charge, whilst he may not be able to accept the Resolution

as it has been worded, will give us some indication as to whether the provincial Acts have sufficient safeguards for this purpose. In Bengal the member in charge passed the Bengal Act within 48 hours. I do not know whether it has achieved any success or not. Unfortunately some of my Marwari friends who generally are the loudest in advocating putting purer ghee on the market, are in some cases the largest buyers, though not the consumers of this adulterated stuff which contains the fat of the boa constrictor and the python. I found out that fact when the Bill was introduced in the Bengal Legislative Council, and when it was passed in 48 hours. Had it not been the pre-reform days probably we would have sat for days together to pass even legislation of that kind. But my main point is this, that I do think there is a grievance among not only Hindus but Indians generally who like to have their food cooked in pure ghee that this other stuff is not only being sold as vegetable oil—one would not mind if it was sold as vegetable oil—but that in spite of these provincial Acts, facilities for adulterating ghee and putting such stuff on the market are being given by the importation of these stuffs. I should like to draw the attention of the Government to this suggestion that the attention of the Provincial Governments may be directed to the Acts now in force in different provinces to see whether any further rigorous measures to stop this adulteration is possible. Those are all the observations I have to make on this Resolution.

THE HONOURABLE MAJOR-GENERAL SIR CHARLES MACWATT (Director General, Indian Medical Service): Sir, we have heard that about 4 lakhs of maunds of vegetable oils are imported annually, and I presume that if they are imported into India they are also consumed, for otherwise they would not continue to be imported; and if four lakhs of maunds are consumed annually the natural inference would seem to be that these are required to supplement the ghee which we are told is so much in demand and of which there is not enough to go round. We are also informed that this has led to the modern system of adulteration. Well, as far back as 1889, when I was serving with the Lushai Expedition, I remember well that we were troubled with bad and adulterated ghee being supplied, a considerable amount of which we had to condemn. In Calcutta I was stationed on military duty in 1892. Ghee was exported to the Andaman Islands for consumption. A military board assembled monthly on commissariat supplies, and I remember even then there was considerable condemnation of adulterated ghee: so that the adulteration of ghee is no new thing which has come about since the war. When serving in the Punjab I had the privilege of being associated with the Punjab Food and Adulteration Act which was passed in 1919, and which provided that anyone who exposed for sale an article which was labelled ghee and which contained any other product in it was liable to prosecution, and I think that a weapon was given into the hands of the Police to carry this into force.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: How many were prosecuted?

THE HONOURABLE MAJOR-GENERAL SIR CHARLES MACWATT: I am afraid that I have left the Punjab for some time, so I am not conversant with the facts, and I could not give that information. But I understand from the Honourable Dr. Rama Rau that this law is practically null and void in Madras. Well it seems to me that as in the past it has not been enforced, you can scarcely impose a hundred per cent. *ad valorem* duty on



[Sir Charles MacWatt.]

the importation of pure vegetable oils, unless it be to encourage local production in India, on the analogy of the steel duty. India has great possibilities for turning out pure vegetable oils, but so far apparently the country has not waked up to that fact. If an article is not represented as Indian ghee, I cannot see how any serious objection could be taken to the sale of it. There has been an extensive use for cooking during the war of these vegetable oils, and a certain number of people such as the Labour Corps, said they liked it—I think some of us have possibly used vegetable oil on occasions, and without bad effects. There is no reason why vegetable oil should not be a sound product, and, if it were not labelled ghee, there is no reason why it should not be sold either. I believe there ought to be a legitimate demand for this article; so I do not see why it should not be met. Lots of people cannot afford to take the amount of ghee that others can: and if they can get a substitute in good wholesome vegetable oil, there is no reason why they should not be allowed to get it as long as they do not buy it as ghee. I have heard my Honourable friend, Rai Bahadur Ram Saran Das, talk about vitamins, and my Honourable friend on the other side made a few remarks which were very illuminating about vitamins, but unfortunately my auditory apparatus was not sufficiently acute to catch what he said. If I am not going too far into scientific matters, I think I may mention to Honourable Members that there is not much information about these vitamins up to now. They are still under investigation, and some research workers are very busy at them. We have a research officer of the I. M. S. at Coonoor who is investigating the subject of deficiency diseases; he has elucidated a good number of points, and he is still working. Research workers are also at work to find out what the chemistry of vitamins is. So far, apparently we know of four vitamins—Vitamin A, which is contained in green leaves and vegetables, also in the yolk of eggs. A deficiency of this Vitamin A in the human dietary causes a greatly lowered state of general health which results in an abnormally high death-rate from acute infections, particularly of the lungs. Then there is Vitamin B which we get concentrated in the whole meal of cereals and the seed coverings. A deficiency of this for any considerable time such as results from the consumption of highly milled rice with all the coverings of the seed taken off, is followed in due course by paralysis of the limbs, and widespread inflammation of the nerves, known as acute neuritis. Much as we have learnt of the part vitamins play in nutrition, we have as yet but touched the fringe of knowledge regarding them. Probably the absence of Vitamin B has an intimate relation to gastro-intestinal health. Its deficiency, in association with other food faults accompanying it, is probably much concerned with the intestinal ill-health so common at the present day. Then I think my Honourable friend was talking about infants not getting ghee: well, I do not think infants are fed on ghee; they get or should get mother's milk. Vitamin C is the vitamin that is supposed to prevent scurvy. An important fact in this connection is that the milk of animals, cows and others, is very poor in this Vitamin C; and all children fed on cow's milk require to have their diet supplemented by raw green vegetables and such things as orange or lemon juice. Now the fact is that people who do not get good ghee get vegetable products containing essential vitamins instead; and if they have a proper dietary consisting of vegetables and other things in the proper proportion, and if the vegetable oil itself is pure, as I think the vegetable oils and products turned out and

sent from Europe are pure, there is no reason at all why they should not be consumed so long as the consumers know what they are consuming. It would be a great hardship, it seems to me, for the poor people, to put a hundred per cent. duty on to this quite suitable diet for human beings.

THE HONOURABLE SIR CHARLES INNES (Member for Commerce and Railways): Sir, I had not intended to speak when I came to the Council of State this morning; I had merely intended to listen to what was sure to be an interesting debate. But I have to ask permission just to say a few words. I shall take the Council back to the exact terms of this Resolution. The Resolution, as it is worded, puts an entirely impossible task on Government. As it is worded, it would mean that the Government would have to distinguish vegetable products imported for the purpose of being sold as artificial ghee or for adulterating pure ghee and vegetable products imported for the purpose of being sold as vegetable products. As the Resolution stands, I say without hesitation that it is entirely unworkable. But, Sir, I am not concerned with the exact wording of the Resolution. I wish to point out that the whole theory of the Resolution is wrong. It is misconceived. The theory of the Resolution is that these vegetable products are imported into India for the purpose of adulterating pure ghee in India. Now, the Honourable Mr. Chadwick has pointed out perfectly clearly that the real fact is that pure ghee in India is very rare. Ghee is greatly adulterated, and owing to the demand having exceeded the supply has increased very greatly in price, and it is those factors which have given rise to a perfectly legitimate demand for vegetable substitutes. If you stop the import of these vegetable substitutes, the economic result would be merely that you would increase the adulteration of ghee and you would increase the price. From our point of view, and I am now speaking merely from the tariff point of view, there can be no justification whatsoever for imposing a prohibitive duty on these vegetable produces.

The Maharaja of Burdwan has, I think, brought out what is the real issue in this debate. He has pointed out that Indians want to have pure ghee made in the ordinary way, and they do not want to have imposed upon them ghee mixed with vegetable oils or any other substance whatever. In the first place, Sir, I would point out here that the issue raised by the Maharaja of Burdwan is not raised by the Resolution, because I do not for a moment believe that these vegetable products are brought out to this country for the purpose of mixing them with Indian ghee. The person who wishes to adulterate ghee uses the much cheaper and much nastier materials available in India. These vegetable products are made in Holland and Germany. They are made from materials imported from the tropics. They may be palm kernels from the west coast of Africa or they may be kopra or ground-nuts or whatever it may be imported from the Far East. They go through very elaborate, very expensive and very technical processes and in themselves they are not cheap products. Therefore, I put it to the Council that it is most unlikely that people who adulterate ghee in India will adulterate it with these comparatively expensive products. As I said, the Maharaja of Burdwan has brought up what is the real issue in this debate, namely, whether anything can be done to ensure that pure ghee is sold in India. Now, the obvious point which I have to make is that this is a matter for Local Governments and not only that but for the transferred halves of Local Governments. The



[Sir Charles Innes.]

Maharaja said that an Act was passed in Bengal dealing with this subject. I should like to read the exact section of this Act which deals with ghee:

"In the case of ghee it shall contain only substances other than curds which are derived exclusively from the milk of cows or of buffaloes and shall fulfil such conditions as may be prescribed by the Local Government."

Now, the Local Governments in practically all the provinces have taken powers to deal with this evil. As I said, it is a transferred subject and it is not open to the Government of India to issue instructions to Local Governments and in any way try to get them to tighten their law on this subject. We must leave it to Ministers to deal with it in consultation with their local Councils. The matter is one which excites so much interest in India that I think we may rest assured that the importance of it will be brought from time to time to the notice of the Ministers by their Councils. In the meantime, we will undertake to forward a copy of this debate to all Local Governments in order that their attention may be drawn to the point brought out by my friend the Maharaja of Burdwan.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I suggest to the Mover and to the Government Members that a *via media* could be found to frame the Resolution in such a manner that it may be accepted by the Government. For instance, we can say that pure ghee should be marked as such and adulterated ghee should be marked as adulterated. If this were done, I think it will not be difficult for the Police or for anybody to prosecute the man who was keeping the wrong stuff. As to the ghee itself, I think, I can safely say from my experience of the past two decades and a half—as I have been more or less a living history of it because there has not been a single expedition within this period that I did not attend and where I had the chances of meeting soldiers and seeing their rations—that in the expeditions of Somaliland and Tibet the ghee used to be very much better than what it was during the world-war. But whatever stuff it was mixed with, I do think that it was not very bad for the health of the troops because they did not suffer from its use. During the last Kabul War, however, the adulteration of ghee had proceeded to such an extent that it became uneatable even for rough peasants from whom you recruit your soldiers. I made a complaint to one of the Supply and Transport officers and he said that it was pure ghee. So, the next time when I went to Simla I also reported this matter and they said that this ghee should be sealed and sent to the Chemical Examiner. The result of this chemical examination proved that it was anything but ghee. I wrote my report on ghee and mentioned in it the various ways in which ghee was mixed with various things, one of them being that ghee was mixed with pure oil and potatoes and when you put it on the fire there was nothing left of it. There are various local methods of adulterating ghee. This we will have to admit. Sir, the oil that comes into this country comes from outside and my friend Rai Bahadur Lala Ram Saran Das and other Hindu friends really should insist that this oil should come from outside; if it did not, the adulteration in India might be with the fat of an animal which is religiously prohibited to Hindus or it may be with the fat of an animal which is religiously prohibited to Muhammadans. But if the ghee is mixed with oil, there is no fat in it. So, my suggestion is that we should not stop

the import of oil. My friend, the Mover, has already told the House that ghee is not to be found in such abundance that everybody can buy it pure. So, we would be practically stopping the ghee from remaining in its pure condition and if the imported stuff were taxed, we would be taxing the pockets of the poor, which is not advisable. All the same, though I am against the Resolution we, the Punjabis, are more or less partisans in some way and, if my friend Lala Ram Saran Das presses his Resolution to the vote, I shall vote with him. (Laughter.) But, as there is every chance of its defeat, I suggest that he should withdraw his Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, Mr. Chadwick has told this House that ghee is being mixed and adulterated for a long time. I said the same thing in my speech. I did not say that the adulteration of ghee began after the war so far as the ordinary stuffs were concerned and which were not hydrogenated and deodorised. What I meant to say was that it was after the war that these vegetable products began to be mixed freely with pure ghee. Mr. Chadwick, after all, admits that this adulteration has been going on for some time. I also know that, but as the articles mixed were not hydrogenated and deodorised they could be easily detected by the sense of smell or of taste. But, as the article now comes in such a condition that it has no odour or smell and as it has practically no taste, it is very difficult to detect it. Two wrongs do not make a right and I think it is the duty of the Government to stop this foul practice which they themselves admit has existed for a long time. Mr. Chadwick said that when margarine was first introduced into the British Kingdom, there was much opposition from the indigenous producers of butter.

In that connection, Sir, I may say that ever since margarine was introduced into England it has been sold as margarine but not as butter. (An Honourable Member: "No.") That is as far as my own information goes. I have not myself been to England and so I cannot give any opinion in this matter from my own personal knowledge. However, I am subject to correction in this respect. The Honourable Mr. Chadwick said that this artificial ghee is a useful stuff for food and is harmless. During the course of the discussion he looked at me asking whether this was not a fact. I said it is a fact. Nobody says that this vegetable ghee has got any poisons in it. What I say is this, that it is a stuff which most people are accustomed to mix freely with the pure ghee. The Honourable Sir Charles Innes doubts this statement of mine. With due deference to him I want to draw his attention to the fact that most of this vegetable product does go to the ghee-producing centres. In the Punjab, the United Provinces and in Central India you will find that the ghee-producing centres are the only places to which this vegetable ghee is consigned, and I have this knowledge as I come in contact with a great number of merchants in the Punjab and the United Provinces who know that the producers are mixing this vegetable compound very freely and the only reason for doing so is that which I have already stated, that it cannot be easily detected. The Honourable Major-General Sir Charles MacWatt says that in 1889 in the Lushai Expedition a supply of ghee was condemned by him as being adulterated. That takes us back to a long time and shows that, notwithstanding our various laws on the subject, we have not been able to stop this adulteration. Dr. MacWatt also said that this vegetable compound comes in because there is a legitimate demand for it. There is a great secret import of cocaine into India. Can we say that it has a legitimate demand? That demand is only

[Lala Ram Saran Das.]

confined to a few interested merchants whose profession is to mix this vegetable compound with pure ghee. So it cannot be said that there is a legitimate demand in its true sense. Dr. MacWatt has also said that infants in the Punjab do not take ghee but I might mention, Sir, that it is the infant's mother which is given more ghee after confinement than she is ordinarily given, so that it is for the sake of the infant that the mother gets more ghee and in case that ghee is not pure it will tell badly on the health of the child.

Dr. MacWatt also said that when this article is purchased by the consuming public they know that it is a vegetable compound and not ghee. With due deference I want to say that they do not know that and the ordinary poor consumer has to buy it as if it were pure ghee.

THE HONOURABLE MAJOR-GENERAL SIR CHARLES MACWATT: I was rather misconstrued. I said that the law laid down that if a man exposes or has for sale on his premises stuff that he sells as ghee, it has to be labelled as ghee and if you took a sample and had it analysed and find it is adulterated, the man is liable to punishment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am glad that Dr. MacWatt has elucidated this point. I might mention that all the tins that contain ghee are not at all labelled. In fact they have no label at all and so people can be misled. He refers to 1919 when in the Punjab the adulteration of Food and Drugs Act was passed. I happened to be a colleague of the Doctor Sahib in the Punjab Council and I remember that the enactment of this Act was necessitated by the free amount of mixtures in the ghee which was against the habits of the people and which the people strongly resented. That was the reason why this Act was brought into force. I am sorry to say (and Dr. Rama Rau rightly intervened) that ever since that Act was passed there has not been a single prosecution. At times the municipalities have taken an interest in the matter but when they have found that the adulteration is taking place on a very large scale and that it involved wholesale prosecutions they have not launched any prosecutions because if they had done so the import of ghee into the towns would have suddenly stopped for some time.

The Honourable Sir Charles Innes said that as the imported ghee is comparatively expensive it cannot be adulterated. With due deference to the Commerce Member I may be allowed to say that the price of the imported artificial ghee ranges from Rs. 35 to Rs. 45 per maund as compared with the pure ghee which sells at from Rs. 63 to Rs. 70 per maund, which shows that adulteration can be made with advantage.

THE HONOURABLE SIR CHARLES INNES: But will the Honourable Member tell us the price of oils, such as castor oil, and the other common adulterants?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: As far as those oils are concerned, and Cocogem, I might say that the price of Cocogem and the price of these oils has been ruling high enough so that no encouragement has been given to those who adulterate ghee for committing this offence. And, Sir, why is that? I have already stated that it is because when articles of this kind, excepting Cocogem, are mixed, they give a particular odour to the ghee and they can be easily detected. Cocogem has maintained a high price and that is the reason why it has not been used for adulteration with pure ghee. In case the price of Cocogem

was on the same level as imported artificial ghee I think Cocogem would have also been found a favourite article for admixture. I am not advocating a protective duty for Cocogem. My object in moving this Resolution has been to draw the attention of the Government to the seriousness of the problem. The Honourable the Maharaja of Burdwan has suggested that more pure ghee ought to be produced. That is the right thing to do, but it will take time, and although various Provincial Governments in the past have been trying to increase the supply of ghee, the increase in supply has not met the demand. As the Honourable the Commerce Member has given an assurance to this House that due consideration will be given to this matter, and that the attention of Provincial Governments will be drawn to it by sending them a copy of to-day's debate I beg leave to withdraw this Resolution.

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

### INDIAN REGISTRATION (AMENDMENT) BILL.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, I beg to move that the Bill further to amend the Indian Registration Act, 1908, as passed by the Legislative Assembly, be taken into consideration.

The House is aware, Sir, that Diwan Bahadur T. Rangachariar is the author of this Bill, and the object of the Bill, in his own words, is to enable the Local Governments to invest selected sub-Registrars with powers to hold an inquiry into matters of execution of a document when it is denied by the executor. Sir, the Bill was accepted on behalf of Government by Mr. Tonkinson and was passed by the Legislative Assembly on February, the 19th. I may state for the information of this House that the Bill has been accepted by the majority of Provincial Governments and also by the majority of local Administrations, and I commend it to the consideration of this House.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. K. C. ROY: Sir, before I ask you to put the final motion to the House, I may mention that I have seen certain observations about the suitability of the Sub-Registrars in the provinces. Sir, I knew many Sub-Registrars in my time in Bengal, and I have seen some in the Punjab, and I am quite convinced that if they are empowered to do the work under this Bill, they will do it well and to the credit of their service as well as to the credit of the Government and the country, and anything that is done to enhance the prestige and the power of Sub-Registrars will, I hope, meet with the consent of this House. I move that the Bill be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Saturday, the 6th March, 1926.

# COUNCIL OF STATE.

*Saturday, 6th March, 1926.*

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

## MEMBER SWORN:

The Honourable Maharajadhiraja Sir Rameshwara Singh of Darbhanga (Bihar and Orissa: Non-Muhammadan).

## QUESTIONS AND ANSWERS.

### VARIOUS QUESTIONS CONNECTED WITH INDIA'S MEMBERSHIP OF THE LEAGUE OF NATIONS.

157. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state:

- (a) what has been the contribution, year after year, by India towards the expenses of the League of Nations since its inception;
- (b) the total number of States that are at present members of the League;
- (c) if India is the fifth highest contributor;
- (d) if India has in any year or years been made a non-permanent member of the Council of ten; if not, why not;
- (e) if the contribution by India is about 6 per cent. of the total of the contributions received from the different members;
- (f) if there is a possibility of the contribution from India being reduced; and
- (g) the total of the staff of the Secretariat of the League and the number of Indians on such staff and also what prospects there are of an increase in the number of Indians?

THE HONOURABLE MR. A. C. MCWATTERS (on behalf of the Honourable Mr. S. R. Das):

|                                                             | £      |
|-------------------------------------------------------------|--------|
| (a) 1919-20 . . . . .                                       | 16,234 |
| 1920-21 . . . . .                                           | 28,787 |
| 1921-22 . . . . .                                           | 54,916 |
| 1922-23 . . . . .                                           | 43,747 |
| 1923-24 . . . . .                                           | 77,709 |
| 1924-25 . . . . .                                           | 70,526 |
| 1925-26 . . . . .                                           | 53,288 |
| has been paid to date out of an estimated total of £56,000. |        |

(b) 55. Costa Rica has given notice of her intention to withdraw from the League.

(c) Yes.

(d) No. Non-permanent members of the Council are selected from year to year by the Assembly and India has never been so selected.

(e) India's contribution for 1926 is equivalent to 5·97 of the total contributions.

(f) The scale of allocation adopted by the Sixth Assembly is to remain in force for a period of three years. No reduction is therefore possible during this period from any member State's contribution except in so far as a reduction may be effected as the result of the liberation of a certain number of units through new states entering the League. The Honourable Member is no doubt aware that a certain measure of success has attended efforts made in the past to obtain a reduction in India's contribution. If and when the occasion presents itself, these efforts will be renewed.

(g) The Honourable Member is referred to pages 73-87 of the official Journal of the League, 7th year No. 1, a copy of which is in the Library where he will find the latest available list of the members of the Secretariat with their nationalities. The Government of India are not in a position to judge the prospects of an increase in the number of Indians.

#### THE BALLY BRIDGE OF THE EAST INDIAN RAILWAY.

158. THE HONOURABLE RAI NALININATH SETT BAHADUR:  
(i) Will the Government of India be pleased to state:

(a) what is the total amount of the estimate for the Bally bridge of the East Indian Railway; and

(b) what would be the additional expense for providing two carriage-ways to it as suggested by the Government of Bengal?

(ii) Is it a fact that the cost of providing carriage-ways would now be much less than the amount of the original estimate? If so, by how much?

(iii) What additional amount would be necessary to make the girders and piers strong enough to carry the additional load of the roadways?

(iv) When will the actual operations for the construction of the bridge be commenced and tenders called for the steel work?

THE HONOURABLE MR. D. T. CHADWICK: (i) (a) and (b). The cost of the bridge as estimated is Rs. 1,31,66,276 which includes Rs. 24,74,344 for the roadways and paths.

(ii) No. The provision of 24·74 lakhs is a fair proportion of the 131·66 lakhs provided for the bridge.

(iii) 10 lakhs is required to strengthen the girders to carry the roadways, and this expenditure must be incurred now, even if the provision of the roadways is deferred.

(iv) Tenders for caissons have already been called for and the piers will be commenced when delivery of the caissons starts next October.

#### REMOVAL OF THE CALCUTTA MINT FROM ITS PRESENT SITE.

159. THE HONOURABLE RAI NALININATH SETT BAHADUR:  
(a) Will the Government of India be pleased to state if there is at present any proposal to remove His Majesty's Mint in Calcutta from its present site to any other site?

(b) If so, when will the proposal be given effect to?

(c) If not, why not?

(d) Is it true that the Calcutta Improvement Trust strongly urged its removal from the quarter in which it is at present situated in order that the land occupied by it may be released for the use of trade?

(e) Is it true that the Government of India, in pursuance of this request, appointed a Committee sometime ago to report on the advisability of its removal and, if so, to select a suitable site, and that the said Committee did select a site?

(f) Is it true that, even from the financial point of view, the said Committee thought that there would be advantage to the Government if its proposals were put into execution?

(g) If the answer to the first part of (e) is in the affirmative, will the Government of India be pleased to lay on the table a copy of the report of the Committee?

THE HONOURABLE MR. A. C. McWATTERS: (a) Yes.

(b) and (c). No decision has yet been made. The Government of India have informed the Government of Bengal that they are prepared to agree to the removal of the Mint to another site provided that no additional charges are imposed on the Central Revenues by such removal, and they are now awaiting the submission of a detailed scheme by the Government of Bengal. They understand that the Government of Bengal are not able to submit any detailed scheme until the site of the new Howrah Bridge has been settled.

(d) Yes.

(e) Yes. The Government of Bengal afterwards decided that it was necessary to reserve for port purposes the site selected by the Committee.

(f) Yes, but since the Committee reported, the value of the site of the present Mint has fallen considerably, and from the financial point of view it is extremely doubtful if the removal of the Mint would be advantageous.

(g) A copy of the Report of the Committee is laid on the table.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

FINANCE DEPARTMENT, DELHI.

*Dated Calcutta, the 29th November 1920.*

SIR,

We have the honour to submit the following report on the question of removing the Calcutta Mint from its present to another site.

## INTRODUCTORY.

2. The question of abolishing the Calcutta Mint, and constructing a large Mint near Bombay which should be capable of providing for the needs of the whole of India, was apparently first raised in 1901. It was, however, held in 1903 that the abolition of the Calcutta Mint would involve inconvenience and expense to the Calcutta merchants and banks, and it was finally decided that the proposal should be abandoned and both the Mints retained. The late Sir Charles Allen, Chairman of the Calcutta Corporation, made new proposals in 1906 for the removal of the Mint from its present site. He was influenced by the considerations which have led to the appointment of the present Committee, viz., that the large area now occupied by the Mint absorbs a valuable space which is urgently required for the development and improvement of Barabazar—one of the most congested areas in Calcutta. Sir Charles Allen suggested that the Mint might be removed to some site outside the city, for example, to Barrackpore or Ishapore, and that the land thus made available should be vested in the new Improvement Trustees whom it was proposed to constitute as a statutory body for the improvement and expansion of the city, and that this body should utilise the vacated area in dealing with the urgent problem of Barabazar. A Committee representative of the different interests most concerned with the Mint was appointed by the Government of India to consider the whole question in 1907. Colonel Porter, the then Mint Master, Calcutta, strongly opposed the proposal, and the Committee accepted his view on the ground that there was no assurance of obtaining a site which would fulfil the conditions laid down by the Government of India as essential; viz., that the site must be—

- (1) not more than three miles distant from the Comptroller General's office;
- (2) not less suitable than the present site for the purposes of Government, including the import of bullion and the Currency Office work;
- (3) not less convenient than the present site for the banks and the commercial public;
- (4) Capable of being at least as efficiently defended in the case of disturbances as the present building; and finally that
- (5) the cost of removal, both initial and recurring, must not be prohibitive.

There was some disposition to think that although the development of Calcutta might render the removal of the Mint at some future date inevitable, such removal should be accompanied by an amalgamation of the Bombay and Calcutta Mints, and it was thought that the heavy expenditure which a Central Mint would entail was not at that time justified by the financial position of Government. The question was again raised by the Calcutta Improvement Trust in 1919, and at the meeting of the Imperial Legislative Council held on the 16th September 1919 the Hon'ble Mr. W. E. Crum moved the following resolution:—

"That this Council recommends to the Governor General in Council that the question of removing the Calcutta Mint to another site be taken into consideration."

This resolution was accepted with the reservation that its acceptance in no way committed the Government of India to agreeing to the Mint's final removal unless they were provided with an equally suitable site from all points of view, or if on inquiry

there should emerge other weighty objections against the proposal. The Government of India, however, promised an inquiry into the whole question and appointed the following Committee for this purpose:—

|                                                                                                                                                                     |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Mr. W. Alder, O.B.E., I.C.S., Controller of Currency                                                                                                                | ... President. |
| Mr. W. O. Grazebrook (subsequently succeeded by Mr. W. K. Dods) nominated by the Bengal Chamber of Commerce                                                         | } Members.     |
| The late Hon'ble Rai Sita Nath Roy Bahadur (subsequently succeeded by the Hon'ble Raja Resheecase Law, C.I.E.) nominated by the Bengal National Chamber of Commerce |                |
| Mr. S. W. Goode, I.C.S., nominated by the Government of Bengal                                                                                                      |                |

The Committee's terms of reference were to advise on the following points:—

- (i) The advisability of removing the Calcutta Mint from its present site;
- (ii) if such removal is considered desirable, the site to which it should be removed, due regard being had to the efficiency of the Mint, the proper discharge of Government business, and the convenience of the public, and
- (iii) if the removal be recommended, the probable cost of the operation.

## WORK OF THE COMMITTEE.

3. The Committee met on Friday, the 12th November; the advisability of removing the Mint was first considered. As already stated, Government have viewed this question at different times from different standpoints. In 1901, it was suggested that the area occupied by the Mint and its appurtenances was wastefully utilised, especially in view of its great value; this issue, however, was soon obscured in the more important and more drastic change which was involved in the proposal to amalgamate the Calcutta and Bombay Mints.

The late Sir Charles Allen, Chairman of the Calcutta Corporation, then gave a new turn to the discussion, when he urged the importance of obtaining the Mint site for the development of Barabazar and this is the standpoint from which public opinion seems now to view the question.

No one who knows Calcutta can question the urgent need or the enormous difficulties of replanning of Barabazar, but it is certain that the problem will be greatly simplified if 40 bighas of new land can be made available for re-housing or trade purposes. The insanitary conditions of Barabazar and the excessive pressure of population upon the soil are well known; the congestion of its narrow streets, crowded and obstructed with merchandise, for which no proper storage or handling space can be made available, renders traffic most difficult and thus seriously retards the transaction of business. It seems possible that the Mint site, if available, might be advantageously used for the concentration of important trade, which has outgrown the capacity of Barabazar. These are matters with which the town-planner must deal, but the Committee unanimously adopt the widely accepted view that—if from other points of view the proposal is at all feasible—the larger interests of Calcutta require the surrender of the Mint site for relieving the overcrowding and congestion of Barabazar.

The improvement of Barabazar is not, however, the only ground, on which the removal of the Mint is urged. The present site appears to be ill-adapted to purposes of defence. It comprises a large area which is commanded on three sides by closely packed buildings and in times of civil tumult, the main routes of approach could be easily blocked by determined rioters. Again the transit of bullion or coin through crowded thoroughfares must, we apprehend, be attended with considerable risk in the event of civil commotion in a big congested city like Calcutta. It has on the other hand frequently been urged that the removal of the Mint from the busiest portion of the town must cause grave inconvenience to the Banks, the mercantile community, the public and the Currency Office.

The Mint has business transactions with all these interests, and it is contended that it would cause serious delays and involve extra defence, if the Mint were transplanted to the suburbs. The above interests are, however, all represented on the Committee, which, after carefully weighing this objection, is satisfied that it has less validity than has often been assumed.

The Committee is supported in this conclusion by the opinions—briefly summarised below—which have been received from the important business and commercial bodies of Calcutta. We think, again, that in the interest of the Mint itself, there may be a

gain in breaking with the past and in utilising English and American experience in remodelling the construction and working of the Mint. This is of course a question for minting experts, but we have it on the authority of a previous Mint Master, who was not enamoured of the proposal now under discussion, that—

"Mints are peculiarly conservative institutions" and that the proposal at least offered "a unique opportunity for breaking with costly and obsolete methods which have long been discarded by other Mints."

We understand that these latter words have not the same truth which they had in 1901, but it seems in any case obvious that buildings erected in 1824 and since considerably extended, cannot be the last word on Mint construction, although the architect, General Forbes, was a distinguished Engineer.

It remains to consider the financial aspect of the proposal—which is of course the crux of the whole problem.

In 1907, the Mint land was valued at about Rs. 4,000 per cottah, i.e., at over Rs. 30 lakhs for the whole site. The first Land Acquisition Collector of Calcutta is now of opinion that if the land were plotted out and sold in building blocks it might probably realise Rs. 30,000 per cottah. If we adopt a more conservative estimate—it is, perhaps, unnecessarily conservative—of Rs. 25,000 per cottah and allow for the reservation of 20 per cent. of the area for roads and other open spaces the land should realise Rs. 153 lakhs, whereas we roughly estimate (basing our figure mainly on Lieutenant-Colonel McCormick's elaborate estimates—appended to this Report) that a new Mint constructed on modern lines with ample accommodation and with quarters for the superior staff and combined with a large housing scheme for operatives, should not cost more than Rs. 122 lakhs. The financial test supports, therefore, the proposal for the removal of the Mint and assuming that a site can be found which fulfils the conditions laid down as imperative in a new Mint, we are of opinion that the wisdom of this proposal is clearly established.

#### VIEWS OF PUBLIC AND COMMERCIAL BODIES.

4. It is desirable at this stage briefly to set out the views of the various public and quasi-public bodies which have been consulted regarding the removal of the Mint. The Port Commissioners favour the proposal provided a suitable site can be found elsewhere—on the ground that a valuable area will thereby be made available for general trade purposes. The Corporation of Calcutta take the same view and suggest that the Mint may be located in Kidderpore between Tolly's Nulla and the Port Commissioners' docks and that staff quarters might be constructed on some site in Hastings. The Municipal Commissioners were nevertheless somewhat doubtful as to the expediency of placing the Mint in this area as they thought its operations would cause a nuisance and interfere with the utilisation of the adjacent lands for commercial and residential areas. In this connection the Committee may mention that both Major Stace, the Acting Mint Master, and Lieutenant-Colonel McCormick recommend that the new Mint should be provided with gas furnaces which would on the one hand cause no nuisance and for technical purposes would also be desirable. The Marwari Association strongly support the proposal to remove the Mint in order that its present site may be made available for the improvement and expansion of Barabazar. They are disposed to think that there should be no difficulty in finding a suitable site for the new Mint in the northern or the southern suburbs of Calcutta; they point out—and the Committee, as stated above, agree in this view—that the protection of the Mint at its present site in the event of any civil disturbance might not prove an easy matter. The British Indian Association support the proposal for the removal of the Mint, and suggest that the new buildings might be situated on some site between the Kidderpore bridge and the docks. The Bengal Chamber of Commerce appointed a sub-committee to consider the whole question, and this sub-committee, whose views were accepted by the Chamber, were of opinion that the advisability of removing the Mint to another site was "hardly open to argument." The sub-committee in its interesting report suggests the Hastings site, which we shall presently discuss, as the most suitable location for the Mint. It will thus be seen that there is a strong consensus of opinion in favour of removing the Mint, and the general view appears to be that the new Mint could be most conveniently located in some area in the vicinity of the Kidderpore bridge. It has been suggested that an excellent site will shortly be available on the banks of the Hooghly north of Cossipore and Barnagore, about 8 miles from the Currency Office. A portion of this is the property of the Government of India and is now occupied by the gunpowder magazine which it is believed will shortly be transferred to Dum Dum. The Barnagore Jute

Mill siding passes near the site which could, moreover, be conveniently linked up with the Barrackpore Grand Trunk Road. It would, however, obviously be undesirable to go further afield if the excellent site to which we shall now refer is available.

#### PROPOSED SITE FOR THE NEW MINT.

5. Before the Committee met, the Controller of the Currency had made certain local enquiries, and after discussing certain suggested sites the Committee decided that it was desirable to search for a new site in the vicinity of Hastings and Tolly's Nulla. The Committee thereafter made a local inspection of the area belonging to the Military authorities and bounded by the Kidderpore Bridge, the Canal Road and the Tolly's Nulla on the south and west, by Bakery Road, on the north and by St. George's Gate Road on the east. At first site, this area appears to fulfil most of the conditions which the Government of India considers essential in 1907 (*vide* paragraph 2 *supra*). A considerable portion of the site, i.e., the portion bounded on the north by the Parsonage Road, is covered by bustees and there would be no difficulty so far as the present use of the land is concerned in resuming it for a public purpose. The northern portion of the site is occupied very sparsely by some Laskar Lines belonging to the Ordnance Department and partly by cattle sheds belonging presumably to the same department. The Committee are not aware if the Military authorities are able or willing to surrender this northern area. They conceive that it might be practicable for the Military authorities to find some less valuable site which would not be inconveniently distant from the military area, for the housing of these cattle and for the construction of the Laskar Lines, but it is possible that the Military authorities have other schemes in view for the utilisation of this area. It is understood that the Commissioners for the Port of Calcutta have made proposals for the acquisition of the area now in question along with certain other portions of Hastings, for the housing of their superior staff. But it is presumed that if the Military Department is prepared to part with this land, the claims of the Finance Department must take precedence over the needs of even so important a local body as the Port Commissioners. It is, however, doubtful whether this site, even if available, would be suitable for the location of the new Mint. The area of this land is roughly estimated as 30 bighas, and the Committee are of opinion that this area is insufficient for the accommodation of the Mint buildings. In view of this difficulty, the Committee made further search for a suitable site; the Hastings site has, however, been referred to in some detail as the Committee think that even if the site proposed hereafter is considered suitable, it will be desirable to approach the Military authorities for the acquisition of about 13 bighas of the Hastings site to be used for the location of staff quarters for the new Mint.

The Committee then inspected the site at present occupied by the Royal Indian Marine Dockyards which have recently been closed. This site is in their opinion eminently suited for the location of the new Mint. Its advantages may be briefly stated:—

- (1) it is within easy reach of the Currency office, banks, and the commercial public;
- (2) it is close to the Fort, and in view of its splendid river frontage it could undoubtedly be more efficiently defended in the case of civil disturbances than the present buildings;
- (3) as regards the import of bullion, the proposed site has good river communication and easy and excellent road communication with Howrah station;
- (4) the site is near the Port Commissioners' railway which could doubtless be utilised for the carriage of coal and coke;
- (5) the river frontage would provide a Mint located on this site with a plentiful supply of water and enable the Mint to be operated by its own electric power plant; while lastly
- (6) there are large bustee areas existing within easy reach of the Dockyards which could be acquired and utilised for the location of workmen's dwellings.

The Committee understand that the Royal Indian Marine Dockyards covers an area of 63 bighas 1 cottah 6 chhataks plus 1 bigha 19 cottahs and 8 chhataks of land occupied by staff quarters, i.e., a total area of about 65 bighas. Having regard to the enormous value of the present site and the desirability of placing the new Mint in surroundings which shall be both convenient and worthy of a public institution of such importance,



the Committee suggest that the utilisation of the Royal Indian Marine Dockyards site for the purpose of the Mint is no extravagant proposal. The Municipal Assessor and the First Land Acquisition Collector of Calcutta are disposed to value the land roughly at Rs. 2,250 per cottah. The Committee are inclined to think that even if a valuation of Rs. 2,500 per cottah including buildings is placed on the land, it should not be regarded as too costly a site for the new Mint. We are informed that the Port Commissioners are negotiating with the Government of India for the purchase of a small strip of the Dockyards to give them an additional entrance from the river into the Tidal Basin. We understand further that an important Calcutta firm of builders and engineers who are being displaced from land occupied by them on the northern portion of the river, are anxious to acquire the whole of the available area of the Dockyards from the Government of India, if the land is offered for sale. The Committee are informed that the Calcutta Improvement Trust in the interests of Calcutta's commerce and industry would be glad to provide this firm with a small area having river frontage to replace the site from which they are being dispossessed, but it is understood that a site of 3 or 4 bighas should be ample for this purpose, and that the object of this firm in desiring to acquire the whole area of the Dockyards is mainly speculative. However that may be, the Committee consider after discussion and local enquiry that it would be impossible to find a site more suitable in every way for the new Mint and if, as they understand, the old Dockyards are now at the disposal of the Government of India, they would strongly urge that an area of at least 45 bighas and if possible 50 bighas should be reserved for the purposes of the new Mint.

#### AREA REQUIRED FOR THE NEW MINT.

6. The present Mint occupies an area of 38½ bighas, of which 7 bighas are occupied by the tank and 6½ bighas by the staff quarters. The Committee were shown over the Mint and agreed with the Mint Master that there is most undesirable congestion in certain departments. While some of the machinery has adequate accommodation, a layman will have no difficulty in agreeing that in other buildings there is insufficient space for the operations of the Mint. The Mint Master, Lieutenant-Colonel McCormick, prepared careful detailed estimates, which are attached as appendices to this Report, in which he estimates that the Mint buildings and staff quarters cannot be comfortably housed on a site less than 70 bighas in area. Revised estimates have been prepared by Major Stace, the Acting Mint Master. He thinks that present requirements including provisions for nickel minting, which, it is understood, will be concentrated in Calcutta, for an enlargement of the power house so as to render the Mint independent of a private company and for quarters for the whole of the superior staff of the Mint and Assay offices, would be adequately met by a site of roughly 66 bighas. He estimates that 13 bighas should be reserved for the construction of quarters which would reduce the area required for the Mint and Assay offices proper with their appurtenances to 53 bighas. The Committee in a matter of this kind must obviously be guided by the opinion of experts, but it might at the same time be pointed out that Major Stace is inclined to agree that this area of 53 bighas could, if necessary, be reduced to 45 bighas. Having regard to Major Stace's estimate and the earlier figures prepared by Lieutenant-Colonel McCormick, the Committee would propose that an area of 50 bighas be reserved from the Royal Indian Marine Dockyard site for the construction of the new Mint and that land be acquired, if possible, in Hastings, from the Military Department for the construction of staff quarters. The estimate of 13 bighas proposed in connection with the staff quarters assumes that the Military authorities would have no objection to the construction of three-storeyed buildings in this remote corner of their domain. The Committee are well aware that under the present restrictions only two-storeyed buildings with slanting roofs can be constructed within the Hastings enclave. But they are informed that the Military authorities, who were recently approached by the Port Commissioners with the object of land being acquired in Hastings for the construction of quarters for the staff of that body, were disposed to relax the restrictions on building which have hitherto been for the most part observed. As regards the intentions of the Port Commissioners, the Committee assume that the claims of a Government institution such as the Mint must take priority over any plans which the Port Commissioners may have framed for the accommodation of their officers. Some justification may be required for the Committee's acquiescence in the Mint Master's demand for an area which is greatly in excess of the area now occupied by the Mint and Assay offices and the staff's quarters. Apart from the fact that only 14 quarters instead of 24 are at present provided for the engineering staff, the Accountants and the Bullion Keeper, the Committee, as already stated, agree that the present buildings are on the whole excessively cramped and they are of opinion that in transplanting the Mint, the opportunity should be taken to make more liberal

provision for the accommodation of its numerous and extensive departments. In the first place, they understand that the strong room accommodation is quite inadequate and that at present bullion is kept in the silver melting department and other odd places which are obviously unsuited for this purpose. Moreover, all the silver operative departments and the bronze, and nickel departments which deal with blanks or coins, should have their own subsidiary strong rooms for the storage of bullion and blanks when the day's work ceases. The melting departments are said to be inadequate, and on several occasions when the demand for coin has been large, the Mint Master has had to have his metal melted in the Metal and Steel Factories at Ishapore. The Committee agree that the furnaces in the bronze melting department are at present too close together; their juxtaposition and bad arrangements make the whole building unbearably hot and work is frequently carried on under great difficulties. Several of the workshops are congested with machinery. It is understood that the Nickel Mint at Bombay has now been closed and adequate provision for nickel coinage for the whole of India must, therefore, be made. It is understood that it will not be practicable to place the heavy machinery in a second storey, although the offices and certain departments, which deal with engraving, medal working, etc., could be placed on the first floor. The storage for coal and coke appears to be inadequate and it is proposed to provide 2 bighas instead of 1½ bighas for this purpose since it is considered desirable to retain at least a month's stock of steam coal, rubble and coke on the premises. The power house should be enlarged for reasons already stated. As regards the settling tank, it is agreed that the present area might be halved if a river frontage is obtained. A tank will still be necessary since the river water is surcharged with silt and must, therefore, pass through a settling tank before it can be used on the rolls and for the annealing processes, etc.

#### WORKMEN'S DWELLING HOUSES.

7. The Committee are strongly of opinion that proper provision for the housing of the permanent labour of the Mint should be provided. The permanent labour forces (i.e., trained men and skilled labour) and office and bullion staff at present amount as a minimum to 700 or 800 persons, while the labour forces in the busy season increase to 2,600 workers. There is a large supply of unskilled labour available in Kidderpore even when the heavy requirements of the Port Commissioners are met, but the Committee agree with the Mint Master that it is most desirable to provide housing for a considerable portion of the labour employed in the Mint. From their inspection of Kidderpore, the Committee are satisfied that any large influx of Mint labour to this insanitary and congested suburb would be a disaster if no steps are taken to provide for their proper accommodation. Moreover, it is obvious that with the extension of the Port the demand for unskilled labour will grow and it is thought that steps should be taken to ensure the requirements of the Mint Master being met in the event of any competition for labour occurring between the Port Commissioners and himself. By providing for good housing for its labour forces, the Mint will be able to command the services of the nucleus of its trained workmen. Moreover, it is unlikely that the present skilled labour forces of the Mint would be prepared to transfer itself to Kidderpore unless inducements in the shape of proper housing were offered. Again, the Committee cannot ignore the urgent problem which the housing of labour in Calcutta presents and they suggest that the present opportunity might be seized to make some contribution towards the solution of the problem, which the Calcutta Improvement Trust is ultimately expected to solve. There are two large bustee areas situated within the easy reach of the Royal Indian Marine Dockyards. The more distant, which is about a mile from the Dockyards, belongs to the Bhukailash Raj, the Estate of the late Prince Kamar Kadir and the Hooghly Imambara. It lies within the area bounded on the north by Ekbalpore Road, on the south by Momenpore Lane, on the east by Kailasarak Road and on the west by Bhukailash Road, while other portions extend north to Pipe Lane, east to Dent Mission Lane. This large collection of bustees possesses a sewerage system, but its surface drainage is very imperfect. The area, although it comprises several hundred bighas, is grossly insanitary. It is occupied mainly by the labour employed at the Docks, but so far as the Committee are aware, the Port Commissioners have hitherto been unable to undertake any considerable housing scheme for the labour on which they depend. The second bustee area referred to is the Sahiban Baghicha Estate, otherwise known as Watgunge bustee, which belongs to the Government of Bengal. Much of the land is at present vacant and it is understood that the Calcutta Improvement Trust are negotiating with the Government of Bengal for its acquisition in connection with the general improvement scheme. This area is bounded roughly on the north by Munshigunge Road, on the south by Watgunge Street, on the east by Nriya Gopal Ghosh's Lane and on the west by Watgunge Square and bustee buildings. The Bhukailash

bustee is roughly valued by the Municipal Assessor (excluding some of the more valuable roadside lands) at Rs. 750 per cottah; the Watgunge bustee land (excluding the valuable land with the frontage on Munshigunge Road) may be roughly valued at Rs. 1,500 to Rs. 2,000 per cottah. The latter area, though nearer to the Royal Indian Marine Dockyards, is so much more expensive that it seems desirable to select the Bhukailash bustee for the housing scheme which the Committee recommend. The latter bustee lies close by the Kalighat-Kidderpore tramway which would provide the clerical and Bullion staff, if housed on this land with cheap transit, while the labour staff would be sufficiently near the scene of its labours. The Committee understand that it would be sufficient to provide accommodation for about 700 permanent trained men and skilled labour and for about 50 persons belonging to the office and Bullion staff. They suggest that it would be desirable to acquire 100 bighas of this bustee land and to construct comfortable quarters with a recreation ground for the workmen and subordinate staff of the Mint and Assay offices. They suggest that the co-operation of the Calcutta Improvement Trust in this housing scheme might be invited and that the Trust might be asked to prepare a housing scheme to be executed by their Engineers at the cost of the Government of India.

Plans of the Royal Indian Marine Dockyards, the Hastings bustee, Watgunge bustee and the Bhukailash bustee are appended to the report.

8. It remains only to consider in more detail the financial aspect of the Committee's proposal. Detailed estimates for the removal of the Mint have been prepared by Lieutenant-Colonel McCormick. The Committee are obviously not in a position to appreciate or criticise this proposal and they have considered it desirable to submit this estimate with some slight modifications as an appendix to this report, omitting—

- (1) the capitalised cost of the City Assay Office establishment which will be unnecessary if, as they think, the separate City Mint Assay Office contemplated by Lieutenant-Colonel McCormick is unnecessary; and
- (2) the capitalised extra cost of conveying stores. The rough estimate of the cost of the removal of the Mint would apparently be Rs. 1,22,12,942. On the credit side we have 38½ bighas (i.e., 770 cottas) of land which on a conservative estimate we have valued at Rs. 153 lakhs. Lieutenant-Colonel McCormick—admittedly on a guess—suggests that the existing power plant and motor and the Mint building might be valued at about Rs. 6½ lakhs. It is therefore perhaps not an extravagant estimate if we suggest that the present buildings and obsolete plant might yield Rs. 1,60 lakhs to the Government of India while the new Mint constructed on modern lines with ample accommodation with quarters for the superior staff and combined with an extensive scheme of workmen's dwellings will cost only about Rs. 1,22 lakhs, leaving a profit of about 38 lakhs to Government on the transaction. The Committee realise that the Calcutta Improvement Trust is not likely to consent to purchase this valuable property for the enormous sum of Rs. 1½ crores. The Trust is, however, most anxious in the interests of Calcutta to have this land made available for the expansion of Barabazar and it is believed that this body would be very glad to administer the property on behalf of Government and to provide for its proper development and gradual sale in connection with that project for relieving congestion of Barabazar.

#### CONCLUSION.

9. The Committee desire in conclusion to thank Lieutenant-Colonel McCormick, Mint Master, and Major Stace, acting Mint Master, for their valuable notes on the technical aspect of the question which the Committee was appointed to discuss. They are aware that Lieutenant-Colonel McCormick is strongly opposed on various grounds to the proposal to remove the Mint, but his comprehensive and suggestive note has nevertheless attempted to place at the disposal of the Committee all the materials which were available to assist them in their work.

(Sd.) W. ALDER, *President.*

„ W. K. DODS.

„ RESHEE CASE LAW.

„ S. W. GOODE.

#### SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS.

160. THE HONOURABLE RAI NALININATH SETT BAHADUR: (a) Has the attention of the Government of India been drawn to the reply of the Honourable Sir Hugh Stephenson to a question put by Mr. Tarit Bhusan Ray, M.L.C., that the scheme for separation of the judicial and executive functions in Bengal to give effect to the recommendations of the Committee appointed for the purpose has been under the consideration of the Government of India for 18 months or 2 years?

(b) Is there any likelihood of the matter being brought to light within the life of the present Legislative Assembly?

THE HONOURABLE MR. J. CRERAR: (a) Government have seen a newspaper report of the reply given in the Bengal Legislative Council.

(b) I cannot say at present when a decision is likely to be arrived at.

#### NUMBER OF GOODS WAGONS FOR WHICH ORDERS HAVE BEEN PLACED WITH INDIAN FIRMS.

161. THE HONOURABLE MR. MANMOHANDAS RAMJI: Will the Government be pleased to state, with reference to the construction of new stock provided in the Railway Budget:

- (a) the number of goods wagons for which orders have been placed with Indian firms;
- (b) the cost of each wagon; and
- (c) the names of those Indian firms?

#### NUMBER OF GOODS WAGONS ORDERED FROM ENGLAND.

162. THE HONOURABLE MR. MANMOHANDAS RAMJI: Will the Government be pleased to state:

- (a) the number of goods wagons ordered from England;
- (b) the cost of each wagon; and
- (c) the names of those firms?

THE HONOURABLE MR. D. T. CHADWICK: I shall reply to questions Nos. 161 and 162 together.

\*As a result of the Railway Board's last simultaneous call for tenders for wagons both in India and abroad, orders for 3,244 wagons were placed with the wagon-building firms in India and for 2,377 wagons with firms in England. A statement showing the cost of each type of wagon and names of firms with whom orders were placed, is laid on the table.

Statement showing the quotations accepted in respect of the various types of wagons (excluding wheels and axles or subsequent minor modifications) required during 1926-1927.

## BROAD GAUGE.

| Type of wagon. | A. 1.  | A. 2.  | C. 2.  | C. 3.  | J. 1.  | K. 1.  | Name of firm with whom orders were placed.                              |
|----------------|--------|--------|--------|--------|--------|--------|-------------------------------------------------------------------------|
| Price.         | Price. | Price. | Price. | Price. | Price. | Price. |                                                                         |
|                | Rs.    | Rs.    | Rs.    | Rs.    | Rs.    | Rs.    |                                                                         |
| ...            | ...    | ...    | 3,110  | 3,250  | ...    | ...    | Messrs. The Indian Standard Wagon Co., Limited.                         |
| ...            | ...    | 3,470  | ...    | ...    | ...    | ...    | Messrs. Burn & Coy., Limited.                                           |
| ...            | 3,485  | 3,573  | ...    | ...    | ...    | ...    | Messrs. Jessop & Coy., Limited.                                         |
| ...            | £176   | ...    | ...    | £180   | £361   | £459   | * Messrs. The Metropolitan Carriage Wagon and Finance Company, Limited. |

## METRE GAUGE.

| Type of wagon. | M. A. 1. | M. A. 2. | M. C. 1. | M. C. 2. | M. C. 3. | M. X. |                                                                        |
|----------------|----------|----------|----------|----------|----------|-------|------------------------------------------------------------------------|
| ...            | £128     | £133     | £122     | £126     | £118     | £204  | * Messrs. The Metropolitan Carriage Wagon and Finance Company Limited. |

\* Orders with the Metropolitan Carriage Wagon and Finance Company have been placed subject to a lump sum reduction of £9,500 on the total number of wagons ordered.

### REVISION OF THE PAY OF THE APPRAISERS OF THE MADRAS CUSTOMS HOUSE, ETC.

163. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government of India be pleased to state:

- (i) whether any memorial was received from the Appraisers of the Madras Customs House praying for a revision of their pay with retrospective effect and for placing them in the gazetted ranks;

- (ii) if so, when and what action has been taken thereon; and  
(iii) whether memorials were also received from the preventive and ministerial services of the Madras Sea-Customs and outports, ministerial and out-ports Preventive Establishments, Madras, requesting revision of their pay with retrospective effect and, if so, what was the action taken thereon?

THE HONOURABLE MR. A. C. McWATTERS: (i) The reply is in the affirmative.

(ii) The Government of India have decided that there is no case for a revision of pay of the Appraisers. Orders will issue shortly.

(iii) Memorials were received from the members of the Ministerial and Preventive Establishments at Madras; but the only memorial received from the Outports establishments was that from clerks. The Government of India have decided to sanction an improved scale of pay for the staff in the Chief Port; they are not, however, prepared to allow retrospective effect. The memorials of the Outports clerks are still under consideration.

### TAXATION OF THE PROCEEDS OF BETTING ON RACES.

164. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (a) Will the Government of India be pleased to state:

- (i) whether the Government of Madras applied for sanction of the Government of India to levy a tax on the proceeds of betting and totalisators in connection with the races held at Guindy annually and any races held in other places in the Madras Presidency;  
(ii) whether the necessary sanction was accorded; and  
(iii) if not, what were the reasons for withholding sanction?

(b) Will the Government be pleased to lay all the connected papers on the table of this House and to state whether they propose to bring in an all-India Bill in regard to the taxation of the proceeds of betting and totalisators in races which are now being held throughout India?

THE HONOURABLE MR. A. C. McWATTERS: The answer to clause (i) of part (a) of the question is in the negative and the other clauses do not arise.

(b) The regulation of betting and gambling is a provincial subject under the Devolution Rules and provincial Legislative Councils are competent to enact legislation imposing a tax on any form of it which is permitted by law.

### GENERAL DISCUSSION OF THE BUDGET (PART II).

THE HONOURABLE THE PRESIDENT: The Council will now proceed to the general discussion of Part II of the Budget.

THE HONOURABLE MR. HAROON JAFFER (Bombay Presidency: Muhammadan): Sir, a surplus Budget must always be a matter for congratulation, and the facts that there will be no addition to the burden of taxation, that provincial contributions will be further remitted and that

[Mr. Haroon Jaffer.]

the cotton excise duty will be permanently abolished, will evoke widespread satisfaction. But it appears to be necessary to point out that the Budget has revealed the great possibilities that exist either for the reduction of the existing burden of taxation or for the provision of more liberal expenditure on economic and social improvements, or for the attainment of both the objects. On the one hand, the level of war-time taxation remains practically unaffected, and, on the other, there is a natural tendency for some of the expenditure steadily to decline. It will be generally admitted that there is yet a good deal of scope for the practice of retrenchment and economy, and military expenditure is just one such item, and the most important item, the expenditure on which can be and must be brought down. As a representative of public opinion in the Bombay Presidency, I am bound to say that the grave financial wrong which has been done to Bombay as a result of the adoption of the Meston scheme, still remains unredressed. It is stated that the abolition of the cotton excise will afford substantial relief to Bombay, but the fact is ignored that that measure will have no effect on the financial position of the Government of Bombay, which, at the moment, is most unsatisfactory. (*The Honourable Sir Dinshaw Wacha*: "Is it?") I have, therefore, to urge that the question of assigning to Bombay a larger share of growing revenue should be taken up by Government without delay. Thanks are due to Government for the increased grants to the Universities in Aligarh and Benares, and as one specially interested in the expansion and improvement of Muhammadan education, I welcome the proposed step. It would, however, have been more welcome if Government could have been more liberal towards these institutions, and I do hope that the claims of the Universities will be more generously considered at the next opportunity. I must refer, in this connection, to the grant of 50 lakhs proposed for the support of archaeological research and must voice public feeling on the subject. There is an apprehension in the public mind that Indian scholarship may not receive the encouragement it deserves under the proposed scheme and that the country will not derive full benefit from the tax-payer's money that will be spent. It is indeed laudable that Government have decided to assist the archaeological work of very great national and historical importance that is now being carried out in Sind, but it is hoped that the protests that are being made in connection with the subject by scholastic and other public bodies will receive careful consideration before any practical scheme is launched. It is worth while considering if it is possible to associate our Universities with the work. I must also enter a strong protest against the transfer of the Poona District Headquarters to Secunderabad, as a measure involving unnecessary waste of public money. While we are crying out against the maintenance of a high level of military expenditure, here is Government throwing away money spent on the Poona District and undertaking additional outlay at Secunderabad. It is to be hoped that the question will be carefully considered from all points of view and that no hurried decision will be taken in the matter. While complimenting the Finance Department and the Finance Member on the surplus Budget they have produced, as a representative of public opinion, I must draw attention to what lies behind it. The financial management of the Government of India will not be considered satisfactory unless the burden of taxation is substantially reduced and every pie of revenue is made to yield the maximum benefit to the Indian public.

THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab: Nominated Non-Official): Sir, it is a matter of no slight pleasure that the Budget which has been presented this year is of so gratifying a description. I say "gratifying", Sir, because it is not a deficit Budget, it is gratifying because it is a surplus Budget and, above all, it is gratifying because there is no fresh taxation. It is a clear indication, Sir, that we are no longer in the wood and that we have at last come out in the open. I am sure the House will join me in congratulating the Honourable the Finance Member on this splendid achievement. I am also glad to find that, after providing for the abolition of the final cotton excise duty, the surplus is going to be used in giving relief to provinces, and I feel that I shall be failing in my duty if I did not on behalf of the Punjab thank the Honourable the Finance Member for the relief he has given.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, we in this House are not going to follow the practice of another place by not taking part in to-day's debate. At the outset I congratulate the Honourable the Finance Member and his Department for this year's Budget specially on two salient points—the abolition of the cotton excise duty and the relief to provinces. Coming, as I do, from the Punjab, I am very thankful for what we have got as half a loaf is better than no bread. We must give thanks for what we have got and then wait for something more in better times to come. There is one thing, however, which I must say on behalf of the Punjab and that is that we are the vanguard of the Empire and, when the time for fighting comes, we fight and for this reason we deserve, I think, something better at the hands of the one who distributes the money. Sir, I feel that no country can ever hope to make progress unless it is immune from dangers from outside. I have, therefore, as the House knows, always backed up the Army because, it is the Army which keeps the country secure. I have been noticing that the expenditure on the Army has decreased year after year. The factors which one has to take into consideration are not only the arms and the standing army, but there are certain other things also and, unless we turn our attention to them, we cannot be considered to be self-efficient. Sir, it is a well known fact that every cannon and every arm has its life. They can be used for a time and then they go out of action and, unless they are remoulded again, they are of no use. Therefore, it is necessary that we must have machinery in our own country to mould such arms because we cannot go on all the time buying arms from abroad, and in the case of an emergency it will be impossible to get arms from there in time. I think I may safely say that, unless we have machinery to make machinery—because machinery also is a thing which gets worn out—we are not only inefficient in the material required for the Army but also in many other directions. I think the House will agree with me that if the Government were to tax us to the full extent, or tax us even by increasing the salt duty or even not remitting us the cotton excise duty, and were to spend that money on that machinery to make machinery, I think everybody will welcome the idea. That would also give relief to lots of people who may get out of employment especially the agriculturists when the lands get divided and sub-divided. Sir, this is a field day, on which a variety of subjects are touched on by the various speakers. I once tried to make a record and I remember I touched on more subjects than anybody else during the budget speeches. That record

[Sir Umar Hayat Khan.]

has not yet been beaten; but to-day I only hope to take up two or three questions. I had then suggested that India should have its own Navy, because sometimes when England has to defend its shores sufficient ships or a large enough Navy will not be spared to guard India. We are very glad that we have got it now and that affords us an opportunity of also giving employment to our non-martial classes. Some people who fight on land might retreat but being on ships the retreat is cut off by the ocean, and like—

*Na bini ke chūn gurba ājiz shawad,*

*Bar ārad bachangāl chashm-i-plang,*

meaning—

“When the cat is cornered it might take the eyes of a tiger out with its claws.”

and I think that such brethren will have good chances in the Army. I am sorry that our illustrious Commander-in-Chief is not present, otherwise I would like to have told him that soldiers naturally obey orders and they are so much accustomed to it that whenever you tell them to decrease the army or decrease expenditure they obey. But I think that he should always put up a fight with our Finance Member and not get the Army Budget cut any more because the fighting material of India are not very pleased, when they left their situations and went to fight in the world war, that at the termination of it they should be told to leave the army and should be, as it were, thrown overboard by being disbanded. That of course they feel.

Being a Muhammadan the next subject after the Army, for me to deal with, is our position in the land. It is a well known fact that we are in a hopeless minority. Though we are not in a minority in my province, yet even there though in the majority we are kept in the minority. Our future is entirely bound up with the present Government. Civilisation is, as I sometimes call it, an organized barbarism. As the lion always kills its prey or the hawk kills the weaker, the same way the strong always live on the weak and as human nature is the same as it has been before, and will remain the same in the future, you cannot alter it. In the same way the voice of the minority will be drowned and if it comes to pass that we have to fight with a stronger community; the weak must always go to the wall. So I hope that those Muhammadans, not those young enthusiasts but those who can think ahead, will always see this that they are weak and are sure to be wiped out, and if they are not wiped out. I think human nature will not be human nature, so they should join the side of the Government and both of us then combined together may save ourselves and our existence.

Being also an agriculturist I would put in a word for that class. We find a silver lining to the clouds on the horizon because we hear that the new Viceroy has been at the helm of agriculture in England and also that the Royal Commission on Agriculture is coming at the same time. We might therefore look forward to something brighter. We were absolutely forlorn before this and we have been a prey to the moneylenders, so much so that we have been more or less used by them as a bullock is used by a zemindar. If the zemindar once gets into his clutches he never gets out of it again. I do hope that when so much money will be spent on this

Commission it will not be so handicapped. As I said the other day, all those benefits that we think are going to accrue from it may be nullified. If one regards it minutely, the lot of an agriculturist is not very easy to improve. One man cannot till under the present circumstances more than, say, 10 acres of land. Even if that was to bring in, say, Rs. 90 an acre, the income would not be much because this man is generally a married man and perhaps he has got old parents and also children. In that way if all those men have to live on land which one man can till, the income is very small, and if we, the zemindars, are not going to be helped, I think it will be a great mistake because when some hooligans in the cities try to disturb the peace they can be easily put right and made to behave like good children; the agriculturists are hardy and a fighting race and they should not be shown that they are absolutely not cared for because some of the friends of the Government, whom Government always help, may mislead them to civil disturbance or some such thing.

Generally, the policy of the Government and perhaps the right policy has been that they have always helped their enemies, and the power has been put into the wrong hands of this newly created oligarchy and not into the real hands of the people who have got a stake in the land and are the natural leaders of the people. The reason may be that this class is already strong and if it is made stronger it may become dangerous. If more power is put into the wrong hands, the day the civil Government step aside, the stronger men are bound to put down the weaker without the Government moving a finger. But the other side of the question is that, however, you may treat your enemies, you cannot make them friends.

THE HONOURABLE THE PRESIDENT: I hope the other side will be the financial side.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, as the Commission which will be coming out in future to consider these problems will cost a lot of money, this matter is connected in that way with the Budget. I only put forward some of the things which they may be expected to consider.

These are some of the subjects I wanted to touch upon, and before I sit down I should like again to congratulate the Honourable the Finance Member on this year's Budget.

THE HONOURABLE RAJA NAWAB ALI KHAN (United Provinces: Nominated Non-Official): Sir, allow me to congratulate the Honourable the Finance Member on the Budget he has presented. When one recalls the series of deficit Budgets, the deficit each year higher than in the preceding year, and the feeling bordering on despair that the Budgets of the country would never improve, one realises in no small measure the change which has been brought about by Sir Basil Blackett. One of his predecessors had said that the Indian Budget was a gamble in rain. It was left to Sir Basil Blackett to prove that this statement is not an absolute truism. Although the weather conditions have not altogether been favourable and the monsoon left a good deal to be desired it has been possible for Sir Basil Blackett to present a Budget, which has received the enthusiastic support of all interested in the welfare and progress of the country, a budget in the course of which Sir Basil has been able to claim not in mere words but on the strength of facts and figures that the credit of the Government of India in London stands at the present moment considerably higher in



[Raja Nawab Ali Khan.]

the market than in 1914 or 1923. That our credit in London is better than it was before the war is a record of which Sir Basil may be justly proud, and we are all extremely grateful to him for the manner in which he has not only looked after but rehabilitated our finances. It is therefore a matter to me inexplicable that there should be an attempt in any quarter to wreck the Finance Bill. A Bill which proposes no new taxation, a Bill which carries out a long deferred wish of Indian politicians for the repeal of the cotton excise duty, a Bill which even indicates the possibility of a reduction in the burden of taxation in the no distant future is a measure which should have been welcomed as constituting a new landmark in the history of the Reformed Constitution, but unfortunately even this, it appears, will fail to exercise the right influence on the attitude of those inside and outside the Legislature who derive their inspiration from the Indian National Congress. It is indeed an irony of fate that a measure which should according to all reason and logic have been an occasion for reconciliation between friends is directly or indirectly about to be a cause of a split between the Swarajists and the Government. It is impossible to under-rate the seriousness of the position which may be created or its influence on the future progress of the Reforms. I still hope that better sense may prevail and what threatens to be a catastrophe may yet be averted. Should the course threatened be still persisted in, I have no hesitation in saying that it will amount to another Himalayan blunder of which sooner or later—I myself believe sooner rather than later—all political parties in the country will repent.

It is a matter of gratification that the improvement in the financial situation should have enabled Government to make a further revision of provincial contributions, and on behalf of my own province, I desire to offer our heart-felt thanks to the Honourable the Finance Member. What hard financial times my province has been through is a matter of common knowledge. But nowhere was the hardship felt more keenly than in the Transferred Departments. These Departments which are rightly known as "Nation Building" Departments, including education, co-operative societies, sanitation, public health, etc., have suffered severely, and the result has been unfortunate in two directions. The Departments whose welfare and progress should have been the primary concern of Government were left to stagnate. What was more, the Ministers in the provinces could not effect the improvements they desired and their inability to do so has been misconstrued and misrepresented as due to the apathy of the Government towards Departments which had under the Government of India Act been transferred to popular control. The remission, which I welcome, will, I sincerely trust, be followed by further and larger remissions next year, and I desire to assure the Government that in course of time the proper financing of the nation building departments with the improvements which would follow would prove an investment in so far as it will enable the country better to appreciate the value of the Reforms and take the wind out of the sails of the Extremists who would then be unable to describe the new constitution as disappointing and the Reforms as a farce. In this connection let me make one appeal to the Government of India which is to bear in mind the need for creating a fund for the greater development of industrial and technical education. The Honourable the Finance Member in his speech referred to the value of foreign capital to India. But if that capital is to be attracted and to prove of

enduring benefit to the country we must have enough men to take full advantage of it. That can only be possible if we turn out a large body of highly trained and qualified young men. What then can be a greater service to India than the creation of a Fund which would help industrial and technical education?

One feature of the Budget which testifies more than any other to the improvement of India's credit and financial position is to be found in the Finance Member's hope that it would be possible to raise in India the money he requires for productive purposes. It is one of the healthiest signs for which again we are grateful to the Honourable the Finance Member. In this connection I would also like to notice the success of the Post Office Cash Certificates. They have encouraged a habit of investment among men of modest means. Such investments have been of value to Government as well. But, speaking from the point of view of the small investor, I desire to appeal to the Honourable the Finance Member not to make any reduction in the rate of interest. I will not dispute with him that the yield of 6 per cent. compound interest on Post Office Cash Certificates is high, but I will urge on him the necessity of looking at this question from the point of view of the small investor, who is approached by a number of borrowers of small amounts who in the hour of their need think nothing of paying an interest of an anna or even two annas in the rupee. Such a high rate of interest appears greatly attractive to the small investor. But the risks of such investments are enormous. To the small investor a small saving means a great deal and the Post Office Cash certificates have gone a long way in dissuading him from lending money on insufficient or unsafe security. They have also kept away a number of men from speculation which has been such a great curse and the ruin of so many small families both in Calcutta and in Bombay. It is in their behalf that I make my appeal to the Finance Member not to reduce the rate of interest. Even if it inflicts some burden on the finances of the State, I venture to think that in its continued encouragement of the habits of thrift and safe investment which mean such a great deal to the small investor it furnishes a compensatory advantage which no Government can ignore.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): Sir, I trust that the Honourable the Finance Member has enjoyed to the full the short holiday so generously extended to him by the other House. Doubtless he comes here to-day full of vigour and that being so I feel that it is almost a pity that the Budget which he has presented to us leaves little room for criticism save that of a congratulatory nature. I do congratulate most heartily the Honourable Sir Basil Blackett on his Budget and on the admirable way in which he has pulled together the finances of this country during the past few years. I think one of the most interesting statements in connection with the Budget will be found to be that appended to the Honourable Member's speech. A brief perusal of this statement will reveal that after five years of deplorable deficits which ended in 1922-23, we embarked on an era of surplus Budgets well on the right side of the estimates. In 1923-24 we had a surplus of 239 lakhs; in 1924-25 we had a surplus of 568 lakhs and at the end of the current financial year it is expected with confidence that we shall see a surplus of 130 lakhs. Finally our budget estimates for 1926-27 are expected to produce a surplus of 305 lakhs, but then we have to allow for loss of revenue arising from the just abolition of the cotton excise duty.



380

COUNCIL OF STATE.

[6TH MAR. 1926.]

[Sir Arthur Froom.]

Sir, to turn aside for one moment to this cotton excise duty, about to be extinguished, we in Bombay are indebted to the present Government for their decision to bring forward legislation to wipe out what has been for many years a blot on the Indian Statute-book, and I offer the Honourable Sir Basil Blackett my felicitations that the healing of this wound which had become an open sore, has been effected during his term of office. That the millowners in Bombay have not perhaps taken the full advantage of the abolished excise owing to a bargain they made in certain quarters can perhaps be better explained by the Honourable Member sitting behind me than by myself.

Sir, in my speech on the Railway Budget in this House a few days ago, I referred to the gratification which the Honourable Finance Member must have experienced at the result of the railway working during the year 1924-25, which, as the Honourable Member has pointed out, was the chief contributory factor in the improvement of nearly 169 lakhs over the estimated surplus of that year.

Turning to 1925-26 the revised surplus amounting to 130 lakhs is extremely pleasing; and although I have heard adverse criticisms in some quarters of 50 lakhs of that sum being applied to the capitalisation of an annual amount of 2½ lakhs for archaeological research, under the circumstances explained in the Honourable Finance Member's speech, I do not propose to voice any objection to the suggestion. Archaeology is not only an interesting but it is an instructive research, and who knows but that in his diggings below mother earth, Sir John Marshall may not come upon the mummified remains of some prehistoric Government! I fancy that a Finance Member in those days would have had an easier time than the Honourable Member sitting in front of me in balancing his Budget; he probably would have helped himself to what he required from the people without running the gauntlet of adverse criticism in a Legislative Assembly or in a Council of State. When referring to the 1925-26 figures, I feel that we should express to His Excellency the Commander-in-Chief and the whole of the Army Department our appreciation of their working, in that year, so closely to the budget estimates.

I now come to the budget estimates for 1926-27. First of all, I notice that the estimated surplus of 305 lakhs includes the sum of 175 lakhs which would be received from the cotton excise duty but for its proposed extinction. The reason for including receipts which will not be receipts is presumably a matter of book-keeping and possibly also to emphasise to Bombay the amount which the Central Government are refraining from collecting, as a set-off against the disregarding of Bombay's claim for a reduction in her provincial contribution. I have argued Bombay's case as regards her provincial contribution on the floor of this House on more than one occasion, and Honourable Members must well know my opinion about it, and I do not therefore propose to repeat myself now. But I am glad to observe that the Honourable the Finance Member has promised to take this question up very shortly in connection with the examination of the Report of the Taxation Inquiry Committee with special reference to their proposal for modifying the existing Devolution Rule 15, dealing with the payment to provinces of an equitable share of the income-tax receipts. That they have received annually only an infinitesimal sop from income-tax has long been the cry both from Bengal and Bombay. After deducting the not-to-be collected excise duty, we are left with a surplus of 130 lakhs

in the budget estimates for 1926-27. Of this, 125 lakhs is to be expended in the reduction of provincial contributions in which only four fortunate provinces have a share. This leaves a margin of a budget balance of 5 lakhs, which I recognise is small enough to work upon. I do, however, wish to emphasise to the Honourable Finance Member the necessity for reduction in the general level of import duties. Nobody will deny that Sir Basil Blackett is a bold man, and he gave some show of his boldness last year in reducing the tax on petrol. His daring was more than justified, as, in spite of the reduction, the revenue received from the duty on motor spirit shows an increase. Let me recommend to the Honourable the Finance Member a similar bold line of action with regard to other items coming under the head of revenue from customs. I invite his attention to motor cars and motor tyres which are still classed under the luxury tax of 30 per cent. I would also draw his attention to the duty of 15 per cent. on certain imported tinned food-stuffs, etc., which to my mind is unduly high. In fact, I consider that the whole of our tariff under customs might well be thoroughly explored in order to see in what directions relief can be afforded. Again, we hope in the near future for some relief in income-tax and super-tax, not as a personal matter, but as an assistance towards general trade in this country. I am aware that the Indian Taxation Inquiry Committee has touched on some of these matters; but although I have not digested the Report in its entirety, I am afraid I cannot agree with all the proposals put forward. Apart from this reference to it, I will leave the Report alone for the present; doubtless we shall have an opportunity of discussing it in this House later on.

In his speech the Honourable the Finance Member made a touching and somewhat regretful reference to the salt tax and the low rate at which it is fixed. I share his regret at the discontinuance of this tax at a level which might have enabled the Central Government to have extinguished completely the provincial contributions by this time and thereby freed the Provinces to prosecute their schemes for education and for other beneficial measures more thoroughly than they are able to do under the present conditions.

Sir, I end my few remarks as I began them. I congratulate wholeheartedly the Finance Member on his Budget, and I wish him all good fortune in the realisation, or even the surpassing of his revenue estimates for the coming year.

THE HONOURABLE SIR MAHARAJADHIRAJA BAHADUR BIJAY CHAND MAHTAB OF BURDWAN (Bengal: Nominated Non-Official): Sir, with the vagaries of the monsoon in India, it must be gratifying to Sir Basil Blackett to have been able to present before the country another prosperity Budget, and as a Member of the late Committee to inquire into the whole subject of Indian Taxation, I am sure I shall get the support of the Honourable Sir Charles Todhunter when I say that we as members of that Committee welcome a prosperity Budget all the more, as it gives the country an opportunity to study many of the problems which we have had to discuss and consider in that Report, and I am sure that the Honourable the Finance Member must also welcome that it is a prosperity Budget, too, so that he can have time to consider in his Department the possibilities of future avenues of taxation.

On the Budget itself, Sir, I have very little to say. Coming from Bengal, and having shouldered the responsibilities of the executive Government there, I realised what was wrong with the inauguration of the Reform

[Sir Bijay Chand Mahtab.]

Scheme in this country in the aspect of finance, and it is therefore very gratifying to me to find that Sir Basil Blackett is pursuing the right policy of reducing these provincial contributions, for the worst enemies of these Reforms would get a complete answer, as my friend the Raja Sahib from the United Provinces who is not here just now said, if the provincial finances were on a sound footing, if the Ministers in the different provinces had money not only to give to what has been now coined and what I very freely mentioned in the Bengal Council as the nation-building departments, but also to play with a little money now and then. What is more, I think it is essential that if provincial autonomy is ever to be achieved in India in the sense that it is so often advocated, a sound financial condition of the provinces is an essentiality which none can deny, and I hope and trust that when the time comes for the Government of India to consider what they are going to do about the contributions that they had been receiving from Bengal, which is in a state of suspended animation for the moment, that it will like the cotton excise duty be abolished and never thought of again, and that other provinces will be fortunate in the same way so that the provinces may have no grousing, and the provinces who may be so fortunate may be able to carry on their work of construction and expansion with enough money in the hands of their different Finance Members.

Turning now to the speech of the Honourable the Finance Member in the Assembly, and not having in front of me the admirable speech of the Honourable Mr. McWatters and not being able to do full justice to it, I should like to make a short reference to the proposed Archæological Fund. It is a subject which fascinates me; it is a subject, Sir, in which my mind is always saturated, and I should like to see in this country more of my Indian brethren taking an interest in archæology. India is not only rich in archæological treasures, but there is a great deal of exploration yet to be done to link the open history of India with its hidden history which up to now civilization has been deprived of and humanity has not known. Whilst, therefore, I welcome the proposal for the utilisation of 50 lakhs of this year's surplus for the formation of an Indian Archæological Fund, I should like to draw the attention of my friend opposite that the amount that is spent under the head "archæology," which is given at page 238 of the Blue-book "Conservation of ancient monuments", may in future years with future prosperity Budgets be put on a sounder basis than at present.

12 NOON. I have no complaint to make of the excellent way in which the Archæological Department conserve these monuments. What I often find is that whereas the Archæological Department conserve the monuments themselves, the gardens in some places where these monuments are situated are very often managed by either municipal bodies or Provincial Governments. I should like the whole of this question to be examined, for the art of Moghul gardening is perhaps more or less a lost one. Amidst the surroundings of old Moghul buildings or those of a more ancient period, I should like to see the revival of the gardening of that period also taken up. It may be said that gardening is not Archæology. I admit it is not in the real sense of the term. But what I feel is that in our work of conservation, which has not only a historic value but also an educative value, in our desire to show what the arts were and what has been partly lost and can partly again be revived by Indian hands, I think that Indian architecture and Indian gardening or samples of it should go hand in hand. My main object in drawing the attention of the Finance Department to this is that in the same way as they have found it

essential to bring into existence an Indian Archæological Fund they may be able to concentrate their activities to bring the work of conservation more into line.

Sir, on an occasion like this, I know from experience that the Chair gives not only elasticity but indulgence to speakers to travel over a wide field of subjects, and whilst I am in entire agreement with my old and Honourable friend—I do not mean old in age, because he is growing younger every day—the Honourable Nawab Sir Umar Hayat Khan regarding the necessity of maintaining an efficient Army and therefore considering carefully the question of either reducing its strength or cutting down the figures to any great extent, I am sorry that he should have touched, even though slightly, on a communal question, because being an Army man himself, he must realise that in discussing a Budget, the communal question should not arise. If the question has to arise, if the question has to come regarding the protection of minorities, the best way is to advocate more money for the education of those minorities and not by taking a stand behind another power or saying that that power and the Muhammadans together can make a bold stand against the majority. Hindus and Muhammadans are brothers. The sooner they realise that, the better it is for the Empire, the better for their growth, the better for the reforms, and the better for the future constitution of India.

THE HONOURABLE SIR C. SANKARAN NAIR (Madras: Non-Muham-  
madan): Sir, it might look ungracious, after what the Honourable the Finance Member has said about the provincial contribution, after his candid acknowledgment that he would not defend the justice of it, and after the grant of Rs. 57 lakhs to Madras, for me to stand up here and to say anything about it which perhaps may not be quite acceptable to him. But I have to do it considering the intensity of the feeling in my own Presidency on that matter. The commercial community as represented by the Chamber of Commerce, the Legislative Council in so far as it represents the people, and public meetings of various Associations have all protested to the Government of India against the treatment which we in the Madras Presidency have received. I would like to voice that feeling here; I have to say that I sympathise with it absolutely. I wish the Finance Member had seen his way to render us further help in this matter. I will not go back to the history of the matter. Those who are inclined to do so will find it in a pamphlet headed "The Milch Cow of India" published by the Chief Minister of Madras, the contents showing that he spoke on behalf of the Government of Madras. The question is also referred to in the recent Report of the Indian Taxation Inquiry Committee, and the Finance Member has promised in his speech that he will consider the whole question. Well, Sir, I would just like to explain what I have to say in this Council. The Council is aware that when the finances were separated between Imperial and Provincial, it was found necessary to ask the Provinces to contribute to make up the deficit of the Imperial finances. The Committee that was appointed to inquire into this matter—the Meston Committee—said that the proper contribution which the Madras Presidency ought to make towards meeting the Imperial deficit is 17 per cent. Now, look at the result? If we contributed at that rate, the amount that we could have been called upon to pay from 1921-22 to 1926-27 would have been 822 lakhs. What in fact the India Government have extorted from us is the sum of 1,781 lakhs. That is, they have taken from us 959 lakhs more than what they should justly have taken from us. That is what they have done. How have they done it, what is the

[Sir C. Sankaran Nair.]

justification, what is to be their attitude in future, and what should they have done in the present year are all questions which we have to look into. Lord Meston's Committee having said that this was the proper contribution from Madras, went on to say, that Madras might well be asked to contribute at certain varying higher rates. They went on to say that Madras might well be asked to contribute at 35½ per cent. in the first year, 32½ per cent. in the second year and 3rd year 29 per cent.; 4th year 26½ per cent.; 5th year 23 per cent.; 6th year 20 per cent.; in the seventh year the normal or the just rate of 17 per cent. At that rate even Madras would have paid till now only Rs. 1,411 lakhs. Now note that difference. The Committee says what the just rate is and you are taking Rs. 959 lakhs more. The Committee says that Madras might contribute more, that is, Rs. 1,411 lakhs, and yet over Rs. 300 lakhs and odd more is taken from us. That requires some explanation. Now, the Secretary of State and the Joint Committee did not accept the recommendations of the Meston Committee. But what they did was this. They got rid of this progressive reduction in our contribution and instead of that they said that the Government of India should get rid of it as early as possible. These are the words:

"They emphasise the intention that the contributions from the provinces to the Central Government should cease at the earliest possible moment."

And they laid the responsibility of doing that upon the Government of India. Let us pause for a moment to consider what this means. When you ask the Government of India in those circumstances to take steps to get rid of the provincial contributions as soon as possible, what I think it plainly means—these words give a statutory power to the Government of India and thereby impose a statutory obligation. Take all possible steps which you can take for that purpose, that is to say, give up all avoidable expenditure. Give up expenditure of this kind for instance, so many lakhs to this University, so many lakhs to that University, and so on. You must get rid of all that sort of thing because our contribution is not to go towards expenditure on those Universities. We want it all for our own education in Madras. All that sort of thing should go. All items of avoidable expenditure should go. But that is not what the Government of India have done. In spite of the statutory obligation laid upon them the first thing they did was to raise the percentage of the contribution of Madras, that is to say, by reducing the deficit of the Government of India from 983 to 920 lakhs, by remission to Bengal of 63 lakhs they in fact increased the contribution from 32 and odd per cent. to something more, because whereas they should have taken from us in the first year Rs. 326 lakhs taking the deficit to be what it really was 920, they actually levied Rs. 348 lakhs, i.e., 35½ per cent. of the deficit 983 lakhs. Now, that course of iniquitous conduct, so far as we in Madras are concerned, has been persisted in up to date and even at the present time. With respect to the statutory obligation what have the Government done? The Government have disregarded it. My Honourable friend, the Finance Member, as representing the Government of India goes to the Legislative Assembly and the Council of State and tells them, "What would you have? Would you like to have the cotton excise duty abolished or would you like to get rid of these provincial contributions as far as possible?" That is not, I submit, what he should have done? That is

shirking his duty. The Devolution Rules impose a statutory obligation on him, leave it to him to determine what he should do. The Members of the Executive Council and the Viceroy should settle it. They are to decide what the contribution should be. They are to decide what Madras should pay and they were not right to go to the Legislative Assembly or to anybody else and ask them to choose between the abolition of the cotton excise duty and the reduction of the provincial contributions. The moment they began to reduce provincial contributions, the first thing they did was to abolish altogether Bengal's contribution. I do not complain of it. Long long ago, I believe in the seventies and eighties it was Sir Henry Cunningham who said that Madras was being fleeced to benefit Bengal. We are accustomed to it. However, once a bargain was made as a matter of right constitutional practice Madras should have been consulted before the abolition of the Bengal contribution. The Government of India did not do that but went on abolishing the Bengal contribution altogether and thereby enhanced the contribution from Madras without asking Madras what they had to say. The Madras Government sent up their protest by telegram, the Madras Legislative Council protested against it. Without their knowledge, without their knowing anything about it, the Government of India altered the rules altogether and said that Bengal had not got to pay anything at all. We had to submit to everything. But we ask that at least for the present and future years we may not be so treated. This year when I left Madras I found that the Madras Government had schemes, urgent schemes which required a very large sum of money, something like Rs. 84 lakhs. We have been working at a deficit all these years from 1921 up till now, except in one year when the Government of India gave us Rs. 125 lakhs. We want now Rs. 84 lakhs. I find in the budget speech of the Finance Member of Madras, a copy of which I got to-day, that utilising the Rs. 57 lakhs which they get they still have to borrow something like Rs. 20 lakhs. I am not sure how that is made up. I know that they wanted something like Rs. 84 lakhs for schemes that cannot be put off. I would like to refer the Council, and the Finance Member in particular, to the nature of the expenditure which the Madras Government have to undergo in order that they might realize the seriousness of the situation. I will read only one item for the purpose of explanation and then the House will see what they are like. I take the item of irrigation works. Many of these works were neglected in past years because the Government of India were taking away the money which should have been left with us. The result was that the recent floods and cyclones necessitated large expenditure on new works and on the restoration of old ones. It is a case of bad economy. In Madras these irrigation works are destroyed by floods and they get out of repair. The ryots have to suffer on that account, because floods are common in that part of the country. The result is that we have to spend more money and the ryots are put to much suffering. The expenditure on the flood damage alone amounted to 25 lakhs in 1924-25 and in the present year it is estimated at 12 lakhs. In 1926-27 there is a demand for 8 lakhs for the repair of flood damages and for maintaining these irrigation works. That will show the nature of the task before the Madras Government, and that will also show that if the work is not carried out it will result in irreparable injury to the province. In public works the case is the same. Hospitals and schools are suffering. I could give you my practical proposal for this year. You are constituting a permanent fund of 50 lakhs for Archaeology. You have first to meet destitution and think of these matters

[Sir C. Sankaran Nair.]

afterwards. The Archæological Department do not want any definite sum of money to carry out their works this year and we are suffering so much for want of money. As I said, our schools and hospitals and buildings are suffering. We have to build public offices and that requires money. For public health we want money. Give us as much as you can. For development we want more money. For education we can use any amount that comes to us. So I would ask the Finance Member now to divert to Madras that which you are giving for Archæology. You have been doing a grave injustice for the last seven years. The least I can ask of you is to do justice, bare justice and give us something, anything in addition, towards the debt we have to incur this year.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadian): Sir, before I deal with the Budget proper, I shall congratulate the Government on their wisdom to see their way to abolish the obnoxious cotton excise duty which was a source of widespread irritation and discontent. The abolition of the duty was long overdue and we really wonder why the Finance Member did not find it expedient to advise its removal, when, last year in August, a Deputation of the Bombay and Ahmedabad Millowners' Association waited on His Excellency the Viceroy. We were then told that the Government could not do anything in the matter at that time of year and yet, within three months, came the announcement of the death-knell of the duty—a striking illustration of the mentality typical of the officials of this country. However late, we congratulate the Government of Lord Reading on having righted a great wrong and thus cleaned the slate for ever. While on this subject, Sir Basil Blackett, in reply to one of the criticisms on the Budget from Bombay, said that Bombay secures the benefit of the repeal of the excise duty. May I ask the Honourable Member if it is Bombay alone that gets the benefit, or does the benefit not extend to the consumers of Indian made cloth all over the country?

I congratulate the Finance Department on presenting a well-balanced surplus Budget. The surplus enables Government to provide for the remission of provincial contributions; but it comes to us as a surprise, that in spite of the fact that Bombay has to face a deficit of 60 lakhs in her Budget, the Central Government have not felt it proper to grant her any relief. Bombay has been clamouring for the revision of the Meston Award, but its voice has fallen on deaf ears. Other provinces, which contribute far less to the Central Government in income-tax than Bombay, receive some measure of relief, while Bombay has been deliberately excluded. I cannot pass over this subject without raising a strong protest against the attitude of the Finance Department, of calculated injustice to a province which contributes more than any other province, directly and indirectly, to the Central Government.

The military expenditure calls for some remarks. In spite of its gradual decrease, the condition of the country does not warrant the present figure of expenditure, and serious efforts, which are bound to prove successful, should be made to further reduce it by at least ten crores.

As for Posts and Telegraphs, we should have liked to see the postage on postcards and the letters restored to the pre-war rates. I suggest that the sum of 50 lakhs set aside for the Archæological Fund should be

utilized for the reduction of the postal rates to quarter anna for the post-card, and half an anna for letters. Our archæological research work could very easily wait till a more prosperous time. I trust that it is not too late even now for the Government to realize the necessity of this step so as to afford relief to the poor. The Postal Department shows a profit in its working, and there is no reason why both the card and the letter should not be cheapened. I should also strongly recommend the separation of the Postal from the Telegraph accounts so that each Department might be stimulated to show better results, and pay its own way. As it is, the Postal Department is working at a profit and the Telegraph Department secures that profit, which ought rightly to be utilized towards the reduction of the postal rates.

A plea has been advanced, in another place and also here that the burden of taxation might be lightened by the reduction of the customs duties on such articles, as clothing, motor cars, tinned foods and patent medicines. If by "clothing", is meant, "ready-made clothing", I wonder how many poor Indians, for whom relief was sought, use that sort of garment or tinned foods; but if "textile cloth" is meant, then I say that very few so-called poor buy the costly imported material. It is the rich who use this fine stuff, and they can well afford to pay the extra duty needed for the revenues. Motor cars are luxuries and as such are rightly taxed. They are undoubtedly a saving in time and money, and those who are able to effect such saving must bear the tax however heavy it may be, because it is not a recurrent tax, but paid only once.

I will now close my remarks, but not without a word of praise for Sir Basil Blackett, to whom it is that we owe the stoppage of the deficits, which during the five years from 1918-19 to 1922-23, amounted to the alarming figure of 98 crores. We also appreciate and welcome the scheme of debt redemption introduced by him. This country is grateful to him for his prudent and careful management of her finances, and this is the fourth year in succession that the working of each year has showed a surplus, and I must say that we owe it all to the able and popular stewardship of Sir Basil Blackett, who may legitimately feel proud of his achievement.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, before I discuss the Budget I should like to congratulate the Honourable Mr. WacWatters, who the other day gave a very lucid exposition of the financial stewardship of Sir Basil Blackett. He will be very soon leaving us but I hope, Sir, his absence will be only temporary. I hope he will come back to the Government of India, the Government which he has served so well and for so many years. (Applause.) My Honourable friend Sir Arthur Froom and the Honourable Maharajadhiraja Bahadur of Burdwan have spoken on behalf of commerce and on behalf of the land-owning classes; but I wish to voice the voice of the layman. To me the Budget has three striking features. First, Sir, is the surplus; second and the most important is the ways and means position and thirdly the cash certificates. I am sorry, Sir, I cannot congratulate Sir Basil Blackett on his surplus. He has had a surplus for 4 years. This is the fourth surplus Budget, and I am glad, glad for his sake as well as for the sake of the country, that he is having what are known as fat years. It was Sir Guy Fleetwood Wilson who told us that India passes through a series of lean years and a series of fat years. We are now having fat years and perhaps—I hope not—

[Mr. K. C. Roy.]

the lean years are in prospect. This year though trade has been suffering from depression Sir Basil Blackett has got a surplus and has exercised a wise discretion in the disposal of his surplus. But, Sir, I am grateful to him, more than grateful to him, for the admirable way he has handled the ways and means. It is here that you find the master mind. He is looking decades ahead, and is laying the foundations of a sound financial structure so essential for the success of our constitution. He has made progress in lowering our unproductive debt. He is lowering our interest charges and he is trying to secure for us a credit which India has never attained before, so that she may be able to borrow at lesser and lesser rates of interest. But I join my friend the Honourable Raja Nawab Ali Khan in entering a protest against the scheme for making postal cash certificates less productive to the investor than they are. It is Sir Basil Blackett who conceived this great idea of bringing the poor investor within reach of a gilt-edged security. That was well done, marvellously done. But what does he propose to do now? He wants to take away the attractive features and give them lower terms. Is he right? What has he done for the village investor? Has he undertaken the extension of co-operative banks, banking societies, postal savings banks in remote parts in rural area? And if he does take it away, what will be the inevitable result? The small investor will go to the village market and lend his money on short term. Tradesmen will set up a small business and no sooner has he done so the money might be withdrawn; the capital will have gone and the trade is gone. Sir, that is the position. I therefore appeal to him not to really take away the privilege that he has given to the poor man in the post office cash certificate. He gave us a somewhat similar threat two years ago but he did not carry it out. I hope, Sir, he will not do so this year.

If you will permit me, Sir, I will now turn to the grant for what is known as General Administration. I will say a few words on the Executive Council. I will not say that we should turn down the vote for the Executive Council. My complaint is, Sir, that the Executive Council is too small for a great country like India. In no country in the world, Sir, is there an Executive Council or Cabinet of six. Even in Newfoundland, which is a small British Dominion, there is a Cabinet of seven. But here for one-fifth of the human race we have six men, the advisers of the Governor General. It is a sight for the gods. (Laughter.) And, Sir, what is the amount you have provided for them, for their travelling? Only Rs. 60,000. I do not consider that enough. So long as Members of the Executive Council are responsible for administering all Central subjects in the provinces, they ought to tour very largely. And I know, Sir, from personal experience that the tours of Members of the Executive Council have been productive of great good to the country and to the Government of India. The visits of Sir Basil Blackett and Sir Charles Innes to commercial centres and of the Honourable the Home Member to the Andamans during the last year have been very valuable indeed.

Now, Sir, I come to the provision for legislative bodies. I am gratified to find that there is no provision for the separation of the legislative bodies from the Legislative Department of the Government of India. I do not think, Sir, that the time has come for such a change. That change ought to be kept pending till the Statutory Commission comes out, and I hope, Sir, that the Statutory Commission will come out to India next cold weather. There is a misapprehension in the minds of some as to the functions of the

Legislature and of the Government. The Council exists for the Government; the President also exists for the Government. He is not a judge or an arbitrator between the Government and the representatives of the people. On the other hand it is the function of the Legislature to support the administration. Let us have complete unity between the Legislature and the Government and let us have no separation.

Sir, I now turn to the Demand of the Foreign Department. If I were in the Legislative Assembly I should move a reduction of one rupee with a view to inviting them to review the situation in the North-West Frontier Province. I hope, Sir, you will allow me to make some remarks on the administration in that province. The other day in another place my friends there were busy with the question of reforms for the North-West Frontier Province. Does the province deserve any reform? It has been a question to me which I have not been able to answer. What do you find in that province? The normal law does not apply. There you have the Crimes Regulation; there you have wild tribes on the borders; there you have raids nearly every day; life and property are unsafe; and there you have a Committee recommending the establishment of responsible Government. Only last evening, Sir, as I was looking over the telegrams of the day; I found a telegram regarding a big raid in the North-West Frontier Province. Is that a province where you can try responsible institutions? What you ought to do, Sir, is to transfer the control of the North-West Frontier Province from the control of the Foreign Office to our Home Department. Let us establish a normal civil Government first with a small civil service on the lines of the Government of Assam, and let us administer the province not solely in the interests of external relations of frontier affairs, but mainly in the interests of the province itself. Then, Sir, will be the time for you to consider whether you ought to have responsible government in the North-West Frontier Province. To me it is not a Muhammadan or a Hindu question; to me it is a question of the success or failure of the reforms, and I am sure, Sir, that if you will try the experiment there, failure is writ large across the scheme.

Sir, I now come to the Home Department; I have a great complaint against that. While, Sir, Bengal pays for the cost of the High Court there, it is the Home Department here which administers it. I am very sorry I said "the Home Department", it is the Governor General in Council. It is, Sir, an anomaly and should be wiped out, not completely wiped out in the direction in which some of my friends desire it but it should be wiped out in a very different way. It was many years ago that an esteemed gentleman of Madras suggested that all the High Courts should be brought under the direct control of the Government of India, and I am here, Sir, to support that proposition. The High Courts should be all brought under the control of the Government of India. Only the other day, Sir, when there was excitement over certain police cases in the United Provinces, two members belonging to the legal profession came to me and brought long interviews for publication. They said, "Here are innocent men dragged before the Court". I said, "Why not go to the High Court". They said, "Oh, our High Court? There is only one High Court in India, the Calcutta High Court. The Allahabad High Court is only a superior Magistrate's Court". I said, "I am not going to hear all these things, you must go to the High Court first and then come to me, and then I shall see what I can do". Sir, you cannot allow the reputation of the High Court to be impaired. Sir, while the tendency will be for you to encourage provincial autonomy, the autonomy of the Executive Governments in the Provinces, it is



[Mr. K. C. Roy.]

better that the supreme judiciary in the land should be brought under the control of the Governor General in Council. Then, again, Sir, I have another complaint against the Honourable Mr. Crerar. Three years ago, my friend, Diwan Bahadur T. Rangachariar, made a motion that the recruitment of Chief Justices of High Courts should not be confined to those who were barristers but should be extended to those who were Vakils or Advocates. I hope, Sir, that Mr. Crerar will be able to tell us something about it in the near future. Then with regard to the question of the separation of judicial and executive functions, it was only the other day that Mr. Crerar said that he was not yet in a position to say when that question will be taken up. Sir, we must move on, and it is no use sitting over the question. We must move on. I cannot here support partial separation but complete separation.

Then, Sir, the Legislative Department comes next. Here, the Legislative Department is in charge of the League of Nations and other international courts. At least a friend of mine who went as delegate from India told me that he had received no instructions. I think the position was very curious, and I think the time has come when you ought to have a small compact secretariat attached to the Legislative Department to deal with the League of Nations and other cognate bodies. Sir, I must say we belonging to the press have received manifold assistance from various officers of the Legislative Department. They do us well, and I am here publicly to acknowledge it.

Then comes, Sir, the Department of Education, and I see my Honourable friend Sir Muhammad Habibullah is already smiling. I have no quarrel with him at all; on the contrary I welcome his generous effort to put our archæology on a firm and solid foundation under a body of men capable of administering it far away from the trammels and interference of the Executive Government and administrative bodies. This is what has been done in all civilized countries, and I am glad, Sir, that he and Sir Basil Blackett have been able to do that. But, Sir, I am not so unduly enamoured of archæology as my friend, the Honourable the Maharajah Bahadur of Burdwan. I love the past, but I live for the present. I cherish the undying glory of India in archæology, but, Sir, when I see my poor countrymen suffering from malarial fever, tuberculosis and other curative and preventible diseases, I must urge that the time has come when there should be funds supplied to tackle these in the first instance. You, Sir, know it as our Chairman how cordially I welcomed the foundation of the Indian Branch of the British Empire Leprosy Relief Association, and how I did my best so far as publicity was concerned all over India. But to-day, Sir, may I suggest to Sir Basil Blackett and to Sir Muhammad Habibullah to allot more funds on the same basis as the Archæological Trust for the prevention and cure of diseases. I am sorry, Sir, my Honourable friend Sir Charles MacWatt is not present in the House, but I know that they have a very small body called the Research Fund Association,—but that is nothing. You are only tinkering with the problem. I am sorry my friend, the Honourable Rao Sahib Dr. Rama Rau, has taken a vow of silence, otherwise he would have told us all about kala-azar and many other diseases which are really causing such havoc in India. Then, Sir, I saw perhaps to the best of my recollection a proposal to revive the post of Deputy Commissioner of Public Health and I think it is my duty to enter a timely protest. I think it will be a real waste of public funds to create it.

Sir, as regards the Finance Department, over which my Honourable friend Sir Basil Blackett presides, I have practically nothing to say but to acknowledge the way in which he has really utilized Indian talent for the development of his Department. At the same time a word of caution would not be out of place. I think, Sir, he is enlarging the Audit Department far too much, and I have some practical experience of this. I do not think their audit is very useful. They do not produce a balance sheet, they do not verify the bank books; they just come and do their work for a few months and go away and there is just some objection raised by them which has not been done by their predecessors. That audit is lifeless and illusory, and I have heard, Sir, that there is an idea of reviving the office of the Controller of Civil Accounts. All I say, Sir, is that it would be useless. It was rightly axed by the Inchcape Committee.

THE HONOURABLE THE PRESIDENT: Would the Honourable Member kindly raise his voice a little. So far as I am concerned, the last half of every sentence that he speaks is lost because the Honourable Member drops his voice and lowers his head; and I doubt very much if any Member in the Council is able to hear more than a half of the Honourable Member's speech.

THE HONOURABLE MR. K. C. ROY: I am very sorry, Sir, that His Excellency is not present here to-day. I listened with very great admiration to the speech he made the other day. He said that neither Lord Rawlinson nor himself could give a guarantee that the army expenditure would go down to the minimum prescribed by the Inchcape Committee. Well, Sir, the standard strength of the Army must be maintained; there is no doubt about that, the standard of efficiency of the army must be kept up; but, Sir, there should be real and genuine efforts to cut down the expenditure on the Army, and that could only be secured by abolishing the present system and by establishing an Army Council for India.

THE HONOURABLE THE PRESIDENT: I really could not hear what the Honourable Member proposed to abolish; I should be so grateful if he would not drop his voice at the end of his sentence.

THE HONOURABLE MR. K. C. ROY: All I say, Sir, is that the time has come when there should be an effort to establish an Army Council for India; and when that is done, there will be men, particularly civilians, who will be able to grapple with the problems in such a way as to secure the economical use of army funds.

Sir, as regards the Department of Labour and Industries I have one suggestion to make. Since the retirement of Sir St. John Gebbie no Consulting Engineer to the Government of India was appointed. The time has come when the appointment should be filled, and, if that appointment is not filled, at least a Board of Irrigation ought to be constituted. Sir, I am very grateful to you for giving me such a long time and a patient hearing. I have made these suggestions fully conscious that I am a mere amateur, but all the same I place these suggestions before the Government of India for their consideration.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to congratulate the Honourable Sir Basil Blackett on his surplus Budget. I am grateful to Government for the abolition of the cotton excise duties and also for reducing the provincial contributions. I do not regard the Budget as quite satisfactory. As far



[Lala Ram Saran Das.]

as I can see, Sir, the surplus is not 305 lakhs, but 576 lakhs. I say that, Sir, because in case the Railway Budget had not been separated, our surplus would have been 576 lakhs and so we expected from the Finance Member that we should be treated as regards remissions in taxation as if our surplus balance was 576 lakhs. In the year 1921-22 the deficit of Railways was 9½ crores. Now, it is a matter of pleasure that the Railways have made up a reserve of 10 crores. In passing I might remark that since the Railway Budget was separated from the General Budget there has been a distinct and clear change of policy of Government in the Railway Department in the matter of treatment of both these Houses of the Legislature in regard to questions. I deplore the change. Now replies to questions are evaded and both Houses are sometimes told to approach the Advisory Committee of Railways with which the questions are concerned.

I cannot understand, Sir, why Rs. 50 lakhs have been given away for funding the Archaeological Department. In case an ordinary grant or a recurring grant of Rs. 3 lakhs (an amount equivalent to the interest on 50 lakhs) had been given, we could have utilised this amount for other useful purposes as suggested by my Honourable friend Mr. K. C. Roy.

I am sorry, Sir, that military expenditure is still high. It ought to be brought down to 50 crores as was recommended by the Inchoape Committee. I see, Sir, that 54 crores and 58 lakhs have been budgeted for the military expenditure. I shall be obliged if the Honourable the Finance Member will tell us whether this sum includes 174 lakhs, the loss on strategic lines. If it does not, this sum added to 54 crores and 88 lakhs makes a total of 56 crores and 62 lakhs of military expenditure. It is a matter for regret that so far Government have not been able to inform this House as to the result of the deputation of the Honourable Sir Bhupendra Nath Mitra to England to reconcile war accounts and to fight our claims. The Honourable the Finance Member in his speech says:

"Negotiations for the settlement of these latter have been vigorously pursued during the year. The issues are complicated, and I am not yet in a position to announce the final outcome."

It is a pity, Sir, that notwithstanding so many years having passed, the Houses of the Legislature have not yet been informed of the results of the negotiations that have been going on. On page 27 of the Explanatory Memorandum by the Finance Secretary I find that an item of Rs. 1,32,000 has been transferred from the military to the civil estimates, the details of which are Rs. 48,000 on account of the establishment of the Deputy Financial Adviser, Royal Air Force, Rs. 40,000 for the establishment of the budget section and Rs. 49,000 for the charges for the Nepal Escort. I should like the Finance Secretary to explain why this item has been transferred from the military to the civil. Last year 7 crores were spent upon operations in the North-West Frontier Province. This year there have been no such operations and so we expected that there would be a decrease of at least 8 crores in the military Budget.

As regards the Indianization of the army, it has been going on at a snail's pace. It is a matter to be deplored. I am sorry that His Excellency the Commander-in-Chief is not here, as he might perhaps have given his views in this matter as to how soon he wants to remove this real grievance of the

Indians. It is a matter of sorrow to find, Sir, that, notwithstanding the Indian aspirations, no commissions have been so far allowed to them in the Royal Air Force, Royal Artillery, Royal Engineers, Armoured Cars, and so on. I hope the Government will give their due attention to this matter and allow Indians to be admitted into these Corps.

Last year I raised a protest, Sir, that the burden of the cost of the Kabul Legation should not be borne by India. I told this House that Canada does not bear the cost of its Legation at Washington. But I am sorry to find, Sir, that, instead of India being relieved of this burden, a provision in the Budget for Rs. 4,64,000 has been made for the extra buildings for the Kabul Legation. Last year 8 lakhs were budgeted for and with the addition of Rs. 4,64,000 this year, it means a burden of Rs. 12,64,000 unnecessarily on India.

We expected, Sir, that the Government would reduce the rates of postage, particularly on postcards and envelopes. I hope that attention will be paid to this subject. I differ from Mr. K. C. Roy, so far as his remarks on post office cash certificates are concerned. As far as I have been able to make out, the high rate of interest on post office cash certificates does adversely affect Indian banking.

I expected, Sir, that there would be some reduction in the import duty on motor lorries and cars and on agricultural machinery. I also expected that the excise duty on petrol would be abolished. This excise duty on petrol, Sir, is another notorious duty which ought to be immediately removed for it is a matter of great surprise and sorrow to find that Indian petrol is being sold cheaper in England than it is in India, the land of its production.

I fully agree with the remarks that have fallen from Mr. K. C. Roy as regards the question of giving of Reforms to the North-West Frontier Province. In my opinion that province, having regard to its present conditions, is unfit to have any such Reforms.

I am sorry to see, Sir, that big canal projects in the Punjab are being held up because there is a dispute about the water supply in the rivers between the Punjab and the Bombay Governments. As far as my information goes, two eminent engineers have declared that after taking the full supply for the Havelian and Thal Projects in the Punjab there will be more than enough water left at Sukkur for the Sukkur Barrage Project. The Havelian project is a very much smaller project and should not be delayed. I wish the Government of India would make prompt inquiries and if they find that the water in the river is ample enough to meet all the demands of the present Sukkur Barrage, the schemes should not be held up any longer as the Punjab needs these projects.

One word more, Sir, and I have done, and that is that we should have a fund for the extinction of curable diseases. The Honourable Mr. K. C. Roy has rightly spoken about this, and instead of having a fund for archaeological research we should have a fund for the benefits just mentioned of living persons. With these few remarks I beg to close.

THE HONOURABLE MR. R. D. MORARJI (Bombay: Non-Muhammadan): Sir, owing to circumstances of an unusual nature the general discussion of the Budget in this House to-day has a freshness which it probably lacked in previous years. In offering a few observations on the Budget for the

[Mr. R. D. Morarji.]

forthcoming year, it is only fair to acknowledge that it is in some respects more satisfactory than any presented since the inauguration of the Reforms. Military expenditure has been reduced by over a crore and is steadily, if slowly, coming down to the figure prescribed by the Inchcape Committee. Connected as I am intimately with the mill industry in Bombay, I cannot but hail with deep satisfaction the repeal of the cotton excise duty, the source of so much economic and political discontent for many decades. The institution of an Indian Archaeological Fund, I personally welcome as I feel a just pride in the past of my country and her glorious achievements. But as a representative of Bombay, it is not possible for me to express the same sense of unqualified pleasure at the further remission of contributions to certain Provinces. Our grievance has been brought up before the Government of India ever since the Meston Committee made its inequitable reward, and there is little to be said on this subject that is new to the Honourable the Finance Secretary. There is, however, one point that I would bring to his notice. While a majority of the Provinces have had the good fortune of being able, with the Government of India, to balance their Budgets for the forthcoming year without recourse to fresh taxation, Bombay is still struggling with a deficit. I refuse to believe that, with estimates which no one will accuse of being extravagantly framed, the Government of India cannot afford relief to Bombay even within its present resources. This I submit, Sir, will not be generosity; it will not even be bare justice. For Bombay will continue to press, not only for a wiping off of the whole system of provincial contributions, but for a revision of a settlement which deprives her of her most remunerative source of revenue, namely, income-tax. I will not dwell more on this point, because it will be heard later when the Report of the Taxation Committee comes up for discussion.

Turning now to military expenditure, what do we find? Credit is assumed for a reduction which His Excellency the Commander-in-Chief declared in another place last week is over Rs. 82 crores in five years. I shall not deny, Sir, that appreciable efforts have been made to bring down the terrible price which India is compelled to pay for her defence. But is it necessary to resort to so absurd an argument that because special circumstances beyond the Frontier necessitated the extra expenditure of Rs. 20 crores in a particular year, therefore it should be regarded as a standard for comparison in later years? Do the Army authorities seriously suggest that war is a normal feature of any military policy? Instead of looking to 87 crores as the starting point for their calculations of reasonable expenditure, they would do better, in my opinion, to look a little further back, to the pre-war year when the total expenditure on the Army in 1913-1914, was less than Rs. 30 crores. This longer vision would afford them a greater incentive to economy than the self-righteous attitude which they are cultivating at the present moment. A great deal too much has been urged in favour of the theory of the efficiency of the Army, and adequate insurance against aggression and civil disturbance. But, there is no greater menace than that created by an inordinately high level of taxation breeding discontent and creating the very atmosphere which it is the professed aim of an army to dispel. Much insistence has also been laid, I observe, on the condition attached by the Inchcape Committee regarding a further fall in prices to the goal set for the Army authorities of a maximum expenditure of 50 crores a year. But it might be helpful perhaps to remind

His Excellency the Commander-in-Chief that the Committee went on to observe:

"Even this is more, in our opinion, than the tax-payer should be called upon to pay, and though revenue may increase through a revival of trade, there would, we think, still be no justification for not keeping a strict eye on military expenditure with a view to further reduction."

That point, Sir, needs stressing, because looking at the estimates for 1926-1927, and comparing them with the budget estimates of 1922, to which the Inchcape axe had not been applied, I am not sure that there has not been some laxity in the control of military expenditure. To take a few items only, I find in the Inchcape Committee's Report while the budget estimate for 1922-23 for Army Headquarters, Staff of Commands, etc., was 183 lakhs, in the statement presented this year it is 216 lakhs. Does that show that the recommendations of the Committee have been carried out? Similarly, while the estimate for educational establishments, etc., in 1922-23 was Rs. 110 lakhs, this year it exceeds Rs. 148 lakhs. Those and other items of a similar nature give rise to the inevitable suspicion that the spirit of economy has fled from Army Headquarters. The Inchcape Committee recommended the closing down of a number of hospitals in order to reduce expenditure. While I gladly grant that expenditure has been brought down on medical services and hospitals, I should like to know what is the existing proportion of beds to patients for British and Indian troops, and to what extent the recommendations of the Committee have been carried out.

There is one point which I think is of particular interest to the House. In the budget statement, reference is made to an expert committee of inquiry into the question of stores held by the Army. It seems incredible that the figures placed before the Inchcape Committee as to the amount of the Ordnance Stores held in stock varied from the actuals by Rs. 7 crores, and that this fact was discovered only some years after the Inchcape Committee had reported. I wonder if such a mistake would have been possible in a country where the Army Department is responsible to the Legislature, or what the fate of those in charge of the Department would have been on the discovery of such an error. I do not think this House can regard with any satisfaction the appointment of an expert committee of inquiry unless it includes a strong non-official element. Nor do I think the prospect held out of a possible further reduction of military expenditure as a result of this inquiry adequate compensation for the heavy financial loss inflicted on this country. Surplus stores, according to the Inchcape Committee, worth about Rs. 50 lakhs were expected to realise only 9 lakhs. It would be interesting to the House to know whether in the clearance of superfluous stock the loss is always as heavy as is indicated in the report.

His Excellency the Commander-in-Chief in his speech last week seemed to suggest that an appreciable fall in military expenditure should not be expected without a further fall in prices. The whole question seems to me to be not so much a matter of rise or fall in prices, but of the rate of Indianisation of the Army. I do not think that the cost of living has changed very much since the Inchcape Committee made its investigations. I find, Sir, that in Appendix A of that report figures are given to indicate the increase in the cost of British and Indian troops, respectively, from 1913-14 to 1922-23. While the number of British troops had fallen from 80,000 to about 76,000 its cost had risen from Rs. 8.17 lakhs to Rs. 18.55 lakhs or an increase of roughly 250 per cent. During the same period, while the number of Indian troops had increased from about 157,000 to

[Mr. R. D. Morarji.]

about 171,000, the cost had risen from 409 lakhs to 604 lakhs, or, an increase of less than 50 per cent. I need not elaborate the point made out by this comparison. Whatever the justification for increasing the cost of British troops so enormously in excess of that of Indian troops, the remedy lies obviously in a rapid Indianisation of Defence. It was the late Prime Minister of England, Mr. Ramsay Macdonald, who declared:

"A self-governing India would no doubt insist upon bearing some definite share in defence, but like the Dominions, it would settle how much it ought to bear: it would adjust the cost to its means, and it would decide in what form it was to make its contribution—perhaps an Indian recruited Army. In any event, the present plan, by which India pays for the Imperial Army stationed there without in any way determining policy, is as bad as it can be. If the existing system of military defence is to last, the whole cost of the British Army stationed in India should be borne by the Imperial Exchequer."

Lord Winterton not very long ago made a statement that there would be no interference from the India Office in matters in which the Government of India agreed with the military authorities in India. Sir, I ask whether that statement is borne out by facts. I may remind the House that so long ago as 1921 a Resolution was passed in the Legislative Assembly, with the concurrence, I may add, of the Government of India, that Indians should be admitted freely to all arms of His Majesty's military, naval, air forces in India, the ancillary services and the auxiliary forces; and, further that in nominating candidates for the entrance examination for Sandhurst, unofficial Indians should be associated with the nominating authority. It was also laid down that not less than 25 per cent. of the King's Commissions granted every year should be given to Indians. Has effect been given to these recommendations? Is it not a fact that in the Artillery, in the Air Force, in the Signal Corps, the Tank Corps there are no Indians holding commissioned rank? Even in the Army to-day there are only 79 Indians holding King's Commissions out of a total of 7,069—or just over one per cent. of the total. Or, take again the expansion and improvement of the Territorial Forces. Although more than a year has elapsed since the Report of the Committee was submitted, so far as this House is aware, no despatch has yet been sent to the Secretary of State, though from bitter experience in regard to the Resolutions on the Esher Report passed by the Assembly in 1921, I have no illusions as to the kind of consideration that would be meted out to any despatch from the Government of India.

In regard to the Indian Navy which is to be instituted, is it the contention of the Government that not more than one Indian would be available for commissioned rank? It is nothing less than an insult to the manhood of this country to suggest that a majority of the officers should be non-Indians..

In a self-governing India far more earnest efforts could have been made than are evident here by a Finance Member responsible to the Legislature to bring down the cost of the Army to reasonable proportions, to reduce taxation and to set free funds for the development of the Provinces. This year's Budget is a reminder to us that India is a subject nation still dependent on an alien administration for small mercies.

The Council then adjourned for Lunch till Twenty-Five Minutes past Two of the Clock.

The Council re-assembled after Lunch at Twenty-Five Minutes past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. J. E. B. HOTSON (Bombay: Nominated Official): It is rather difficult for an official Member from Bombay to say anything new when discussing the Budget as a whole. He has got to drag in King Charles's head and most of you have heard all about King Charles's head already. However, I am emboldened to intervene to-day because, while in another place the case of Bombay has been represented from year to year and once again two days ago by official Members from Bombay in language which was impressive from its moderation as much as from its lucidity, it is now some time since the official case of Bombay was laid before this House. I think, although the non-official Members from Bombay both to-day and on previous occasions have stated their point of view with great ability and force, there is a sufficient difference between the non-official point of view and the official point of view to justify me in speaking for a short time. It is not my province to speak on many points in the Budget, but unquestionably this must be regarded as a good Budget. The floods of eloquence and invective which were expected in another place dried up in barely two hours, and almost everything that has been said this morning has been most appreciative. It is, if we cannot quite say a prosperity Budget, at all events, the budget of a solvent nation. There is a surplus, and what is more, it is a recurring surplus which has made it possible to distribute boons to objects regarded as deserving. On this we must all congratulate the Government of India and in particular the Honourable the Finance Member. But it is just because it is a surplus Budget that it is necessary once more to lodge a protest on behalf not only of Bombay but of all the industrial provinces. While the Government were poor it was quite impossible for them to take any steps which would have resulted in a loss to themselves. It is now when the Government of India have money to spare that those whose rights have been affected injuriously by the financial arrangements which were made a few years ago have some chance of being heeded. With one of the two chief proposals in this year's Budget nobody has any quarrel. The cotton excise duty has been a grievance for many long years. Some people may be inclined to think that latterly the grievance was rather sentimental than real. The recent cotton strike in Bombay proved that the existence of the excise duty was a serious danger to the prosperity of the Presidency. Its disappearance, therefore, will be welcomed by all and nobody wants to see it back again.

The other main feature in the Budget is the one about which I have to speak, that is to say, the proposal to reduce certain of the provincial contributions to the Central Government. The protest which is made on behalf of all the industrial provinces is not founded on ill-feeling against those provinces which are more fortunate, it is not founded on any animosity against them. It is not provincial in its character. Emphatically it is not, as has been alleged, anti-national. On the contrary the argument that is now advanced that the Meston Settlement should be revised and the Devolution Rules altered is based on the strongest and most truly national grounds. The gravamen of the charge against the settlement is that it deprives not one province, not any one group of provinces but all the provinces in India of their elastic sources of revenue. The true effect of the Settlement is still to some extent obscure as regards certain provinces which have had to pay large provincial contributions. Their revenues are

[Mr. J. E. B. Holson.]

now experiencing a certain mechanical growth and will for some short time continue to experience further growth of the same kind by the remission by degrees of the provincial contributions. We all hope that the time will come when these provincial contributions will entirely disappear. When that day comes, if the Settlement has not meanwhile been altered, those provinces will find that they have been wandering on a bye-path which leads them nowhere except into the morass of stagnant revenues, while all the time they might have been advancing on the high road of growth and progress. They might have been developing their muscles by a natural, not a mechanical expansion. It is therefore fair to urge that it is in the interests of India as a whole that the revision of the Settlement and of the Devolution Rules should precede and not succeed the reduction and the extinction of the provincial contributions.

Before I go on to deal with the reasons which made this revision necessary I should like to deal for a moment with two arguments which I have often heard against the Bombay case. The first is that Bombay ought to be satisfied this year because they have had the remission of the cotton excise duty. Now the prosperity of the cotton industry is of the very greatest importance to Bombay as indeed to the whole of India, but financially that industry is rather a burden rather than a source of strength to the Bombay Government. The large concentrations of industrial populations, not only in Bombay City but in other parts of the Presidency, impose upon the Government of Bombay very large expenditure upon education, upon sanitation, upon medical relief and particularly on police, which would not otherwise be necessary. On the other hand, the income-tax, the super-tax and the customs duty upon articles required for the mills themselves, still more the customs duties on all the articles which the increased wealth distributed by the mills to their shareholders and their employees allow to be imported—all these duties go to the Government of India and no part of them goes to the Government of Bombay. I believe that it was by the Finance Member himself that the Bombay Government was advised some little time ago to cast its bread upon the waters. The Government of India have acted upon that advice. When they remit the cotton excise duty, they ensure that the wealth which they are thus giving away will return by different channels to their own coffers in the shape of increased customs, increased income-tax and in other ways. They are getting everything except what is given to the industry itself. The Government of India and the industry share the advantages. To the Government of Bombay falls only the negative advantage of being spared from a crisis which at one time seemed likely to impose a severe strain upon the forces of law and order. The other argument I have heard is that it is selfish of the Government of Bombay to ask for advantages to itself which could only come from the loss of others. Now, Mr. President, if you were in the clutches of a robber who was rifling both your pockets, and if the robber told you that henceforward he would leave one of your pockets alone and would only take what he wanted out of the other, I do not think that you would be satisfied; you would probably go on calling for the police just as hastily as you did before. This is in some degree the position of the Government of Bombay. At the same time, if we leave that distant and most improbable analogy, I think that it can be shown that the argument is otherwise invalid. If any one says that he opposes the inquiry which is now asked for by the Government of Bombay on the ground that that

inquiry is certain to profit Bombay, then he implicitly admits in advance the truth and the justice of the Bombay claim. For what is that claim? It is not for an immediate advantage. It is only for an inquiry into the Settlement and into the rules, which shall result in a new settlement, which will be admitted to be fair to all parties, or will at all events be more generally so admitted than is the case at present. It may conceivably happen that as a result of that inquiry Bombay will not get any immediate advantage. Welcome as financial aid would be in the difficult times through which the Government of Bombay is passing at the present moment, the Government would be willing to accept such a result, provided only that by the revised settlement they were assured of a source of revenue which could be trusted to expand steadily in some measure in proportion to the constantly increasing cost of every branch of the administration. It is easy to show that the Meston Committee itself did not intend to tie down any of the provinces to stationary revenues. They have said:

"We have inquired into the relative taxable capacity of the provinces in the light of their agricultural and industrial wealth. It should be observed that we have considered their taxable capacities not only as they are at the present time or as they will be in the immediate future, but from the point of view also of the capacity of each province for expansion and development agriculturally and industrially. We have also given consideration to the elasticity of the existing heads of revenue which will be secured to each province and to the availability of its wealth for taxation."

Now it can be proved that the deductions which were made by that Committee were at the time when they were made demonstrably false. They thought that Bombay in particular might look for reasonable elasticity. Their argument is vitiated by the fact that they selected two single years as the basis for their conclusions. As regards the land revenue, they found that the increase in 8 years had been 32 per cent., an average of 4 per cent., and they expected that this increase would continue in the same ratio. Those figures were taken, the first from the actuals of a famine year in which the revenue had fallen by one crore and a half; and the second figure they took was not the actuals but merely the estimates of a year which had been expected to be prosperous. They thought that excise revenue would continue to expand by 12½ per cent. per annum in spite of the fact that most of the increase during the 8 years had been due to a change in the system from fixed fees to auctions, and that the increase derived from that change could never be repeated. As for stamps, the estimates for the year 1920-21 were those for a boom year. It is possible that the Committee thought that that boom would continue indefinitely. If they did so, they were rash. Their anticipations were not justified by the facts then known, which perhaps had not come to their notice during the 8 weeks within which their inquiries into the resources of the whole of India were confined. Their anticipations have at any rate been entirely falsified by the results. I will not go into the figures which have been laid before the Legislature and the Government of India on many previous occasions, and notably in the representation which was submitted by the Legislative Council of Bombay last year. All I wish to do is to bring up to date certain of the figures therein mentioned. Had the expectations of the Meston Committee been realised, the land revenue in Bombay for 1925-26 should have been 743 lakhs. The actual figure for 1924-25 was 569 lakhs. The revised estimates for the current year are 578 lakhs. The excise revenue should, according to the same calculations, have been 558 lakhs in 1925-26. The actuals for 1924-25 were 413 lakhs, and the revised

[Mr. J. E. B. Hotson.]

estimate for 1925-26, 446 lakhs. Stamps were expected to reach 237 lakhs during this year. The actuals for last year were 178 lakhs, and the revised estimates for the year now coming to an end, 173 lakhs. In point of fact neither under any one of these heads of revenue nor in the totals has the revenue of Bombay in any single year during the last five years reached the figure which was estimated to be the starting point in 1920-21. The deficiency, below the revenue which the Meston Committee expected Bombay to receive of the revenues which have actually been received in those five years is no less than 1,240 lakhs. Now as touching the possible argument that the Government of Bombay has not done all in its power to increase the land revenue, I should invite attention to the figures given in paragraph 92 of the Report of the Indian Taxation Inquiry Committee, for which we are so much indebted to two Members, who now belong to this House and to their colleagues. Those figures show the progress in the land revenue of all India in the 20 years from 1903-04 to 1923-24. The increase in those 20 years has been 20·4 per cent., that is, one per cent. per annum, not the 4 per cent. per annum which was expected for Bombay by the Meston Committee—and yet we must suppose that the greater part of the increase has been in provinces which 20 years ago were not so far developed as was Bombay at that time. That is to say, it would have been impossible for Bombay to have forced its pace in this matter. Some of us here would perhaps go further and say, in the light again of the views stated in this report of the Indian Taxation Inquiry Committee on the land revenue system, that it would not have been right to have gone faster than the Government of Bombay has actually gone. I do not wish to commit myself on this point. I will not go further than saying with all due deference that, while it might not be improper to aim at a steady increase at a regular rate in the land revenue of Bombay, the views of the Taxation Inquiry Committee deserve the fullest consideration and will undoubtedly receive it.

Now, where are we to look for the remedy? Last year it was urged that the classification of the income-tax should be changed and that the whole or a large part of it should be made provincial. This same report of the Taxation Inquiry Committee has perhaps made it more difficult, at least until the whole of the Report is digested, to say that this is the only possible remedy. At the same time that report, with all its great weight, does undoubtedly support the claims of Bombay and Bengal to a share in the income-tax. Chapters IX and XVI examine the whole matter with the utmost impartiality and the conclusion that at the very least Devolution Rule 15 must be substantially modified without delay, is irresistible. This modification, I may add, must be substantial. The Devolution Rule, as it stands now, purports to give to Bombay and the other industrial provinces a share in the income-tax. But its effect has been that Bombay for years, for several years, has received nothing, and cannot expect to receive anything until there is a marked improvement in trade. Bombay cannot wait for that improvement and if it did wait, the return which it would receive from the Rule as it stands now would be far below that to which it is justly entitled. It was in this connection that I meant to refer to the heavy expenditure entailed in the Government of Bombay by the mill industry. I will not tire the House with figures. I will only point out that this heavy expenditure is itself the best reason why the Government of Bombay should share in the revenue which is derived from that

industry. I might, however, perhaps touch without irrelevance on an argument which has often been brought forward by members of the Swaraj Party. They say that it is no good to give any additional revenues to any of the existing Governments in India, because they are invariably misused. To those of this way of thinking, I would commend a reference to some very interesting graphical illustrations which appear at the beginning of the blue-book submitted with the Bombay Budget of this year, particularly to No. 3. This graph shows that education in 1910-11 cost 50 lakhs of rupees and now costs over 200 lakhs. In fact, it has become the largest single item of expenditure in the Bombay Budget. Similarly Medical has risen from about 16 lakhs to over 50 lakhs. These are truly nation-building activities and even if we do not limit that term as narrowly as some of the politicians do, we must admit that these activities are deserving of support. If the revenues of the Bombay Government are not allowed to expand, it will not only be necessary to curb the growth of expenditure of these and other branches of the administration but it is more than probable that we shall have to draw back even from what we are doing now.

In 1924 Mr. R. D. Bell used the following words in another place:

"The Government of Bombay do not seek primarily for such a re-adjustment as will improve their present position. Their claim, and the claim of other provinces like Bengal for which Devolution Rule 18 offers no attraction, is that they should be placed in possession of resources which bear some real relation to their true assets. It may be that such a re-adjustment will not place them at the outset in any better position than they are at present, and the Government of Bombay recognise that special treatment may be required for the poorer and less developed provinces. What they do seek is an allocation of revenues which will enable them to meet their increasing needs."

I stand by these words now and I am prepared to add that, if the inquiry for which we ask were to result in the transfer from Provincial to Central of some of the less progressive items of revenue, there would be little complaint. It may even be that a study of this particular question and of the general proposals made in the Taxation Inquiry Committee's Report will lead to the introduction of new taxation or perhaps to the extension of some existing form of taxation, such as death duties, which are as yet of limited application. If it be so, it will be necessary to face the situation, and to do everything that is required to insure that justice is given to all the provinces of India. If justice is done, there is no reason to fear that the roof will fall in.

What is the prospect of a move in this direction? The Honourable the Finance Secretary, in spite of all the eloquence with which he introduced the Budget in this House, gave to Bombay and Bengal and their fellow-sufferers no hope. The Honourable the Finance Member in his speech in another place, the larger part of which I had the pleasure of hearing, told us at least that the turn of the other provinces will come and that they have been brought much nearer fruition by the events of the last two years. I am informed that the Finance Member a day or two ago went even further and said—if the report given to me is correct—that he agreed that some revision of the arrangements in the Meston Settlement must ultimately take place and that the Government of India intend during the coming summer to re-examine the question of a re-division of revenues. I believe that he specially mentioned the Income-tax. If the Honourable the Finance Member will repeat or perhaps amplify these words here, I think we shall feel that this discussion has not altogether been in vain.



THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, before I proceed to express my views on the questions dealt with during this discussion in regard to the departments under my control, it behoves me, as the Leader of the House, to express the apologies of His Excellency the Commander-in-Chief for his unavoidable absence from the House to-day. More than one Member has referred to His Excellency's absence from the discussions to-day. I can assure the House that nobody regretted his absence more than His Excellency himself. He had entered into an engagement—official, of course—long before he had been aware of the fact that the general discussion of the Budget would take place to-day, and in spite of his best efforts to readjust his programme and thus enable him to be present here to-day, he found it impossible to do so, and he asked me to convey his sincere regrets to the House.

8 P.M. Sir, the only matter of importance that has been touched upon in the course of the discussion to-day is that relating to archæology and following from it I suppose medical research. I am indeed gratified that the reception given to this proposal indicates that the House as a whole is one with us on this matter. Those Honourable Members who have spoken have not in the least urged any objections against the proposal but they have made one or two suggestions which indeed deserve the fullest consideration and with which I shall deal. Every Indian who has a love for his country—and I doubt if there is one who has none such—will indeed be proud of the glorious past of his own motherland, and the work which the Archæological Department has set its heart upon is of a nature to justify such natural pride and to wrench from the bosom of the earth those traces and evidences which will fortify such a claim, and I therefore would assert that there is no object which would appeal to a patriotic Indian as the one which the Archæological Department is now engaged upon. My task in justification of this proposal has been considerably simplified by the very convincing and eloquent speech of my Honourable friend, the Maharaja of Burdwan. Of course he spoke in language which I confess is inimitable. He is not satisfied with the provision which we have made under this particular head but he draws our pointed attention to the necessity for the provision of further funds under the heading of the Preservation of Ancient Monuments. I know what an ardent lover of ancient monuments he is. I know the part he has himself played in that direction and I know also how useful he had been as—shall I say—a guide to the late Lord Curzon during the time the latter was engaged upon his memorable activities towards the preservation of ancient monuments in India. The difficulty with the Department was, Sir, that its activities had either to be curbed from time to time or regulated in proportion to the availability of funds from year to year. The recent excavations which have been made and those yet in progress will convince the House of the gigantic task that lies before the Archæological Department still, and if after having programmed for a particular work in the following year it is found to their regret that the financial position of the country will not enable the Finance Department to place those funds at their disposal, one of two things must inevitably happen. You have either to disband the whole of the trained staff whom you had utilised on that work or you have to make a show of carrying on the work merely by continuing to pay the staff but doing no work. That was indeed a very unsatisfactory state of affairs and economically wrong. With a view, therefore, to ensuring a continuity of work it became necessary to envisage a plan whereby the funds necessary for the work could be guaranteed and the officers of the Archæological Department might see as

far ahead of them as possible and draw up a programme of work based upon the availability of funds in respect of which a guarantee has now been given to them. This in brief is the scheme which this proposal is intended to follow and I have not the least doubt in my mind that my Honourable friends here will appreciate it.

We had also another object in view. We noticed everywhere interest being taken, more interest being evinced in the archæological researches. We noticed that Universities were willing to fall into line with our work. We noticed students of Universities willing to take advantage of the existence of this Department to start research work. We therefore were anxious that we should give an opportunity to everyone to join this noble band of archæological workers and contribute either in money or in brains towards the accomplishment of the grand object we have in view. We expect to train a large number of Indians for this work. We expect to attract—shall I say—large endowments from those who possess the goods of the earth and who are willing to spare a portion for this noble task. We hope, therefore, to work more or less on the lines, as my Honourable colleague the Finance Member pointed out in another place, of the Board of Trustees established in England to work the British Museum. Honourable Members are aware that this interest in Indian archæology is not confined within the four walls of India but that it has begun to attract eminent students, eminent research workers, in that same line from outside India. We have now calls for information from all parts of the world. Several research workers who are busy in other parts of the world are willing to pay visits to India and carry away with them experiences of the marvellous treasure that India possesses of this nature. Well, we wish to give opportunities to everyone. Who knows that one day even the Rockefeller Trust may probably donate a large sum to this Fund? My Honourable friend the Khan Bahadur from Bombay warned me not to lose sight of the fact that Indians were given every opportunity possible in connection with this new scheme. I may assure the House that it was only yesterday that I had the pleasure of constituting a selection board for the purpose of selecting three Indian scholars to undergo training in the excavations which we are carrying out at Mahenja-Daro. Let me repeat, let me emphasise the point that the intention of the Department is to bring the best brains of India in line with this work and thereby stir up further interest in it.

I have been asked and very rightly asked by my Honourable friend, Mr. K. C. Roy, and another as to why this partial treatment has been accorded to Archæology, while the needs of medical research demanded greater attention. It was pointedly mentioned, I believe, that there is a large number of preventable diseases in India in regard to which if we possessed a little more knowledge we might perhaps minimise human mortality. I agree; but may I remind Honourable Members of this House of the existence already of an association called the Indian Research Fund Association which is a large expert body, extending its operations throughout India, which has on its rolls members from all the provinces in India and which again has got two committees, called an Advisory Committee and the Governing Body of the latter of which I have the honour to be President. This organisation is intended to carry on exactly the same work which my two Honourable friends there have suggested. This Association has already got an endowment fund of the face value of 52 lakhs; it gets in the shape of annual interest a sum of nearly 2½ lakhs. Besides this endowment, the Government of India were making large donations for the upkeep of that institution. But, as a result of the Incheape cut, many



[6TH MAR. 1926.]

[Sir Muhammad Habibullah.]

a useful object had to surrender itself at the altar of that axe, and this Association did not fare better; but with the renewal of, shall I call, prosperity in the financial condition, during the current year I was able to persuade my Honourable colleague the Finance Member to restore 3 out of the 5 lakhs of the contribution which was being made to this fund until the Inchcape axe came into operation. And during the next year the House will be gratified to notice that we have given this Association a subvention of 6½ lakhs. This Association, let me again point out, serves two purposes. In the first place it trains officers in research work in respect of various diseases, in regard to prophylactic work, and the preparation of sera and other things which prevent disease. It also sanctions subsidies to those medical workers who are engaged upon research work of this description. The former, namely, the officers who are trained, are intended to be distributed throughout India and to carry on similar work in their respective provinces. The Association had, on account of the shortage of funds, to curb their activities during the interregnum that I referred to just now. During the current year we have 8 officers under training, and we hope to train no less than 18 officers next year. These are all the achievements of the Association, and I may at once inform Honourable Members who entertain the least doubt as regards that matter, that amongst the numerous researches which this Association has been carrying on during the current year and in previous years, we have tackled *kala azar* which in a sense has been conquered and has been eliminated from the list of incurable diseases. The work in Assam has demonstrated that fact, and the Commission on *kala azar*, which is still sitting, has sent such a valuable report that all provinces will now read it with courage and congratulate themselves that that problem has once for all been grappled with. We conduct researches on malaria. We have got special workers to whom we make subsidies, and from day to day our stock of knowledge is being added to as to how to combat malaria. We have also done work to prevent relapsing and typhus fevers. A very systematic inquiry was conducted on that disease, and the results of the investigations made by our workers will, I know, be interesting reading. We have done a good lot in the direction of preparing and supervising anti-plague vaccine and other similar vaccines which, as the House may know, are now getting more and more into prominence in this country, and, on the whole, I must say that the work which is being done under the supervision, control and with the help of the funds at the disposal of the Association is indeed very great. But I do realise that an Association like that should be still further encouraged, and if I should, after an examination of the whole situation, come to the conclusion that I could add usefully to the funds of that Association, that if larger funds were placed at the disposal of the Association they could be utilised for similar purposes and thus would add to the general stock of happiness of the people, and it would be possible to minimise disease, or to minimise deaths, then I can give this much assurance that I shall certainly miss no opportunity of approaching my Honourable colleague the Finance Member and asking him to see eye to eye with me, and I doubt not that, with the help which I have always been able to receive from him in getting larger contributions for the departments under my control—departments which have rightly been regarded as nation-building—that he will view my demand in respect of this Association also with the same sympathy which he has always displayed towards the other departments in my charge. And a perusal of paragraph 52 of the Honourable the Finance Member's speech in the other place would have convinced Honourable

Members that he has not at all lost sight of the necessity for enhanced grants in respect of Medicine, Education, Agriculture, Forests and various other departments which are supervised by me, and I have no reason whatsoever to view with anything like pessimism this one matter, and therefore I assure the House that their suggestion will receive my best consideration.

As regards grants to the Universities, Sir, to which an Honourable Member from Bombay referred, I may tell him that the obligations of the Government of India in regard to Education do not begin and end with the grants to the three Universities which are regarded as All-India.

They have also, I should say, very great responsibilities in the matter of the elementary, secondary and higher education of those parts of India which are regarded as directly administered by them, and as a proof of the fact that they have not neglected or omitted to take into account the needs of education in those provinces, I will again invite the attention of the House to paragraph 52 which gives details of the further grants which we have made to the North West Frontier Province. We are examining the whole question as regards the needs of the nation-building departments and I hope to be in a position to prepare a programme indicating how these departments will have to be financed from year to year, and when that is done, I hope I shall have evolved a system which would enable us to secure from year to year as much money as we consider essential for the administration and growth of these departments without disturbing the equilibrium of the Imperial Budget.

THE HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-Official): Sir, I wish to offer a few observations on the Budget more as a layman than as a financier, because I do not understand the technical part of it. From my point of view, and judging it as I usually do, there are four points in favour of the Budget as it has been framed, and three points against it. So, the Budget wins by one point. The four points in favour of the Budget are these. The first is the abolition of the cotton excise duty. I was a college student when it came in, and from my youth I have always objected to it. Reading Fawcett, Mill and others, we always thought that it was objectionable, and we put questions to our professors asking them to reconcile the matter. It was said that the duty was purely for purposes of revenue and not for protection or anything of that kind. I am glad that this enemy has died. Another enemy remains and I have the consolation of being able to fight him hereafter. That is the Gold Standard. I suppose it will come one of these days, and then the second enemy also will have died. The other point in favour of the Budget is that there is a surplus. That surplus is a very good one, amounting to 1,30 lakhs. It is rather a nice sum, and that means, I understand, that our permanent income will increase by that amount. If that is so, I am really glad about it. But I feel a little bit of difficulty in this because eminent people think to the contrary. Whereas some think that too little has been given to Archaeology, others think that too much has been given to it. I personally think that the interests of the living are more important than the interests of the dead. The bones have been buried for a long time and they may remain there for a few centuries more. There is no harm done. Here, relief is wanted in various directions and that relief is not afforded. Living persons are supposed to be temples of God Almighty and they suffer. I am one of those who grudge this Rs. 50 lakhs which has been given straightaway. I would not mind a recurring grant or a permanent allowance of Rs. 2 lakhs being made to this department. But you have given away a large slice out of the surplus. However, I suppose that the

[Mr. G. S. Khaparde.]

Honourable the Finance Member will be able to say that some people want too much and some people want too little, and therefore that he is right. And there is a good deal in that argument, for if both parties are dissatisfied the judgment is supposed to be correct or we can take it at that at any rate. Then there is this further point of the great relief that there is no taxation coming and that is a point in favour of the Budget. These are the four points in favour of the Budget. The points against are, first, there is that point about archaeology which has become a doubtful point. I had intended to put a mark against it, but since there is a conflict of opinion I put against it a doubtful mark. But there is another point against which I would like to put a strong mark and which I do not understand. The military expenditure we expected to be in the neighbourhood of Rs. 50 crores. It has not come to that and it is a good deal more still and we have the Navy staring us in the face and it may come any day and demand large sums. Therefore we need not congratulate ourselves too much on this surplus because it will be eaten away by two Dreadnoughts and there will be no money left for a third Dreadnought. Then there is that thing, the Air Force. Judging things as they are, it seems likely that invasion may come by air. Formerly it came by water and we have got to protect ourselves against both. I do not think that there is any army in this world strong enough to cross the Indian frontier as they did before and our forces are stronger than they were ever in the history of India. I wish that the military expenditure had been to a certain extent brought down nearer to Rs. 50 crores than it has been up till now. But my great grievance is as regards the Post Office, something which I do not understand. If I send a letter to England I have got to pay a postage of 2 annas. If a similar letter comes to me from England they have to pay a postage of only three half pence, that is, six pieces of copper. Where is this difference of six pence coming from? It looks rather funny that my friend from England writing to me pays only  $1\frac{1}{2}$  annas whereas if I write back I have got to pay a postage of 2 annas. I thought that this matter would have attracted the attention of the Honourable Member and been adjusted. In the case of private correspondence it does not matter much, but to people engaged in business and who have got to write 50 letters a day the difference is a great deal. Is that due to exchange? I do not understand exchange. Does 2 annas here by exchange become six pence in England? Or does six pence in England become 2 annas here by exchange? I do not understand it. Another point on which I spoke before once in this Council and therefore I shall not dwell, is the question of the Posts and Telegraph Department. The Posts and Telegraph Departments do the same service. If they were amalgamated and the telegraphs a little cheapened and the post office people put on the same level as the telegraph men, I think both will profit and there would not be this profit and loss account shown as it is now. The Telegraph Department works at a loss and the Postal Department works at a profit and the profit of the one goes to meet the loss of the other. That is the old story of robbing Peter to pay Paul or something like that. The profits of one department are eaten up by the losses of another. If they are put on one basis, as I once proposed before and shall propose again if an opportunity occurs, this source of trouble would have gone for ever.

There is a third source of trouble. That trouble comes in this way. It is all right that we are doing everything possible, but in the matter of

utilising this large surplus, would it not have been possible to give relief to my province? They have spoken of the remission of provincial contributions. My province never got a single remission. I suppose that unless the child cries, the mother would not feed it. We never cried and never got anything. These eloquent people from Bombay and Madras are getting the whole thing and we have not even a crumb thrown at us.

THE HONOURABLE SIR BASIL BLACKETT: You had a crumb last year.

THE HONOURABLE MR. G. S. KHAPARDE: It is very small, not worth mentioning. On the whole, however, the Budget wins, because there is one point in its favour, rather a point and a half and to that extent I congratulate the Honourable the Finance Member and my friend Mr. McWatters who gave all his figures without referring to any paper. It is reminiscent of the days of Gladstone. With these few remarks I shall bring my speech to an end.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official): Sir, Mr. Hotson has anticipated much of what I wanted to say about the manner in which discussion on the Budget has been conducted. I heartily congratulate this Chamber on the great sobriety of thought and the dignity and serenity with which it has conducted that discussion. There is an atmosphere here which is far different from that of storms and cyclones and thunders and eruptions heard in another place. So far I consider that the Council of State has really deserved the name of a Council of Elders. Dignity and sobriety go together here. Having said so much, I do not wish to detain the House with any abstruse and lengthy disquisition on figures and other financial facts which are, of course, known to you. I shall therefore refrain from making any arithmetical diversion on the subject. But I wish to point out to the House what the Honourable the Finance Minister has most vividly brought to notice in his Budget. There are three outstanding features there which deserve our closest attention. But before I specifically refer to these three aspects, let me say at once that this is the third Budget in the financial history of India since the budgetary system was first introduced by the late Mr. Wilson in 1860. That was a year or two after the transfer of India to the Crown. Mr. Wilson was the first Finance Member of the Government of India to overhaul its finance. Unfortunately, he died earlier before he had completed the great work he had taken on hand. It was he who started the budget system and speaking for myself, not in any spirit of egotism, I may say that I have read and studied every financial statement from 1860 to 1926. I was then a student aged 16 in Elphinstone College. My professor used to speak to me in the highest terms of admiration about Mr. Wilson and make me read books on finance and economics then known in English Universities. From that year forward my love for the study of economics and finance has gone on. I have heard and read many speeches on these subjects. The overhauling of Indian finance and the introduction of the budgetary system by Mr. Wilson was the first epoch. Then came the work of consolidation of the Empire in many directions. In 1882, during the time of Lord Ripon, when Lord Cromer (or Sir Evelyn Baring as he was then known) made the second and most important epoch in the financial annals of India. India was then in a prosperous state. He abolished the customs duties altogether, save on arms and liquor and made India free trading after the manner of England. With the exception of some export duties India had an open door for all. This golden period lasted from 1882 to

[Sir Dinshaw Wacha.]

1900. India prospered and prospered beyond the most sanguine expectations. Free trade developed extensively because there were no customs duties. But for free trade India would not have developed so fast as it did. After 1882 as many as 50 cotton mills were started in Bombay alone, besides a fairly large number in Ahmedabad and other parts of India. Thus Lord Ripon's Viceroyalty was instrumental in making the second and most memorable financial epoch in the country. Not only here but in England also Lord Cromer was recognised as one of the greatest financiers, he who later earned the reputation as the saviour of Egypt and of Egyptian finance. In India there have been as elsewhere what are called fat and lean years. The pinch of lean years began to be sharply felt with the times of low exchange, straightened currency, plague and famine. By 1896 the finances had suffered so much that of course the Government were greatly alarmed and obliged to reintroduce the customs duties which we are all deploring because since the Great War they have risen higher and higher from 7.12 to 15.30 per cent. with a policy of high protective tariffs with bargain. We have had trade prosperity and trade depression. India was accustomed to all these economic phenomena but never so disastrously as it was during the years after the armistice. Sir Auckland Colvin once said, when Finance Minister, that in India fat and lean years go on in cycles. Such cycles, however, are not exceptional to India. Every country in the world has had to face such cycles—cycles of prosperity and depression. India has emerged very recently from an oppressive cycle of depression. We had years of deficits leading to intolerable taxation and the present Budget is one not only of a cheery aspect but most important for the new financial policy it embodies. After reading the budget speech I was so impressed by the policy, the financial policy laid down in that statement, that I said to myself, that "this Budget is really an epoch-making Budget." It is so and I challenge anybody to deny it. (Applause.) Long before Sir Basil Blackett came here we had had a series, quite a meagre, of deficits up to the year 1923. The comparative statement which is annexed to the Budget and to which Sir Arthur Fromm referred in his excellent speech shows that during those years the deficits amounted to 80 crores of rupees net. Those deficits have been wiped off, partly owing to the recommendations of the Retrenchment Committee, under Lord Inchcape, but principally owing to the talented efforts of the Honourable the Finance Member himself. You will find from that statement that in the last three years we have had surpluses which, it is gratifying to be told, will be "recurring" surpluses. But it is even more gratifying for us to learn from the budget speech that once more Indian finances have been placed on a sounder and more improved basis which bids fair to endure long enough. Why? Because he has tried to place the Indian debt position on a basis whereby our present internal debt will be greatly reduced and the huge external debt will gradually be liable to conversion as internal debts but of a highly productive character. The Honourable the Finance Member insists upon the policy of converting the external debt into an internal one, because the more it is so converted, the more will India prosper not only in the saving of its heavy exchange payments but also in developing the many hidden resources of India, and creating wealth which will be the new internal capital. The more India adds to its indigenous capital by development of its resources and annual savings the greater will be its future permanent prosperity. India will have not a rupee to borrow from foreign countries. Is not that a wise and

sound policy to aim at at present? You borrow from foreign countries and have to pay for exchange, apart from interests. In future the two gains will fructify in the country itself. The Honourable the Finance Member has splendidly succeeded by his new sound policy to turn the corner. Exchange, of course, has improved, mainly due to his very talented efforts. And for that reason we shall be year after year more and more free from the great burden of exchange. At the same time the diminution of debt is going on. Debt was avoided last year. We did not borrow a single rupee which has thus saved an annual charge of interest. This year we are only going to borrow, when conversion has been settled, about two crores of rupees. You will learn all that in the chapter of this Budget on ways and means which I say with emphasis is *the most important part* of it. It is the *piece de resistance* of the entire Financial Statement, and I wish that each and everyone of my colleagues, whether he is a financier or not, would study it, because it is therein that they will appreciate the true worth of the laudable efforts which the Finance Member has made in order to put the country's finances on a sounder basis than they have ever been set before. Sir, I need not repeat that in this epoch-making Budget the third feature of note is the saving of interest charges.

I now come to the allocation of the surplus. We should not forget that

#### ERRATUM.

In Volume VII, No. 14 of the Council of State Debates—

1. On page 408, line 31 from the top,  
for "meagre, of deficits"  
read "Niagara of deficits"; and
2. On page 409, line 33 from the top,  
for "Aetan"  
read "Cretan".

a surplus, one man wants one thing, and another man wants another thing. But there should be some sense of proportion in the suggestions. We can make scores of suggestions for which even a hundred crores of surplus will not suffice. Let me ask my Honourable friends what they would do if placed in the position of Finance Member? In the first place could we have succeeded in reducing the surplus which he has reduced? I am not defending him, but I am speaking as an humble student of finance that we ought to look at a surplus for its allocation from a broad point of view and from the amount that may be available in a given year. Reduction of burden on taxes is only practicable with a substantial surplus which might give *real* relief and which may do the greatest good to the country. I dare say that if it be his good fortune before he lays down his office to reduce such a big surplus he will do it and be blessed by all India for his talented efforts in that direction.

I have, Sir, now pointed out the three broad and outstanding features of this Budget. If Honourable Members will only consider and reflect upon them they would, I feel sure, agree with me that this is the third

[Sir Dinshaw Wacha.]

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I now come to the allocation of the surplus. We should not forget that the Finance Member is the best judge of how to use the small surplus to advantage under the existing situation. It is hardly so large as to relieve the taxpayers of any great burden. In its absence he desires to devote part of it to a most useful intellectual purpose. There are some crying out in the wilderness because 50 lakhs have been given to archaeological research of a far-reaching character. I am really ashamed that there should be any wrangle on an allocation so useful in the interests of Indian history. I have myself been a keen student of archaeology from my younger days just as I have been a student of finance. I greedily read all about cave architecture in Western India by the Reverend Dr. Wilson when a boy of 20 and since then my interest has grown and grown with the plethora of archaeological literature published during the last half a century, particularly Egyptian, Assyrian, Babylonian and Aetan. I was greatly attracted to the Assyrian when Layard first published his book on the Nimveh antiquities unearthed. I remember having seen him in 1856 or thereabouts when he visited the Elphinstone Institute. It is most amusing that when there is a surplus, one man wants one thing and another another. One suggests "Have this customs duty reduced." But there should be some sense of proportion in the suggestions. We can make scores of suggestions for which even a hundred crores of surplus will not suffice. Let me ask my Honourable friends what they would do if placed in the position of Finance Member? In the first place could we have succeeded in educing the surplus which he has educed? I am not defending him, but I am speaking as an humble student of finance that we ought to look at a surplus for its allocation from a broad point of view and from the amount that may be available in a given year. Reduction of burden on taxes is only practicable with a substantial surplus which might give *real* relief and which may do the greatest good to the country. I dare say that if it be his good fortune before he lays down his office to educe such a big surplus he will do it and be blessed by all India for his talented efforts in that direction.

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[Sir Dinshaw Wacha.]

epoch-making Budget in the annals of Indian Finance. Coming to military expenditure, I, Sir, have been the severest critic of the Government of India from 1885 to date. As late as two years ago I brought forward a Resolution here requesting the Government of India to appeal to the Secretary of State to get repealed the Army Amalgamation Scheme of 1859, which has been all through these years, the bane of India as far as military expenditure is concerned. Nothing has been done and nothing will be done. Because in this matter the War Office is omnipotent. The War Office has behaved with India on this matter for a hundred years like a Shylock. High personages and even members of the Cabinet have been appointed Presidents of Committees half a dozen times to remonstrate with the War Office in order to see how far reductions can be effected in reference to what are known as "Capitation Grants". Once Lord Northbrooke, an ex-Viceroy of India, presided as a member of one of such Committees, to see how far the Capitation Grant might be reduced, but, even he, a financier and capable statesman, was baffled every way. He found himself helpless; and I believe that even to this day the Government of India have been striving their best year after year to see how far the War Office might be induced to reduce this capitation rate, or possibly to see how to get rid of the War Office altogether as far as Indian military affairs go. It is a very serious problem and it is much to be wished that Sir Basil may succeed where hitherto so many have failed. Now, as to the estimates of military expenditure in the Budget. It is now nearly 54½ crores. This is not bad under existing conditions, and the time is coming, possibly two years hence, when we may see it brought down to 50 crores by which time a material fall of prices may be expected. People have no idea that the Army requires food and clothing, building materials and many other things. We complain on our own domestic economy, that petroleum is dear, that food is dear, that milk is dear, that wearing apparel is dear, and so on. Are the Army to support themselves upon nothing? Or on air? Or nothing at all? The Government are in exactly the same position as private individuals. They have their own domestic Army expenditure. They have to supply the Army with food, clothing and many necessary things to keep their troop fit and efficient while the scale of necessary expenditure of this character has been still high. We must look at both sides of this problem. Let us not irrationally criticise the Government and that after weighing both sides of the arguments. The longer I have been in this place and the more I have seen of the very reasonable explanations that Government have given on a variety of topics under discussion the more have I been convinced of the fact that military expenditure is righting itself and that everything possible is being done in order to reduce military expenditure to 50 crores. I wish my Honourable friend, His Excellency the Commander-in-Chief was here. The Council might have then heard first-hand from him as to how sincerely he is anxious to bring down military expenditure to the lowest point compatible with average efficiency. As far as civil expenditure is concerned, it is bound to be reduced to the irreducible minimum. But please note that it cannot be that in one breath we insist on reduction and on the other demand greater expenditure on social welfare. We cannot demand larger expenditure for education, sanitation and other kindred matters and at the same time cry out for a reduction. The two are not compatible. We cannot say this department or that department is overmanned or

overpaid and yet ask for the creation of new offices. It may be that there is waste here and there but the question is, is there any real extravagance? Are Government really spending more money without corresponding service? In short, are they spending money on what is nowadays called "nation-building" that peculiar phrase or slogan that has come into use during the last two years? Well, Sir, I have now pointed out what I consider to be the outstanding features of the Honourable Sir Basil Blackett's Budget. The more we closely study it, the more we ponder over it, the more we will find that it aims at laying the most solid foundation for the future permanence and prosperity of Indian finance in this country. And I feel quite sure that if he remains here for another two years, during which we hope the Currency Commission's recommendations will be carried into effect, we shall have the rare satisfaction of seeing substantial reforms on the entire system of Indian finance which will bring real and genuine prosperity to the country and its people in the near future. With these words I most heartily support Sir Basil Blackett's budget for the coming year and resume my seat. (Applause.)

THE HONOURABLE SIR CHARLES TODHUNTER (Madras: Nominated Official): Sir, at the risk of being tedious, I feel that I ought not to let pass the challenge that has been thrown down by an Honourable Member behind me, and in taking it up I hope that I shall be able to follow his example in avoiding the use of the language whose excess imparts the cause he loves so well.

He has suggested that certain provinces, of which Madras is one, will soon be wallowing in a quagmire of stagnant revenues and urge them to develop their muscles by imposing and working new taxes. I should like to tell him that, in so far as the Province which I represent is concerned, the supposed quagmire is as dry as a bone and that ever since the Reforms, we have been developing our muscles by working the highest possible rates of Stamps, Court-fees and Registration Fees, while a sister province has been able to sit on the bank and rest from her labours, in other words to repeat the increases for a considerable interval. It is only in the case of the amusement tax that we have not so far developed our muscles and that because it is ill doing so on an empty stomach.

Having said that, Sir, and since I am on my feet, I ask your permission to say a word in defence of two much-maligned institutions,—the Meston Committee and the Government of India.

Of the Meston Committee I would only say this, that while I dislike their award as much as any one else I cannot fail to regard it as the award of the arbitrators appointed by the Secretary of State. But I would add that their award has never been given a trial and that the award which is so often criticised as the award of the Committee is not theirs at all but that of the Secretary of State in Council.

The Government of India are well able to defend themselves against attacks from Madras as from other quarters, but there is one class of attack which I think may be answered for them. We have been told to-day of their "calculated injustice" to a particular province. I met that same phrase this morning in a leading article which has the following further passage:

"The deliberate exclusion of Bombay from this measure of relief is of a piece with the invidious attitude of the Government of India during the régime of the present Finance Member towards this Presidency."



[Sir Charles Todhunter.]

It also talks of "the Provinces selected for this benefit". When statements of this sort are made it seems necessary to issue a reminder of the fact that the proportions in which any sum which the Government of India may find themselves in a position to remit are determined by statutory rule.

The Honourable Sir Sankaran Nair has reminded the House that the same statutory rule lays upon the Governor General in Council, and not on the Legislature, the duty of determining the total sum to be divided. As regards this, it should perhaps be added that, in so far as new taxation is in question the Governor General in Council can obviously not decide to distribute what the Legislature declines to vote. Where remissions of revenue are in question the case is different, and here I should like to call special attention to the remission of 6 lakhs of customs duty on Government stores only to provinces which have not received a remission of their contributions. I have endeavoured to trace any sign of connection between these two items and regret to say I have been quite unable to find any.

The Honourable Sir Sankaran Nair has referred to another aspect of the question as enshrined in that curiosity of literature, the amendment of Devolution Rule 18, in which a large amount of legal verbiage is wrapped round the statement that, in the case of the contribution of Bengal, nothing is equal to nothing. In the case of the other provinces this curious equation has the result of making a very substantial something more substantial still. Let me illustrate by the case of Madras. Her initial contribution was to be 35½ per cent. of whatever deficit there might be. The initial deficit was 983 lakhs, and 35½ per cent. of that is 348. The deficit was reduced by remission of the share of Bengal to 920. But the Madras share was maintained at 348 and was thus increased to 38 per cent.

Sir, in conclusion, I join most whole-heartedly in the chorus of congratulations to the Honourable the Finance Member on a most admirable Budget, about which I have only to make a single reservation which is that it cannot be properly described as a surplus budget until the whole of the deficit that is met by the provinces has been wiped out. I hope that next year we shall see that happy consummation reached and the way clear for a new deal. And I might add, on behalf of the Province from which I come, that we shall welcome a new deal as much as any one else, since we are convinced that no new deal that is fair to all concerned can leave us worse off than we are.

THE HONOURABLE RAJA SWETACHALAPATI RAMAKRISHNA RANGA RAO BAHADUR, RAJA OF BOBBILI (Madras: Nominated Non-Official): Sir, I rise to offer my meed of praise to the Honourable the Finance Member for the satisfactory Budget that he has presented to the House. I offer it in no spirit of complimentary courtesy, but as the index of my genuine feeling in the matter. I wish to refer with satisfaction to the conversion of about 25 crores of 6 per cent. tax-free loans and about 5 crores of 5½ per cent. tax-free loans into 5 per cent. loans, about 25 crores tax-free and about 4½ crores tax paying. This successful conversion augurs well for the conversion of the 20 crores of 6 per cent. bonds maturing in September next on the same, if not on more favourable, terms. In this connection I may observe that the saving of 18 lakhs effected in the paying of interest annually and the further addition to the revenue by reason of 4½ crores of the bonds being subject to income-tax are features of the conversion not lightly to be despised.

Although I am not one of those who desire the efficiency of the Indian Army and the safety of the Indian Empire sacrificed at the altar of retrenchment and false economy, I still rejoice to find that the military expenditure stands at a much lower figure than 3 years ago with every prospect of a further reduction in the future, without materially and unduly decreasing the strength or efficiency of the force. The relief proposed to be given to the provinces in the way of a further reduction to their contribution is undoubtedly a matter for rejoicing but, in my opinion, seeing that Madras has been contributing the largest share to the Central Government and considering her present financial condition, she deserves still more favourable treatment at the hands of the Central Government in the matter of remission.

Out of the surplus of 125 lakhs with which the current year is expected to close, a sum of 50 lakhs is proposed to be set apart for the foundation of an Indian Archaeological Fund. This proposal does not materially affect the finances, but has this redeeming advantage that in lean years archaeological research would not be starved on that account. Recent excavations, as pointed out by Sir Basil Blackett in his speech, have held out prospects of information and knowledge of the early history of man, now buried in the soil of the earth and in oblivion dating back several thousand years. Is not further and sustained investigation of this history of supreme importance to mankind and are not the Government to be congratulated on making a small attempt to place the work of this research on a permanent foundation? I, for one, thankfully vote for the proposal. With equal pleasure and delight, I vote for the increased grant for the Indian Research Fund Association and for the other beneficial services referred to by Sir Basil Blackett. I gather from Sir Basil Blackett's speech that it is in contemplation to reduce the interest on post office cash certificates. In the light of the present condition of the money market, a reduction in the rate of 6 per cent. compound interest may safely be pleaded as a justification, but realizing what an enormous blessing it has been to small investors among the poorer classes and how any sudden and heavy reduction in the rate of interest is likely to react on them, in regard to future investments in this class of securities, it is hoped that before taking any step in this direction, full consideration will be given to the benevolent functions of the State, one of which is to help to improve the financial condition of its poor and ignorant subjects who ought, in my humble judgment, to be considered as its wards.

The entire structure of the Indian Tariff Schedules as pointed out by the Taxation Inquiry Committee would seem to require revision in view of the changing conditions, and I trust that Government will take early steps in the matter. Owing to the deficiency of Railways in India, unlike other Western countries which abound in railway communications, it is highly desirable that Government should make every endeavour to encourage motor transport by a substantial reduction in the import duty on motor cars, buses and pneumatic tyres. In these days motor cars have become "a necessity" and cannot be termed "a luxury." The motor bus services which have sprung up during the last three years reveal the possibilities of their expansion and have proved a great boon to the villagers who live far away from the railways. The reduction in the petrol duty made last year not only gave an impetus to motor transport on a large scale but also brought in increased revenue to Government. A further reduction of duty



[Raja Swetachalapati Ramakrishna Ranga Rao Bahadur.]

on motor cars, petrol and pneumatic tyres will, I imagine, more than justify itself.

The imposition of a prohibitive rate of 80 per cent. import duty on all kinds of sporting goods has placed these beyond the reach of schools and colleges. The local manufacturers taking advantage of this high duty and enhanced prices in Europe since the war have raised their prices from 60 to 75 per cent. I am afraid that owing to the unsuitability of Indian material, the sporting requisites made in India can never prove to be a profitable investment. The revenue realized from this source is insignificant and the reduction of duty to the pre-war level will not jeopardize the true and rightful interests of the Indian manufacturer, as only sporting materials of superior quality are imported into India. On the other hand, it will help to induce the Indian manufacturer to import the material required for manufacturing the higher grade articles. In my opinion games and sports play a very important part in the physical development of the rising generation and in the maintenance of health generally and therefore every facility should be afforded to import ~~such materials at a~~ cheap cost.

The Indian ryot is proverbially conservative in his methods of agriculture and has not yet realized the importance and value of artificial and scientific manures to his lands. India is predominantly an agricultural country and will ever continue to be so. The value of artificial manures has been fully realized in all progressive countries of the world. The time has come when Government should make every endeavour to enable the ignorant ryot to realize their value and make them available to them at attractive prices by imposing a duty on the export of raw products suitable for the manufacture of manures, such, for instance, as bones.

I shall not be justified in resuming my seat if I do not felicitate the Government on its decision to abolish the cotton excise duty. From the moment of its introduction the duty was unpopular with all sections of the people, no matter whether it affected them or not. The abolition spells the loss of not an altogether inconsiderable amount of revenue but that loss will be more than compensated for by the relief which it is calculated to afford to the indigenous cotton mill industry, which has not been in a prosperous condition for the past 2 or 3 years. Not less satisfactory than this is the fact that the abolition disarms the Opposition of one ready weapon of attack.

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, before I proceed to embark on my reply to the very interesting discussion which has taken place, I desire first of all to express my really grateful thanks to all those Honourable Members—I think nearly every one who spoke—who have said unduly kind things about myself, and in particular to Sir Dinshaw Wacha for his breath-taking-away remarks about myself. And then I wish to congratulate the House on the splendid way in which it has risen to the occasion and seized the opportunity that has been given to it by another place. For almost the first time—certainly for the first time in my recollection—the discussion of the Budget in this House has been in an atmosphere of freshness and originality which it has lacked on other occasions when already for two days speech after speech has been delivered in another place, filling the target with holes so enormous

that it has been impossible as a rule for anybody in this House to find any new place at which to make an attack. His Excellency the Commander-in-Chief asked me also to express his regret that he was unable to be present. My Honourable colleague the Leader of the House has already expressed that regret on behalf of the Commander-in-Chief, so, it only remains for me to express that regret on behalf of myself. I am sure it would have been extremely good for His Excellency to hear some of the things that have been said in this House to-day on the subject of military expenditure, and the more so in view of the fact that he was let off in another place.

One special question was asked about military expenditure, I think, by my Honourable friend Lala Ram Saran Das. He asked the reason for the transfer of certain charges from the military to civil Budget. We have been engaged in the course of the last 2 or 3 years in scrutinising various items and considering how far they had hitherto been correctly allocated. We have, as the House is aware, decided at various times during these last few years to transfer to the military expenditure the charges for stationery used by the military, for posts and telegraph services rendered to the Army in so far as they were not already charged to military, and for customs duties on Government stores imported for military purposes. That had the effect of adding considerably to the total apparent expenditure of the Army though it has not of course increased our actual total outlay. Similarly, there were certain charges of which the Escort in Nepal was one which appeared to be non-military in character which were incurred not for military purposes nor under military control, but for purposes connected with the civil Budget and those have been transferred to the civil Budget. That is the explanation of the transfer which my Honourable friend asked about.

THE HONOURABLE LALA RAM SARAN DAS: What about the other two?

THE HONOURABLE SIR BASIL BLACKETT: I forget what the other two were but the explanation is the same. I think one of them was the Military Finance Department. The explanation is very much the same there. It seemed more properly a civil than a military charge and there was also this point to be taken into consideration, that so long as these charges were under military they were automatically non-votable; and when they were transferred to civil, the question whether they were votable or non-votable had to be considered under rather a different category of rules. I do not propose to deal much further with the military expenditure questions that have been raised except to express my full agreement with what I think is the general sense of this House, that our military expenditure must give us an adequate army, but that we ought not to spend an anna more on the Army than is absolutely necessary. I think that the Honourable Sir Dinshaw Wacha with his usual acumen put his finger on the spot when he said that if we are to hope for a large decrease of expenditure we must look for it only in the capitation grant. The real fact is that beyond certain automatic savings, beyond such savings as may arise from a fall in prices and such savings as may arise from our getting rid of moribund charges mostly arising out of the war, there is no room for any large decrease in military expenditure, unless you can secure some reduction in things like the capitation charge or some reduction in the total

[Sir Basil Blackett.]

troops. The Finance Department and the Army Department will not relax their energies in securing that there shall be no avoidable waste in the expenditure on the Army; but given the necessity for an army of a definite size, I do not think that as things are to-day there is very much ground for complaint. I think we have succeeded in eliminating most of the items of extravagance, if there were such, in army expenditure, as a result of the pressure that has been continually exercised in the last few years.

Some reference was made to the figures in regard to stores. It is certainly not a satisfactory thing that it should be discovered at this date that the stocks of stores held by the Army are considerably larger than the figures that were compiled for the purposes of the Retrenchment Committee's inquiry. I am not sure that I would agree with the Honourable gentleman who alluded to these stores in his further suggestion that such a mistake could never happen in a country where the executive was responsible to the Parliament; for I have a very clear recollection of the discovery of something certainly running into many tens of millions of stores which were unknown to the British Army in the period just after the war; and discoveries also, if I may go into another field, of ships anchored somewhere in the Mediterranean which the Navy had forgotten all about. These sorts of mistakes are not, I think, confined to the Government of India. At the same time, it was a very regrettable fact. It was not that the figures given to the Retrenchment Committee were wrong, but they were not complete. They left out to a large extent the Ordnance stores, and I think clothing stores as well were left out. We have been on the track of these surplus stores ever since the war, and particularly since the date of the Retrenchment Committee, and we have been trying to clear the position up. It is as a result of these continued and unrelaxed efforts, that we have now got correct figures. It is also a result of these efforts that we have brought to light the existence of certain shortages in some of the essential stores for which special provision has had to be made partly in the current year and partly in the next year's Budget. It was suggested, I think, in another place by one speaker that the necessity for making up these shortages pointed to some villainy on the part of the Finance Department which had not been giving the Army the money which was absolutely required to keep it efficient. As a matter of fact, the Army did not know that there were shortages until as a result of pressure from the Finance Department inquiry was made into the total stocks, and the Army Department make no suggestion—they would be the first to acknowledge this fact—they made no suggestion that this shortage was due to any refusal on the part of the Finance Department to provide funds for necessary services.

I need not say very much, I think, more than has been said so well by my Honourable colleague on the subject of the grant for Archaeology. I am indeed gratified that it has on the whole received such a favourable reception from this House and from public opinion generally. One or two suggestions that have been made in this House as to how we might have better utilised the 50 lakhs in question seem to me to suggest that there is some misapprehension in some minds as to what we really are doing. One Honourable Member suggested that we should use these 50 lakhs to reduce postal rates. Well, it is not a recurring 50 lakhs, it is a non-recurring 50 lakhs. The 50 lakhs would not be enough to meet the cost of reducing postcards to the old rate of half their present rate even for one year.

What is to happen the year after? These 50 lakhs would no longer be there, and we shall still have a recurring loss on postcards. Similarly, I think that the other suggestions which have been made in regard to these 50 lakhs show a certain amount of misapprehension. Sir Sankaran Nair wanted it, I think, for Madras, but we could not have given a recurring reduction for Madras, and even supposing we had made a non-recurring reduction, we should have been worse off by 2½ lakhs in the next year's Budget than now. I do not think it is understood that within limits this is largely a book-keeping transaction. It is a method of book-keeping. It is a proposal that instead of granting 2½ lakhs a year in 1926-27 and for future years, we should grant 50 lakhs now and save ourselves in 1926-27 and in future years the charge on our Budget of 2½ lakhs for this special grant. If you once agree that a sum of 2½ lakhs for 1926-27 is not too large a sum to give to Archaeology or to Archaeological Research, you make no difference in your Budget if you put these 50 lakhs in as capital for an endowment for a new capital fund or if you simply grant the 2½ lakhs next year. You have not got the 50 lakhs to play with once you agree that you must give 2½ lakhs next year and assume that you will continue it for future years. So that, it is to a large extent a book-keeping method of bringing the Archaeological Fund into being in the hope that the Archaeological Fund once in existence will serve the several important purposes on which my Honourable colleague has already spoken. Another suggestion made, to which also my Honourable colleague referred, was that we should use the money for the Medical Research Fund. I think that both the Honourable Mr. Roy and the Honourable Mr. Ram Saran Das made that suggestion. (Here the Honourable Mr. K. C. Roy wanted to interrupt.) I see that the Honourable Mr. Roy is anxious to interrupt and I think I know what he is going to say. He does not want money to be given to the present Medical Research Fund, but he wants a real Medical Research Fund. That is what I gathered from his speech. He wants not the present Medical Research Fund which he thinks is the Government of India under another name. I think he wanted an expert body independent of the Government of India. If that was what he suggested, obviously it is a matter that needs considerable examination and cannot be hurried. If it is merely a proposal that we should do for the Medical Research Fund exactly the same as we have done for Archaeology, it is a matter that we might well consider, that is, reduce our grant for next year to the Medical Research Fund by 2½ lakhs and instead of that, vote Rs. 50 lakhs this year as a supplementary estimate out of our surplus as an endowment for the Fund. I do not know whether that would meet the idea the Honourable Mr. Roy had in mind.

THE HONOURABLE MR. K. C. ROY: Certainly.

THE HONOURABLE SIR BASIL BLACKETT: It is a point which we might well consider. It must be assumed, however, that the purpose of this grant is not, as I think my Honourable colleague with his natural desire for more money from me seemed to think, to increase the total amount available for Medical Research in 1926-27, but to secure for the Medical Research Fund an endowment of Rs. 50 lakhs which would presumably be for all time instead of a grant of 2½ lakhs for next year which might be taken away thereafter. I do not think that we can suggest at the present time a new endowment for additional expenditure over and above what is already provided in next year's Budget, and that among other things for the reason which was given by my Honourable friend Sir Sankaran Nair when he was dealing with the question of Madras's provincial

[Sir Basil Blackett.]

contribution. He approached this subject in what I may call a very truculent mood. He said that Madras was receiving iniquitous treatment. He applied, I think, the words "iniquitous conduct" to the conduct of the Government of India in daring to use monies in the Central Budget for any purpose other than that of reduction of provincial contributions. He seemed to me to take the very extreme view that once provincial contributions came into existence and the Government of India had undertaken—he called it a statutory obligation—to get rid of them as soon as possible, the Government of India had no right to spend any money whatever on any service whatever where it had the slightest choice or the slightest option not to spend it. Whatever optional expenditure there might be in the Budget ought to be rigidly cut out in order to reduce the Madras contribution.

THE HONOURABLE SIR C. SANKARAN NAIR: Every avoidable expenditure.

THE HONOURABLE SIR BASIL BLACKETT: I do not think I have overstated the case when I said "any expenditure that is optional." That is putting the case very high. Are the Government to do nothing for any of their research funds, nothing for any Universities with which they are connected, nothing for education in the North-West Frontier Province or in Ajmer, nothing for sanitation in any of those provinces, until they have reduced the Madras contribution? If that is the Madras claim, I do not think it will be supported by the rest of the House, and I would put it to the House that if that is the claim of Madras, there is really no . . . . .

THE HONOURABLE SIR C. SANKARAN NAIR: I did not confine it to Madras. I spoke for all the provinces.

THE HONOURABLE SIR BASIL BLACKETT: If that is the claim of the provinces as a whole, I put it to the House that any revision of the Meston Settlement is hopeless, and the wisest thing for the Government of India to do is to leave the Meston Settlement as it is and make no attempt to alter it, and proceed to do their best within their lights in spite of Madras's criticism. It is an impossible position. The Meston Settlement was framed at a time when the prices were a good deal higher than they are now and when there was a considerable boom in trade in certain directions, and it was undoubtedly optimistic. It assumed that the existing revenues of the Government of India *plus* those of the provinces were sufficient to maintain the services of the Government of India and the provinces at the level at which they were then being maintained and that future increases of revenue would be automatic and would enable increases in the level of expenditure on the services as then maintained. The results have however been different. It is within the recollection of the House that the Government of India had immediately after that Settlement to impose once and again, three times in three years in succession additional taxation of a very heavy nature in order to make a balanced budget even with the help of the Rs. 9 crores from the provinces. It is not only the Madras Government or the Government of Bombay that was disappointed as a result of the provincial relations settlement of that year, and ever since that date there has been a deficit between the total revenues of the Government of India and the provinces and the claims of the Government of India and the provinces if you leave out the provincial contributions. That is the position at present, and it is quite impossible to alter that position without taking the five crores which at present stand between us and absolute

equilibrium from somewhere. It can be taken by extra taxation. I do not know whether the Honourable Sir Sankaran Nair wishes us immediately to impose additional taxation in order to abolish the provincial contributions. But it must come from somewhere. The claim of the provinces apparently is that it should come out of the Central Government's pocket, that is, that the Government of India must somehow or other add Rs. 5 crores more to their surplus. They can only do that by a reduction of expenditure or increase of taxation. They are trying to meet that position year by year by a gradual improvement of revenue and gradual reduction of expenditure. If it is to be done quickly, it can only be either by cutting off all Government of India expenditure on optional services, that is to say, on all the services in which the elected representatives of India are most interested, or by the imposition of additional taxation. It is obviously not a subject which is going to yield to easy treatment, and I would ask Madras to be a little more ready to recognise that Madras is not the whole of India and that Madras's case is not the whole of the case on the subject. The Honourable Mr. Hotson, speaking on behalf of Bombay, started I thought by putting the Bombay case very strongly, but he ended by appearing to be unexceptionably reasonable on the subject, and he recognised the existence of the difficulties. But his claim adds to the difficulty anyhow, because he begins by saying that we must get rid of all the provincial contributions, that is to say, we must find 5 crores from somewhere. Then in addition we must find out of Central revenues, if not now, in the future, the amount required to give two at least of the provinces that share of the more elastic revenues of the country which at present go to the Central Government and which he wants to go to the provinces. That is to say, his proposals increase, I do not know by how much but they necessarily increase, the gap between us and the complete equilibrium from the existing figure of 5 crores to something more. I thought the Honourable the Maharaja of Burdwan was going to make an epigram. He said that the worst enemies of the Reforms did not want to see the provincial contributions reduced. I am not sure that the epigram that he did not make is not true, and I would say that the worst enemies of the Reforms are the provincial contributions. They are a very serious difficulty in our way. I do not say that we want to make a complete revision of the settlement in the course of this summer because that is rather optimistic and premature, but we do want to make an attempt to deal with the kernel of the grievances of Bombay, namely, its claim to a share in some of the more elastic revenues. We propose to deal during the summer with the Taxation Committee's proposals on the subject of Devolution Rule 15 and see how far we can come to some agreement, but I would put it to all those who come here to speak and press as strong as they can the claims of their provinces that there must be some give and take in this matter. If each province comes here to press its own point of view to the utmost and to make no allowance for the difficulties of the others or of the Central Government, I venture to prophesy that we shall be talking about the existing Meston Settlement without any change at this time next year, and quite naturally in that event the Government of India will have to decide, if there is no kind of possibility of agreement on this matter, whether their existing policy of getting rid of provincial contributions as quickly as possible may not have to be reconsidered and the whole subject taken up in a new atmosphere.

Several Members spoke and truly about the pressure of taxation on the consumer. The last speaker spoke of the high prices of sporting goods as

[Sir Basil Blackett.]

the result of the tax on things that come in from elsewhere, and Sir Arthur Froom pressed that the general level of our import duties should be reconsidered with a view to reduction. Now it is exactly the existence of the provincial contributions which makes it such a difficult subject. We have this year, as the House is aware, proposed the final abolition of the cotton excise duty, and with the exception of one speaker that has been universally approved in this House to-day. That speaker of course wanted the money for Madras. As long as the provincial contributions are there, the first claim under the policy that we have announced on any surplus is the claims of the provinces and we cannot really take up the question of the level of our taxation with a free hand until we have a Budget that is balanced without assistance from the provinces. At the same time I do hope that we shall be able in the light of the very valuable Report of the Taxation Committee to make some progress during the year and examine our taxation system with a view to its improvement, and in this connection I am afraid that the results may not necessarily be altogether pleasing to everybody in this House. The general conclusion of the Taxation Committee, so far as I understand it, is that the existing taxation presses rather more heavily on the very poor in this country than it does proportionately to their ability to pay on the richer classes in the country. And that being so, the demands that are made upon me for the reduction of the income-tax and super-tax are obviously not such as are likely to be able to receive an early and favourable reply. I quite recognize the objections to a high level of direct taxation, income-tax and super-tax, in so far as they may chain enterprise and prevent the adventurous investment of money in projects that are likely to redound to India's benefit in the future. At the same time the ability to pay is a criterion you cannot ignore when you are dealing with taxation problems.

While I am on the subject of the cotton excise duty I should like to take up a point made by my friend Mr. Manmohan Ramji. He asked why the Government of India refused in August 1925 to consider the suspension of the cotton excise duty and agreed to do it in December. I do not think that he quoted accurately what was done by His Excellency the Viceroy and by the Government of India in regard to the demand for abolition or suspension of the duty in August and September. The body that came in deputation to His Excellency in August asked for the abolition of the duty. They said nothing about suspension. They were told that we could not agree, except in very exceptional circumstances, to the abolition of a duty of this sort in the middle of the year at a time when the monsoon had not declared itself and when you had complete uncertainty as to whether the budget estimates would be realized or not and without any knowledge whatsoever of the position that was likely to be reached in the year after. It is true that suspension was asked for in another place in a debate during September, and the reply to that was that the Government of India saw no difference between suspension and abolition except in form and that they could not either suspend or abolish in advance of some knowledge of the outturn of the year and of the expectations of the year after. When the suspension actually took place it was stated to be the equivalent to abolition, and it took place at a time when the Government had what they did not possess in August and September, a fairly clear picture of the outturn of the year 1925-26, and were able to see that the effect of suspension was not likely to cause a deficit, and were able to foresee also that the duty

could be dispensed with in the year 1926-27 without requiring additional taxation. There was a very real difference between the conditions in which suspension or abolition was refused in August and September and the conditions under which it was agreed to in December. I think the House ought really to recognize that it would have been extraordinarily objectionable for a duty of that sort to have been given up by a stroke of the pen in the middle of the year, with the possibility that the Government of India might have had to come before the Assembly and this House at this time and ask for some additional taxation to make up for what had been done. I ask the House to consider the atmosphere in which they would have received such a proposal before they condemn the action of the Government of India in postponing a decision in regard to the suspension of the cotton excise duty.

I have only one more subject I think to refer to. Sir Dinshaw Wacha, I was very glad to see, recognized that the ways and means and debt portion of the budget speech was in many ways the most important one, because that deals not with to-day or yesterday or to-morrow, but it has a bearing on the probable condition of Indian finances for some years to come. It is that part of the Budget which to my mind is the most satisfactory of all this year,—the fact that we shall have been able, if our estimates are realized, over a period of two years to finance something like 60 crores of new capital expenditure on productive purposes without having to go to the market for any new money. I think that is really a very remarkable position, and I am glad to see that it is recognized to be so by the market, for since the Budget has become known, I observe that the prices of the more important Government securities have gone up by a sudden jump over a rupee and a half in one case—a very remarkable movement. The ways and means position is one which really shows the strength of the Government's financial position more than anything else, and the improved credit which it yields ought to have very considerable effects on the charge for interest which the tax-payer will have to pay for years to come, just as the improved credit we have already realized has reduced by nearly 3½ crores the charge for interest as compared with three years ago.

Something has been said by a good many Honourable Members in regard to the post office cash certificates. The cash certificates are old favourites of mine. I was closely concerned with the war savings movement in England at the time when the war savings certificates were first invented and was able to see what an enormous appeal this particular form of investment made to the small investor. They have done very well this year, and I am most anxious that any action we take should not stop the very useful habit of investment among those for whom they are intended. Sharing that opinion, the Honourable Mr. Roy and one or two other speakers I think have urged that no reduction should be made in the yield. But it has to be recognized, as is recognized by the Honourable Rai Bahadur Lala Ram Saran Das, that the rate for these cash certificates must bear some relation to the rate for money generally in the market. Otherwise, on the one hand you will be competing unduly with the ordinary dealers in credit and the ordinary deposit banks and the ordinary savings banks, and on the other hand you will probably be encouraging people for whom the cash certificates are not intended to put their money into those certificates, and the result would be that you will be getting your money at six per cent. from people who would probably lend it to you at five or something under five if the cash certificates were

[Sir Basil Blackett.]

at a more reasonable rate. It is a difficult problem. The effect of a reduction may be to damp down the enthusiasm, and I think that justifies us in being cautious in the action we take. I see no reason why the rate for a certificate if held for the whole of five years should not be a little bit higher than the rate obtainable on ordinary market investment because it must be remembered that the full rate is only earned if the certificate is held for the full five years. If it is cashed earlier the rate is less but brings no loss to the individual, and there is a premium if an individual holds it for the full time. But I assure those Honourable Members who are anxious on the subject that we shall certainly do our best to avoid such reduction as will damp down the enthusiasm and put a stop to the growing movement for creating a new class of small investor which these post office cash certificates are at present fostering. I again thank the House, Sir, for the reception which they have given to the Budget and for the way in which they listened to my reply, which I hope has covered all or most of the important points which they have raised in the debate. (Loud applause.)

#### STATEMENT OF BUSINESS.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Government, Sir, are not at present in a position to place any official business before the House and we shall not, therefore, subject to your direction, meet next week, save on the two non-official days, Monday and Wednesday, the lists of business for which are already in Honourable Members' hands. Thereafter Monday, the 15th and Wednesday, the 17th March, are likewise non-official days. On Tuesday, the 16th March, Mr. McWatters will move his Resolution regarding the progressive reduction of export of opium from India, and it is hoped that on that and the following day a number of Bills will be laid on the table after passage in another place, but I cannot of course anticipate the decision as to the date on which these Bills will be proceeded with. I may mention that in addition to the Finance Bill there are some eight Bills pending elsewhere which Government hope to pass into law this Session, and that certain of them are unlikely to be laid on the table here earlier than Monday, the 22nd March.

THE HONOURABLE THE PRESIDENT: Honourable Members have received the list of business for Monday next, the 8th of March, and will have seen that there is a Resolution standing in the list in the name of the Honourable Mr. Sethna. I have to inform the House that that Resolution will not be moved.

The Council then adjourned till Eleven of the Clock on Monday, the 8th March, 1926.

#### COUNCIL OF STATE.

Monday, 8th March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

#### QUESTIONS AND ANSWERS.

##### REDUCTION OF THE INCOME-TAX AND THE SUPER-TAX.

165. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Have the Government received representations on the subject of the reduction of income-tax and super-tax and, if so, what action does the Government propose to take in the matter?

THE HONOURABLE MR. A. C. McWATTERS: Yes. I would refer the Honourable Member to the Finance Bill which indicates the Government's proposal regarding income-tax for the year 1926-27.

##### NON-OFFICIAL BILLS AND RESOLUTIONS PASSED BY THE LEGISLATIVE ASSEMBLY AND REJECTED BY THE COUNCIL OF STATE AND VICE VERSA.

166. THE HONOURABLE MR. SHAH MUHAMMAD ZUBAIR: Will the Government be pleased to lay a statement on the table showing the following particulars:

- (a) number and specification of non-official Bills and Resolutions passed by the Assembly and rejected by the Council of State since 1924;
- (b) number and specification of non-official Bills and Resolutions rejected by the Assembly and passed by the Council of State since 1924;
- (c) number and specification of official Bills rejected by the Assembly and passed by the Council of State since 1924;
- (d) number and specification of non-official Bills introduced in the life-time of the Council of State with the names of the introducers; and
- (e) number and specification of non-official Bills passed by the Council of State since its inauguration and rejected by the Assembly up till now?

THE HONOURABLE MR. S. R. DAS: A statement is laid on the table.

*Statement giving information regarding Bills and Resolutions asked for by the Honourable Mr. Shah Muhammad Zubair.*

(a)

4 Bills.

1. The Code of Criminal Procedure (Amendment) Bill (use of firearms) by Diwan Bahadur T. Rangachariar.
2. The Indian Criminal Law Amendment (Repealing) Bill by Sir Hari Singh Gour.
3. The Special Laws Repealing Bill by Mr. V. J. Patel.
4. The Indian Railways (Amendment) Bill by Mr. K. C. Neogy.

*Resolutions.*

None, but in one case relating to the recommendations of the Reforms Inquiry Committee a resolution substituted by a non-official amendment for an original Government resolution was carried by the Assembly and rejected by the Council.

(b)

*Nil.*

(c)

2 Bills.

1. The Indian Finance Bill, 1924.
2. The Bengal Criminal Law (Amendment) Bill.

(d)

6 Bills.

1. The Registration of Chelas Bill by the Honourable Lala Sukhbir Sinha.
2. The Criminal Tribes Bill by the Honourable Mr. G. S. Khaparde, (on behalf of the Statute Law Revision Committee).
3. The Indian Succession (Amendment) Bill by the Honourable Sir Arthur Froom.
4. The Succession Certificate (Amendment) Bill by the Honourable Mr. Phiroze C. Sethna.
5. The Bill to amend the Law relating to Interest on Loans by the Honourable Mr. Yamin Khan.
6. The Transfer of Property (Amendment) Bill by the Honourable Mr. Phiroze C. Sethna.

(e)

*Nil.*

THE HONOURABLE THE PRESIDENT: I call upon the Honourable Seth Govind Das to move his Resolution.

THE HONOURABLE SETH GOVIND DAS: I am not moving it.

THE HONOURABLE THE PRESIDENT: Mr. Pantulu.

THE HONOURABLE MR. V. RAMADAS PANTULU: I am not moving my Resolution.

RESOLUTION RE GUARANTEE OF APPOINTMENTS ON STATE RAILWAYS TO QUALIFIED STUDENTS OF THE MACLAGAN ENGINEERING COLLEGE, LAHORE, ETC.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to move:

"That this Council recommends to the Governor General in Council to guarantee a certain fixed number of appointments every year in the Mechanical and other departments of State Railways to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges in other provinces of India."

It is an irony of fate that it should be necessary to move such a Resolution to-day. Ever since Railways were started in India, the question of employment of Indians in the higher grades and their technical training suitable to railway service, has come up for consideration from time to time. As early as 1870, an eminent railway expert Mr. (afterwards Sir) Juland Danvers wrote as follows in the Parliamentary Report on the Indian Railways for 1869-70:

"One of the chief expenses connected with the working of the Railways in India is the high cost of the European Agency and the time should have arrived when the result of the instruction given to natives and Eurasians in the mechanical departments of a Railway should be shown. On the Madras Railway the system of apprenticing Indian-born youths as firemen, engine drivers, and mechanical workmen in the Locomotive shops has succeeded admirably and the aim of all should be gradually to allow natives to take the place of highly paid European skill and labour."

He further wrote:

"There is no reason also why the more educated classes of natives and Eurasians should not fill the superior positions of Engineers and assistants."

Upon this advice the then Secretary of State for India took up the matter with the Government of India, and the latter issued a circular in 1870 impressing on the Railway Administration the great advantage of training the natives of the country in all those branches of handicraft that are necessary to the construction and maintenance of railways. The effect that was given to this circular of the Government of India was so poor, that about half a century later, the Indian Industrial Commission were obliged to make the following observations:

"151. Above the skilled workmen is the Mistry, or foreman, and the provision for training such men is hopelessly insufficient. We were forcibly struck, when visiting the large railway and private workshops throughout India, with the almost complete absence of Indians from the ranks of Chargemen and Foremen, the non-commissioned officers of the great army of engineering artisans. At present these posts are filled almost entirely by men imported from abroad. The railway companies are endeavouring to supply this deficiency by training European and Anglo-Indian youths."

The Acworth Committee who reported in 1921 were also struck by the lamentable negligence of the railways in India in the matter of training Indians for technical appointments. They remarked that:

"none of the highest posts are occupied by the Indians; very few even of the higher . . . 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. 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."



[Lala Ram Saran Das.]

These observations were made in 1921, but the position has not improved to any appreciable extent during these five years.

So far as the officers' grade is concerned it is somewhat gratifying that the railways—including the Company-worked lines—have agreed to recruit 75 per cent. of their future vacancies in India. There is, however, no such definite scheme of Indianization so far as the upper subordinates are concerned. On a reference to the latest classified list of State Railway establishments, corrected up to 30th June, 1925, it appears that very few Indians have been recruited for the technical side of the upper subordinate services since 1921. I have taken this date, because the reformed constitution, which mentions Indianization of the services as one of its principal objects, came into operation from 1921. The North Western Railway has recruited 37 upper subordinates in the Mechanical and operating branch since 1921, of whom as many as 21 are covenanted hands. But there is not a single Indian name among these 37. In the mechanical branch, this Railway has appointed 16 persons since 1921, of whom 9 are covenanted, and not one out of the 16 is an Indian. The Oudh and Rohilkhand Railway has made 29 new appointments since 1921, in its Locomotive and Carriage and Wagon Department, and we do not find an Indian name among them. The Eastern Bengal Railway has made 33 appointments since 1921, in its Locomotive and Carriage Department, of whom 11 are covenanted, and 4 are Indians. A study of the upper subordinate list of the East Indian Railway is also very instructive. It was under Company management till recently and its importance is emphasised by the fact that two of the present members of the Railway Board were previously connected with this Railway. The East Indian Railway recruited a remarkably large upper subordinate staff since 1921, which is surprising in view of the expiry of the Company's contract in 1924. Thus, in the operating branch, 98 new appointments were made of whom one was an Indian. In the Mechanical Department not one out of 57 new appointments has gone to an Indian. And in the Electrical Department, only three are Indians out of 28 new recruits.

The reply of the Railway Department will perhaps be, in the first place, that Anglo-Indians are to be reckoned as Indians while considering this question; and, in the second place, Indians generally lack some of the qualities that are required in the technical upper subordinate offices of the railways. As for the first argument, I would remind the Railway Board of the often-repeated principle of the Government of India that no department should be overweighted by any particular community. Again, the Anglo-Indians while claiming to be treated as Indians for the purpose of Indianisation, must not in the same breath ask for better terms and emoluments than are open to Indians. Railway officials add insult to injury when they seek to justify this racial discrimination in the matter of emoluments, on the plea that Indians are not capable of doing the class of work that is entrusted to Anglo-Indians. Even Mr. Cole in his interesting report on the training of railway officers and subordinates refers to the lack of what he calls personal qualities among Indians that make efficient Charge-men and Foremen. Indians have not been given adequate opportunities to qualify themselves for these appointments so long. What is more, qualified Indians have not had fair play even in the matter of promotions. Presiding over the All-India Railwaymen's Federation, Rai Sahib Chandrika

Prasad, a retired railway officer of great experience, made the following deliberate statement with reference to upper subordinate appointments:

"A marked partiality is shown to Europeans and Anglo-Indians, and justice is flagrantly denied to pure Indians in the recruitment and subsequent promotions and privileges of various kinds. A serious injustice is being practised upon pure Indians who are treated as inferiors to both Europeans and Anglo-Indians, even where Indians exhibit better work and better qualifications."

I would ask Government to ponder over this serious charge brought by a responsible ex-railway officer. The Railways, particularly after the separation of finances, must be treated as a business concern; and the tax-payer must be satisfied that Indians are not being excluded from railway services on racial considerations. I will have to refer to this aspect of the question once again in my speech. Certain new methods of recruitment are no doubt under consideration. But the public have had no opportunity so far of knowing the details of these schemes, and offering their criticisms. The scheme as drawn up by the Railway Board for the recruitment of superior officers, was discussed sometime back by the Central Railway Advisory Council and as it is yet treated as confidential, no reference can be made to its details, beyond what was read out by the Honourable Sir Charles Innes the other day in the Legislative Assembly. It appears that the principal feature of this scheme of future recruitment in India, of the 75 per cent. of vacancies in the superior branches, is that a system of nomination will be followed by a competitive examination among the candidates nominated. At present, a number of appointments on the Engineering side are guaranteed to the engineering colleges at Roorkee and Sibpur. This guarantee is apparently to be withdrawn, but the reasons for taking this step are not yet known. The guarantee system has worked well in the past, and has produced eminent railway engineers like Rai Bahadur Ralla Ram and Mr. Bagley, not to mention other distinguished names. The guarantee system was introduced originally with the object of attracting qualified persons to an engineering course of study leading up to profitable employment in the railways. The number of engineering institutions in this country has grown since then, and the number of higher appointments to be thrown open to Indians is also expected to grow larger. It is therefore necessary that the guarantee system, which has been such a success in the past, should be extended so that all the engineering institutions in India should be able to attract the best talents for training and employment in responsible railway work. This will, moreover, ensure equitable chances of employment to candidates from each province, and prevent the preponderance of the people of any particular province in the railway services. Under such a system, the engineering institutions will naturally adapt their courses of study and examinations to the needs of the Railways; and the Railways themselves can have an effective voice in their management.

The MacLagan Engineering College of Lahore which was started in 1923 fulfils these conditions. The estimated capital expenditure on this College was about Rs. 10,00,000 and the estimated recurring expenditure per year is Rs. 2,47,087 which is borne entirely by the Punjab Government. Fifty per cent. of the members of its governing body are representatives of the North Western Railway. Its courses of study are a happy blending of sound theoretical instruction and practical training in the railway workshops. It teaches up to two different standards—"A" class being the higher

[Lala Ram Saran Das.]

course in mechanical and electrical engineering, and "B" class being the lower course for the training of improvers and assistants. The first batch of "A" class students finished their college training in June 1925, and they will undergo practical training in the railway workshops for two years more. At the end of the fifth year, the successful students will be entitled to a diploma as fit to occupy positions of responsibility in the engineering industry. Their courses of training were devised with the help and approval of railway officials; and yet a report has gained ground of late that the railway authorities do not consider them fit for employment in the Railways. It seems that though the first batch of students have recently begun their workshop training in the Moghalpura Workshops of the North Western Railway, they were condemned in advance by those very railway officials who are on the governing body of the MacLagan Engineering College and are thus responsible for their training. I sincerely hope that there is no truth in this report. For, if there be any defect or deficiency in the instruction of these boys, the railway representatives on the governing body are as much responsible for it as anybody else; and it was up to them to cure the defect. I should like the Honourable Member in charge to say definitely what the railway authorities think of the training given at this college.

There was undoubtedly no express undertaking that these boys would be taken into railway service; but the association of railway representatives with the governing body and the control exercised by them over the training of these young men, particularly in the railway workshops, would naturally rouse sanguine expectations in their mind. If they are now to be condemned on the plea that their training has not been up to the mark, the railway authorities themselves can justly be accused of gross negligence in their duty.

The position of "B" class students—that is to say, those who are being trained as mechanics—is slightly better, though there is a good deal of difference between Europeans and Anglo-Indians on the one hand and Indians on the other, so far as prospects of employment are concerned. A large proportion of this class of students are nominated by the North Western Railway and are in receipt of a stipend from it. Thus, out of 96 students admitted in October 1923, 64 (40 of whom were Europeans and Anglo-Indians and 24 Indians) were nominated by the North Western Railway. Before the MacLagan College was started, the Railway used to train its own apprentices and under the rules then in force, there was a definite declaration that European and Anglo-Indian apprentices at the end of their indentures would be started as journeymen on Rs. 130 per month (or in certain cases on Rs. 150 per month). In the case of Indians, however, the rules contained a warning that they would not be retained unless their work, etc., had been satisfactory; and the wages to be given to them would be Rs. 1/8 per day or Rs. 1/10 per day in special cases. It is believed that the warning clause which makes the employment of successful Indian students more or less uncertain, yet continues to operate. This is the impression left in my mind after hearing the Chief Commissioner's reply in the last Railway Budget debate. Even now, there is a certain number of literate Indian apprentices who were admitted into the Moghalpura shops before the establishment of the MacLagan Engineering College and who have all along been undergoing mechanical training in the Moghalpura shops and who will

be at the end of their indenture sometime this year. It was not found possible to take 4th and 5th year apprentices in the College when it opened in 1923, but 1st and 2nd, and 3rd year apprentices were taken. The boys who were at that time in their 3rd year are now nearing the end of their 5th (and last) year but they are naturally anxious to know what prospects await them. It is nothing but bare justice that Indians should be put on a par with Anglo-Indians as regards salary and prospects; and these Indian apprentices should be started as journeymen on Rs. 130 a month in ordinary cases, but in special cases when they have done extra well in the shops they would be given Rs. 150 per month, which is at present the rule for the Anglo-Indian apprentices. Judging from the fact that there are very few Indian foremen and chargemen in Railways generally, and particularly in the North Western Railway, it seems the training hitherto given by them to Indians in their own workshops must have been very defective. And now that the North Western Railway is having its own nominees trained under the auspices of the MacLagan College, there can be no justification for making any distinction between Europeans and Anglo-Indians and Indians, who are now trained under the same conditions, and have to pass the same examinations.

The Honourable Sir Charles Innes read out in the Legislative Assembly the other day extracts from a circular which the Railway Board had addressed to the Agents of different Railways, and which contains an enunciation of Government policy on this point. The circular states that the Government of India:

"recognise to the full the aptitude of the Anglo-Indians for certain branches of railway work, and they are not in favour of any policy which would oust the Anglo-Indians from those branches. They consider, however, that Indians should also be recruited for those branches (particularly the subordinate traffic service) and should be given equal opportunities of showing their aptitude and capacity for the higher and better paid posts."

It seems to me the Government of India assume a special aptitude on the part of the Anglo-Indians for the mechanical and allied branches of railway work, and acknowledge the existence of a kind of vested interest possessed by that community in respect of these appointments. The fact of the matter is that Indians have been deliberately denied the opportunity of suitable training, and that humiliating conditions of a racial character and galling discriminations in the rates of pay have not attracted Indians of the proper type to certain branches of railway administration. Instances are not unknown where Indians converted to Christianity and bearing European names were treated on an equal footing with Anglo-Indians in the Railway Department. Thus, after having been kept out of the mechanical side of the railway upper subordinate grade, Indians are to-day being accused of not exhibiting the same amount of aptitude as the Anglo-Indians. And now that Indians are being trained in our engineering institutions like the MacLagan College, they cannot look forward to any sure prospect of employment such as their European and Anglo-Indian fellow students can. It appears from a statement furnished by the Railway Board that at the final examination of apprentices trained at the Jamalpore workshops of the East Indian Railway, during recent years Indians have often occupied the higher positions. Thus in 1918, the second and third positions were occupied by Indians; in 1919 the 1st, 2nd, and 3rd; in 1920, the 2nd, 3rd, 4th and 5th; and in 1921, the 1st and 2nd positions were also taken by the Indians. But the salary paid to Indians occupying these higher positions was Rs. 70 rising up to Rs. 90

[Lala Ram Saran Das.]

per month, while the salary paid to Anglo-Indians holding lower positions in the examination was Rs. 160 to Rs. 220 per month. In this case, the Anglo-Indians and Indians underwent the same training in the same railway institution, and passed the same examination; and when the Indians occupied higher places at the examination, it cannot be said that the Anglo-Indians possessed superior merit justifying better rates of pay.

That Indians do not suffer from any inherent shortcoming which makes them less fitted for mechanical and technical jobs than Anglo-Indians is apparent from the fact that Indians have proved highly successful in similar positions under more sympathetic departments than Railways. In a communiqué published in 1923, the Director General of Ordnance reviewed the education and training in Government Ordnance factories, and observed as follows:

"The original idea of apprenticeship had aimed, at most, at producing lads who might eventually become Foremen. At Ishapore owing to the unexpected high class of lads or young men which have come forward and to the high standard of instruction that has been given by the staff, it seems to be possible that they may turn out better fit later on to be appointed to the officers' grade of the factory staff after probationary period in the lower rank."

Later on the communiqué says that "the apprentices are nearly all Hindus and the standard for admission is the I. A. or I. Sc. (corresponding to the F. A. or F. Sc. It may be mentioned that there is no distinction made in the Ordnance factories between Indian and Anglo-Indian apprentices in the matter of stipends, etc.

I have so far dealt with the MacLagan College. There are other similar institutions in India giving training of an equally high standard. There is no reason why they should not have a few railway appointments guaranteed annually to their students as well. These colleges have cost the tax-payer of India very large sums of money, and they are being maintained at a great cost. The Railways should utilise these institutions for their purposes, instead of having institutions of their own. Most of these colleges have classes of the higher as well as the lower standard. And with a little adaptation, their instructional courses could be suited to Railway requirements, both for the superior and subordinate appointments. By thus co-ordinating the efforts of the existing provincial institutions, and the facilities provided by railway workshops, the Railways can get their technical staff trained at a much less cost than otherwise. Moreover, by having a guarantee system like this, the Railways will be greatly encouraging Indians to take more and more to the mechanical line, and helping to solve the problem of unemployment which is assuming serious proportions day by day.

The Director of Industries, Punjab, was, on questioning the railway authorities of the North Western Railway, informed that the total number of literate apprentices under training in each of the railway workshops in October 1920, was 49 Anglo-Indians plus 2 Indians in locomotive shops and 25 Anglo-Indians plus 26 Indians in the carriage shops; total 74 Anglo-Indians plus 28 Indians, or 102 in all. He was further informed that the average will probably increase to 100 Indians plus 100 Anglo-Indians. This indicates the likely demand of mechanics on the North Western Railway. The demand on the East Indian Railway and on the Great Indian Peninsula Railway will probably be the same and about one-half on the Eastern Bengal State Railway. Thus Government can easily recruit say 250 to

300 mechanics qualified from various mechanical colleges in India. If in addition to this 50 Indian literate firemen are recruited every year in Rs. 50 grade another 200 appointments can be found for Indians thus making a yearly total of recruitment of 500 mechanics yearly. However I leave the number to the good sense of the Government. The question of unemployment amongst the educated classes is the burning question of the day and Government by adopting this proposal will be moving in the real direction of Indianisation of the mechanical services and also allaying to some extent the unrest in the country due to unemployment.

With these words I commend the Resolution for acceptance by this House.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I fear my Honourable friend will not give me a black mark when I say that I have listened with the greatest attention to his speech and have failed to see the connection between a great portion of it and the subject of this Resolution. This Resolution deals with students and his speech—this is where the black mark comes in—reminds me of the story of an English school boy who when asked in an examination paper to write what he knew about the thermometer said that he did not know anything about the thermometer, but wrote at great length about the barometer! This Resolution asks that the Railways will guarantee a certain number of appointments to qualified students of the MacLagan Engineering College, and of other colleges whether they be Sikhs or Punjabis or Muhammadans, but the greater portion of his speech has been devoted to the differences in the treatment between Anglo-Indian and Indian subordinates on the Railways and to the disproportion of Anglo-Indians in the railway workshops to Indians. I did not come at all prepared to deal with that subject, and I think the Council will be on my side when I say that there was nothing whatever in the terms of this Resolution to give me any idea that that question would be raised. It simply asks for a guarantee of a certain number of appointments to qualified students and that, and that alone is the issue before this Council. I will say very little about the difference in treatment of Anglo-Indians and Indians in some of the subordinate ranks of the railway service. There have been differences in scales and rates of pay; everybody knows that; nobody has denied it. That question has been debated several times and the Honourable Member is aware, and everybody in this House is probably aware, that the railways have been endeavouring to adjust those differences. You cannot, however, immediately readjust conditions which have grown up through the years, but the Anglo-Indian is treated and is counted as an Indian. Also the Honourable Member, in his speech, which went back into the dim ages, complained that very few people in this country got employment on the Railways and in the same breath complained of the number of Anglo-Indians who were employed. At the same time he went on to show that in fact Indians did get appointments. At the school at Jamalpur a considerable body of Indians had, after three or four years' training, passed their examinations and got appointments. The question, I should once more point out, is not a question of scales of pay, but of appointments, and the Indians got the appointments. Also he dealt with two classes of appointments, one to the upper subordinate grade of chargeman or foreman, and the other, which is I think of greater interest to this House, and which he dealt with very little, the superior

[Mr. D. T. Chadwick.]

services. He pointed out in regard to the MacLagan College that the Railways and the College are working together in the training of chargemen and foremen. They may have differences between each other regarding details of the course; they have only been in progress for three years and railway apprentices are being trained at the College. At Jamalpur and Kanchrapara, where the system has been in progress for many years, a very large number of men of this class are taken for training, and I have no doubt that in regard to the training of those ranks of the service, the local educational authorities in the Punjab and the railway administration, working together, will provide the training that is necessary.

I anticipated that the Honourable Member was going to direct his motion to the much more interesting, and I put it to you, the more important aspect of this question of training of Indians, namely, the training and the selection of Indians for the superior appointments of the railway service. That is the point in which I take it this Council is really interested. He complained that little had been done in this respect. At the same time he referred to facts showing that recently much had been done. Mr. Cole, as he said, was placed on special duty to work out schemes for the training of Indians for the superior railway services. On his report, which was carefully examined, a scheme was prepared, and I think four or five times that was put before the Central Advisory Committee, where it was examined by them in the greatest and closest detail. He and I and also the Council are under a small disability in discussing this question because the result of those discussions has had to be sent to the Secretary of State on a minor point, namely, on a point in varying the training of the recruits that will still be obtained from England. As the orders of the Secretary of State on that report have not yet been received, we cannot publish it; but I can easily give the principles upon which that report is framed. The Railways have undertaken to recruit, as trained Indians become available, 75 per cent. of their annual vacancies from Indians and members of this country in which term I include Anglo-Indians. That is a considerable percentage; much larger than anything that has ever been attempted before. There are two avenues of appointment, one by promotion from the subordinate service, the other by direct appointment. I am perfectly certain that this Council would not be at all content if these posts to be given to Indians were only to be filled by promotion from the subordinate services. That avenue is not to be closed to the outstanding and promising men, but what this Council and what all advocates of Indianisation mean when they speak of the Indianising of the superior services, is that Indians should be brought into the superior services at ages at which Europeans and Britishers are brought in. Also I expect the Council would insist that those Indians who should be thus brought in should be fully up to the necessary standard in intelligence, technical skill and knowledge and that they should receive the best training that it is possible to give them. Railways are certainly not static bodies; they are somewhat dynamic. Any progressive country is always demanding better railway services, greater speed, greater efficiency, greater facilities. I do not suppose the people of any country which is really alive, are satisfied with the railway service they obtain. That means constant improvement, greater care in management, and for that one has got to look to the superior services. Therefore it is fair neither to the country nor to those Indians who may

be brought directly into the superior services that they should be inferior in any way in training or qualification to those who are imported from abroad. The point I wish to put to the Council is this. Any scheme devised for the direct recruitment of Indians to the superior services of the Railways should aim at getting the best that India can give and at ensuring that any supplementary training that may be necessary is of the best character possible. Nothing less than that will suffice and with nothing less should the Council be satisfied. Is that to be attained by making appointments to railway services the perquisites of particular colleges? By asking, as my Honourable friend does, for fixed appointments to be guaranteed to definite colleges and in fact to any number of colleges, he is in fact asking this Council to subordinate the future of the railway services to the interests of particular colleges. In any scheme for the recruiting of our superior services we ought to have greater freedom than that. I will briefly indicate the lines upon which the Railway Board propose to recruit officers for the superior services. There are four branches in the Railways requiring technical knowledge: Transportation and Commercial, Civil Engineering, Mechanical Engineering and Stores. We need not trouble about Stores because the number of those appointments are relatively small and they would be filled by men brought from the other departments. Transportation and Commercial covers both traffic and the actual running of the trains, the locomotive section. The Mechanical Engineering section covers the workshops, both loco. shops and the carriage and wagon shops. Clearly, Sir, for all these some knowledge of mechanical engineering is needed, but the qualifications required for the different branches differ. For the Commercial and Civil Engineering side the proposal is this:

"It is proposed to restrict the selection in the first place to persons holding the degree of an Indian University incorporated by law or the engineering certificate of the Thomason Civil Engineering College at Roorkee. Two-thirds of the direct appointments in India to the superior services will be competed for by competitive examination from those who hold a University degree or a certificate of the Thomason Civil Engineering College, Roorkee. The candidates standing highest in order of merit at the examination will to the extent of the number of vacancies available be offered appointments."

It is absolutely fair to all the universities and engineering colleges of India which educate up to a high standard. Those who have gained a degree at a recognised university in the specified subjects can sit for a competitive examination. Can anything be fairer to all the Universities?

"A third however of the posts will be filled by nomination to correct any communal inequalities; but before a candidate can be so appointed it is essential that he shall have passed a qualifying examination. If this condition is not satisfied in any particular year then the appointments will be made strictly in the direct order of merit in which the candidates pass the examination and the Government of India will postpone to the following year any adjustment of communal inequalities."

In other words, the scheme is based, as I said, on competitive examination among candidates who possess a minimum educational qualification, namely, the degree of a recognised Indian University. Surely the time has come in India when for our superior services we can lay down a preliminary minimum of educational qualifications. Our universities and colleges have sufficiently developed to make that feasible. It is no longer necessary to go back to the methods of 20 or 30 years ago, when Roorkee or Sibpur was started, to guarantee posts to colleges. India has got beyond that stage.

[Mr. D. T. Chadwick.]

On the mechanical side the system is very similar. There however mechanical skill arising from long practice in the workshops is of comparatively much greater importance, and the attempt the Railway Board has made in this scheme is to approximate the training as nearly as possible to that which is obtained for mechanical engineers in England who specialise in workshop and workshop practice. This is the scheme:

"Applications will be invited each year by advertisement and suitable candidates will be nominated by the Railway Board to the Mechanical Department and to form a higher branch of the Transportation Department. Applicants must have passed the Intermediate examination in Science or Arts or the Senior Cambridge examination. Selected candidates will be appointed in the first instance to a special class for candidates and will be required to undergo 3 years practical as well as theoretical training in the State Railway workshops. At the end of this period they will be examined and if found suitable those nominated for the Mechanical Department will be required to undergo a further 2 years' training in the higher mechanical course at the Bengal Engineering College at Sibpur and will continue practical work in the workshops during vacation. Candidates for the higher branch of the Transportation Department will be transferred to the Running Department of the State Railways for 2 years during which period they will be required from time to time to attend courses of instruction at the Railway School of Transportation at Chandausi. They will receive stipends . . . while undergoing training in the workshops. On the satisfactory completion of these years they will be sent to England to undergo a further training for two years, and whilst in England they will also receive stipends."

There you have exactly the same principle. We throw the net as widely as we can to render eligible all those who have a certain educational minimum qualification which quite rightly we insist upon. All those can come forward and all those who are selected can compete among themselves. That, Sir, I venture to put to this Council is a much sounder scheme, is a much better scheme, is a much more reasonable scheme, fairer to every portion of India, than one which is devised to guarantee a certain fixed number of appointments to particular engineering colleges.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official): Sir, I think the object underlying my Honourable friend's Resolution is sound, and if it could be so altered as to make it acceptable to Government as well as to the Mover, I think it would be all right. I think, Sir, he has surveyed the whole position so ably that to try to add to what he has said will be only to waste the time of the Council which has had the good luck to be saved to-day from some rotten Resolutions which in any case would have been either defeated or withdrawn in the end. I think now and then there should be a novelty shown in adopting certain Resolutions, and, if the present Resolution can be modified, I hope it will be adopted in that form.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I am sorry to find that the Honourable Mr. Chadwick has not yet put anything before us to convince me as to the undesirability or the impracticability of the Resolution that I have put forward. The Honourable the Commerce Secretary I think has purposely avoided answering my question, whether qualified students from the MacLagan Engineering College will meet the requirements of the Railways or not. That was a question which I pressed him to answer, and I really do not know why the reply has been evaded. It is very important, Sir, that I ought to get a reply from the Honourable the Commerce Secretary, as that College was, as far as I can gather, founded

after the joint deliberations of the Punjab Government and the North Western Railway authorities, and the Punjab Government put in a million rupees on its buildings and equipment and gave it a yearly recurring grant of Rs. 2,47,000. In case the product of that College is considered useless by the Railways, the Commerce Secretary here should clearly tell this House so, so that the defects, if any, in the syllabus or the practical training of its students may be put right. I do not expect, Sir, that a reply would be refused to such an important and pertinent question. The Honourable Mr. Chadwick, Sir, has referred to my taking up the question of Indians and Anglo-Indians. On my side I thought that by discussing this question I would throw light upon the preponderance, the overwhelming preponderance, of the Anglo-Indian community. Of course my main Resolution is not based on communal considerations. It simply asks for the guarantee of certain appointments to qualified students of the MacLagan Engineering College and similar colleges. They may be Anglo-Indians, they may be Europeans or they may be Indians. I am not asking in my Resolution for any communal consideration. When the civil engineering colleges were founded at Roorkee, Sibpur and elsewhere, the system of guaranteeing appointments was introduced. At that time no railway expert pressed the question that the Railways being new in India civil engineering colleges in India would not answer the purpose of finding suitable engineer recruits for the Railways. What is our experience of the past? It is a very happy experience. We know that many of the students from these colleges distinguished themselves in their profession and even rose to the ranks of Chief Engineers and that they also possessed the genius or original gift of designing bridges, girders, tunnels and tackling various other complicated engineering problems. When that system has proved a success, I find no reason why the recruitment of the mechanical services should be made more and more difficult by instituting a competitive examination scheme to which the Honourable the Commerce Secretary has referred. Of course, when the people of India will be coming out from these mechanical engineering colleges in greater numbers and when there will be a bigger flow of them like that of the civil engineers, then it will be time to institute competitive examinations for the mechanical side also. I fully agree that, so far as other superior services are concerned, there should be a competitive examination because there will be plenty of people in the field who will be ready to offer themselves for competition. But in the mechanical line, where we find that there are very few Indians who are coming into it, it will mean a great set-back to those Indians who wish to come forward for the mechanical line if you establish a competitive examination at the very start. I mean the number of people offering will be very short of the requirements. I am not proposing any definite number of appointments. In case the Railway Department are under a misapprehension as to the standard of mechanical students who will come out of the various colleges, let it try that principle on a small scale to start with and see for themselves whether the Indians who come out from these mechanical colleges satisfy their requirements or not. I do not say, Sir, that you should debar the subordinates from the superior services. Let there be promotions from the subordinate ranks to the superior branch whenever there are deserving men aspiring to it. I am not at all advocating that the subordinates should be precluded from the superior services. I am simply asking for the principle of recruitment in the upper subordinate services. In case the Government really want to give an impetus to mechanical training, they must guarantee appointments. The question of guaranteed appointments



[Rai Bahadur Lala Ram Saran Das.]

in Roorkee and Sibpur colleges was arrived at after mature consideration, and it has proved a great success. The Honourable Mr. Chadwick said that there has been a sufficient recruitment of the subordinate services from Kanchrapara, Jamalpur and other workshops. Why import covenanted mechanics then? My Resolution deals with both the services—the superior services as well as the upper subordinate services. I wish the Government to guarantee posts in both the services so far as the qualified students from various mechanical colleges are concerned. I must say, Sir, that all the mechanics who have been so far taken in any of the railway workshops in India have been from amongst those apprentices whom they have themselves trained. Sir, I put another question to the Honourable the Commerce Secretary and that is with regard to the fate of those upper subordinates, I mean those literate apprentices, in the Railways who were recruited by them long before the railway people began sending their students to various mechanical colleges. Of these the fourth and fifth year literate apprentices are now under training directly under the supervision and guidance of the railway authorities. These apprentices, I mean the students of the 5th year, will finish their indenture this year. What will be their fate? The Honourable Mr. Chadwick says that Indians and Anglo-Indians will be treated alike. I have cited in my speech a rule of the North Western Railway which says that all those apprentices who are Europeans and Anglo-Indians when they finish their indenture, whether they give satisfaction or not, will be confirmed in the appointments and will be started on Rs. 130 as journeymen.

THE HONOURABLE MR. D. T. CHADWICK: Is that rule in force to-day?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Yes, Sir. It is in force to-day because when I raised this point in the debate on the Railway Budget the Honourable the Chief Commissioner for Railways told me—at any rate, this was the essence of his reply—that it may be possible to provide appointments for these apprentices. In case that circular and that particular clause of the railway circular to which I am drawing the attention of the House had been cancelled or withdrawn, the Honourable the Chief Commissioner for Railways would not have said so. However, if the Honourable Mr. Chadwick can throw more light on the subject and can say definitely that that circular has been withdrawn and that Indians and Anglo-Indians will now be treated alike, I shall be very glad. The reply which the Honourable the Chief Commissioner gave was very disappointing and it showed that that circular is in force still. I should like, however, Sir, that the Honourable Mr. Chadwick to tell this House very kindly whether those apprentices will be thrown overboard or whether they will be given pucca appointments. It is a very pertinent request and I hope the Government Member will give a satisfactory reply to it.

As to the new scheme for officers, Sir, I did not make a reference to it in my speech although I knew it, as proceedings of the Railway Advisory Council, of which I have the privilege of being a member, were to be treated as confidential. But as the Honourable Mr. Chadwick has quoted certain passages from the proceedings of the Advisory Council I take this opportunity of expressing my views on part of the scheme cited.

THE HONOURABLE THE PRESIDENT: I must inform the Honourable Member that there is very little time left for him to express his views on the scheme.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: As the time at my disposal is short, I must say, Sir, that the reply given by the Honourable the Commerce Secretary has not been at all convincing particularly regarding the principle of recruitments of upper subordinates, to which future recruitment to the extent of 75 per cent. does not apply, and so I hope that the modest request embodied in my Resolution will be accepted by this House.

THE HONOURABLE MR. D. T. CHADWICK: This debate, Sir, is very much of duologue with one brief interval. The Honourable Member has once more pressed the point that appointments should be guaranteed to certain colleges. He apparently advocates that course because of the great success that followed that system in Sibpur and Roorkee. But he forgets the fact that there is a tremendous difference between the conditions prevailing 20 or 30 years ago and to-day. 20 or 30 years ago there was no guarantee for the employment of anybody trained in this country in the railway services. When Sibpur and Roorkee were started, the Railways guaranteed one or two appointments—or whatever the number was—to these colleges and there it ended. But to-day the Railways offer to those trained in this country 75 per cent. of the new appointments to the superior services. That is where the guarantee is; the guarantee lies in opening the services to these Indian trained recruits and opening it on that scale. I submit to this House that we want to get the best we can, and the way to get the best is to throw the recruitment open equally to all colleges and not to subdivide that 75 per cent. into one here for this college, two there for that particular college and so on. If you did that perhaps the day might come when you might get more colleges than there are appointments, and I suppose each college would get one appointment every other year. That, I submit, is not the way to recruit or to lay the foundations for an efficient and thoroughly competent service. That is where I am at issue with my Honourable friend, on a matter of principle, and for that reason I cannot accept this Resolution.

As regards the boys from the MacLagan College, if the training is equal to that which results in the degree of Bachelor of Engineering or its equivalent in the large Universities in Bombay, Madras, Calcutta and Benares, they will be eligible for sitting in competition in the civil engineering side equally with those graduates. I do not think we ought to go any further. I know nothing about these old circulars guaranteeing appointments to Anglo-Indian apprentices whether they give satisfaction or not, but I am surprised and will inquire. As I said before, I had no warning that that class of question would be raised. I can only repeat what I said before and that is that Railways are paying attention to communal differences in the lower subordinate services. That, however, is not the point at issue in this Resolution. It is merely whether the Council are going to subordinate the future of their railway services to the interests of the colleges or whether the Council are going to let students from all colleges compete which teach to a high standard, having guaranteed a certain number of vacancies.

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

"This Council recommends to the Governor General in Council to guarantee a certain fixed number of appointments every year in the Mechanical and other departments of State Railways to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges in other provinces of India."



[The President.]

The Council divided:

AYES—10.

Abdul Karim, The Honourable Maulvi.  
Haroon Jaffar, The Honourable Mr. Ebrahim.  
Khaparde, The Honourable Mr. G. S.  
Mehr Shah, The Honourable Nawab Sahibzada Sayad Mohammad.  
Morarji, The Honourable Mr. R. D.  
Padshah Sahib Bahadur, The Honourable Saiyid Mohamed.

Ram Saran Das, The Honourable Rai Bahadur Lala.  
Sankaran Nair, The Honourable Sir C.  
Suhrawardy, The Honourable Mr. Mahmood.  
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

NOES—24.

Abbott, The Honourable Mr. E. R.  
Chadwick, The Honourable Mr. D. T.  
Charanjit Singh, The Honourable Sardar.  
Crerar, The Honourable Mr. J.  
Das, The Honourable Mr. S. R.  
Emerson, The Honourable Mr. T.  
Froom, The Honourable Sir Arthur.  
Hotson, The Honourable Mr. J. E. B.  
Hubback, The Honourable Mr. J. A.  
Ley, The Honourable Mr. A. H.  
MacWatt, The Honourable Major-General Sir Charles.  
McWatters, The Honourable Mr. A. C.  
Manmohandas Ramji Vora, The Honourable Mr.  
Misra, The Honourable Pandit Shyam Bihari.

Muhammad Habibullah, The Honourable Khan Bahadur Sir, Sahib Bahadur.  
Nawab Ali Khan, The Honourable Raja.  
Ramakrishna Ranga Rao, The Honourable Raja Sri Rawu Swetachalapati Bahadur of Bobbili.  
Rameshwara Singh, The Honourable Maharajadhiraja Sir, of Darbhanga.  
Rampal Singh, The Honourable Raja Sir.  
Roy, The Honourable Mr. K. C.  
Tek Chand, The Honourable Diwan.  
Thompson, The Honourable Mr. J. P.  
Todhunter, The Honourable Sir Charles.  
Wacha, The Honourable Sir Dinshaw.

The motion was negatived.

# RESOLUTION RE PRIVILEGES AND STATUS OF MEMBERS OF THE COUNCIL OF STATE.

THE HONOURABLE MR. K. C. RÖY (Bengal: Nominated Non-Official):  
I beg to move:

"That this Council do appoint a Committee under the Chairmanship of the Honourable the President and consisting of the Honourable Sir Muhammad Habibullah, the Honourable Mr. S. R. Das, the Honourable Mr. Crerar, the Honourable Sir Arthur Froom, the Honourable Mr. Khaparde, the Honourable Raja Sir Rampal Singh, the Honourable Colonel Nawab Sir Umar Hayat Khan, the Honourable Mr. Ramadas Pantulu, the Honourable Dr. U. Rama Rau and myself, to inquire into the privileges and status of Members of this Council and to make recommendations."

Before I proceed to the subject-matter of my Resolution, you will permit me to make a brief reference to the position of this House. The bi-cameral system of the Central Legislature was brought into existence by the Montagu-Chelmsford Report. Before that, Sir, as you are aware, we had the Imperial Legislative Council, and we were brought up consequently on the tradition of a single chamber government, or rather a single chamber legislature. It is not surprising to me, therefore, Sir, that, owing to ignorance and owing to our past training, there have been malevolent attacks upon the privileges of this House and upon the privileges of its Members. As to what is likely to be the position of this House in the near future, my own reading is this. The bi-cameral system has come to stay. Even when

the Statutory Commission comes out—I am sorry I am not going to prophesy the date—even when it comes out, it will not go into the question of the existence of this House. The existence of this House has got to be accepted by them as a cardinal principle of the Indian constitution. Their business will be to find out whether a second chamber is not needed in the provinces. In my humble opinion, Sir, if there had been a second chamber in the provinces, there would not have been what is known as the deadlock. This is the position of the House to-day; but it is not to consider the position of our House to-day that I have placed my motion before you. It concerns not even the privileges of the House; it concerns the privileges of the Members. Sir, I was gratified to find that the Muddiman Committee, with which you were connected, had gone into the matter in some detail. I will read only a small extract from the proceedings of that great body. It runs as follows:

"It has not been suggested to us from any source that the legislatures in India should be provided with a complete code of powers, privileges and immunities as is the case with most of the legislatures in other parts of the Empire."

And further on the Committee says:

"Eventually no doubt similar provision will be made in the constitution of British India. But we are of opinion that at present such action would be premature."

I am in full agreement with this view. But, Sir, the Committee thought it fit to make three very definite recommendations, and these run as follows:—

"Members of all the legislative bodies constituted under the Act should be exempted from:

- (i) serving as jurors or assessors; and
- (ii) arrest and imprisonment for civil causes during meetings of the legislatures in question and for periods of a week before and after such meetings."

They go on to say:

"This recommendation should, however, not be dealt with as a question of privilege but by amendment of, or action under, the ordinary law."

And the third recommendation, Sir, which this Committee made, runs as follows:

"The corrupt influencing of votes within any of the legislative bodies by bribery, intimidation and the like should be made a penal offence, and this should not be dealt with at present as a question of privilege."

Sir, these are the recommendations of the Muddiman Committee and these three, Sir, form a very valuable set of privileges which are cherished by the members of the British Parliament. Those who are conversant with writings on this subject or even with the book written by Sir Erskine may know how these privileges are prized by Parliamentarians in England. I should like to see these recommendations given effect to by the Government at an early date. But, Sir, to-day I wish to place before this House the principal references which the Committee I am proposing will go into. The first was raised the other day in a discussion on Dr. Rama Rau's Resolution, namely, the question of the well-known prefix "Honourable." To

[Mr K. C. Roy.]

that question the learned Law Member of the Government of India gave a conclusive reply. But I claim, Sir, that my Committee, when it is constituted, will have the right further to explore the matter; but I hope, Sir, the result will not be altogether different. In fact, Sir, when I read the official report of the debate in the other House on the paper pulp industry, in one page, the speaker being Mr. Abdul Haye, I find that the members of that democratic body are described no less than in 12 places as "Honourable Members." Even the President of that body describes the Legislative Assembly as the "Honourable House,"—a thing almost unknown in the traditions of the British House of Commons. I will not quarrel with their rights and their privileges, but I should like to make a present of that page to my Honourable friend Mr. Ramadas Pantulu, who, I regret to see, is absent to-day.

Next comes the question of the daily allowances. This has been a thorny question for a long time. My views on the subject are very well known. I am not in favour of a daily allowance; I am in favour of a consolidated annual allowance or salary to the Members to give them a definite economic interest in Parliamentary and legislative duties.

Then comes the question of travelling allowance. I am in favour of giving Members a silver or a gold pass to travel from their own homes to the capitals of British India. Then comes the question of accommodation at Raisina which will take an acute shape next year when the Legislature moves on to the new Parliament House. Already, Sir, Members of the Legislative Assembly have taken necessary steps in that direction, but we for our part have done little.

Then, Sir, lastly is a question of very far-reaching importance, that is that for the supplies for this House we are dependent on the vote of the Legislative Assembly. The Order Paper which we got only yesterday contains no less than six motions which affect the interests of this House. I want my Committee to find out a formula whereby this could be avoided. I fully recognise, Sir, that the democratic body has a right to vote upon supplies of the Government of India; but the Committee I propose could discover a convention whereby that right of vote should not be used with a view to launching an attack upon the privileges of the Members of this House. With these few words, Sir, I commend the motion to the acceptance of the House.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I do not propose to deal with the speech of the Honourable the Mover at this stage beyond stating that the Government are prepared to support the Resolution, but I should like to make it quite plain to the House that, in supporting the Resolution, Government do so without prejudice to the attitude of the Government members of the Committee to any question which might be raised in that Committee, and without prejudice to the Government's attitude to any recommendation which that Committee might make.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I support the Resolution and am very thankful to the Government for its acceptance. I think it is a very opportune time for such a Resolution to be moved.

\*THE HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-Official): Sir, I wish to add to the terms of reference to that Committee one very important point. I find in all joint committees appointed up to now we send only two Members and the other House sends four Members, and for the University here we elect only two Members of the Council and they elect four. In every place we are in a minority, and therefore our opinions are not properly reflected. This matter may also be considered by this Committee when it is formed.

THE HONOURABLE MR. K. C. ROY: Sir, I am extremely grateful to you for agreeing to preside over the Committee and I should like to inform the House that, before two of my Swarajist friends went out, they informed me that they would gladly serve on the Committee. I am grateful to the Honourable Mr. Das for accepting the Committee.

As regards the point raised by the Honourable Mr. Khaparde I am absolutely at one with him. My Honourable friend knows the Home practice as well as I do.

(The Honourable Sir Arthur Froom rose in his place.)

THE HONOURABLE THE PRESIDENT: If the Honourable Member from Bombay desires to speak I think it might be permitted as the motion before the Council is not of an ordinary character. Ordinarily, when the Mover has replied, the debate automatically closes.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): I do not wish to make a speech but merely a suggestion if I have your consent, Sir.

THE HONOURABLE THE PRESIDENT: Certainly.

THE HONOURABLE SIR ARTHUR FROOM: The suggestion takes this form. I think there is an omission in the list of names for this Committee. I should like to have seen on it the name of one whom we might describe as the Father of this House, and that is the Honourable Member sitting on my right. I mean Sir Dinshaw Wacha. I do not know whether I am now too late in bringing forward his name, but I am sure the House would appreciate it if his name could be included.

THE HONOURABLE MR. K. C. ROY: Sir, speaking for myself I did not include Sir Dinshaw Wacha's name because I did not wish to put him to any inconvenience. Nothing will please me better, and I am ready to include him if the rules and regulations permit it at this stage.

THE HONOURABLE THE PRESIDENT: I may assume that Sir Arthur Froom has the Honourable Member's permission to put forward his name?

THE HONOURABLE SIR ARTHUR FROOM: Yes, Sir, I have.

THE HONOURABLE THE PRESIDENT: The question is:

"That this Council do appoint a Committee under the Chairmanship of the Honourable the President and consisting of the Honourable Sir Muhammad Habibullah, the Honourable Mr. S. R. Das, the Honourable Mr. Crerar, the Honourable Sir

\*Speech not corrected by the Honourable Member.

[The President.]

Arthur Froom, the Honourable Mr. Khaparde, the Honourable Raja Sir Rampal Singh, the Honourable Colonel Nawab Sir Umar Hayat Khan, the Honourable Mr. Ramadas Pantulu, the Honourable Dr. U. Rama Rau, the Honourable Sir Dinshaw Wacha and the Honourable Mr. K. C. Roy to inquire into the privileges and status of Members of this Council and to make recommendations."

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 10th March, 1926.

## COUNCIL OF STATE.

Wednesday, 10th March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### QUESTIONS AND ANSWERS.

#### ACTION TAKEN ON THE RECOMMENDATIONS OF THE INCHEAPE COMMITTEE.

167. THE HONOURABLE KHAN BAHADUR EBRAHIM HAROON JAFFER: Will Government be pleased to supply statistics:

- (a) regarding the retrenchment which has been effected as a result of the recommendations of the Inchcape Committee; and
- (b) regarding the items in which the recommendations were not given effect to?

#### ADDITIONAL EXPENDITURE ON ITEMS IN WHICH RETRENCHMENT WAS EFFECTED.

168. THE HONOURABLE KHAN BAHADUR EBRAHIM HAROON JAFFER: Will Government be pleased to state whether any and, if so, what additional expenditure is now being incurred on items in which retrenchment was carried out on the recommendations of the Inchcape Committee?

THE HONOURABLE MR. A. C. McWATTERS: Sir, with your permission I will answer questions Nos. 167 and 168 together.

Statements showing the action taken on the recommendations of the Retrenchment Committee have from time to time been laid on the table of the other House. The information is being brought up to date and will be laid on the table of this House in due course.

#### LEGISLATION FOR EXTENDING PROTECTION TO INDIAN BANKS.

169. THE HONOURABLE KHAN BAHADUR EBRAHIM HAROON JAFFER: Will Government be pleased to publish any correspondence to which they have been a party with respect to legislation proposed for extending protection to Indian banks?

THE HONOURABLE MR. A. C. McWATTERS: A copy of the correspondence on the subject is laid on the table.

FROM THE MANAGING DIRECTOR, THE CENTRAL BANK OF INDIA, LIMITED, HORNBY ROAD, FORT BOMBAY, TO THE SECRETARY TO THE GOVERNMENT OF INDIA, LEGISLATIVE DEPARTMENT, DELHI, DATED THE 15TH JANUARY 1924.

I understand that the Government of India contemplate the amendment of legislation regarding Joint Stock Companies in India, and, in this connection, I have the honour to bring to your notice the following facts for favour of consideration:—

It is a matter of common knowledge that during recent years the unfortunate habit of making reckless and unfounded charges against Public Companies and their management has come into vogue, and that too by absolutely irresponsible persons who have much to gain and nothing to lose by giving wide and undue publicity to such charges. Often it is that matters go to the length of unnecessary and futile legal proceedings being instituted, the person taking such proceedings, although well aware that the charges are groundless, doing so only with a view to satisfy private grudge by impairing the credit of the Company. It need not be pointed out that the mere making of such charges, whether rightly or wrongly, does considerable harm to the interests of the Company, and the fact that such charges have been made, irrespective of the justification or otherwise therefor, serves in a great measure not only to do harm to the Company, but also to actually retard its progress for such time at least until it is able to have confidence restored about its management in the eyes of the public.

Those who circulate malicious reports or unnecessarily instigate or institute these proceedings, though they may fail in Court, succeed in attaining their object, viz., to do harm to the Company, and it is really unfortunate and much to be regretted that, whereas the Company suffers considerable harm by such proceedings, those who prefer such charges or launch such unnecessary or futile proceedings are allowed to escape, and legislation does not provide any remedy by which the aggrieved party can call them to book.

If Companies in general suffer harm by such proceedings, it can well be imagined what great and irreparable mischief can be done to a Bank by the circulation of such unfounded reports or the launching of reckless proceedings which ultimately prove futile. The main essential for the efficient and successful management and conduct of a Bank is its credit—nay, it is the very breath of its existence—and if once its credit is shaken, and the confidence of depositors is destroyed, there is a steady and constant drain of deposits from the Bank and its fate is sealed. In spite of this the person who is the originator of the whole mischief and solely responsible therefor escapes unscathed.

A glaring instance of the harm done to a Bank by the circulation of such reports and the adoption of such proceedings as are referred to herein is the recent one of the late Tata Industrial Bank Limited, in which case on account of a constant stream of unfounded allegations in Law-suits there was a drain on the Deposits with the Bank, and ultimately the Company had to devise means for its amalgamation. In other cases too, recent experience has shown that irresponsible persons with no status, either independently or under instigation from interested wirepullers, go on launching reckless and unfounded allegations and adopting unnecessary proceedings, and though they do fail, and as a matter of fact have failed, in such proceedings, it has been found that the interests of the Company they malign have been seriously affected, and yet the evildoer cannot be brought under the rigours of the Law.

The case above-cited of the Tata Industrial Bank is a striking example of the mischief done to a Public Institution, and, for aught one knows, similar unfounded reports might be circulated or unnecessary or vexatious proceedings adopted against any other Bank, even against an Institution like the Imperial Bank of India any day, and if the circulators of such reports or the adopters of such proceedings are allowed to go unchallenged or unpunished, no Bank would be safe and its existence would be rendered precarious.

It would, therefore, appear that it is highly expedient that to prevent the institution of such reckless and futile charges or proceedings, there should be some legislation, and I venture to suggest, under the circumstances, that legislation should provide for some means or remedy by which such persons, if they fail in their vexatious proceedings, should be made to undergo some penalty. The infliction of a penalty would, as a remedial measure, I hope and trust, act as a deterrent and prevent such irresponsible persons whose only object, under the cloak of public weal, is to harass and annoy the Companies in their particular disfavour and to do them harm by flinging at them unfounded charges and dragging them into unnecessary and vexatious litigation.

Another circumstance to which I would respectfully draw your attention is that it is within the powers of the Directors of a Company to prevent an undesirable man

from becoming a shareholder in their Company by refusing to transfer a share or shares to his name, but it is exceedingly unfortunate that if once such an individual becomes a shareholder by his holding one or more shares and then adopts an obnoxious attitude, or otherwise so acts as to prejudice the interests of the other shareholders or to jeopardise the existence of the Company, the shareholders themselves, as the Law now stands, are not able to remove the obnoxious shareholder from their fold, and I venture to suggest that legislation should provide ways and means giving power to the shareholders to remove from their midst a shareholder whom their definite majority, say one-half, two-thirds or three-fourths, consider to be prejudicially affecting the best interests of the Company.

Commending the above suggestions to your favourable consideration.

LETTER FROM E. F. ROGERS, ESQ., ASSISTANT SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE, TO THE MANAGING DIRECTOR, THE CENTRAL BANK OF INDIA, LIMITED, HORNBY ROAD, FORT BOMBAY, No. 60-T. (2), DATED DELHI, THE 6TH FEBRUARY 1924.

*Proposed amendment of the Indian Companies Act, 1913.*

I am directed to refer to your letter of the 15th January 1924, in which you suggest that there should be some provision in the Indian Companies Act by which (1) persons who institute vexatious or reckless proceedings against companies and ultimately fail in such proceedings should be made to undergo some penalty; and (2) shareholders might be empowered to remove from their midst, by a majority of votes, a shareholder who acts prejudicially to the best interests of the Company.

2. In reply, I am to say that before noting these suggestions for consideration along with the general amendment of the Indian Companies Act, 1913, the Government of India would prefer to have the remarks of the Local Government thereon and I am therefore to request you, if you wish this point to be further examined, to submit a representation through the Government of Bombay. It is, however, not proposed to undertake the amendment of that Act immediately.

LETTER FROM THE MANAGING DIRECTOR, THE CENTRAL BANK OF INDIA, LIMITED, ESPLANADE ROAD, FORT BOMBAY, TO THE SECRETARY TO THE GOVERNMENT OF INDIA, LEGISLATIVE DEPARTMENT, DELHI, DATED THE 5TH FEBRUARY 1924.

I have the honour, in continuation of my letter dated the 15th ultimo and addressed to you in regard to the proposed amendments in the law relating to Joint Stock Companies, to request your kind attention to one or two further points that have suggested themselves to me, in the hope that they will, along with my said letter of the 15th inst., receive due consideration at your hands.

The Prevention of Corruption Act 6, Edw. 7. C. 34, which deals principally with corrupt practices by Agents, etc., has a very safe and salutary provision in section 2 thereof which provides that a prosecution for an offence under the Act should not be instituted without the consent of the Attorney-General or the Solicitor-General and the Vexatious Indictment Act, 1859, has also been made applicable to offences under the said Act.

I trust, I have pointed out in my previous letter with sufficient clarity the hardship under which Public Companies have to labour by reason of reckless and unfounded charges being made, and frivolous and vexatious proceedings instituted haphazard and at random—sometimes with malice aforethought—by irresponsible persons under the cloak of public weal, but in reality to gain their own private ends or to satisfy their grudge—and have also pointed out that if it is unfortunate in the case of Public Companies—it is positively disastrous in the case of Banks and kindred Institutions, the very existence of which depends entirely on their credit, and any unfounded or malicious report or any proceeding recklessly instituted is sufficient to shake public confidence and at times to deal a death-blow to such (Banking) Institutions. In the case of other Joint Stock Companies, it is likely that they can withstand or outlive such malicious reports or even proceedings, but in the case of Banks, their very foundations are shaken and their existence jeopardised if once their credit, which is the foundation stone of their existence, is impeached.

446

COUNCIL OF STATE.

[10TH MAR. 1926.]

I, therefore, most respectfully urge that it is now high time that some legislation should be provided by which any person instituting criminal or other proceedings against those responsible for the conduct or management of Public Companies in general and Banking Institutions in particular could not do so without the consent of the Advocate-General or the Solicitor to Government and that no Court should take cognizance of any case against a Public Company—or at any rate, a Banking Institution—unless the person launching such proceedings comes to Court armed with such consent.

The natural result of such a salutary provision, or any provision analogous thereto, would be to deter irresponsible persons from launching unnecessary, futile or vexatious proceedings against Companies—and more especially against Banks—to the harassment and annoyance of the officers concerned, and considerable waste of public time, energy and money would be obviated.

Such a provision would also be no less to the advantage of the public, because in a clear case nothing would prevent an aggrieved person from approaching the Advocate-General or the Solicitor to Government and obtaining his consent to the institution of proceedings and to have the party in default brought to book.

It is likely that the proposed amendment of the Indian Companies' Act will take some time before it passes into law and comes into force, as it has to pass through the various and necessary phases of legislation, and I, therefore, venture to submit most respectfully that in order to avoid and in some measure to obviate the great hardship to which Banking Institutions are liable to be subjected by reason of the proceedings above spoken of, some legislation with regard to Banking Institutions alone, on the analogy of section 2 of the Prevention of Corruption Act, may be taken up as an urgent measure, and that, in view of such legislation, these suggestions will commend themselves to your favourable consideration.

LETTER FROM E. F. ROGERS, ESQ., ASSISTANT SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE, TO THE MANAGING DIRECTOR, THE CENTRAL BANK OF INDIA, LIMITED, ESPLANADE ROAD, FORT BOMBAY, NO. 60-T. (2), DATED DELHI, THE 20TH FEBRUARY 1924.

SUBJECT:—*Proposed amendment of the Indian Companies' Act, 1913.*

I am directed to acknowledge the receipt of your letter dated the 5th February 1924, to the address of the Government of India in the Legislative Department, and in reply to refer you to paragraph 2 of my previous letter No. 60-T. (2), dated the 6th February 1924, in which it was stated that if you were desirous of having the points you raise considered your representation should be submitted through the Government of Bombay.

COPY OF A LETTER FROM THE SECRETARY TO THE GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT, TO THE SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE, NO. 480-G./24, DATED THE 12TH MARCH 1925.

I am directed by the Governor in Council to state that the Managing Director of the Central Bank of India, Limited, has in accordance with the instructions contained in your letter to him No. 60-T. (2), dated the 6th February 1924, submitted to this Government for action copies of his letters dated the 15th January and 5th February 1924, addressed to the Government of India. His complaints are—

- (1) that persons spread malicious reports against companies prejudicially affecting their credit;
- (2) that persons institute vexatious proceedings and suits against companies to the detriment of their credit; and
- (3) that undesirable members of a company cannot be expelled.

He suggests that remedies could be afforded by amending the Indian Companies Act.

- (a) For (1) he proposes imposition of penalties.
- (b) For (2) he at first suggested that the Fiat of the Advocate General or Solicitor to Government should be made necessary before a prosecution under the Indian Companies Act could be commenced. As this procedure

would impose hardship on a shareholder situated far away from the official seat of Government, the Managing Director subsequently proposed (copy of his letter dated the 8th May 1924, appended) that, instead of the Fiat referred to, the leave of a Judge in Chambers, not necessarily a High Court Judge, should first be obtained, the Judge being given a wide discretion to give the leave if necessary, with a general direction that leave should not be granted unless necessary for the ends of justice.

- (c) For (3) he recommends grant of power to the company in general meeting to expel a member by some prescribed majority of votes.

2. The Governor in Council has obtained the opinion of the principal mercantile bodies and banks in Bombay; and after careful consideration of their views has arrived at the following conclusions.

3. Under section 11 of the Indian Penal Code the word "person" includes a company; so that apart from any civil remedies it would appear that sections 211, 499 and 500 of the Indian Penal Code apply and the amendment suggested to remedy the first complaint is not necessary.

4. With regard to (2) the Governor in Council is of opinion that the Act should be amended in the manner shown in the accompanying draft section 278-A. This proposal has the support of the Imperial Bank of India. I am to forward copies of letters from the Managing Governor No. 1841, dated the 8th May 1924, and No. 2030, dated the 27th idem. The suggestion has a precedent in the Company Law applying to Scotland where in nearly all cases a prosecution may only be launched at the instance of the Lord Advocate or a Procurator Fiscal appointed by him (section 276 (2) of the English Companies Consolidation Act, 1908). The Governor in Council is of opinion that the restriction should be applied to banking companies only as the argument of companies is essential to their existence and is likely to be prejudicially affected by legal proceedings, does not apply to other companies to anything like the same extent. The restriction should moreover apply to criminal and not to civil proceedings. If the amendment were made applicable to civil cases a shareholder would have to obtain the Fiat before commencing proceedings for rectification of the register (section 38) or to compel a General Meeting to be held (section 76) or similar matters which would in no way affect a company's credit.

5. As this measure will restrict the rights of shareholders the Governor in Council thinks that the Act should be further amended so that Companies should be compelled to place full information in the shape of the Balance Sheet before the shareholders at a reasonable early date. I am to enclose in this connection a copy of a statement prepared by the Registrar of Companies, Bombay, for the Civil Justice Committee at their request. It will be seen that the members of a company can at present be kept in the dark as to the position of the company for years and the amendment of the Act to enforce the publication of accounts within six months of the closing of the books would seem most desirable. I am to submit a draft amendment to the Act (section 133-A) which would carry this proposal into effect.

6. As regards complaint (3) the power to expel a member on the lines indicated could now be taken by a company under its articles; in fact articles on these lines are sometimes framed in the case of private companies so that there does not appear to be any need to amend the Act as suggested. It may be remarked incidentally that such an article might have the effect of frightening the investing public from putting their money into a company even though reasonable security were given to the expelled member for recovering the value of his shares.

FROM S. N. POCHKHANAWALA, ESQ., MANAGING DIRECTOR, THE CENTRAL BANK OF INDIA, LIMITED, BOMBAY, TO THE SECRETARY TO GOVERNMENT, REVENUE DEPARTMENT, BOMBAY, DATED THE 8TH MAY 1924.

I am informed that my letter to the Secretary to the Government, Legal Department, of the 25th of February, 1924, and my previous letters to the Government of India, with a copy of the minutes thereupon by the Registrar of Companies, Bombay, have been forwarded to the different Chambers for their information and opinion. I have the honour, therefore, to further address you as under on the subject and to request the favour of copies of this letter also being forwarded to these institutions for their information.

2. I appreciate that considerably greater difficulty might lie in effecting any change in the law whereby the spreading of malicious reports damaging the credit of a company could be dealt with than in the case of similar defamation of a private person. Both are no doubt punishable under sections 499 and 500 of the Indian Penal Code but the code does not take into account the magnitude of the damage caused or which might be caused to a public company which I submit might greatly exceed the damage caused to an individual. And it has always to be borne in mind that the Indian Penal Code makes no provision for the payment of the complainant's costs by a convicted person, which is otherwise under the more modern legislation in England.

3. The Registrar of Companies appears to have overlooked the facts that sections 499 and 500 of the Indian Penal Code would not apply in the cases of vexatious proceedings taken either in Civil or Criminal Courts; no remedy is provided in the case of Civil Suits other than the dismissal of the suit and a decree for costs and in criminal cases the aggrieved party has to institute proceedings under section 211 of the Indian Penal Code or to file a suit for damages for malicious prosecution.

4. These remedies, however, do not protect the credit of the Company concerned during the period between the institution of the proceedings and the result of the same and any subsequent proceedings. Irreparable harm may be done to a company's credit by proceedings instituted in the Police Court which, if, of an involved nature, might extend over several months to be finally dismissed and subsequent proceedings under section 211 of the Penal Code might take equally long. A suit for damages would take very much longer before final determination.

5. I have also to point out that the proceedings might be instituted in respect of some technical and extremely trivial default on the part of the company, which might enable the complainant to claim that he was legally justified in taking action, though not morally or commercially justified in that the proceedings were instituted without any reasonable grounds and with the sole motive of causing damage to the company concerned.

6. In the bulk of the technical offences under the Indian Companies Act no person has been damnified and I submit that it should not be open to a person who has suffered no damages to institute proceedings without any check. The Registrar of Companies appears to think that it would entail hardship if the fiat of the Advocate General or Public Prosecutor had first to be obtained, owing to the distances in India I would meet this objection by substituting that the leave of a Judge, in Chambers, not necessarily a High Court Judge, should first be obtained, giving the Judge a wide discretion and power to give the leave, if necessary, with a general direction that leave should not be granted unless necessary for the ends of justice. Many technical offences could be suggested, for which if the company, on its attention being drawn to the same, promptly remedied the omissions, leave to prosecute should not be given unless the complainant had actually suffered loss by reason of the offence.

7. I do not suggest that leave should be necessary to institute legal proceedings in respect of all offences under the Companies Act. It may be that it would be inexpedient to require it in some cases and that would of course be provided for in the legislation which I ask for.

8. I have to point out that the legislation suggested by me is not of a novel nature but is somewhat akin to two Acts of Parliament, namely:—the Vexatious Indictments Act 22 and 23 Vict. Chap. 17 and the Vexatious Actions Act 59 and 60 Vict. Chap. 51. The latter Act is intended to apply to the case of a person who habitually and persistently institutes vexatious legal proceedings and provides for the leave of a Judge to be obtained before proceedings are instituted. The wording of this Act applies very appropriately to the case referred to by me in the previous correspondence.

9. With regard to power to expel a member of the company I have to submit that the suggestion of the Registrar of Companies, even if feasible in the case of existing companies, would prove a fertile ground for a large number of suits, notwithstanding the express terms of the Articles of Association the Court will always protect the minority against the majority and it may safely be assumed that if a member was so objectionable as to be expelled by his fellow members he would almost certainly file a suit for a declaration that the action of his fellow members was an abuse of their powers and for re-instatement.

10. In the case of existing companies I have to submit that such an alteration of the Articles would not be binding upon any existing member who had not voted for the alteration.

11. I do not suggest that the rights of individual shareholders should be abridged or curtailed; I only ask companies specially banks may be protected against improper exercise of machinery which was intended by law to be for the benefit of the public and not to be a means by which private spite or desire for revenge or notoriety can be satisfied.

FROM THE MANAGING GOVERNOR, IMPERIAL BANK OF INDIA, TO THE ACTING DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT, No. 1841, DATED THE 8TH MAY 1924.

In reply to your letter No. 480-G-24 of the 15th instant with enclosures, we have the honour to state that as the provisions of the Indian Companies Act do not apply to the Imperial Bank of India it is not directly concerned in any change which may be made in the Act.

We agree however with Mr. Pochkhanawalla as to the harm which may be done, and undoubtedly has been done, through the institution of frivolous and malicious legal proceedings, based on minor technical irregularities, against Banks, and the fact that it has been possible to institute these proceedings, and for the prosecutor thereby to endanger the stability of banking institutions, appears to call for safeguards which do not at present exist.

Mr. Pochkhanawalla's suggestion that the consent of the Advocate General or the Solicitor to Government should have to be obtained before a prosecution is launched has much to commend it, and it might meet objections of the Registrar of Companies to this procedure if the consent of the Public Prosecutor or the Senior Government Official in the place where the Company is registered had to be obtained at places where neither the Advocate General or the Solicitor to Government has his headquarters.

While supporting Mr. Pochkhanawalla's suggestion that Banks should be safeguarded against the institution of vexatious and malicious prosecutions, the object of which can be held to be merely to damage the credit of the Bank against which they are launched, we consider that care should be taken that there would be no restriction of the legitimate rights of shareholders to institute proceedings, when it is in the interest of the general body of shareholders and of the public that they should be instituted.

FROM THE MANAGING GOVERNOR, IMPERIAL BANK OF INDIA, TO THE ACTING DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT, No. 2030, DATED THE 27TH MAY 1924.

We have the honour to acknowledge receipt of your letter No. 480-G-24 of the 20th May and to state that we have nothing to add to our letter No. 1841 of the 8th idem beyond stating that the proposal contained in paragraph 6 of Mr. Pochkhanawalla's letter under reference, that the sanction of a Judge in Chambers should be obtained before a prosecution based on technical or trivial grounds is allowed to be launched, appears to be more suitable than our suggestion that the consent of the Public Prosecutor or the Senior Government Official in the place where the Company is registered should first be obtained for prosecutions of that nature.

#### Proposed amending Section.

(a)

278-A. (1) No member of any banking company shall commence any proceeding before any Court against that company or any officer thereof in respect of any offence against this Act without the consent in writing—

(a) if the Court be within the ordinary original civil jurisdiction of a Chartered High Court, of the Advocate General, or

(b) if the Court be situate elsewhere, of the District Judge in whose district such Court is situated.

(2) Such consent shall not be granted unless it appears that the member is acting *bona fide* and has a *prima facie* case of sufficient importance to justify the proceeding proposed to be taken.



FROM THE HONOURABLE MR. D. T. CHADWICK, C.S.I., C.I.E., I.C.S., SECRETARY TO THE GOVERNMENT OF INDIA, TO THE SECRETARY TO THE GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT, No. 60-T. (15), DATED SIMLA, THE 24TH JULY 1925.

SUBJECT:—*Proposed amendment of the Indian Companies Act, 1913.*

I am directed to refer to your letter No. 480-G-24, dated the 12th March 1925, in which the Local Government recommends the amendment of the Indian Companies Act, 1913, by inserting in it (i) a new clause as section 278A of the Act protecting Banking companies from vexatious criminal proceedings; and (ii) another clause as section 133A providing that the audited Balance Sheet shall be laid before the Company in General Meeting within six months of the date to which the accounts have been balanced.

2. As regards the first proposal, I am to say that the Government of India are of course aware of the circumstances which have prompted the suggestions made by the Managing Director of the Central Bank. They agree also with the Local Government's criticisms of the particular remedies proposed by the Managing Director. With regard however to the more limited proposal made by the Local Government, which relates only to criminal proceedings directed against Banking Companies or their officers, they doubt whether the proposed legislation in itself would be of much assistance. It does not touch a form of activity which is more harmful to banking concerns than the institution of vexatious proceedings, viz., the spread of false rumours. The Government of India also feel that it is undesirable to take any action that might conceivably have the effect in some cases of putting obstacles in the way of shareholders seeking redress of grievances or of preventing free criticism of the actions of directors of banks. In practice, moreover, it has always been found difficult to define what is a bank and it is not unlikely that any protection given to banks may be used by ordinary firms which do something in the nature of banking as part of their business. Incidentally, it would be possible for any firm to take up banking as a side show with the object of obtaining the protection intended only for banking institutions. The Government of India feel strongly that if India is to develop banking and joint stock undertakings successfully, she must develop the qualities essential to the creation and maintenance of credit on which success depends and that the Government can do little to secure this end.

3. As regards the second proposal, I am to say that the Government of India have noted the suggested amendment for consideration when the Indian Companies Act next comes under revision.

No. 60-T. (15).

Copy, together with a copy of the letter to which it is a reply and its enclosures, is forwarded to the Finance Department for information.

#### THE WOMEN'S MEDICAL SERVICE IN INDIA.

170. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government of India be pleased to state:

- (i) the total strength of the Women's Medical Service in India as it stood on 31st December 1925;
- (ii) how many of the service were Indians and how many Europeans; and
- (iii) how many, among Europeans, had been recruited in India and, of those so recruited, how many were missionary ladies?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The Honourable Member's attention is invited to the report for 1924 of the Countess of Dufferin's Fund (including the Women's Medical Service) which gives all the information which Government possess. I would point out that the Women's Medical Service is not under the control of the Government of India.

#### RESOLUTION RE QUALIFICATIONS OF ASSISTANT COMMISSIONERS OF INCOME-TAX.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, I beg to move the Resolution which stands in my name and which runs as follows:

"This Council recommends to the Governor General in Council that, in future, only officers with judicial training and experience be appointed as Assistant Commissioners of Income-tax."

It will be seen that I am only advocating by this Resolution a small measure of reform in a small section of the administrative machinery of the Income-tax Department. It is not necessary to argue at very great length the desirability and the necessity of introducing this measure of reform in the administrative machinery of the Income-tax Department. It is only a modest measure of reform which is necessary having regard to the functions which these officers have to perform. I am one of those who think that training and efficiency of the staff of the Income-tax Department are more necessary and more important than an amendment of the Income-tax Act itself. The training and efficiency of the staff should have impressed upon it a high degree of integrity and the elements necessary to carry out the proper working of the Act. I find that this aspect of the question has been emphasised by the non-official members who signed the report of the All-India Income-tax Inquiry Committee of 1921. Under the Indian Income-tax Act, besides the Board of Inland Revenue, we have got three sets of Income-tax authorities, that is, the Income-tax Officers, the Assistant Commissioners of Income-tax and the Commissioners of Income-tax. As regards the recruitment of Income-tax Officers, we find that these officers are recruited mainly, if not wholly, from the clerical and the subordinate ranks of the ministerial establishments, and we find that no attempt has been made to draft into the service people with expert knowledge and a high degree of expert training in accountancy as the non-official members of the Indian Income-tax Committee emphasised. We find that, as it is, the staff consists of men who are not fitted to carry on properly the various details of the Act. It is not difficult to get men with proper training. We find that among the chartered accountants, the incorporated accountants and the men who have passed the Government Diploma in Accountancy we have got a set of men who have a fair working knowledge of the commercial law and the general principles of law on which the income-tax law ought to be worked. If the Income-tax Officers were recruited largely, if not wholly, from this class of men, the staff of the Income-tax Officers would have been eminently satisfactory and the working of the Act would have been satisfactory as well. But we find that the staff, as it is recruited now, is far from satisfactory and it is necessary to see how this defect in the working of the machinery of the Income-tax Department can be set right by effecting some reforms at least in the appellate authority under the Indian Income-tax Act. Above the Income-tax Officers we have got the Assistant Commissioners of Income-tax whose duty it is to check these income-tax authorities. Excepting one or two functions where they exercise original authority they are courts of appeal in all income-tax cases and, barring one or two exceptions, they are the highest court of appeal in income-tax cases. These Assistant Commissioners of Income-tax as all income-tax authorities are persons who are under the Act exercising

[Mr. P. C. Desika Chari.]

functions of a judicial character. The proceedings before them are judicial proceedings. Section 37 of the Act clearly lays down that they are judicial proceedings. In order that the defects we find in the working of the Act by the Income-tax Officers may be remedied it is necessary that these people should have sufficient training and judicial experience before they can check the vagaries, as I would call it, of the subordinate staff of the Income-tax Department. The greatest dislike for the Income-tax Act is due to the way in which the Act is worked by the subordinate staff of the Income-tax Department. I need not detail at great length the work of the Assistant Commissioners of Income-tax. The Assistant Commissioners of Income-tax are vested with powers of appeal over these Income-tax Officers and they are the persons who must see that the Act is properly carried out and that the Income-tax Officers realise and act up to the limitations placed upon the income-tax authorities by the income-tax law. We find that the Assistant Commissioners of Income-tax are vested with larger powers than other appellate courts. They can not only confirm, reduce or annul an assessment, but have also got the power to go into the matter by way of an inquiry by themselves and come to conclusions different from those deducible from records forwarded by the Income-tax Officers. They can also remand these cases for further inquiry. They have got the power to enhance the assessment in certain cases though there is a safeguard to call upon the assessee concerned to show cause against enhancement. They have also the power to interfere in cases of penalties levied for failure to give notice of discontinuance of profession or vocation under section 25 (1) of the Act. They are also the appellate authority to interfere in case of concealment of income under section 28. In addition they have got certain original powers and they are the officers who are empowered to start criminal prosecutions in case of an offence under the Income-tax Act.

I do not think it is necessary for me to deal at great length with the functions of this branch of the machinery of the income-tax administration, but it is enough for me to say that most of the functions which these Assistant Commissioners of Income-tax are called upon to perform are purely judicial in character. If these functions are judicial in character it but stands to reason that these people should have a good amount of training in judicial work. The law as it is at present administered is administered not in the spirit in which the Act is to be worked, and I would read to the Council some extracts from a recent judgment of the Lahore High Court in an income-tax case which is typical of the way in which the law is administered. The Judge remarked that he found great laxity in the administration of the Income-tax Department and went on to say that the rule of thumb is the rule mostly adopted in all these income-tax cases. I read to you the passage:

"If, however, the assessee has made a return and has produced his accounts in obedience to an order under section 22 (1), the Income-tax Officer is not justified in rejecting the return and the accounts and in assessing on a rule of thumb until he has given notice to the assessee under section 23 (2) of the Act to appear before him and justify his return."

The Judge continued:

"In this connection we should like to draw the attention of the learned Commissioner to the great laxity which prevails in the office of the Income-tax Officers in the matter of the issue of notices."

Later on he says:

"Section 37 of the Act indicates that the procedure of Income-tax Officers is of a judicial nature, and in making his assessment the Income-tax Officer should proceed on judicial principles. If evidence is produced by the assessee in support of his return it should be accepted unless it is rebutted by other admissible evidence and not by mere hearsay."

He is of opinion, and I think he is right, that hearsay evidence has greater weight with these Income-tax Officers than evidence which will be admissible in a purely judicial proceeding. Later on, towards the close of the judgment he is inclined to think that these income-tax assessments are more in the nature of an estimate which must be regarded as a mere guess than judicial conclusions properly arrived at. He says:

"But the Court considered that a bare statement that his estimate was so and so must be regarded as a mere guess without any obvious basis."

I merely read the judgment to the House to show that there is a good deal in what I say that the Income-tax Officers are more inclined to come to conclusions not upon judicial principles, but upon the rule of thumb which is more often than not dictated by the executive side of it and by mere guess work, and show a great deal of laxity in not keeping to the limitations imposed by the Income-tax Act in various ways. I also find references made in various sections as regards the applicability of the Code of Civil Procedure. We find also that it was the intention of the Legislature that these proceedings ought to be conducted in a judicial manner and that the Indian Evidence Act ought to apply to them, and the various provisions of the Act seem to imply that the Income-tax Officer, and more especially the Assistant Commissioner should be well conversant with the general law of the land. Above all these things it is necessary that the Assistant Commissioner should be a person who is fitted to sift and weigh evidence and to come to judicial conclusions and he must be a person with a judicial frame of mind, not a person who would take for granted what is given to him by the Department either from above or by the Income-tax Officers who are under him, but he must have all those qualities which are essential to a judicial frame of mind. I believe it will not be difficult to get officers of this kind from the senior ranks of District Munsiffs and Subordinate Judges and also members of the Indian Civil Service who have had a fairly good amount of judicial training in civil courts. With these words I move my Resolution and place it for your acceptance.

THE HONOURABLE PANDIT SHYAM BIHARI MISRA (United Provinces: Nominated Official): I rise to oppose this Resolution. I really cannot understand why judicial experience should be necessary in an Income-tax Officer or an Assistant Commissioner or Commissioner of Income-tax. The Income-tax Act is a small piece of legislation, and after all, those who are known as executive officers also administer law. They have to administer criminal law, they have to administer rent and revenue law, all of which are far more complicated than the Income-tax Act. I am not aware of the conditions in other Provinces, but so far as the United Provinces are concerned, I know that most of the Income-tax Officers were till recently Deputy Collectors, and Deputy Collectors are officers who are conversant with the revenue law and the criminal law. Income-tax has nothing to do with criminal law except to a very small extent, but their knowledge of the revenue law and their general administrative knowledge helped them a good deal to be efficient Income-tax Officers. The Assistant

[Pandit Shyam Bihari Misra.]

Commissioners are promoted always from among these Income-tax Officers. So, if this present Resolution is accepted, it would mean that Income-tax Officers would not be eligible for promotion to Assistant Commissionerships. Then, what should be done with them? Even if you say that the proposed change should apply to future entrants and not to present incumbents, I think that officers with judicial experience will not like to be Assistant Commissioners because the prospects there are far less. Munsiffs at present—in my province I know—rise to be Subordinate Judges and then become District and Sessions Judges, while two officers of the Provincial Judicial Service in the United Provinces are at present sitting on the Allahabad High Court Bench. So, why should they care to be only Assistant Commissioners of Income-tax? In the United Provinces the Income-tax Department has now been practically separated; they recruit their own Assistant Income-tax Officers from the same class which provides candidates for Deputy Collectors and Munsiffs; they are men almost of the same qualifications and some of them are also graduates in law.

I have myself done income-tax work a good deal when I was a Deputy Collector and really, Sir, I cannot see what are the difficulties in the way of an officer with some experience of general administration in administering the income-tax law? The income-tax law, as I have pointed out, is not at all complicated. There are some sections no doubt which may be so, but I do not think they are so very complicated. The thing is easy. A small manual is there, and that is all. On that analogy, Sir, it would perhaps be necessary to appoint only men with judicial experience as police officers. Perhaps police officers have to deal more with law than income-tax officers; even Assistant Commissioners of Excise have to deal with law; therefore all those appointments should go to men of judicial experience. I do not think this is necessary at all, and I really cannot understand how it will be better for these posts to be given to officers with judicial experience, as they would not have any administrative experience. After all, Assistant Commissioners have not to try many cases and their work is more administrative and executive than judicial; and under such circumstances why should it be necessary that they should have previous judicial experience? You can have adverse remarks about any officer in an appellate court; every officer is liable to make mistakes and some Assistant Commissioners might have made mistakes, and the Allahabad High Court might have found it necessary to animadvert against their views or against their decisions; but that does not justify a sweeping generalisation that all Assistant Commissioners and Income-tax Officers are unqualified for their work. If one officer makes a mistake, that would not justify us to condemn every other officer. So far as I know, Income-tax Officers and Assistant Commissioners of Income-tax are doing their work very well on the whole, with perhaps a few exceptions here and there which is the case I think in every department. Then why condemn only the Income-tax Department? I know there can be no great necessity for judicial experience; I can also cite one instance. When I was a Deputy Collector I was in charge of one of the sub-divisions in a district, and I knew of one case where the assessee was paying income-tax on an annual income of Rs. 15,000. I asked him to submit his accounts and he would not do so. I threatened him with an increase of assessment if he did not, and yet he failed to submit his accounts and I doubled his assessment at once. This may be a rule of thumb, I admit; but what else is possible? When a man is given the option of submitting his accounts

and he refuses deliberately to do so, nothing but the rule of thumb can be applied; the rule of thumb is a necessity under such circumstances. The man did not produce his accounts; he told me that he had no accounts, but I was sure that he had accounts. Well, later on his assessment rose to a figure based on something like an annual income of 3 lakhs of rupees instead of Rs. 15,000. He was first taxed on Rs. 15,000; he was eventually assessed on an annual income of 3 lakhs of rupees, and then, Sir, he found it necessary to produce his accounts! He had his accounts. One of his friends later on told me "Why should he have produced his accounts before you? He was being assessed on Rs. 15,000: and what could you have done then? Could you assess him on 3 lakhs straightaway? You could not, and therefore he was wise in not producing his accounts." Now, Sir, where could judicial experience have helped me there? It was executive experience that was required, and that executive experience helped me to raise his assessment a good deal before I was transferred. I had raised the assessment on the basis of one lakh of rupees, as till then he had not produced his accounts; but after my departure from the district my successor raised it further and further till it reached the basis of Rs. 3 lakhs, and then he produced his accounts! Such cases are by no means rare. What I mean to say is that all this shows that it is not much judicial experience but experience of the world, ordinary executive and administrative experience, which helps an Income-tax Officer more than judicial experience alone. Sir, I oppose this Resolution.

THE HONOURABLE MR. A. C. McWATTERS (Secretary : Finance Department): Sir, I think it will be for the convenience of the House if I rise at this stage to reply to this Resolution. I confess that I approach with suspicion Resolutions which purport to restrict the recruitment to a service in a rigid manner and, in particular, to restrict the recruitment to one grade of a service. It seems to me that Resolutions of this kind nearly always emphasise only one aspect of the question, one qualification which may be desirable, and ignore other qualifications which are equally or perhaps more desirable; and incidentally they nearly always ignore administrative considerations which are of the greatest importance.

The Mover of this Resolution sketched for you the constitution of the Income-tax Department. We are concerned to-day with the intermediate grade—Assistant Commissioners of Income-tax. Their functions are first of all supervisory—supervisory of the work of the Income-tax Officers—and secondly appellate; and the work of the Assistant Commissioners is again reviewed by the Commissioners of Income-tax; who, as my Honourable friend pointed out, are in many cases members of the Indian Civil Service with judicial or magisterial experience. The Commissioners of Income-tax also hear second appeals from the decisions of the Assistant Commissioners in certain classes of cases. Now, in order to show to the House that the review of the Assistant Commissioners' work by the Commissioners is by no means a formality, I have taken the trouble to ascertain the number of cases which came up in review to Commissioners of Income-tax last year. There were 2,225 such cases and in 826 cases the Commissioners of Income-tax modified the orders of the Assistant Commissioners. I think those figures indicate neither any great defect in the work of the Assistant Commissioners nor, on the other hand, any laxity of control on the part of the Commissioners. Secondly, as regards questions of law,—and here I am afraid I must disagree with the last speaker who said that the income-tax law is not complicated—I think that even the High Courts have found

[Mr. A. C. McWatters.]

difficulty sometimes in agreeing on some of the questions of income-tax law—but to illustrate my point that our officers are not so deficient in law as we are told, I may say that out of 56 cases which came up before the High Court—as the House knows there is an opportunity of reference to the High Court in all cases where a point of law is involved—out of 56 such cases, 43 were won by the Government. In all such cases of course we take the best legal advice before going to court; but I think those figures show that the control of the Department is not really inadequate and that as regards actual knowledge of law, the figures do not indicate any great deficiency in experience on the part of our officers. Now, Sir, to illustrate the points on which I think this Resolution is defective—the Mover of the Resolution somewhat to my surprise laid the greatest emphasis on the necessity for training in accountancy . . . .

THE HONOURABLE MR. P. C. DESIKA CHARI: I said that with reference to the Income-tax Officers.

THE HONOURABLE MR. A. C. MCWATTERS: For Income-tax Officers in the first instance certainly: that was exactly the point which I am going to emphasise myself. So far as they are concerned their duty in the first instance is to make assessments. The work that comes before them, although it requires certainly a judicial frame of mind, is not directly the weighing of evidence. There are either accounts or there are not accounts; and if the accounts are there, they are either complete or they are not complete.

The first qualification of Income-tax Officers is that they should have a thorough knowledge of commercial accounts, and here I directly challenge the remarks which were made by the Honourable the Mover of the Resolution that it was primarily from the clerical and subordinate staff that Income-tax Officers are recruited. On the contrary, we have recently issued a circular to all Commissioners of Income-tax pointing out the extreme importance of obtaining young men who have had a degree in Accountancy or a degree in Commerce as, for instance, from the Sydenham College or similar institutions. We are endeavouring to obtain in this Department young men who have already obtained a special training of this kind, and further, when they enter the Department, they have to pass a very severe departmental examination in commercial accounting, which includes ability to read accounts in the vernacular of the province to which they are posted.

This brings me to my second point, the administrative point which the Honourable Mover has overlooked. Are we to lay down a rule which will debar men of this class whom we have recruited with special care from promotion to the next higher grade? The result of adopting a Resolution of this kind would be to wreck the Income-tax Department. It would be exceedingly unfair to the men of the very good class from which we are now getting Income-tax Officers if they were to find that they have no higher career open to them. I think this point alone should convince the House that the Resolution is not one which they can accept. The policy of Government throughout has been to select as Assistant Commissioners the best men we can get primarily from the ranks of Income-tax Officers, or, if necessary, outside those ranks. We do recognise the great importance of getting men of a judicial frame of mind. We take men whose past

work has been approved and on whose fairness of judgment and impartiality we feel that both we and the public can rely, and we propose to continue to recruit in this manner. I may point out that we have not overlooked the importance of having a leaven of judicial training in the Department. In fact, if you will look at the list of Assistant Commissioners of Income-tax, you will find that out of the 25 men now holding these posts, no less than 18 have had previous training either as magistrates or in the judicial line. In fact the very last appointment of Assistant Commissioner of Income-tax which we have made, in the Central Provinces, has been from the ranks of Subordinate Judges. We have not overlooked and shall not overlook the importance of retaining a leaven of judicial experience in the Department. At the same time, we shall not overlook the just claims of men in the Department itself. A Resolution of this kind would debar us from obtaining as Assistant Commissioners men like Mr. Hartley in Bombay or Mr. Kirkwood in Calcutta. I hope, therefore, that after this explanation the Honourable Mover will see his way to withdraw the Resolution.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, at first sight I thought I was asking for a very small thing, and in putting down this Resolution I thought I was only trying to make the House agree to a self-evident proposition. Properly speaking, the functions of Assistant Commissioners of Income-tax are stated in the Income-tax Act itself, and we have to judge of these functions as we find them in the Act; but we find that nowhere importance is given to the work of supervision which these Income-tax Assistant Commissioners have got to do. If the Government think that there should be more efficient supervision over the Income-tax Officers, and I believe it would be very necessary having regard to the recruitment which took place in the ranks of Income-tax Officers, they will have to perfect the machinery of supervision by having other agencies than using the agency of Assistant Commissioners of Income-tax. I find from the tenour and spirit of the Act that the functions of these Assistant Commissioners should be mostly of a judicial character, and now and then we find that the Act makes provision for giving training to these officers as original officers in administrative work, because it is open to the Board of Revenue or to the Commissioner of Income-tax to transfer to these Assistant Commissioners of Income-tax certain work of an original character. My object in bringing forward this Resolution is this. There is a good deal of discontent among the assesses, and it is due mostly, if not wholly, to the way in which the Act is now worked. People think that these Income-tax Officers and all those who have anything to do with the assessment and collection of income-tax have had a sacred duty imposed on them by Government to see that the income-tax is gradually progressing, and the public have got an impression that there is a very much larger yield from income-tax, not because of the conditions which conduce to the growth of the tax, but because of the forced way in which the Act is worked. Whether you like to take note of this fact or not, I know the feeling exists, and I know there is also the feeling which Sir Charles Trevelyan, I believe, gave expression to in about 1860, when he said that the income-tax is a sort of incarnation or avatar of the evil deity,—as having come out to this world, and to poor India in all its nakedness to impose an effective means of torture; and people generally think that what was stated in 1860 is true to this day. It is of course true because of the manner in which the Act is worked. It is not a tax which oppresses only the richer classes. It affects mostly the lower middle classes, who are regarded by most other

[Mr. P. C. Desika Chari.]

countries as the poorer classes. It also affects largely industrial enterprises. The real trouble is if a man getting an income of Rs. 1,000 is assessed on an income of Rs. 5,000 by a jumbling of words by telling him that he has done this and he has done that, there the impression remains that these people are made to pay a tax which they are not liable to pay. The people are not familiar with the working and the details of the working of the Income-tax Act, and I only wanted to impress upon this House the desirability of reducing, if not wholly obviating, this feeling in the minds of the people. It is with that object that I brought forward this Resolution, and also to point out that the people should be made to understand that after all they will get a proper hearing and there will be a real appellate authority so that they may have the same sort of faith in the appellate authority under the Income-tax Act as they have in the judicial, civil and criminal administration of India. I believe that the work of supervision and other things can be carried out, if necessary, by other agencies. After all, Income-tax is a source of revenue which stands very high. It is gradually increasing, and the amount spent upon its collection is very small when compared with the amount spent in various other departments which collect revenues. I am gratified to find that Government have taken steps to see that properly qualified men in accountancy and men who have some experience of the general principles of law are to be drafted into the ranks of Income-tax Officers. I am also glad to note that the Government are prepared to consider, as far as they think best, this aspect of judicial training which ought to be given to the Assistant Commissioners of Income-tax. I find after all is said and done that there is a good deal of feeling against the present working of the Indian Income-tax Act, and I would only warn the Government not to increase the discontent which prevails by merely telling the people that the present system of administration is very good. It may be very good from their point of view, but it is not good from the people's point of view. They think a good deal of hardship exists and they want to have a really judicial machinery which will be the appellate authority, and when this is given there will be some sort of satisfaction, and the discontent and the dislike of the Indian Income-tax Act will go down. I find, especially in view of the fact that many of my Swarajist friends who will be inclined to vote with me have disappeared, (Laughter)—I am a responsive co-operator and I have come to co-operate but there is not much co-operation forthcoming here, we have to take the situation as it is—that I would be well-advised in withdrawing this Resolution. I therefore beg leave of this House to withdraw this Resolution, and I hope that Government will see their way to carry out the spirit of this Resolution even though they do not see their way to accept this Resolution because they think it is very rigid.

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

#### RESOLUTION *RE* BANKING LEGISLATION.

THE HONOURABLE MR. HAROON JAFFER (Bombay Presidency: Muhammadan): Sir, the Resolution which I propose to move runs as follows:

"This Council recommends to the Governor General in Council that he may be pleased to order an inquiry into the question of the desirability of legislating with a view to place Indian banking on a sound footing."

I wish to make it clear at the very outset that I have no delusions as to the beneficent possibilities of Government interference in such matters as the growth of sound banking, which depends, more or less, on efficient management, integrity and mutual confidence. Founded on credit and trust, banking can receive little assistance from the rigid provisions of law enacted for the regulation of its operations and must be allowed to develop in an atmosphere of freedom, of a proper appreciation of its advantages and an honest effort to secure them. If I, therefore, propose an inquiry as to the desirability of banking legislation, I do so mainly with a view to securing the removal of obstacles and the creation of favourable conditions for the healthy progress of banking in India. It is recognised on all hands that modern banking is yet in the early stage of its development in this country and that everything that the State can do to facilitate its expansion and improvement, without undue interference, is to be welcomed. The present appears to me to be an opportune moment for an inquiry into this question as we are fast approaching the restoration of normal conditions in our financial and industrial life, and the discussion of the subject promises to be fruitful.

There are two important things to be borne in mind in this connection. In the first place, as it is admittedly desirable to encourage the public to practise thrift and to entrust its savings to banks, for the benefit of itself and of the trade and industries of the country, the State has to see to it that the attainment of the object is not hampered or frustrated by the wrong organization and methods of banking. The importance of the investigation of the question of the need of protecting the public against the serious evils which brought about the failure of numerous banks in the years immediately preceding the outbreak of the Great War, was recognized by Government and it will be recollected that an attempt was made by it to ascertain public opinion on the desirability of imposing certain restrictions on the organization and the working of banks in the country. I do not wish to refer to the history of the bank failures of twelve years ago except to observe that it drew prominent attention to the banking methods ordinarily followed in India and to the urgent necessity of taking steps to safeguard the position of the public with respect to their money entrusted to the banks. The State has everywhere taken legislative measures in this connection. These are of course, suited to the peculiar social and economic conditions of each country, and the position in India, more than elsewhere, demands that Government should not look upon such legislation as uncalled for interference with economic freedom. The shock which the public received on account of the failure of so many banks and the financial loss which thousands of persons of the middle class sustained resulted in a set-back to the growth of indigenous banking of the modern type. Fortunately for us, public confidence is being steadily restored and the prospects are encouraging. I, therefore, think that this is just the time when the question of banking legislation contemplated in 1913 should be revived.

There is, however, another aspect of the problem to which I desire to draw the attention of the House. It is a curious circumstance which has been brought out in certain recent happenings in Bombay that legislative protection appears to be necessary for the good banker as much as for the good constituent of a bank. The interests of the two parties



[Mr. Haroon Jaffar.]

are essentially identical and the protection of the one is also the protection of the other. Public confidence is the essential condition of successful banking. But it is a delicate plant and may be uprooted, for instance, by unfounded and wild rumours about the condition of a bank. The management of banks must of course be subjected to strong but just criticism in the interest of the shareholding and depositing public and the directors of banks must not complain if their policy is closely scrutinised and publicly criticised. The open air and light of criticism are calculated to conduce to the healthy development of banks as of other concerns. But there is a danger to which even the best managed bank may be exposed for no fault on the part of its managers, and it seems to be necessary to secure banks against such deadly risks, if that is possible. My friends from Bombay who are connected with banking in that city will, I am sure, bear me out when I say that the danger I have referred to is real and must be provided against. In formally opening the Safe Deposit Vault at the Central Bank of India, at Bombay, the other day, His Excellency the Governor said:

"I can assure you that I am personally very anxious to support all sound banking institutions in the country, and I strongly deprecate the attempts which you have informed me, have been made by organized attacks to wreck the Central Bank. I am glad to learn that the Bank so successfully weathered the storm last year, and I trust it will continue to be able to meet with equal confidence any similar attacks in the future."

This will show the nature and the seriousness of the grave difficulties which well-managed banking institutions have to face from quarters the reverse of helpful, straightforward and public-spirited, and will demonstrate the urgent need of an inquiry. It appears that the Government were approached with a suggestion that legislative action should be taken in the matter but that the question has not been taken up for consideration. I feel that the public has a right to know what is the view that Government have expressed and the reasons on which it is based. I hope I have succeeded in convincing the House that an inquiry of the kind proposed by me is called for. I recognise that there are real difficulties in the way of enacting suitable legislation and giving effect to it. But laws are there on the Statute-book, of a similar nature, for safeguarding public interests, and in any case, I feel assured that I have made out a case in favour of an inquiry into the whole question.

Before concluding, let me say that I hold no brief for any one and that I am actuated by the sole desire to have an important question which so vitally affects the country's economic life, investigated. With these words, Sir, I move the Resolution.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadan): Even after the lucid speech that we have heard just now I do not know whether the Honourable Member has succeeded in making out a case for an inquiry. What is the inquiry for? He does not say anything. Need of legislation is the remedy he points out. The remedy lies in his own hands. He can bring in a Bill or whatever kind of legislation he wants and have it discussed on the floor of this House and see whether he gets what he wants or something else. He says what is needed is modern banking, as if India did not know banking at all. I am surprised to hear this statement from my Honourable friend who

has a lot of banking experience. Banking was known to India long, long before many other countries in the world knew the A. B. C. of it. Every trader was a banker in himself in India and we find that even in small places these institutions are thriving and meeting all the requirements of the people of that place. Sir, the Honourable Member summarising said that some attempts, some stray attempts, were made against a certain Bank and his grievance is confined entirely to that circle. His grievance is that some shareholders come forward and complain in general meetings. A suitable reply is given to them. The banking law as it is quite clear on the point and gives ample opportunities for redress to those who have a grievance; but to make an attempt, an indirect attempt for an inquiry by Government, I think, is not one which this House can agree to. With these few words, I oppose the Resolution.

THE HONOURABLE MR. A. C. McWATTERS (Secretary, Finance Department): The question or series of questions which are raised by my Honourable friend's Resolution are second to none in importance among those which confront the country to-day and I am sorry that we have not with us this morning the Honourable Mr. Sethna and the Honourable Mr. Bell, who in view both of their great experience and of their connection with two of the most important joint stock banks in this country would have been able to make valuable contributions to this debate. I may add that the Honourable Mr. Sethna with great courtesy has written me a letter regretting his inability to be present this morning.

I have no quarrel with the presentation of his case by the Honourable Mover and I was particularly glad to learn at the outset that he is under no delusion as to the limitations of legislation in matters of this kind; that he does not believe that bankers and banking can be created by Act of Parliament. I am very glad that he put this disclaimer in the forefront of his speech because to the hypercritical the wording of his Resolution might have suggested that he held a different view. The Honourable Mover's speech dealt with the subject under two main aspects, first of all, protection for the public, and secondly, protection for banks. The first aspect of the question is one which in the last two decades has been very much to the fore. The Honourable Mover referred to the year 1913. When the Indian Companies Act of 1913 was on the stocks this question of introducing special legislation to control banking was brought prominently before Government. I myself, being then in the Commerce Department, had a good deal personally to do with the early stages of the Indian Companies Act, and the decision taken at that time was that the question of special legislation to control banking was so complicated that it would be better to leave it over for separate consideration and not to attempt to embody it in the Act which was then being passed. Therefore in 1913 after the Companies Act had been passed, the Government of India circularised Local Governments and commercial bodies on this question of introducing special legislation to control banking with special reference to the various mushroom banks which had grown up and which were inviting deposits from the public. These concerns often advertised enormous nominal capital and combined in many cases banking with other businesses of a very different character. The war broke out and legislation was postponed; but the question was brought up again in the year 1920 at the instance of the Bengal Chamber of Commerce. They suggested that the consideration of this question of



[Mr. A. C. McWatters.]

special legislation for Indian banks which had been dropped at the outbreak of the war should be taken up again. The view of the Government of India was that the most fruitful line of advance seemed to be that of requiring increased publicity from Indian banks. With this object they set up a small committee under the Chairmanship of Sir George Barnes to consider what extra publicity could legitimately and practicably be demanded from banks operating in India. That Committee included some very distinguished names: it included among others the late Sir Bernard Hunter, Mr. R. D. Tata, Mr. Pochkhanawalla: and one of the members who was asked to serve was also my old friend, Sir Dinshaw Wacha. The Committee reported to Government and their report went somewhat further than the mere question of publicity. They suggested, for instance, certain limitations on the amount of authorised capital which a bank should be allowed to advertise; they suggested that a certain proportion of the capital must be paid up, and they also suggested strengthening the provisions for audit of banking companies and requiring a different type of certificate from the auditors. These suggestions were again circulated to Local Governments and Chambers of Commerce, and the replies that were received included a good many further suggestions, many of which went in the direction of closer Government control. I would however call special attention to the fact that the Bengal Chamber of Commerce, which had taken the lead in reviving this question, advised the Government of India not to proceed with it at that time. This is what they said:

"Our Committee is doubtful whether it would be wise for the Government of India to attempt legislation at present. It is probably known to you that the question of legislating has been under discussion in the United Kingdom for some time and that the leading banks there are experiencing great difficulty in coming to any conclusions of real value. It would seem therefore to be prudent for the Government of India to await the results of the discussions at home before proceeding to make changes in the existing law here."

This advice no doubt weighed with the Government of India and the question of banking legislation was not further proceeded with at that time.

To turn now to the second aspect of the question, that of protection for banks from the irresponsible action of their own members: this is a recent development; it was only last year as a result of certain incidents in Bombay, with which Honourable Members are no doubt familiar, that the managing director of the Central Bank of India approached the Government of India and the Government of Bombay with suggestions for legislation to protect banks against the irresponsible action of their shareholders. The correspondence on the subject, at the request of the Honourable Mover of this Resolution, has been laid on the table this morning; and as Honourable Members will not have had an opportunity of familiarising themselves with its contents, I will give you a very short summary of what is contained in the correspondence. The managing director of the Central Bank complained of three things: first of all that persons spread malicious reports against companies prejudicially affecting their credit: and in order to deal with that he proposed the imposition of various penalties. The Government of Bombay after consulting a number of mercantile bodies and banks in Bombay pointed out that under section 11 of the Indian Penal Code the word "person" includes a company; so that apart from any civil remedies it would appear that sections 211, 490

and 500 of the Indian Penal Code apply and concluded that the amendment suggested to remedy the first complaint was not necessary.

His second complaint was that undesirable members of a company cannot be expelled. With regard to this the Government of Bombay observed:

"The power to expel a member on the lines indicated could now be taken by a company under its articles; in fact articles on these lines are sometimes framed in the case of private companies, so that there does not appear to be any need to amend the Act as suggested. It may be remarked incidentally that such an article might have the effect of frightening the investing public from putting their money into a company even though reasonable security were given to the expelled member for recovering the value of his shares."

With regard to the third point, his suggestion was that in order to prevent persons instituting vexatious proceedings and suits against companies to the detriment of their credit, permission should be obtained from a Judge in chambers before any such suit could be brought, the Judge being given a wide discretion to give the leave if necessary, with a general direction that leave should not be granted unless necessary for the ends of justice. The Government of Bombay were not prepared to accept this suggestion in full. In particular they recommended that it should not be extended to companies in general but should be confined to banking companies, and secondly they suggested that the restriction should apply only to criminal complaints and not civil suits. They were prepared however to recommend prior sanction by a High Court or District Judge before any member of a banking company could commence any criminal proceeding against the Bank or its officers. The Government of India were unable to accept this recommendation and with your permission, Sir, I shall read the relevant part of their reply, which is quite brief:

"The Government of India are of course aware of the circumstances which have prompted the suggestions made by the Managing Director of the Central Bank. They agree also with the Local Government's criticisms of the particular remedies proposed by the Managing Director. With regard, however, to the more limited proposal made by the Local Government, which relates only to criminal proceedings directed against Banking Companies or their officers, they doubt whether the proposed legislation in itself would be of much assistance. It does not touch a form of activity which is more harmful to banking concerns than the institution of vexatious proceedings, viz., the spread of false rumours. The Government of India also feel that it is undesirable to take any action that might conceivably have the effect in some cases of putting obstacles in the way of shareholders seeking redress of grievances or of preventing free criticisms of the actions of directors of banks. In practice, moreover, it has always been found difficult to define what is a bank and it is not unlikely that any protection given to banks may be used by ordinary firms which do something in the nature of banking as part of their business. Incidentally it would be possible for any firm to take up banking as a side show with the object of obtaining the protection intended only for banking institutions. The Government of India feel strongly that if India is to develop banking and joint stock undertakings successfully, she must develop the qualities essential to the creation and maintenance of credit on which success depends and that the Government can do little to secure this end."

That letter, Sir, was written last July and it represents the present views of the Government of India. I may add that there are gratifying signs in Bombay that public opinion has been aroused and that adequate support is likely now to be given to banks against vexatious action. I may add also that the fine institution over which the Honourable Mr. Sethna presides need not, in my opinion, have the slightest fear from any action of this kind.

Those, Sir, are the two aspects of the question which were brought forward prominently by the Honourable Mover of this Resolution; but the

464

COUNCIL OF STATE.

[10TH MAR. 1926.]

[Mr. A. C. McWatters.]

subject is really a very much wider one, and I would now call attention to the Report of the External Capital Committee which met a few months ago. That Committee, as the House will remember, was the outcome of the debates on the Steel Protection Bill, and the main question before it was how to ensure that a proportion of the capital of newly established companies should be Indian. But they soon found that the discussion of this question led very much further, and in their Report they put in the forefront the importance of the development of India's own resources, and in particular the development of banking. In paragraph 4 of their Report they made a definite suggestion. They said:

"India possesses a vast store of dormant capital awaiting development, and in order to make this available for investment banking facilities must be increased and extended. The examination of the various technical measures suggested in the replies with this object is outside the scope of the Committee, but we would emphasise the importance of a co-ordinated survey being undertaken at the earliest opportunity of the whole field of banking in India. This should be followed by a detailed examination by an expert committee or committees, of the lines along which progress should be effected."

They recommended, therefore, in the first place, a survey of the existing position, and that survey the Government of India are endeavouring to carry out at the present time in consultation with and with the assistance of Local Governments and others. It would take a much longer time than I have at my disposal this morning to give anything like an adequate sketch of the subjects which must come under consideration in that survey. There is first of all the question of co-ordination, of co-ordinating the indigenous banking system, to which the Honourable Mr. Manmohandas Ramji rightly referred as of very old standing and in its way very efficient, with the more modern western methods of banking which are developing more and more in this country, and of co-ordinating these with the central banking institution. Every country has a somewhat different problem to solve. The United States of America, for instance, after the banking and financial crisis of 1907 held an elaborate inquiry under Senator Aldrich which resulted in the establishment of the present Federal Reserve system in America. That system embodies a regional division of the country into 12 areas, in each of which there is a Federal Reserve Bank; under each Federal Reserve Bank, there are a number of Member Banks, and the whole system and policy is controlled by the Federal Reserve Board. That was their solution, but the conditions under which they were working are entirely different from ours, because they started with a vast number of joint stock banks working on western lines. In England the problem has been attacked in a different way. There we find a series of bank amalgamations with the result that the five largest Joint Stock banks have absorbed most of the smaller banks in the country. The problem in India is different to either of these. It is an extremely difficult problem, and the solution will have to be worked out with special reference to Indian conditions. In this connection we have to consider the position of the Imperial Bank, the question of competition between it and other joint stock banks, which is a very important and difficult question. The Imperial Bank is still a young institution, and the exact position which it will hold and its relation to other banks has still to be worked out.

Then there is the further question of improving the law relating to negotiable instruments. At least one aspect of that law is under our consideration at present, the question of maintaining the character of documents drawn to bearer irrespective of endorsements.

Another important aspect of the question is banking education, and here I may say that before very long we hope that an important advance will be made and that we shall have in India an Institute of Indian Bankers which will take its place and be recognised as one of the leading institutions of this kind in the world. The Honourable the Finance Member and the Managing Governors of the Imperial Bank are, I know, taking a very active interest in this question, and we are hopeful of speedy and good results.

Then, Sir, there are a number of more or less minor points. There is the question of improving clearing house facilities. There is the question, regarding which a Resolution was to have been moved last Monday, whether it is desirable to reduce the stamp duty on cheques. As regards that, I may merely say that the stamp duty on cheques is of course a provincial source of revenue, but the Government of India agree that the matter deserves consideration, and they have addressed Local Governments on the subject in order to ascertain their views.

That, Sir, is a very brief sketch of some of the subjects which must be included in this survey which we are attempting. But there is also another inquiry in being. The Royal Commission on Currency will be reporting very shortly, and as the House will realise from the questionnaire which they issued and from the various replies which they have received, many of which have appeared in the press, the question of the position of the Imperial Bank, its relation to the currency reserves and the banking reserves of the country, will be one of the most important questions which they will have to consider. Then, thirdly, there is another inquiry which is not yet in being but will shortly become so. I refer to the Royal Commission on Agriculture. This brings us at once to the very important question of long term credits. That Commission will have within its purview the question of co-operative banking and also, as was stated in reply to a question asked by the Honourable Sir Dinshaw Wacha the other day, the question of creating Land Mortgage Banks. A study of recent English papers will show that the question of Land Mortgage Banks is very much to the fore in England at the present moment. And in India too the matter is beginning to receive attention. In Burma, for instance, a special inquiry is in progress and a Committee is now sitting to consider the possibility of starting such institutions. Both these questions which are inter-connected, I mean the development of co-operative banks and of Land Mortgage Banks with the object especially of providing long term credits for agricultural development, will be within the scope of the Royal Commission on Agriculture.

Therefore, Sir, there are already two inquiries in progress, and there is a third which will shortly be started, covering various aspects of this wide field. It may be asked, then, what objection I can possibly have to accepting my Honourable friend's Resolution since the inquiries are already in being. My reply is that I have no objection to accepting this Resolution provided it is clearly understood that the Government of India do not intend to super-impose a further inquiry at this stage beyond those which are already in progress, and I would suggest for the consideration of the Honourable Mover and of the House that in view of what I have stated and the fact that some time must elapse before more material

[Mr. A. C. McWatters.]

can be available for a fruitful discussion of the subject, it might be well if this discussion were now adjourned.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, in view of what the Honourable Mr. McWatters has said, I rise to second his amendment that the debate on this Resolution be adjourned until the Government are in possession of the Reports of the various Commissions and Committees which are dealing with the various aspects of the subject.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That this discussion be adjourned."

THE HONOURABLE MR. HAROON JAFFER: Sir, if it is the wish of the House that this discussion should be adjourned, I have no objection. Let it be postponed till the next Session of the Council.

THE HONOURABLE THE PRESIDENT: The original question was that the following Resolution be adopted:

"This Council recommends to the Governor General in Council that he may be pleased to order an inquiry into the question of the desirability of legislating with a view to place Indian banking on a sound footing."

Since which an amendment has been moved:

"That the discussion on the Resolution be adjourned."

The question I have to put to the House is that the discussion on the Resolution be adjourned.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The next Resolution on the paper is one which was disposed of by the Council a few days ago, and the two that follow stand in the names of Honourable Members who, I understand, are prevented from being here to-day. The business of the Council is, therefore, over, and the Council will now stand adjourned till Monday, the 15th March, 1926, at 11 O'clock.

The Council then adjourned till Eleven of the Clock on Monday, the 15th March, 1926.

## COUNCIL OF STATE.

Monday, 15th March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### QUESTIONS AND ANSWERS.

171—181, standing in the name of the Honourable Lala Sukhbir Sinha, were neither put nor answered.

THE HONOURABLE THE PRESIDENT: I may point out to the Council with reference to the questions standing on the paper in the name of the Honourable Lala Sukhbir Sinha that they were put on the paper more or less at the Honourable Member's own request. By absenting himself to-day he has been the cause of a considerable amount of unnecessary labour, expense and inconvenience not only to the staff of the Council but to the Government.

NAMES OF THE PROVINCES TO WHICH THE CUTCHI MEMONS ACT, 1920, HAS BEEN APPLIED.

182. THE HONOURABLE KHAN BAHADUR EBRAHIM HAROON JAFFER: (a) Will Government be pleased to state the names of the provinces to which the Cutchi Memons Act, 1920, has been applied?

(b) Has it been applied to the Madras and Bengal Presidencies?

(c) If not, do Government intend to ask the authorities concerned to take the necessary steps in the matter?

THE HONOURABLE MR. J. CRERAR: The Cutchi Memons Act, 1920, applies to all Cutchi Memons who have attained the age of majority and are resident in British India. I regret that I have no information as to which Local Governments apart from the Bombay Government have made rules under the Act. Local Governments have discretion under the Act as to whether they will make rules to carry into effect the purposes of the Act or not, and the Government of India do not propose to interfere.

FOUNDATION OF SCHOLARSHIPS FROM INTEREST ON GOVERNMENT SECURITIES HELD BY MUHAMMADANS.

183. THE HONOURABLE KHAN BAHADUR EBRAHIM HAROON JAFFER: (a) Will Government be pleased to state what action they have so far taken on my Resolution regarding scholarships from interest on Government Securities?

(b) Have they received replies from all the Local Governments?

(c) If so, will they be pleased to place them on the Council table?

THE HONOURABLE MR. A. C. McWATTERS: (a) Local Governments were consulted and asked to obtain the views of representative Muhammadan opinion.

(b) Replies have been received.

(c) Government do not propose to publish the correspondence.

THE HONOURABLE KHAN BAHADUR EBRAHIM HAROON JAFFER: May I have a summary of the replies?

THE HONOURABLE MR. A. C. McWATTERS: Yes, I shall be pleased to give the Honourable Member a summary of the correspondence.

#### LOANS RAISED BY THE GOVERNMENT OF INDIA IN INDIA AND ABROAD.

184. THE HONOURABLE MR. MANMOHANDAS RAMJI: Will the Government be pleased to lay on the table—

(a) a statement showing loans raised in India and abroad, separately, for Capital works, including Railways, for each year from 1907-08 to 1924-25; and

(b) a statement showing the amount of each loan and the purpose for which each loan was raised?

#### LOANS RAISED BY THE GOVERNMENT OF INDIA FOR THE USE OF PROVINCIAL GOVERNMENTS.

185. THE HONOURABLE MR. MANMOHANDAS RAMJI: Will the Government be pleased to state the amount of loans that were raised by the Central Government for the use of the Provincial Governments for each year, commencing from 1907-08 to 1924-25, giving the name of the province and the purpose for which such loans were raised?

THE HONOURABLE MR. A. C. McWATTERS: With your permission, Sir, I shall answer questions 184 and 185 together.

I regret it is not possible for me to comply with my Honourable friend's request. The loans of the Government of India are not ordinarily earmarked for any specific purpose. Both their own capital expenditure and the requirements of Provincial Governments are met from their general ways and means balances in which, as explained by the Finance Member in his budget speech, are included receipts from a variety of sources other than market loans.

#### REBATE GRANTED TO GOVERNMENT BY THE P. & O. STEAM NAVIGATION COMPANY ON PASSAGES ENGAGED FOR GOVERNMENT OFFICIALS.

186. THE HONOURABLE MR. MANMOHANDAS RAMJI: (a) Is it a fact that Government get a rebate from the P. and O. Steam Navigation Company of 20 per cent. on all passages engaged for military and naval officers by them?

(b) If so, what has been the total amount of such rebate in each year since it was first paid?

(c) What is the total amount of passage monies granted by the Government on account of the Lee recommendations since these came into force?

(d) Have Government arranged with the P. and O. Steam Navigation Company and with other companies for such a 20 per cent. rebate on passages of all officers who proceed to Europe on leave and are paid passage money by Government under the Lee recommendations; if not, why not?

THE HONOURABLE MR. D. T. CHADWICK: With your permission, Sir, I shall reply on behalf of His Excellency the Commander-in-Chief.

(a), (b) and (d). Government regret that they are unable to furnish the information desired by the Honourable Member. The arrangements, in which India participates, between His Majesty's Government and various shipping companies as to duty and leave passages at public expense are confidential and cannot be disclosed.

(c) This part of the question concerns the Finance Department, from whom I understand that the figures, for which the Honourable Member asks, could not be collected without an inordinate expenditure of time and trouble.

#### MUHAMMADAN GRIEVANCES IN RESPECT OF THE EDUCATIONAL ADMINISTRATION OF DELHI AND AJMER-MERWARA.

187. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Has the attention of Government been drawn to a series of articles in the *Muslim Herald* of Allahabad in its issues from 3rd to 8th January, 1926? If so, what action has been taken by Government to remove the grievances contained therein?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The Government of India have seen an extract from the *Muslim Herald*. The Honourable Member may rest assured that the claims of the Muslim community will be sympathetically and equitably dealt with.

#### DUTIES OF THE SUPERINTENDENT OF EDUCATION, DELHI AND AJMER-MERWARA.

188. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Is it a fact that the Superintendent of Education has other multifarious duties to perform in the Government of India Secretariat?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The Educational Commissioner with the Government of India holds charge of the post of Superintendent of Education, Delhi and Ajmer-Merwara, in addition to his own duties.

#### MUHAMMADAN GRIEVANCES IN RESPECT OF THE EDUCATIONAL ADMINISTRATION OF DELHI AND AJMER-MERWARA.

189. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: (a) Is it a fact that the Assistant Superintendent of Education, District Inspector of Schools and Head Clerk, all belong to Delhi city proper, and have family connections there?

(b) Is it a fact that inter-relations exist between the officers referred to in (a)?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (a) Yes.

(b) No.

**MUHAMMADAN GRIEVANCES IN RESPECT OF THE EDUCATIONAL ADMINISTRATION OF DELHI AND AJMER-MERWARA.**

190. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Is it the usual practice in other provinces to appoint officers in the inspecting line in charge of the offices of the Director of Public Instruction or of those of Divisional Educational Inspectors and to appoint a Headmaster in the teaching line to be in charge of an administrative and inspecting office? If so, will Government kindly give any instance? If not, will Government give reasons for the departure from the usual established practice?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The employment of a college principal or a high school headmaster on administrative and inspecting duties is by no means uncommon, e.g., in Baluchistan the Superintendent of Education is Principal of the Sandeman High School, Quetta.

**INSPECTIONS OF LOCAL HIGH SCHOOLS BY THE ASSISTANT SUPERINTENDENT OF EDUCATION, DELHI AND AJMER-MERWARA.**

191. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Is it a fact that the Assistant Superintendent of Education now makes all inspections of the local High Schools with the District Inspector of Schools?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: No.

**PAUCITY OF MUSLIMS IN THE OFFICE OF THE SUPERINTENDENT OF EDUCATION, DELHI AND AJMER-MERWARA.**

192. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Is it a fact that the number of Muslims in the office of the Superintendent of Education is very small, and that a Muhammadan clerk was discharged from the service, and a non-Muslim appointed in his place? Had the Muhammadan clerk in question been well reported on?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: In December 1924, the staff consisted of six Hindus and one Muhammadan. It now consists of three Hindus, two Muhammadans and one Indian Christian, one post having been reduced. The services of a young Muhammadan clerk, who was temporarily employed, were dispensed with in order to make room for a qualified accountant. He was given a recommendation which has secured him employment elsewhere.

**NUMBER OF MUHAMMADAN AND HINDU TEACHERS, CLERKS AND PEONS IN THE SCHOOLS IN THE DELHI PROVINCE AND AJMER-MERWARA.**

193. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Will Government kindly state the actual number of Muhammadan and Hindu teachers, clerks and peons, both in the Delhi Province and in Ajmer-Merwara schools, and the dates of their appointments?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: This question is not clear. If it refers to teachers in aided schools and Board schools, the collection of the information would involve an expenditure of time and trouble which would in the circumstances not be justified.

**PAUCITY OF MUHAMMADANS IN THE EDUCATION DEPARTMENT, AJMER.**

194. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Is it a fact that in the Ajmer Education Department, all the inspecting officers and clerks, with the exception of one, are Hindus?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: Yes.

**ARTICLE IN THE MUSLIM OUTLOOK, DATED THE 22ND DECEMBER 1925.**

195. THE HONOURABLE SAIYAD MUHAMMAD PADSHAH SAHIB BAHADUR: Has the attention of Government been drawn to an article in the *Muslim Outlook* of Lahore, dated the 22nd December, 1925? If so, are the figures given therein correct? If not, will Government kindly give correct figures?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: The article in question has not been seen by the Government. An endeavour is being made to obtain the issue of the paper referred to.

**RESOLUTION RE SALARIES OF THE TWO MEMBERS OF THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL WITH INDIAN EXPERIENCE.**

THE HONOURABLE THE PRESIDENT: I understand that the Honourable Mr. Roy, in whose name the Resolution regarding the Privy Council stands, desires to give way to the Honourable Mr. Khaparde, who also has given notice of the same Resolution.

THE HONOURABLE MR. K. C. ROY: Yes, Sir.

THE HONOURABLE THE PRESIDENT: In that event I think I should point out—I think I should rule—that the amendments to the Resolution which are on the paper in the names of the Honourable Sardar Charanjit Singh and the Honourable Mr. Desika Chari, though technically they are amendments to Mr. Roy's Resolution, must be treated as amendments to Mr. Khaparde's Resolution, and I shall admit them as such.

The Honourable Mr. Khaparde.

THE HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-Official): Sir, the Resolution which I propose to move reads as follows:

"This Council recommends to the Governor General in Council to take steps to secure:

- (1) in the case of future appointments the enhancement of the salaries paid to the two members of His Majesty's Privy Council with Indian experience who sit on the Judicial Committee under the provisions of the Judicial Committee Act of 1833 to hear Indian appeals;
- (2) that they shall be persons possessed of recent knowledge of Indian law and practice and shall be of Indian domicile;
- (3) that their salary shall be £4,000 per annum each, half of which shall be paid from Indian revenues; and
- (4) that during any period when this salary is enjoyed, any pension payable to either of them from Indian revenues shall lapse."

Sir, Honourable Members probably know that a Resolution very similar to this was moved in another place by the Honourable the Home Member and I have brought it here with a little addition of my own. Both these

[Mr. G. S. Khaparde.]

things require explanation, which I shall give presently. I brought it here because I believe that it is a gesture. This word has come into existence after the war; during the war camouflage came into existence and after the war this word "gesture" has come in—and it is gesture made both by the Government of India and the Government of India in England. The Government of India made proposals some time ago, I believe, for this change being made in the Privy Council and the Home Government have agreed to it after some lengthy negotiations and it means that the services of one of the two judges proposed are to be paid by the British Government. Briefly put, that is the position. This gesture, it appears to me, was not understood or at any rate it did not attract the attention which it deserved. Discussion took place in another House. I do not propose to refer to it at any length, but I will only refer to it merely to show that they thought at least at one stage that this would interfere with the establishment of a Supreme Court here. At another moment they appeared to think that it was unnecessary to do so; if a Supreme Court came into existence the Privy Council would be of no use, and so on. Both these things are wrong from my point of view. The existence of a Supreme Court is in no way antagonistic to the jurisdiction of the Privy Council. In fact the Privy Council acquired jurisdiction as early as 1726, exactly 200 years ago, and now in 1926, we are seeking to improve it a little bit. Even if a Supreme Court came into existence, appeal to the Privy Council would still remain as it remains in the case of Australia and other Colonies. So, the proposition that the improvement of this Court would interfere with the establishment of a Supreme Court does not appear to hold water; it is not correct. Secondly, there is a distinct advantage politically. If there is a Supreme Court in India and the Privy Council has its jurisdiction, the litigant will have the choice either to bring his case here or to take it to England. The litigant in fact will choose his forum as it is called and that would be a distinct advantage. Some of the matters that go before the Privy Council are better decided in England. There are other matters, which have a considerable local colour, and they are better decided here. In that case, we stand distinctly to gain. But the greatest gain comes further on. It is like this. The first charter of the Act of 1726, never mentioned anything about Indians; still we know that the words were general and advantage was taken of it; and in 1833, it was more liberally interpreted and Mr. Justice Amir Ali was appointed to the Privy Council. The same thing will happen again and I believe there are distinct indications made in the speech of the Honourable the Home Member in another place which clearly point to the fact that it is an Indian that they have in view, though they do not mention it in so many words. The Honourable the Home Member pointed out that the salaries were fixed at £4,000 because it is contemplated that some people will go from here to England and stay there to do this work. It is also contemplated that after spending the afternoon of their days there they will come back to India and live here. That means only Indians and nobody else. Similarly, it is also pointed out that it would not be a job for a retired person, because I know from personal experience that the work in the Privy Council is very heavy, involves very difficult questions, consideration of strong arguments, and so on. Further, there is the consideration that a retired person trying to take this up would have to lose his pension during the time that he derives further pay. So the Honourable the Home Member argued that this is a distinct argument

in favour of the Indian Bar. Those are the persons who stand to profit by it; and I think it is not a question purely of profits but the question of prestige. The Privy Council has already a great prestige and it is likely to be enhanced. In this world it is not enough to be right; one should also appear to be right. People recognize that the Privy Council understand Indian law and they apply it with as much care as possible, but still people here sometimes imagine that Indian law is not understood there and circumstances are not properly appreciated. With an Indian sitting there that misapprehension will go; and in that way it will not only contribute to efficiency, but also infuse more confidence; people have already a great deal of confidence, and that will be heightened. Whichever way we look at it, it is a proposal which is distinctly more favourable to the Indian Bar than to anybody else. I do not want to repeat the arguments which were put forward in the lower House, but the trend of the arguments there was that it is more favourable to the Indian Bar than to anybody else. It is a matter for regret that though this door was opened there it has not been taken advantage of. I should like to take advantage of it, and that is one of the reasons why I have brought forward this Resolution here. It is a distinct gain as I have already pointed out.

A further point is that the Indian Bar is not wanting in talent. I could mention names that are honoured, I may say, all over the legal world. Dr. Rash Behari Ghose's books are used as texts in America. There are other lawyers who are also in a similar position in that respect. I could give a long string of names generally of people that have gone. That makes no invidious distinction. There is Muthuswami Iyer of Madras, Sir Dwarkanath Mitter of Calcutta, Justice Mahmood of Allahabad, Justices Mahadev Gobind Ranade and Tellang of Bombay. There is such a galaxy of men who were noted for their legal talent. Coming to the present, the speech of the Honourable the Home Member in the other House distinctly points out and contemplates that the pay is proposed to be raised to £4,000, because some people living here would go there in their mature age and would require larger comforts; they would have to meet additional expenses and will again look forward to coming back to India to end their days. That distinctly points to India and Indians. That is why I have introduced the words "of Indian domicile." What the Honourable the Home Member has done by implication I have done specifically. There is no communal or racial consideration in it. Justice is a very pure thing and nothing can be purer. It is like our Ganges which flows everywhere. Wherever it flows it is the Ganges and the water is sacred everywhere. You cannot make any distinction between the Ganges flowing here and that flowing there. The simile of the Ganges occurred to me at the first stage, but it is much greater, because the Jumna gets into it and East and West meet. Then it falls into the Bay of Bengal, mixes with the volume of water that covers nearly three-fourths of the globe. That is to say justice is one of those things which, though it may arise in one place and flow through many places, all the same it retains its pure character. There is no communal consideration introduced into it. All that I have done is to indicate rather in a distant way that it may be an Indian, that is to say, giving the chance as a general tip. No communal or any distinction is attempted and I hope no misunderstandings will arise on account of that.

A further point about this is that this is a gesture made by the Indian Government with the concurrence of the British Government and is a



[Mr. G. S. Khaparde.]

gesture which has been looked for for a long time in another place and by a different set of people. I am sorry they did not recognise it as such. It reminds me of the story of a peasant who used to sit in a small field and pray to the God Moon for rain. He asked for rain from the Mooh. In Hindu mythology the moon is not a woman. The moon is a man. In Western mythology the moon is represented by a woman. Whatever it may be, the moon is a man with us and he rides a stag. When this peasant was sitting there, the moon came there riding his stag. As soon as the peasant saw the stag coming he thought it would eat up his crops. So he took his dogs out and hounded the moon out of his place. Afterwards he discovered that it was the moon that came on the stag, and he was very sorry. He acted in haste and repented at leisure. Similarly, in the other House they hounded this Resolution out and probably they were all sorry for it. The Home Member said it was a golden opportunity. I quote his very words. The Privy Council has already gained prestige and respect and it will gain these all the more if persons of Indian domicile are appointed. Everybody would have confidence in it. There are two communities here which are at a disadvantage. One is the Hindu and the other is the Muhammadan community. Their laws of inheritance, etc., are based on texts and these texts have to be interpreted and they can only be interpreted by those who are familiar with the books in which they are recorded. People like Christians, Parsis, Brahmos have their law of inheritance reduced to Statute and Statutes can be interpreted by one judge as much as by another. These two communities, the largest communities of India, the Hindus and the Muhammadans, require somebody trained in their traditions, somebody who is well versed in the books. They ought also to be persons naturally familiar with the whole of western jurisprudence and these qualifications are now possessed by Justice Ameer Ali and others who have been doing this work. So I thought of making the matter explicit instead of implying it. We know the history of it. The Indian Government had to negotiate with the Home Government and they have necessarily to use the language of diplomacy. One merit of diplomacy is that it mentions a thing without naming it and names it without mentioning it, so that it may always be possible for you to keep it or avoid it. That is why the Home Member in making his speech referred to those points, and his speech distinctly indicated that Indians will be appointed. He did not mention it specifically because if anybody took objection he might say later on "Look here, I never mentioned it at all". If they are appointed he will say, "I mentioned to you that Indians will be appointed". It is therefore only a diplomatic way of saying things. I myself think that the Home Member distinctly meant this for the benefit of the Indian Bar. That is how this domicile matter has come out.

There is a further thing which recommends itself to me, and it is this. Apart from the advantage that the litigant public will gain and the further advantage for our countrymen to make their name, there is a further consideration, and that is that this Privy Council strengthens the old link between India and England. India is an Empire and His Majesty is the Emperor. Our connection with the Emperor is closer than that merely between a King and his subjects. This may sound new or something strange but it is a fact. When the title of Emperor first began to be used, it was distinctly mentioned that His Majesty would have a closer touch with

Indians than with the English people. For the English people there is the Parliament and other conventions, whereas we have a direct touch in the sense of his being Emperor. This move is very well designed, it is meant for the good of India, it is intended for the good of the Indian Bar. It is also good for the people who are specially wanted there. It is a further link that will bind England and the Indian Empire together. As I said, it is the moon on the stag and we should not be afraid of the stag. For these reasons I have brought forward this Resolution, and I commend it to this Honourable Council.

THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab: Nominated Non-Official): Sir, I beg to move that in clause 2 the words "and shall be of Indian domicile" be omitted.

I have listened with great attention to the speech of my Honourable and learned friend, the Mover of the Resolution. While I am in entire agreement with him as regards the desirability of the rest of the Resolution, I cannot help observing that the insertion of the words, which my amendment seeks to omit, would be an innovation. It would prescribe a restriction which does not exist in any Statute. Where, for instance, does the Government of India Act lay down that any members of the Governor General's or the Governor's Executive Council shall be Indians? Where does it lay down that Ministers shall be Indians? And yet, Honourable Members need no reminder that Indians have been appointed to these posts. Moreover, Sir, the insertion of these words would be diametrically opposed to the emphatic declaration of 1833 that fitness is to be the criterion of eligibility. It would also be against the letter and the spirit of Queen Victoria's Proclamation of 1858.

Although the inclusion of these words does not on the face of it raise a racial question, still no one can deny that by implication it is not capable of any other interpretation. Now, Sir, responsible Indians and leaders of political thought in India have all along been asking and quite rightly too that in filling high posts selection should not be made on racial grounds nor should it be made on a communal basis. The real test should be that of efficiency. It would not therefore look consistent at all to ask that this sound principle should not be followed when dealing with the highest judicial authority of the Empire. I am sure this House will agree with me that the selection of Judges should not be influenced by racial considerations nor complicated by communal prejudices. Secondly, Sir, the Judges of the Privy Council act as advisers to His Majesty and as such make recommendations to the Crown on appeals preferred before them. It appears to me that it would be nothing short of interfering with the Royal prerogative, and consequently beyond the scope of this House to lay down that His Majesty should appoint such and such persons as his legal advisers and no other. Such an action is not at all tenable and certainly beyond the jurisdiction of this House. It is for His Majesty to appoint as his advisers those whom His Majesty considers, on the advice of his responsible Ministers, most capable and against whose eminence in the realm of law no one can raise any question. Thirdly, comes the question of Hindu and Muslim law. Can any one say that only a Hindu Judge can administer Hindu law and that only a Muslim Judge can administer Muslim law? The experience of the past not only of the Privy Council but also of the High Courts in India is sufficient to refute such an allegation. We have had in the past and we have at the present moment eminent Judges sitting on the Privy

[Sardar Charanjit Singh.]

Council as well as on the Benches of the High Courts who have been administering Hindu and Muslim law to the entire satisfaction of the legal world, and against whose judgments there cannot be even a whisper of doubt on the score of racial or communal considerations. To mention only a few, take for instance, Sir Lawrence Jenkins, Sir Shadi Lal, Sir Bhashan Iyengar, Sir Ashutosh Mukherji, Justice Mahmood and Justice Ranade. Surely no one can say, whether he be a Christian, a Hindu or a Muslim, that these eminent Judges, of whom any country in the world would be proud, were competent to try the cases of their co-religionists only and of no other. Supposing for one moment that we accept such a proposition that each community and each creed must have its own Judge, then I do not know where it would land us. For one thing it would be a totally unjustifiable aspersion against the Judges both English and Indian. Besides there would be no end to the list and instead of two as proposed by this Resolution even 20 would not be a sufficient number. Lastly in case there be any doubt that without the words "of Indian domicile," no Indian is eligible under the provisions of this Resolution, one has only to read the Resolution to dispel such a doubt. There is no bar, there is no restriction, either explicit or implied, that Indians cannot and will not be appointed. The Crown has unfettered choice and there is no justification to think that the responsible Ministers of the Crown will not advise the selection of the best men available simply because they happen to be Indians. The only reason why only one Indian Judge has up to this been selected, is the mere fact that no Indian legal luminary would go and settle down in England even for a few years on £400 a year. By fixing £4,000 you would be making it attractive for them to go to England. When that is done I am sure many of my countrymen who are otherwise qualified and get selected would be prepared to go for a few years. I hope, Sir, I have made it perfectly clear that the omission of the words "and shall be of Indian domicile" is only right and proper, and I have no doubt that this House and also my Honourable and learned friend the Mover of the Resolution will accept my amendment.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I should like to be permitted, if it is in order, to address the few remarks which I have to make jointly to the Resolution and to the amendment which has just been moved by the Honourable Sardar.

THE HONOURABLE THE PRESIDENT: I see no reason why the debate should not proceed both on the Resolution and on the amendment. I do not think that the Council will be embarrassed in any way by that, for it will be a simple matter for any Honourable Member to indicate in his speech whether he supports the Resolution as it stands, or whether he supports it as the Honourable Sardar Charanjit Singh would amend it, or whether he opposes both. It may suit the Council to know that the Honourable Mr. Desika Chari has informed me that he does not propose to move the amendments standing in his name.

THE HONOURABLE MR. J. CRERAR: Sir, I am indebted to you for your ruling which will greatly facilitate my task in the few words I have to say explaining the position of Government with regard to the Resolution as it will stand, if the amendment moved by the Honourable Sardar is

accepted by the House. The attitude of Government towards the Resolution is naturally one of benevolence. It may perhaps be of some value to the lay Members of the House—lawyers are very familiar with the Privy Council and its functions—if I explain very briefly, as briefly as possible in dealing with so large a subject, what is the position of the Privy Council, and more particularly the position of the Judicial Committee of the Privy Council. The Privy Council is the modern representative of one of the most ancient institutions of the English State. It reaches back into the mists of antiquity, though it was only from the time of the Tudor Kings that it became a definite body with a separate secretariat of its own. Nowadays people are apt to think that the Privy Council by reason of its antiquity is a somewhat obsolete institution. That is very far from being the truth. Even in modern times the volume and the importance of the administrative work transacted by the Privy Council would be very surprising to those who have not examined it. We are however concerned with the judicial functions of the Privy Council. It was, as I have said, for many years the chief executive body of the realm. It also had from the beginning very large judicial functions. Many of those functions, particularly in its original jurisdiction, were swept away during the course of the troubles of the 18th century. Much of its executive jurisdiction naturally fell away with the rise of responsible Parliamentary Government in England. But the appellate jurisdiction of the Privy Council remained more or less intact. Towards the end of the 17th century it had become too unwieldy to meet with any regularity in a full session for judicial business, and a small Committee acting in the name of the whole Council discharged these duties. That was the origin of the Judicial Committee. This somewhat makeshift arrangement continued till 1833, when by a Statute of that year the Judicial Committee substantially as it now exists was set up. That Statute is of particular interest to us, because, among its other provisions, was a provision for the appointment of two Judges who had held office as Judges of a High Court in India to the Committee. Its constitution has been slightly altered—in 1895, 1907 and 1913,—and it now consists of such Members of the Privy Council as have held high judicial office—the Lord Chancellor, the Lords of Appeal in ordinary, the two former Judges of a High Court in India to whom I have already referred who were appointed under the Act of 1833 and seven Judges or *ex-Judges* of superior courts of His Majesty's Dominions appointed under the Act of 1895 as subsequently amended. I might mention that one of these seven Judges is a Judge who was formerly a Chief Justice of a High Court in India. The Committee is often divided up into special boards, but—and this is a matter of some importance—not less than three of its members are present at a hearing of an appeal. It does not give judgments like other courts, nor like the House of Lords in its appellate jurisdiction by a majority of votes. Its decisions are unanimous and in the form of advice tendered to His Majesty in Council; and they are accordingly promulgated as Orders in Council. It is the highest court of appeal for causes arising in any part of His Majesty's Dominions and Possessions beyond the seas. It is to this ancient and authoritative tribunal, to India's special concern in it, that the Resolution moved by the Honourable Mr. Khaparde refers. And India's concern is undoubtedly very great. As the Honourable Member pointed out, in constitutional law it forms one of the most important links binding India to the Crown. And, moreover, the greater part of the business it transacts is Indian business. About 60 per cent. of the appeals

[Mr. J. Crerar.]

heard and decided by the Judicial Committee of the Privy Council are appeals from India. No other proof is needed I think of the high value which is attached by litigants in India to the privilege of recourse to this tribunal, by means of which the learning and ability of the most eminent Judges, whose names are household words in the wide realm of law, are placed at their disposal. It will not, I think, be contested that adequate provision should be made for collaboration with the great jurists of England, of Judges specially versed in, and having recent experience of, the recondite questions of principle and practice arising in Indian law. Still less would it be contested that such Judges should be properly remunerated. That states very concisely the issue which is before the House. The Government will be very glad to receive the sense of the House on this Resolution, particularly in view of what occurred in another place when this matter was under discussion. I think that, from the comments which have been made since that decision was arrived at in another place, I should not be impertinent in supposing that some of the opposition which was then raised to the Resolution has been reconsidered, perhaps I might almost say repented; and I am grateful to the Honourable Member for giving me an opportunity of restating the position of Government in the matter. In view of what has happened elsewhere, it may not perhaps be possible for the Government of India to take immediate action upon this Resolution if it is passed by this Council. But they will be gratified to receive the considered judgment of the Council upon this matter, and they would certainly take the earliest steps to convey the views of this Council to His Majesty's Government. I will only add a few words more specifically on the amendment. Little really remains for me to say because I understand from the Honourable Mover himself that he did not intend that the words standing in his original Resolution relating to Indian domicile should have the effect, which they might possibly have, if they were rigidly construed. The grounds which show the undesirability of retaining these words have been amply demonstrated by the Honourable Sardar Charanjit Singh, and I need not therefore detain the House any longer on that point. Government will be very glad to accept this Resolution subject to the amendment proposed by the Honourable Sardar Charanjit Singh.

THE HONOURABLE SIR C. SANKARAN NAIR (Madras: Non-Muhammadan): May I ask the Honourable Member whether he understands these words, "possessed of recent knowledge of Indian law and practice", to exclude or to be intended to exclude men like Mr. Ameer Ali and Sir Lawrence Jenkins?

THE HONOURABLE MR. J. CRERAR: They are not intended to exclude anyone with the requisite knowledge and experience.

THE HONOURABLE SIR C. SANKARAN NAIR: Of *recent* knowledge?

THE HONOURABLE MR. J. CRERAR: I would invite the Honourable Member's attention to the fact that they refer to the case of future appointments.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): May I ask if the Honourable the Mover of the Resolution accepts the amendment?

THE HONOURABLE THE PRESIDENT: Perhaps the Honourable Mr. Khaparde did not hear. The Honourable Sir Arthur Fromm desired to know whether the Honourable Mover of the Resolution accepted the amendment.

THE HONOURABLE MR. G. S. KHAPARDE: My position is this, that I put in those words, but if they are omitted, I will not make a grievance of it.

THE HONOURABLE SIR C. SANKARAN NAIR: Sir, I rise to support the Resolution as it stands and to oppose the amendment. We are going now to ask for an increase of pay to £4,000, and we have to justify that. We have to show why we want to do that. I can well understand that in the case of Indians going from India to Whitehall to sit there as Judges £4,000 is not ample. As long as Hindu law is not codified, we would like to have an Indian judge to take part in the decision of any question of Hindu law. The Honourable Sardar Charanjit Singh, who said that there are non-Indian Judges who can decide questions of Hindu law and therefore we might entrust it to them, does not understand the position. As long as Hindu law is not codified, we would like to have an Indian Judge always to take part in the decision of questions of Hindu law. Similarly, as long as Muhammadan law is not codified, we would like to have a Muhammadan Judge to take part in the decision of questions relating to Muhammadan law. When they are codified, the question will become altogether different; and therefore in the Privy Council, when they decide cases relating to Hindu law or to Muhammadan law, we would like to have a Hindu or a Muhammadan Judge sitting there to advise the other Judges and himself taking part in the discussion and decision. It may be only one Judge, but that does not matter; his knowledge will be at their disposal. Cases are decided by Judges in India in view of the arguments placed before them. But before the Privy Council new points are raised, a different aspect of the case is presented, and often there is nobody there with the knowledge necessary to deal with such arguments, and wrong decisions on questions of important principles may be the result. Therefore we want Indian Judges, Hindu Judges and Muhammadan Judges, to be there for that reason. Then there is another reason. The other class of cases, the most important class of cases which the Privy Council Judges have to deal with, are cases on questions of fact where there is a difference of opinion between the appellate Court here, that is the High Court and the District or the Divisional Court Judge. Now to decide those questions of fact again it is essential there must be Judges competent to deal with them. I do not say anything against Barrister Judges. But either experienced Civilian Judges or Indian Judges are the Judges really competent to deal with that class of cases. They have to deal with very intricate questions of fact which require a knowledge of the customs; the habits, etc. I say that for both these reasons it is essential that this Council must make up its mind and say whether it would like this increased pay to be devoted to Indian Judges or not. I think it is essential that we must make up our mind clearly on that point and say that we would like to have Indian Judges; and that alone is the justification for this £4,000 pay. Then as to the pay itself, I do not say now that the Anglo-Indian retired Judges are adequately paid; not at all, they are not adequately paid, their pay is very small. But if we had only to deal with those Anglo-Indian retired Judges, they might be allowed the same pay as the Members of

[Sir C. Sankaran Nair.]

the Secretary of State's Council which they get in addition to their pension. That would give them something like £2,700 or £2,400, which is quite good for such a man like that, living in his own country—but an Indian Judge is not in that condition. Somebody has said—I believe it was Mr. Khaparde—that £4,000 would be an attraction to an Indian Judge to go and live in England. Not at all; no Indian Judge would care to live in England all the year round. We have found that by experience in the case of Indian Members of the Secretary of State's Council who would like to go away from there during the winter, and it is with the greatest difficulty that they can be induced to remain in England. If Indian Judges go at all to sit as Judges of the Privy Council, it is because they consider it a duty to take part in the administration of law which refers to their own country. I therefore think that for all these reasons we must keep the Resolution as it stands. I am not in favour of any change.

Then, Sir, there is another point. The whole Resolution has an ugly look about it because you say there that in the case of future appointments alone all these things should be done. The qualification about recent knowledge of Indian law and practice is apparently intended to explain why the rule is confined to future appointments. Obviously it is intended to exclude men like Sir Lawrence Jenkins and Mr. Ameer Ali, whereas the local Anglo-Indian papers criticize the Legislative Assembly for not voting for a Resolution intended to assist men like Mr. Ameer Ali and Sir Lawrence Jenkins who have been there for 17 and 18 years without any pay. It is unfortunate that the Resolution as it is worded confines itself to future appointments; I understood that at any rate the statement in the second part, namely, "that they shall be persons possessed of recent knowledge of Indian law and practice" was intended to justify the statement in the first part, namely, confining this resolution to future appointments. If I am wrong, it is very unfortunate. I do not like that by the Resolution we should cast a slur upon existing men like that and deny to them the pay which they have honestly earned and the opportunity to do good work, by working for a few more years.

THE HONOURABLE MAHARAJADHIRAJA SIR RAMESHWARA SINGH OF DARBHANGA (Bihar and Orissa: Non-Muhammadan): Sir, I rise to say a few words in regard to this motion which marks an epoch in the history of the Privy Council so far as India is concerned. I am aware that the Colonial Governments do not contribute towards the emoluments of His Majesty's Privy Council, but I am equally aware that the colonial cases represent an insignificant and inappreciable proportion of their work. I know that this proposition has been negatived in the Legislative Assembly, but I am afraid that, unless the matter is set right, the only effect to my mind will be that no Indian will be attracted to His Majesty's Judicial Committee. This will be very sad indeed.

On the other hand I hear the demand that only Indians should be appointed to hear appeals from the Indian High Courts if this Resolution is to be accepted. Well, Sir, it will be accepted on all hands that the Privy Council should be manned by the best intellects available—be they Indian or English. I have no doubt that if suitable Indians are available Government will surely see the advantage of securing their services. It is hardly fair to ourselves to think that Government will choose only Englishmen to the exclusion of suitable Indians, if available. But surely His Majesty's

prerogative should not be narrowed down to selecting only Indians in case for any special reason the appointment of an Englishman is more desirable. For these reasons, Sir, I give my wholehearted support to the Resolution with the amendment proposed by Sardar Charanjit Singh.

THE HONOURABLE SAIYID MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, I gladly associate myself with all that has been said by my Honourable friend Sir Sankaran Nair. Sir, he was perfectly right in telling this House that it would not be justified in sanctioning this new charge upon Indian revenues unless there was some substantial advantage to be gained from that. It cannot be denied, Sir, that it is always undesirable that India should be asked to pay for anything that is to be done by the Home Government on account of the fact that the Home Government is responsible for the administration of this country. Now, Sir, there is again another aspect of the question. I ask, Sir, where is the necessity to increase the emoluments unless there is some new line of action to be adopted? There is no indication that there will be any paucity of people willing to take up this high office in future. Among people who may go to England after retirement and live there in the evening of their life you will always find several who will gladly assume the reins of this high office. Unless it is necessary for you to offer some attraction to Indians, to people who otherwise would not go to England and settle there, you will not at all be justified in increasing the emoluments. After all, Sir, if any retired Judges who go back to their country after retirement take up this high office they do so merely as citizens who are interested in doing their duty by the country. Again, I see no reason at all for bringing this question up before this House unless people are actuated by the desire to try and ensure efficiency in the personnel of the Privy Council. By making these remarks, I do not mean to say that India is dissatisfied with the constitution of the Privy Council. On the other hand India feels very proud of the services that have been rendered to India by the Privy Council. We all know that the work of the Privy Council has always met with general approval and satisfaction in India. It is quite obvious that the only reason which has prompted the question to be put forward in this House is the desire that we should take all necessary steps to continue to India the benefits which she has been receiving all along from the Privy Council, that all possible help should be given to the Privy Council in order to enable them to properly adjudicate upon Indian matters; and the best way, Sir, to provide for this would be only by putting Indians on the Privy Council, Indians who have been in living touch with the law and practice in this country. It is a matter of common knowledge, Sir, that besides these two officials, whose case is now being considered in this House, the Privy Council has on it a number of eminent Englishmen who have vast knowledge and experience of the working of the courts in their own country. So it cannot be contended, Sir, that the other appointments that have to be made to the Privy Council, namely, the Judges that have to be appointed to help the Privy Council in functions relating to Indian matters should be people who may afford assistance by virtue of their knowledge of Indian statute law. The necessity is quite obvious. All that is required is to provide the best possible knowledge of the Indian law and practice, and to do this, Sir, you cannot do better than having Indians on the Privy Council. Whatever might have been the achievements of Indians in other fields, that Indians have proved themselves

[Saiyid Mohamed Padshah.]

second to none in the legal profession will be accepted on all hands. People who are in India, who have been in India, in living touch with the law and practice here have a better insight into the life, habits and customs of the people of India than others however proficient in theoretical knowledge. I am of opinion that we shall not be justified in accepting the Resolution as amended by Sardar Charanjit Singh; and if we allow this increase at all in the emoluments and consent to bear our burden of the salaries of those officials in the Privy Council, we should insist upon the original Resolution being given effect to.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to oppose the original Resolution as well as the amendment. I do not do so because I grudge the increase in the emoluments of the members of the Privy Council, but because I think that this will not be a right charge on India. This question has been very warmly debated in the other House and so I need not repeat the same grounds which the other House have very ably traversed. The Privy Council is not a Court but is an advisory body to His Majesty the King Emperor, and as such I do not think that India should pay any share of the salaries of the Privy Councillors. Justice is not to be purchased. It will create a very bad precedent because once we start contributing to the salaries of the Privy Councillors in England we do not know where we shall end. Only the other day under the Government of India Act the salary and the expenses of the Secretary of State for India were transferred to the British Exchequer, and in case we contribute to the salaries of the Privy Council we may be asked some day in the near future to share the expenses of the Cabinet and Army Council, etc., which look after Indian interests also. With these words I oppose on principle this Resolution and the amendment.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, although I am not so closely connected with the line of business with which the amendment brought forward by my Honourable friend Sardar Charanjit Singh deals, there appears to me every justification to support it, as it is expected to result in very great benefit to the disposal of the judicial business of India. As it is there are three Indian representatives who attend the sittings of the Judicial Committee of the Privy Council, two of whom are salaried representatives while the third, so far as I am aware, receives no salary. Now, each of the salaried representatives is paid the sum of £400 a year, which is less than the salary of a Sub-Judge, and too inadequate for the persons holding such a post of eminence, and I think the Honourable Members of this House will agree with me in saying that to give £400 a year and expect Judges of recent experience and of the highest eminence to sit on the Judicial Committee of the Privy Council is outside practical politics. I say it is quite impossible to have men of experience and knowledge on such a meagre pay of £400 a year. There might be objections to the enhancement of their salaries in view of the fact that the present Judges on the Judicial Committee of the Privy Council are quite content to draw the sum stipulated in the Judicial Committee Act of 1893, but I think Honourable Members are aware of the fact that one of them is an inhabitant of England, while the other, Sayyad Ameer Ali did not go to England for that purpose. He went to England

to make it his home and as he was available there, he was appointed a member of the Judicial Committee. So the Honourable Members will see for themselves the conditions under which the present salary of £400 is acceptable to the present Judges serving on the Judicial Committee of the Privy Council. With regard to future appointments the case is altogether different, for how many eminent persons are prepared to do the same, or for how many is the fascination of residing in England greater than that of living at home? I understand that the idea is to appoint distinguished lawyers, who can simply be prevailed upon to give up either a leading practice or a high judicial office to establish themselves in a country with which they may or may not be familiar and incur those expenses which are, as we all know, unfortunately incidental to a stranger in any country, provided you pay them a reasonable salary, so as to make them live comfortably. There may be doubts as to the amount of the salary, but I put it to the House that in case you are going to get a first class man, you cannot get him much under that laid in clause 3 of the Resolution. Personally I would like that the salaries of these Judges ought to be paid from the British estimates, but when we do not contribute anything towards their maintenance, we cannot have a say in the appointment of these Judges.

As regards clause 2 of the Resolution I would ask the House not to make the question of these judicial appointments a racial question. These are appointments of the very highest judicial importance and will be made by the Crown. I can naturally sympathise with the view that an Indian ought to occupy a position of that kind, as it is through an Indian that Indian law, customs and practice can have their full representation, but I am perfectly sure that no Honourable Member of this House would desire an Indian, who is not fit for that position, to occupy it. To take such a view would be, I think, to lower this country in the estimation of the world, which, I am sure, no Honourable Member would ever like to do. Moreover, these judicial representatives are to sit not only with the best judicial brains of England but also with the greatest lawyers from the Colonies and India, I hope you will agree, ought to send of its best as well. Personally, I would like India to be under the Privy Council, as its decisions emanate from His Majesty and it is a direct and clear link to connect India with England. I gather from what has been said by the Honourable Members of the House that there is nothing to prevent the residents of the self-governing Colonies such as Australia and Canada appealing to the Privy Council instead of to their Supreme Courts; and supposing we have a Supreme Court in India there can be nothing to prevent the parties concerned appealing to the Privy Council. After all the Privy Council is the supreme court of justice where law is equally administered to the self-governing Colonies as well as India. Our Supreme Court in India will have to be guided by the Indian customs and practice, but it will not be able to throw new light on the rapidly advancing civilisation of the western type. As regards the remark passed by my friend Lala Ram Saran Das just now that we might be asked to contribute some day to the British Cabinet, personally I would welcome the day when we are asked to contribute to the British Cabinet or the Army Council or any other such body, because then we shall have our voice in the membership of those august bodies. I do not know whether it will be a bad day for Indians. I would call it a lucky day when we are asked to make that contribution. With these remarks, I strongly support the amendment of Sardar Charanjit Singh.



[15TH MAR. 1926.]

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, 12 Noon. we have been told that the Privy Council is a mere advisory body and not a court; and on going through the debates in another place we find that a good deal of point was made about this aspect of the Judicial Committee being an advisory body and not a court. We have to look at the substance and not at the mere form of it. In various institutions under the British constitution we find the form is one thing and the substance is another. In fact the British Cabinet has no place in it; it has grown to what it has only by a sort of convention. It acts merely as a Committee of the Privy Council, as the administrative committee of it. So no useful purpose will be served by delegating this important institution, which is the highest appellate court in the land, to the status of a mere advisory body. During the last 200 years we find that the mandates of this institution, though they are given in the form of advice, are uniformly followed and the rulings of this body, given in the form of advice, are regarded as mandates by the British Government and the British Empire. So this Judicial Committee of the Privy Council is a court, and the court of highest appeal in the Empire. I am one of those who think that the court of highest appeal for the British Indian Empire ought not to be at the centre of the activities of the Executive of the Government of India. It is better under the present constitution that our highest court of appeal should be 6,000 miles from the centre of activity of the Government of India. It is better that we should get our constitution revised and then have the highest court of appeal in India itself when we have an executive fully responsible to the Legislature. So my view is that it is better at present to have this court of appeal as far away from India as possible, and taking that view we have to consider whether it is desirable to improve this existing institution which is the highest court of appeal. In 1833 it was made possible for retired Indian Judges to take their seat in the Privy Council, and it was thought that a sum of £400 was enough to indemnify them in doing so. Now conditions have changed and there is a large volume of opinion that not only retired Indian Judges but also legal luminaries who are not Judges but are fit to take their place along with these eminent legal gentlemen in the Privy Council—that these people also ought to go there. And in order to secure the services of eminent legal men in India who are not retired Judges I think some provision ought to be made to make it worth their while to go all the way from India to take their seat in the Privy Council and be able to live there comfortably and discharge their duties properly. It is this aspect of the question which we ought to consider very carefully before accepting or rejecting a Resolution of this kind. In another place the Home Member said that the object of bringing this Resolution was to secure the services of men, Indians, who can be induced to go from here and take their seat in the Privy Council. Only they are not willing to have the words “of Indian domicile” in black and white. I do not know what harm there can be in having this implication expressly reduced to writing. We are told that it may be regarded as introducing the principle of racial discrimination. Personally I think there is no racial discrimination here. I believe that to aid the Members of Parliament in coming to a conclusion in accepting the principle of this Resolution, it is necessary to impress upon them this Indian aspect of the question, because then only will they understand the necessity for a change. We ought to tell them that this is meant to enable Indians who otherwise

would not be able to sit in the Judicial Committee of the Privy Council, as they cannot do so unless they receive adequate remuneration making it worth their while to go all the way from here to take part in the deliberations of the Judicial Committee. If these words “of Indian domicile” are included in the Resolution it is to show that it is to secure the services of those legal luminaries in India who are not drawing pensions, and there will be a greater chance of the necessary changes being effected by an Act of Parliament. And after all these debates are also public property and Members of Parliament and others can very well go through these debates and they will then see that the intention of the people who put forward this Resolution and took part in these debates is to see that Indians of proper standing are able to go to England in order to take their seats in the Judicial Committee of the Privy Council. Whether it is in the Resolution or not the debates are there, and it will be quite clear that the intention underlying this Resolution is to see that the services of a class of people who could not otherwise be secured are intended to be secured by this Resolution. Personally, if the Government are opposed specifically to stating that this applies only to Indians, I am prepared to accept the implications conveyed by the Home Member and by the Home Secretary here, when he states it was intended merely to secure the services of people whose services could not otherwise be secured: that is, the case of Indians who can be induced to go over there to sit on the Judicial Committee. I therefore think that this House ought to accept a Resolution of this kind, whether the words “and shall be of Indian domicile” are included in it or not, because the principle has been stated and we can have faith in the Government because the implication in the Resolution has been often repeated in both Houses. And we hope and trust that if this Resolution is accepted in that form that the Government will not think fit to go back on their words and commit a breach of faith. With these words I support the Resolution, whether the words “and shall be of Indian domicile” are allowed to remain in it or not.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I rise to support the Resolution as well as the amendment. We should be thankful to the Honourable Mr. Roy as well as to the Honourable Mr. Khaparde for bringing this Resolution forward. There are two things. One is that if a useful thing has been thrown out by hasty obstructionists, the country should not know that all their representatives are such that when a thing so useful comes up, it is thrown out by us. The second thing is that it has given this House again the chance of rising to the occasion so as to show that the considered opinion of the country always backs up useful measures. Now, Sir, the reason why I have supported the amendment is that we have seen very very able Englishmen who after they have finished their school life come out and live in India and practically go back when they consider that they have done sufficiently useful work in this country—I mean they have practically spent all the best portion of their life in this country, and I would say that in fact they are more Indians than English, because if an Englishman, an able Englishman who comes out to India after passing the competitive examination and lives with us 30 or 40 years does not then know the requirements of Indian law, he would not have been able enough to hold the post which he was holding while in India. Sir, I am glad that the Honourable Sardar Charanjit Singh has brought forward this



[Sir Umar Hayat Khan.]

amendment. I strongly support both, and I would ask the House that there should be no discordant note in this connection.

THE HONOURABLE SIR ARTHUR FROOM: Sir, I think that this House should be very thankful to my Honourable friend, Mr. Khaparde, for bringing forward this Resolution. I consider that the Resolution is one of considerable importance. At the same time it is extremely simple. What is its object? Its object is to secure to the Judicial Committee representing Indian interests on the Privy Council the best brains which India can produce. At the same time owing to the small salary attaching to these appointments, the field of selection necessarily must be narrow. In saying this I do not cast any reflection on the present holders of the appointments. I think that this Resolution, which will expand the field of choice for these most important appointments, is a most estimable one. I do not share the fears of my Honourable friend, Sir Sankaran Nair, over the use of the word "future" in this Resolution. You must make a beginning sometime, and presumably the present holders of the appointments on the Privy Council accepted them with their eyes open. Also I suppose there is no reason, if they wish to do so,—presuming this Resolution is acted upon,—why they should not resign and be in the running for reappointment. If they are not satisfied with their present emoluments and see that there might be more to be gained, that is a line of action that I would recommend them to adopt. Sir, I also agree with the amendment moved by my Honourable friend opposite. I have in the beginning of these few remarks congratulated the Honourable Mr. Khaparde on the Resolution, seeing that he seeks to extend the field of selection for these two important appointments, and the Mover of the amendment seeks to establish further that that field should in no way be narrowed. My Honourable friend, Sir Umar Hayat Khan put forward the contention that he did not think that the selection should be restricted to any one class of person in India to the exclusion of any other class who had Indian experience and had practically lived in India. I agree with that, not from any racial consideration but simply from the point of view of "let us have the best men, the best brains, for these appointments".

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN (Bengal: Nominated Non-Official): Sir, I do not wish to give a silent vote on this Resolution or amendment, both of which I support. I only wish to say one word regarding the remarks that fell from the Honourable Rai Bahadur Lala Ram Saran Das, in regard to this Resolution. If India's requirements in connection with Hindu and Muhammadan laws necessitate men with experience of these laws being put on the Judicial Committee of the Privy Council, I do not see any disadvantage to India in having a voice in such appointments or in sharing a part of the contribution towards the salaries of such Privy Councillors. What is more, I think, that those who contend that these appointments should go to Indians would also gain by this idea of India's share in the contribution by having a voice in these appointments. As regards getting the best men on the Judicial Committee, I do not think that there can be any two opinions on the subject. The intricacies of Indian laws of succession, the everyday occurrences of the appellate courts disagreeing with the lower courts and all these things necessitate that the

Privy Council should be manned by the best legal acumen available to His Majesty, and I therefore think that it is an erroneous idea to consider that because we have to contribute for the experts on the Judicial Committee of the Privy Council, we may be asked to contribute to the other things. I think we must take a more catholic, a broader, a more sensible view, and I think it is our duty therefore to support both the Resolution and the amendment.

THE HONOURABLE RAJA SIR RAMPAL SINGH (United Provinces Central: Non-Muhammadan): Sir, it is an undisputed fact that the present salary, rather the indemnity, paid to the representatives of India on the Judicial Committee, is too small. It is a wonder to me why this injustice, this smallness of salary, had continued so long and why this reform was so long delayed. Perhaps the English people are inclined to be too economical, too stingy, when it touches their own pockets, but liberal and generous when it touches the pockets of others. Sir, I fully admit the justice of the Resolution. But I think the idea is that those men who have a knowledge of the customs, habits and usages of the people should be enlisted to help His Majesty in the decision of cases. It is, in my opinion, necessary that the selection should be narrowed to Indians. I do not know what is the salary of other members of the Judicial Committee, but this much I can say that if Englishmen, I mean retired Judges, are appointed to that post, they will go to their own homes and they can very easily maintain themselves on the salary which the present members get; it will be very difficult for Indians who go from here to a foreign country to maintain themselves in a respectable manner there. Therefore in my opinion it is very necessary that the Resolution as it stands should be accepted by the House and the amendment moved by my Honourable friend Sardar Charanjit Singh should not be accepted, because that will not serve our purpose. I therefore support the resolution and oppose the amendment.

THE HONOURABLE MR. G. S. KHAPARDE: Sir, I am very glad and I feel thankful to the Honourable Council for giving a favourable reception to this Resolution. I may state for the information of my friend, Raja Rampal Singh, that Privy Councillors get no pay at all. All these Judges—there are 28 Judges sitting in the Judicial Committee—get no pay absolutely. It is only two Judges who went from India and were living in the country and had to incur expenditure for going to London who got what is called an indemnity or allowance of £400; otherwise the whole thing is honorary.

THE HONOURABLE RAJA SIR RAMPAL SINGH: Why should Englishmen who go to England and work there get the same pay as Indians?

THE HONOURABLE MR. G. S. KHAPARDE: It is not intended for them. However, I am very glad to see that my Resolution has been well received and my meaning has been made clear. Nobody has accused me of communal ideas. As I said before if the amendment as it stands is passed I shall be very glad; but if the amendment goes, I am not likely to be very sorry for that. My main proposition is there. That is what I care for. These are my remarks in reply.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I have very few remarks to make and I do not propose to detain the House long. I should like to associate myself with the feeling of gratification expressed by the Honourable Mover at the reception of his Resolution, with the amendment proposed by Sardar Charanjit Singh. Indeed the proposal is

[Mr. J. Crerar.]

of such manifest advantage to India that I could have hoped that it would have been passed without even a single dissentient voice in this House. Some of the criticisms that have been made are indeed rather surprising. The Honourable Raja Sir Rampal Singh apparently accused the British people and the British Treasury of some stinginess in the matter, but I should like to point out to the Honourable Member that for nearly 100 years the British Treasury has paid—and without any contribution from India—the salaries, meagre as they are, of two Judges appointed from Indian courts and they propose now to pay half the salaries of the two Judges to be appointed on the basis suggested in this Resolution, two Judges who, from the information I have given, would be employed for a great part, if not the whole of their time, in hearing Indian appeals. It is somewhat astonishing that stinginess should be attributed to the British Treasury, because to me the proposal seems one of great generosity, one which is an exceedingly good bargain for India, and one which India and this House ought to accept with very warm recognition of the spirit in which it has been made.

I have only one word more to say, and that is with regard to the views expressed by Honourable Members opposite in respect of the selection to be made to these two posts if the Resolution is accepted and if His Majesty's Government is prepared to act upon it. The Honourable Mr. Chari, whose interest in and respect for constitutional form I am glad to welcome, will surely, I think, see that the regard for constitutional form to which he himself invited the attention of the House is the real reason why it is very undesirable indeed to place any restriction whatsoever on the Crown in making the selection. As the Honourable Mover of the amendment very rightly said the only stipulation that we ought to make is that merit and the necessary qualification for performing the special functions likely to devolve on the Judges should be the sole guiding consideration and we can safely leave that to His Majesty and his advisers.

**THE HONOURABLE THE PRESIDENT:** The original question was that the following Resolution be adopted:

"This Council recommends to the Governor General in Council to take steps to secure:

- (1) in the case of future appointments the enhancement of the salaries paid to the two members of His Majesty's Privy Council with Indian experience who sit on the Judicial Committee under the provisions of the Judicial Committee Act of 1833 to hear Indian appeals;
- (2) that they shall be persons possessed of recent knowledge of Indian law and practice and shall be of Indian domicile;
- (3) that their salary shall be £4,000 per annum each, half of which shall be paid from Indian revenues; and
- (4) that during any period when this salary is enjoyed, any pension payable to either of them from Indian revenues shall lapse."

Since which an amendment has been moved:

"That in clause 2 the words 'and shall be of Indian domicile' be omitted."

The question I have to put is that those words be omitted.

The motion was adopted.

**THE HONOURABLE THE PRESIDENT:** The question then is that the Resolution, as amended, be adopted.

The motion was adopted.

## RESOLUTION RE CREATION OF A SELF-GOVERNING TAMIL SPEAKING PROVINCE.

**THE HONOURABLE SIR C. SANKARAN NAIR** (Madras: Non-Muhamadan): I move:

"This Council recommends to the Governor General in Council to advise His Majesty's Government to take such steps as may be required to constitute the following districts inhabited by the Tamil speaking race, that is to say, Chingleput, North Arcot, Salem, Coimbatore, South Arcot, Tanjore, Trichinopoly, Madura, Ramnad and Tinnevely, into a Province with complete self-government."

As I have got only 30 minutes, I shall deal at once with the Resolution without any preliminary remarks. The Districts I have named contain a population of 20,060,037 (last census), of which 810,782 are Muhammadans.

When I use the term self-government I mean that, in framing a constitution for the government of the Province, we should follow the self-governing Dominions of the British Empire so far as circumstances shall permit. I have also in view the perpetuation of our connection with Great Britain and Ireland.

I shall briefly describe the scheme of self-government that I propose in accordance with this view. The Government of the Province should consist of the King, a Senate and a House of Commons. I love the name the House of Commons. Our descendants will consider themselves the inheritors of its noble traditions. A Governor appointed by the King should be His Majesty's representative.

This Parliament should have power to make laws for the peace, order and good government of the Province in respect of all subjects including taxation, expenditure, loans, postal and telegraphic services, railways, aeroplanes, naval, military and air forces.

There is no danger of any kind in giving the Province control over the Forces.

The Tamil land in extreme south of India need not fear any foreign invasion. It does not require an Army except for Police purposes. Even if dragged into war as a Member of the Empire, the Empire or the Province will not be put to any greater danger or expense on account of the Home Rule government. On the other hand, it may be desirable to create an Army so that eventually when British India gets Home Rule there may be armies created by the Provinces which would be able to undertake the defence of the Empire. I think there can be little doubt that a Province would be able to create an Indian force efficient and loyal to the Civil power long before the British Government. I would say in such a case while I would give to the Government of the Province the entire control of their own forces in time of peace, during war the Viceroy and the Commander-in-Chief should have the entire control with power to remove them from the Province for use either in British India or elsewhere. In the interests of efficiency they should have the power to inspect and demand the dismissal of any Officer for incompetency, and in the interests of the Empire they should have the power to demand the dismissal of any Officer for disloyalty to the King.

I shall now state my proposals about the House of Commons explaining how they deal with the great objections to Self-government that are advanced, i.e., the Hindu-Muhammadan question, the cases of various

[Sir C. Sankaran Nair.]

minorities and depressed classes that exist in the Province, as elsewhere in India.

I have already said that my scheme consists of two Houses one of them being a House of Commons. (1) This House of Commons shall consist of 300 members. (2) The Members shall be chosen by single electoral Districts by universal suffrage and secret ballot. (3) The voters must be more than 30 years old and not disqualified. (4) An elector shall be entitled only to one vote, and every elector shall be entitled to vote in any electoral division that he likes. (5) Each District will contain a population not less than 25,000 of 30 or more than 30 years of age according to the last census. (6) An absolute majority must be obtained for election on the first ballot, if no one obtains this there will be a second ballot which will be confined to the two who have obtained the largest number of votes. (7) The election shall be held on a Sunday or any other holiday. (8) A group of 30,000 voters in one District shall be represented by a member selected by them. The House as stated will according to this scheme consist of 300 members. The number of persons more than 30 years old, who alone will have the franchise is about 8,000,000 according to the census of 1921. Universal suffrage seems to be necessary in the interest of the so-called lower classes.

I have carefully considered this question of the electorate and I have come to the conclusion that suffrage without any restriction as to property or education or office or position should be given. I am one of those who think that the regeneration of a class can be effected only by the class itself. The so-called depressed classes form the most numerous element in the population. The higher castes, the land owners, the wealthy classes, may be very well inclined towards them; so have the British Government been. We know the result. They are what they are. There is no reason why we should not make them responsible for their own future. Let them shape their own destiny. Universal suffrage therefore limited only by age and any disqualifications that may be imposed is what I have suggested. The conditions justify the proposal. I will not dwell now upon the keen interest taken in the election of the members to the Councils created by the Government of India Act. I may draw attention not only to the energy and the interests shown by the candidates and voters, but also by others in Municipal elections. It was not the case that a few years ago much interest was taken in elections to the Local Boards; but very different is the case now. I know something of the Co-operative societies and Unions in some of the Districts. The great majority of the members are ignorant of English, but the questions that come before them are discussed, if I may venture to express my opinion, with intelligence and ability and those who are interested watch closely the conduct of these members. Some of these Unions consist of fishermen and so-called depressed classes. We know the tenants are fighting the landlords vigorously and openly in the matter of elections to the Legislative Councils, and when it is remembered that in many instances they belong to the so-called lower and higher castes, respectively, we may judge of the spirit shown by these classes. Railway employees, Mill hands are combining and making themselves heard and felt. Recent untoward events have shown the necessity of legitimate expression of their views in Councils. I would draw special attention to the great uprising of the depressed classes and so-called untouchables. Their claim to temple entry, the insistence

with which they press it forward, the riots some times accompanied with bloodshed, their sacrifices, including hunger strike, show the awakening of these classes. No priestly influence or property stand in the way of these classes of people to any substantial extent, and if for the first few years the priest and the lord of the soil influence the voters the position cannot be worse than it is now, and to me it is certain, looking at what is going on, that within a short time these men will fully assert themselves. Already the right to vote has created a feeling of great self-respect and broadened their general outlook in almost every direction. So much therefore for the so-called outcastes and depressed classes; next I shall deal with the minorities.

The Moslem League at their last session claimed and allowed communal representation in favour of all minorities. The communal representation claimed for the Muhammadans by the League are due to the strained relations between Hindus and Muhammadans all over Northern India on which Sir Abdur Rahim laid stress in his speech. Fortunately such is not the state of things in the Tamil land. May I be allowed to read to my friends what was said by Maulvi Sayad Murtuza Sahib Bahadur only a few days ago in the Legislative Assembly? He said: "I come from a province where we are 7 per cent. and 93 per cent. are our non-Muslim brethren and yet both communities live there very happily. There is no Hindu-Muslim question there. We respect the feelings of our Hindu brethren there and they reciprocate the same feeling towards us." Apart from the fact that the relations subsisting between the Muhammadans and non-Muhammadans do not demand any communal representation, for other reasons also it seems to be uncalled for and futile. In the whole Presidency with communities occupying different areas and speaking four different languages with separatist tendencies the Muhammadans form only 7 per cent.

In the Tamil land out of a total population of about 20,000,000 the Muhammadans form about only 810,000. Such representation therefore will not be of any use to them. On the other hand, it may be prejudicial; universal suffrage will only give them less than a twentieth of the members; educational or property qualifications still less. Representation far higher even than the numbers might warrant will be of no avail for practical purposes.

But all the benefits of communal representation are secured by allowing the voter to choose his own electoral District. This provision would enable the Muhammadan voters in various Districts to choose a particular District for voting and thus secure a majority in the same District. There is a further provision under which they might form a group of 30,000 voters in any one District and elect a member. This would prevent any possible hostile combination by the other classes. These two safeguards secure to them the benefits of communal representation while it is not imposed as under the existing law on those members of the community who do not wish for the same. The same observations apply to the other classes who are in the same position.

The Christians come next to the Muhammadans and number 697,925. Both of these are comparatively considerable in numbers. Confining myself to the religious communities the Jains number 14,044. There are certain persons called Animists who are said to number 1,320. There are 639 Budhists, 58 Parsis, 36 Brahmos. 19 persons who describe themselves as

[Sir C. Sankaran Nair.]

Theosophists which means, I suppose, that they do not belong to any recognised religious sect. There are 5 persons who are described as Agnostics and 2 as free thinkers. Now it may well be doubted whether, if any religious minority requires protection against orthodoxy, it is not the last two denominations. Now all these minorities are surely not to be represented by separate nominees of their own, by separate electorates, even though such representation would be futile for any practical purpose.

While the minorities have thus got the benefits of proportionate representation if they desire it, I would in addition give them further safeguards of deliberation, of careful consideration as explained below. It has also to be borne in mind that various classes smarting under real or imagined hardship may utilize the House of Commons to sweep away their grievances, real or not, in a manner that might cause intolerable hardship and misery to the other classes. It is also possible that a democratic assembly may under the impulse of passion or the influence of a demagogue be led to ill-considered and hasty legislation. To meet this situation a periodical dissolution of one-third of the assembly, a second House which I have called a Senate and a reconsideration of any legislative measure is proposed. The proposals which I now proceed to explain are intended for that purpose.

(1) On the expiration of one year from the date of the first election, 100 members chosen by ballot shall vacate their seats and a fresh election shall take place to fill their vacancies. (2) On the expiration of 2 years from the date of the first election another batch of 100 members shall similarly vacate their seats and be replaced by members who shall be elected by those electoral Districts. On the expiration of the 3rd year the remaining 100 members shall vacate their seats and shall be replaced by the electoral Districts. (3) From this time forwards a batch of 100 members shall continue to vacate their seats after having been members of the Parliament for 3 years. (4) A member who got in by a bye-election shall be regarded for this purpose as standing in the shoes of the member whom he had succeeded.

#### SENATE.

(1) The Senate shall consist of persons—(a) whose annual income is not less than Rs. 1,00,000; (b) who have been members of the Government before or after this Act is passed; and (c) members of the Civil Service who have retired after twenty years' service. (2) Any law passed by the House of Commons shall become operative when it receives the assent of the Senate. (3) The Senate may refer the measure for the further consideration of the Parliament after the next election of the 100 members. If the measure is again passed by the House of Commons by a majority equal to or larger than the majority by which it was originally passed the law shall become operative. If the measure is passed by the majority smaller than the majority, which passed it originally, the Governor in Council may on the request of the Senate remit the measure again for the consideration of the House after the next election. The decision of the House will then be final. (4) On a reference to the House of Commons by the Senate, it will be open to the latter to refer the measure immediately to the opinion of the electorate. (5) Before any reference to the House of Commons it will be open to the minority, if it is not less than 100

members and the Senate, to refer the measure to the opinion of the electorate. (6) The decision of the electorate shall be final.

Thus no sudden wave of religious fanaticism can carry the assembly into any hasty conclusion. If under these circumstances and in spite of the safeguards by proportional representation the Muhammadans still desire communal representation, I am prepared to agree to it as I am satisfied a few years' experience will satisfy them of its baneful effects and they will abandon it and it will serve as a warning to the minorities in similar circumstances elsewhere in India. I have no doubt my Muhammadan friends will remember that the same principle will apply to the Non-Muhammadan minorities in the Muhammadan North West Province and other Muhammadan Provinces in similar circumstances that may be given self-government if they accept the policy I am putting forward.

I have now a few words to say about the services.

#### SERVICES.

The idea of constituting an Indian Civil Service was conceived at a time when it was necessary to protect against their own country men the people of India from economic exploitation and alien oppression. It was also necessary to bring out young men to obtain experience in order to govern India. Those conditions do not now exist. What we now want is experts in every branch of knowledge for the development of India's natural and other resources, to carry on research work in India and to train Indians themselves in research work to organise and govern Universities and large educational institutions. We want trained administrators of proved capacity and men whose statesmanship has been proved. We want to engage these men only for definite periods to be succeeded by others who will bring to India the knowledge then available in Europe and America. This possibly would be more costly than the existing machinery; but in the meantime the pecuniary prospects of the service as it now exists should in no way be prejudiced. The following provisions are therefore put forward for consideration. (1) The members of the Indian Civil Service, who belong to the Madras Presidency, shall not in any way be prejudiced so far as their pecuniary prospects are concerned by the constitution of these Districts into a Province. (2) The Civil Service of the Province shall be recruited solely by competition either in the Provinces itself or in England for the next 5 years generally under the same conditions as now prevail. It would be open to the Governor to entertain outsiders for fixed periods as experts. (3) After 5 years it will be open to the Parliament to make fresh regulations for the recruitment of the Civil Service subject to the provision that those who are already in the service will not be prejudiced so far as their pecuniary emoluments are concerned.

I have now to explain the reason for bringing the question of Home Rule for Tamil land alone before this Council. The communities of India are in such varying stages of evolution, social, moral, economical and political and are separated from one another by such differences, and other conditions vary so much, that it may be that the same constitutional machinery will not do for all the Provinces. I shall not here discuss the propositions of the Secretary of State about the Hindu Moslem difference or the problem of defence or the British Army as my Resolution is restricted to one particular part of the country where these problems do not present the same

[Sir C. Sankaran Nair.]

difficulties as they may be held to do in other parts of the country. Each province may put forward its own scheme meeting any difficulties with which it may be faced. I believe this fact is already recognised. The late Mr. C. R. Das has put forward one scheme for Bengal. Lala Lajpat Rai has put forward another for the Punjab. It is for the members of the various Provinces to bring forward their various schemes before the Legislature and the Government. I am putting this forward on behalf of the Tamil race because I am fairly well acquainted with the conditions of the Madras Presidency, and I think the Tamil Districts are entitled to autonomy. I am aware that in many parts of India there may be serious objections to the language test. But in the absence of such objections language should be the guiding principle. A common language is desirable in a Home Rule Parliament. The educational policy followed since Lord Curzon's time, the direction the Reforms have taken have practically eliminated English as the common language. The relations between Europeans and Indians are more cordial in southern India than elsewhere. The Tamil nation is as intellectual as any in India and the Tamil boys are holding their own in India and in England. They have got a culture which they claim is not inferior to any other in the world. They are liberal in their attitude towards all religions. It was a Tamil King who introduced Muhammadan religion into India and had mosques built for them soon after the days of the Prophet. Another Tamil King received St. Thomas the apostle and introduced Christianity into southern India. Another King welcomed and gave a home to the Jews after their dispersion. The revolutionary spirit has not made any substantial progress.

I come next to the question of co-operation, the working of the Reforms about which there has been a good deal of misapprehension. I know the aim of the authors of the constitution and what was expected of it as well as any other. It was not a dyarchy, which postulates a separate purse for both halves of the government. Being a transitory stage if the goal itself was not made attainable great advance towards it was rendered possible by operation of the machinery inherent in the scheme itself. This progress was to be achieved by allowing the ministers to interfere with the working of the reserved half, through the instrumentality of the joint purse and joint consultation on all important subjects. This requires of course the hearty co-operation of the reserved half and the Governor. Thus when the Secretary of State said about that scheme that "where it has succeeded the price of the success has been at some stages and in some directions a considerable inroad upon the dyarchical principle" he was paying the highest compliment to the authors of that scheme though he used an unfortunate word. This precisely is what was intended by the scheme. I derive a personal satisfaction as it was the view expressed in my minute of dissent from the Government of India on the question of a joint purse which cut at the root of Dyarchy that was finally upheld. I presume the Secretary of State had Madras in view. I do not wish to say anything about the other Provinces. About Madras allow me to read the opinion of the late Chief Minister Sir Theagaraya Chetti, who was speaking on behalf of his Government "Madras can proudly claim that under the Governorship of His Excellency Lord Willingdon, provincial autonomy has grown as rapidly if not much more so than in any other part of India. From the outset it has had party government. The Ministers

are all leaders of the party in power. They work with the rest of the Government in one Cabinet and so reduce the evils of Dyarchy to a minimum. The important portfolios of Revenue and law and justice have both been handed over to non-official members of the Executive Council. The Finance Department is common to both sides of the Government. The party in power has every reason to regard the Government of Madras as their own". For detailed information I would refer the Honourable Members to the Reports of the Local Government on the working of the Reformed constitution. The Madras Presidency having gone very far in the direction of unitary government, transfer of all the subjects and Home Rule seems to be the next inevitable and logical consummation.

I have now to state my reasons for not making any proposals about the Government of India. Such proposals should really be made 1 P.M. by the Parliaments of the self-governing Provinces of India in consultation with one another. But whether it is so or not, I do not wish to overload the boat and complicate the situation as the Government of India can be treated separately. Any attempt however at the present time to introduce any responsibility in the Government of India or any modification in machinery in the Government of India will in no way be inconsistent with or repugnant to the scheme that I am now putting forward. And my omission should not stand in the way of any favourable consideration of these proposals. Now I come to the last and perhaps the most important question of all; is it necessary now to push forward?

Since the war all over the world there is a movement for freedom, in America, in Africa and all over Asia. It is not indigenous to India alone. But in India the demand has acquired an intensity for reasons of its own. Lord Ronaldshay speaks of that "consuming hatred of the west that is gripping the spirit of modern India with an intensity comparable with that displayed by the amazing vegetable ground known as the water hyacinth which has laid hold of and is rapidly choking the great water ways of Bengal". He describes in detail the differences in what he calls the thought structure of the west and of India. The differences according to him are fundamental and make the different races view the problems of life from entirely different standpoints which run throughout the philosophies and religion and therefore their social and political institutions and their ideals of administration. The great social and economic transformation which is needed in India would therefore seem to be impossible under the present system of government. This view repeated in almost identical terms can be supported by extracts from various writers. It is not the Hindus alone who have demanded Home Rule but also the Muhammadans. The All-India Moslem League in 1924, at Lahore declared the speedy attainment of Swaraj as one of its declared objects, and they say it has become a daily factor in the daily life of the Indian people. This Resolution was practically reaffirmed by the same League in December last at Aligarh. Natural rights are prone to slumber till roused into tremendous activity by practical grievances when people become fanatic in their faith. It does not matter whether they are real. It is enough that from the days of the old Indian National Congress the Indian politicians have affirmed their reality and the masses fully believe in their reality. I speak with special reference to the south. The Indians want the land to produce to its full capacity. They want the agricultural



[Sir C. Sankaran Nair.]

labourer to get his share of the produce, a living wage; before its distribution amongst others who may be entitled to it. They want the ryot also to get his share out of the produce sufficient for his living before the tax-gatherer takes anything. They don't want the cottage industries to be killed by machinery and mass production. Such industries have survived the competition under National government elsewhere. They also want the manufacturing industries without the evils of capitalist industrialism of the west. The industries cannot thrive as long as the country is governed by a cabinet which is controlled by the capitalists and manufacturers of England. They want Compulsory, Primary and Secondary education and higher education for those who may desire it. The people of India are now suffering from appalling preventable destitution which has reduced their duration of life to a distressingly low figure and makes them an easy prey to diseases. They want all boys and girls to grow vigorous, healthy and strong and all of them, boys and girls, to attain their full development, mental and physical and moral of which they may be capable. All this is practically impossible under a foreign Government. It is not a discredit to the British Government that with the best intentions this economic and social and moral reconstruction cannot be successfully undertaken by them as the fierce conflict that is going on around us requires the enthusiasm, the devotion and the energy of which a national Government alone is capable for the nation to attain its full development on all sides; and to deal with the problems between capital and labour, landlord and tenant, between sexes, and religious and class issues. India wants a national flag under whose shadow Indians might be safe. The English flag is admittedly no protection to us. The Indians will not continue as helots despised by all the nations of the world. Indians, politicians and others have been driven to the conclusion that self-government is the only remedy. It is the conviction that in spite of repeated attempts not only no adequate efforts are being made but the steps which are being taken tend to aggravate the situation that has led to the bitterness testified to by various witnesses. Is it not possible for us to get on well together as members of the same Empire to work for our common good and for the good of mankind? I know it is dangerous to conjecture and it may be that the great war would have been won even without India's assistance. As a fact it was won with the assistance of India which was cheerfully given. Apparently no one will know the nature of the assistance rendered by India to England; nor do the Government of India and the Secretary of State seem to be very anxious to make public that information to India and the world. Our loss in human life by plague and influenza due to our privation consequent on the war alone comes to, I make a moderate estimate, at least 20,000,000—the Census Commissioner says 125 millions have been affected.—a total not less than that sustained by Russia, Germany, France and England. The Muhammadans in particular feel this more than any other as they cannot escape the reproach of having contributed to England's acquisition of what is called the Near East Muhammadan countries to keep her way clear to India, a situation which according to them requires absolute Indian Home Rule or independence. God grant that another war may not come, but if it comes before this bitterness disappears, under the conditions that now exist it seems fairly certain that England will not get that assistance from India which she obtained last time and she may even be faced by a hostile

India. A grave warning was uttered by a Muhammadan gentleman who pleaded for Home Rule with the responsibility of one at one time a member of the Government of India, who deprecated any delay as it might endanger the position in India on account of the growing desire for separation. A similar warning of the serious danger of separation in the All-India Leaders, manifesto supporting Dr. Besant's Bill should not be disregarded. I have selected two out of the innumerable warnings that have been published. Already the extreme left wings, both Hindu and Muhammadan, are claiming independence. I trust that my language will not be taken as minatory in tone. This bitterness has not permeated the whole of southern India and any substantial step taken in the direction that I suggest would be a pledge of good real faith, inspire confidence and go far to calm the public mind. The aim of the class to which I belong is to establish a British commonwealth of nations in which each nation or race might develop its own civilization, might give of its best to the Empire and the Empire might give of its best to its component nations. For this purpose partnership and equality must take the place of subordination. India in her present temper if allowed to get out of hand without being properly directed might ruin the Empire. India might become a scene of chaos and bloodshed and England fall from her high estate covered not with glory but with infamy. On the other hand, with India as a partner the Empire will be a bulwark for peace and goodwill among all the nations; the self purification and the spiritual exaltation that will come to England by grant of Home Rule and her glory through the coming ages will be unexampled in the story of nations.

It is in this spirit, and actuated by such feelings, that this Resolution is brought forward and I commend it to your favourable consideration.

With your leave, Sir, I lay on the table these propositions that I have formulated in case any Honourable Member of the Council wants to have a glance at them.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, in rising to oppose this Resolution, I feel somewhat in the position of a man who, having been invited to dine in order to meet two old friends and having attired himself in the manner suitable for such an occasion, finds himself unexpectedly in a vast assembly of extremely important people with very few of whom he has any but the most distant acquaintance. That would have been entirely my position, but for the courtesy and consideration of the Honourable and learned gentleman who two days ago conveyed to me an intimation of the lines on which he proposed to develop his argument. I am much indebted to the Honourable gentleman for that measure of courtesy, but I confess it is very far from relieving me from my embarrassment. Indeed when I received the first notice of the Honourable and learned Member's Resolution, I was somewhat struck by the fact that it seemed to raise two distinct and exceedingly important issues, but the Resolution as it has been argued and expounded by the Honourable gentleman has done a great deal more than that. It raises a whole multitude and multiplicity of issues each one of which is of extreme magnitude and complexity, and I fear if I were to reply in detail on the merits of each one of them I should have to invite the House with extreme reluctance to attend a long and elaborate course of lectures on political science. I do not propose to myself either the presumption of extending that invitation



[Mr. J. Crerar.]

to the House or the audacity of undertaking such a course of lectures myself, but I say this to explain why my reply to the Honourable gentleman must necessarily be brief and summary; and I trust that the Honourable Member will not ascribe the brevity and the summariness of my reply to any discourtesy to the argument which he has laid before the House.

The two issues to which I referred and with regard to meeting which in one debate I anticipated some difficulty—the two issues are firstly the constitution of a province on a linguistic basis and secondly, the granting to the province so constituted of complete self-government. The preliminary issue is one on which the Honourable gentleman has touched very lightly himself, the preliminary issue of the constitution of a province on a linguistic basis. I was reminded of the old adage about first catching your hare, because the Honourable Member entertained and instructed the House for the greater part of his speech with the process in which he proposed to cook his hare. I had occasion very recently to explain what is the attitude of Government to the general proposition of the constitution of provinces on a linguistic basis, and indeed to any particular proposition taking that form. I trust the House will bear with me if I recapitulate that position very briefly, because it really is essential to my argument and it is essential to the position which I have to explain to the House this morning. I then explained that, in accordance with the policy which is laid down in the Montagu-Chelmsford Report and likewise in the Joint Parliamentary Report on the Government of India Bill, the policy of Government with regard to these proposals is certainly one of respect and even benevolence, but they do insist upon these as precedent conditions to any consideration of any such proposition, firstly that the proposal should emanate directly from the community concerned, that there should be the strongest indications of a very strong measure of public opinion in that community behind the proposal and that that public opinion ought in the first instance to be expressed through its proper, primary, constitutional channel, the local Legislative Council. I think that in some measure the Honourable and learned gentleman recognised the justice of that position himself, because he observed in the course of his argument that “each province should put forward its own scheme.” I think the Honourable Member would have been wise if he had adhered more fully to that position the wisdom of which I entirely appreciate, and which is embodied in the brief outline I have given of the attitude of Government to all propositions of this character. The Honourable Member however attached comparatively little importance to the fact that his proposition had certain reference to a linguistic basis; he did not attach very much importance to that linguistic basis, for he said incidentally that English has ceased to be the common medium of communication in the country. I must take . . .

THE HONOURABLE SIR C. SANKARAN NAIR: I said “is ceasing to be”. Not ceased but is going to cease.

THE HONOURABLE MR. J. CRERAR: About to cease to be the common medium. Perhaps the Honourable Member is right in his prophecies, but he is not dealing with practical propositions. I think we will be well advised to adhere to, and to argue on, facts as they are. People as a matter of fact are not brought together and kept together in the intricate organisation of a modern political unit by vocabularies and lexicons. With the shrinking of the world in consequence of the great developments in means

of transit and communication the enormous complexities of economic, intellectual and social interests have set up a condition of affairs in which you cannot eliminate and isolate one single factor in the factors which make up the possible basis of a State. The days of the City State are over. Even so compact, homogeneous and successful a small State as Switzerland is far from being a State in which a single language is the basis of its unity. Switzerland is a country of four languages and nearly all the numerous States which have been created as a consequence of the war are polyglot. I must therefore demur on that ground to the first part of the Honourable Member's proposition. They are things which cannot be taken for granted. I do not say that a proposition of this kind may not have to be a sound proposition. All I say is it has not come to us in the proper form or at the proper stage. What the Honourable Member is inviting the House to do is not to examine the proposition, but to pronounce an exceedingly comprehensive affirmative decision. There are, for example, one or two comparatively minor matters—minor matters relatively to the larger propositions urged—which are nevertheless of very great importance. What, for instance, is to become of Madras the capital of the Madras Presidency, under the Honourable gentleman's scheme?

THE HONOURABLE SIR C. SANKARAN NAIR: Madras is not included in this. The Madras Collectorate is not included in my proposal.

THE HONOURABLE MR. J. CRERAR: I am glad to receive that assurance because I looked at the map and the territorial divisions which appear in his Resolution and it seemed to me that he intended either to annex Madras to the Tamil Nadu or perhaps to mediatize it.

I am glad, however, to accept his assurance that the other communities in the Madras Presidency would still be left with some remnant of interest in the capital of their Presidency.

Now, Sir, I am not in any sense objecting to the Honourable and learned gentleman's raising these issues and placing them before this House. I quite concur in his proposition that it would be wrong to suppose, wrong at any rate to presume, that political progress in India must necessarily pursue identical and simultaneous lines throughout the whole of this great continent. Indeed the Government of India Act expressly recognises that fact. It is recognised in the Joint Report, and in opposing the Honourable Member's Resolution, I should not desire to be construed as in any sense attempting to lay an embargo on, or putting any obstacles in the way of, proposals of this kind being carefully and duly considered. Indeed, in proportion as the issues involved in them are momentous and in the extremest degree complex and difficult, clearly an inquiry ought to be carried out deliberately, thoroughly and exhaustively. That has not yet been done and what the Honourable and learned gentleman is proposing to do is not to promote such an inquiry. If that were the case, I should personally, subject to the conditions precedent I have referred to, not be opposed in any way, but what he is advising the House to do is to come to conclusions on propositions before they have been made the subject of due inquiry.

Now, Sir, that is practically all I have to say on the first issue or rather the first group of issues moved by the Honourable gentleman. I have not very much to say about the second, largely for reasons which I think the House has already apprehended. He has raised the great and important question of the immediate grant of provincial autonomy in its

[Mr. J. Crerar.]

most extreme form. I think I should be justified in taking some objection to the Honourable Member raising that issue now and in this place, because it did as a matter of fact form a relevant issue in a very recent debate on the Honourable Mr. Phiroze Sethna's Resolution. The House will remember that an amendment was moved by an Honourable gentleman who is unfortunately no longer with us, which brought into issue the question of the immediate grant, as it was phrased, of complete autonomy to the provinces. That subject was directly in issue in the course of the debate and it was decided in the negative, and I might perhaps have taken some exception to the Honourable Member raising in another form an issue which, I maintain, has already been considered by this House, only very recently, and has already been decided in the negative.

THE HONOURABLE SIR C. SANKARAN NAIR: Could the Honourable Member tell me which Resolution?

THE HONOURABLE MR. J. CRERAR: The amendment to which I was referring cited a Resolution passed on the 18th September last in the Legislative Assembly, which directly brings in the question of complete provincial autonomy, which is the point to which I refer. However I only make that as a preliminary remark.

Secondly, I am unable to meet the Honourable gentleman's case in all its details for another reason. Quite apart from the fact to which I have already alluded, namely, that the matter in substance has very recently been before this House and decided, it is quite obvious that constitutional and political decisions of this kind are matters which must inevitably come within the scope of the Statutory or Royal Commission, and I think that if we attempted to say Aye or Nay on the numerous important propositions which the Honourable gentleman has laid before us this morning in a very summary manner, we should ourselves be prejudging the inquiry which must necessarily fall within the scope of that Commission. Therefore, I am not prepared to enter deeply into the merits of the constitution proposed by the Honourable and learned gentleman for his Tamil province, and I will limit myself to making a very few summary comments. I notice that this happy Tamil province is in the fortunate position of having, as far as I can judge, no Executive Government whatsoever. That famous passage in the treatise on Iceland, "there are no snakes in Iceland" summarises, as far as I can judge, the account given by the Honourable and learned gentleman of the executive Government which he proposes to set up in the Tamil province. Then I come to the Legislature and I take first the Senate. I am not quite sure whether the House has completely gathered what the constitution of that Senate is to be. It was, I think, to consist partly of gentlemen who draw not less than a lakh of rupees a year from land, of former members of the Government and of members of the Civil Services with 20 years' service.

THE HONOURABLE SIR C. SANKARAN NAIR: That is the Senate.

THE HONOURABLE MR. J. CRERAR: I am now referring to the Senate. I must disavow any plutocratic proclivities except in so far as they may arise from the conversation and association which I have enjoyed with Honourable Members of this House who draw fabulous revenues from vast estates. I disavow any further plutocratic predilections, but I cannot help feeling a certain subtle sense of flattery that the Honourable and learned

gentleman should have equated a revenue of not less than a lakh of rupees from landed estates with 20 years in the Civil Service; and if that indicates the views entertained by the Honourable and learned gentleman as to the appropriate scale of pension on the expiry of 20 years in the civil service. . . .

THE HONOURABLE SIR C. SANKARAN NAIR: I did not say that. He must either draw that income or have had 20 years' service.

THE HONOURABLE MR. J. CRERAR: I was not suggesting that he proposed to give a *jagir* of the value of one lakh of rupees to every member of the Senate. I merely suggested that if the Honourable Member equated gentlemen with this income with gentlemen whose claim to public estimation was 20 years' service in the Civil Service, he in some sense implies a compliment to the Civil Services which I am very happy to note. Whether the rest of the community concerned would be prepared to accept this combination of plutocrats and bureaucrats as sufficiently representative of every important interest, especially in view of the extremely important functions that are to be assigned to the Senate, I have considerable doubt. There are I take it industrial interests. There are I take it commercial interests. There are I take it interests of various kinds—a multiplicity of interests which, unless adequately represented in the Senate, might perhaps take some exception to the representative character of the Senate proposed by the Honourable and learned gentleman.

I pass on now very briefly to deal with the House of Commons. I invite the attention of the House to the very important and significant proposal of the Honourable and learned member to institute universal suffrage with no property qualifications and no educational qualifications whatever. In other words, making all deductions for his claim that in the area which he proposes to convert into a province education and civilisation are very advanced, the predominant majority will consist of what we must unfortunately still call the depressed classes. Now, Sir, the Honourable Member proposes to put supreme political power now into the hands of a predominant majority of what he himself calls the depressed classes. He does not propose to give political control contingently on there being a final court of appeal or revision but by instituting the popular referendum he proposes to put them very directly and immediately into power. Whether a proposition of that kind is a proposition for which the times are already ripe I am very doubtful; and I think this House will be very doubtful. The Honourable gentleman said, very rightly I think to some extent, of the depressed classes that we should let them shape their own destiny. I must however remind him that his proposition implied that they are not only to have a voice in shaping their own destiny but a predominant voice in shaping the whole destiny of the whole State into which they are to be constituted. Now as regards the Honourable Member's expedient for dealing with the representation of minorities, I am not quite sure whether the House quite appreciated what he intended. I take it that under his proposals there would be a large number of electoral districts . . . .

THE HONOURABLE SIR C. SANKARAN NAIR: 20 millions is the population and 300 electorates.

THE HONOURABLE MR. J. CRERAR: And with an electoral district of approximately 30,000, well we should have at any rate some hundred electoral districts. The expedient he propounds is that the particular

[Mr. J. Crerar.]

minority which desires to have some separate degree of representation is to arrange to vote in one or more of these electoral districts. Well the detailed working out of electorates of that kind would be extremely difficult, and I do not think that any part of such an electorate is nearly well organized enough and sufficiently aware of its own political interests to be capable of taking advantage of this expedient. And I think it pretty certain it must necessarily break down in practice. Then another point on which I have a considerable amount of doubt also relates to the House of Commons. The Honourable Member has not provided his province with an Executive Government, and I am not quite clear whether or not he proposes to equip it with a Government run on party lines. But if he does, I must point out that his expedient of turning out a hundred Members of the House of Commons by ballot every year will have an exceedingly unsettling effect upon his political system. Let us assume that we have Ministers in power with a majority of, say, 75, a fairly strong majority for an administration to possess in a House of 300. Supposing by the fate of the ballot 75 of their supporters are removed, as might quite conceivably happen; what is going to happen to the Ministry? That is to say, every year by a process of ballot you put your ministerial system into the utmost jeopardy, and I cannot imagine how any consistent, continuous and stable policy could be framed or executed under conditions such as that.

Then, Sir, we come to the public services. I have already made some acknowledgment of the attitude displayed by the Honourable and learned gentleman in the matter of his constitution of the Senate, but when I come to his specific proposals regarding the public services I fear that the compliment evaporates. I take one practical exception to the Honourable Member's suggestion. He says the time has long gone past when it is necessary for administrators in this country to acquire experience of administration by long labour in the country, and he proposes that their places should be taken by expert administrators and statesmen brought out on contract. I venture to warn the Honourable gentleman that he will not get statesmen and administrators of the right calibre and of the right experience on contract. The thing has never been done and I do not think it is likely to be done in India and on the terms suggested by the Honourable and learned Member. Capacity must be based on knowledge, knowledge must be based on experience, experience must be based on work.

Then, Sir, I have two words to say about the Honourable gentleman's military arrangements. The Tamil land he says need not fear any hostile invasion. Why? Sir, because of the British Navy in the first instance; because of the Army in India in the second. Has it completely escaped the Honourable Member's memory that a hostile battleship not so many years ago was bombarding his own capital of Madras? And does he seriously ask this House to believe that the defence of his province can be conducted by any means other than those which now exist subject to the developments which we all look to in the future. I ask the Honourable gentleman, does he suppose that the internal and external defence of his province can be adequately carried out by a provincial militia, over which even the Commander-in-Chief has apparently no control in peace time except the right of inspection and power of dismissing obnoxious officers? When we consider what labour, what industry, what intelligence

in the years of peace has to be devoted to the training of an army before it is efficient for the purposes of war, I am astonished that there are Honourable and learned gentlemen who would suggest that a provincial gendarmerie of this kind could discharge one-tenth of the responsibilities which would fall upon real military forces whether for offence or defence.

The Honourable Member, very prudently I think, omitted any proposals for the regulation of the relations between the Provincial Government of his new province and the Central Government. In fact he said such proposals should really be made by the Parliaments of the self-governing provinces in consultation with each other. Well, Sir, I presume the Honourable Member will concede that he could not set up his province until its relations with the Central Government had been determined, and when he goes on to say that such proposals should really be made by the Parliaments of the self-governing provinces in consultation with each other, I might reasonably and fairly conclude that on the Honourable gentleman's own argument his present proposal is extremely premature.

Now, Sir, I have one word to say about the failure alleged by the Honourable and learned gentleman of the Government as at present constituted by law in India and its predecessors to secure economic, social and moral progress in India. I deny the proposition. I think that any one who reads the history of the social, economic and moral progress in India during the last hundred years will, if he is a candid judge, admit that infinitely more progress was made in those 100 years than perhaps in any 500 years that preceded. I should venture to extend to him one word of warning. He suggested that all the social, economic and moral troubles under which we now do unhappily labour will be at once swept away if you have a national government. I would invite his sober and serious attention to this question. Where in the world, where amongst the most civilized States of the modern world, will you find a State in which moral, economic and social progress have been entirely promoted by the Executive Government? My own reading of the case is that no Government, national or otherwise, is capable of discharging all these tasks single-handed. It has not been so in the past, and I fear it will not be so in the future.

Sir, the Honourable Member's Resolution has opened a vast province for discussion, a vast field for expatiation, and I do not pretend to have covered more than its widest frontiers, and I have explained to the House that it is useless for me to attempt to do more. I may summarise the main reasons why I oppose this Resolution. I oppose it not because the Government of India are in any way averse from the undertaking of inquiries as to the various directions in which political progress in India may be achieved. But on the preliminary question of the formation of provinces on a linguistic and a racial basis I told the House that we cannot possibly support a proposition of this kind until it comes to us in the right way. By "in the right way" I mean, as I have already explained, "supported by a clearly expressed popular opinion in the community concerned, a clearly and strongly expressed public opinion of that kind, communicated to us through the proper constitutional channel". That is my objection to the acceptance of this Resolution before the House. Both on that narrow issue and on the broader issues I object to the Resolution, not because we are opposed to an inquiry, but because an inquiry has not yet been held. It may be put in progress if the Honourable and

[Mr. J. Crerar.]

learned gentleman exerts himself, but we have not before us the results of such an inquiry. The House has not before it the data on which it would be legitimate and wise or even defensible for it to arrive at any final and determinate conclusions.

THE HONOURABLE THE PRESIDENT: The Council will now adjourn to twenty minutes to three. . . .

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (Member for Education, Health and Lands): Sir, I venture to suggest for your consideration that instead of meeting again this afternoon to continue the discussion of this Resolution, we might as well take up the discussion to-morrow. As you are aware, Sir, and the Council is also aware, as the agenda for to-morrow has already been circulated, there is very little Government work to do, and I think it may not occupy any appreciable length of time. I should therefore be quite prepared to allow this Resolution being resumed immediately after the Government work is finished.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): I rise, Sir, to support the Honourable the Leader of the House.

THE HONOURABLE SIR C. SANKARAN NAIR: May I know what time the Government propose to take?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: There is only one Resolution.

THE HONOURABLE SIR C. SANKARAN NAIR: I simply suggest that my Resolution be taken up at a particular time, say 12 o'clock, or 1, 2 or 3 o'clock—any time, I do not mind. I speak for my personal convenience so that I might be here at that particular time.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: So far as the work before the House to-morrow is concerned, there is only one Resolution to be moved by the Honourable Mr. McWatters regarding the export of opium, and I do not expect that that Resolution will be discussed the whole of the forenoon. I think it may be over in about an hour, and after that I believe this Resolution could be continued.

THE HONOURABLE SIR C. SANKARAN NAIR: Is there any objection then to continuing the discussion of this Resolution first and putting off the Government Resolution till later?

THE HONOURABLE THE PRESIDENT: That is a matter for the Government. I could not do it on my authority.

THE HONOURABLE SIR C. SANKARAN NAIR: They want your favour now. . . .

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: I am sorry I have been misunderstood. It is not that the Government want this Resolution to be adjourned until to-morrow. I think it would suit the convenience of the House if instead of meeting again in the afternoon we resume the discussion to-morrow seeing that we have to meet to-morrow and the work for Government is so small that this Resolution

can find sufficient time to get through. But if the House is prepared to sit in the afternoon, of course I have no suggestions to make.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): I think the House would like to adjourn this debate till to-morrow.

THE HONOURABLE THE PRESIDENT: I think that I may assume that the Council is grateful to the Honourable the Leader of the House for the suggestion and the offer that he has made.

(Voices of assent.)

THE HONOURABLE SIR C. SANKARAN NAIR: I do not object.

THE HONOURABLE THE PRESIDENT: Before adjourning, I might inform the House that I propose in this week to fix the second day for Government business on Friday instead of on Thursday. The reason for that is that the progress of legislation may not be delayed but may be facilitated. Bills passed in another place can be laid on the table to-morrow and can be taken on Friday, and Bills passed in another place during the rest of the week will be laid on Friday, and there will be nothing then to prevent their being taken up on the following Monday. The Council will now adjourn till to-morrow, 16th March, at 11 o'clock.

The Council then adjourned till Eleven of the Clock on Tuesday, 16th March, 1926.

## COUNCIL OF STATE.

Tuesday, 16th March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

## STATEMENT LAID ON THE TABLE.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I lay on the table a list of further commercial treaties, both bilateral and multilateral which affect India. The treaties mentioned in Part II of the list are also laid on the table.

## PART I.

The treaties mentioned in this Part, excepting No. 9, provide for the grant of most-favoured-nation treatment to the products and manufactures of India on terms of reciprocity. As regards No. 9—the Treaty with Spain—the benefits of the second-column rates of duty in the Spanish Tariff are granted to India in return for most-favoured-nation treatment to Spanish goods.

| Country.              | Nature of Agreement.     | Description.            | Date.              |
|-----------------------|--------------------------|-------------------------|--------------------|
| 1. Albania . . .      | Notes . . . .            | Commerce and Navigation | June 10, 1925.     |
| 2. Austria . . .      | Treaty and Declaration . | Ditto .                 | May 22, 1924.      |
| 3. Czechoslovakia . . | Treaty . . . .           | Ditto .                 | July 14, 1923.     |
| 4. Finland . . .      | " . . . .                | Ditto .                 | December 14, 1923. |
| 5. Germany . . .      | Treaty and Protocol .    | Ditto .                 | December 2, 1924.  |
| 6. Latvia . . .       | Treaty . . . .           | Ditto .                 | June 22, 1923.     |
| 7. Lithuania . . .    | Notes . . . .            | Ditto .                 | May 6, 1922.       |
| 8. Roumania . . .     | " . . . .                | Ditto .                 | May 11 (24), 1923. |
| 9. Spain . . .        | Treaty . . . .           | Ditto .                 | October 31, 1922.  |

## PART II.

The Government of India have acceded to the Treaties mentioned in this Part.

| Country.          | Nature of Agreement.                                         | Description.                           | Date.                                                    |
|-------------------|--------------------------------------------------------------|----------------------------------------|----------------------------------------------------------|
| 1. Austria        | Notes                                                        | Commercial Travellers' samples.        | March 28, 1923, and February 11/ April 27, 1925.         |
| 2. Czechoslovakia | Agreement and Notes                                          | Ditto                                  | January 31, 1923 and December 19, 1923/ January 2, 1924. |
| 3. Turkey         | Convention*                                                  | Commerce                               | July 24, 1923.                                           |
| 4. General        | International Convention and Statute and Additional Protocol | Navigable waterways                    | April, 1921.                                             |
| 5. "              | International Convention and Statute                         | Freedom of Transit                     | April, 1921.                                             |
| 6. "              | International Convention and Protocol.                       | Simplification of Customs Formalities. | November 1923.                                           |

\*India acceded to this Convention on 25th February, 1925, under paragraph 2 of Article 16.

# NOTES EXCHANGED BETWEEN THE BRITISH AND AUSTRIAN GOVERNMENTS RESPECTING THE CUSTOMS CLEARANCE OF COMMERCIAL TRAVELLERS' SAMPLES.

Vienna, March 28, 1923.

## No. 1.

*British Chargé d'Affaires to the Austrian Minister for Foreign Affairs.*

It being the desire of our respective Governments to make arrangements for facilitating the clearance through their respective Customs Departments of samples of dutiable goods brought into the territories of one of the Contracting Parties by commercial travellers of the other, to be used as models or patterns for the purpose of obtaining orders and not for sale, I have the honour to inform you that my Government agrees to adopt, on condition of reciprocity, the following arrangements:—

Articles liable to duty serving as patterns and samples which are introduced into Great Britain by commercial travellers of Austria shall henceforth be admitted, free of duty, subject to the following formalities requisite to ensure their being re-exported or placed in bond:—

1. The officers of Customs at any port or place at which the patterns or samples may be imported shall ascertain the amount of duty chargeable thereon.

That amount must either be deposited by the commercial traveller in money, or ample security must be given for it.

2. For the purpose of identification, the marks, stamps, or seals placed upon the samples by the Customs authorities of one of the Contracting Parties shall be recognised as sufficient by those of the other. Should the samples, however, arrive without bearing any of the above-mentioned marks, or should the marks not appear to be sufficient to the Administration interested, a supplementary mark may be affixed to such samples if considered desirable in such a way as not to injure them, and without charge.

3. A permit or certificate shall be given to the importer, which shall contain—

(a) A list of the patterns or samples imported, specifying the nature of the goods and such marks as may be proper for the purpose of identification.

(b) A statement showing the duty chargeable on the patterns or samples, and also whether the amount was deposited in money or whether security was given for it.

(c) A statement as to the manner in which the patterns or samples were marked.

(d) A statement of the period (not in any case to exceed twelve months) at the expiration of which the amount of duty deposited will be carried to public account, or the amount payable will be recovered under the security given, as the case may be, unless it is proved that the patterns or samples have been previously re-exported, or placed in bond.

4. The patterns or samples may also be re-exported through any custom-house other than the one through which they were imported.

5. If before the expiration of the appointed time (3 (d)) the patterns or samples should be presented at the custom-house of any port or place for the purpose of re-exportation, or being placed in bond, the officers at such port or place must satisfy themselves by examination that the articles which are brought to them are the same as those for which a permit of entry was granted. If the officers are satisfied that this is the case, they will certify the re-exportation or deposit in bond, and will refund the duty which had been deposited or will take the necessary steps for discharging the security.

(Signed) E. KEELING.

*His Britannic Majesty's Legation,  
Vienna, March 28th, 1923.*

No. 2.

(Translation.)

*Austrian Minister for Foreign Affairs to the British Chargé d'Affaires.*

It being the desire of His Majesty's Government and the Austrian Federal Government to make arrangements for facilitating the clearance through their respective Customs Departments of samples of dutiable goods brought into the territories of one of the Contracting Parties by commercial travellers of the other, to be used as models or patterns for the purpose of obtaining orders and not for sale, the undersigned Federal Minister for Foreign Affairs has the honour to inform His Britannic Majesty's Chargé d'Affaires that the Austrian Federal Government is prepared to adopt, on condition of reciprocity, the following arrangements:—

Articles liable to duty serving as patterns and samples which are introduced into Austria by commercial travellers of Great Britain shall henceforth be admitted, free of duty, subject to the following formalities requisite to ensure their being re-exported or placed in bond:—

1. The officers of Customs at any port or place at which the patterns or samples may be imported shall ascertain the amount of duty chargeable thereon.

That amount must either be deposited by the commercial traveller in money, or ample security must be given for it.

2. For the purpose of identification, the marks, stamps, or seals placed upon the samples by the Customs Authorities of one of the Contracting Parties shall be recognised as sufficient by those of the other. Should the sample, however, arrive without bearing any of the above-mentioned marks, or should the marks not appear to be sufficient to the Administration interested, a supplementary mark may be affixed to such samples if considered desirable in such a way as not to injure them and without charge.

3. A permit or certificate shall be given to the importer, which shall contain—

(a) A list of the patterns or samples imported, specifying the nature of the goods and such marks as may be proper for the purpose of identification.

(b) A statement showing the duty chargeable on the patterns or samples, and also whether the amount was deposited in money or whether security was given for it.



- (c) A statement as to the manner in which the patterns or samples were marked.
- (d) A statement of the period (not in any case to exceed twelve months) at the expiration of which the amount of duty deposited will be carried to public account, or the amount payable will be recovered under the security given, as the case may be, unless it is proved that the patterns or samples have been previously re-exported, or placed in bond.

4. The patterns or samples may also be re-exported through any custom-house other than the one through which they were imported.

5. If before the expiration of the appointed time (3 (d)) the patterns or samples should be presented to the custom-house of any port or place for the purpose of re-exportation, or being placed in bond, the officers at such port or place must satisfy themselves by examination that the articles which are brought to them are the same as those for which a permit of entry was granted. If the officers are satisfied that this is the case, they will certify the re-exportation or deposit in bond, and will refund the duty which had been deposited or will take the necessary steps for discharging the security.

In witness whereof the undersigned has drawn up this note and has exchanged it for the corresponding note of His Britannic Majesty's Chargé d'Affaires.

(Signed) GRÜNBERGER.

*Austrian Federal Ministry for  
Foreign Affairs,  
Vienna, March 28th, 1923.*

(This agreement has been extended to India by exchange of note dated 11th February and 27th April, 1925.)

#### AGREEMENT BETWEEN GREAT BRITAIN AND THE CZECHOSLOVAK REPUBLIC RESPECTING COMMERCIAL TRAVELLERS' SAMPLES.

*Signed at London, January 31st, 1923.*

*[Ratifications exchanged at Prague, September 7th, 1923.]*

The Government of His Britannic Majesty and the Government of the Czechoslovak Republic, being desirous of facilitating the clearance through their respective Customs Departments of samples of dutiable goods brought into Great Britain or the Czechoslovak Republic by commercial travellers of the Czechoslovak Republic or Great Britain respectively to be used as models or patterns for the purpose of obtaining orders and not for sale, mutually agree as follows:—

Articles liable to duty serving as patterns and samples which are introduced into Great Britain by commercial travellers of the Czechoslovak Republic or into the Czechoslovak Republic by commercial travellers of Great Britain shall henceforth be admitted free of duty, subject to the following formalities requisite to ensure their being re-exported or placed in bond:—

1. The officers of Customs at any port or place at which the patterns or samples may be imported shall ascertain the amount of duty chargeable thereon.

That amount must either be deposited by the commercial traveller in money, or ample security must be given.

2. For the purpose of identification, the marks, stamps, or seals placed upon such samples by the Customs Authorities of one of the Contracting Parties shall be recognised as sufficient by those of the other Party. Should the samples, however, arrive without bearing the above-mentioned marks of identity, or should the marks not appear sufficient to the administration interested, a supplementary mark may be affixed to such samples if considered desirable in such a way as not to injure them and without charge.

3. A permit or certificate shall be given to the importer, which shall contain—

- (a) A list of the patterns or samples imported, specifying the nature of the goods and such marks as may be proper for the purpose of identification.

- (b) A statement of the duty chargeable on the patterns or samples, as also whether the amount was deposited in money or whether security was given for it.
- (c) A statement relative to the manner in which the patterns or samples were marked.
- (d) The appointment of a period, which at the utmost must not exceed twelve months, at the expiration of which, unless it is proved that the patterns or samples have been previously re-exported or placed in bond, the amount of duty deposited will be carried to the public account, or the amount recovered under the security given.

4. Patterns or samples may also be re-exported through any other custom-house than the one through which they were imported.

5. If before the expiration of the appointed time provided for in paragraph 3 (d) the patterns or samples should be presented at the custom-house of any port or place for the purpose of re-exportation or being placed in bond, the officers at such port or place must satisfy themselves by examination whether the articles which are brought to them are the same as those for which the permit of entry was granted. If there are no objections in this respect the officers will certify the re-exportation or deposit in bond, and will refund the duty which had been deposited, or will take necessary steps for discharging the security.

The aforesaid agreement will enter into force on the exchange of ratification documents, which will take place as early as possible at Prague.

This agreement shall remain in operation for three months from the date on which either Contracting Party shall have given notice of its intention of denouncing it.

Done in duplicate at London, in the English and Czechoslovak languages, the 31st January, 1923.

(L.S.) CURZON OF KEDLESTON.

(L.S.) VOJTECH MASTNÝ.

(Extended to India by exchange of note dated December 19th, 1923 and January 2nd, 1924.)

#### TURKEY.

*Commercial Convention between the British Empire, France, Italy, Japan, Greece, Roumania, and the Serb-Croat-Slovene State and Turkey. Signed at Lausanne, July 24th, 1923.*

#### COMMERCIAL CONVENTION.

(Translation.)

The British Empire, France, Italy, Japan, Greece, Roumania and the Serb-Croat-Slovene State of the one part, and Turkey of the other part animated with a desire to establish their economic relations on a basis of international law and under conditions most likely to encourage commerce and to facilitate trade, have resolved to conclude a convention for this purpose and have appointed the following as their plenipotentiaries:—

Who, having produced their full powers, found in good and due form, have agreed as follows:—

#### SECTION I.

##### Article 1.

From the coming into force of the present convention, the tariffs applicable on the importation into Turkey of the produce or manufactures originating and emanating from the territories of the other contracting countries shall be those of the Turkish specific tariff which came into operation on the 1st September, 1916.

##### Article 2.

The duties prescribed by the Turkish tariff of the 1st September, 1916, in Turkish paper money will be subjected to coefficients of increase periodically adjusted according to the rate of exchange under the conditions hereinafter provided.

These coefficients shall be those which were in force on the 1st March, 1923. Nevertheless, the articles set out in the annexed Schedule I shall be subjected to the coefficient 9.

The coefficients referred to above shall be adjusted in accordance with the rate of exchange as provided by the following rules:—

These coefficients having been determined at a time when the pound sterling represented 745 paper piastres, if the Turkish pound shows an average increase of more than 30 per cent. over this rate during the month preceding the coming into force of this convention, the coefficients 12 and 9 will be reduced proportionately to the average rate of exchange for that month; the coefficient will remain in force, as thus adjusted, for the following three months; at the expiration of that period of three months the coefficient will, should the case arise, be readjusted in accordance with the average rate of exchange of the last month of the period.

In the same way, if the Turkish pound shows an average decrease of more than 33 per cent. compared with the initial rate of 745 piastres for a pound sterling during the month preceding the coming into force of this convention, the coefficients 12 and 9 may be increased proportionately to the average rate of exchange for that month; the coefficient will remain in force as thus adjusted, for the following three months; at the expiration of that period of three months, the coefficient will, should the case arise, be readjusted in accordance with the average rate of exchange of the last month of the period.

The coefficient 5 may be increased in the event of a decrease in value of the Turkish pound in the same conditions as the coefficients 12 and 9, but in the event of an increase in value of the Turkish pound, that coefficient need only be reduced from the time when the pound sterling is worth less than £T. 5 paper.

In the event of monetary reform, the various coefficients fixed above will be modified to the extent of the difference between the new and the old currency in such a way as not to alter the incidents of customs duties.

#### Article 3.

Turkey undertakes to abolish from the coming into force of the present convention, and not to re-establish during its continuance, all prohibitions of import and export, except those which may be necessary—

1. To maintain the resources indispensable for the food of the people and to safeguard the economic activity of the nation;
2. To ensure the security of the State;
3. To protect persons, animals and plants against contagious diseases epizooties and epiphyties;
4. To prevent the use of opium and other poisons;
5. To prohibit the import of alcoholic products the use of which is forbidden in Turkey;
6. To prevent the export of gold money or gold metal;
7. To establish or support State monopolies.

Subject to equitable reciprocity being accorded to her by each of the other contracting Powers in accordance with its legislation, Turkey undertakes to apply the prohibitions without discrimination of any kind, and, in the event of her granting exemptions or licences in respect of prohibited produce, not to favour in any way the trade of any one contracting Power to the prejudice of the trade of any other contracting Power, or to favour in any way the trade of any non-contracting Power to the prejudice of the trade of any contracting Power.

#### Article 4.

Subject to reciprocity, no consumption or excise duty shall be applicable in Turkey to goods originating or emanating from the other contracting countries except to the extent to which it is exacted in respect of identical or similar articles produced in Turkey.

Turkey may, however, continue to exact under the same conditions of equality between her nationals and the nationals of the other contracting countries, the consumption duties set out in the schedules contained in Annex II in respect of the products specified in that schedule.

Subject to reciprocity, octroi duties and any other taxes exacted by local authorities will, if they are imposed on articles produced in Turkey, be applied without discrimination between Turkish products and products originating or emanating from the other contracting countries, and, if they are imposed on articles not produced in Turkey, will similarly be applied, without discrimination of any kind, to all identical or similar foreign products, whatever may be their origin.

#### Article 5.

Subject to an equitable reciprocity being accorded to Turkey by each of the other contracting Powers in accordance with its legislation, every export duty which Turkey may have imposed or may impose on any goods, natural or manufactured, shall be applied equally, whatever the country of destination. No discrimination to the prejudice of the commerce of any one of the other contracting Powers shall be established by any means.

#### Article 6.

Turkey will accord to the other contracting parties the benefit of any more favourable treatment in respect of the matters referred to in articles 1 to 5 which she may grant to any other country, except such special advantages as regards tariffs or generally in regard to all other commercial matters which she may grant to any one of the territories detached from Turkey by virtue of the Treaty of Peace of even date, or, as regards frontier trade, to a limitrophe State.

#### Article 7.

In order to determine the country of origin of imported goods, each of the high contracting parties may require the production by the importer of an official certificate stating that the article imported is the national produce or manufacture of the said country, or that it should be so considered having regard to the transformation which it has undergone in that country.

Certificates of origin in accordance with the form annexed to this section numbered III will be granted by the Ministry of Commerce or of Agriculture, or by the Chamber of Commerce to which the consignor belongs, or by any other authority or association which may be agreed upon by the country of destination. They will be authenticated by a diplomatic or consular representative of the country of destination.

Parcel-post packages will be exempt from the requirement of a certificate when the country of destination recognises that no transaction of a commercial character is involved.

#### Article 8.

The benefit of the provisions of this section cannot be claimed by any of the contracting Powers which does not grant to Turkey during the whole period of the convention a treatment as favourable as that which it grants to any other foreign country.

#### ANNEX I.

##### List of Articles subject to the Coefficient 9.

| No. in Tariff. |                                       |
|----------------|---------------------------------------|
| 65             | Potatoes.                             |
| 69             | Oranges.                              |
| 121            | Confectionery (sweetmeats).           |
| 130            | Mineral waters.                       |
| 178            | Dressed leather.                      |
| 180            | Pigskin.                              |
| 185, 187, 188  | Footwear.                             |
| 192            | Gloves.                               |
| 200, 201       | Peltry, raw or prepared.              |
| 217, 218       | Furniture.                            |
| 273, 274, 275  | Cotton, embroidery, lace and ribbons. |
| 302            | Silk waste.                           |
| 305            | Gauze, etc.                           |
| 306            | Silk tulle, etc.                      |
| 308            | Silk tissue.                          |
| 311, 312       | Silk hosiery.                         |
| 314            | Silk passementerie.                   |
| 324            | Woollen shawls and belts.             |
| 339            | Clothing.                             |
| 348            | Sunshades, umbrellas, parasols, etc.  |

ANNEX II.  
Consumption Taxes.

|                                                  | Piastres.                                                                   |
|--------------------------------------------------|-----------------------------------------------------------------------------|
| Tea                                              | 40 per kilog.                                                               |
| Coffee                                           | 20 " "                                                                      |
| Petroleum                                        | 6 " "                                                                       |
| Rice                                             | 10 " "                                                                      |
| Margarine, oleomargarine and edible fats         | 80 " "                                                                      |
| Candles, stearic                                 | 30 " "                                                                      |
| Ordinary soap                                    | 5 " "                                                                       |
| Sacks, old and new                               | 5 " "                                                                       |
| Spices                                           | 30 " "                                                                      |
| Matches                                          | 1 per box of 60 matches.                                                    |
| Wax matches                                      | 1 " "                                                                       |
| Cigarette paper                                  | 1 per 50 sheets.                                                            |
| Tinder boxes                                     | 25 per tinder box.                                                          |
| Sugar                                            | 15 per kilog.                                                               |
| Biscuits                                         | Subject to a consumption tax according to percentage of sugar they contain. |
| Chocolate                                        |                                                                             |
| Condensed milk                                   |                                                                             |
| Sweet stuffs and glucose                         |                                                                             |
| Non-alcoholic beverages (gazeuses and limonades) |                                                                             |
| Other products containing sugar                  | 40 per kilog.                                                               |
| Tombac                                           |                                                                             |

## ANNEX III.

## Form of Certificate of Origin.

We (authority which grants the certificate)\* certify that—

M.....(Producer or Manufacturer),†  
(Agent of M....., residing at.....),†  
(Authorised Dealer),†

residing at....., has declared before us, on his responsibility, that the goods specified below are of (Turkish or.....) origin or manufacture in accordance with reliable documents which have been produced to us by the consignor.‡ These goods are sent to.....to the order of M....., merchant or trader at.....by (land or ship.....).

| Number and Nature of Packages. | Marks Number. | Gross and Net Weight (in Kilogrammes) or Measure of Capacity and Value. | Nature of the Goods. |
|--------------------------------|---------------|-------------------------------------------------------------------------|----------------------|
|                                | •             |                                                                         |                      |

Certified, on my responsibility the.....  
(Signature of the declarant).....

Confirmed by us (authority which grants the certificate), who attest also that the sale of the goods specified above has been actually concluded in this country.

(Date and signature of the authority which grants the certificate) endorsed at the Consulate of.....for verification of this signature.

(Date, signature and seal of the Consulate).....

\*The certificates will be granted either by the Ministries of Commerce or Agriculture or by the Chamber of Commerce to which the consignor belongs, or by any other authority or association which may be agreed upon by the country of destination.

†Strike out the words which are inapplicable.

‡When the certificate is obtained by the producer or manufacturer, or his agent, the words "in accordance with reliable documents which have been produced to us by the consignor" should be struck out.

## SECTION II.

## Article 9.

Turkey undertakes, on condition that reciprocity is accorded in this matter, to grant to the ships of the other contracting Powers a treatment equal to that which she grants to national ships, or any more favourable treatment that she grants or may grant to the ships of any other Power.

Each of the high contracting parties retains the right of reserving to the national flag fishing, maritime cabotage, that is to say, transport by sea of goods and passengers embarked in one port of its territory for another port in the same territory, and port services, that is to say, towage, pilotage and all interior services of whatever nature they may be.

## Article 10.

(Paragraphs 3 and 4 reserved.)

Subject to the exceptions referred to in the preceding article with respect to fishing, maritime cabotage and port services, a treatment equal to that granted to national ships will be granted reciprocally by Turkey on the one hand and by each of the other contracting parties on the other hand as regards the right to import or export goods of every description or to transport passengers going to or coming from the country and the enjoyment of all facilities with regard to stationing, loading and unloading of vessels at ports, docks, quays and roads.

There shall also be an absolute equality, subject to the same condition of reciprocity as regards dues, charges and payments of all kinds levied on ships, such as sanitary dues, port, quay, harbour, pilotage, quarantine, lighthouse and other similar dues levied in the name of or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind.

Turkey also undertakes, on condition of reciprocity, not to subject imported or exported goods to any differential due, surtax, or increase of any nature or kind based on the flag of the ship by which the goods are imported or exported, on the ports of arrival or departure, on the voyage of the ship or the ports at which it has called, the dues and taxes leviable on goods imported or exported being determined only on their origin or their destination, and being applied equally as regards all the contracting Powers in accordance with the provisions of Section I.

## Article 11.

All classes of certificates or documents relating to vessels, their cargoes and passengers which were recognised as valid by Turkey before the war or which may hereafter be recognised as valid by the principal maritime States shall be recognised by Turkey as regards the vessels belonging to the other contracting Powers as valid and as equivalent to the corresponding certificates issued to Turkish vessels.

These provisions will only have effect if the certificates and documents delivered by Turkey to Turkish vessels, in conditions equivalent to those adopted in the principal maritime countries, are regarded by the other contracting Powers as equivalent to the certificates and documents delivered by them.

## SECTION III.

## Article 12.

Turkey undertakes, on condition of reciprocity, to adopt all the necessary legislative and administrative measures, and to allow access to the courts in order to protect goods the produce or manufacture of any one of the other contracting Powers from all forms of unfair competition in commercial transactions.

Turkey undertakes also on condition of reciprocity, to prohibit and repress by appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in her territory of all goods bearing upon themselves or their get-up or wrappings any marks, names, devices, or descriptions whatsoever which are calculated to convey, directly or indirectly, false indications of the origin, type, nature or special characteristics of such goods.

## Article 13.

Turkey undertakes, on condition that reciprocity is accorded in these matters, to respect any law or any administrative or judicial decision given in conformity with such law in force in any other contracting State and duly communicated to her by the proper authorities, defining or regulating the right to any regional appellation in respect of products which derive their special qualities from the soil or the climate, or the conditions under which the use of any such appellation may be permitted and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such laws or orders shall be prohibited by Turkey and repressed by the measures prescribed by article 12.

## Article 14.

Turkey undertakes, within a period of twelve months from the coming into force of the present convention—

- (1) To adhere in the prescribed form to the International Convention of Paris of the 20th March, 1883, for the protection of industrial property revised at Washington on the 2nd June, 1911.
- (2) To adhere also to the International Convention of Berne of the 9th September, 1886, for the protection of literary and artistic works, revised at Berlin on the 13th November, 1908 and the additional protocol of Berne of the 20th March, 1914, relating to the protection of literary and artistic works

The other signatory Powers to this convention will raise no objection, while it remains in force, to the reserved which Turkey proposes to make with regard to the provisions of the aforesaid conventions and protocol respecting the right of translation into the Turkish language, if the other Powers co-signatories of those conventions and protocol have not themselves raised any objection to the said reserve during the year following the coming into force of this convention.

In the event of the signatory Powers to this convention not maintaining their adhesion to the Turkish reserve respecting the right of translation, Turkey will not be bound to maintain her adhesion to the conventions and protocol mentioned above.

- (3) Within the same period to recognise and protect by effective legislation, in accordance with the principles of the said conventions, the industrial, literary and artistic property of the nationals of the other contracting Powers.

## Article 15.

Special conventions between the countries interested shall determine all questions relative to the records, registers and designs in connection with the services relating to industrial, literary and artistic property and their eventual transmission of communication by the Turkish offices to the offices of the States in favour of which territory is detached from Turkey.

## GENERAL PROVISIONS.

## Article 16.

The contracting Powers reserve the right of declaring, at the time of the coming into force of the present convention, that its provisions do not apply to all or any of their dominions enjoying responsible government, of their colonies, protectorates, possessions or territories beyond the sea subject to their sovereignty or authority, and in this case Turkey will be released from her obligations under the present convention to the said dominions, colonies, protectorates, possessions and territories.

The said Powers may, however, adhere subsequently in the name of every dominion enjoying responsible government, colony, protectorate, possession or territory for which they have in accordance with the terms of the present convention made a declaration of exclusion.

## Article 17.

(Reserved.)

Non-signatory Powers shall have the right to adhere to this convention.

This adhesion shall be notified through the diplomatic channel to the Government of the French Republic and by that Government to all the States which are signatories or have adhered. It shall take effect from the date of the notification to French Government.

## Article 18.

(Reserved.)

This convention will remain in force for a period of five years.

As regards Section 1 Turkey on the one hand and Greece, Roumania and the Serb-Croat-Slovene State on the other hand recognising the necessity of settling a new basis for their commerce within the shortest possible time, agree to recognise the right to denounce this convention at any time after the termination of the first period of thirty months; the convention will cease to have effect six months after the denunciation.

Turkey, on the one hand, and each of the other contracting Powers, on the other hand, undertake at any time during the periods hereinbefore fixed for the duration of the convention, on request being made, to begin negotiations for new commercial treaties and to proceed actively with those negotiations, so that they may be concluded before the expiration of the said periods.

If the said negotiations have not been concluded before expiration of the aforesaid periods each of the high contracting parties will resume its freedom of action.

## Article 19.

The present convention shall be ratified.

The ratifications shall be deposited at Paris as soon as possible.

It shall enter into force in the same way as the Treaty of Peace of even date.

In faith whereof the above-mentioned plenipotentiaries have signed the present convention.

Done at Lausanne, the 24th July, 1923, in a single copy, which will be deposited in the archives of the Government of the French Republic, which will transmit a certified copy thereof to each of the signatory Powers.

(Signatures and Seals.)

Mission Britannique,  
Constantinople.  
le 25 février, 1925.

Monsieur le Délégué

Me référant à votre note sous No. 5895/24 en date du 3 septembre 1924 et à la correspondance antérieure au sujet de l'adhésion du Gouvernement des Indes à la Convention Commerciale signée à Lausanne, j'ai l'honneur de faire savoir à Votre Excellence que suivant les provisions du 2ème alinéa de l'article 15 de cette Convention, le Gouvernement de Sa Majesté Britannique adhère maintenant, sans réserve à la Convention au nom du Gouvernement des Indes.

2. En même temps mon Gouvernement me charge d'observer que les provisions de l'article 8 seront entièrement remplies à l'égard de la frontière terrestre des Indes pourvu que toutes marchandises originaires ou à destination de la Turquie et traversant n'importe quelle frontière terrestre des Indes reçoivent un traitement non moins favorable que toutes autres marchandises traversant cette frontière terrestre et originaires ou à destination de tout autre pays.

Veuillez agréer, Monsieur le Délégué l'assurance de ma haute considération.

(Signé) R. C. LINDSAY.

Son Excellence.

Nusret Bey,  
Délégué du Gouvernement de la  
République Turque,  
Constantinople.

# CONVENTION AND STATUTE ON THE REGIME OF NAVIGABLE WATERWAYS OF INTERNATIONAL CONCERN.

*Barcelona, the 20th April 1921.*

Albania, Austria, Belgium, Bolivia, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Cuba, Denmark, the British Empire (with New Zealand and India), Spain, Estonia, Finland, France, Greece, Guatemala, Haiti, Honduras, Italy, Japan, Latvia, Lithuania, Luxemburg, Norway, Panama, Paraguay, the Netherlands, Persia, Poland, Portugal, Roumania, the Serb-Croat-Slovene State, Sweden, Switzerland, Czechoslovakia, Uruguay, and Venezuela:

Desirous of carrying further the development as regards the international regime of navigation on internal waterways, which began more than a century ago, and which has been solemnly affirmed in numerous treaties.

Considering that General Conventions to which other Powers may accede at a later date constitute the best method of realising the purpose of Article 23 (c) of the Covenant of the League of Nations,

Recognising in particular that a fresh confirmation of the principle of Freedom of Navigation in a Statute elaborated by forty-one States belonging to the different portions of the world constitutes a new and significant stage towards the establishment of co-operation among States without in any way prejudicing their rights of sovereignty or authority,

Having accepted the invitation of the League of Nations to take part in a Conference at Barcelona which met on the 10th March 1921, and having taken note of the Final Act of such Conference,

Anxious to bring into force forthwith the provisions of the Statute relating to the Regime of Navigable Waterways of International Concern which has there been adopted,

Wishing to conclude a Convention for this purpose, the High Contracting Parties have appointed as their Plenipotentiaries:

Who, after communicating their full powers, found in good and due form, have agreed as follows:—

## ARTICLE 1.

The High Contracting Parties declare that they accept the Statute on the Regime of Navigable Waterways of International Concern annexed hereto, adopted by the Barcelona Conference on the 19th April 1921.

This Statute will be deemed to constitute an integral part of the present Convention. Consequently, they hereby declare that they accept the obligations and undertakings of the said Statute in conformity with the terms and in accordance with the conditions set out therein.

## ARTICLE 2.

The present Convention does not in any way affect the rights and obligations arising out of the provisions of the Treaty of Peace signed at Versailles on the 28th June 1919, or out of the provisions of the other corresponding Treaties, in so far as they concern the Powers which have signed, or which benefit by, such Treaties.

## ARTICLE 3.

The present Convention, of which the French and English texts are both authentic, shall bear this day's date and shall be open for signature until the 1st December 1921.

## ARTICLE 4.

The present Convention is subject to ratification. The instruments of ratification shall be transmitted to the Secretary-General of the League of Nations, who will notify the receipt of them to the other Members of the League and to States admitted to sign the Convention. The instruments of ratification shall be deposited in the archives of the Secretariat.

In order to comply with the provisions of Article 18 of the Covenant of the League of Nations, the Secretary-General will register the present Convention upon the deposit of the first ratification.

## ARTICLE 5.

Members of the League of Nations which have not signed the present Convention before the 1st December, 1921, may accede to it.

The same applies to States not Members of the League to which the Council of the League may decide officially to communicate the present Convention.

Accession will be notified to the Secretary-General of the League, who will inform all powers concerned of the accession and of the date on which it was notified.

## ARTICLE 6.

The present Convention will not come into force until it has been ratified by five Powers. The date of its coming into force shall be the ninetieth day after the receipt by the Secretary-General of the League of Nations of the fifth ratification. Thereafter the present Convention will take effect in the case of each Party ninety days after the receipt of its ratification or of the notification of its accession.

Upon the coming into force of the present Convention, the Secretary-General will address a certified copy of it to the Powers not Members of the League which are bound under the Treaties of Peace to accede to it.

## ARTICLE 7.

A special record shall be kept by the Secretary-General of the League of Nations, showing which of the Parties have signed, ratified, acceded to or denounced the present Convention. This record shall be open to the Members of the League at all times; it shall be published as often as possible in accordance with the directions of the Council.

## ARTICLE 8.

Subject to the provisions of Article 2 of the present Convention, the latter may be denounced by any Party thereto after the expiration of five years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Secretary-General of the League of Nations. Copies of such notification shall be transmitted forthwith by him to all the other Parties, informing them of the date on which it was received. The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying Power. It shall not, in the absence of an agreement to the contrary, prejudice engagements entered into before the denunciation relating to a programme of works.

## ARTICLE 9.

A request for the revision of the present Convention may be made at any time by one-third of the High Contracting Parties.

In faith whereof the above-named Plenipotentiaries have signed the present Convention.

Done at Barcelona the twentieth day of April one thousand nine hundred and twenty-one, in a single copy which shall remain deposited in the archives of the League of Nations.

# STATUTE ON THE REGIME OF NAVIGABLE WATERWAYS OF INTERNATIONAL CONCERN.

## ARTICLE 1.

In the application of the Statute, the following are declared to be navigable waterways of international concern:

1. All parts which are naturally navigable to and from the sea of a waterway which in its course, naturally navigable to and from the sea, separates or traverses

different States, and also any part of any other waterway naturally navigable to and from the sea, which connects with the sea a waterway naturally navigable which separates or traverses different States.

It is understood that :

- (a) Transshipment from one vessel to another is not excluded by the words "navigable to and from the sea";
- (b) Any natural waterway or part of a natural waterway is termed "naturally navigable" if now used for ordinary commercial navigation, or capable by reason of its natural conditions of being so used; by "ordinary commercial navigation" is to be understood navigation which, in view of the economic condition of the riparian countries, is commercial and normally practicable;
- (c) Tributaries are to be considered as separate waterways;
- (d) Lateral canals constructed in order to remedy the defects of a waterway included in the above definition are assimilated thereto;
- (e) The different States separated or traversed by a navigable waterway of international concern, including its tributaries of international concern, are deemed to be "riparian States".

2. Waterways, or parts of waterways whether natural or artificial, expressly declared to be placed under the regime of the General Convention regarding navigable waterways of international concern either in unilateral Acts of the States under whose sovereignty or authority these waterways or parts of waterways are situated, or in agreements made with the consent, in particular, of such States.

#### ARTICLE 2.

For the purpose of Articles 5, 10, 12 and 14 of this Statute, the following shall form a special category of navigable waterways of international concern :

- (a) Navigable waterways for which there are international Commissions upon which non-riparian States are represented;
- (b) Navigable waterways which may hereafter be placed in this category, either in pursuance of unilateral Acts of the States under whose sovereignty or authority they are situated, or in pursuance of agreements made with the consent, in particular, of such States.

#### ARTICLE 3.

Subject to the provisions contained in Articles 5 and 17, each of the Contracting States shall accord free exercise of navigation to the vessels flying the flag of any one of the other Contracting States on those parts of navigable waterways specified above which may be situated under its sovereignty or authority.

#### ARTICLE 4.

In the exercise of navigation referred to above, the nationals, property and flags of all Contracting States shall be treated in all respects on a footing of perfect equality. No distinction shall be made between the nationals, the property and the flags of the different riparian States, including the riparian State exercising sovereignty or authority over the portion of the navigable waterway in question: similarly, no distinction shall be made between the nationals, the property and the flags or riparian and non-riparian States. It is understood, in consequence, that no exclusive right of navigation shall be accorded on such navigable waterways to companies or to private persons.

No distinction shall be made in the said exercise, by reason of the point of departure or of destination, or of the direction of the traffic.

#### ARTICLE 5.

As an exception to the two preceding Articles, and in the absence of any Convention or obligation to the contrary :

1. A riparian State has the right of reserving for its own flag the transport of passengers and goods loaded at one port situated under its sovereignty or authority and unloaded at another port also situated under its sovereignty or authority. A State which does not reserve the above-mentioned transport to its own flag may, nevertheless, refuse the benefit of equality of treatment with regard to such transport to a co-riparian which does reserve it.

On the navigable waterways referred to in Article 2, the Act of Navigation shall only allow to riparian States the right of reserving the local transport of passengers or of goods which are of national origin or are nationalised. In every case, however, in which greater freedom of navigation may have been already established, in a previous Act of Navigation, this freedom shall not be reduced.

2. When a natural system of navigable waterways of international concern which does not include waterways of the kind referred to in Article 2 separates or traverses two States only, the latter have the right to reserve to their flags by mutual agreement the transport of passengers and goods loaded at one port of this system and unloaded at another port of the same system, unless this transport takes place between two ports which are not situated under the sovereignty or authority of the same State in the course of a voyage, effected without transshipment on the territory of either of the said States, involving a sea-passage or passage over a navigable waterway of international concern which does not belong to the said system.

#### ARTICLE 6.

Each of the Contracting States maintains its existing right, on the navigable waterways or parts of navigable waterways referred to in Article 1 and situated under its sovereignty or authority, to enact the stipulations and to take the measures necessary for policing the territory and for applying the laws and regulations relating to customs, public health, precautions against the diseases of animals and plants, emigration or immigration, and to the import or export of prohibited goods, it being understood that such stipulations and measures must be reasonable, must be applied on a footing of absolute equality between the nationals, property and flags of any one of the Contracting States, including the State which is their author, and must not without good reason impede the freedom of navigation.

#### ARTICLE 7.

No dues of any kind may be levied anywhere on the course or at the mouth of a navigable waterway of international concern, other than dues in the nature of payment for services rendered and intended solely to cover in an equitable manner the expenses of maintaining and improving the navigability of the waterway and its approaches, or to meet expenditure incurred in the interest of navigation. These dues shall be fixed in accordance with such expenses, and the tariff of dues shall be posted in the ports. These dues shall be levied in such a manner as to render unnecessary a detailed examination of the cargo, except in cases of suspected fraud or infringement of regulations, and so as to facilitate international traffic as much as possible, both as regards their rates and the method of their application.

#### ARTICLE 8.

The transit of vessels and of passengers and goods on navigable waterways of international concern shall, so far as customs formalities are concerned, be governed by the conditions laid down in the Statute of Barcelona on Freedom of Transit. Whenever transit takes place without transshipment the following additional provisions shall be applicable :

- (a) When both banks of a waterway of international concern are within one and the same State, the customs formalities imposed on goods in transit after they have been declared and subjected to a summary inspection shall be limited to placing them under seal or padlock or in the custody of customs officers.
- (b) When a navigable waterway of international concern forms the frontier between two States, vessels, passengers and goods in transit shall while "en route" be exempt from any customs formality, except in cases in which there are valid reasons of a practical character for carrying out customs formalities at a place on the part of the river which forms the frontier, and this can be done without interfering with navigation facilities.



The transit of vessels and passengers, as well as the transit of goods without transshipment, on navigable waterways of international concern, must not give rise to the levying of any duties whatsoever, whether prohibited by the Statute of Barcelona on Freedom of Transit or authorised by Article 3 of that Statute. It is nevertheless understood that vessels in transit may be made responsible for the board and lodging of any customs officers who are strictly required for supervision.

## ARTICLE 9.

Subject to the provisions of Articles 5 and 17, the nationals, property and flags of all the Contracting States shall, in all ports situated on a navigable waterway of international concern, enjoy, in all that concerns the use of the port, including port dues and charges, a treatment equal to that accorded to the nationals, property and flag of the riparian State under whose sovereignty or authority the port is situated. It is understood that the property to which the present paragraph relates is property originating in, coming from or destined for, one or other of the Contracting States.

The equipment of ports situated on a navigable waterway of international concern, and the facilities afforded in these ports to navigation, must not be withheld from public use to an extent beyond what is reasonable and fully compatible with the free exercise of navigation.

In the application of customs or other analogous duties, local octroi or consumption duties, or incidental charges, levied on the occasion of the importation or exportation of goods through the aforesaid ports, no difference shall be made by reason of the flag of the vessel on which the transport has been or is to be accomplished, whether this flag be the national flag or that of any of the Contracting States.

The State under whose sovereignty or authority a port is situated may withdraw the benefits of the preceding paragraph from any vessel if it is proved that the owner of the vessel discriminates systematically against the nationals of that State, including companies controlled by such nationals.

In the absence of special circumstances justifying an exception on the ground of economic necessities, the customs duties must not be higher than those levied on the other customs frontiers of the State interested, on goods of the same kind, source and destination. All facilities accorded by the Contracting States to the importation or exportation of goods by other land or water routes, or in other ports, shall be equally accorded to importation or exportation under the same conditions over the navigable waterway and through the ports referred to above.

## ARTICLE 10.

1. Each riparian State is bound, on the one hand, to refrain from all measures likely to prejudice the navigability of the waterway, or to reduce the facilities for navigation, and on the other hand, to take as rapidly as possible all necessary steps for removing any obstacles and dangers which may occur to navigation.

2. If such navigation necessitates regular upkeep of the waterway, each of the riparian States is bound as towards the other to take such steps and to execute such works on its territory as are necessary for the purpose as quickly as possible, taking account at all times of the conditions of navigation, as well as of the economic state of the regions served by the navigable waterway.

In the absence of an agreement to the contrary, any riparian State will have the right, on valid reason being shown, to demand from the other riparians a reasonable contribution towards the cost of upkeep.

3. In the absence of legitimate grounds for opposition by one of the riparian States, including the State territorially interested, based either on the actual conditions of navigability in its territory, or on other interests such as, *inter alia*, the maintenance of the normal-water conditions, requirements for irrigation, the use of water-power, or the necessity for constructing other and more advantageous ways of communication, a riparian State may not refuse to carry out works necessary for the improvement of the navigability which are asked for by another riparian State, if the latter State offers to pay the cost of the works and a fair share of the additional

cost of upkeep. It is understood, however, that such works cannot be undertaken so long as the State on the territory of which they are to be carried out objects on the ground of vital interests.

4. In the absence of any agreement to the contrary, a State which is obliged to carry out works of upkeep is entitled to free itself from the obligation, if, with the consent of all the co-riparian States, one or more of them agree to carry out the works instead of it; as regards works for improvement, a State which is obliged to carry them out shall be freed from the obligation, if it authorises the State which made the request to carry them out instead of it. The carrying out of works by States other than the State territorially interested, or the sharing by such States in the cost of works, shall be so arranged as not to prejudice the rights of the State territorially interested as regards the supervision and administrative control over the works, or its sovereignty and authority over the navigable waterway.

5. On the waterways referred to in Article 2, the provisions of the present Article are to be applied subject to the terms of the Treaties, Conventions, or Navigation Acts which determine the powers and responsibilities of the International Commission in respect of works.

Subject to any special provisions in the said Treaties, Conventions or Navigation Acts, which exist or may be concluded:

(a) Decisions in regard to works will be made by the Commission.

(b) The settlement, under the conditions laid down in Article 22 below, of any dispute which may arise as a result of these decisions, may always be demanded on the grounds that these decisions are *ultra vires*, or that they infringe international conventions governing navigable waterways. A request for a settlement under the aforesaid conditions based on any other grounds can only be put forward by the State which is territorially interested.

The decisions of this Commission shall be in conformity with the provisions of the present Article.

6. Notwithstanding the provisions of paragraph 1 of this Article, a riparian State may, in the absence of any agreement to the contrary, close a waterway wholly or in part to navigation, with the consent of all the riparian States or of all the States represented on the International Commission in the case of navigable waterways referred to in Article 2.

As an exceptional case one of the riparian States of a navigable waterway of international concern not referred to in Article 2 may close the waterway to navigation, if the navigation on it is of very small importance, and if the State in question can justify its action on the ground of an economic interest clearly greater than that of navigation. In this case the closing to navigation may only take place after a year's notice and subject to an appeal on the part of any other riparian State under the conditions laid down in Article 22. If necessary, the judgment shall prescribe the conditions under which the closing to navigation may be carried into effect.

7. Should access to the sea be afforded by a navigable waterway of international interest through several branches, all of which are situated in the territory of one Contracting State, the provisions of paragraphs 1, 2 and 3 of this Article shall apply only to the principal branches deemed necessary for providing free access to the sea.

## ARTICLE 11.

If on a waterway of international concern one or more of the riparian States are not parties to this Statute, the financial obligations undertaken by each of the Contracting States in pursuance of Article 10 shall not exceed those to which they would have been subject if all the riparian States had been Parties.

## ARTICLE 12.

In the absence of contrary stipulations contained in a special agreement or treaty, for example, existing Conventions concerning customs and police measures and sanitary precautions, the administration of navigable waterways of international concern is exercised by each of the riparian States under whose sovereignty or authority the navigable waterway is situated. Each of such riparian States has, *inter alia*, the power and duty of publishing regulations for the navigation of such waterway and of

seeing to their execution. These regulations must be framed and applied in such a way as to facilitate the free exercise of navigation under the conditions laid down in this Statute.

The rules of procedure dealing with such matters as ascertaining, prosecuting and punishing navigation offences must be such as to promote as speedy a settlement as possible.

Nevertheless the Contracting States recognise that it is highly desirable that the riparian States should come to an understanding with regard to the administration of the navigable waterway and, in particular, with regard to the adoption of navigation regulations of as uniform a character throughout the whole course of such navigable waterway as the diversity of local circumstances permits.

Public services of towage or other means of haulage may be established in the form of monopolies for the purpose of facilitating the exercise of navigation, subject to the unanimous agreement of the riparian States or the States represented on the International Commission in the case of navigable waterways referred to in Article 2.

#### ARTICLE 13.

Treaties, conventions or agreements in force relating to navigable waterways, concluded by the Contracting States before the coming into force of this Statute, are not, as a consequence of its coming into force, abrogated so far as concerns the States signatories to those treaties.

Nevertheless the Contracting States undertake not to apply among themselves any provisions of such treaties, conventions or agreements which may conflict with the rules of the present Statute.

#### ARTICLE 14.

If any of the special agreements or treaties referred to in Article 12 has entrusted or shall hereafter entrust certain functions to an international Commission which includes representatives of States other than the riparian States, it shall be the duty of such Commission, subject to the provisions of Article 10, to have exclusive regard to the interests of navigation, and it shall be deemed to be one of the organisations referred to in Article 24 of the Covenant of the League of Nations. Consequently, it will exchange all useful information directly with the League and its organisations, and will submit an annual report to the League.

The powers and duties of the Commissions referred to in the preceding paragraph shall be laid down in the Act of Navigation of each navigable waterway and shall at least include the following:

- (a) the Commission shall be entitled to draw up such navigation regulations as it thinks necessary itself to draw up, and all other navigation regulations shall be communicated to it;
- (b) it shall indicate to the riparian States the action advisable for the upkeep of works and the maintenance of navigability;
- (c) it shall be furnished by each of the riparian States with official information as to all schemes for the improvement of the waterway;
- (d) it shall be entitled, in cases in which the Act of Navigation does not include a special regulation with regard to the levying of dues, to approve of the levying of such dues and charges in accordance with the provisions of Article 7 of this Statute.

#### ARTICLE 15.

This Statute does not prescribe the rights and duties of belligerents and neutrals in time of war. The Statute shall, however, continue in force in time of war so far as such rights and duties permit.

#### ARTICLE 16.

This Statute does not impose upon a Contracting State any obligation conflicting with its rights and duties as a Member of the League of Nations.

#### ARTICLE 17.

In the absence of any agreement to the contrary to which the State territorially interested is or may be a party, this Statute has no reference to the navigation of vessels of war or of vessels performing police or administrative functions, or, in general, exercising any kind of public authority.

#### ARTICLE 18.

Each of the Contracting States undertakes not to grant either by agreement or in any other way, to a non-Contracting State, treatment with regard to navigation over a navigable waterway of international concern which, as between Contracting States, would be contrary to the provisions of this Statute.

#### ARTICLE 19.

The measures of a general or particular character which a Contracting State is obliged to take in case of an emergency affecting the safety of the State or the vital interests of the country may, in exceptional cases and for a period as short as possible, involve a deviation from the provisions of the above Articles; it being understood that the principle of the freedom of navigation and especially communication between the riparian States and the sea, must be maintained to the utmost possible extent.

#### ARTICLE 20.

This Statute does not entail in any way the withdrawal of existing greater facilities granted to the free exercise of navigation on any navigable waterway of international concern, under conditions consistent with the principle of equality laid down in this Statute, as regards the nationals, the goods and the flags of all the Contracting States; nor does it entail the prohibition of such grant of greater facilities in the future.

#### ARTICLE 21.

In conformity with Article 23 (e) of the Covenant of the League of Nations, any Contracting State which can establish a good case against the application of any provision of this Statute in some or all of its territory on the ground of the grave economic situation arising out of the acts of devastation perpetrated on its soil during the war 1914-1918, shall be deemed to be relieved temporarily of the obligations arising from the application of such provision, it being understood that the principle of freedom of navigation must be observed as far as possible.

#### ARTICLE 22.

Without prejudice to the provisions of paragraph 5 of Article 10, any dispute between States as to the interpretation or application of this Statute which is not settled directly between them shall be brought before the Permanent Court of International Justice, unless under a special agreement or a general arbitration provision steps are taken for the settlement of the dispute by arbitration or some other means.

Proceedings are opened in the manner laid down in Article 40 of the Statute of the Permanent Court of International Justice.

In order to settle such disputes, however, in a friendly way as far as possible, the Contracting States undertake before resorting to any judicial proceedings and without prejudice to the powers and right of action of the Council and of the Assembly to submit such disputes for an opinion to any body established by the League of Nations as the advisory and technical organisation of the Members of the League in matters of communications and transit. In urgent cases a preliminary opinion may recommend temporary measures intended in particular to restore the facilities for free navigation which existed before the act or occurrence which gave rise to the dispute.

#### ARTICLE 23.

A navigable waterway shall not be considered as of international concern on the sole ground that it traverses or delimits zones or enclaves, the extent and population of which are small as compared with those of the territories which it traverses, and which form detached portions or establishments belonging to a State other than that to which the said river belongs, with this exception, throughout its navigable course.

## ARTICLE 24.

This Statute shall not be applicable to a navigable waterway of international concern which has only two riparian States and which separates, for a considerable distance, a Contracting State from a non-Contracting State whose Government is not recognised by the former at the time of the signing of this Statute, until an agreement has been concluded between them establishing, for the waterway in question, an administrative and customs régime which affords suitable safeguards to the Contracting State.

## ARTICLE 25.

It is understood that this Statute must not be interpreted as regulating in any way rights and obligations *inter se* of territories forming part, or placed under the protection, of the same sovereign State, whether or not these territories are individually Members of the League of Nations.

# ADDITIONAL PROTOCOL TO THE CONVENTION ON THE REGIME OF NAVIGABLE WATERWAYS OF INTERNATIONAL CONCERN.

*Barcelona, April 20, 1921.*

1. The States signatories of the Convention on the Regime of Navigable Waterways of International Concern, signed at Barcelona on the 20th April, 1921, whose duly authorised representatives have affixed their signatures to the present Protocol, hereby declare that, in addition to the Freedom of Communications which they have conceded by virtue of the Convention on Navigable Waterways considered as of international concern, they further concede, on condition of reciprocity, without prejudice to their rights of sovereignty, and in time of peace,

- (a) on all navigable waterways,
- (b) on all naturally navigable waterways,

which are placed under their sovereignty or authority, and which, not being considered as of international concern, are accessible to ordinary commercial navigation to and from the sea, and also in all the ports situated on these waterways, perfect equality of treatment for the flags of any State signatory of this Protocol as regards the transport of imports and exports without transshipment.

At the time of signing, the signatory States must declare whether they accept the obligation to the full extent indicated under paragraph (a) above, or only to the more limited extent defined by paragraph (b).

It is understood that States which have accepted paragraph (a) are not bound as regards those which have accepted paragraph (b), except under the conditions resulting from the latter paragraph.

It is also understood that those States which possess a large number of ports (situated on navigable waterways) which have hitherto remained closed to international commerce, may, at the time of the signing of the present Protocol, exclude from its application one or more of the navigable waterways referred to above.

The signatory States may declare that their acceptance of the present Protocol does not include any or all of the colonies, overseas possessions or protectorates under their sovereignty or authority, and they may subsequently adhere separately on behalf of any colony, overseas possession or protectorate so excluded in their declaration. They may also denounce the Protocol separately in accordance with its provisions in respect of any colony, overseas possession or protectorate under their sovereignty or authority.

The present Protocol shall be ratified. Each Power shall send its ratification to the Secretary-General of the League of Nations, who shall cause notice of such ratification to be given to all the other signatory Powers: these ratifications shall be deposited in the archives of the Secretariat of the League of Nations.

The present Protocol shall remain open for the signature or adherence of the States which have signed the above-mentioned Convention or have given their adherence to it.

It shall come into force after the Secretary-General of the League of Nations has received the ratification of two States; provided, however, that the said Convention has come into force by that time.

It may be denounced at any time after the expiration of a period of two years dating from the time of the reception by the Secretary-General of the League of Nations of the ratification of the denouncing State. The denunciation shall not take effect until one year after it has been received by the Secretary-General of the League of Nations. A denunciation of the Convention on the Regime of Navigable Waterways of International Concern shall be considered as including a denunciation of the present Protocol.

Done at Barcelona, the twentieth day of April, nineteen hundred and twenty-one, in a single copy, of which the French and English texts shall be authentic.

# CONVENTION AND STATUTE ON FREEDOM OF TRANSIT.

*Barcelona, April 20, 1921.*

ALBANIA, Austria, Belgium, Bolivia, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Cuba, Denmark, the British Empire (with New Zealand and India), Spain, Estonia, Finland, France, Greece, Guatemala, Haiti, Honduras, Italy, Japan, Latvia, Lithuania, Luxemburg, Norway, Panama, Paraguay, the Netherlands, Persia, Poland, Portugal, Roumania, the Serb-Croat-Slovene State, Sweden, Switzerland, Czechoslovakia, Uruguay and Venezuela.

Desirous of making provision to secure and maintain freedom of communications and of transit,

Being of opinion that in such matters general conventions to which other Powers may accede at a later date constitute the best method of realising the purpose of Article 23 (e) of the Covenant of the League of Nations,

Recognising that it is well to proclaim the right of free transit and to make regulations thereon as being one of the best means of developing co-operation between States without prejudice to their rights of sovereignty or authority over routes available for transit,

Having accepted the invitation of the League of Nations to take part in a Conference at Barcelona which met on the 10th March 1921, and having taken note of the final Act of such Conference,

Anxious to bring into force forthwith the provisions of the Regulations relating to transit by rail or waterway adopted thereat,

Wishing to conclude a Convention for this purpose, the High Contracting Parties have appointed as their Plenipotentiaries:

Who, after communicating their full powers found in good and due form, have agreed as follows:

## ARTICLE 1.

The High Contracting Parties declare that they accept the Statute on Freedom of Transit annexed hereto, adopted by the Barcelona Conference on the 14th April 1921.

This Statute will be deemed to constitute an integral part of the present Convention. Consequently, they hereby declare that they accept the obligations and undertakings of the said Statute in conformity with the terms and in accordance with the conditions set out therein.

## ARTICLE 2.

The present Convention does not in any way affect the rights and obligations arising out of the provisions of the Treaty of Peace signed at Versailles on the 28th June 1919, or out of the provisions of the other corresponding Treaties, in so far as they concern the Powers which have signed, or which benefit by, such Treaties.

## ARTICLE 3.

The present Convention, of which the French and English texts are both authentic, shall bear this day's date and shall be open for signature until the 1st December 1921.

[16TH MAR. 1926.]

## ARTICLE 4.

The present Convention is subject to ratification. The instruments of ratification shall be transmitted to the Secretary-General of the League of Nations, who will notify the receipt of them to the other Members of the League and to States admitted to sign the Convention. The instruments of ratification shall be deposited in the archives of the Secretariat.

In order to comply with the provisions of Article 18 of the Covenant of the League of Nations, the Secretary-General will register the present Convention upon the deposit of the first ratification.

## ARTICLE 5.

Members of the League of Nations which have not signed the present Convention before the 1st December, 1921, may accede to it.

The same applies to States not Members of the League to which the Council of the League may decide officially to communicate the present Convention.

Accession will be notified to the Secretary-General of the League, who will inform all Powers concerned of the accession and of the date on which it was notified.

## ARTICLE 6.

The present Convention will not come into force until it has been ratified by five Powers. The date of its coming into force shall be the ninetieth day after the receipt by the Secretary-General of the League of Nations of the fifth ratification. Thereafter the present Convention will take effect in the case of each Party ninety days after the receipt of its ratification or of the notification of its accession.

Upon the coming into force of the present Convention, the Secretary-General will address a certified copy of it to the Powers not Members of the League which are bound under the Treaties of Peace to accede to it.

## ARTICLE 7.

A special record shall be kept by the Secretary-General of the League of Nations, showing which of the Parties have signed, ratified, acceded to or denounced the present Convention. This record shall be open to the Members of the League at all times; it shall be published as often as possible in accordance with the directions of the Council.

## ARTICLE 8.

Subject to the provisions of Article 2 of the present Convention, the latter may be denounced by any Party thereto after the expiration of five years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Secretary-General of the League of Nations. Copies of such notification shall be transmitted forthwith by him to all other Parties, informing them of the date on which it was received.

The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying Power.

## ARTICLE 9.

A request for the revision of the present Convention may be made at any time by one-third of the High Contracting Parties.

In faith whereof the above-named Plenipotentiaries have signed the present Convention.

Done at Barcelona the twentieth day of April one thousand nine hundred and twenty-one, in a single copy which shall remain deposited in the archives of the League of Nations.

## STATUTE ON FREEDOM OF TRANSIT.

## ARTICLE 1.

PERSONS, baggage and goods, and also vessels, coaching and goods stock, and other means of transport, shall be deemed to be in transit across territory under the sovereignty or authority of one of the Contracting States, when the passage across such territory, with or without transshipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the State across whose territory the transit takes place. Traffic of this nature is termed in this Statute "traffic in transit."

## ARTICLE 2.

Subject to the other provisions of this Statute, the measures taken by Contracting States for regulating and forwarding traffic across territory under their sovereignty or authority shall facilitate free transit by rail or waterway on routes in use convenient for international transit. No distinction shall be made which is based on the nationality of persons, the flag of vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods or of vessels, coaching or goods stock or other means of transport.

In order to ensure the application of the provisions of this Article, Contracting States will allow transit in accordance with the customary conditions and reserves across their territorial waters.

## ARTICLE 3.

Traffic in transit shall not be subject to any special dues in respect of transit (including entry and exit). Nevertheless, on such traffic in transit there may be levied dues intended solely to defray expenses of supervision and administration entailed by such transit. The rate of any such dues must correspond as nearly as possible with the expenses which they are intended to cover, and the dues must be imposed under the conditions of equality laid down in the preceding Article, except that on certain routes, such dues may be reduced or even abolished on account of differences in the cost of supervision.

## ARTICLE 4.

The Contracting States undertake to apply to traffic in transit on routes operated or administered by the State or under concession, whatever may be the place of departure or destination of the traffic, tariffs which, having regard to the conditions of the traffic and to considerations of commercial competition between routes, are reasonable as regards both their rates and the method of their application. These tariffs shall be so fixed as to facilitate international traffic as much as possible. No charges, facilities or restrictions shall depend, directly or indirectly, on the nationality or ownership of the vessel or other means of transport on which any part of the complete journey has been or is to be accomplished.

## ARTICLE 5.

No Contracting State shall be bound by this Statute to afford transit for passengers whose admission into its territories is forbidden, or for goods of a kind of which the importation is prohibited, either on grounds of public health or security, or as a precaution against diseases of animals or plants.

Each Contracting State shall be entitled to take reasonable precautions to ensure that persons, baggage and goods, particularly goods which are the subject of a monopoly, and also vessels, coaching and goods stock and other means of transport, are really in transit, as well as to ensure that passengers in transit are in a position to complete their journey, and to prevent the safety of the routes and means of communication being endangered.

Nothing in this Statute shall affect the measures which one of the Contracting States may feel called upon to take in pursuance of general international Conventions to which it is a party, or which may be concluded hereafter, particularly Conventions concluded under the auspices of the League of Nations, relating to the transit, export or import of particular kinds of articles, such as opium or other dangerous drugs, arms

or the produce of fisheries, or in pursuance of general Conventions intended to prevent any infringement of industrial, literary or artistic property, or relating to false marks, false indications of origin, or other methods of unfair competition.

Any haulage service established as a monopoly on waterways used for transit must be so organised as not to hinder the transit of vessels.

## ARTICLE 6.

This Statute does not of itself impose on any of the Contracting States a fresh obligation to grant freedom of transit to the nationals and their baggage, or to the flag of a non-Contracting State, nor to the goods, nor to coaching and goods stock or other means of transport coming or entering from, or leaving by, or destined for a non-Contracting State, except when a valid reason is shown for such transit by one of the other Contracting States concerned. It is understood that for the purposes of this Article, goods in transit under the flag of a Contracting State shall, if no transshipment takes place, benefit by the advantages granted to that flag.

## ARTICLE 7.

The measures of a general or particular character which a Contracting State is obliged to take in case of an emergency affecting the safety of the State or the vital interests of the country may in exceptional cases, and for as short a period as possible, involve a deviation from the provisions of the above Articles; it being understood that the principle of freedom of transit must be observed to the utmost possible extent.

## ARTICLE 8.

This Statute does not prescribe the rights and duties of belligerents and neutrals in time of war. The Statute shall, however, continue in force in time of war so far as such rights and duties permit.

## ARTICLE 9.

This Statute does not impose upon a Contracting State any obligations conflicting with its rights and duties as a Member of the League of Nations.

## ARTICLE 10.

The coming into force of this Statute will not abrogate treaties, conventions and agreements on questions of transit concluded by Contracting States before the 1st May 1921.

In consideration of such agreements being kept in force, Contracting States undertake, either on the termination of the agreement or when circumstances permit, to introduce into agreements so kept in force which contravene the provisions of this Statute the modifications required to bring them into harmony with such provisions, so far as the geographical, economic or technical circumstances of the countries or areas concerned allow.

Contracting States also undertake not to conclude in future treaties, conventions or agreements which are inconsistent with the provisions of this Statute, except when geographical, economic or technical considerations justify exceptional deviations therefrom.

Furthermore, Contracting States may, in matters of transit, enter into regional understandings consistent with the principles of this Statute.

## ARTICLE 11.

This Statute does not entail in any way the withdrawal of facilities which are greater than those provided for in the Statute and have been granted, under conditions consistent with its principles, to traffic in transit across territory under the sovereignty or authority of a Contracting State. The Statute also entails no prohibitions of such grant of greater facilities in the future.

## ARTICLE 12.

In conformity with Article 23 (e) of the Covenant of the League of Nations, any Contracting State which can establish a good case against the application of any provision of this Statute in some or all of its territory on the ground of the grave economic situation arising out of the acts of devastation perpetrated on its soil during the war 1914-1918, shall be deemed to be relieved temporarily of the obligations arising from the application of such provision, it being understood that the principle of freedom of transit must be observed to the utmost possible extent.

## ARTICLE 13.

Any dispute which may arise as to the interpretation or application of this Statute which is not settled directly between the parties themselves shall be brought before the Permanent Court of International Justice, unless, under a special agreement or a general arbitration provision, steps are taken for the settlement of the dispute by arbitration or some other means.

Proceedings are opened in the manner laid down in Article 40 of the Statute of the Permanent Court of International Justice.

In order to settle such disputes, however, in a friendly way as far as possible, the Contracting States undertake, before resorting to any judicial proceedings and without prejudice to the powers and right of action of the Council and of the Assembly, to submit such disputes for an opinion to any body established by the League of Nations, as the advisory and technical organisation of the Members of the League in matters of communications and transit. In urgent cases, a preliminary opinion may recommend temporary measures intended, in particular, to restore the facilities for freedom of transit which existed before the act or occurrence which gave rise to the dispute.

## ARTICLE 14.

In view of the fact that within or immediately adjacent to the territory of some of the Contracting States there are areas or enclaves small in extent and population in comparison with such territories, and that these areas or enclaves form detached portions or settlements of other parent States, and that it is impracticable for reasons of an administrative order to apply to them the provisions of this Statute, it is agreed that these provisions shall not apply to them.

The same stipulation applies where a colony or dependency has a very long frontier in comparison with its surface and where in consequence it is practically impossible to afford the necessary Customs and police supervision.

The States concerned, however, will apply in the cases referred to above a regime which will respect the principles of the present Statute and facilitate transit and communications as far as practicable.

## ARTICLE 15.

It is understood that this Statute must not be interpreted as regulating in any way rights and obligations *inter se* of territories forming part or placed under the protection of the same sovereign State, whether or not these territories are individually Members of the League of Nations.

## INTERNATIONAL CONVENTION RELATING TO THE SIMPLIFICATION OF CUSTOMS FORMALITIES.

Geneva, November 3, 1923.

(Came into operation, November 27, 1924.)

GERMANY, Austria, Belgium, Brazil, the British Empire (with the Commonwealth of Australia, the Union of South Africa, New Zealand, India), Bulgaria, Chile, China, Denmark, Egypt, Spain, Finland, France, Greece, Hungary, Italy, Japan, Lithuania, Luxembourg, the Protectorate of the French Republic in Morocco, Norway, Paraguay, the Netherlands, Poland, Portugal, Roumania, the Kingdom of the Serbs, Croats and Slovenes, Siam, Sweden, Switzerland, Czechoslovakia, the Regency of Tunis (French Protectorate) and Uruguay,

Desiring to give effect to the principle of the equitable treatment of commerce laid down in article 23 of the Covenant of the League of Nations;

Convinced that the freeing of international commerce from the burden of unnecessary, excessive or arbitrary customs or other similar formalities would constitute an important step towards the attainment of this aim;

Considering that the best method of achieving their present purpose is by means of an international agreement based on just reciprocity;

Have decided to conclude a convention for this purpose;

The high contracting parties have accordingly appointed as their plenipotentiaries :—

\* \* \* \* \*

Who, after communicating their full powers, found in good and due form, have agreed as follows :—

#### ARTICLE 1.

The contracting States, with a view to applying between themselves the principle and the stipulations of article 23 of the Covenant of the League of Nations with regard to the equitable treatment of commerce, undertake that their commercial relations shall not be hindered by excessive, unnecessary or arbitrary customs or other similar formalities.

The contracting States therefore undertake to revise, by all appropriate legislative or administrative measures, the provisions affecting customs or other similar formalities which are prescribed by their laws, or by rules, regulations or instructions issued by their administrative authorities, with a view to their simplification and adaptation, from time to time, to the needs of foreign trade and to the avoidance of all hindrance to such trade, except that which is absolutely necessary in order to safeguard the essential interests of the State.

#### ARTICLE 2.

The contracting States undertake to observe strictly the principle of equitable treatment in respect of customs or other similar regulations or procedure, formalities of the grant of licences, methods of verification or analysis, and all other matters dealt with in the present convention, and consequently agree to abstain, in these matters, from any unjust discrimination against the commerce of any contracting State.

The above principle shall be invariably applied even in cases in which certain contracting States, in accordance with their legislation or commercial agreements, may reciprocally agree to accord still greater facilities than those resulting from the present convention.

#### ARTICLE 3.

In view of the grave obstacles to international trade caused by import and export prohibitions and restrictions, the contracting States undertake to adopt and apply, as soon as circumstances permit, all measures calculated to reduce such prohibitions and restrictions to the smallest number; they undertake, in any case, as regards import and export licences, to do everything in their power to ensure—

- (a) That the conditions to be fulfilled and the formalities to be observed in order to obtain such licences should be brought immediately in the clearest and most definite form to the notice of the public;
- (b) That the method of issue of the certificates of licences should be as simple and stable as possible;
- (c) That the examination of applications and the issue of licences to the applicants should be carried out with the least possible delay;
- (d) That the system of issuing licences should be such as to prevent the traffic in licences. With this object, licences, when issued to individuals, should state the name of the holder and should not be capable of being used by any other person;
- (e) That, in the event of the fixing of rations, the formalities required by the importing country should not be such as to prevent an equitable allocation of the quantities of goods of which the importation is authorised.

#### ARTICLE 4.

The contracting States shall publish promptly all regulations relating to customs and similar formalities and all modifications therein, which have not been already published, in such a manner as to enable persons concerned to become acquainted with them and to avoid the prejudice which might result from the application of customs formalities of which they are ignorant.

The contracting States agree that no customs regulations shall be enforced before such regulations have been published, either in the Official Journal of the country concerned or through some other suitable official or private channel of publicity.

This obligation to publish in advance extends to all matters affecting tariffs and import and export prohibitions or restrictions.

In cases, however, of an exceptional nature, when previous publication would be likely to injure the essential interests of the country, the provisions of the second and third paragraphs of this article will lose their obligatory force. In such cases, however, publication shall, so far as possible, take place simultaneously with the enforcement of the measure in question.

#### ARTICLE 5.

Every contracting State whose tariff has been modified by successive additions and alterations affecting a considerable number of articles shall publish a complete statement, in an easily accessible form, of all the duties levied as a result of all the measures in force.

For this purpose all duties levied by the customs authorities by reason of importation or exportation shall be methodically stated, whether they are customs duties, supplementary charges, taxes on consumption or circulation, charges for handling goods or similar charges, and in general all charges of any description, it being understood that the above obligation is limited to duties or charges which are levied on imported or exported goods on behalf of the State and by reason of clearing goods through the customs.

The charges to which goods are liable being thus clearly stated, a clear indication shall be given in the case of taxes on consumption and other taxes levied on behalf of the State by reason of clearing goods through the customs, whether foreign goods are subject to a special tax owing to the fact that, as an exceptional measure, goods of the country of importation are not or are only partially liable to such taxes.

The contracting States undertake to take the necessary steps to enable traders to procure official information in regard to customs tariffs, particularly as to the amount of the charges to which any given class of goods is liable.

#### ARTICLE 6.

In order to enable contracting States and their nationals to become acquainted as quickly as possible with all the measures referred to in articles 4 and 5 which affect their trade, each contracting State undertakes to communicate to the diplomatic representative of each other State, or such other representative residing in its territory as may be designated for the purpose, all publications issued in accordance with the said articles. Such communication will be made in duplicate and so soon as publication is effected. If no such diplomatic or other representative exists, the communication will be made to the State concerned through such channel as it may designate for the purpose.

Further, each contracting State undertakes to forward to the secretariat of the League of Nations, as soon as they appear, ten copies of all publications issued in accordance with articles 4 and 5.

Each contracting State also undertakes to communicate, as soon as they appear, to the "International Office for the publication of Customs Tariffs" at Brussels, to the "International Convention of the 5th July, 1890, with the which is entrusted by the International Convention of the 5th July, 1890, with the translation and publication of such tariffs, ten copies of all customs tariffs or modifications therein which it may establish.

#### ARTICLE 7.

The contracting States undertake to take the most appropriate measures by their national legislation and administration, both to prevent the arbitrary or unjust application of their laws and regulations with regard to customs and other similar matters, and to ensure redress by administrative, judicial or arbitral procedure for those who may have been prejudiced by such abuses.



All such measures which are at present in force or which may be taken hereafter shall be published in the manner provided by articles 4 and 5.

## ARTICLE 8.

Apart from cases in which their importation may be prohibited, and unless it is indispensable for the solution of the dispute that they should be produced, goods which form the subject of a dispute as to the application of the customs tariff or as to their origin, place of departure or value, must, at the request of the declarant, be at once placed at his disposal without waiting for the solution of the dispute, subject, however, to any measures that may be necessary for safeguarding the interests of the State. It is understood that the refund of the amount deposited in respect of duties or the cancellation of the undertaking given by the declarant shall take place immediately upon the solution of the dispute, which must, in any case, be as speedy as possible.

## ARTICLE 9.

In order to indicate the progress which has been made in all matters relating to the simplification of the customs and other similar formalities referred to in the preceding articles, each of the contracting States shall, within twelve months from the coming into force in its own case of the present convention, furnish the Secretary-General of the League of Nations with a summary of all the steps which it has taken to effect such simplification.

Similar summaries shall thereafter be furnished every three years and whenever requested by the Council of the League.

## ARTICLE 10.

Samples and specimens which are liable to import duty, and the importation of which is not prohibited, shall, when imported by manufacturers or traders established in any of the contracting States, either in person or through the agency of commercial travellers, be temporarily admitted free of duty to the territory of each of the contracting States, subject to the amount of the import duties being deposited or security being given for payment if necessary.

To obtain this privilege, manufacturers or traders and commercial travellers must comply with the relevant laws, regulations and customs formalities prescribed by the said States; these laws and regulations may require the parties concerned to be provided with an identity card.

For the purpose of the present article, all objects representative of a specified category of goods shall be considered as samples or specimens, provided, first, that the said articles are such that they can be duly identified on re-exportation, and secondly, that the articles thus imported are not of such quantity or value that, taken as a whole, they no longer constitute samples in the usual sense.

The customs authorities of any of the contracting States shall recognise as sufficient for the future identification of the samples or specimens the marks which have been affixed by the customs authorities of any other contracting State, provided that the said samples or specimens are accompanied by a descriptive list certified by the customs authorities of the latter State. Additional marks may, however, be affixed to the samples or specimens by the customs authorities of the importing country in all cases in which the latter consider this additional guarantee indispensable for ensuring the identification of the samples or specimens on re-exportation. Except in the latter case, customs verification shall be confined to identifying the samples and deciding the total duties and charges to which they may eventually be liable.

The period allowed for re-exportation is fixed at not less than six months, subject to prolongation by the customs administration of the importing country. When the period of grace has expired, duty shall be payable on samples which have not been re-exported.

The refund of duties paid on importation, or the release of the security for payment of these duties, shall be effected without delay at any of the offices situated at the frontier or in the interior of the country which possess the necessary authority, and subject to the deduction of the duties payable on samples or specimens not produced for re-exportation. The contracting States shall publish a list of the offices on which the said authority has been conferred.

Where identity cards are required, they must conform to the specimen annexed to this article, and be delivered by an authority designated for this purpose by the

State in which the manufacturers or traders have their business headquarters. Subject to reciprocity, no consular or other visa shall be required on identity cards, unless a State shows that such a requirement is rendered necessary by special or exceptional circumstances. When a visa is required, its cost shall be as low as possible and shall not exceed the cost of the service.

The contracting States shall, as soon as possible, communicate direct to each other, and also to the Secretariat of the League of Nations, a list of the authorities recognised as competent to issue identity cards.

Pending the introduction of the system defined above, facilities at present granted by States shall not be curtailed.

The provisions of the present article, except those referring to identity cards, shall be applicable to samples and specimens which are liable to import duties and the importation of which is not prohibited, when imported by manufacturers, traders or commercial travellers established in any of the contracting States, even if not accompanied by the said manufacturers, traders, or commercial travellers.

[SPECIMEN.]

[NAME OF STATE.]

(Issuing Office.)

## IDENTITY CARD FOR COMMERCIAL TRAVELLERS.

Valid for twelve months including the day of issue.

Good for..... No. of identity card.....

It is hereby certified that the bearer of this card

M. ...., born at.....

living at ..... No. .... Street .....

is the owner of\* .....

at .....

for the purpose of trade .....

.....

(or) is a commercial traveller employed by { the firm of .....

{ the firms of .....

at.....

which { possess\* .....

{ possesses .....

for the purposes of trade .....

The bearer of this card intends to solicit orders in the above-mentioned countries and to make purchases for the firm(s) referred to. It is hereby certified that the said firm(s) is (are) authorised to carry out its (their) business and trade at..... and that it pays (they pay) the taxes, as provided by law, for that purpose.

....., the .....19.....

Signature of the head of the firm(s)

Description of the bearer.\*

Age .....

Height .....

Hair .....

Special marks .....

Signature of the bearer.

\*State the articles or nature of the trade.

N.B.—The first entry should only be completed for heads of commercial or manufacturing businesses.

## ARTICLE 11.

The contracting States shall reduce as far as possible the number of cases in which certificates of origin are required.

In accordance with this principle, and subject to the understanding that the customs administrations will retain fully the right of verifying the real origin of goods and consequently also the power to demand, in spite of the production of certificates, any other proof they may deem necessary, the contracting States agree to comply with the following provisions:—

1. The contracting States shall take steps to render as simple and equitable as possible the procedure and formalities connected with the issue and acceptance of certificates of origin, and they shall bring to the notice of the public the cases in which such certificates are required and the conditions on which they are issued.

2. Certificates of origin may be issued not only by the official authorities of the contracting States, but also by any other organisations which possess the necessary authority and offer the necessary guarantees and are previously approved for this purpose by each of the States concerned. Each contracting State shall communicate as soon as possible to the Secretariat of the League of Nations a list of organisations which it has designated for the purpose of delivering certificates of origin. Each State retains the right of withdrawing its approval from any organisation which has been so notified to it, if it is shown that such organisation has issued certificates in an improper manner.

3. In cases where goods are not imported direct from the country of origin, but are forwarded through the territory of a third contracting country, the customs administrations shall accept the certificates of origin drawn up by the approved organisations of the third contracting country, retaining, however, the right to satisfy themselves that such certificates are in order in the same manner as in the case of certificates issued by the country of origin.

4. The customs administrations shall not require the production of a certificate of origin—

- (a) In cases where the person concerned renounces all claim to the benefit of a régime which depends for application upon the production of such a certificate.
- (b) When the nature of the goods clearly establishes their origin, and an agreement on this subject has been previously concluded between the States concerned.
- (c) When the goods are accompanied by a certificate to the effect that they are entitled to a regional appellation, provided that this certificate has been issued by an organisation designated for this purpose and approved by the importing State.

5. If the law of their respective countries permits, and subject to reciprocity, customs administrations shall—

- (a) Except in cases where abuse is suspected, dispense with proof of origin in regard to imports which are manifestly not of a commercial nature, or which, although of a commercial nature, are of small value.
- (b) Accept certificates of origin issued in respect of goods which are not exported immediately, provided that such goods are despatched within a period of either one month or two months, according as the exporting country and the country of destination are or are not contiguous; this period may be extended, provided that the reasons given for the delay in completing the transport of the goods appear satisfactory.

6. When, for any sufficient reason, the importer is unable to produce a certificate of origin when he imports his goods, the customs authorities may grant him the period of grace necessary for the production of this document, subject to such conditions as they may judge necessary to guarantee the charges which may eventually be payable. Upon the certificate being subsequently produced, the charges which may have been paid, or the amount paid in excess, shall be refunded at the earliest possible moment.

In applying the above provision, such conditions as may result from the exhaustion of the quantities which may be imported under a rationing system shall be taken into account.

7. Certificates may be in either the language of the importing country or the language of the exporting country, the customs authorities of the importing country retaining the right to demand a translation in case of doubt as to the effect of the document.

8. Certificates of origin shall not in principle require a consular visa, particularly when they originate from the customs administrations. If, in exceptional cases, a consular visa is required, the persons concerned may at their discretion submit their certificates of origin either to the consul of their district or to the consul of a neighbouring district for a visa. The cost of the visa must be as low as possible, and must not exceed the cost of issue, especially in the case of consignments of small value.

9. The provisions of the present article shall apply to all documents used as certificates of origin.

## ARTICLE 12.

The documents known as "consular invoices" will not be required, unless their production is necessary either to establish the origin of the goods imported in cases where the origin may affect the conditions under which the goods are admitted, or to ascertain the value of the latter in the case of an *ad valorem* tariff, for the application of which the commercial invoice would not suffice.

The form of consular invoices shall be simplified so as to obviate any intricacies or difficulties and to facilitate the drawing up of these documents by the branch of trade concerned.

The cost of a visa for consular invoices shall be a fixed charge, which should be as low as possible; the number of copies of any single invoice required shall not exceed three.

## ARTICLE 13.

Where the régime applicable to any class of imported goods depends on the fulfilment of particular technical conditions as to their constitution, purity, quality, sanitary condition, district of production, or other similar matters, the contracting States will endeavour to conclude agreements under which certificates, stamps or marks given or affixed in the exporting country to guarantee the satisfaction of the said conditions will be accepted without the goods being subjected to a second analysis or other test in the country of importation, subject to special guarantees to be taken where there is a presumption that the required conditions are not fulfilled. The importing State should be afforded every guarantee as to the authorities appointed to issue the certificates and the nature and standard of the tests applied in the exporting country. The customs administrations of the importing State should also retain the right to make a second analysis whenever there are special reasons for doing so.

To facilitate the general adoption of such agreements, it would be useful that they should indicate—

- (a) The methods to be uniformly adopted by all laboratories appointed to make analyses or other tests, these methods being open to revision from time to time at the request of one or more of the States parties to such agreements.
- (b) The nature and standard of the tests to be carried out in each of the States parties to such agreements, due care being taken that the standard of purity required for the various products is fixed in such a way as not to be tantamount to virtual prohibition.

## ARTICLE 14.

The contracting States shall consider the most appropriate methods of simplifying and making more uniform and reasonable, whether by means of individual or concerted action, the formalities relating to the rapid passage of goods through the customs, the examination of travellers' luggage, the system of goods in bond and warehousing charges, and the other matters dealt with in the annex to this article.

In giving effect to this article, the contracting States will extend favourable consideration to the recommendations contained in that annex.

## ANNEX TO ARTICLE 14.

(a) *Rapid Passage of Goods through the Customs.**Organisation and working of the Service.*

1. In order to avoid congestion at certain frontier customs offices, it is desirable that the practice of clearing goods at inland offices or warehouses should be encouraged whenever domestic regulations, transport conditions and the nature of the goods permit of this being done.

2. It is desirable that, unless abuse is suspected, and subject to the rights of States under their own legislation, the lead or other customs seals affixed by a State to goods which are in transit or on their way to warehouses should be recognised and respected by other States, apart from the right of the latter to affix new customs marks in addition to the lead or other seals.

*Passage of goods through the Customs.*

3. It is desirable that the States should, as far as is possible, but without prejudice to their right to levy special charges:—

- (a) Facilitate the clearing of perishable goods outside ordinary office hours and on days other than working days.
- (b) Authorise, as far as their legislation permits, the lading and unlading of vessels and boats outside the ordinary custom-house working days and office hours.

*Facilities granted to persons declaring goods.*

4. It is desirable that the consignee should always be free, except in so far as otherwise provided by article 10 of the Berne Convention of the 14th October, 1890, regarding the Carriage of Goods by Rail, which was amended by the Berne Convention of the 19th September, 1906, to declare, in person, goods in a customs office, or to cause this declaration to be made by some person designated by him.

5. It is desirable, wherever it is considered that such a system could usefully be employed, to adopt a printed form, including the customs declaration, to be filled in by the party concerned, the certificate of verification, and, if the country in question regards it as advisable, the receipt for the payment of the import duties.

6. It is desirable that States should refrain, so far as possible, from inflicting severe penalties for trifling infractions of customs procedure or regulations. In particular, if an act of omission or an error has been committed which is obviously devoid of any fraudulent intent and which can easily be put right, in respect of cases in which the production of documents is required for the clearing of goods through the customs, any fine which may be imposed should be as small as possible so as to be as little burdensome as possible and to have no character other than that of a formal penalty, i.e., of a simple warning.

7. Consideration should be given to the possibility of using postal money-orders or cheques, against security of a permanent character, for the payment or guarantee of customs duties.

8. It is desirable that the customs authorities should, as far as possible, be authorised, when the identity of the goods can be established to their satisfaction, to refund on re-exportation of goods the duties paid on their importation, provided that they have remained continuously under the supervision of the customs authorities. It is also desirable that no export duties should be imposed when such goods are re-exported.

9. Suitable measures should be taken to avoid all delay in the passage through the customs of commercial catalogues and other printed matter of the same kind intended for advertisement when they are sent by post or packed with the goods to which they refer.

10. It is desirable, in cases in which certain documents necessary for purposes of customs formalities must bear the visa of a consulate or other authority, that the office which grants the visa should endeavour so far as possible to keep the hours of business which are habitual in the commercial circles of the locality in which such office is situated; it is also desirable that charges for attendances out of office hours, when levied, should be fixed at as reasonable a figure as possible.

(b) *Examination of Baggage.*

11. It is desirable that the practice of examining hand baggage in trains consisting entirely of corridor stock, either *en route* or when the train stops at a frontier station, should if possible be generally applied.

12. It is desirable that the practice recommended in paragraph 11 above as regards the examination of travellers' baggage should, as far as possible, be extended to journeys by sea and on rivers. The examination should, as far as practicable, be carried out on board ship, either during the voyage, when the crossing is not long, or on the ship's arrival in port.

13. It is desirable that notices should be posted on the custom-house premises and, as far as possible, in railway carriages and on boats, stating the charges and duties payable on the chief articles which travellers usually carry, and also a list of the articles the importation of which is prohibited.

(c) *Treatment of Goods in Warehouses and Warehousing Charges.*

14. It is desirable that States in which such institutions do not already exist should establish or approve the establishment of so-called "constructive" and "special" warehouses, which might be used for goods requiring special care on account of their peculiar character.

15. It is desirable that warehouse charges should be drawn up on a reasonable basis so as to be as a rule no more than sufficient to cover general expenses and interest on the capital laid out.

16. It is desirable that all persons having goods in warehouses should be allowed to withdraw damaged goods; the latter should be either destroyed in the presence of the customs officials or returned to the consignor without the payment of any customs duties.

(d) *Goods shown on the Manifest but not landed.*

17. It is desirable that the payment of import duties should not be required in the case of goods which, although they are shown on the manifest, are not actually introduced into the country, provided that sufficient evidence of the fact is furnished either by the carrier or by the captain within a time-limit fixed by the customs authorities.

(e) *Co-operation of the Services concerned.*

18. It is desirable to develop the system of international railway stations and to obtain effective co-operation among the various national organisations established therein.

It would also be advisable to establish the closest possible concordance between the functions and office hours of the corresponding offices of two contiguous countries, whether in the case of roads, rivers or railways. The practice of establishing the customs offices of contiguous countries in the same place, and, if feasible, even in the same building, should if possible be made general.

With a view to carrying out the recommendations contained in the present Section (e), it is desirable that an international conference should be convened, in which representatives of all the administrations and organisations concerned should take part.

## ARTICLE 15.

Each of the contracting States undertakes, in return for adequate guarantees on the part of the transport agents, and subject to legal penalties in case of fraud or illegal importation, to allow baggage registered from the place of despatch abroad to be forwarded as of right, and without a customs examination at the frontier, to a non-frontier customs office in its territory, if such office is qualified for this purpose. The contracting States shall publish lists of customs offices thus qualified. It is understood that the traveller will have the choice of declaring his baggage at the first office of entry.

## ARTICLE 16.

The contracting States, while reserving all their rights in respect of their own system of law regarding temporary importation and exportation, will be guided as far as possible by the principles laid down in the annex to this article as regards the régime to be applied to goods which are imported or exported in order to undergo a manufacturing process, to articles intended for exhibitions of a public character, whether for industrial, commercial, artistic or scientific purposes, to apparatus and articles employed for experiments or demonstrations, to touring vehicles, or furniture vans, to samples, to packing-cases and wrappings, to goods exported subject to an undertaking that they will be returned, and to other goods of a similar kind.

## ANNEX TO ARTICLE 16.

1. It is desirable that the provisions of laws and regulations relating to temporary importation and exportation shall be simplified as far as circumstances allow, and shall be made public in the manner provided for in articles 4 and 5 of the present convention.

2. It is desirable that the measures of application should so far as possible form the subject of general regulations, in order that the persons or firms concerned may be acquainted with and able to take advantage of them.

3. It is desirable that the procedure adopted for the identification of goods should be as simple as possible, and that for this purpose:

(a) The guarantee afforded by the presence on the articles of marks affixed by the customs administrations of other States should be taken into consideration.

(b) The system of identification by specimens or samples, by drawings or by complete and detailed descriptions should be instituted, especially in cases in which the affixing of marks is impossible or offers disadvantages.

4. It is desirable that the formalities in connection both with declaration and verification should be carried out not only in the frontier offices, but also in any offices situated in the interior of the country concerned which possess the necessary authority.

5. It is desirable that an adequate time-limit should be allowed for the execution of undertakings which involve temporary importation or exportation, and that due consideration should be given to any unforeseen circumstances which may delay their execution, and the time-limit prolonged in case of need.

6. It is desirable that guarantees should be accepted in the form either of properly secured bonds or of payments in cash.

7. It is desirable that the security given should be refunded or released as soon as all the obligations which had been contracted have been fulfilled.

## ARTICLE 17.

The present convention does not prejudice exceptional measures of a general or particular character which a contracting State may be obliged to take in the event of an emergency affecting the safety or vital interests of the country, it being understood that the principle of the equitable treatment of commerce must be observed to the utmost possible extent. Nor does it prejudice the measures which contracting States may take to ensure the health of human beings, animals or plants.

## ARTICLE 18.

The present convention does not impose upon a contracting State any obligations conflicting with its rights and duties as a member of the League of Nations.

## ARTICLE 19.

The coming into force of the present convention will not abrogate the obligations of contracting States in relation to customs regulations under treaties, conventions or agreements concluded by them before the 3rd November, 1923.

## STATEMENT LAID ON THE TABLE.

In consideration of such agreements being kept in force, the contracting States undertake, so soon as circumstances permit, and in any case on the termination of the agreement, to introduce into agreements so kept in force which contravene the provisions of the present convention the modifications required to bring them into harmony with such provisions; it being understood that this obligation is not applicable to the provisions of the treaties which terminated the war of 1914-18, and which are in no wise affected by the present convention.

## ARTICLE 20.

In conformity with article 23 (c) of the Covenant of the League of Nations, any contracting State which can establish a good case against the application of any provision of the present convention in some or all of its territory, on the ground of the grave economic situation arising out of the acts of devastation perpetrated on its soil during the war of 1914-18, shall be deemed to be relieved temporarily of the obligations arising from the application of such provisions, it being understood that the principle of the equitable treatment of commerce, which is accepted as binding by the contracting States, must be observed to the utmost possible extent.

## ARTICLE 21.

It is understood that the present convention must not be interpreted as regulating in any way rights and obligations *inter se* of territories forming part or placed under the protection of the same sovereign State, whether or not these territories are individually contracting States.

## ARTICLE 22.

Should a dispute arise between two or more contracting States as to the interpretation or application of the provisions of the present convention, and should such dispute not be settled either directly between the parties or by the employment of any other means of reaching agreement, the parties to the dispute may, before resorting to any arbitral or judicial procedure, submit the dispute, with a view to an amicable settlement, to such technical body as the Council of the League of Nations may appoint for this purpose. This body will give an advisory opinion after hearing the parties and effecting a meeting between them if necessary.

The advisory opinion given by the said body will not be binding upon the parties to the dispute unless it is accepted by all of them, and they are free, either after resort to such procedure or in lieu thereof, to have recourse to any arbitral or judicial procedure which they may select, including reference to the Permanent Court of International Justice as regards any matters which are within the competence of that court under its statute.

If a dispute of the nature referred to in the first paragraph of this article should arise with regard to the interpretation or application of paragraphs 2 or 3 of article 4, or article 7, of the present convention, the parties shall, at the request of any of them, refer the matter to the decision of the Permanent Court of International Justice, whether or not there has previously been recourse to the procedure prescribed in the first paragraph of this article.

The adoption of the procedure before the body referred to above or the opinion given by it will in no case involve the suspension of the measures complained of; the same will apply in the event of proceedings being taken before the Permanent Court of International Justice, unless the court decides otherwise under article 41 of the statute.

## ARTICLE 23.

The present convention, of which the French and English texts are both authentic, shall bear this day's date, and shall be open for signature until the 31st October, 1924, by any State represented at the Conference of Geneva, by any member of the League of Nations and by any States to which the Council of the League of Nations shall have communicated a copy of the convention for this purpose.

## ARTICLE 24.

The present convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the League of Nations, who shall notify their receipt to the members of the League which are signatories of the convention and to the other signatory States.

[16TH MAR. 1926-

## ARTICLE 25.

After the 31st October, 1924, the present convention may be acceded to by any State represented at the conference referred to in article 23 which has not signed the convention, by any member of the League of Nations, or by any State to which the Council of the League of Nations shall have communicated a copy of the convention for this purpose.

Accession shall be effected by an instrument communicated to the Secretary-General of the League of Nations to be deposited in the archives of the secretariat. The Secretary-General shall at once notify such deposit to all the members of the League of Nations signatories of the convention and to the other signatory States.

## ARTICLE 26.

The present convention will not come into force until it has been ratified by five Powers. The date of its coming into force shall be the ninetieth day after the receipt by the Secretary-General of the League of Nations of the fifth ratification. Thereafter, the present convention will take effect in the case of each party ninety days after the receipt of its ratification or of the notification of its accession.

In compliance with the provisions of article 18 of the Covenant of the League of Nations, the Secretary-General will register the present convention upon the day of its coming into force.

## ARTICLE 27.

A special record shall be kept by the Secretary-General of the League of Nations showing which of the parties have signed, ratified, acceded to or denounced the present convention. This record shall be open to the members of the League at all times; it shall be published as often as possible, in accordance with the directions of the Council.

## ARTICLE 28.

The present convention may be denounced by an instrument in writing addressed to the Secretary-General of the League of Nations. The denunciation shall become effective one year after the date of the receipt of the instrument of denunciation by the Secretary-General, and shall operate only in respect of the member of the League of Nations or State which makes it.

The Secretary-General of the League of Nations shall notify the receipt of any such denunciations to all the members of the League of Nations signatories of or adherents to the convention and to the other signatory or adherent States.

## ARTICLE 29.

Any State signing or adhering to the present convention may declare, at the moment either of its signature, ratification or accession, that its acceptance of the present convention does not include any or all of its colonies, overseas possessions, protectorates or overseas territories under its sovereignty or authority, and may subsequently adhere, in conformity with the provisions of article 25, on behalf of any such colony, overseas possession, protectorate or territory excluded by such declaration.

Denunciation may also be made separately in respect of any such colony, overseas possession, protectorate or territory, and the provisions of article 28 shall apply to any such denunciation.

## ARTICLE 30.

The Council of the League of Nations is requested to consider the desirability of summoning a conference for the purpose of revising the present convention if requested by one-third of the contracting States.

In faith whereof the above-named plenipotentiaries have signed the present convention.

Done at Geneva, the 3rd day of November, 1923, in a single copy, which will remain deposited in the archives of the secretariat of the League of Nations; certified copies will be transmitted to all the States represented at the conference.

# PROTOCOL TO THE INTERNATIONAL CONVENTION RELATING TO THE SIMPLIFICATION OF CUSTOMS FORMALITIES.

At the moment of signing the convention of to-day's date relating to the simplification of customs formalities, the undersigned, duly authorised, have agreed as follows:—

1. It is understood that the obligations of the contracting States under the convention referred to above do not in any way affect those which they have contracted or may in future contract under international treaties or agreements relating to the preservation of the health of human beings, animals or plants (particularly the International Opium Convention), the protection of public morals or international security.

2. As regards the application of article 3, the obligation accepted by Canada binds only the Federal Government and not the Provincial Governments, which, under the Constitution, possess the power of prohibiting or restricting the importation of certain products into their territories.

3. As regards the application of articles 4 and 5, the acceptance of these articles by Brazil and Canada only involves, in the case of these States, the responsibility of the Federal Government to the extent to which the measures relating to tariffs or regulations referred to in those articles are taken by itself, and without its assuming any responsibility as regards such measures taken by the States or Provinces under rights conferred on them by the Constitution of the country.

4. In regard to the application of article 4 and of the second paragraph of article 5, the undertaking entered into by Germany does not entail any obligation on her part to publish certain trifling taxes which she collects or certain special formalities which she applies, but which are not imposed by her but by Federal States or by local authorities.

5. As regards the application of article 11, the contracting States recognise that the rules which they have established constitute the minimum guarantees which all the contracting States may claim, and do not exclude the voluntary extension or adaptation of such rules by bilateral or other agreements voluntarily concluded between the said States.

6. In view of the special circumstances in which they are placed, the Governments of Spain, Finland, Poland and Portugal have stated that they reserve the right of excepting article 10 at the time of ratification and that they will not be bound to apply the said article until after a period of five years from this day.

A similar declaration has been made by the Governments of Spain, Greece and Portugal in respect of paragraph 8 of article 11 of the convention, and by the Governments of Spain and Portugal in respect of paragraph 3 of the same article. The Government of Poland has made a similar declaration in respect of the application of the whole of the same article, with the exception of paragraphs 1, 2, 4, 5, 7 and 9, which it agrees to apply as from the coming into force in its own case of the said convention.

The other contracting States, while stating their acceptance of the reserves so formulated, declare that they will not be bound, in regard to the States which have made the said reserves, as regards the matters to which they relate, until the provisions in question are applied by the said States.

Any exceptions which may subsequently be formulated by other Governments, at the time of their ratification or accession, with reference to article 10, article 11, or any particular provisions of those articles, shall be accepted, for the period referred to in the first paragraph above, and subject to the conditions laid down in the third paragraph, if the Council of the League of Nations so decides after consulting the technical body mentioned in article 22 of the convention.

The present protocol will have the same force, effect and duration as the convention of to-day's date, of which it is to be considered as an integral part.

In faith whereof the above-named plenipotentiaries have signed the present convention.

Done at Geneva, the 3rd day of November, 1923, in a single copy which will remain deposited in the archives of the Secretariat of the League of Nations; certified copies will be transmitted to all the States represented at the conference.

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# BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill further to amend the Indian Tariff Act, 1894, and of a Bill further to amend the Madras Civil Courts Act, 1873, which were passed by the Legislative Assembly at its meeting held on the 15th March, 1926.

## RESOLUTION RE REDUCTION OF THE EXPORTS OF OPIUM.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I beg to move the following Resolution:

"This Council recommends to the Governor General in Council that immediate steps should be taken to give effect to the policy of progressively reducing the exports of opium from India except for strictly medicinal or scientific purposes so as to extinguish them altogether within a definite period."

This, Sir, is the third occasion within the last twelve months when various aspects of our opium policy have been discussed on the floor of this House, and I can only regret that on this occasion I do not see opposite to me my old friend, Sir Deva Prasad Sarvadhikary, who was the protagonist on the last two occasions, but who to-day would have been, I am sure, my strongest supporter. The Resolution which I have just moved will, if given effect to, be the most notable development in our opium policy since the discontinuance of our exports to China. The importance with which Government regard the policy embodied in this Resolution was emphasised appropriately by its being first mentioned in the speech of His Excellency the Viceroy when inaugurating this second Council of State on the 9th February last.

I should like to make it quite clear at the outset that we are not dealing to-day with the question of internal consumption of opium in India; we are dealing solely with the export of opium. The question of internal consumption is, as the House knows, primarily a matter for Local Governments and their Ministers. Subsequent to the discussion in this House a year ago, the Government of India have been in communication with the Local Governments on various aspects of that question and the replies of Local Governments have been received and are now under consideration. At the present time I can say nothing more than that about the internal question. What we are discussing to-day is the question of export of opium for smoking, not for opium eating, because practically the whole of our exports to the Far East are used for opium smoking. It is an international and not a domestic question.

It is not necessary for me to-day to enter in any great detail into the past history of our export of opium. But, in order to view the subject in its proper perspective, it is necessary to go back a few years. There are three well-defined stages in our opium policy in the last 15 years. In the year 1911 the Government of India, in agreement with the Government of China, decided to restrict progressively and eventually abolish the export of opium to China so as to terminate it by the year 1917 *pari passu* with steps which the Government of China were to take to prohibit the cultivation of opium in China. That agreement lasted only two years because

in the year 1913 the new Republican Government in China took up the question of suppression of opium cultivation with great vigour. Unfortunately, conditions in China have made it impossible for the Central Government to carry out their policy, and at the present time opium is probably grown in China on as large a scale as ever before. But the Government of India held to their policy and in the year 1913 they entirely abolished exports of opium to China with the object of assisting the Chinese Government in their endeavours. That policy has been continued ever since. More than that, the Government of India also restricted progressively their exports to non-China markets in the Far East with the object of preventing any Indian opium from being smuggled into China. The result financially has been that, whereas before 1913 the Indian Government's net revenue from the export of opium was something over 8 crores, in the current year, as the House knows, it was only a little over 2 crores, and even that figure was swollen by some adventitious receipts.

The second stage begins with the Hague Opium Convention. That Convention was ratified by India in the year 1920 as a result of long previous discussions. The Convention dealt with a good many aspects of the opium question besides export, but so far as export is concerned, the signatories undertook to restrict or prohibit export of opium to any country which desired the import of opium into its territories to be prohibited or restricted. In order to carry out that policy the system adopted was that known as the "import licence" system; that is to say, no opium was to be exported except under a definite licence from the Government of the country concerned or from their recognised consular officers. In India we have developed the policy still further by entering into direct agreements whenever possible with the various Governments themselves by which we consign the opium direct to the Governments with the object of keeping it under the control of those Governments and thus preventing smuggling. I may say that we are just on the point of concluding an agreement with French Indo-China, the last of our large purchasers with whom we have not yet concluded direct agreements. When that agreement is concluded, as it will be this month, we shall entirely discontinue the auction sales at Calcutta.

The third stage begins with Geneva. A little over a year ago, as the House will remember, between November, 1924 and February, 1925, discussions—sometimes controversial and acrimonious—took place at Geneva which resulted in the signing of two important Conventions marking a further definite advance. The first of those Conventions, to which representatives of all those countries which take Indian opium were signatories, provided that within 15 years from a date which is to be fixed by a Commission of the League of Nations, the countries which at present import opium for smoking, shall take steps to suppress completely the consumption of prepared opium, in their territories. This date, which is still in the future, is to be fixed by the League of Nations when they are satisfied that the exporting countries have controlled the export of opium from their territories sufficiently to prevent smuggling of opium being a danger to the carrying out of this policy. The second Opium Convention to which also India is a signatory is important. I will read the first article of the Protocol of that Convention. It says:

"The States signatory to the present Protocol, recognising that under Chapter I of the Hague Convention the duty rests upon them of establishing such a control over the production distribution and exportation of raw opium as would prevent the illicit



[Mr. A. C. McWatters.]

traffic, agree to take such measures as may be required to prevent completely, within five years from the present date, the smuggling of opium from constituting a serious obstacle to the effective suppression of the use of prepared opium in those territories where such use is temporarily authorised."

That, Sir, brings us down to the present position. We have a series of international undertakings beginning with the Hague Convention and ending with Geneva, the underlying assumption in which is that opium smoking is a vice and should be prohibited. I may say that in India also opium smoking has always been regarded as a vice, and there exist in all provinces Acts and rules of varying severity which have for their object the restriction or suppression of this practice. The new feature which emerges from Geneva is that the countries in the Far East where opium smoking is still temporarily authorised have now definitely expressed their desire to terminate the practice of opium smoking in their territories as early as possible. I now turn to the exact wording of the obligation which we have undertaken at Geneva. I would point out that the first Convention refers to the *exportation* of raw opium constituting a danger. We are on strong ground already so far as this is concerned, because, under the system which I have just described, we can and do control the exportation of opium. But the wording of the Protocol of the second Convention is much wider. As I have just informed the House, it refers to the *smuggling* of opium, and is not limited to the exportation of opium. Speaking in this House in September last, and with reference to this particular obligation, I said that the Government of India were prepared to take some responsibility even for the licit export of opium under the licence system, that is to say, they would endeavour to secure that their opium, even after it left India, was not used for the illicit trade. Since that time we have given the most careful consideration of the means necessary to carry out that promise. We desire to carry out our obligations not merely in the letter but in the spirit. Indeed, even before this obligation was undertaken, we did in some cases prohibit the export of opium to certain countries when not satisfied with the measures taken to stop smuggling. We prohibited the export of opium to Macao and to Dairen and also to Persia, but what we have now undertaken goes much further and imposes a general obligation upon us to see that Indian opium in no case enters into the illicit trade. If we are going to carry out this obligation in the spirit, it is incumbent upon us to make the most far searching inquiries into the ultimate destination of all our exports of opium even after it has passed through the hands of the Governments to whom we consign it. The House will realise that it is impossible for us to scrutinise the internal arrangements of all these countries which are in most cases either British Possessions or Possessions of some of the most important Western Powers. Therefore, after careful consideration, the Government of India have come to the conclusion that the only practical and certain method of carrying out their obligations is to prohibit as soon as possible the export of opium altogether, except of course for medicinal and scientific purposes. This policy which we are recommending is not a mere gesture. It is intended to be a practical contribution towards a grave international problem, and the Government of India recommend this Resolution to the House because they are convinced that it is not only a practical policy but the right policy, and by adopting it we shall be fulfilling, and more than fulfilling, the international obligations which we have undertaken and the declarations which we have repeatedly made in the face of the world.

Now, Sir, I turn to the effect which this policy will have upon ourselves. In the first place there is the financial effect. It will mean the loss within a few years of the 2 crores or so of opium revenue which is obtained by the Central Government. The Central Government obtain no revenue from opium consumed in India. That revenue belongs to Provincial Governments. On this financial point I need say no more than I did in my budget speech. We hope that during the years when this policy is being given effect to, we shall be able by the gradual growth of other sources of revenue or by further economies in other directions to make up the loss which we shall incur by this policy. The second point which is equally important is the effect on the cultivators in the United Provinces. I would point out that the restriction of opium cultivation is not a new thing. It has been going on already and in September last I gave the House some striking figures to show the extent to which we have always restricted opium cultivation in the United Provinces. It does not of course mean the complete cessation of opium cultivation, because there still remains the amount required for the legitimate demand in India itself. We have been in consultation with the Government of the United Provinces and are assured by them that although they naturally regret the policy so far as it affects the cultivators, they are satisfied that the lands now cultivated with opium, which are always well irrigated village lands, can be used for other valuable crops such as sugarcane, and if the policy is given effect to gradually, no serious injury to the cultivators need result.

As regards the period, it is not possible for me to-day to mention a definite date. There is first of all the administrative question of so making our arrangements as to cause the minimum amount of interference with and loss to the cultivators. There is also a political question involved because we obtain a proportion of opium also from the Malwa States. There would indeed be many advantages if all the cultivation of opium in India could be under the control of the Central Government and if the Malwa States could be supplied with the opium they require in the same way that we supply the Provincial Governments. That is a question however, which has not yet been explored and on which I can say nothing at present. It is a political question. Moreover, there is a technical difficulty, because the opium consumed in India is a blend of United Provinces and Malwa opium. For all these three reasons, the administrative, the political and the technical, we are unable at present to name a definite date when exports can finally be stopped, but it is our intention that the period shall not be unduly prolonged.

That is all I have to say on this Resolution. I commend it to the House because we are convinced that it is the most practical contribution we can make towards this serious international problem, and also because we are convinced that it is the right policy. The Government are particularly anxious to carry both Houses of the Legislature with them in this matter and I appeal to the House to pass this Resolution with a unanimous vote.

THE HONOURABLE THE PRESIDENT: The question is:

"That this Council recommends to the Governor General in Council that immediate steps should be taken to give effect to the policy of progressively reducing the exports of opium from India except for strictly medicinal or scientific purposes so as to extinguish them altogether within a definite period."

The motion was adopted.

RESOLUTION RE CREATION OF A SELF-GOVERNING TAMIL SPEAKING PROVINCE—contd.

THE HONOURABLE THE PRESIDENT: The Council will now resume discussion of the Resolution\* moved yesterday by the Honourable Sir Sankaran Nair on the subject of the creation of a Tamil-speaking province.

THE HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-Official): Sir, I beg to support the proposition put forward by the Honourable Sir Sankaran Nair, not on very intricate or scientific grounds, as I believe in homely things and I put it as a homely reason. The Government of India and the British Government for the matter of that have, so to say, set up a school of self-government in India and there are nine pupils in it as there are nine administrations. Some of these pupils have carried out the policy and others have been a little troublesome and they have adopted various other methods. All government in this world, from my point of view, is regulated on only two systems, the system of punishment and the system of reward. Now this good, well-behaved province, I think, deserves to be rewarded, whereas others, who have unnecessarily created trouble, deserve a little—not punishment exactly—but disfavour, so to speak. This Tamil province behaved very well. They never adopted non-co-operation, they never adopted the tactics of obstructing Government, of paralysing the Government. They have behaved very well, taking advantage of all the facilities given to them. So some reward is due to them for this purpose. I do not understand the scheme put forward by the Honourable Mover, therefore, I shall not say anything about it. If that is not a good scheme, some other scheme can be adopted. He asks for complete self-government. That word has to be defined.

I suppose that is a matter for future consideration, and the Committee will settle that matter and it will have to be negotiated with the Home Government, so there is time for that. The basic principle is to promote the deserving, as in the school room we promote the deserving class and let the sluggards be; so we might let these people go a step further. That is the chief point in the proposal. I therefore support it very heartily. I am not to get it, but I do not mind my friends getting it, and if they get it, it will pave the way for us; it will be an object lesson to the whole of India and by behaving well and making the utmost use of the advantages they have they will open the way for others: but by obstructing they will obstruct themselves and obstruct us. The measure contains a sound policy and as it makes for the progress of self-government in India, I heartily support the Resolution moved by the Honourable Sir Sankaran Nair.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, I am the only Tamilian now sitting in this Council of State and I have great pleasure in supporting this Resolution as it includes the district of my birth, namely, North Arcot. I also support it for another reason which I shall explain presently. I am one of those who believe in the immediate extension of the constitutional form of government throughout India.

Efforts have been made in another place and in this House and from various public platforms to convince the authorities who have the whip hand of the situation, of the necessity of letting India have full responsible self-government as early as possible. Even the immediate grant of a Commission to go into this matter has been recently denied to us. It may appear that we have been somewhat venturesome in launching this scheme for a little bit of reform for our province considering the fate which recently awaited a similar Resolution for the whole of India. It may appear at first sight that the authors of this Resolution—and being one of the signatories of the Resolution myself I also am open to this blame—were somewhat provincial in their patriotism, and some people may think that we do not want constitutional advancement for the whole of India. That is not our object. Our object is that if we bring forward a comprehensive scheme of reforms for the whole of India there is this danger of our demands being met by various objections on account of the varying conditions of life in various provinces. We do not want to have the issues clouded; we want to have the case of each province decided on the merits applicable to that particular province. We do not want that this issue should be side-tracked. The Honourable Mover has put forward his case in a very able manner, and I believe that, in spite of all that the mouth-piece of the Government, the Honourable the Home Secretary, has advanced, the Government have not taken the wind out of the sails of the Honourable Mover, and his tiny little boat is, if I may use the expression which he used in the course of his speech, quite safe in Indian waters. We have to take note of this fact that we have been told that in the midst of calm and plain sailing, the Indian seas are very treacherous, and that this tiny little boat sailing in Indian waters is likely to meet with a sudden outburst of fierce bureaucratic gales, like the one we had yesterday in the shape of the Home Secretary's speech; but I hope these gales may be avoided, and I hope and trust that the Honourable Mover, like a skilful mariner, will steer clear of the gales in the course he has adopted. He may deviate a bit to avoid the storm and may be content with accepting a committee of inquiry, or with having this Resolution accepted in principle so that the necessary inquiries may be made to see how the claims of this province can be met. I stated on a former occasion on the question of the Royal Commission, that the system of dyarchy and the test which was sought to be applied before the grant of responsible institutions have been successfully gone through; the province of my birth, Madras, and the province of my adoption, Burma, have passed this test with credit and distinction. I personally am of opinion that no such tests are necessary for the grant of a substantial measure of self-government, but even assuming that this test is necessary, we have passed it with distinction and we are entitled to a further stage of advancement. We are not to be told that our brother pupils have not come up to the same stage as we have. I do not believe that either, but assuming that statement to be correct, then we have made out a case for the further grant of reforms for this province. We are free from all the complications which ensue in various other provinces; there is no Hindu-Muhammadan problem. Revolutionary propaganda, as the Government would call the non-co-operation movement, has not had any success in that province, and the Reforms have been worked in a spirit of good-will. We have been told by His Excellency the Viceroy that British statesmen and the Government of India have extended the hand of fellowship and friendship, and it is open to the leaders of political thought in India to grasp the hand

\*"This Council recommends to the Governor General in Council to advise His Majesty's Government to take such steps as may be required to constitute the following districts inhabited by the Tamil-speaking race, that is to say, Chingleput, North Arcot, Salem, Coimbatore, South Arcot, Tanjore, Trichinopoly, Madura, Ramnad and Tinnevely, into a province with complete self-government."

[Mr. P. C. Desika Chari.]

of fellowship and friendship and so accelerate the coming in of self-government. I take it that this offer is made not only to the whole of India, but to every part of it, and we have few leaders of political opinion in this province who can be regarded as a better mouthpiece of this province than the Honourable Mover himself, who has been a distinguished Judge as well as a distinguished statesman who has been thought to be sufficiently well advanced to be in the highest councils of the Empire. I therefore urge upon this Council and upon the Members of the Government to show, not only by words, but also by their overt acts to the leaders of political thought that the hand of fellowship is there. I call upon the Members of the Government who have been so frank in saying that they have stretched out the hand of fellowship to advance further and not to recede, and I hope and trust that the leaders of political thought in the Tamil province will be allowed to grasp this hand of friendship in a hearty, friendly grasp. I also believe that the adoption of the principle underlying this Resolution would solve many problems. It would open the way for many other provinces to put forward schemes which would be quite suitable to the particular provinces, and I believe this will be a satisfactory solution for a province like Burma where there is a large volume of opinion, though not supported by a majority of public opinion there, that it is better to separate Burma from India. And if this system of Home Rule is extended to Burma, Burma will still remain within the British Indian Empire and will not be out of it, and the Province of Burma and the rest of India may be helpful to each other in many ways.

I may state that though I am fully at one with the Honourable Mover so far as the Resolution goes, I have not much sympathy for the scheme which he has put forward. The learned Mover has been very anxious to see that his boat is not overloaded, but I believe, in spite of warnings from those who are equally interested, he has put in a lot of dead matter which is a mere encumbrance to a fellow-passenger like myself on the same boat; and actuated by instincts of self-preservation as a fellow-passenger at sea on board the same boat I hasten to throw overboard some of this dead matter which encumbers it—for instance, that portion which relates to the Senate and also the portion relating to Parliament, which would enforce a rule that yearly about 100 members should vacate their seats. That is not quite consistent with the parliamentary system of government; and if it comes to such a pass that I think as a piece of caution it is necessary to throw overboard all these things which are not necessary on the voyage, I would not hesitate to throw overboard the whole scheme altogether, if I were to think that the throwing overboard of these unnecessary things would conduce to a better understanding or would lead to a safer voyage for the boat towards its appointed goal. I believe those are things which are wanted after we have got this Resolution accepted; and after reaching the land we are not wanting in fertile brains in Madras to give us a constitution which will be quite workable. I therefore heartily support this Resolution though I disagree with several of the things which have been brought in in the course of the speech of the mover as parts of the scheme. I take it the Honourable and learned Mover meant by bringing forward a scheme of that kind to show that workable schemes can be put forward and he wanted merely to show how far in the extension of Reforms he will go. As regards the details of the scheme they will be subjected to various

processes in the shape of inquiries and committees, in the shape of round-table conferences, in the shape of calling upon leaders of political thought to formulate their own views and schemes. It will be time enough to judge of those schemes when once the principle is conceded. With these words I heartily support this Resolution.

THE HONOURABLE MR. R. D. MORARJI (Bombay: Non-Muhammadan): Sir, the Resolution for the grant of complete self-government to the Tamil-speaking districts of the Madras Presidency which has been moved by the Honourable Sir Sankaran Nair, if I may say so without appearing presumptuous, suffers from certain grave defects. I do not know whether his intention is to experiment with this territory in order to watch the results of the introduction of complete self-government, or whether he thinks that the Tamil-speaking districts are more advanced than any other linguistic area in the country. I do not believe it could be the latter; for, I am sure in that case there would be many besides myself who would challenge the soundness of such an assertion. Sir, I do not think that under the existing constitution it is either desirable or even possible to establish complete self-government in one or more provinces. I would remind the House that the terms of reference to the Reforms Inquiry Committee two years ago explicitly asked for remedies to remove the defects in the Act within its scope and structure. Complete provincial autonomy which I presume the Honourable Sir Sankaran Nair really means by complete self-government, it was said by many witnesses—official as well as non-official—would be impossible within the existing constitution. I am aware that there has been a great deal of discussion both in this country and in England as to the exact meaning and implications of the term 'Provincial autonomy' in Indian politics. I will not go into the details of this constitutional problem. I think it is enough for the purposes of this debate to say that autonomy in any sense of the term is impossible within the existing constitution. That, I think, was made sufficiently clear by the reports of some of the Local Governments themselves on the working of the Reforms and brought out with great emphasis in the Minority Report of the Muddiman Committee. Provincial autonomy, even if it were possible, would not be desirable under the existing circumstances with autocracy established in the Central Government. One of the Honourable Member's successors in the Government of India, Sir Tej Bahadur Sapru, the first Law Member in the reformed Government, in his speech as President of the Liberal Federation at Poona three years ago, said that the establishment of Provincial autonomy, without a simultaneous move towards responsibility in the Central Government, would lead to serious conflict between the Provinces and the Government of India. Progressive opinion in India is unanimous on this point. If the Honourable Mover of this Resolution, instead of attempting to introduce piecemeal reform of this kind, had brought in a scheme of self-government for India, comprehensive in character and including in it full responsibility in both the Provinces and the Central Government with certain reservations as regards defence for a temporary period, I should have been disposed to regard it with deep sympathy. But his present proposal, I fear, is impossible to carry out; and on that ground alone, if on no other, I find myself unable to support it.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, it was a great treat yesterday when the paper was read to the House; naturally the calibre of the one who read it is such

[Sir Umar Hayat Khan.]

that the paper was very ably written. I think the paper was written for the whole of India; and as that chance did not occur some other *via media* had to be found to bring all that before the House, because otherwise all the labour would have been lost. If one had not actually seen the Resolution for which that speech was made, one would have thought that it was really meant for the whole of India. Well as for the whole of India, I think it might be useful whenever the time actually comes when some responsible authority—say the Statutory Commission—comes out to see such proposals for itself. Then of course all these matters could be referred to that Commission. Sir, one of the Members before this also tried to create another province; he was a member from Madras and the province was Kanada or some curious name like that—we are not all experts here on the geography of Madras. But if that province was the same province that our friend now wants to make, then I cannot understand why this proposal has again come up before the same House. Sir, if that was a separate province and this is going to be a separate one, then, including Madras itself, there will be three provinces. In my opinion the people of the Presidency are really the best judges as to how to partition their present Presidency and it is not for us to do so. The scheme in itself is very impracticable. For instance, if one province was given autonomy the other provinces which are not given autonomy would complain. Next day, perhaps another Honourable Member may come forward with the request to create another province in exactly the same way, to secure the ministerial Portfolio of it.

THE HONOURABLE MR. P. C. DESIKA CHARI: We want that to be done.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I will presently come to it and show how impracticable it is. If we had our provinces on a linguistic basis, then, as I said the other day, we would have hundreds of provinces in India and not the 9 or 10 which we have now. The condition of India would be exactly what it was before when there were so many Rajas having various parts of the country. They would have their own armies and perhaps their own navies if the province was in the vicinity of the sea. They will be absolutely disconnected from each other. Their administrations will be different as they will be under different heads. What will happen? Whenever India is invaded, they will crumble like a house of cards. The necessity of unity was felt only recently. We all know that the British army is one of the best armies because it has won the world-war. Next comes the French army. But what happened towards the end of the war? Though the French and the British armies were working together, it was felt that the trouble was that they were under two heads, *i.e.*, the two different armies. So, when the critical time came they had to bring the English army under the French Generalissimo and after that what happened? There was success and the enemy was beaten. So, it will be seen that unless the army is of the very best material and had gone through the best training under one man, it will never stand the actual test for which it is meant. When these small States all over India with their armies come together to fight against a common foe, I think it will be a bad day for India. After all, my friend has brought this Resolution forward because he wants to make progress. Sir, only living things

can make progress. If they are dead, the progress comes to an end. If the scheme was such that an invasion from outside was possible where would this Council of State and the Legislative Assembly and the rest of it be? The other powers are not going to care for all this. So the whole progress will be finished.

THE HONOURABLE MR. G. S. KHAPARDE: It will be the federated India that will decide.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, one-third of India is already under the rule of Rajas. Now, I think there will be lots of people who would say: Give us your property in British India and take our property which is situated in the territory of these Indian States. Of course, I know that there are certain very good States down country which have got good administrations. Our friends in Bombay have also got some States but from the recent happenings they have not got the same ideas about their administration. Sir, the people of the North and the South of India are poles asunder in their ideas and many other things and therefore we feel that if all these various provinces are separated, the result will be that the Punjab alone will have to fight the enemy on the border. That Province alone would not be strong enough to fight. The Punjab is the most important part of India because if that is conquered the rest of India does not count. The charge of the keys of the Empire has been entrusted to the Punjab in the past. If one-third of India which is already in the hands of Indian Ruling Chiefs can show that it is administered better than the British territory then, of course, it can be said that the time has come when the change suggested by our friends can be made. As things are at present, I think his speech was out of place. He is simply trying to put a round peg in a square hole. I do not always advocate that everything British is the best because I do realise that sometimes there are drawbacks here and there. But there is no doubt that they are the best for keeping the country safe from inroads and that is why they do not take those men in the Army who have been tried and have been found wanting. In the same way, they have also found that, however good their fighting material may be, when it comes to a hot climate, where there is malaria and other diseases, it is bound to deteriorate.

THE HONOURABLE THE PRESIDENT: I must ask the Honourable Member to come back to the Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: As to the Resolution. Sir, I have tried to prove that it is impracticable to divide India into small units and I hope the House will reject it as it has already rejected similar measures brought forward by Dr. Rama Rau and Mr. Sethna.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, I rise to oppose the Resolution. I do so with very great regret, firstly, because the Resolution seeks to promote the cause of self-government in this country and, secondly, because it comes from the Honourable Sir Sankaran Nair, a man for whom I entertain the highest esteem. He comes to this House with great knowledge and vast experience almost unrivalled by any other Member of this House, and the House may very well be proud of his membership. His proposition, however, Sir, is an unfortunate one. It postulates, in the first instance, the partition of the

[Mr. K. C. Roy.]

Madras Presidency. Those of us who come from Bengal could recall with great regret the unhappy and the evil legacies which the partition of Bengal brought about and left behind. Therefore, Sir, we are bound to caution the House not to give assent to this proposition. Sir, if you consent to the creation of a new province of Tamil-Naidu, why leave out Andhra, Karnataka or Malayalam? What would be the administrative effect of such an adjustment? What would be the net financial result?

Sir, the Honourable Sir Sankaran Nair has been carefully silent about finance. I know that Finance is not the pet subject of constitution makers. The Honourable Mr. Desika Chari has spoken as a Tamilian in this House, but what is the verdict of the Tamil-speaking race. I ask him to read the *Hindu* newspaper. The *Hindu* newspaper has condemned the project in no uncertain terms and so have the vernacular newspapers. Where is the demand then?

Sir, I now come to the linguistic basis. In recent months I find my countrymen have suffered from two obsessions. One is the round table conference and the other the distribution of India on a linguistic basis. I think the unfortunate lead was given by the Joint Committee, a reference to which was made by the Honourable Mr. Crerar. The portion that covers Sir Sankaran Nair's Resolution is thus set forth in the Report. I quote from page 8:

"They are of opinion that any clear request made by a majority of the members of a legislative council representing a distinctive racial or linguistic territorial unit for its constitution under this clause as a sub-province or a separate province should be taken as a *prima facie* case on the strength of which a commission of inquiry might be appointed by the Secretary of State, and that it should not be a bar to the appointment of such a commission of inquiry that the majority of the legislative council of the province in question is opposed to the request of the minority representing such a distinctive territorial unit."

This was an unfortunate recommendation. I am sorry, Sir, but to the best of my recollection the Joint Committee had no evidence on the linguistic data. The only man who could give any authoritative evidence, I think, is Sir George Grierson, whose name perhaps is well known to most Members of this House. In his memorable work he has analysed the languages and I give a brief summary from the official red book of the India Office:

"Excluding the Gilgit Agency in Kashmir and the tribal areas of the North-West Frontier Province, where a language census was not taken, it was found in 1921 that there were 222 distinct languages recorded as vernacular in the Indian Empire."

Distinct languages as distinct from dialects. I want the House to consider for one moment how it is possible to redistribute India on a linguistic basis. At one time I thought that my province of Bengal, which has one language, could be promoted to a membership of the Home Rule Dominions or to the status of a self-governing colony on the basis of language alone, but it was only the other day I found Sir Abdur Rahim wants Urdu to be introduced in Bengal without delay. Any attempt on the part of our friends to divide India on a language basis is a hopeless proposition fraught with great difficulties, communal, political and geographical. I therefore stand for the political and geographical distribution of India as it stands to-day. This has been done as the result of great experience by great administrators and so far has stood the test of time and experience.

Now I come to the last point. The last point is that Sir Sankaran Nair wants complete self-government which the Honourable Mr. Crerar described as extreme provincial self-government, and which the Honourable Mover of the Resolution subsequently described as Dominion status. His request is without a parallel in history. Has the province of Tasmania got Dominion status? Has the province of Ontario got Dominion status? You can give Dominion Status to Canada, to Australia, but you could not give it to constituent provinces. How is the Mover going to adjust the Tamil province enjoying Dominion status with the Central authority? Does he or does he not admit that there will be always under other circumstances a federal government functioning at the headquarters of the Indian Empire? Lastly, I should like to remind the House what has been the lesson of history in India. The Honourable Colonel Sir Umar Hayat Khan has spoken in his inimitable style of the lessons of past history. If you allow the provinces to grow unchecked, not exactly on the lines on which the British provinces in the colonies have grown, it will undoubtedly be found one day that the provinces will become a menace to the safety of the Central authority and impair the ideal of an Indian nation which has grown as a result of British administration.

THE HONOURABLE RAJA SRI RAWU SWETACHALAPATI RAMAKRISHNA RANGA RAO, BAHADUR OF BOBBILI (Madras: Nominated Non-official): Sir, the Resolution under discussion is of an interesting and far-reaching, if somewhat of a bewildering character. As an ideal and as a first and necessary step for the ultimate realization of self-government, the Resolution would appear to be unobjectionable, but having regard to the illiterate and ignorant condition of the great bulk of the people, is it wise at this stage to grant complete self-government? That is a serious question deserving very careful consideration. Another equally important factor needing close attention and thought is the existing communal differences, political, social and religious, which have been fruitful agencies for estrangement of the various castes and creeds in the country. A union of hearts so essential for the success of the proposed experiment remains to be created. In this matter the masses have to be educated by getting them to realize that political advancement and the salvation of their country cannot make any headway until the present barrier of disunion and conflicting political interests are removed. Mere verbal professions of union do no good. It must be deducible from conduct extending over a fair period.

Sir, the House is aware that attached to the province of Madras is a number of contiguous districts speaking the Tamil language, the Telugu language and the Kanarese language which might be grouped to constitute the Tamil, Telugu and Kanarese-speaking provinces. Detached from these are two districts speaking Kanarese and Malayalam on the West Coast, namely, South Canara and Malabar. If the criterion for the formation of separate provinces be the language of the District, the Presidency will have to be split up into three provinces speaking Tamil, Telugu and Kanarese, assuming that in spite of its geographical isolation from the rest of the Kanarese-speaking districts, South Canara is tacked on to the Kanarese province. There will then remain the District of Malabar speaking the Malayalam language, which will have to be constituted as a separate province. The splitting up of the Presidency into four autonomous Provinces enjoying complete self-government involves a financial problem of



[Raja Sri Swetachalapati Ramakrishna Ranga Rao.]

no mean magnitude and therefore needs very careful and mature consideration. The problem appears insoluble without further taxation of a grinding character or unless the services are remunerated on a niggardly scale to ensure the balancing of the Budget. Such a step, it is needless to point out, is bound to affect administration prejudicially in more ways than one. If the question were merely the territorial re-arrangement of a province, as for instance, the desired transfer of a portion of the Ganjam and Vizagapatam Districts to the existing Province of Bihar and Orissa, there would have been no objection provided measures were taken to safeguard the interests of minorities, but this is not one on similar lines.

There are various other uninviting features of the proposal which I pass over and shall content myself with the observation that complete self-government at the present stage of the country's development politically and in other respects will be tantamount to a hark back to the past, to the elevation and material advancement of a few as of old, the stagnation of many and oppression of the vast bulk of the people. I affirm that my political goal is self-government to be reached in stages according to the measure of the people's fitness for the exercise of larger and more advanced political rights and privileges, but I regret that at the present stage of our political development I cannot record my vote in favour of the Resolution as, in my judgment, it would amount to the infliction of a calamity quite undeserved on the innocent and inoffensive people of the Tamil districts. Sir, before resuming my seat, let me assure the House that, if I have spoken rather strongly, it is due entirely to my patriotism and to my genuine love of, and concern for the welfare of, the dumb millions of South India.

THE HONOURABLE SIR C. SANKARAN NAIR (Madras: Non-Muhamadan): Sir, I appreciate the courtesy of the Honourable Member who has replied to me. I have nothing to complain of in the tone of the speech, nor have I anything to complain of in the criticisms he has advanced against my proposals. I knew my proposals in the form in which they stood would not have found ready acceptance on the part of Government. As I shall point out, there is only one misconception in the matter, and that is that the Honourable Member has assumed that my Resolution does not require, or does not involve, an inquiry on the part of the Viceroy or the Governor General in Council. It is a request to him by this Council of State to take a step. We only indicate the general principles, and I put forward a scheme for the purpose of showing that I have fully worked out the general principle and have come to a conclusion as to the details of the scheme showing how the general principle can be applied. Once the general principle is accepted, whether that should be the scheme the Viceroy should accept and whether any changes should be introduced into it, are all matters for him to consider before he makes his final recommendation to the Home Government as to whether they should accept it or reject it.

Now coming to the Resolution itself. There is only one point on which I can see any vital difference of opinion between myself and my Honourable friend who spoke on behalf of the Government. That is indeed a great difference of opinion which has to be recognised; that is, in putting forward my scheme for a House of Commons, I put forward the principle of universal suffrage. I put it forward for the purpose of safeguarding the interests of the masses, the interests of the poverty-stricken people. For 40 years I have been in public life and I may say that, all the time, I have been advocating their interests, and whenever I have advocated their

interests and the Government were not directly affected themselves, they have supported me. But in those measures which directly affected the Government, either economically or politically, they have opposed me, and the Honourable Member who has now done so has only been carrying out the traditions of his Government. It is only natural that they should oppose me because he has told us quite candidly—he has let the cat out of the bag and come forward with the true reason—“If you give all these people the franchise, do you realise the consequences?” Though not in those words, he says, “Do you know what will happen, not only to the classes against whom they are now opposed, but to all these institutions?” He is quite right there. I have anticipated that objection. I have realised the force of that objection, but I put it forward because I stand for universal suffrage; I stand for the interests of those classes who are now down-trodden, destitute and poverty-stricken, and I say, if we have the interests of the masses in mind, we must say, “Here we give you the franchise”. The Government should tell them “You have not been satisfied with us, and you have been blaming the British Government and have been saying that this British Government promised all sorts of things, swearing that they will do this and do that for you; you have been swearing that they do nothing for you. You say these higher castes have done nothing for you; you say that the landed classes and the aristocracy have done nothing for you; you say that these foreign capitalists come here from England and exploit you and ruin you. Very well we will give you this universal franchise. Come forward, let us have your suggestions; we are prepared to meet you”. That is the situation, let that be distinctly recognised. Whoever opposes that let him come out into the open and give his reasons for not accepting it. We are faced with this problem. That is the only point on which I see any vital difference of opinion between me and the Honourable Member who has opposed my Resolution.

There is one other matter which is connected with this. The Honourable Member says that his reading of history is quite different to mine, and is right there; it is quite different to mine. He says it is the higher classes, the privileged classes, who have taken care in the past of the interests of the lower classes, and I am wrong in stating that it is necessary to give the lower classes power for them to advance economically, socially and morally. Well that is the view of a large number of people; I do not deny it. Some political philosophers have said that it is for the higher classes, who know what is in the interests of a country, to look after the interests of the masses, and that they do look after the interests of the masses, whereas the lower classes are not sufficiently educated and will never become sufficiently educated for that purpose. Education in their case, they say, means revolution and it is much better to leave them in that state and for the higher classes to take care of them. As I understand the Honourable Member, that is the line he took. That is the line taken by a considerable body of opinion everywhere, not only in India but all over the world; but, as I said, I do not accept that view and that view will never hold in India, not only for the reasons which have persuaded political philosophers elsewhere that you cannot entrust to the higher classes the salvation of the lower classes, not only for the reasons based on history, but for special reasons applicable to India. The whole policy of the English Government till now, for at least half a century from 1857, has been to tell the people of India that they would remove all obstacles in their path, but that they would have to effect the reforms and elevate themselves. That is why, when the Universities were constituted, they told India: “We will



[Sir C. Sankaran Nair.]

give you higher education but it is for those who have received it afterwards to educate the masses. Over and over and over again measures have been brought forward in this Council or rather in the Council which corresponded to this before the Reforms, and they have been thrown out on the ground that the British Government will not interfere in such questions. They said: "We will not interfere with anything which interferes with caste; we will not interfere with anything which has even the semblance of interfering with religion or custom". Therefore, apart from the reasons that I have given, apart from the reasons already cited which Lord Ronaldshay has given, apart from the reasons which arise from the difference of the civilisations which we follow,—apart from all that, apart from the peculiar constitution of the British Government, there is this further reason, that it is the avowed policy of the British Government not to interfere with any of these obstacles the removal of which is necessary for the amelioration of the lower classes. In effect they say, "We are foreigners, we do not know your religion, your social customs, and it is not for us to interfere with them". The logical conclusion is: "We give you the power not only to come up to this Council but to settle all that between yourselves". Those are two matters on which we differ, and I am quite ready to recognise that difference. I realise that difference; and if we had popular government here I should be quite willing to go to the country and seek their suffrage on those differences.

Now I come to the other things on which I do not really see much difference except in methods. So far as what my Honourable friend says of the language test is concerned, I doubt whether I have made myself quite clear to him. I did not put forward any such proposition. In fact when I heard the speeches of the Honourable Mr. Roy and the Honourable Mr. Morarji I wondered what I was listening to. It was not a reply to my speech, to anything that I had advanced. I did not say that India should be divided by language tests. What I said was that in this instance we may adopt the Tamil language test, and the reason is this. The Secretary of State said in his speech in the House of Lords that so far as any self-government for the whole of India is concerned or any further Indian progress is concerned, it is inconceivable for two reasons. One is on account of the Hindu-Moslem conflict. His words are quite clear; he says:

"If we withdrew from India to-morrow the immediate consequences would be a struggle *a l'outrance* between the Moslems and the Hindu population."

Then he threw out another challenge with reference to the demand that the British troops should be withdrawn at an early date from India. He says: "You want the British Army to be withdrawn from India? What will be the probable consequences of that?" He says—and I give it in his own words:

"I have never found one who advocated such a course. Is there, in fact, a responsible leader of any school of Indian thought who will to-morrow say: 'Commit to us at once the full responsibility and we will acquiesce in the withdrawal of British troops from India.'"

I do not want to say whether that is right or wrong; but there it is. Now there are the grounds on which he says he will not allow anything like Home Rule for India. He went on further to say that he would allow that conditions in India show that each Province may follow its own

social tendencies, its own civilisation, its own development. This is what he actually says:

"Afford an opportunity to each Province to work out its constitutional salvation in its own way."

Then having said that each Province might work out its own salvation, he said another thing. He said:

"The Madras Presidency has shown itself fitter for an advance than any other Province."

Now those are the facts on which I go. He admits that the Madras Presidency has shown itself to be fitter than any other Province for a constitutional advance. We on our part ask the Government to take it up. Now, how can it be taken up? Can the Province be taken as a whole for this purpose? I do not know whether my Honourable friend who opposed me was here before the Reforms. It was a gentleman who afterwards became a Member of the Government of India who wanted to constitute the Telegu speaking districts into a separate province. Another motion was brought forward in this Council to constitute the Kanarese speaking districts into a separate province. Madras has four languages, the Andhra, or the Telegu, the Kanarese, the Malayalam, and the Tamil. The Malayalam is a very small province and whether we the Malayalees should go with the Tamil or with the Kanara province is a point on which I am not certain in my own mind. Considering all the circumstances of the case I took the Tamil province as a separate province which may well claim this constitutional advance. I do not mean for a moment that the Telegus should not have it. Let them have it by all means, if they want to be separated from the Tamil province. I do not say Kanara should not have it if they want to be separate from the Tamil province. Naturally in this particular case I take Tamil as a test. If the Government entertain any doubts about it I throw it out as a challenge. Let them make the necessary inquiries. They know well how to make them. They can make up their mind whether the Madras Province as a whole does not require a very great advance upon the existing state of things. The request is not to divide India into provinces on a linguistic basis. I do not even ask for the Province itself to be divided on a linguistic basis, except in this particular instance in which it appears to be appropriate.

Then there is the question about the Army. The Honourable Member says we are in this fortunate position in the South that we do not want an Army, but he asks me: "Why is it you don't require an Army? Is it not because the British Army is all round you." Quite true, but why should we not have the benefit of our geographical position? If we are constituted into a province and the British Army is all round us in the interests of the Empire why should we not have the benefit of it? He says: "Supposing the *Emden* comes again?" Now we will not be drawn into a war at all except for the purposes of the Empire. Nobody is likely to want to fight the Tamil people. We do not injure anybody else. We do not wish to conquer anybody else. But we may be drawn into war as a consequence of being a part of the Empire. In that case it is only right that we should have the support of our Empire because we give our support to the Empire. Mutual help will be necessary in that case. He says suppose the *Emden* comes again to Madras. In the Tamil land,

[Sir C. Sankaran Nair.]

there are no fortified ports or military or naval stations, and therefore it is not likely that the *Emden* will come to the Tamil land. He says it might come to Madras. But Madras is not in the Tamil land and therefore it is their business to look after Madras. Madras is half Telegu and half Tamil.

THE HONOURABLE THE PRESIDENT: The Honourable Member has already largely exceeded his time.

THE HONOURABLE SIR C. SANKARAN NAIR: Sir, I want only two minutes more. As to the Executive Council and as to our relations with the Governor General in Council, they are all implied in the Resolution. All financial arrangements that are necessary must be made by arrangement between the Governor General and the Tamil Government.

I have done with the Honourable Member and I do not propose to reply to the remarks made by other Honourable Members except to one observation about the Indian States. The principle I put forward of different Provincial Governments with different constitutions is the solution for the Indian States. None other has been suggested.

As to Mr. K. C. Roy's speech, I have already given my answer in replying to the Honourable Member who spoke on behalf of Government. The Bengal partition cut the Bengali nation into two. My Resolution restores unity to the Tamil speaking community.

THE HONOURABLE MR. J. CRERAR (Hono Secretary): Sir, before dealing with the reply made by the Honourable and learned gentleman to my own remarks, I have a few words to say with regard to the speeches made by the Honourable gentleman who supported the Resolution. I am sure that the Honourable and learned gentleman must share with me a considerable degree of surprise, if not at the measure, at any rate at the character, of the support which he received in this House. My Honourable friend Mr. Khaparde, I fear, did not treat the Resolution with the same respect and consideration with which I did. The Honourable and learned member said that he supported the Resolution, though he entirely failed to comprehend the scheme which it set forth. He thought that it was a simple and easy proposition based on the principle of punishment and reward. Was he not conscious, was he not, at any rate, apprehensive that there might be a serious fallacy in the assumption that this was indeed a reward because more than one Honourable Member who spoke later indicated that the rosy prospects intended by the Resolution might yet prove to be a calamity? That may or may not be the case and I have not taken upon myself to pass any final judgment upon it. Now, the other supporter of the Resolution, a member of the community for whose benefit this Resolution is being moved, also gave it a very qualified measure of support. In a strange way he contrived to support the Resolution, while dissociating himself to a very large extent from its contents. The Honourable gentleman drew a poetic and, indeed, a pathetic picture of a gallant little bark struggling out from harbour to the open seas to breast and confront the dangers of what he called the bureaucratic gales. It rather touched me. It touched me particularly to find that at least one of the passengers on

that little bark was already trembling for his own safety and even before it had left the quay was busily engaged in jettisoning the greater part of its cargo. Well, Sir, those are the views which have been expressed by the supporters of this Resolution.

I now turn to the reply which the Honourable gentleman has made himself. I should like to acknowledge, in the first instance, the courtesy with which he admits that I did endeavour to meet his Resolution in a spirit of judicial and candid inquiry. But he said that there was only one vital point of difference between us. I will come to that vital point of difference, as he called it later, but I myself must interpolate if this is one, that there are at least two vitally important points of difference between us. The first, and to my mind the most vital, point of difference is the difference we have as to what exactly this Resolution purports to do. The Honourable and learned gentleman said that it was not intended to preclude an inquiry. I will ask the House merely to examine what the Resolution says, and to observe that, if Honourable Members approve of this Resolution and accept it, they will be committed not to any interpretations that may conceivably be put upon the Resolution but to its actual terms and implications. I say, therefore, that this Resolution does not invite this House to embark upon an inquiry.

THE HONOURABLE SIR C. SANKARAN NAIR: Will the Honourable Member allow me to interrupt him? I did not say that this House is not to make an inquiry. It invites the Viceroy to make the inquiry.

THE HONOURABLE MR. J. CRERAR: It does not invite or recommend to the Governor General in Council . . .

THE HONOURABLE MR. P. C. DESIKA CHARI: The Resolution says: "to advise His Majesty's Government to take such steps as may be required". Does that not include an inquiry?

THE HONOURABLE MR. J. CRERAR: It does not include an inquiry on the general principles of the Resolution. The House will be committed to advising the Governor General in Council not to inquire into the merits of the proposition contained in this Resolution but to take steps to carry them into effect. That is a totally different thing from instituting an inquiry. I have myself said throughout that I am by no means opposed to the institution of inquiries into these large constitutional questions, which ought to be exhaustive and minute. But before I come to that point, I wish to deal very briefly with what the Honourable Member called the vital difference of opinion between us. If I may be permitted to do so, I should like, Sir, to correct what was, I am sure unconsciously and inadvertently, a misrepresentation of what I said. I pointed out to the House that the Honourable gentleman proposed to confer upon what he himself called the depressed classes a universal suffrage or practically a universal suffrage together with the referendum. Now, I never expressed myself as opposed to the extension of the suffrage to all or any classes of the population of this country who have reached such a stage of political development that they can in their own interests and in the interests of the country safely be entrusted with it. I never committed myself to any such proposition and I do entirely disavow it. What I did say was that the House would do well to inquire whether such an electorate as the Honourable Member adumbrated is as yet sufficiently well organised and sufficiently capable

[Mr. J. Crerar.]

of taking advantage of this expedient to have it entrusted to it, because, while the Honourable Member proposes to confer this suffrage, he provides no means of regulating or controlling the manner in which it should be exercised. He gave the crude elements of political power into the hands of what he himself admits is a body not yet fully politically developed. Now I do say that that is a very dangerous thing to do. Whether it is a right or wrong thing to do I do not presume to judge. I say that it is a dangerous thing to do, and the House would do well to reflect upon that danger. Finally, the real and fundamental difference between the Honourable Member and myself is this, that though we have all heard with the greatest interest his interpretation and his exposition of the Resolution, the Resolution says something very different. There is the greatest difference in the world between promoting inquiry and precipitating decision. The Honourable Member has fallen into the danger, I fear, of endeavouring to precipitate decision. It is a danger into which this House will not, I hope, fall. It is a danger into which, with all its responsibilities for the examination, the formulation and the execution of policy, the Government of India cannot and will not permit itself to fall.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

"This Council recommends to the Governor General in Council to advise His Majesty's Government to take such steps as may be required to constitute the following districts inhabited by the Tamil-speaking race, that is to say, Chingleput, North Arcot, Salem, Coimbatore, South Arcot, Tanjore, Trichinopoly, Madurai, Ramnad and Tinnevely, into a province with complete self-government."

The motion was negatived.

#### STATEMENT OF BUSINESS.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, to-morrow, as Honourable Members are aware, is the last day allotted for non-official business. On Friday next motions will be made for the consideration and passing of the Bills which were laid on the table to-day, and it is hoped that all the Bills outstanding in another place, which Government desire to pass into law this Session, will be laid on the table on that day. Should this expectation be realised, the Bills in question would be proceeded with on Monday, the 22nd March. In addition to legislative business, there remains for disposal my own Resolution recommending the issue of a notification on the subject of emigration to British Guiana, which has been circulated to Honourable Members and in respect of which you, Sir, are, I understand, prepared to waive the full 15 days period of notice. On this understanding I propose to move that Resolution on Tuesday, the 23rd March, on the conclusion of any legislative business which may not be disposed of on the previous day. This, Sir, so far as can be foreseen at present, will conclude the business of the Session.

The Council then adjourned till Eleven of the Clock on Wednesday, the 17th March, 1926.

#### COUNCIL OF STATE.

Wednesday, 17th March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

#### QUESTIONS AND ANSWERS.

##### CRIMES AGAINST LIFE AND PROPERTY.

196. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government be pleased to state, for the information of this House:

- (a) how many murders, culpable homicides not amounting to murder, dacoities and robberies were committed in India in each province during the last five years;
- (b) what was the percentage of convictions for each class of offence; and
- (c) to which classes did the offenders belong?

THE HONOURABLE MR. J. CRERAR: (a) and (b). The Honourable Member will be able to obtain the information from the Reports on the Police Administration of the various provinces.

(c) I do not quite understand to what classification the Honourable Member refers.

##### RUNNING OF A THROUGH FIRST AND SECOND CLASS BOGIE CARRIAGE ON THE MAIL BETWEEN HOWRAH AND LAHORE.

197. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that the Advisory Committee of the North Western Railway urged the necessity of running a through first and second class bogie carriage between Howrah and Lahore by mail via Ambala? Is it also a fact that the Agent, North Western Railway, recommended it to the Agent, East Indian Railway? Will the Government kindly state what has been the result?

THE HONOURABLE MR. D. T. CHADWICK: I am glad that the Honourable Member has asked this question because I understand that he has objected to my referring him to the Agent or the Advisory Committee on Railways in many matters of detail regarding the running of Railways. This is clearly one of those matters of detail and I shall have much pleasure in handing to the Honourable Member an advertisement in the Calcutta newspapers of March 7th advertising a through Howrah-Peshawar service. This has been arranged without the knowledge or the intervention of the Railway Board.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules I lay on the table copies of a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt, which was passed by the Legislative Assembly at its meeting held on the 16th March, 1926.

INDIAN SUCCESSION (AMENDMENT) BILL.

THE HONOURABLE SIR ARTHUR FROM (Bombay Chamber of Commerce): Sir, I move for leave to introduce a Bill to amend the provisions of section 33 of the Indian Succession Act, 1925.

Many Honourable Members will remember that away back in September, 1924, I introduced a small Bill, very similar to the one which I now bring before this House. In March, 1925, my small Bill was referred to a Joint Committee of both Houses. In August, 1925, I presented to this House the Report of the Joint Committee and subsequently, in the same Session, I moved for leave to withdraw the Bill and the Bill was withdrawn. The reason for withdrawing the Bill did not arise out of any opposition to it. I should explain to Honourable Members that the Bill was running concurrently with a larger Bill to consolidate the law applicable to intestate and testamentary succession in British India. The larger Bill I might describe as the parent Bill, and, as was fit and proper, it got home first. Unfortunately, in getting home it squashed its infant. My small Bill was to amend the Indian Succession Act of 1865; the larger Bill by one of its Schedules repealed that Act and therefore it left my Bill to amend the section of an Act which no longer existed. Of course, that was an absurd position.

Now, Sir, I should explain that section 33 of the Indian Succession Act of 1925, which this Bill of mine seeks to amend, does not apply to the property of any Hindu, Muhammadan, Buddhist, Sikh or Jain, nor does it have any application to Parsis. But the section—section 33—does cover the property of intestate Indian Christians, and as there was some opposition, when my first Bill was referred to a Joint Committee, to its being made applicable to the estates of intestate Indian Christians, Honourable Members will see that in this new Bill, in sub-clause (5) of clause 3, it is specially laid down that it shall not apply to the property of Indian Christians. The result is that this small Bill of mine has relation only to Europeans and Anglo-Indians in this country.

Sir, the Statement of Objects and Reasons to this Bill makes it quite clear what I seek to arrive at. When the first Indian Succession Act was passed in the year 1865, it followed the lines of the English law as it then existed, that, in the event of a man dying without a will and of there being no lineal descendants, the widow took half of his property. The English law was amended later on to permit of the widow of a man who had no lineal descendants taking £500 out of his estate. If the estate was a small one and did not amount to £500, the widow took the whole

of the estate. If the estate exceeded £500 in value, she could claim the first £500 of that estate. When, however, the English Act was amended, the Indian Act was not altered on similar lines. The object of my Bill now is that the Indian Succession Act of 1925 should be amended to provide for the case of widows succeeding to small estates when the husband has died without a will and when there are no lineal descendants. I have not, however, put into the Bill a sum exactly equivalent to £500. I have suggested Rs. 5,000 which I think Honourable Members will recognise as a reasonable sum. In the case of very small estates I think it would be a hardship to a widow to succeed to only half the amount. When my first Bill was circulated, it was received in all the provinces with approval, with one exception, that it was not liked in so far as it then applied to Indian Christians. I have shown to Honourable Members of this House that this new Bill of mine removes that defect and it will not apply to Indian Christians; it will only apply to Europeans and Anglo-Indians in this country. I think it might interest Honourable Members of this House if I read a short extract from a letter from the Secretary of the Anglo-Indian and Domiciled European Association, Bengal. This letter says:

"My Council desire in the first place to express their appreciation and gratefulness to the Honourable Member for the proposed Bill which will certainly afford substantial relief."

I hope I have made the object of this Bill quite clear to the House and I trust that my motion for leave to introduce it will be agreed to by everybody.

The motion was adopted.

THE HONOURABLE SIR ARTHUR FROM: I introduce the Bill.

MESSAGE OF GRATITUDE FROM THE COUNCIL OF STATE TO THEIR EXCELLENCIES THE EARL AND COUNTESS OF READING.

THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab: Nominated Non-Official): Sir, I beg to move:

"That this Council do convey to Their Excellencies the Earl of Reading, Viceroy and Governor General of India, and the Countess of Reading on the eve of their departure from India, the humble expression of the Council's grateful appreciation of and heartfelt gratitude for all that Their Excellencies have done for India."

I am sure in doing so I am voicing the feelings of the whole Council. It is, therefore, hardly necessary for me to make a long speech in commending my motion for the acceptance of this House.

Not only had His Excellency's fame as an eminent judge of exceptional ability, as a sound financier, and as an experienced administrator preceded him to India, but we know that long before he came out to India His Excellency had laid India under a debt of gratitude by his successful mission to America. We know that as Ambassador to the United States he persuaded the Government of that country to place at India's disposal all the silver necessary to prevent a crisis here.

He is the first Lord Chief Justice of England to exchange a high post at home for the hard and arduous work in India. The expectations which were raised by his appointment were very high indeed. They are equalled

[Sardar Charanjit Singh.]

only by the remarkable success which he has achieved. Who does not remember the dark clouds which overcast the Indian horizon when His Excellency, the Earl of Reading, assumed the Viceroyalty, and who will deny the great change which has since taken place? Heavy storms of violent and harmful propaganda were raging in the midst of angry surges of unrest and disorder. Non-co-operation was rampant, Muslim opinion was considerably agitated over the Khilafat, the financial situation due to war was at its lowest ebb, the economic problem was its worst, and the industrial state of the country was a matter of the deepest concern. The great Reforms under which we are meeting here to-day were in danger. Therefore, the task before him was of unusual delicacy and exceptional complexity. But we know how he approached it. He approached it with that sympathy and good-will which we had been led to expect of him and which alone afforded the solution. Through the wise and statesmanlike policy pursued by His Excellency the situation in all these respects has improved, and improved beyond all expectations. In the matter of the Khilafat Lord Reading's Government displayed the greatest tact, judgment and foresight. It is obvious that no amount of political agitation in India could have solved an international dispute, but so well conceived and so well directed were the efforts of His Excellency that a satisfactory solution was reached.

With regard to non-co-operation, when one had begun to despair of the general public opinion returning to saner channels, in which it had always run, there came the farsighted and statesmanlike policy of His Excellency's Government which enabled the people to see things in their proper perspective, to abandon their extreme demands and to revert to sober modes of thought.

The troubles I have referred to would have constituted an extraordinary burden for the shoulders of any Governor General, but when one thinks of the economic, industrial and financial depression which was prevailing over the country in 1921 one is left to wonder how the present improved situation is brought about. There has been a remarkable revival in trade, the industries of the country are steadily improving, and in the domain of finance the improvement has exceeded the most optimistic calculations. When owing to the war a series of deficit Budgets had cast a gloom over the country one could hardly imagine where the increasing taxation would land the people. But to-day we are all rejoicing over a second prosperity Budget. The severest critics of the Government will not be able to withhold from His Excellency's Government the credit which is due to them for the manner in which the finances of the country have improved. It has been possible to raise large loans without going to foreign markets, and India's credit has risen high in the world. It is particularly gratifying to notice that although no direct reduction has taken place in taxes, it has been possible to make remissions in provincial contributions and to send a message of hope to the nation-building departments which, under the Government of India Act, are the special care of the Ministers in the Provinces.

The great Reforms had been characterised by a certain section as unsatisfactory, inadequate and disappointing. One section of the politically-minded classes had stood aside from the new Legislatures. The atmosphere in which the Reforms were inaugurated could not have been

more depressing. No wonder, then, that some people thought that the Reforms were dead before they were born. But the last five years present incontrovertible proofs of the success of the Reforms and clearly show that the Reforms have not been by any means inadequate or disappointing. To take only some of the achievements of the last five years, repressive laws have gone, and with them the Press Act which was an eyesore alike to advanced politicians and to journalists in this country. The policy of protection has been adopted, and a very old demand has been complied with. The help it has given to the principal national industry and the manner in which it has saved it from extinction is in itself one of the greatest results of the opportunities which were thrown open to the people of this country. The commercialization of Railways and the separation of the Railway finance and accounts from General finance and accounts, have not only begun to tell but are full of even greater possibilities. In the field of labour legislation considerable progress has been made which ought to more than satisfy the band of workers who are devoting themselves to labour problems. At the expense of a considerable amount of revenue, and in what looks like a complete reversal of the policy of the past, restriction on the cultivation of opium has been stiffened and stiffened until we are in sight of its total abolition. I shall take just one more instance, namely, the abolition of the cotton excise duty, with the removal of which I hope the last complaint regarding the inclusion of "tainted money" in the Indian revenues has gone. This action of the Government has removed one of the oldest grievances, and while I refrain from dwelling on its economic and other aspects I trust that all classes of people will recognise the genuineness of His Excellency's desire to meet all the legitimate desires of the people.

Sir, we equally dedicate our respect and gratitude to Her Excellency the Countess of Reading who has shown by her own munificence and personal influence, genuine sympathy and great solicitude for the amelioration of human suffering and for the welfare of the women and children of India. I make bold to say that Her Excellency has rendered a service not only to the present but also to the future generations, the precise value of which one cannot exaggerate. Her Excellency's name will be remembered with gratitude for generations to come and as schemes which have been initiated under her auspices continue to be worked in the proper spirit, as I am sure they will be, the contribution will be as great a source of satisfaction to Her Excellency as it will be of inestimable happiness to the people of this country. By her many acts of kindness, gracefulness, amiability, and boundless hospitality Her Excellency has won our unbounded esteem and sincere admiration.

In conclusion, I claim that His Excellency Lord Reading will have a foremost place in the ranks of India's Viceroys. I have said enough in justification of my claim—and I desire to tell my friends across the seas that Lord Reading in all that he has done to satisfy Indian opinion, has also succeeded in cementing the British connection. He has secured the contentment of the services and restimulated the recruitment of Englishmen, which promises to be as great an asset to Indian progress as it would be a means of strengthening the British connection. It has been given to few of our foremost men to realize within so short a period the success of their policy and to see the justification for their actions and their measures. To His Excellency Lord Reading has been given the unique satisfaction of having witnessed the complete success of his

[Sardar Charanjit Singh.]

policy, his actions, and his measures in all departments of life. I am sure that His Excellency's Viceroyalty will be one of the brightest chapters in the glorious annals of British history in India.

THE HONOURABLE MR. HAROON JAFFER (Bombay Presidency: Muhammadan): Sir, it is to me a great pleasure to be in this House to-day and thus to have an opportunity to speak in support of this motion. As the representative of a Muslim constituency, I shall speak specially as a Muslim, and of the great debt of gratitude which we Indian Muslims owe to His Excellency the whole world knows. When our hearts were torn with anxiety about the fate of our co-religionists in Turkey after the Great War, on what did we rely, for the effective expression of our fears and our desires? On the sympathy of His Excellency and his Government. Lord Reading brought the whole weight of his great position to bear in order that our sentiment should effectively be expressed, and how successfully he achieved our desire, was shown by the revision of the Treaty of Sevres. His Excellency, in assisting to bring about that act of justice, performed a service to the Empire and to the peace of the world.

We Muslims throughout India have also reason to be grateful to His Excellency for the noble-hearted way he has followed the path set by his illustrious predecessor, Lord Minto, in specially caring for the interests of the Muslim minority in India. I shall not refer to this subject at length. This would not be the time for so doing. The anxiety which the question is at the present moment causing all us Muslims is well known. But we believe that our minority has had a true and real friend in His Excellency, and in this respect we regard his Viceroyalty as one more proof that we as a minority community may place in British statesmanship our trust that in whatever constitutional developments take place in India it will assure justice to Muslim claims for justice and fair dealing.

There is one other aspect of His Excellency's labours about which I wish to say a few words. It is his efforts to save the lives and honour of our fellow-subjects of His Majesty in South Africa. In this matter I speak not only as an Indian and as a Muslim Indian, but specially as a Muslim of Western India, for the Muslim Indians in South Africa are chiefly drawn from the Bombay Presidency. I recognise the difficulties which the Indian question gives the Union Government. The Union Government would, if our Government had not put up a splendid fight, have carried forward measures to solve it which would have worked inhumanly against our countrymen. Lord Reading has been our true champion against such oppression. The results he has achieved in the face of great obstacles deserve our grateful acknowledgments. And here, Sir, let me add one word which I hope will not seem ungracious in the moment of thanksgiving. The struggle in South Africa is not yet over, and we earnestly trust that when His Excellency reaches the shores of England, he will still continue to use his great influence in our behalf. The interest which His Excellency has taken in Muslim education is also well known. The sympathetic speech he made at the Aligarh University last year will not be forgotten by Muslims all over India. The reservation of one-third of the Government posts for the backward communities was a step in the right direction for which we are highly grateful to His Excellency.

Sir, we wish—I speaking for my constituents join in the wish—long life and happiness to His Excellency. And in this prayer we must also mention the name of Her Excellency, whose noble work for Indian women we gratefully recognise and whose gracious presence at Viceregal Lodge has been a blessing to us all.

THE HONOURABLE SIR BIJAY CHAND MAHTAB, MAHARAJADHIRAJA BAHADUR OF BURDWAN (Bengal: Nominated Non-Official): Sir, in spite of the fact that the Viceroy of India is hemmed in with everything that makes for a splendid isolation, because the Viceroy happens to be a human being he can rise above that splendid isolation and within the short period of five years allotted to him in India can make friends in the land to which he comes. I do not wish to repeat the many things that His Excellency the Earl of Reading has done for India as Viceroy and Governor General: for the constitution is such that he cannot take credit entirely, as the Government over which he presides is part and parcel of that Viceroyalty, particularly of the Governor Generalship. But there cannot be any doubt that Lord Reading's great personality, his charm of manner, his personal fascination and his great forcefulness are things which were an asset to India: and to-day, when the time has come for His Excellency to leave India, we can safely assert that not only are many of us going to lose a personal friend, but that India is going to lose one of its most distinguished Viceroys. Now that he has waded through many of the troublous waters, for troublous waters there are and will be so long as a country and its people aim at the goal of liberation, it must be a satisfaction to His Excellency the Viceroy that in spite of bitterness in some quarters, in spite of adverse criticisms, he has had the bulk of the saner mind of India at his beck and call. It cannot, however, be denied that in spite of constitutional shortcomings, the personality of the Viceroy does go a great way to make things smooth in India, and we cannot deny that Lord Reading's personality has gone a great length to pacify troubles, to satisfy the grievances of minorities or otherwise, and I therefore gladly associate myself with the Resolution that the Honourable Sardar Charanjit Singh has brought before the Council of State to-day.

I also associate myself with the chorus of praise that has been very rightly given to Her Excellency the Countess of Reading, for her interest in the welfare of the women and children of India has not only been genuine, but it has been of a nature which will, I am sure, in years to come, have very great and beneficial results. I therefore heartily support the motion which has just been moved.

THE HONOURABLE RAJA SIR RAMPAL SINGH (United Provinces, Central: Non-Muhammadan): Sir, I beg to associate myself with the motion and the observations that have fallen from the lips of my Honourable colleagues in support of it. India is a vast country with divergent, sometimes discordant and antagonistic interests to deal with. If one succeeds in steering the vessel of State administration in troubled waters to a calmer and more tranquil atmosphere, one is surely worthy of great praise and gratefulness. The conditions which prevailed in India when His Excellency took the reins of his office and the conditions which exist at the present time show a remarkable change for the better, and one is bound to appreciate fully the services rendered by His Excellency. It was an irony of fate that His Excellency had to contend with very abnormal times resulting



[Sir Rampal Singh.]

from the after effects of the Great War and other causes, and great credit is due to His Excellency for achieving so much success in such adverse circumstances. Our annual Budgets were deficit Budgets. Our income was contracting, while our expenditure was mounting up immensely, and our provinces were smarting under the Meston Award and beneficial services were not only suffering but were starving. Sir, it is in his regime that things have taken a turn for the better, and the provinces have got relief from the provincial contributions, though not to the fullest extent as they desired. In many other directions, in matters of policy, there is a remarkable change for greater progress, and we are bound to thank sincerely and honestly His Excellency for what has been done.

Sir, it is not for me to go into details and to recapitulate the history of the five years of His Excellency's Viceroyalty which is about to close. Suffice it to say, that His Excellency very earnestly applied his head and heart to do good to India to the best of his abilities, and the foundation, which he has laid has been laid truly with the best of motives for the uplift of India to a higher level.

Sir, we are also very grateful to Her Excellency the Countess of Reading for the genuine affection and devotion and for her sympathy with the women and children of India, and for what she has done to ameliorate the condition of children. With these words, Sir, I support the Resolution and wish that Their Excellencies may have a safe voyage, and pray that their interest in India may not abate when they go back to England.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): Sir, I wish to associate myself with the motion moved by my Honourable friend Sardar Charanjit Singh.

In reading the speech that was made the other day by Lord Irwin, I was very much struck with one sentence. He said: "If the Viceroy gets the blame when things go badly, then let us give him credit when things go better". Now, Sir, that is found in all walks of life. When anything goes wrong, whether it be his fault or not, the whole blame is thrown at the head of the administration. At the same time when things go smoothly and straight we very seldom hear any praise given to that man, and it is for that reason that I heartily associate myself with the Resolution which has been brought forward by my Honourable friend. It will make known throughout India generally that this Council does appreciate the great work of Lord Reading in this country. There may have been times when there were differences of opinion between His Excellency and some Members of the Legislature, but whatever differences of opinion there may have been, I think no one would deny that His Excellency Lord Reading has pursued his course as Viceroy in this country with a singlemindedness of purpose, and that purpose has been for the good and welfare of India.

Sir, I also would like to associate myself with the observations made by the previous speakers with regard to Her Excellency the Countess of Reading. Not always enjoying the best of health, Her Excellency has never spared herself in promoting and forwarding any movement for the benefit of her own sex, and for the benefit of little children in this country. As a speaker before me said, her work in this direction will live for many generations and it will undoubtedly bear good fruit in time to come. I think we should all feel very deeply grateful to Her Excellency for the

work she has done in this as well as in many other directions. Finally, Sir, we shall miss Her Excellency from the Viceregal Lodge whether at Delhi or in Simla. We all of us have enjoyed great hospitality when we have visited Viceregal Lodge. We have been received by their Excellencies not only as Viceroy and as the wife of the Viceroy, but we have been received by a kindly host and a gracious hostess. We shall miss them very greatly when they go.

Sir, I have nothing else to say except to wish their Excellencies all good luck and every happiness in their future in England on their retirement from this country.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, we are very thankful to Sardar Charanjit Singh who has brought this appropriate motion in this House to-day. All that His Excellency has done has been enumerated already and I will not repeat them except to say this much that India is in a far better condition now than when His Excellency took over office. The Resolution deals with those things which have been done by His Excellency. These have been already enumerated. But I appreciate His Excellency also for those things which he has not done and those are some of the things which an irresponsible minority want to wring out of the Government by threats of non-co-operation, etc. When such challenges are given by the above class, Sir, it is not good for the country, just as we had at the time of the Rowlatt Act, there is a possibility of trouble and then some of the responsible people have to come forward to quell it. As a Muhammadan, Sir, I want to associate myself with what has been said by my Muhammadan friend here before me. I have to thank His Excellency also for many a kindness which he has shown to me personally. I think Lady Reading has done equally well in helping the womanhood of India in all the branches in which it was possible to help it. With these few remarks, Sir, I heartily support this motion and pray for His Excellency's long life and safe return to England and hope also that he will take just as keen an interest in India's welfare as he has done while here.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, I congratulate my Honourable friend Sardar Charanjit Singh on bringing this most appropriate and opportune motion, which has enabled us to express our feelings with regard to Their Excellencies the Earl and Countess of Reading. The Honourable Members of the House might recollect that in 1921 the political atmosphere here was not clear by any means. The non-co-operation, Khilafat and other agitations in this land were in full swing. The new system of the reformed constitution was charged with bitterness and animosity at the very outset. It is unnecessary to repeat the difficulties it encountered from the moment of its birth. They are still fresh in our minds. Suffice it to say that there was a determined opposition to it from certain sections of the community. It was under such circumstances of exceptional difficulties that His Excellency the Earl of Reading was sent to India charged with the duty of establishing the reformed constitution and thus assisting the country along the road of advance mapped out in the Government of India Act, 1919. It is a source of gratification to me, and so I think it must be to the Honourable Members of the House, to see that at the time of his departure there is no anxious crisis arising in India and the administration is carried on smoothly and efficiently.

[Nawab Mahomed Akbar Khan.]

Sir, as my province of the North West Frontier comes under the direct control of His Excellency's Government, I consider it my duty to express, on behalf of the population of that province, my gratitude to His Excellency for the general peace and prosperity that that province has enjoyed during His Excellency's time. It has been comparatively more peaceful in these five years, during which many useful works have been constructed. The Khyber Railway has been constructed and thrown open to the public. A Grand Trunk road has also been constructed up to Razmak. Both these useful works have brought sufficient money to the inhabitants of the North West Frontier Province and it is hoped that these highways will naturally bring civilisation to the tribesmen in the administered tract and across it within the Durand Line. These people are all one and the same people, called Pathans in India, Afghans in Afghanistan and Sulamani in Arabia. They are all of one and the same descent.

Again, Sir, it is hoped that His Excellency the Viceroy will very shortly open another useful work in Peshawar in the shape of a hospital. A telegraphic line from Peshawar to Kohat during the Durrah has been opened along with several post offices throughout the province, and it is hoped that others that have been asked for and which are under consideration of the Government of India will also be opened in the near future. Last though not the least the people of the North-West Frontier Province are highly grateful to His Excellency the Earl of Reading for his kindness in granting representation to that Province, in both the Houses of the central Legislature. Sir, a good deal has been done on the Frontier during His Excellency the Earl of Reading's time and it is hoped that a good deal will be contemplated during the time of his successor, Lord Irwin. The construction of canals and railways and other useful works will give plenty of work to the residents of the North-West Frontier Province. The most notable of these things, which will stand as a land-mark in the history of India and which is expected to remind visitors from nearly the whole of the world of the august administration in India of His Excellency the Earl of Reading, as already observed, is the construction of the Khyber Railway and the Grand Trunk Road to Razmak. The inhabitants of the North-West Frontier Province are deeply grateful to His Excellency the Viceroy and his Government for the bold measures which have prompted them in taking up these useful works.

Before resuming my seat, Sir, I must express my sense of gratitude to their Excellencies the Viceroy and the Countess of Reading for the kind hospitality that they have been so gracious to extend to both the representatives from the North-West Frontier Province. We wish Their Excellencies a long, useful and prosperous life so that Their Excellencies may help the people of the North-West Frontier Province, after their departure from this country, in the deliberations of this most important question of the Frontier in responsible quarters in England.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Member for Education, Health and Lands): Sir, I deem it a proud privilege and peculiar pleasure as Leader of the House to associate myself with the Resolution which has been so ably moved by my noble friend Sardar Charanjit Singh. Other Honourable Members have also paid graceful tribute expressing their sense of grateful appreciation of and heartfelt gratitude

for all that Their Excellencies have done for India during the memorable five years which are about to close. Of the progress that has taken place in the various branches of administrative activities during the present Viceroyalty I do not propose to say anything. It has already been so aptly and eloquently referred to by those who preceded me that I shall not attempt to recapitulate the same. I would merely like at this juncture to lay special emphasis on the beneficent labours of Their Excellencies Lord and Lady Reading in the sphere which touches the lives of the humblest in the land. Immersed as we are in the consideration of administrative and political requirements, it is only too common to ignore those activities which may not catch the eye or appeal to the imagination but which none the less are vital to the happiness and welfare of the millions of this country. Whenever any work was undertaken to relieve suffering and to bring light to those who live in the shadow of affliction, Their Excellencies have been in the forefront, inspiring by their example and giving that help that only those in Their Excellencies' position can give. We all remember that a year ago His Excellency launched an appeal for funds for work in connection with leprosy. I shall not forget the fervour of that appeal and I can affirm that it is His Excellency's personal labours in that direction which brought such marvellous success and enabled work of such wonderful possibilities to be started and financed. A sum of approximately Rs. 20 lakhs was collected for the furtherance of this great philanthropic work. This is only one of His Excellency's many beneficent activities.

Of Her Excellency's work in India I need hardly say much. The National Baby Week owes the living force of its appeal to Her Excellency's example and precept. Those who have seen the large crowds wending their way to the demonstration given during this Week at Delhi can have no doubt of the change that is being steadily wrought in the popular attitude towards those problems which affect infant mortality and health, and consequently of the infinite possibilities of improvement in national well-being and efficiency which this change promises. Let me say one word of Their Excellencies' acts of private and personal kindness done without ostentation, and I may say almost with secrecy. I know of more than one such instance, but I would be betraying confidence if I were to be more explicit. It is sufficient to say that these acts will endear them not only to those who have been the direct beneficiaries thereof, but to those who have, in spite of the secrecy maintained, come to know something of the depth of human sympathy that resides in the hearts of Their Excellencies.

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): I agree, if I may say so with respect, with the weighty observations that have fallen from the Honourable the Leader of the House. I know his handicaps: he is, after all is said and done, an official and tied down by the position and privilege of his office. But I am absolutely a free man and I know from personal knowledge that during the Viceroyalty which is about to close His Excellency has done his best to cleanse the Statute-book of the repressive laws, and if His Excellency had been allowed to have his own way the obnoxious Regulation would have been modified to suit the needs of the present-day administration. His Excellency has promoted the cause of self-government in this country despite many trying circumstances. He has firmly laid the foundation of national defence; he has put forward a scheme for the re-organisation of the

[Mr K. C. Roy.]

Territorial Army; he has formulated a scheme for the Indianisation of the Army in the higher ranks, and recently he has been instrumental in creating a Royal Navy for India. In the domain of finance and commerce he has accepted nearly all the recommendations of the Tariff Board and has laid down once for all legitimate protection for India's industries against unfair competition. In foreign policy whose control and direction has been in his hands, he has given India the benefit of a lasting treaty with His Majesty the Amir of Afghanistan and also an equally fair and just treaty with His Majesty the King of Nepal. He is leaving India with our frontiers fully well-guarded, with her neighbours happy and contented, and internally happy and prosperous. I have been a member of the Lady Reading Women of India Association since its inception and I know that Her Excellency, ill or well, has always endeavoured to promote the cause of medical aid for Indian womanhood. The consolidated fund which is known as the Lady Reading Fund will bear unstinted testimony to her efforts, sagacity and administration. I join the Honourable Sir Arthur Froom in wishing Their Excellencies God-speed and all good luck, and I would only request them to continue to take the same interest in Indian affairs as they have taken during their stay at Viceregal Lodge in Simla and Delhi. I support the proposition which has been moved by my Honourable friend, Sardar Charanjit Singh.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official): I beg to add my sincere tribute of appreciation so eloquently expressed by many speakers before me in reference to one of the most distinguished Viceroys and Governors General whom it has been the good fortune of India to have and who is now on the eve of his retirement. My own belief is that to the many brilliant pages of British Indian history contributed by a long succession of distinguished Viceroys in the past, His Excellency Lord Reading has contributed another and a brighter one, a page which will in every way redound not only to his credit but to the credit of the British people and to the genius of the Anglo-Saxon race. I do not wish to travel over the same ground that has been covered by many of the speakers who have preceded me in such eloquent terms; but I do say this, that perhaps no Viceroy and Governor General had to encounter greater difficulties at the outset than Lord Reading when he assumed the reins of his exalted office, difficulties of a colossal magnitude, save the ever-to-be-lamented Lord Canning. In the days of Lord Canning the Government of India was trembling in the balance and it was a question whether the British would maintain their power in this country. But happily Lord Canning's patience and tolerance, his clemency, and, above all, his far-sighted statesmanship saved the country, brought it to a haven of safety and rest, and laid the foundations afresh of a new British Indian Empire which of course the genius of Lord Clive had originally founded. But since those days there have been very many able Viceroys—each of whom has during his own tenure of office conferred great benefits on India in different directions, moral and material. But it must be said to the credit of Lord Reading that he is the one Viceroy and Governor General who came out to India at a time when the country was seething with sedition and torn with unrest as was never witnessed before. But we are glad to see that to-day, despite the many troubles and upheavals, that unrest has been greatly laid low and tranquillity has once more been restored. That his administration has been one of the

most difficult, eventful and memorable in the annals of British India, I think none will deny. It is not my object here to go into the administrative and financial questions and many other problems that were waiting to be solved and which he has so successfully and ably solved during the last five years. Questions of policy of the greatest moment, problems of finance which might have overwhelmed any other Viceroy, have all been solved. This alone is enough to entitle him to the gratitude of the country and its people. It is the great good fortune of Lord Reading that he had (I cannot refrain from saying) in the Honourable Sir Basil Blackett a Finance Minister of the highest talents who has saved India from the Niagara of deficits and brought her on safe and sure ground and on the foundation of which she can henceforward courageously proceed to build her finances with the greatest security and safety.

Sir, only the future historian of India can really record his impartial verdict on the many memorable events and great outstanding features of Lord Reading's administration and on the exceptional ability, force of character and practical statesmanship he displayed therein. We, who are his contemporaries can hardly appreciate to its fullest and freest extent all that Lord Reading has been able to achieve during the past five years of his Viceroyalty. It was a most difficult Viceroyalty, and we do not know what internal evidence there may be which may be available fifty years hence to assess its value and appreciate its significance. What he has done or has not done can be then known only. Superficial critics here and there and in newspapers scream aloud at one thing or another of his Governor Generalship and blame him unnecessarily and without foundation. They reproach him for what he is in no way responsible for at all. Such criticisms we must be prepared to hear. We have read the lives of many a Viceroy from which we are now able to unlearn many wrong and unfounded statements and learn many more which modify our judgment. The real springs of action which were at work during the last 5 years will never be known during Lord Reading's lifetime. It was the case with many Governors General, specially Lord Dalhousie. In the same way I say that as far as we are concerned, we who are Lord Reading's contemporaries and who are swayed by current biases and prejudices cannot really pass an impartial verdict—we shall not be able to determine the true character of his Viceroyalty. But we can unhesitatingly express our opinion that so far as *known facts* are concerned Lord Reading has deserved well, aye nobly and richly of the country which he has ruled with such fearless courage and consummate ability. No doubt Viceroys there have been, such as Lord Mayo, Lord Ripon, Lord Minto and Lord Hardinge—who are greatly remembered for their beneficent administration. But I do say this that when we remember all the salient characteristics of Lord Reading's Viceroyalty we shall have to say in all justice to him that he proved himself to be one of the greatest in the annals of British India. I think, Sir, he has reared a monument of his own, more durable than brass and the Pyramids of Egypt. What Lord Reading has done will be inscribed in history in letters of gold—what he has done for its people patiently, perseveringly and courageously with the eye of the statesman looking far ahead into the future. India will appreciate later on better and better what Lord Reading has done. Therefore, I will say that when to-day we accord our sincere tribute of praise for what he has done, we do nothing more than render justice to his administration, and I am very glad to see that in this House with its serene

[Sir Dinshaw Wacha.]

atmosphere, there is not heard *one* single discordant voice in making reference to His Excellency's beneficent work.

And what shall I say of the good Lady Reading? All that has been said in this place shows that Lady Reading has done an immense amount of philanthropic work for the better social condition and health of the people, even in a larger way than the wives of former Viceroy's from Lady Dufferin downwards. Her work for the relief of suffering humanity is writ large which he who runs may read. She has instituted new hospitals, new sources for relieving suffering humanity, particularly of Indian women and children. I think, that as far as Lady Reading is concerned, we can unhesitatingly say of her that she has proved herself a typical English woman of the deepest sympathy and solicitude for her Indian sisters, that she is indeed the type of the holiest and divine womanhood. As to Lord Reading's genial and benign personality, his unvarying courtesy and to Lady Reading's gracious hospitality which one and all of us have received, I do not think there can be any difference of opinion in the country. Indeed I do not hesitate to say that both Lord and Lady Reading have won the esteem and regard of all who have come into contact with their personalities. And speaking of Lord Reading I do believe, Sir, that when the true history of his Viceroyalty comes to be written, Indians will have reason to remember it with gratitude and affection.

THE HONOURABLE MAHARAJADHIRAJA SIR RAMESHWARA SINGH OF DARBHANGA (Bihar and Orissa: Non-Muhammadan): Sir, I rise on my own behalf as well as on behalf of my Province to give grateful expression to our sense of gratitude for His Excellency Lord Reading's benefactions to India.

Sir, I can sincerely say that Lord Reading's Viceroyalty will always form a land-mark in the history of India. As we all know, Sir, Lord Reading's prominent part in connection with the Lausanne Treaty has placed not only India but the whole Muslim world under a deep debt of gratitude to His Lordship. His sympathies with the South African Indians and his personal efforts to ameliorate their plight are too well known to require any special mention here. But what will always distinguish Lord Reading's régime from all other periods, is the wonderful manner in which he has preserved the tranquillity of this vast Continent during a particularly troublous time to which I need not refer in detail on this occasion. Lord Reading has not only piloted his administrative ship through surging tides with signal success, but has removed some of those grievances of India which would have required far-sighted and vigilant statesmanship at any time. Among such measures of far-reaching effect, I may cite "Balanced Budgets", that much-longed for reduction of the provincial contributions and the abolition of the cotton cess. These things have earned for His Lordship a really dear place in the innermost heart of India, and I look forward to the day in the near future when the lead given by His Lordship will be taken up by his successor and provincial contributions will become a thing of the past.

But, this is not all. It was reserved for Lord Reading's régime to witness the satisfactory solution of that old cry, the reduction in military expenditure, and, Sir, the establishment of the Tariff Board has put a

stamp on His Lordship's claim to the gratitude not only of Indians but of all those interested in the industrial stability of India; and his name will be handed down from generation to generation for it is in our industrial revival that all our hopes for the future of India lie.

Sir, the announcement recently made regarding the foundation of an Indian Navy is a measure which will immortalise His Lordship's name; for without a Navy, Sir, there can be no self-protecting India, and Sir, I need hardly say that unless India can protect herself, she cannot govern herself. Sir, the King's representative who has boldly taken this step is a true statesman entitled to the sincerest gratitude not only of the people of India but of England also. Sir, connected with this question is the appointment of the Sandhurst Committee, and I will say only this that it will be for His Lordship's successor to fulfil those expectations which have already been formed in this direction.

Sir, I cannot conclude without alluding to the Royal Commission on the Indian Services, popularly known as the Lee Commission, which handed in its Report to Lord Reading's Government and I fervently hope that His Lordship will tell his successor that the step initiated by him in respect of Indianisation has only been commenced and it will remain for his successor to do the needful in this direction.

Sir, last of all, though not the least, it is my privilege to refer to His Lordship's unvarying courtesy at all times to Indians and his willingness to help them even individually. Sir, it is one of the greatest functions of the King's representative to be accessible to his people and it cannot be denied that Lord Reading has fulfilled it. Sir, the announcement of the Agricultural Commission towards the closing days of Lord Reading's Viceroyalty is yet another proof of his solicitude for the voiceless millions of India, and if properly handled, Sir, it will uplift the masses much more soundly and effectively than any other movement yet heard of for that purpose.

And, Sir, we all know how helpful Lady Reading has been to her husband throughout his period of Indian administration. There has been no movement connected with women's and children's welfare with which Her Excellency has not identified herself. The Red Cross Society, the Baby Weeks and the various nursing homes and women's sections of hospitals in the country will ever bear testimony to Her Ladyship's indefatigable work for the benefit of Indian women and children. In fact, His Lordship's work would not have been complete without Her Ladyship's active interest in the welfare of Indians. There is nobody in India who has come in contact with Government House without being struck by Her Ladyship's charmingly ennobling personality, and we all hope that Her Ladyship will continue to evince the same interest in the people of India from England as she has done during the period of His Excellency's Viceroyalty in India.

With these words, Sir, I most cordially support the Honourable Sardar Charanjit Singh's motion, and heartily wish that this Council do convey to their Excellencies the Earl of Reading, Governor General of India, and the Countess of Reading on the eve of their departure from India the humble expression of the Council's grateful appreciation and heartfelt gratitude for all that their Excellencies have done for India and pray God Almighty to vouchsafe to their Excellencies a long life and ever-increasing prosperity. I hope our Viceroy will carry with him very many

[Sir Rameshwara Singh.]

pleasant memories during his stay in our country and let us cherish the hope that His Excellency will always, like a true lover of India, endeavour to uplift and place her amidst the self-governing nations of the world.

THE HONOURABLE RAJA SRI RAWU SWETACHALAPATI RAMAKRISHNA RANGA RAO BAHADUR OF BOBBILI (Madras: Nominated Non-Official): Sir, I rise wholeheartedly to support the motion moved by the Honourable Sardar Charanjit Singh. On behalf of my Presidency generally, and particularly on behalf of the landholders of Madras, I express our gratitude to Their Excellencies for all the good they have done to this country. I shall be only repeating what has already been so ably expressed on the floor of this House if I attempt to enumerate the many good and noble acts of Their Excellencies in this country. Although His Excellency is so shortly to lay down the reins of his high office we hope and trust that His Excellency will continue to take a keen and lively interest in Indian affairs when he returns to England. I now join with other Honourable Members in wishing God-speed and good-luck to Their Excellencies.

THE HONOURABLE THE PRESIDENT: Honourable Members are aware that there is a provision in the Standing Orders which enables the President to speak on any motion before the House. It is an advantage, of which the Chair has rarely availed itself, but I welcome it now as giving me an opportunity to associate myself with the motion before the House. There are obvious limitations on what can be said from the Chair, and I am not proposing to address the House on the subject of the administration of His Excellency Lord Reading as Governor General of India. But as one who has been associated with both the Viceroy and Her Excellency Lady Reading from the moment of their arrival in India till the present moment, I might be deemed guilty of ingratitude if I did not speak of what I know. From the date of Lord Reading's assumption of office, it was my privilege for nearly four years to attend on him weekly and to work with him, and under him, and the House may perhaps realise with what trepidation, I, as Secretary in the Legislative Department, ventured to lay before an *ex-Lord* Chief Justice the opinion of the Legislative Department on a legal matter then under the consideration of the Government of India. But I shall always be grateful for the sympathetic and helpful attitude which His Excellency invariably adopted in connection with matters which it was my duty to lay before him. Since His Excellency did me the honour to appoint me to the Chair of this House, I have naturally officially come very little into contact with him. I have, however, been associated with him. The Honourable the Leader of the House referred in eloquent terms a short time ago to the appeal which His Excellency inaugurated in connection with the campaign against leprosy, and I have for several months now had the privilege of assisting His Excellency as Chairman of the Executive Committee in the administration of the fund. The possibilities of the scheme which His Excellency has inaugurated stagger the imagination, and it is only for the future to realise what in that respect His Excellency has done for India.

I have had the privilege also, since I ceased to hold an official post, of close association with Her Excellency. Her Excellency's activities, her whole-heartedness and her energy have been referred to on every side of the House. It is a remarkable thing—no, those who know Her Excellency will realise that “remarkable” is not the right word—but it is a

fact deserving of comment that those who have worked with Her Excellency know that she displays in the administration of funds which she inherited from her predecessors just as great an interest and that she labours just as hard as in the administration of those funds which she herself has inaugurated, and which have naturally been nearest to her heart. The future generation will realise fully what they owe to Their Excellencies the Earl and the Countess of Reading. I am glad that this Council has taken this opportunity to express its sense of gratitude. I am now putting the motion to the House, and I would suggest that as soon as I have read it, all Honourable Members who support the motion, should rise in their places.

The question is:

“That the following motion be adopted:

‘That this Council do convey to Their Excellencies the Earl of Reading, Viceroy and Governor General of India, and the Countess of Reading on the eve of their departure from India, the humble expression of the Council's grateful appreciation of and heartfelt gratitude for all that Their Excellencies have done for India.’”

The motion was carried unanimously, all Honourable Members standing.

The Council then adjourned till Eleven of the Clock on Friday, the 19th March, 1926.

## COUNCIL OF STATE.

Friday, 19th March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

## MEMBER SWORN.

The Honourable Sardar Shivdev Singh Oberoi (Punjab: Sikh).

## MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: I have a Message for the Council from His Excellency the Governor General.

(Honourable Members received the message standing.)

*"In pursuance of sub-section (3) of section 63A of the Government of India Act, I, Rufus Daniel, Earl of Reading, hereby require the attendance of the Members of the Council of State in the Legislative Assembly Chamber at Delhi at 11 O'Clock on Thursday, the 25th of March, 1926.*

(Signed) *READING*,  
Viceroy and Governor General."

## BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at their meeting held on the 17th March, 1926:

1. A Bill to provide for the regular submission of returns of quantities of cotton goods manufactured and cotton yarn spun in British India.
2. A Bill to define in certain cases the rights of legal practitioners to sue for their fees and their liability to be sued in respect of negligence in the discharge of their professional duty.
3. A Bill to amend the law relating to the appointment of Legal Practitioners in civil suits, and for this purpose further to amend the Code of Civil Procedure, 1908.
4. A Bill to provide for the maintenance of the works established to supply drinking water in bulk for the urban area of the city of Delhi, and for that purpose to constitute a joint water board to undertake such maintenance.



[Secretary of the Council.]

5. A Bill further to amend the Indian Income-tax Act, 1922, for certain purposes.
6. A Bill further to amend the Indian Divorce Act.
7. A Bill further to amend the Indian Factories Act, 1911.
8. A Bill to explain certain provisions of the Transfer of Property Act, 1882.

#### MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

THE SECRETARY OF THE COUNCIL: Sir, a message has been received from the Legislative Assembly, which runs as follows:

“Sir, in accordance with Rule 36 (1) of the Indian Legislative Rules I am directed to inform you that the amendments made by the Council of State in the following Bills were taken into consideration by the Legislative Assembly at their meeting held on the 17th March, 1926, and that the Assembly have agreed to the amendments:—

1. The Indian Trade Unions Bill.
2. The Legal Practitioners (Amendment) Bill.
3. The Madras Civil Courts (Amendment) Bill.”

#### INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I beg to move that the Bill further to amend the Indian Tariff Act, 1894, as passed by the Legislative Assembly, be taken into consideration.

This is a very small Bill and the number of items included in it are few. The object of the Bill is briefly to improve to some extent our Tariff Schedules. The reasons for these improvements are, generally speaking, either administrative convenience or so to alter the wording of the Tariff Schedules to make them more convenient for the trade and industry in the country. The total effect on revenue of the changes proposed in this Bill will be very small. I do not think I need delay the House by going into details on each head of these different items, the reasons for the changes have been very fully explained in the Statement of Objects and Reasons. Amongst those which are merely directed towards administrative convenience, I will cite a change in the duty on saccharine, the change in the definition in regard to fire-arms and the changes in regard to duties on hand-loom and spare parts of hand-loom. The reduction which is proposed in the duty on saccharine is really designed to discourage smuggling and to help us to get some revenue from imports of saccharine. Three years ago, the Council will remember, the duty on saccharine was raised to the extent of Rs. 20 a lb. Since then, as I have explained in answer to a question in this Council, the amount of saccharine imported last year on which duty was paid was 13 lbs. and in the year before 11 lbs. In spite of that saccharine is still selling freely in the large cities in India. The article is at present smuggled into the country. The amendment in regard to fire-arms is directed to making our definition of fire-arms and weapons in the Tariff Schedule agree with the definitions in the rules under the Arms Act, the object being that only on those classes and kinds of weapons for which under the Arms Rules a license is required should high duties be imposed. Smaller weapons for the possession of which the Home

Department do not require people to take out a license will now come in merely as toys, etc., under a 15 per cent. *ad valorem* duty. The amendment in regard to hand-loom and parts of hand-loom will facilitate much of the work in the customs offices. At present under our definition of machinery, parts of machines which cannot be adapted or are not adaptable for use on machines worked by hand or by animal labour come in at 2½ per cent. There are, however, a certain number of spare parts used in the textile industry which can be used either on power-driven machinery in large mills or on hand-loom, and those at present are subject to 15 per cent. It is therefore necessary for customs officers to determine whether any of those spare parts which are imported are solely applicable for power-driven machinery or could be used also on hand-loom. There is another reason for this amendment. We consulted Local Governments and nearly all of them were in favour of reducing the duties on spare parts of hand-loom and on hand-loom generally in order to help and encourage the ordinary hand-loom weaving in the villages throughout the country. The proposal for alteration in regard to printers' ink gives effect to a recommendation of the Tariff Board designed to remove an existing anomaly in our tariff. The changes in regard to cement and mineral oil are made for this reason. Cement is an article very well suited for specific duty and Government see no reason why that duty should be any less than what has been levied in the last year. I ought to have mentioned before that mineral oil is one of those cases in which a change is desired for sound administrative reasons owing to the difficulty of determining its market value. It also is an article which in nearly every other country in the world is subject to a specific duty. I submit, as the Council will have inferred from this brief recital, that the reasons I have given for these changes are sound and admirable, and I trust that nobody will raise any objection to any one of these changes being made.

THE HONOURABLE THE PRESIDENT: The question is:

“That the Bill further to amend the Indian Tariff Act, 1894, as passed by the Legislative Assembly, be taken into consideration.”

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. D. T. CHADWICK: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### MADRAS CIVIL COURTS (SECOND AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I move that the Bill further to amend the Madras Civil Courts Act, 1873, as passed by the Legislative Assembly, be taken into consideration.

This is a very short Bill intended to give effect to another of the recommendations of the Civil Justice Committee. Under the present Madras Civil Courts Act, the High Court may authorise a Subordinate Judge or a Munsif to take cognisance of cases of a small cause court nature up to the

[Mr. S. R. Das.]

value of Rs. 500 and Rs. 200, respectively. The Civil Justice Committee recommended that the High Court should have power to increase that to Rs. 1,000 and Rs. 500, respectively. So far as the powers of the subordinate Judge are concerned, we have accepted the recommendations of the Civil Justice Committee as to Rs. 1,000, but as regards the jurisdiction of the Munsif, the Madras Government are of opinion that their jurisdiction should for the present be increased only to Rs. 300, and this Bill gives effect to that.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Monday, the 22nd March, 1926.

585

## COUNCIL OF STATE.

Monday, 22nd March, 1926.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### MEMBERS SWORN:

The Honourable Lala Sukhbir Sinha (United Provinces Northern: Non-Muhammadan) and The Honourable Albert Frederick Lucas Brayne, C.I.E. (Financial Adviser, Military Finance).

### QUESTION AND ANSWER.

#### REPORT OF THE ANDAMANS DEPUTATION.

198. THE HONOURABLE SAIYED MUHAMMAD PADSHAH SAHIB BAHADUR: Will the Government of India be pleased to state:

- (a) whether they have received the Report of the Special Committee appointed to inquire into the fitness of the Andamans for Moplah colonisation;
- (b) if so, whether the Government propose to give effect to the recommendations made by the Committee;
- (c) if not, why not; and
- (d) whether they propose to publish the Committee's Report in the Gazette of India and, if so, when?

THE HONOURABLE MR. J. CRERAR: The Report has only recently been received and no decisions in regard to the recommendations contained in it have been reached. The question of its publication will be considered.

### MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: I have a Message for the Council from His Excellency the Governor General. The Message takes the form of a letter from the Private Secretary to His Excellency:

"I am desired to acknowledge the receipt of your letter No. 942 A.C., dated 17th March, conveying the text of a motion unanimously adopted by the Council of State on the 17th March last, and forwarding a copy of the discussion on the motion. The papers have been laid before His Excellency the Viceroy and Governor General. His Excellency deeply appreciates the kind thought which prompted the Mover to bring this motion before the Council, and is greatly encouraged by the warm support which so many Members accorded to it and the generous terms in which they alluded to his work. His

[The President.]

Excellency observes that the Honourable Members in their discussion passed in review many of the most important measures adopted during his period of office, and it is a source of deep satisfaction to him that his action and policy in these questions of the highest importance to India have merited approbation in the sober judgment of the Council of State. Her Excellency is also highly gratified by the kind references made to her efforts in the discharge of the duties of her high position in India. That her work on behalf of the sick and suffering and for the welfare of the women and children of India is so gratefully appreciated by the Members of the Council of State is no inconsiderable recompense for her labours and she will treasure the recollection of the generosity of the words in which this appreciation has been expressed. I am to add that, on the eve of their departure and amid the sadness inevitable in separation from the interests of the past five years, Their Excellencies have been greatly stimulated and encouraged by the motion conveyed to them by the Council of State."

### INDIAN FINANCE BILL.

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): Sir, I move that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt, as passed by the Legislative Assembly, be taken into consideration.

Sir, the arrival of the Finance Bill in this House marks the last stage of our budget discussions. The object of the Bill is, of course, to provide for Government the necessary funds for carrying on the administration and for giving effect to the policy which was laid down in the Honourable the Finance Member's budget speech, of which I may say the two most important features are the repeal of the cotton excise duty and the remission of 1½ crores of provincial contributions. I am glad that the Bill has reached this House intact on this occasion in the form in which it was originally introduced, as it will enable, if finally passed, that programme to be carried out, and I hope it will also emerge intact to-day. The contents of the Bill, as I explained when introducing the Budget, are to retain at the existing rates the salt duty, the postal rates and the rates of income-tax. It continues for another year the procedure under which the interest on the investments in the Paper Currency Reserve and the excess of the Gold Standard Reserve over 40 million £s. are credited to revenue. All these features are common to the Bill of last year. There is, apart from the clause dealing with the cotton duties, only one clause of a novel character, that is clause 7, which deals with the appropriation towards the reduction or avoidance of debt of a certain portion of our receipts from the Germany reparation payments under the Dawes scheme. As I see on the paper a motion to omit that clause, I think it will be for the convenience of the House if I defer further observations on it till that stage is reached. I will just say here that, in the opinion of the Government, the proposal which we are making in this clause is financially sound. The clause, however, which will strike the eye most is naturally that which repeals the cotton excise duty, and although I am moving for consideration in these few words only, I think the House will agree that the final passage of a Bill containing this clause marks a historic occasion.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, arising out of this motion made by the Honourable the Finance Secretary I would like to ask him whether Government have considered further the question of the financial year coming to an end on the 31st December instead of on the 31st March. My reason for putting this question is that we get this very important Bill, perhaps one of the most important Bills of the Session, handed to us at the end of the Session. What happens to this Bill supposing it is amended in this House? It has to go back to another place and stands a chance of not being passed before the end of the financial year. I merely introduce this point now with the object of inquiring whether the Government have further explored the proposition that the financial year of this country should end on the 31st of December. I think it would be a convenience at any rate to the Legislature and a convenience in many other ways.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, with reference to the question addressed to me by the Honourable Sir Arthur Froom I think I am in a position to say that recently at any rate that question has not come up for consideration. I know that it has been considered before and the arguments for and against have been carefully weighed, and also I think the arguments for other dates as well as the 31st December. One of the reasons for fixing another date is to get a date when we shall be certain of the results of the monsoon before commencing our budget calculations. I can promise the Honourable Member that I will see that this suggestion is brought to the notice of the Honourable the Finance Member.

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, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill

THE HONOURABLE LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I beg to move that to sub-clause (3) of clause 6 of the Bill . . . . .

THE HONOURABLE THE PRESIDENT: The Honourable Member is somewhat premature. The clause I have put to the House is clause 3 of the Bill, not sub-clause (3) of clause 6.

Clauses 3, 4 and 5 were added to the Bill.

THE HONOURABLE THE PRESIDENT: Before I call upon the Honourable Lala Ram Saran Das, I think I should refer to the amendments standing on the paper. He has two amendments to make additions to sub-clause (3) of clause 6 and an amendment which in substance is identical with his second amendment is also on the paper in the name of the Honourable Sardar Shivdev Singh Uberoi. I have carefully considered the admissibility of these amendments and I have been driven to the conclusion that they are not admissible. The purpose of the

[The President.]

Finance Bill is to fix rates of income-tax and from that point of view alone the amendments which stand on the paper are not proper amendments to the Finance Bill; they should be brought in as amendments to the Indian Income-tax Act, 1922. It might be argued, I think, that as the Schedule to the Bill, the Second Schedule which fixes the rates of income-tax, fixes those rates to be paid on total income, and sub-clause (3) of clause 6 gives, as it were, a definition of "total income", that the amendments might be admissible; but I think there is a fallacy in that argument. This clause of the Finance Bill read with Schedule II is merely a sequel to section 3 of the Indian Income-tax Act, 1922. That section lays down that, where an Act of the Indian Legislature enacts that income-tax shall be chargeable for any year at any rate or rates applicable to the total income of an assessee's tax at that rate or those rates should be charged for that year in accordance with and subject to the provisions of this Act, etc., etc. The expression "total income" there is used in the sense of the definition given in the Income-tax Act itself, that is to say, it means the total amount of income, etc., computed in the manner laid down in section 16. Therefore, it would appear that if the Honourable Member introduced into the Finance Bill an amendment which varied the definition of "total income" and made it something different from that which is contained in the Income-tax Act itself the section of the Income-tax Act would not apply to that total income because it only provides for the levying of a tax on total income computed in the manner laid down in the Income-tax Act. Therefore, if the definition of total income were amended in the Finance Bill, I think the result would be that there would be no statutory basis for the levy and collection of income-tax at all. Therefore I must hold that the Honourable Member's amendment is out of order; likewise the amendment standing in the name of Sardar Shivdev Singh Uberoi. Clause 6 is otherwise under the consideration of the House.

THE HONOURABLE SARDAR SHIVDEV SINGH UBEROI: Does your ruling apply to my second amendment?

THE HONOURABLE THE PRESIDENT: The Honourable Member's second amendment is to Schedule II of the Bill, which is not under the consideration of the House at the moment.

Clause 6 was added to the Bill

THE HONOURABLE THE PRESIDENT: I find an amendment on the paper standing in the name of the Honourable Lala Ram Saran Das again. His amendment is "that clause 7 of the Bill be omitted". I think a little reflection will show him that that amendment is not in order because our Standing Orders lay down that no amendment shall have the direct effect of a negative vote. The motion before the House is that clause 7 do stand part. The Honourable Member cannot therefore move that it do not stand part. It is, however, open to him to speak against the inclusion of the clause and to vote against it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I rise to oppose the clause. In opposing it I wish to say, Sir, that, although I agree with the scheme put forward by the Finance Member for the

redemption and avoidance of debt, I do not agree at all that the surplus moneys should also be devoted to that purpose. As far as I can see, Sir, India's unproductive debt does not amount to a very great item as compared with the unproductive debt of Great Britain. So, I think that if we stick to the redemption scheme which the Finance Member had launched, we shall be able to get rid of the high rate of interest and our credit will grow better without including the surplus for the reduction or avoidance of debt. Sir, so far as I remember, the Finance Member gave some indication of the redemption money required in various years in his budget speech of 1924. The amount which he estimated that he would need in the subsequent years for the reduction of debt was adopted and no extra money ought to be included. India has, so far, paid about 26 crores for the reduction of debt during the last few years, and therefore the sum of 16 lakhs surplus ought to go to the general fund instead of going to the reduction of debt. For this reason, Sir, I oppose the inclusion of this clause in the Bill.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, we are not aware of what amount will be available under this clause for debt reduction and there will be time enough for us to consider what appropriations we ought to make of this amount when we have really got that amount. After going through the statements made by the Finance Member in another place, I find that it is not definitely known what is the actual amount that is likely to be obtained under this clause. It is not desirable to fight about the appropriation before we actually get the amount in our hands. Let us hope that it will be a fairly large figure and that there will be time enough to consider whether that amount can be utilised for works of public utility and other productive works, or whether it is to be utilised for the purpose of bringing down the public debt. I therefore ask this House not to support clause 7 of this Bill.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, the Honourable the Finance Member in his budget speech gave such a full account of the reasons why we have introduced this clause in this Bill that I have very little hope of being able to add anything substantial to it. The main reason is that we think that such a provision is financially correct. There are, as he explained, three classes of expenditure which these payments are intended to meet. First of all, direct losses which the Government incurred through enemy action or through having to repatriate enemy aliens. It is quite clear that during the war those losses simply went to swell our unproductive debt, and the proper method would clearly be to write down that unproductive debt now. The second class of expenditure relates to pensions and annuities which have to be paid to persons or relatives of persons who have been injured or perished in the war. By allotting this money to reduction of debt we do, in fact, insure that we shall have a reduction in our interest charges which will go to meet those pension payments when they fall due. With regard to these two classes of expenditure it seems on financial principles right that this money should be allocated to avoidance or reduction of debt. There is a third class of expenditure, namely, compensation claims either by private individuals or public bodies. The money received on this account is only technically a receipt of the Government of India who act as agents in making the payments. We propose therefore in this clause that such

[Mr. A. C. McWatters.]

amounts shall be deducted from the total amount paid to us and only the balance will go towards the reduction or avoidance of debt. I may say that for this method of treatment we have among others, the very high authority of M. Caillaux in France. The Honourable Rai Bahadur Lala Ram Saran Das has based his objection mainly, as far as I could see, on the fact that our unproductive debt was not so high as that of other nations. I am glad to say that this is true, but all the same it is very substantially higher than it was at the outbreak of the war and it is much higher than we care to see it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Was that due to the war?

THE HONOURABLE MR. A. C. MCWATTERS: The increase of unproductive debt was certainly due to the war. It was due to the deficits which we incurred owing to the war. The unproductive debt of India had practically been wiped out by the year 1916 and the high figure at which it stands now is due largely to the series of deficit years subsequently. The Honourable Mr. Chari gave as a reason for opposing this clause the uncertainty of the amount which we might get under it from year to year. That, if I may say so, is one of the best reasons for taking the opposite line because varying amounts of that kind are extremely disturbing to the Budget. Therefore, both in order to deal with the Budget on businesslike lines and also because the method which we propose is in our opinion right in principle, I hope that the House will agree to retain this clause.

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 Schedule I stand part of the Bill."

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I rise to move the following amendment:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head 'Postcards', the following be substituted:

|         |     |     |     |                     |
|---------|-----|-----|-----|---------------------|
| 'Single | ... | ... | ... | Quarter of an anna. |
| Reply   | ... | ... | ... | Half an anna."      |

In this connection, Sir, I want to say that, notwithstanding our having a surplus Budget, no reduction whatsoever has been made in the direct taxation. When we had similar surpluses before the war, there was no super-tax, there was no increase in the postal rates and there was no further taxation to which both these Houses agreed later owing to the advent of the war. After the war, when our prosperity Budgets began, the people expected that there would be some reduction in direct taxation. I am sorry to find that no such reduction has been made. In this amendment I am advocating the cause of the poor. The traffic in postcards has very greatly gone down. If I mistake not, it has gone down by one hundred million cards. An argument may be raised that in case the traffic

goes up the establishment and the running expenses of the Post Office will rise to the same extent. I cannot imagine, Sir, that by this rise in the traffic of postcards the expenses of the Post Office will increase materially. Of course they will increase to a certain extent, but they will not increase and cover an amount equal to the increased income. The Postal Department puts forward a grievance that the Railway Department has withdrawn the free passes which used to be given to the post office officials and in that way they have now to incur an additional recurring expenditure of 10 lakhs a year. I find, Sir, that the Railways are giving concessions to the Military Department for the carriage of their food-stuffs and for the carriage of their passengers. When this precedent has been created for the Post Office, railway concessions ought to have been withdrawn from the Military Department as well. I think that the withdrawal of this concession merely from the Post Office does not seem to me at all justified. In case the railways want to withdraw this concession from the Post Office they ought to withdraw it from the Military Department as well.

Another item I found in the Post Office Budget is that Rs. 57 lakhs a year are now to be borne by the Post Office as interest on capital. This is a new thing and I think that when the country has met this extra cost by extra taxation, I find no reason why this sum of interest should be charged to the Post Office now. It is all right to say that it is a commercial department run on commercial lines. I will say that the present Postal Department consists of Posts as well as Telegraphs and Telephones. The Telegraph Department in all countries is a losing department. Its functions are also political and administrative, and for that purpose I think the Government must bear a certain portion of the losses of the Telegraph Department, and that this sum of 57 lakhs for interest which is charged per annum ought not to be charged because, as I have already explained, this amount has already been met by the tax-payer in other ways. I might also mention, Sir, that in case this concession is made, the people—I mean the poor people—will find it a great boon and by reducing this charge to a quarter anna on postcards the loss will not amount to much considering the surplus of a crore or so which has been left over after meeting all charges, such as remission of contributions, excise duty and so on. War accounts have not been reconciled as yet and the public cannot understand the delay in it. In case the war accounts are adjusted, there will further accrue a great surplus in the Indian Exchequer and I think that from the prosperous times that are coming will add to the income of the Department. So Government will do well to accept my recommendation.

THE HONOURABLE LALA SUKHBIR SINHA (United Provinces Northern Non-Muhammadan): Sir, I rise to give my full support to this amendment only in a few words. It is a demand by the public in general and by the poor in particular. The huge amount of reduction in the sale of postcards clearly shows how much correspondence has gone down among the general masses of the country. As there is a surplus already in hand, I think this loss, if any, may very well be paid from that surplus. I would have advocated a reduction of postage on the one anna envelope also, but I am not prepared to do that this year, but perhaps next year when we shall have a larger surplus we shall be able to consider that also. At present the consideration of the reduction of postcard postage is absolutely necessary and I strongly recommend that all Honourable

[Lala Sukhbir Sinha.]

Members should support this motion, and I hope that the Finance Department will be able to accept it.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhaminadan): Sir, I rise to support the amendment moved by the Honourable Lala Ram Saran Das. Though the Honourable Finance Member has failed again to meet the general desire in connection with postal rates, yet if we had an assurance from him that at least next year this relief will be afforded to the poor, it would be all right. But, Sir, far from holding out any such hope the Honourable Finance Member seems once and for all to dismiss this very idea as chimerical and as being outside the range of practical politics. I will just read a very small portion of the two long paragraphs devoted to this question. In paragraph 64 he says:

"The House will observe that in face of these figures it is impossible for us to contemplate any reduction this year in the rates for letters and postcards."

In paragraph 65 he says:

"Unless therefore the future holds out the prospect of a considerable further fall of prices to at least the 1914 level—a development which would probably be undesirable in the general interests of India's prosperity—we must admit the logical conclusion that the day of the 3 pie postcard and the 6 pie letter is past beyond recall."

Sir, this is hardly satisfactory. From the statement that I have just read out it is quite manifest that far from making any honest effort in that direction the Government are determined never to bring down the rates unless the impossible occurs, that the level of prices goes down and becomes quite as low as that of 1914 or before that. That means that even if the profits may bring in large surpluses, some other way will be found to dispose of the surplus, but no such relief will be afforded to the poor. This is not the attitude Government ought to take in respect of a popular demand like this. Now what is the justification? The justification is nothing better than that which would justify any ordinary commercial concern in taking advantage of the general rise in prices. The Government say that the general level of prices has gone up and that the people have now to pay more for foodstuffs and other necessities. That is no reason why they should be made to pay more for the convenience of the Postal Department. Do the Government think that this general rise in prices indicates a proportionate increase in the prosperity of the people? If they do, they are very sadly mistaken, because the facts are quite otherwise. It is true that the level of prices has gone up; it is true also that the cost of living has increased, but at the same time it cannot be denied that the earning capacity of the people in India has not proportionately increased. Consequently, the poor man in this country is very much poorer now than he was in 1914 or before that. Therefore, this rise in prices is a circumstance which, instead of furnishing an argument for the present increased rates, should have gone to induce the Government to bring down the postal rates to their original level, and it is very necessary that they should do so if they intend to make this useful, this indispensable department of public service available to the poorest classes in the country who have very slender means. Now, Sir, as my Honourable friend Lala Ram Saran Das said, the one objection that is taken to this proposal is that the Post Office is not a benevolent institution and must be made to pay its way. The question I wish to

ask is, is it such a commercial concern that it should justify our trying to make profits out of it to make up our losses on the Telephones and Telegraphs? Are we right in setting off the profits that accrue from this department against the loss of 20 or 30 lakhs that results from the working of the Telegraphs and Telephones? Have we any right to do this? Again, Sir, I fear the present amount of the ascertained saving accruing from the Postal Department does not represent the exact figure. So long as we have this combined system and so long as the accounts are not totally separated, it will not be possible to know exactly what are our gains on the postal side, and I feel, Sir, that if the accounts are separated, our profits on the postal service will be found to be very much larger than they are at present. There is, again another reason which my Honourable friend Lala Ram Saran Das advanced. These postal rates were enhanced at a time when the finances of the country were in a bad condition. Then there was a necessity for you to introduce fresh taxation, or to increase the taxation already imposed, but now that the necessity has gone, now that things are looking up, and also in view of the fact that the surpluses and the prosperity we find to-day have been achieved by causing the people some privation and inconvenience, is it not right, is it not proper that we should try and give this relief to the poor? Again, Sir, it has been admitted that the Postal Department is not really a commercial concern. It serves to educate the people, and it is very necessary that an agency like this, which tends to civilize and educate people, should be run so that it may be within the reach of even the poorest classes.

THE HONOURABLE MR. A. H. LEY (Secretary for Industries and Labour): Sir, this amendment is becoming, if I may say so, something of a hardy annual. We had precisely the same amendment discussed in this Council last year. It has been debated at great length, almost threadbare I may say, on several occasions recently in another place, and I hope it will not be necessary for me to say very much on it, except to try and deal as adequately as I can with certain points made in the speeches which my Honourable friends have made. I would start by saying that I fully sympathise, and naturally sympathise, and I think the whole House will sympathise, with the objects underlying this amendment, which are to bring postal facilities within the reach of the very poorest classes. That is an object that we should all like to see attained if we could. But it is obviously necessary I think, in spite of what my Honourable friend who spoke last said—I shall come to what he said presently—to run the Department in such a way that it shall not be a burden on the tax-payer. That is the first point. Let me first deal with the financial effects of this amendment. Based upon the figures which we anticipate next year, and allowing for an increase of traffic, it will cause a loss,—strictly on the basis of those figures,—of between 86 and 87 lakhs of rupees annually. But as a matter of fact that is an under-estimate, because it does not take into account a certain additional loss which will result from the diversion from the letter to the postcard traffic, if that is to say you leave your letter postage at one anna. There will then be the somewhat large difference of three quarters of an anna between the postcard and the letter postage rates. Consequently, the financial result of this amendment would be a loss of something like a crore of rupees annually to the Postal Department. I should like in passing to mention one or two points made by the Honourable Lala Ram Saran Das. He complained, in the first place, that the Railway Department are charging the Post Office something like



[Mr. A. H. Ley.]

10 lakhs of rupees a year in place of the passes which had hitherto been granted to the Superintendents of Post Offices and other staff. Well, that of course is a small sum in any case and it is a part, I may say, of the general commercialisation of the accounts of both departments, the Railway Department and the Post Office. We make certain charges I may say also, which are now being considered, to the railway authorities for services rendered by the Post Office. These will all have to be adjusted. So I venture to think there is very little in that argument. Then he complained that the Budget had taken account of interest on capital. I cannot quite appreciate why it should be suggested that a commercial department should not do so. It is obviously necessary, if the department is to be run on commercial lines. He said also that the interest on capital had been met by the tax-payer in other ways. I was not able to appreciate quite what he meant by that statement, but I can assure him that it is not at all correct. Well, as I say, this amendment will involve the Postal Department in a loss of nearly one crore of rupees annually. Where is the money to be found? I think my Honourable friend on my left will support me when I say it cannot be, except either by imposing fresh taxation on other commodities, or by *pro tanto* knocking off one crore of rupees annually from the reduction in the provincial contributions. That is the only source from which the money could be found, and I do not suppose that result would be altogether pleasing, perhaps, to our Honourable Members from Madras and Bombay. But I will put it also on rather broader grounds—broader in one sense and narrower in another. I say this, that it does seem to me very important from the point of view of the development of postal facilities and bringing postal facilities within the reach of as many people in this country as possible that the Post Office should be able to pay its way. We do not ask, as my Honourable friend who spoke last said, that it should make large profits. That has never been suggested. But I do suggest that it should balance its accounts. Otherwise, if you are going to make the Post Office a burden to the tax-payer to the extent of 1 crore annually, I suggest that that way lies stagnation for the Postal Department. What will happen if the Honourable Member in charge of the Department comes to my Honourable friend (the Finance Secretary) or the Honourable the Finance Member and asks for a lakh of rupees here and a lakh of rupees there—a lakh of rupees, we will say, to put right some genuine postal grievance, another lakh or two to extend postal facilities to rural areas in which there are none at present. It is obvious what the answer would be. The Finance Department would say: "You are running this Department at an annual loss of 1 crore. How can you possibly expect us to agree to increase that loss by adding additional unremunerative or experimental expenses?" The Honourable Saïved Mohamed Padshah quoted from the remarks made by the Finance Member in his budget speech, but I should like to draw particular attention to the last sentence in the paragraph from which he quoted:

"It is better that we should cease to delude ourselves with unrealizable hopes and should set ourselves to secure the maximum efficiency and the greatest possible facilities to the public from the Department as things are to-day."

Now that is a point on which I want to lay some stress. We do want to see postal facilities increased. We want to see the operations of the Department extended, and in order to do so we must be able to run the Department at any rate not at a serious loss. I notice that my Honourable

friend Lala Ram Saran Das was very wise in not making the point which was referred to by my Honourable friend opposite, of the rise in prices. What his amendment really asks the Government to do is to reduce the postcard rate 60 or 70 per cent. below what it was before the war, taking into account of course the value of money. That is what we are asked to do. Prices of everything have risen, wages have risen—wages of the postal service, wages of agricultural labour. It is, I venture to submit, rather extraordinary that we should expect that the price of carrying a postcard should not also rise. In point of fact the quarter-anna postcard will be a recurring loss at present prices, and the more the traffic increases the higher will be the loss. My Honourable friend who spoke last said the poor man was actually poorer than he was before the war and the postcard rate should be lower than it was then. He did not justify that statement by any facts and figures and I think it is a statement which cannot be accepted by this House as a correct statement of the actual state of affairs. I should like just to make one or two further points with regard to what he said. He said—and I think that was also the point referred to by the Honourable Mover of the amendment—that we take together as one Department the Postal Department and the Telegraph Department; and my Honourable friend opposite said that you cannot estimate exactly how much we get from Telegraphs and how much we get from the Post Office. That is perfectly true. Of course you pay for telegrams by postage stamps generally, but it is a very good argument in my opinion for treating the operations of these two sides of the Department together. We cannot separate them and the Department must pay as a whole and not only as one portion. But even if you could separate the Post Office altogether there is no reason to suppose that our figures, which are based on a count taken in two weeks of the year, are anywhere wide of the mark. Secondly, even if you could separate the Telegraphs and the Post Office Departments as a whole, you would still not have nearly sufficient money in the Post Office to be able to meet this amendment. Finally, Sir, I wish to come back to what I said before, because it seems to me important. Apart from the purely financial result—(we cannot find the money, and that seems to me to be the crucial point in this matter)—we do want the Department to be able at any rate to pay its way, and until it pays its way we cannot expect to be able to extend postal facilities in the manner which has been urged in this House. If the Department is run at heavy loss, you will be crippling it for several years to come. Possibly later on if prices go down and if trade increases, there may be a sufficient surplus to play about with, but at the present time it is perfectly impossible to do so.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, this reduction in the price of the postcard is a matter on which the popular representatives of this House as well as of the other House feel very strongly. In going through the debates on two occasions in another place, both in the debate on the Resolution relating to the reduction of the price of the postcard and also in the discussion relating to the 50 lakhs cut proposed in this Department by a Madras Member, we find that the popular representatives based their arguments on figures, and we find as usual the Member in charge of the Department as well as the Finance Member came down upon these people and others who relied upon these figures and said, "Look here these are figures which must be looked at from various aspects" and they were able by their strong figures in various matters to

[Mr. P. C. Desika Chari.]

make the confusion worse confounded. We should not, therefore, repeat that method, which does not find favour and which is not likely to yield very good results. We know the gentlemen from Government Departments, more specially the official Members of the Finance Department and the Department concerned here, are very strong at figures. They can always bring up various items under the head of expenditure as well as the heads of income in order to prove to you that it is absolutely impossible to have any reforms of this kind effected. They tell us in their own way that it is likely to work a financial catastrophe. Of course as a lawyer I know perfectly well there are two sides to every question, and if you are briefed to argue on one side you can always use plausible reasoning for whichever side you may be engaged on, and it is always possible to produce arguments which may be convincing to people who might not have fully gone into the entire records. That is the position we have to-day. There are the popular representatives trying their level best to put their heads to the figures in the voluminous pages given them for perusal at such short notice. Sir, we have got these members of the various departments as well as the members of the Finance Department who deal with these figures and they know what they are about. We are always faced with the difficulties that by the dumping of the figures the real issue is not tackled. The position is this. There is a tinkering with this problem both on the official side and on the non-official side. The non-official Members have been crying themselves hoarse to effect this small measure of reform in the Postal Department, a measure which is regarded as necessary by all concerned. It is admitted on all hands that the popular representatives, when they advocate a measure of reform of this kind, are anxious to do something very popular, and I find a statement made by the Honourable the Finance Member in another place to the same effect. Why should we not do something which is very popular? Is it not the duty of the Legislatures, the Government, the nominated Members as well as the elected representatives to do something popular? Is it not their duty to redress the grievances of the teeming millions of India? They are the voiceless people but under the present system of franchise it is the bounden duty both of official Members and the elected Members—we represent only those people who send us to these Councils—to redress their grievances. Sir, very often the claim is put forward by the official Benches that they are the representatives of the teeming millions of India. If they are the real representatives of the teeming millions of India, and if it is admitted that the grievance is there and the people feel it keenly and bitterly that this grievance has not been redressed, is it not the duty of the official Benches to see that this grievance is redressed? Is it right for them to tell us that, if this measure of reform is effected, there would be a financial catastrophe? Is it not their duty to face the situation boldly? Sir, I have been able to deduce that there are avenues which may be explored, and if they are explored it is quite possible to effect this measure of reform without sacrificing the financial condition of the country in any large measure.

There are four items which I should like to bring to the notice of this House without getting myself merged in the mire of figures and getting myself kicked by the figures which the official Members may throw at us. After going through the debate on the 50 lakhs cut, we find that there are certain broad facts which have to be taken note of. Looking at this

question from the standpoint of possibilities of economy, we find that the Ryan Committee, which consisted of officers who had a good deal of experience in this department, were able to suggest economy to the extent of 20 to 40 lakhs of rupees.

THE HONOURABLE MR. A. H. LEY: May I explain to the Honourable Member that the economies were to be effected only in a series of years. They cannot be expected immediately.

THE HONOURABLE MR. P. C. DESIKA CHARI: I take note of that explanation. If economies cannot be expected to the fullest extent . . .

THE HONOURABLE MR. A. H. LEY: The economies are expected.

THE HONOURABLE MR. P. C. DESIKA CHARI: There is a great deal of scope for effecting further economies and they may result in a saving of about 10 or 15 lakhs of rupees in the near future. Then, Sir, there is the other item about the interest charged to this Department for capital invested in this Department. We find that this capital has been contributed from general revenues during the last 30 years. And who are the people who have contributed this capital? It is the general tax-payer. If this Department is regarded as a purely commercial concern, then who are the shareholders and who are the capitalists? It is these tax-payers who now want some benefit out of this. Is it not unfair to say, Sir, that no doubt you are the capitalists, no doubt you have provided us with the capital, you must be very careful about your interest; you must be prepared to sacrifice all your finances, but you must not accept any benefit out of these finances? Sir, as a student of political economy, the first thing that I came across was the definition of an economic man. There we are told that a proper economic man is a person who will take into consideration all the economic factors working in various forces and who does not leave out humane considerations altogether. Here we have got a set of financiers who want to keep out humane considerations altogether. I think the best way to look at the finances is to take note of these humane considerations also and not, merely, to regard these things from a commercial man's point of view. Here are the people who have suffered during the last 30 years by the funds which they have provided in the shape of taxes. They say: "Let us have some comforts in our own house with the help of our own capital." If they are prepared to suffer the loss, which loss is likely to be more than recuperated by the gradual opening of this avenue of income consequent on the introduction of the pice postcard, why should they not be allowed to suffer that loss in order to have a larger convenience which this loss may bring about? If there is a surplus in the Postal Department, the surplus will go to swell the general revenues of the country. If there is a loss, it is only natural that the general revenues ought to bear a portion of the loss. After all, is this a commercial department? No. From the actual working of it we find that it is not a commercial department, it is not, merely, a business concern, but it is a department which serves as a national agency, as an agency of public utility in various directions. If this Department serves such a high purpose, are the expenses and the finances of that Department to be looked at from the commercial point of view alone? Are there no other considerations involved? How can you ignore altogether the popular demand which is insistent, which ought to be met and which cannot be delayed?

[Mr. P. C. Desika Chari.]

If this amendment is carried out the net loss will not be a crore of rupees. I have worked it out. Assuming for argument's sake that there is no increase in the traffic in the shape of even a single postcard, the loss would come to 86 lakhs of rupees. Then, we have to take note also of the fact that this reduction of postage is likely to result in some increase in traffic. I find that the Honourable the Finance Member in another place has been gracious enough to admit that there will be an increase in traffic. He admits that this reform may be popular and it may lead to increase in traffic, and I venture to add that it will lead naturally to increase in income. But his real objection is based on two grounds. His first objection is that this is a financial subject and no other considerations ought to enter in dealing with it. In the second place, he says that the general revenues ought not to go on subsidising this Department. I say why should they not subsidise this Department? It is the general tax-payer who has provided the necessary funds for carrying on this Department and why should not this Department subsidise the general tax-payer? It stands to reason that, owing to the general desire of the people, this measure of reforms ought to be effected even though it may lead to some loss in the near future, and we have got it that in the increases in traffic which will arise there will be some amount of profit to cover to some extent the losses that may be occasioned. That is my view. I find from the reading of the figures in previous years when the prices of postcards were doubled, then the effect of it was felt. There was a reduction in postcards of about 165 millions, I believe, and we may fairly take it that there was a fall of at least 100 million postcards. If by the doubling there was a fall of 165 millions we may fairly take it that by halving it the traffic will naturally increase and bring in a larger revenue. It may not be quite as large as to make up the loss, but there will be some increase in profits which will go to some extent to decrease the loss that may be sustained, namely, this 86 lakhs. This loss of 86 lakhs will be somewhat abated. The Finance Member and other members of the Government co-operating with him have also done financial wonders in recent years by bringing forward this year's Budget which shows a surplus and have put the finances of the country on a sound basis. Now the views of the country are that sound position affords the opportunity to assist them, especially as the credit of the Government of India is on a very high footing in the markets of the world. I would appeal to the official Members fervently and passionately to place their credit with the teeming millions of India in the same manner as they have done in the case of the credit of India in the money market of the world. The people of India in their miserable condition value the small mercies, the small sympathies which would be shown to them in the shape of reduction of taxation; though it may be in the shape of reduction of postcards they would appreciate it as a great boon. It is up to the official Members as well as the non-official representatives and the nominated Members to support this measure which is likely to meet with the universal approval of the country, and these small considerations of a finance—which are not after all such terrible things—in the shape of a few lakhs of rupees, while the Finance Member and the member of this Department have to deal with very large figures can be adjusted. We also deal with household budgets and whenever it is possible to make a small adjustment without suffering, we do so, and it is quite possible for the Honourable Member dealing with large figures to make cuts here and

there just to meet these small losses which may be occasioned just for the present. I, therefore, appeal to all the Honourable Members of this House to support this amendment and to do some good to the largest number of people, to the voiceless millions of India, a good which will be greatly appreciated, although it may be in the shape of only a small measure of reforms.

**THE HONOURABLE MR. MANMOHANDAS RAMJI. VORA** (Bombay: Non-Muhammadan): Sir, I rise to support the amendment of the Honourable Lala Ram Saran Das for the reduction of the rates for postcards. I have heard the Honourable Member from the Government side putting forward a suggestion for the House to consider how the deficit of one crore of rupees is to be met. Well, Sir, there is a large amount put on the postal side as interest charges for running the Department on commercial lines. It is a new innovation. Up till now this money came from some other department, so it is a transfer from one pocket to another. If we take into account that the profits of this Department are swallowed by another department, a sister department, there also we do not look to the commercial side of it. Here in this case of postcards in the Postal Department we want to see the commercial aspect of the thing. We run Telegraphs and Telephones for Government purposes, for the purpose of carrying on this government. What contribution is made from those Departments? Why are the benefits of one department given to the other? Why should the Postal Department have to find the money for making up the loss of the sister department which is worked by that Department? Therefore, if you take that into account, if you take into account the 98 crores that the people of India have subscribed towards the revenues of this country during the war, when they found money to the extent of 98 crores, here is a question of a few lakhs and that you grudge. You grudge it for what purpose? A poor man, who has left his home and works in some other part of this country, cannot communicate with his family on account of the high charges for postcards. That is the grievance. I can easily understand that it can produce a laugh here, but when you really consider the position you will realise the ultimate issues of that point. Here what do we find? By raising the price of postcards the consumption is reduced. That clearly shows that somebody is not utilising the postcard to its fullest capacity. If you reduce your postal rates you have to take into account the increase also that will tend to reduce your deficit of one crore, and I think the balance can be adjusted from general revenues, and for this purpose I think it is right that the rate of postcards should be reduced.

**THE HONOURABLE SARDAR SHIVDEV SINGH OBEROI** (Punjab: Sikh): Sir, I support this amendment of my Honourable friend, Lala Ram Saran Das, on one ground and one ground only, that a poor country like India must have cheap means of communication. As regards the objection of the Honourable the Finance Member, I simply say, that where there is a will there will always be a way found.

**THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN** (Punjab: Nominated Non-Official): Sir on this subject I came with the intention of sticking to one of the Persian proverbs—

*"Chūn Kāraz be shamūl-i-to bar āyed  
Jura dar wai sakhun guftan nashayed",*

[Colonel Sir Umar Hayat Khan.]

that is:

"When the things can be accomplished without your intervention, you need not participate."

But since I came here I thought I would not want to give a silent vote, but my opinion has been wavering. The House knows that it generally does not, because if I stick to a thing, I stick to a thing. But in this, first I thought I would oppose the Rai Bahadur, because I do know some people who learn up to the primary examination and cannot get service, but all the same know how to read and write a letter, and if they can do it for a pice, they will worry every one to whom they write. Then also I thought that if a poor man can get a pice he can get two also. Then again there has been a sort of custom of writing letters and when they write they always write complaining, "You do not write me a letter". When a man writes to his friend he says: "I am quite well and I hope you are the same," and at the end he says, "You have not written to me". And when the letter goes to the other side, the other man naturally wants to write another letter, and for the writing of such customary letters it is better if one had to pay something before one could do it. But on the other hand there is another argument that the people who are actually very poor would suffer, and one has to hesitate before voting against the Rai Bahadur Sahib. Another thing which I thought was that, if a man is born in a country, he should contribute to some of the funds of the country, and it is for this reason that, whenever the question of salt has come before us, I have argued that the poor in that way ought to pay something to the country in which they are born, because it is not only the wealthy who should finance the Government and look after the country. Everybody who is born in the country should do that. But I do not think if a man pays an extra pice, he would be doing very much in this direction to finance the country, so I think that, though I have spoken, I will stick to the Persian maxim and let the House decide in any way it likes. I will not contribute my vote.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I only wish to ask a question. I think it would interest the Honourable Members of this House if Government could give the figures of the number of postcards used now at the present rate compared with the number of postcards used some years ago when the cost of a postcard was only a quarter of an anna.

THE HONOURABLE MR. A. H. LEY: Sir, I will just answer the last question, and I may leave the reply to the debate to my Honourable friend on my left. I cannot answer the question precisely because I have not got the figures here, but my recollection is that the number of postcards sent in 1921-22 was somewhere about 600,000,000. I am afraid I have not got the precise figures here, and when the postage rates were doubled, my recollection is that there was a drop of about 100,000,000, or about 20 per cent.; since then the figures have been gradually rising by small percentages every year. Now in 1924-25, of which year I have got the precise figures, the number of postcards carried was 542 million. In 1925-26 we anticipate 10 millions above that, and in 1927-28 we anticipate 560 millions.

THE HONOURABLE MR. A. C. McWATTERS: Sir, I hardly expected, after I had heard the speech of my friend the Honourable Mr. Ley, that I would be called upon to intervene on this amendment. I think, Sir, he gave most excellent reasons for not accepting this amendment, both from the financial point of view and the point of view of the Department itself, and he very rightly stressed the importance from the point of view of the Department of its paying its own way and not being a burden upon the general tax-payer. But the debate since the Honourable Mr. Ley spoke seems to have taken a somewhat different line, the lead being given by my Honourable friend Mr. Chari, who mentioned again and again the words "popular", and "popularity". I would ask the House to be very careful indeed not to be led away to make a popular gesture by doing something which is commercially and financially unsound. The Honourable Mr. Chari said that he would not follow the method of figures, which was not likely to give good results. Later on he fell, I am afraid, into the old method and gave us a large number of figures, many of which I found it difficult to follow. The figures which were given by my Honourable friend Mr. Ley are those which we consider are correct. We have made allowance for what we think would be the increase in the traffic if this amendment were carried, and after allowing for that, the actual loss would be 86 lakhs. The point which the Honourable Mr. Chari and other Members entirely overlooked is that we have also got to allow for the diversion from letters to postcards if you have this rate, which is by no means a satisfactory one, of a quarter of an anna for postcards against one anna for letters; and the total loss I am perfectly convinced would not be less than one crore. The point which has been taken again and again about the impropriety of charging the Department interest is, I venture to say, quite unsound. There is nothing new in this. What is new is that we have attempted to put the accounts of the Department on a commercial basis and exhibit them in a *pro forma* account which shows what the real cost of running the Department is just as if it were a commercial concern. On that basis you must take account of interest charges if the Department is not to be a burden upon the tax-payer of the present, whatever way the money may have been provided in the past. Therefore, I would most seriously ask the House to consider in respect of this amendment what they are doing. What they will do if they accept this amendment is simply this; they will compel Government to reduce the amount proposed for remission of the provincial contributions by one crore of rupees.

THE HONOURABLE LALA RAM SARAN DAS: May I ask the rate of interest that is being charged on the capital?

THE HONOURABLE MR. A. C. McWATTERS: I think it works out at about 5½ per cent.

THE HONOURABLE THE PRESIDENT: The original question was:

"That Schedule I stand part of the Bill."

Since which an amendment has been moved:

"That for the entries under the head 'Postcards' the following be substituted:

|         |     |     |     |     |                     |
|---------|-----|-----|-----|-----|---------------------|
| 'Single | ... | ... | ... | ... | Quarter of an anna. |
| Reply   | ... | ... | ... | ... | Half an anna'."     |

The Council divided:

AYES—16.

Akbar Khan, The Honourable Major Nawab Mahomed.  
 Bell, The Honourable Mr. J. W. A.  
 Bijay Chand Mahtab, The Honourable Sir, Maharajadhiraja Bahadur of Burdwan.  
 Desika Chari, The Honourable Mr. P. C.  
 Froom, The Honourable Sir Arthur.  
 Khaparde, The Honourable Mr. G. S.  
 Manmohandas Ramji Vora, The Honourable Mr.  
 Mehr Shah, The Honourable Nawab Sahibzada Sayad Mohammad.  
 Moti Chand, The Honourable Raja.

Oberoi, The Honourable Sardar Shivdev Singh.  
 Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.  
 Rameshwara Singh, The Honourable Maharajadhiraja Sir, of Darbhanga.  
 Ram Saran Das, The Honourable Rai Bahadur Lala.  
 Sankaran Nair, The Honourable Sir C.  
 Suhrawardy, The Honourable Mr. Mahmood.  
 Sukhbir Sinha, The Honourable Lala.

NOES—19.

Abbott, The Honourable Mr. E. R.  
 Brayne, The Honourable Mr. A. F. L.  
 Chadwick, The Honourable Mr. D. T.  
 Charanjit Singh, The Honourable Sardar.  
 Crerar, The Honourable Mr. J.  
 Das, The Honourable Mr. S. R.  
 Emerson, The Honourable Mr. T.  
 Hubback, The Honourable Mr. J. A.  
 Ley, The Honourable Mr. A. H.  
 MacWatt, The Honourable Major-General Sir Charles.  
 McWatters, The Honourable Mr. A. C.

Misra, The Honourable Pandit Shyam Bihari.  
 Muhammad Habibullah, The Honourable Khan Bahadur Sir, Sahib Bahadur.  
 Nawab Ali Khan, The Honourable Raja.  
 Ranga Rao, The Honourable Raja Sri Rawu Swetachalapati Ramakrishna, of Bobbili.  
 Roy, The Honourable Mr. K. C.  
 Tek Chand, The Honourable Diwan.  
 Thompson, The Honourable Mr. J. P.  
 Todhunter, The Honourable Sir Charles.

The motion was negatived.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I rise to move the second amendment that stands in my name, and that is:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, after the entries under the head 'Parcels' the following be inserted:

'Provided that no extra charge will be made for parcels redirected from the place of address given.'

In this connection, Sir, I simply want to say this, that this additional charge was perhaps levied as a war measure and as it affects the commerce of the country to a great extent in the present time of trade depression I move that this clause be adopted. I hope the Honourable the Government Member will throw some light on the loss which the Government are likely to sustain by adopting this proposal. It is only a small concession, and I think the Government will not grudge to give it.

THE HONOURABLE MR. A. H. LEY: Sir, I wish I could be as brief as my Honourable friend who has proposed this amendment, but I am afraid I shall have to explain the matter at a little greater length. I should like in the first place to refer to one remark which he made, that this charge for redirection of parcels was a war measure. I am afraid he is incorrect there. As a matter of fact it was enforced only 2 years ago and not as a war measure at all. The position is really this. When we were looking

into the question of commercialising the Postal Department we found that India was practically the only country in the world which does not levy a fee for redirecting a parcel. The fact of the matter is that every time a parcel is redirected, the whole cost falls upon the Post Office. It is just the same as doubling the cost to the Department for the carriage of the parcel. It is not the same thing as readdressing a letter or a postcard. A redirected letter or a postcard is merely put into a letter-box and taken along with the others, and under the International Postal Convention it is not permissible to charge a redirection fee for letters or postcards. But the International Postal Convention definitely allows and authorises and recognises the levying of a charge for redirection of parcels. Now, in the case of parcels it is a somewhat elaborate process. A regular account has to be maintained of every parcel dealt with by each post office. I mean now unregistered parcels. Of course registered parcels have to pursue an even more elaborate process still. But unregistered parcels are entered on a list, the number has to be checked by reference to the number on the list, the numbers of parcels on the receipt side and issued to the postman. Parcels when issued to the postman have to be entered into the postman's book and the postman has to sign the abstract. I am just explaining all that to show that it is rather an elaborate process which has to be adopted with regard to each parcel carried by the Post Office. Now, as I said, this is a charge which was introduced only two years ago. It is not a war measure at all. It is an entirely unprofitable business for the Post Office to redirect parcels without charging anything for them. I may say that we have followed the same principle as is followed in nearly every country of the world, except that we have not gone so far as most other countries have done. For instance, the British post offices charge the full amount of the prepaid postage. I will read out to the House the British Post Office rule relating to the redirection of parcels. It runs as follows:

"Parcels are, when redirected, liable to additional postage at the prepaid rate for each redirection, except where both the original address and the substituted address are either served from the same delivery office or are within the same town delivery area."

As I said, this is the principle which is followed in practically every country of the world. India, as a matter of fact, has not gone so far because for each parcel redirected we only charge half the prepaid postage. Our rule is as follows:

"A parcel redirected to any place served by the inland post shall, save where the original address and the substituted address are within the delivery area of the same post office or are in the same town, be charged for redirection a further postage amounting to half the prepaid rate."

Other countries charge the whole of the prepaid rate. Now, I would like to make two other points. On my Honourable friend's previous amendment I explained at the start that I had a certain amount of sympathy with it because it was designed in the interests of the very poorest classes. I have much less sympathy with this amendment, which does not help the poorest classes, who do not, generally speaking, use the parcel post to a large extent. It is really the wealthier classes who use the parcel post. Finally, there is one other important point, and that is that it seems to me that this amendment, if the principle of it were agreed to by this House, should not take the form of an amendment to the Schedule I to the Post Office Act at all. The Schedule to the Post Office Act merely fixes the maximum rates of postage. The question

[Mr. A. H. Ley.]

of redirection charges does not come within the scope of the Schedule at all. It comes within the scope of quite a different section of the Act. Section 8 gives the Governor General rule-making power. Sub-section (c) of section 8 runs as follows:

"The Governor General in Council may by rule provide for the redirection of postal articles and the transmission by post of articles so redirected, either free of charge or subject to such further charge as may be specified in the rules."

That is done by notification under section 8 (c) of the Post Office Act, and I venture to submit that if this House is prepared to accept this amendment, which I hope will not be the case, then the purpose can be achieved by merely asking the Governor General in Council to cancel that notification which he has himself issued, and not by making a substantive change in the law itself. Even if it were necessary to make such a substantive change in the law itself, it would not come within the scope of the Schedule to the Post Office Act, but in section 8 (c) of the Act itself.

THE HONOURABLE THE PRESIDENT: The original question was:

"That Schedule I stand part of the Bill."

Since which an amendment has been moved:

"That in the proposed First Schedule to the Indian Post Office Act, 1898, after the entries under the head 'Parcels' the following be inserted:

'Provided that no extra charge will be made for parcels redirected from the place of address given'."

The question I have to put is that that amendment be made.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question is:

"That Schedule I stand part of Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That Schedule II stand part of the Bill."

THE HONOURABLE SARDAR SHIVDEV SINGH OBEROI: Sir, I beg to move the amendment standing in my name which runs as follows:

"In part I-A of Schedule II to the Bill for clauses (1) and (2) the following be substituted:

(1) When the total income is less than Rs. 3,000 ... Nil.

(2) When the total income is Rs. 3,000 or upwards but is less than Rs. 5,000 ... Five pias in the rupee'."

Sir, in moving this amendment before this Honourable House I have to crave the kind indulgence of the Honourable the President and the Honourable Members of this House because it is the first time that I am standing on the floor of this House to address the Honourable Members with regard to an amendment which touches the finances of the Government. Sir, the shortness of time at my disposal has not permitted me to get some facts and figures in support of my amendment which I sincerely feel is one of the most important matters which have to be enacted in the law of income-tax. While making this

amendment, I am, Sir, fully conscious of the fact that the Finance Department of the Government is always very keenly touched and acutely feels any such amendment which has its bearing on the finances of the Government on the wrong side. I am also conscious of the fact that any amendment which touches the finances of the Government but has at the same time the effect of popularising the Government must be put before the House because, Sir, I feel, and honestly and sincerely feel, that the popularity of any Government is one of the essential factors for the very existence of that Government. It is not my object to enter into the question of reforms of the present administration of the Government.

THE HONOURABLE THE PRESIDENT: I hope the Honourable Member will certainly attempt to do nothing of the kind.

THE HONOURABLE SARDAR SHIVDEV SINGH OBEROI: I take my stand, Sir, on the ground that this rate of income-tax, which varies from incomes of Rs. 2,000 and Rs. 3,000 touches the middle class people very largely. I understand also that middle class people are the backbone of every society and consequently the backbone of every Government. If my amendment is carried and is lucky enough to get the assent of His Excellency the Viceroy and Governor General, surely it will affect the finances of the Government. On the other hand, Sir, I believe that it will add to the popularity of the Government, because in these days of dearness it is the middle class people whose income is limited, whose means are not very wide, who feel the pinch of the increase in living in our country. I also beg to say that this amendment affects all the people of India irrespective of any class or creed. It affects those who are in service and it affects those who are in trade. I have tried to put my amendment as modestly as possible, taking into consideration that after all funds are an essential element in carrying on the administration of any Government, and I should not make an attempt to put forward an amendment which has the effect of reducing the finances of the Government to any considerable extent. So I have limited my amendment to increasing the minimum limit taxable to income-tax from Rs. 2,000 to Rs. 3,000. I would like to illustrate just by an example that the income of a gentleman who is drawing Rs. 175 per month as salary from Government or from any private firm or individual, comes to Rs. 2,100 annually, and he is called upon to pay an income-tax of Rs. 54 per annum. It may be said that for a man who earns Rs. 2,100 per annum, it is not a high sum for him to pay Rs. 54 per annum, but those Honourable Members who are acquainted with the increase in price of provisions and in the increase in the cost of living in this country are sure to be convinced of this fact that even this sum of Rs. 54 per annum is not a trifling sum for one easily to afford for the payment of this tax. Gentlemen who are in the Government subordinate service drawing as much as Rs. 175 per month have to dress themselves decently because in the performance of their official duties they have to go before high officials, their masters. Clerks in the courts have to go before the Sessions Judges, Superintendents in the Deputy Commissioner's office have to go before the Deputy Commissioners, and the members of the Secretariat staff have to go before their Secretaries. They are bound to dress decently, and consequently it is bound to cost them more. They have to pay high rates for rents for their houses, and I think their bill for every branch of their living has increased considerably, so this amount of Rs. 54 per annum is not a very



[Sardar Shrivdev Singh Oberoi.]

trifling amount for them. To my mind it is an amount which they do not feel lightly when they have to pay out of their income, and I feel sure that, if this amount is remitted and if they are made free of this amount, they would feel it an act of grace on the part of the Government which would afford a solid relief to their purses. It would not be wrong on my part perhaps to state particular instances of honest men who have led their official lives honestly, such as Sub-Judges and Extra Assistant Commissioners and I know of such instances that they have not been able to make their own houses out of their salaries. I know also, Sir, and I think many of my Honourable friends also know that such officers as Sub-Judges, as clerks of the courts of District Judges, as Extra Assistant Commissioners, have either to walk to court or to cycle, or to go in a hackney carriage, because they cannot afford to keep one. If a gentleman who draws something like Rs. 175 a month happens to have two or three children reading in school or college he has to pay their expenses, as a college student takes not less than Rs. 40 a month from his father to carry on his studies in the college. Where from is that gentleman to find the means to keep himself decently and also to carry on in the world? This is what I have to say about the people who are in service. The other class affected by the income-tax is the trading class. Barring those gentlemen who are very high up in the trade and are assessed at super-tax, or whose income is more than ten thousand, I am talking of the middle class and my amendment is simply to affect that class of trader whose income varies between two and three thousand. If on the one hand unemployment is the cry of the day, the slump in trade is also being felt by the petty traders to a very great extent. I do not think this is merely an assumption, but I, being in contact with two of the flourishing banks of my province, have to come in contact with traders. I am a trader myself to a small extent, and I can say their condition is that they are feeling the slackening of the trade to a very great extent, and any remission or any reduction in the income-tax would certainly afford very great relief to that class of people also.

I have not been able to find out many figures as regards the facts as to what extent this amendment if carried would affect the finances, as it was Sunday that intervened between Saturday and to-day, but I have however got some report of the income-tax returns and I would like to quote one or two figures to show that the income would not be very much affected if the Honourable Members of this House agreed to my amendment, for I find, Sir, that the income of the persons assessed over Rs. 2,000 and under Rs. 2,499 for the year ending 31st March 1924 comes to Rs. 3,69,172 in my own province, because these figures before me are of the Punjab. These are the figures which are before me of the Punjab. The income from the assesseees who pay income-tax over Rs. 2,500 and under Rs. 2,999 comes to Rs. 2,94,737. The total comes to something like Rs. 7,00,000. The total income-tax collected comes to Rs. 55,12,800. That is, the proportion of income-tax which comes from the pockets of those assesseees whose income is between Rs. 2,000 and Rs. 3,000 is something in the neighbourhood of 8 or 9 per cent. or the total income received from the whole province. On the other hand, Sir, I find that the number of persons who are affected by this tax in the first case whose income is over Rs. 2,000 and under Rs. 2,499, is 7,522, and of those whose income is above Rs. 2,500 and under Rs. 2,999 comes to

3,810. The total comes to 11,300 against a total number of 27,865 assesseees. It comes to something like 40 per cent. of the total number of assesseees. What I am trying to drive at from these figures is this, that whilst the amount affected by the proposed change would affect the income of the Government from this head by 8 or 9 per cent., the persons affected by this amendment would be 35 per cent. or 40 per cent. That is to say, Sir, that the relief of this amendment, if carried, would be given to 35 per cent. or 40 per cent. of the persons who are affected by the Income-tax Act under these two heads, while the income to be affected by this reduction would be 8 or 9 per cent. So this is a question between material loss and moral gain. Of course the material loss would be heavy, but I am of opinion that the moral gain would be much heavier than the material loss which the Government would suffer by this amendment being carried, and I for one would most sincerely wish that the popularity of the present Government should be maintained, should be increased and should be regained if it is lost in any way. With these few words, Sir, I have put my amendment forward in the hope that Honourable Members of this House will be convinced by my short speech and the few reasons I have given and support me.

THE HONOURABLE MR. A. C. McWATTERS: Sir, I am rising at this stage because I think it will be for the convenience of this House if I give them the complete figures for the whole of India as they would be affected if this amendment were carried. The Honourable Member has explained that he has been able to obtain the figures only for the Punjab. The figure for the whole of India in the class between 2,000 and 2,999 is 59 lakhs. Therefore, the effect of this amendment financially would be quite a considerable one, and it would make a very considerable difference as to what we shall be able to do in the course of the year with regard to the reduction of provincial contributions. That, Sir, is the first point.

My second point is that this subject has been under consideration recently by the Taxation Inquiry Committee. That Committee went into this question of the exemption limit in connection with the allowances for dependants, which are two closely related subjects. They said:

"The exemption limit in most countries bears relation to the cost of subsistence. In India it began at as low a figure as Rs. 200, from which it was raised to Rs. 500 in 1886, to Rs. 1,000 in 1903 and to Rs. 2,000 in 1919. It is thus actually higher than the exemption limit in the United Kingdom. One of the principal reasons for this last increase was the very large number of assesseees falling within the lower range of income and the small sum realised by including them within the scope of the tax in relation to the trouble and expense involved in the assessment and collection of it."

From the figures I have given earlier, the House will see that the position is not quite the same in regard to incomes above Rs. 2,000 where the amount realised is quite considerable. The Committee went on to say that several witnesses had urged a reduction of the exemption limit to a lower figure. In the end their conclusion is:

"It seems to the Committee that it would be best, under Indian conditions, to set off the higher exemption limit against the absence of allowances in respect of dependants, in other words, to maintain the *status quo* in both matters."

I have mentioned this to the House because we have to consider the recommendations of the Taxation Inquiry Committee after discussion with the Legislature, and I think therefore it would be premature to introduce this amendment without it having been discussed at all in the other House, and probably inadequately discussed here. It would be

[Mr. A. C. McWatters.]

better to leave the matter over. The financial effect, I have explained, would be a recurring loss of 59 lakhs, which would have a very serious effect on what we are able to do in the way of a reduction of the provincial contributions.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, I agree with the Sardar Sahib up to a very great extent, and that is that a difference of Rs. 1,000 should be made. He wants to make the difference from Rs. 2,000 to Rs. 3,000, and I want to bring it down from Rs. 2,000 to Rs. 1,000 if not to Rs. 500. Why? Because in India there are different people who derive their income from different sources. As long as they are in one country, I think the Government should treat them equally. If one person who derives income from one source should be made to pay even on the smallest amount that he gets in his particular walk of life, then why not another? The Sardar Sahib has said he is defending those men who get Rs. 175 a month, and I stand up here to defend or back up those people who get Rs. 6 or 7, if not less a month. To the zemindars who are in the Council I say, just as the Sardar Sahib has asked the Council to help him, that they should help their own poor brethren who get Rs. 6 or Rs. 7 rather than help those who get Rs. 175. It is known, Sir, that one man cannot at one and the same time use two ploughs, he must use one. It is again known that one plough cannot till more than 20 bighas, that is 10 acres. These 20 bighas or 10 acres if you till them to the maximum only bring in, say, Rs. 30 an acre or Rs. 300 a year. Now this man must have two or three people depending on him. I am not good at figures but I make it that these, say, four men dependent on him only get Rs. 6 to Rs. 7 each. So I hope that if Government cannot bring this amount down from Rs. 2,000 to Rs. 500, at any rate they will not increase it. I am very sorry to hear that the Report of the Committee which has just been referred to states that things should remain as they are. We expected this. We expected that they were not going to help those zemindars who are oppressed and that is why we wanted more of our zamindars to be appointed to that Committee. With the greatest difficulty we were able to put one on it, and naturally he has not been able to carry weight there. Well it is not our fault. I hope the zamindars at any rate will not support this and the others will also support the poorer classes rather than those who are rich.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I rise to support the amendment and my reason for supporting it is that the value of the rupee has considerably gone down, while the cost of living on the other hand has very considerably increased. The poor man, I mean the poorer middle class, does therefore deserve serious consideration from the Government as far as taxation on his income is concerned. My Honourable friend, Sir Umar Hayat Khan, observed that the Taxation Inquiry Committee has gone against it. I might inform my Honourable friend that the Taxation Inquiry Committee has supported it. The Honourable the Finance Secretary said that the scale of taxation in India on income compares very favourably with taxation on incomes in other countries of the world.

THE HONOURABLE MR. A. C. MCWATTERS: I said the exemption limit

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I meant the exemption limit. In this connection I might mention that conditions in India greatly differ from all other countries of the world. An Indian has to support a greater number of dependants than any other man does in the other countries of the world, and for that reason an Indian requires exemption on a higher scale than exists at present. The Honourable the Finance Secretary says that the loss of income by accepting this amendment will be 59 lakhs, and how is that money to be found? I might, Sir, repeat the same maxim that the Honourable the Mover of the amendment stated some time ago, that where there is a will there is a way. Fifty lakhs of rupees has already been given to the Archaeological Fund. (Honourable Members: "No" and "It has been thrown out!"). Well I may be wrong but that was my impression.

THE HONOURABLE MR. A. C. MCWATTERS: The supplementary grant was rejected by the other House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am glad to hear that. Find the money by some other means. With these remarks, Sir, I support the amendment.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, I am not much in sympathy with the amendments which have been proposed, and though I am in very much sympathy with the class of persons for whose benefit these amendments are intended I have got my own reason for opposing it. It is this. In other countries we have got a differential way of dealing with income of different classes of people. For instance, income derived by personal exertion are treated on a different footing from incomes which are earned without any personal exertion. Here by this amendment a sort of all-round relief is sought to be given and these amendments include also persons who are not really entitled to much sympathy and consideration at the hands of this House. On the other hand, if this amendment is lost, I quite well see that the other class of people who make their income by personal exertion will also suffer; but that is a matter which ought to be dealt with on broad principles of taxation, and I hope an opportunity will be given to us when we can deal with this question of differential incomes and other aspects of the question. In England and other countries we find that by a system of allowances and exemptions a good deal of relief is given to the assessee. If a person is married then some allowance is given for his married state, and if he has got children, some allowance is given for the first child and for subsequent children a smaller allowance is given. It is this sort of differentiation and allowances and exemptions that ought to find a place in any proper system of income-tax; and all these considerations do not seem to weigh with the Honourable Mover of the amendment and I therefore must oppose his amendment, because these, Sir, are considerations which must be taken into account when we are dealing with the whole Income-tax Act and the other questions of taxation which will come up for discussion very shortly in connection with the Report of the Taxation Inquiry Committee.

THE HONOURABLE THE PRESIDENT: The original question was:

"That Schedule II stand part of the Bill."

[The President.]

Since which an amendment has been moved:

"That in Part I-A of the Schedule II for clauses (1) and (2) the following be substituted:

- '(1) When the total income is less than Rs. 3,000 ... Nil.
- (2) When the total income is Rs. 3,000 or upwards but is less than Rs. 5,000 ... Five pies in the rupee'."

The question I have to put is that that amendment be made.

The motion was negatived.

Schedule II was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. C. McWATTERS: 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 fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of Income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt, as passed by the Legislative Assembly, be passed."

THE HONOURABLE MR. K. C. ROY (Bengal: Nominated Non-Official): Sir, before you put the final motion to the House I should like to make a very simple observation on clause 3 of the Bill. The clause repeals what is known as the Cotton Duties Act. The House by passing that clause redresses what has been a historic grievance in the annals of Indian commercial history. Both the Government and the Legislature have responded to the wishes of the Indian people. I feel very strongly, Sir, that the Bombay millowner has a duty to perform now. He has got to fulfil his obligations to the poor consumer. It is his duty now to put cotton textiles on the market at a cheaper rate, and in doing this he will be only fulfilling his duty to his country.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadan): Sir, in reply to what has fallen from my Honourable friend Mr. K. C. Roy, I can assure him that as soon as the announcement was made on the 1st December last, the prices of Indian made cloth went down to three-quarters of an anna per lb. which was a little more than the excise duty. I think this statement will satisfy him.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Before this Finance Bill is accepted, with your permission, Sir, I should like to make some observations with regard to the matter on which I wanted to move amendments. I think, Sir, that I am entitled to speak on this matter, if not on the amendments, before the Bill is passed into law. I hope I have the permission of the Chair to make a few observations.

THE HONOURABLE THE PRESIDENT: I think it would be more appropriate if the Honourable Member reserved his remarks for a proper occasion. If I rule his amendment out of order and at the same time allow him to

address the House at some length on the subject with which his amendment deals, I shall be stultifying my own ruling. The proper occasion for the Honourable Member to make his observations on this matter was at the time of the general discussion of the Budget, when his remarks would have received the attention that they merit. I am afraid the amendments standing in the name of the Honourable Member deal with matters with which the Finance Bill itself does not deal and he would not therefore be in order.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will I be allowed to move my amendments in connection with the Indian Income-tax (Amendment) Bill?

THE HONOURABLE THE PRESIDENT: I presume the Honourable Member is referring to the Indian Income-tax (Amendment) Bill later on on the paper.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Yes.

THE HONOURABLE THE PRESIDENT: I think the Honourable Member in the meantime, before we come to that Bill, might consider his position.

(The Honourable Rai Bahadur Lala Ram Saran Das did not rise to speak.)

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, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt, as passed by the Legislative Assembly, be passed."

The motion was adopted.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

#### COTTON INDUSTRY (STATISTICS) BILL.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I beg to move that the Bill to provide for the regular submission of returns of quantities of cotton goods manufactured and cotton yarn spun in British India, as passed by the Legislative Assembly, be taken into consideration.

Certain clauses of the Finance Bill provoked some discussion this morning and revealed certain differences of opinion within this Council; but there was one clause there which received approbation. That was clause 3 of the Finance Bill. That involved the repeal of the Cotton Duties Act. It only remains for His Excellency to affix his signature to the Finance Bill for that old Act to be decently buried. To whatever extent that Act, Sir, was greatly blamed and strongly disliked by the millowners and by many sections of opinion in this country, yet they had a little sneaking affection for a portion of it. It was under that Act that they and we obtained statistics of the returns of cotton goods and

[Mr. D. T. Chadwick.]

cotton yarn manufactured in this country. Those statistics both the mill industry, the Government and the people of India generally have found extremely useful. They have been maintained regularly now for over thirty years, and when that Cotton Duties Act is dead and buried, unless something is done, we shall have no more power to collect these statistics. The mill industry themselves have asked that these statistics should be continued, and the object of the Bill which I am now putting before the Council is merely to enable the statistics of cotton goods manufactured in India to be obtained and recorded.

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4 and 5 were added to the Bill.

\*Clauses 6, 7, 8 and 9 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. D. T. CHADWICK: Sir, I beg to move:

"That the Bill to provide for the regular submission of returns of quantities of cotton goods manufactured and cotton yarn spun in British India, as passed by the Legislative Assembly, be passed."

The motion was adopted.

#### LEGAL PRACTITIONERS (FEES) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I move that the Bill to define in certain cases the rights of legal practitioners to sue for their fees and their liabilities to be sued in respect of negligence in the discharge of their professional duties, as passed by the Legislative Assembly, be taken into consideration.

The position at present is that generally barristers who plead but do not act are not entitled to sue for their fees, nor are they liable for any negligence; whereas pleaders and vakils who are entitled to sue for their fees are responsible for any negligence. There have been cases, however, where the barristers in certain provinces have also acted as well as pleaded, and in some of those provinces it has been held that they are liable to be sued for negligence, though the contrary proposition that they are entitled to sue for their fees has not yet been settled. The Bar Committee suggested that instead of the distinction between barristers and pleaders being as it is now, a broad distinction should be drawn between those who act and those who merely plead, and they suggested that with reference to a legal practitioner, whether he is a barrister or a vakil or a pleader or an attorney, if he merely acts he is entitled to sue for his fees and be liable for any negligence, whereas a barrister or pleader or any other legal practitioner who merely takes up a case for the purpose of pleading is not entitled to sue for his fees, nor is he liable for any negligence in the course of his pleading; and this Bill merely gives effect to that recommendation of the Bar Committee.

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### CODE OF CIVIL PROCEDURE (SECOND AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill to amend the law relating to the appointment of legal practitioners in civil suits and for this purpose further to amend the Code of Civil Procedure, 1908, as passed by the Legislative Assembly, be taken into consideration.

This is another Bill which gives effect to a recommendation of the Bar Committee. At the present moment barristers are not required to file any *vakalatnamas*, while pleaders and attorneys have to. But as I pointed out in connection with the last Bill, in certain provinces, barristers not only plead but they act, that is, they deal directly with the client. The Bar Committee recommended that this distinction should be got rid of and that anyone who acts, that is, has direct relation with the client, should file a *vakalatnama*, but that, if he is engaged merely to plead by a pleader who has already filed a *vakalatnama*, he need not file a *vakalatnama* at all, so that whether he is a vakil or a pleader, so long as he is instructed by another pleader or another vakil who has already filed a *vakalatnama*, he need not file any *vakalatnama*, and this Bill gives effect to that recommendation.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### DELHI JOINT WATER BOARD BILL.

THE HONOURABLE MR. A. H. LEY (Secretary for Industries and Labour): Sir, I beg to move that the Bill to provide for the maintenance of the works established to supply drinking water in bulk for the urban area of the city of Delhi, and for that purpose to constitute a Joint Water Board to undertake such maintenance, as passed by the Legislative Assembly, be taken into consideration.

This, Sir, is quite a simple and uncontentious measure. It is designed to regulate the supply of water in bulk to the several municipal bodies which administer the urban area of Delhi. After the decision to move the capital to Delhi, it was found necessary, in the interests of efficiency

[Mr. A. H. Ley.]

and economy, to amalgamate the new water works which would have to be constructed with the water works already existing, the property of the Delhi Municipality. There was considerable discussion with the Delhi Municipality and the arrangement ultimately arrived at is that which is embodied in the present Bill. The Bill, that is, seeks to legalise an existing arrangement and I trust that it will meet with the acceptance of this House.

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5, 6, 7, 8, 9 and 10 were added to the Bill.

Clauses 11, 12, 13, 14, 15 and 16 were added to the Bill.

Clauses 17, 18, 19, 20, 21, 22 and 23 were added to the Bill.

Clauses 24, 25, 26, 27 and 28 were added to the Bill.

Schedule I was added to the Bill.

Schedule II was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. H. LEY: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

### INDIAN INCOME-TAX (AMENDMENT) BILL.

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): Sir, I beg to move that the Bill further to amend the Indian Income-Tax Act, 1922, for certain purposes, as passed by the Legislative Assembly, be taken into consideration.

This Bill, Sir, deals with two entirely separate and unconnected matters affecting income-tax law. The first is the procedure with regard to the collection of super-tax from non-residents, and the second is the extension of an unrestricted right of appeal to the Privy Council in the case of references to the High Courts on points of law under section 66 of the Income-tax Act.

I will deal first with the second of those proposals because I do not think that there is any likelihood of substantial objection being taken to it. In the past on several occasions even after High Courts have allowed leave of appeal, the Privy Council has been reluctant to admit the appeal. I think it will be agreed that it is equally important for Government as for the public to have uniformity in the Indian Income-tax law. We have found on several occasions considerable difficulty arising from the divergent judgments of High Courts in India, and so far as the public is concerned, we have a definite request from the Associated Chambers of Commerce in December 1924, for the enactment of a provision of this kind. One feature of the proposed legislation is that, in order to save time, expense and trouble to all parties, there should be no further appeal within the High Court itself, but that there should be appeal in all cases to the Privy Council. Clause 8 of the Bill deals with these provisions. Clause 7 is intended to provide for certain central areas where there is no High Court.

I now turn to the other proposal which deals with the collection of super-tax from non-residents. The necessity for amending the law is due to the fact that section 57 (2) of the Income-tax Act, as it stands is faulty. That section was framed definitely to enable super-tax to be collected from non-residents at the source, but from the way in which it is worded, especially from the use of the word "assessee" it is quite clear that the section does not give effect to the intention. Our first object then is to put that section on a proper footing and the new section 57 (3), which is part of clause 5 of the Bill, is intended to be a redraft of that section in order to make it workable. We do propose, however, to go beyond the existing law in two respects. In the first place the new section 19A, which the House will find in clause 2 of the Bill, does devolve on the principal officer of a company the duty of informing the Income-tax Officers of payments of dividends over and above a certain amount which will be prescribed. This proposal is intended in the first place to eliminate the existing differentiation in favour of the non-resident in the matter of collection of super-tax. But it is also put forward in order to help us in our assessment of income-tax generally. It is not confined to super-tax alone. I understand that no substantial objection is taken to that particular clause. In fact the Bengal Chamber of Commerce who, as the House will no doubt shortly learn, object to some of the provisions of this Bill, are in favour of, or at any rate do not object to, the new section 19A. This is what they say. I am reading from their letter because there is a point in it which I wish to clear up in passing. They say:

"The Committee do not propose to remark in detail on the other clauses of the Bill. They have considered clause 2—which inserts in the Act a new section 19A—and they do not raise objection to the proposal that companies should assist the authorities to the extent indicated. They notice, however, that in the contemplated new section 19A the expression 'the preceding year' is used. They suggest that it should be made clear as to whether this phrase means the company's year or the official financial year."

I simply wish to point out that throughout the Income-tax Act, the word "year" means the financial year except in the phrase "previous year" which is specially defined in sub-section (11) of section 2. I now pass to the second point in which we are going beyond the existing law. That is the new section 57 (3) which is part of clause 5 of the Bill. To that section I am aware that objection has been taken in another place, and I think it is mainly upon two grounds; firstly, on account of the disclosure which it involves of a portion of the income of a non-resident, and, secondly, because it is held to impose extra work on the principal officer of a company beyond what is legitimate for the Government to ask. Now as regards these two points, I think that if objection is taken in this House, I shall be able to satisfy the House that the objections are not really very substantial; but at the present stage I merely wish to call attention to the opinion of the Select Committee of the other House, who, with one dissentient, recorded the following opinion:

"We have discussed very fully the provisions of clauses 2 and 5 of the Bill and have decided not to make any material alteration therein. Although it must be admitted that some increase will be involved in the work which principal officers of companies have to perform in aid of the income-tax authorities, we do not think that this consideration or the argument that in some cases the approximate Indian income of a non-resident person may become known through the communication to principal officers of companies of the appropriate rate of super-tax should weigh against what appears to be the only possible method of preventing evasion of super-tax by non-residents."

That, Sir, is the position I am asking the House to support. I do not say we can prevent evasion in all cases, and I do not suggest for a moment

[Mr. A. C. McWatters.]

that these two objections which have been taken to our proposals are without force, but I think the view which was taken by the Select Committee in the other House is the right one. I have one further important point to make, and that is that the provisions of this clause, establishing the new section 57 (2), are permissive. The section says that the Income-tax Officer "may" require the principal officer of the company, etc.; it does not say that he "shall". And in point of fact under section 43 of the Income-tax Act, the non-resident, if he likes, can state his income and get his assessment made through an agent or banker, and that procedure will safeguard him from any possible disclosure of his income owing to the operation of this clause.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

There is an amendment on the paper standing in the name of the Honourable Sir Arthur Froom to that motion, to the effect that the Bill be circulated for the purpose of eliciting opinions thereon by the 1st July, 1926. The Indian Legislative Rules, which govern our procedure in this matter, are, I think, quite clear on this point. Whether they are right or wrong, there is no doubt I think that they lay down that when a Bill has been passed in one Chamber, whether in the course of its passage through that Chamber the Bill was referred to a Select Committee or a Joint Committee or not, or whether there was a motion in that Chamber or not that the Bill should be circulated for opinion, when the Bill, having been passed, comes to the second Chamber, there is no provision whatever for a motion in that Chamber for circulation of the Bill. That is the hard and fast rule which the rules lay down for us, that in the second Chamber there can be no motion for circulation. Whether that is right or wrong it is not for me to say, but that is the ruling which I think has been given from this Chair on a previous occasion, and I have no hesitation in following it. The motion then before the House is that the Bill be taken into consideration.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I must say at once that your ruling, to which of course I bow, places me in some considerable embarrassment. It seems to me that, according to the rules of the Council of State or the Legislature generally if a Bill is passed in one House, and has been considered in the Select Committee of that House, when it comes to the other, there is nothing left for them but either to throw it out or to vote for it. These rules seem to me to provide for no *via media* at all. Now in tabling my amendment to this Bill, it will be recognised at once by Honourable Members that I did not propose that the Bill should be destroyed. I merely wished to obtain further opinions from the country on it, which I think was a very mild request. However, Sir, I am not allowed to move that amendment, but I crave your indulgence, as a *via media*, to move another amendment. I should like to move the following amendment:

"That the consideration of the Bill further to amend the Indian Income-tax Act, 1922, be deferred."

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the motion made by the Honourable

Sir Arthur Froom. It is a matter of regret to find that the Joint Committees are not found since this new Assembly began its new policy. I think, Sir, it is a slur on this House that even on important Bills Joint Committees are not pressed for by Government and are not appointed. The only way left to this House is either to throw out as a protest this Bill on which there has been no joint deliberations, or to seek some other suitable remedy. As on this important Bill there has been no joint deliberation it will be opportune that the consideration of the Bill be postponed.

THE HONOURABLE THE PRESIDENT: Before I hear other Honourable Members on that point, I think I should explain to the House whether I intend to accept that motion and put it to the House or not. I have told the House on more than one occasion that the Chair has a discretion to accept a motion of this nature, that is to say a motion for the adjournment of discussion. This is so for quite obvious reasons. On this occasion I take it that the Honourable Sir Arthur Froom desires to move for the adjournment on the ground that he is not prepared to throw out the Bill and he is not prepared to vote for it. I would point out to him that, in saying there was no *via media*, he was not strictly correct. The *via media* was to take the Bill into consideration and in the consideration stage to amend it. But I take it that his point is that until opinions have been ascertained, he is really not in a position to know what amendment he should put forward. For these reasons I put the amendment proposed by the Honourable Sir Arthur Froom to the House. The question is that the consideration of the motion be adjourned.

THE HONOURABLE MR. K. C. ROY: Might I ask, on a point of order, what would be the effect if the consideration of the Bill is deferred and if the House is prorogued on the 25th?

THE HONOURABLE THE PRESIDENT: The effect I think will be obvious; the Bill would die and have to be reintroduced. Did the Honourable Member say "prorogued"? In the case of prorogation Bills carry on. I thought the Honourable Member referred to dissolution.

THE HONOURABLE SIR ARTHUR FROOM: Do I understand the amendment is now admitted and I can speak on it?

THE HONOURABLE THE PRESIDENT: Strictly speaking the Honourable Member when he moved it should have spoken on it. But, as I pointed out, he was not strictly in order until he had taken the permission of the Chair. He can now elaborate the arguments in favour of his motion.

THE HONOURABLE SIR ARTHUR FROOM: That was my idea. I thought I had to obtain your permission, Sir, before I went on with my amendment.

Sir, when the Honourable the Finance Member moved for leave to introduce this Bill in the other House he made the following remarks:

"All the important proposals in this Bill have been incorporated in it as the result of very careful discussion and consultation with the Chambers of Commerce and Local Governments."

Well, Sir, I do not intend to suggest that that statement was made with the object of misleading the Assembly, but I think it will interest the Honourable Members of this House to understand that it is perfectly true that Government did approach various Chambers of Commerce with



[Sir Arthur Froom.]

the idea of ascertaining their views on a Bill of this nature, but they have not ascertained the views of the country generally, through the Provincial Governments and therefore the views of Chambers of Commerce and various business firms, on the Bill. I have before me copy of a letter showing objections to this Bill from no less than 13 Chambers of Commerce. These were by telegram: other Chambers of Commerce objected by note. So if the other House understood from the Honourable the Finance Member's opening remarks that the Bill had been approved, they were misled.

Now, Sir, I do not object to the principle of this Bill in so far as the principle lays down that super-tax should be collected where due, but I do object to the methods devised or sought to be devised in this Bill. The Bill places too much power in the hands of the Income-tax Officer. In saying this I do not wish to belittle the Income-tax Officer in any way, but I consider that he should be only called upon to administer the law as provided for by the Income-tax Act, and that he should not be expected to jump at conclusions and indulge in various surmises for which the law does not provide. I do not suggest that an Income-tax Officer, that most Income-tax Officers with whom we come in contact are not very zealous officers, but I do contend that no opportunity should be given to them of their zeal being outrun by their imagination. Sir, I ask Honourable Members to look at this Bill. What does it say in one of the principal clauses:

"If the Income-tax officer has reason to believe, etc."

No line of action is laid down for him; it is left to the Income-tax Officer to apply his reason or his imagination to this, that and the other, and that I think is wrong in the administration of such an important law as that of income-tax. No Income-tax Officer should be set a riddle to guess, "When is a resident not a resident?"

Now, Sir, I further object to the Bill inasmuch as it places on officers of companies too much work and too much responsibility. They are asked to collect taxes, whether they know the taxes are correct or not, and by this line of action it seems to me the Central Board of Revenue are trying to place upon companies work which they should do themselves. Why should they not do it themselves? What is the amount to be gained, the financial result to be gained by this measure? The question was asked in the other House, and the answer was, "We do not know!" Why don't they know? Because they have not taken the trouble to find out. You can find out in this way. Any one of the Honourable Members of this House by the payment of a rupee can go and examine the list of shareholders in any company and the list of their holdings. Apply that to any year. You have only got to examine the reports of various companies and the dividends they have declared. Apply some mathematics and you can find out the income of each man holding shares in these various companies. The Central Board of Revenue could have ascertained whether they were not getting the proper returns from various residents and non-residents in this country; and I object to the Central Board of Revenue calling upon companies, hard-worked companies—the officers of these companies are hard worked as all business men are hard worked—to do work which they should do for themselves.

Sir, my final objection is that this Bill violates the principle of privacy. It is the thin end of the wedge. They say "Oh no! We are not in any way revealing the incomes of residents or non-residents." I say they are, and it is the thin end of the wedge. How much further will that wedge be driven? Will the time ever come when from residents or non-residents all super-tax will be deducted at source? Can you trust it? I cannot. Now, Sir, when the Income-tax Bill of 1922 was brought before the Legislature it was discussed by a Joint Committee. I happened to be a member of that Committee, and I am able to inform Honourable Members of this House that the clause of that Bill, which now appears in the Act as section 57, was very fully debated between the members of that Joint Committee and the Government officer in charge. I forget what his title was in those days; in these days it would be the Central Board of Revenue. We discussed it very fully and that officer, a well honoured officer who is likely in the near future to be seen in this House—an officer who knew the theory and practice of income-tax backwards and forwards perhaps such as no other man knows it,—told us that that section could not work, it would not work and it was not intended to work. It is not worked in England. England does not deduct super-tax at source, and why should such a thing be attempted to be introduced into this country?

Now, Sir, I would further invite the attention of Honourable Members to the debate in the other House on the motion brought forward for circulation for opinion. What did that debate resolve itself into? A difference of opinion, one opinion held by Government, the other opinion held by a commercial Member. Government opposed the motion for circulation. Why? Were they afraid of it? The Member who moved the motion for circulation was supported by 27 votes. I contend that that was a majority because you should subtract the Government votes many of whom are certainly not business men. Allow me to say that they have not been educated in business circles. If you subtract those votes, the Mover of the motion had a substantial majority in the House.

What was the next procedure the Honourable the Finance Member adopted? He next agreed to the motion that the Bill be referred to a Select Committee. Why a Select Committee? The Honourable the Finance Member said that, if he agreed to the motion for circulation, he would lose time; he would lose a year. But, even agreeing or even viewing that point from his standpoint that he would lose a year, what should he have next done? He could see a certain amount of opposition to this Bill. Why not refer it to a Joint Committee? Why should the Council of State be ignored as it has of late always been ignored in these matters. The original Income-tax Bill was considered by a Joint Committee of the Legislative Assembly and the Council of State, and I contend there are more business men in this Council than there are in the Legislative Assembly. Anyhow, the Council of State was ignored. The Bill was considered by a Select Committee of the Assembly. Now, if the Honourable Members look at the names of Members of the Select Committee, they will find that there is one commercial Member on it, and that one Member wrote a minute of dissent. The rest of the Committee, with the exception perhaps of one other Member who is a professional man, a chartered accountant, have no intimate knowledge of the working of the companies and their management. Therefore, they could not appreciate the objection from the one Member who made it. I say, again, what is the use of all of us coming to this Council here giving up our valuable

[Sir Arthur Froom.]

time to come and sit in this Council, when we are never consulted in these matters except at the last moment. As the Honourable the President has pointed out, when you get a Bill before you which has been before a Select Committee of the other House you cannot refer it to a Committee of your own. You cannot ask for its circulation in the country. You have got to vote for or against it or pull it to pieces as you take it into consideration. I say this is entirely wrong. I contend that the Honourable the Finance Member should have referred this Bill to a Joint Committee of both Houses to get the solid opinion of the commercial community in this country.

Now, Sir, my amendment does not seek to kill this Bill. It merely asks for the postponement of its consideration. Therefore, I take it that the non-official nominated Members of this House can clearly vote for my amendment if they wish to do so or vote against it if they so please. In fact, I should not be surprised if some of the Honourable Members on the Benches opposite did not vote for my amendment. Perhaps they will. I feel a certain amount of sympathy with our friend the Honourable the Finance Secretary in that this Bill is entrusted to his charge. I cannot help thinking that in his heart of hearts he does not like it any more than we do. However, it has been entrusted to his charge and he has got to see it through if he can. Before I sit down I can only recapitulate what I have already said that there was a difference of opinion between the Finance Member and some of the Members in the other place. What do you generally do when there is a difference of opinion? What is the right thing to do? What is the fair thing to do? The right thing to do is to refer the matter to a referee. Would Government do it? No. They only accepted the motion that the Bill be referred to a Select Committee. This House ought to have been consulted. I have already voiced my objections to the Bill. With these words, Sir, I move my amendment.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, I find that this is a very important matter and a number of important amendments are sought to be introduced in the Indian Income-tax Act. We find this Bill brought into this Council at the fag-end of the Session along with a number of other matters which are very important and I do not like the hurry and the haste which characterise the bringing forward of a matter of this kind here. I join in the complaint which my Honourable friends Lala Ram Saran Das, and Sir Arthur Froom, have made that no attempt has been made to take into confidence the Members of this House at an early stage. Sir, the monopoly of wisdom does not lie in the other place. We have a number of men who are experienced in various directions who would have given their valuable opinion if those opinions had been called for at an early stage by the appointment of a Joint Committee. It is only fair, Sir, to allow the Members of this House greater time for the consideration of a matter of such importance and I therefore support the motion for postponement moved by my friend, Sir Arthur Froom.

THE HONOURABLE MR. J. W. A. BELL (Bengal Chamber of Commerce): Sir, I desire to support the amendment proposed by my Honourable friend, Sir Arthur Froom. In view of the fact, that among other things, the Bill introduces an entirely new principle into the system of collecting super-tax in the country, I think it is a very reasonable suggestion that its passing should be postponed until that, and other matters in connection with the Bill, have been fully considered by the country. A good deal

has been made of the fact that certain Chambers of Commerce were consulted in connection with the Bill, and my Honourable friend, Sir Arthur Froom has explained that point to a certain extent. I should like to make it clear that what really happened was that an official of the Central Board of Revenue consulted a number of Chambers of Commerce, but it was only on the principles of the Bill. Nothing whatever was said about the details. In fact, nothing could be said at that time about the details. Therefore, I agree with my Honourable friend when he says that it was wrong—probably quite unintentional but somewhat misleading—to say that the Chambers of Commerce and public bodies had been consulted. I wish to make it clear, particularly to my friends behind me, that, in supporting my Honourable friend's amendment, I am not opposing as he was not opposing, the principle of the Bill. The principle of the Bill is that certain persons are liable to super-tax, and that arrangements should be made for the collection from these persons of the amount of super-tax due. With that I am in the most entire agreement, and, in supporting my Honourable friend's amendment, I am not opposing Government but endeavouring to assist them by saving them from themselves. I might at this stage refer to a remark that was made by my Honourable friend, the Finance Secretary, which might be misinterpreted by some Honourable Members. He said that it was a purely permissive Bill, that it meant nothing. If that be so, why has there been such haste in getting it through? Why, if it is merely a permissive Bill, did the Honourable the Finance Member in another House say that if it were not passed at once he would lose a year's revenue or words to that effect? The rule that the Honourable the Finance Member has agreed to issue in connection with a particular clause of the Bill, under which persons having agents in this country will be freed from certain of the disabilities, is undoubtedly a concession. But it is a concession that only applies to a very few people, and it does not affect the general objections to the details of the Bill. In fact the permissiveness rather reminds me of the permissive invitation that was issued by the spider to the fly. I feel that Government are making a mistake in pressing through this Bill in its present form. I feel too that the time will come when Government will realise their mistake; and, that being so, I think it would not be right to allow it to go through this Council without an expression of opinion on my part with regard to it. I do not think that it will have the effect of securing payment of super-tax from the persons at whom it is aimed. Every one knows who these persons are, and I do not think that it will have the effect of securing payment of their super-tax. The people who will suffer will include many who are not liable to pay super-tax at all, and who will have all the endless trouble and worry involved in recovering super-tax which has been wrongly deducted. I might give many examples, but among those are, for instance, beneficiaries of estates which consist partly of Indian investments. Any one who has had anything to do with the administration of estates in this country, as I have had on one or two occasions, knows that there is very great delay in securing a title for the beneficiaries to the portions of the estate to which they are entitled; and in such a case as I have instanced super-tax would be deducted from the total amount and these beneficiaries—many of them people who have never even seen this country—would have all the endless trouble and worry of recovering the super-tax which had been wrongly deducted from their proportions. I may also instance the case of any one buying shares, the cost of which includes a proportion of the dividend. If one has not, before the date on which the principal

[Mr. J. W. A. Bell.]

officer of a company has to make his return, had time to have the shares registered, that would mean that one would, in turn, have the same trouble in recovering the super-tax which had been deducted and which ought not to have been deducted.

Another class to suffer—and they have been referred to by my Honourable friend, Sir Arthur Froom,—is a class who already pay every rupee of super-tax which is due by them—I refer to the principal officers of companies, who will have laid upon them, under heavy penalties, duties which it will be almost impossible for them to perform. These persons will be liable to be called upon by the income-tax authorities to deduct super-tax from the dividends of persons whose names are notified to them, at certain rates and—this is the point—where no such notice is given, to deduct super-tax from dividends over a certain sum, where they have not reason to believe that the shareholder is resident in British India. I would ask Honourable Members to consider that wording—it is not where they have reason to believe that the shareholder lives outside British India, but where they have not reason to believe that the shareholder lives in British India. In another place the Honourable the Finance Member, when questioned on this point, tried to make out that he had adopted this extremely clumsy form of wording in order to safeguard principal officers of companies; but I do not think that this explanation will deceive any one. Honourable Members will recognize that this curiously worded alteration has been made in order to increase the responsibility of principal officers, and practically to compel them to save themselves by deducting super-tax in cases where it should not be deducted, if there is the slightest doubt in their minds as to whether or not a shareholder is resident in British India.

I now ask Honourable Members to consider some of the difficulties with which principal officers of companies will be faced in attempting to carry out the responsibilities which are placed upon them by this Act. Shares, as Honourable Members know, change hands every day, and often transfer deeds pass through several hands before they are registered. How are principal officers to know on the date on which the dividend falls to be paid, who is the actual owner of the share? And yet, if they do not know, the penalty is that they must pay the super-tax out of their own pockets. This is what the representative of the Central Board of Revenue referred to, in a delicate way, in another place as asking the principal officers for a little assistance in collecting super-tax—a very polite way of putting it.

Another difficulty is that shares are often held by banks, by trustees and by nominees for other people. These particulars are not disclosed to principal officers of companies, and I do not see that they can fairly be expected or be held responsible for correctly arriving at who the real owners of the shares are.

I now come to a new principle which this Act seeks to introduce, and which has been referred to by my Honourable friend, Sir Arthur Froom. Hitherto in India, as in every other country but one in the world, every member of the public who pays income-tax or super-tax has had the assurance of Government that all particulars with regard to his income will be kept absolutely secret. I need not dwell upon how essential that provision is in an industrial system into which credit enters so largely as in this country. If the Bill be passed as it stands, the principle of secrecy will be violated. The notification broadcasted by the income-tax officer

to principal officers of companies that Mr. B.'s dividends are liable to deduction of super-tax at a certain rate, discloses to all these people that Mr. B.'s Indian income amounts to within certain figures. In another place the Honourable the Finance Member affected to make light of this objection. After all he said it was only the Indian income that was disclosed. I think, as a matter of fact, he went to the length of saying that the objection had no substance whatever. But why should any part of any one's income be disclosed? It is not disclosed in any other country in the world, but one. Why should India differ in this respect? If this principle of secrecy be allowed to be violated to this extent, do Honourable Members believe that disclosure will end there?

Perhaps my Honourable friend may tell us—I think he has mentioned it—that if those who are liable to super-tax will come forward and say so, there will be no need for this disclosure. But has any Honourable Member of this House ever heard of this duty being laid upon the income-tax payer in any country in the world? I would like to know whether my Honourable friend has ever begged his income-tax assessor not to forget to send him his return form. But, even if there be some remedy for the person who is liable to pay super-tax, what remedy is there for the person not liable? If it affects me adversely to have it made known that my Indian income liable to super-tax is a certain figure, it may affect my credit very much more adversely if it is made known that my Indian income is so small that no liability to super-tax exists. As soon as you admit the principle of disclosure you immediately publicly divide shareholders into two classes. You divide them publicly into those who have to pay super-tax and those who have not to pay super-tax, or in other words, those whose incomes are so small that they are not required to pay super-tax. I do not think I need to elaborate on the objections to that system.

When the question of the violation of secrecy was brought up in another place, the Honourable the Finance Member stated a curious objection. His objection was that, when the Chambers of Commerce had been consulted about this Bill, nothing whatever had been said about this question of secrecy, and that is probably perfectly correct. That is exactly why my Honourable friend asks that further consideration should be given to this Bill. It is impossible, in discussing a principle across a table in a Chamber of Commerce, for an hour, with a representative of the Central Board of Revenue,—however able that representative may be and however able the members of the Committee of the Chamber of Commerce may be—to arrive at every point of importance either in favour of the principle or against it. It is only when the principle is embodied in a Bill, and when a number of people have had an opportunity of examining it, that a point of this description emerges and can be discussed. When the Bill was actually published, and when it was sent down to the Bengal Chamber of Commerce, they immediately wrote to Government, and one of the first objections they made was with regard to this violation of the principle of secrecy.

But, Sir, those who do not like the terms of this Bill have not confined themselves merely to adverse criticism. An Honourable Member in another place—I think it was Sir Darcy Lindsay—suggested a method by which the assessment of non-residents, which was considered a proper thing, could be carried out. It was quite a simple method and would have, I think, brought in as much revenue to Government as that suggested in this Bill, without arousing a feeling that Government were adopting oppressive

[Mr. J. W. A. Bell.]

measures towards persons who after all were only third parties. Under clause 2 of the Bill, the Income-tax authorities will be furnished with the names and addresses of all persons receiving dividends over a certain figure. By analysing these returns from different companies they will be able to arrive at a list of persons likely to be liable to super-tax. Let them then proceed in the manner adopted by every other country in the world. Let them notify these persons that they are presumed to be liable to pay super-tax and let them call upon them to furnish super-tax returns. If, when these super-tax returns are made, it be found that any of these persons though having become owners of sub-divided holdings, or for any other reason, are not liable to pay super-tax, this will be discovered before the super-tax is deducted, and these persons will be saved the enormous trouble, I have referred to, of having to recover wrongly deducted super-tax. It might be said, "Suppose these people do not make returns." Well,—if these people, after having been notified by the proper authority, refuse to make returns, then they can be assessed at the highest possible figure, and their super-tax can be recovered by attachment of their property in the ordinary way. There would be no excuse for anyone who had been given an opportunity of making a super-tax return, and who had failed to take advantage of that opportunity of showing whether or not he was liable.

I think this suggestion a very reasonable one, but, when it was put by an Honourable Member in another place, it was turned down by the Honourable the Finance Member. What he said about it—if he be correctly reported—was that it left loopholes. Has any Honourable Member of this House ever heard of an Income-tax Act that did not leave loopholes? My Honourable friend is here and I would like him to explain to me in his reply what loopholes there are in the method I have suggested and to what extent there are greater loopholes in this proposal than in the Bill as it at present stands. Personally I would almost rather be faced by my Honourable friend's Bill than by the method I have proposed.

My Honourable friend, Sir Arthur Froom, has also referred to another matter which perhaps I need hardly have to touch upon. It is that, when the representative of the Central Board of Revenue was asked in another place what the financial result of this Bill would be, he said that he had no idea whatever. I want to put it to Honourable Members whether it is really fair on the part of Government to bring forward an important Bill like this, and not to be able to tell Honourable Members of this and another House what the financial result is likely to be, or that they should have brought forward a Bill which will lay such heavy responsibility on certain persons, without being in a position to say whether the financial result of that Bill would justify such responsibility being placed upon these persons.

As I have said before, I regret very much that Government should endeavour to force this Bill through as it stands, because I feel that, from a financial point of view, as well as in many other ways, it will do harm, and I should be very glad indeed if my Honourable friend could see his way, on behalf of Government, to accept my Honourable friend, Sir Arthur Froom's suggestion that consideration of it should be postponed. I also understood my Honourable friend, Sir Arthur Froom, to suggest that it might be submitted to a Joint Committee of both Houses. I am not sure whether he actually made that proposal, but

that was implied in his complaint that it had been submitted to a Select Committee composed entirely of Members of another House. If my Honourable friend could see his way to adopt that suggestion, it might meet the position equally well.

THE HONOURABLE MR. MANMOHANDAS RAMJI VORA (Bombay: Non-Muhammadan): Sir, I also rise to support Sir Arthur Froom and I do not want to tread over the ground already gone over and the objections which have been urged. My Honourable friend, Mr. Bell, has enumerated cases of hardship, and I might add one more to them. In practice there are several names in the joint stock companies' books as shareholders who are not really shareholders. Their shares are sold in some cases two or three years before and they are kept as blank shares by the purchaser. Now, is that man who has sold his shares two or three years before to be penalised by having his income deducted at the source and then be compelled to have the hardship of claiming a refund and getting the refund? Furthermore, if the enterprise of joint stock companies is to be developed and encouraged obstacles of this nature should not be put in the way of such shareholder by deducting taxes at the source; in that case people will not resort to investing their surplus capital in joint stock concerns and will resort to something else which will result in a greater loss to Government and the exchequer than this kind of proposed revenue. Sir, Government can ascertain from the records and use the remedies that they have under the existing law, if they choose to exert themselves to do so. I was a member of the Indian Income-tax Committee when the last Act was about to be framed. I was also a member of the Joint Committee, and we had considerable argument and reasonings in those two places, and, therefore, I think Government would have been well advised if they had referred this question to a Joint Committee rather than appointing a single House Committee and then coming here in great haste to ask the Members to pass a measure of such importance.

With these few words, I support the amendment.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I think it is probably time that I intervened in this debate because several things have been said which I must confess give a very partial account of what really took place. I am referring in particular to the time during which this proposal, in its present form, has been before the country, and the method in which the Chambers of Commerce were consulted. It was stated I think by the Honourable Sir Arthur Froom and the Honourable Mr. Bell that the proposals, as they now stand, to which they take exception, were not before the Chambers of Commerce. In February 1925, that is somewhat over a year ago, a circular letter was sent by the Central Board of Revenue to all the leading Chambers of Commerce in India, and after a page and a half of explanation as to how the existing difficulties arose, they put before those Chambers certain proposals. With one of these we are not concerned to-day, because in consideration of the objections taken to it by the Chambers of Commerce, that particular proposal was dropped. That was a proposal that the principal officer, when an officer of more than one company, should collate the dividends of a shareholder and inform the Income-tax Officer of the total amount of dividends from all the companies paid to the same shareholder. But the main proposal to which objection is now taken was before the Chambers

[Mr. A. C. McWatters.]

of Commerce and I will read the relevant part of the letter from the Government of India to the Chambers of Commerce, so that you can judge for yourselves. This was the proposal:

"That where the Income-tax Officer is aware that the total income from all sources of a non-resident shareholder is such as to render him liable to super-tax, he should communicate to the principal officer or officers of the company or companies in which he holds shares, the amount of super-tax that should be deducted from each dividend and the principal officer should then be bound to deduct super-tax accordingly."

I ask the House, is that not the same proposal to which objection is now taken?

THE HONOURABLE MR. J. W. A. BELL: Entirely different.

THE HONOURABLE MR. A. C. McWATTERS: It includes the question of disclosure and it imposes upon the principal officer of the company the liability to deduct at the rate communicated. Those are two, at any rate, of the objections which have been taken to the provisions in this Bill. Well, what was the result of that reference? Out of 20 bodies that were consulted, eight did not take the trouble to reply at all. Apparently they had either no observations to make, or they considered the proposals were suitable. Out of the remaining bodies which are represented on the Associated Chambers of Commerce, only two took objection. One was the Burma Chamber of Commerce, who objected to the whole thing, root and branch, and incidentally objected to taxation at source, and the other was the Bengal Chamber of Commerce, which sent in a reasoned letter on the subject. As the result of that letter Mr. Tottenham went down and interviewed the Bengal Chamber of Commerce, and that is the second stage which the Honourable Mr. Bell referred to, having not heard of or having entirely forgotten about the first! As a result of that interview, the Bengal Chamber said that they would not oppose such a verbal amendment of the section as would give effect to the original intention. The original intention of that section was to make possible the deduction at source of super-tax from non-resident shareholders. Well, Sir, we were told also by the Honourable Sir Arthur Froom that some 15 Chambers of Commerce have sent in telegrams protesting. I have also been favoured with copies of the telegrams from the Chambers of Commerce, and by an extraordinary coincidence, which I do not attempt to explain, the majority of these telegrams are couched in almost identically the same form of words! The form which has been approved by these various Chambers is:

"This Chamber again protests against amendment section 57 (2) and 57 (3) as imposing unreasonable duty on principal officers and allowing unwarrantable disclosure of assessee's income."

I will now quote the original opinion of one of these Chambers who have protested in this form. This was their reply to our letter:

"My Committee direct me to state that the collection of super-tax by deduction at source from dividends payable to non-resident shareholders is, in their opinion, most desirable, and the suggested amendments contained in paragraph 4 (1 and 2) of the above quoted letter appear to be steps in the right direction."

THE HONOURABLE SIR ARTHUR FROMM: You have not got the methods stated there; we agreed to the principle all along.

THE HONOURABLE MR. A. C. McWATTERS: I will take another; I shall not mention the name of the Chamber.

THE HONOURABLE MR. J. W. A. BELL: Do.

THE HONOURABLE MR. A. C. McWATTERS: This Chamber protested against the proposed amendment on the ground that it laid an unreasonable duty on principal officers and allowed unwarrantable disclosure. Yet it was one of the Chambers which did not take the trouble to reply to the original letter at all. And the same is true of several others. But I do not wish to rest my case on dialectic. Those Chambers, it may be, when they were first consulted, did not realise the importance of the proposals put before them. I admit that there is something in some of the objections put forward. I should be the last to deny that, and I think the most important is that the principle of disclosure is to some extent involved, but I think it was quite legitimate on the part of the Honourable the Finance Member to point out that not one of the Chambers of Commerce when originally consulted took any exception at all to the principle of disclosure. I do not say that disclosure is a good thing. But there are possibly certain occasions when the income-tax law can be made effective only if a certain minimum of disclosure is permissible, and this I think is one.

I would point out in answer to the thin-end-of-wedge argument that after all the reasons which make deduction at source suitable for ordinary income-tax do not apply in the case of super-tax. There is no flat rate of super-tax and therefore it is highly improbable that any extension of this kind would be suggested for super-tax generally. It is not as if this proposal would certainly or automatically lead to disclosure in the case of super-tax generally. I assure the Honourable Member that this is not so. This is a peculiar case and it must be treated entirely by itself. And as regards what is done in other countries, I would point out to the Honourable Mr. Bell that besides America, to which I presume he was referring, there is another country which allows disclosure—Sweden. There was a third country until a few years ago, and that is India, because in the case of small incomes below Rs. 2,000 income was disclosed until the year 1922.

THE HONOURABLE MR. J. W. A. BELL: That does not make it any better.

THE HONOURABLE MR. A. C. McWATTERS: However, there is something in the disclosure argument but not very much.

Then the next argument was the additional work which is to be imposed on officers of companies. I would remind the House that after all officers of companies do help the income-tax authorities already. They deduct income-tax already for us. They deduct income-tax from the salaries of their employees. They deduct income-tax on dividend warrants, and they help us in many ways. This is a small extension of what they already do for the Income-tax Department. It is not a new principle at all.

And finally there is the question of practicability. On that ground I admit the case is weakest because of the ingenuity which is general all over the world, in India as well as elsewhere, in evading income-tax; and



[Mr. A. C. McWatters.]

I do not think Sir Darcy Lindsay's proposal or ours will be entirely free from loopholes. But what I do say is we as at present advised prefer ours; and on this point I should like to quote the opinion of the Bombay Chamber of Commerce, represented by my Honourable friend Sir Arthur Froom here, which I think gives a very sound and sensible reply to his arguments. It says:

"The efficacy of the first proposal"

—that is the one we are discussing—

"is largely a matter for the income-tax authorities to determine and in so far as, if practicable, it would relieve the principal officer of a company of the responsibility of deciding the actual amount of super-tax due in each instance the Committee can only welcome the introduction of such a system."

Well, Sir, I think the Honourable Member . . . . .

THE HONOURABLE SIR ARTHUR FROMM: How many years ago was that?

THE HONOURABLE MR. A. C. MCWATTERS: It was written on the 24th March, 1925, in reply to our letter.

THE HONOURABLE SIR ARTHUR FROMM: They had not got the Bill then.

THE HONOURABLE MR. A. C. MCWATTERS: They had the quotation which I read to the House from our original letter.

THE HONOURABLE MR. J. W. A. BELL: But not the Bill.

THE HONOURABLE MR. A. C. MCWATTERS: Not the actual Bill; but if you read the clause in the Bill and then the quotation which I read out just now from the Government of India's letter, you will see that what is now in the Bill was implicit in that reference which we made in February 1925. Well, Sir, to return. The Honourable Mr. Bell has pointed out that in the other House no figures were given as to the amount at stake. It is true we have not got figures of the amount at stake, but I can assure the Honourable Member it is not by any means a small sum. I have had before me individual cases of super-tax payable by non-residents and the amounts were large; and although we cannot give the total figure, it must be something quite appreciable and, as the result of postponing this Bill will be to lose us the money for a whole year, I think the House will be well advised to let it go through.

THE HONOURABLE THE PRESIDENT: The original question was:

"That the Bill further to amend the Income-tax Act, 1922, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

Since which an amendment has been moved:

"That the discussion of that motion be adjourned."

The question I have to put to the House is that the discussion be adjourned.

The Council divided:

AYES—15.

Akbar Khan, The Honourable Major Nawab Mahomed.  
Bell, The Honourable Mr. J. W. A.  
Bijay Chand Mahtab, The Honourable Sir, Maharajadhiraja Bahadur of Burdwan.  
Desika Chari, The Honourable Mr. P. C.  
Froom, The Honourable Sir Arthur.  
Harnam Singh, The Honourable Raja Sir.  
Khaparde, The Honourable Mr. G. S.  
Manmohandas Ramji Vora, The Honourable Mr.

Mehr Shah, The Honourable Nawab Sahibzada Sayad Mohammad.  
Nawab Ali Khan, The Honourable Raja.  
Oberoi, The Honourable Sardar Shivdev Singh.  
Padshah Sahib Bahadur, The Honourable Saiyid Mohamed.  
Ram Saran Das, The Honourable Rai Bahadur Lala.  
Suhrawardy, The Honourable Mr. Mahmood.  
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

NOES—16.

Abbott, The Honourable Mr. E. R.  
Brayne, The Honourable Mr. A. F. L.  
Chadwick, The Honourable Mr. D. T.  
Crerar, The Honourable Mr. J.  
Das, The Honourable Mr. S. R.  
Emerson, The Honourable Mr. T.  
Hubback, The Honourable Mr. J. A.  
Ley, The Honourable Mr. A. H.  
MacWatt, The Honourable Major-General Sir Charles.

McWatters, The Honourable Mr. A. C.  
Misra, The Honourable Pandit Shyam Bihari.  
Muhammad Habibullah, The Honourable Khan Bahadur Sir, Sahib Bahadur.  
Roy, The Honourable Mr. K. C.  
Tek Chand, The Honourable Diwan.  
Thompson, The Honourable Mr. J. P.  
Todhunter, The Honourable Sir Charles.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

The Council divided:

AYES—16.

Abbott, The Honourable Mr. E. R.  
Brayne, The Honourable Mr. A. F. L.  
Chadwick, The Honourable Mr. D. T.  
Crerar, The Honourable Mr. J.  
Das, The Honourable Mr. S. R.  
Emerson, The Honourable Mr. T.  
Hubback, The Honourable Mr. J. A.  
Ley, The Honourable Mr. A. H.  
MacWatt, The Honourable Major-General Sir Charles.

McWatters, The Honourable Mr. A. C.  
Misra, The Honourable Pandit Shyam Bihari.  
Muhammad Habibullah, The Honourable Khan Bahadur Sir, Sahib Bahadur.  
Roy, The Honourable Mr. K. C.  
Tek Chand, The Honourable Diwan.  
Thompson, The Honourable Mr. J. P.  
Todhunter, The Honourable Sir Charles.

NOES—15.

Akbar Khan, The Honourable Major Nawab Mahomed.  
Bell, The Honourable Mr. J. W. A.  
Bijay Chand Mahtab, The Honourable Sir, Maharajadhiraja Bahadur of Burdwan.  
Desika Chari, The Honourable Mr. P. C.  
Froom, The Honourable Sir Arthur.  
Harnam Singh, The Honourable Raja Sir.  
Khaparde, The Honourable Mr. G. S.  
Manmohandas Ramji Vora, The Honourable Mr.

Mehr Shah, The Honourable Nawab Sahibzada Sayad Mohammad.  
Nawab Ali Khan, The Honourable Raja.  
Oberoi, The Honourable Sardar Shivdev Singh.  
Padshah Sahib Bahadur, The Honourable Saiyid Mohamed.  
Ram Saran Das, The Honourable Rai Bahadur Lala.  
Suhrawardy, The Honourable Mr. Mahmood.  
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

The motion was adopted.



THE HONOURABLE THE PRESIDENT: The question is:

"That clause 2 stand part of the Bill."

THE HONOURABLE SIR ARTHUR FROM: I am not objecting wholly to clause 2 of this Bill, but I would ask the Honourable the Finance Secretary if he would give the House some idea as to what he means by "the amount as may be prescribed in this behalf".

THE HONOURABLE MR. A. C. MCWATTERS: I am afraid I cannot give the Honourable Member definite information on that point, but it is a matter that will be carefully examined. If anyone has any representation to make on the matter, we will take it into account. We do not propose to fix a very small figure.

Clause 2 was added to the Bill.

Clauses 3, 4, 5, 6, 7 and 8 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### INDIAN DIVORCE (AMENDMENT) BILL.

THE HONOURABLE MR. J. CRERAR (HOME SECRETARY): Sir, I move that the Bill further to amend the Indian Divorce Act, as passed by the Legislative Assembly, be taken into consideration.

Sir, the law relating to divorce is in every country a matter of the greatest difficulty and delicacy; and any important changes in such a law must naturally be only made after very mature consideration and deliberation. I do not intend to recite to the House *in extenso* the various stages by which it became apparent to the Government of India that some amendment in the Indian divorce law was necessary. To do so fully would involve the examination of a considerable number of decisions of courts both in India and in England; and it is hardly necessary for the purposes of the simple though important measure which I now lay before the House that I should do so.

Briefly, however, the facts which are relevant and essential to the Bill now before the House are these. The English law in force in India relating to matrimonial causes where the parties profess the Christian religion was first, I think, in a complete form at any rate formulated in the Indian Divorce Act of 1869. That conferred certain jurisdictions upon courts in India according to what was then conceived to be the English law in the matter. The courts in India proceeded to assume that jurisdiction, and passed their decrees and orders under the assumption that they had jurisdiction—and this is the important point—to deal with cases, the parties to which did not have an Indian domicile. The first intimation that such a jurisdiction might not be vested in courts in India was received when an

appeal in the well-known case of *LeMesurier vs. LeMesurier* which arose in Ceylon was heard before the Judicial Committee of the Privy Council. It was laid down as settled English law that domicile was an essential factor in jurisdiction. That is now undoubtedly settled law in England. But nevertheless courts in India continued—some courts at any rate—to act on the assumption that they had jurisdiction although the parties to the suit had not an Indian domicile. That particular point was brought to determination in the case of a decree of dissolution of marriage passed by the High Court of the Punjab in the cases of *Keyes vs. Keyes* and *Gray*. When the matter formed the subject of further proceedings in the Divorce Division of the High Court of Judicature it was definitely held by the President that the High Court of the Punjab or any other High Court in India did not have that jurisdiction. The consequences of that decision were of course extremely serious. A considerable number of decrees and orders had been passed on the assumption that jurisdiction did reside in the courts in India, even in cases where the parties did not have an Indian domicile. Well, the consequences were that if a decree for dissolution of marriage was granted to a party who did not have an Indian domicile and the parties to the suit subsequently remarried, that decree would certainly be invalid in England as also the marriage subsequently contracted, and the issue of any such marriage would in England be illegitimate. Those were consequences so serious that some immediate action was necessary and very prompt action was taken by His Majesty's Government. In the year in which the order in appeal in the case abovementioned was passed, Parliamentary legislation was undertaken in order to validate marriages so contracted in good faith and which, if they had not been validated, would have involved a large number of innocent parties in the greatest embarrassment and distress. That, however, did not dispose of the surviving question as to whether courts in India rightly conceived themselves possessed of this jurisdiction. It is perfectly obvious that it would be wrong to permit conflicting decisions on this highly important matter. The object of this Bill, therefore, very briefly is to declare the law in this sense, that no High Court in India shall hereafter in the matter of granting a decree for dissolution of marriage have jurisdiction in cases except where the petitioner has an Indian domicile. That will to a certain extent avert grave scandals and grave injustice. But it will not be an entire and complete remedy for the difficulties likely to arise. I will instance to the House the possible case of a man having an English or Scottish domicile coming to reside for some time in India and contracting a marriage in India with a woman of Indian domicile. If any cause should arise justifying the granting of a decree of dissolution of marriage it will not be open to any court in British India to grant that relief to the wife. Obviously, therefore, the measure which I have laid before the House will require supplementation if the risk of great injustice in the future is to be avoided. I am therefore very glad to be in a position to say that His Majesty's Government have decided to undertake and treat as urgent legislation a Bill which will have the effect of conferring upon certain tribunals in India jurisdiction in cases where the parties who otherwise would not come within the jurisdiction of Indian courts have an English or Scottish domicile. The Secretary of State has authorised the Government of India to announce that it is hoped that a Bill having that object will be passed during the present Parliamentary session.

I have therefore the greatest confidence in laying this Bill before the House. Honourable Members will be aware that any modification of the divorce law is regarded in England with a very jealous scrutiny. But it

[Mr. J. Crerar.]

will greatly facilitate the passage of the Bill which His Majesty's Government are about to introduce, if they are able to announce that this measure which I have now laid before the House has become law in India. Sir, I move the motion standing in my name.

The motion was adopted.

Clause 2 was added to the Bill.

Clause I was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. J. CRERAR: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### INDIAN FACTORIES (AMENDMENT) BILL.

THE HONOURABLE MR. A. H. LEY (Secretary for Industries and Labour): Sir, I move that the Bill further to amend the Indian Factories Act, 1911, as passed by the Legislative Assembly, be taken into consideration.

Sir, after the more exciting subjects that we have been discussing to-day, I do not propose to take up the time of the Council at this late hour over the details of this Bill. The Bill is not of a contentious nature. It is designed solely to remove certain difficulties in the administration of the existing law which have been found since the Act of 1922 was passed. As Honourable Members of this Council will remember, the Act of 1922 made very large changes in the principles of the factory law in India. This Bill does nothing of the kind. It makes no change in the principle of the law, but is merely designed to render the administration of that law simpler and easier. In certain respects it is necessary to give Local Governments and Administrations rather greater powers under section 30 and other sections of the Act, and it is in some other respects desirable to make small alterations in the existing law. That is the object of this Bill. As all Honourable Members will see, the Statement of Objects and Reasons goes into details of each of the clauses, so I do not propose to take up the further time of the House.

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5, 6, 7 and 8 were added to the Bill.

Clauses 9, 10, 11, 12 and 13 were added to the Bill.

Clauses 14, 15, 16 and 17 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. H. LEY: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

#### TRANSFER OF PROPERTY (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I beg to move that the Bill to explain certain provisions of the Transfer of Property Act, 1882, as passed by the Legislative Assembly, be taken into consideration.

This is a very short Bill intended to give effect to a recommendation of the Civil Justice Committee. In the Transfer of Property Act there is no definition of the word "attestation" in relation to an instrument, and it has been held that attestation must be by the witnesses being present at the time that the document is executed, whereas under the Indian Succession Act, so far as wills are concerned, it is quite sufficient if the executant acknowledges his signature to the witnesses; the witnesses need not be present at the time. The Civil Justice Committee suggest that a definition should be put into the section defining attestation in the case of non-testamentary instruments so as to bring it into line with attestation in the case of testamentary instruments. This Bill is for the purpose of giving effect to that recommendation.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday the 23rd March, 1926.

## COUNCIL OF STATE.

*Tuesday, 23rd March, 1926.*

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

**APOLOGY BY THE HONOURABLE LALA SUKHBIR SINHA FOR HIS ABSENCE FROM THE MEETING OF THE 15TH INSTANT.**

THE HONOURABLE THE PRESIDENT: The Honourable Lala Sukhbir Sinha.

THE HONOURABLE LALA SUKHBIR SINHA: Sir, before I ask my questions I would like, with your permission, to say a few words about the remarks that you had to make on the 15th of this month. These questions were put on the agenda paper at my request for that day and I was ready to attend that meeting, but I am very sorry to say that on account of my ill-health and the bad weather that prevailed on that day, I could not be present. It is the first instance in my 18 years of Council work when I have been absent from a meeting in which I had to ask my questions or move some Resolution. On this occasion I was very sorry that I could not attend the meeting and I apologize for my absence.

THE HONOURABLE THE PRESIDENT: Will the Honourable Member proceed with his questions?

**QUESTIONS AND ANSWERS.**

**CONCESSION AND RETURN TICKETS ON RAILWAYS.**

199. THE HONOURABLE LALA SUKHBIR SINHA: (a) Will Government be pleased to state on what railway lines concession and return tickets have been introduced and at what rates?

(b) Do Government propose to have concession and return tickets introduced on all the Railway lines, without further delay, where they have not yet been introduced?

THE HONOURABLE MR. D. T. CHADWICK: (a) Various concession and other return tickets have been introduced on the principal Railways and it is not practicable within the limits of a reply to a Council question to give details of them all.

(b) The introduction of such concessions is within the competence of Railway Administrations who are fully alive to the desirability of introducing them as circumstances permit.

THE HONOURABLE LALA SUKHBIR SINHA: Will Government draw their attention to the necessity of introducing them as soon as possible?

THE HONOURABLE MR. D. T. CHADWICK: All Railways have been asked to make reductions wherever possible in their fares, and as the Honourable Member will see from the statements that have been published in the proceedings of the Standing Finance Committee for Railways, many concessions and reductions have been made. It will be necessary first of all to see the financial effect of these reductions before going further.

THE HONOURABLE LALA SUKHBIR SINHA: My question is not about concession but about return tickets.

THE HONOURABLE MR. D. T. CHADWICK: A Railway has to look to its receipts taken as a whole. As I have said, it has made reduction in the rates and fares and it cannot proceed further until it has seen the effect of what it has already done.

#### APPOINTMENT OF A CENTRAL AGRICULTURAL COMMITTEE, ETC.

200. THE HONOURABLE LALA SUKHBIR SINHA: Are Government going to appoint a permanent Central Agricultural Committee in the Government of India and hold an Agricultural Conference?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR: Government have no intention at present of taking either of the steps indicated by the Honourable Member.

THE HONOURABLE LALA SUKHBIR SINHA: Is it settled that a Royal Commission will be appointed for the improvement of agriculture in this connection?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR: The appointment of the Royal Commission has already been announced and until the recommendations of that Commission are received, Government have no intention of taking any action which would be for the settlement of issues mainly for the consideration of the Royal Commission.

#### IMPROVEMENT OF SUGAR-CANE CULTIVATION AND THE MANUFACTURE OF SUGAR.

201. THE HONOURABLE LALA SUKHBIR SINHA: What steps have the Government of India and the Local Governments taken after the publication of the Sugar Committee's Report, 1920, for the improvement of sugar-cane cultivation and the manufacture of sugar, and with what result?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR: So far as the agricultural side of the recommendations is concerned, the Government of India have brought the Sugar-cane Breeding Station at Coimbatore under Imperial control and have made it permanent. They have also sanctioned additional funds and staff for this Station for the expansion and development of breeding work which promises to bring about a great improvement of canes in India. Some of the promising types bred at this Station are already being grown on a large scale, particularly in North Bihar, where they are giving from 50 to 100 per cent. more juice per unit area than the local varieties.

Agriculture being a transferred subject, the recommendations of the Committee concerning different provinces were referred to Local Governments and most of them are, as far as possible, giving effect to them. In the cane-growing provinces the Agricultural Departments have drawn up and are now carrying out definite programmes of work on cane; some of these provinces are providing additional funds and staff for improving the methods of cane cultivation. The Local Governments of certain provinces, have, moreover, decided to give grants of land on special terms for cane-growing. Reports regarding the progress made in Madras, Bombay and Assam in the matter of the improvement and extension of sugar cultivation have been placed in the Members' Library.

On the manufacturing side, the Government of India have not yet been able to give effect to the Committee's recommendations owing to financial stringency. In the provinces, however, the use of three-roller iron mills for crushing cane and of iron pans and better types of furnaces for making *gur* are being demonstrated. The testing of different types of small power mills capable of crushing from one to two tons of cane per hour and of multiple furnaces for manufacturing *gur* is receiving attention in some of the more important cane-growing provinces.

#### IMPORT OF SUGAR INTO INDIA.

202. THE HONOURABLE LALA SUKHBIR SINHA: Will Government state separately the total quantity of cane and other sugars imported into India during the last three years and the total income of import duty collected on them; also the total area under cane cultivation, the total amount of consumption of sugar and the average income of cultivation per acre in this country?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR: The total quantity of cane and other sugars (including molasses and confectionery but excluding saccharine) imported into India and the amount of import duty collected during the three years ending 1924-25 were as follows:

|         | Imports (Tons). | Import duty<br>Rs. |
|---------|-----------------|--------------------|
| 1922-23 | 503,986         | 43,822,000         |
| 1923-24 | 476,021         | 33,785,000         |
| 1924-25 | 729,889         | 58,396,000         |

The total area under cane cultivation in this country during the same period was:

|         | Acres.    |
|---------|-----------|
| 1922-23 | 2,740,000 |
| 1923-24 | 2,920,000 |
| 1924-25 | 2,532,000 |

Figures showing the estimated amount of sugar available annually for consumption as published in the reports of the Sugar Bureau are as follows:

|         | Quantity (Tons). |
|---------|------------------|
| 1922-23 | 515,000          |
| 1923-24 | 523,000          |
| 1924-25 | 709,000          |

Figures relating to the average income of sugar cultivation per acre during the last three years are not available, but the Sugar Committee made inquiries in 1920 from all cane-growing provinces regarding the cost of growing cane and the profits obtained therefrom. The average of all the figures they obtained in 1920 was Rs. 150 per acre profit. Prices have fallen since that year and the average profit per acre is probably now substantially less.

#### AREA UNDER WHEAT CULTIVATION, ETC.

203. THE HONOURABLE LALA SUKHBIR SINHA: Will Government state the total area under wheat cultivation, the average produce of wheat per acre, the total export to other countries and the total amount required for consumption in this country?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR: During the year 1924-25 the total area under wheat in India was 31,788,000 acres, the average outturn per acre 613 lbs., and the total export of wheat and wheat flour 1,180,760 tons. Government are not in a position to state the amount of wheat required for consumption in this country as the demand must vary from year to year with prices and other factors. The net balance of the wheat crop available for domestic consumption in 1924-25 was estimated at 8,441,000 tons. It is, however, impossible to state what stocks were brought forward from the previous year or carried forward to the succeeding year. The average quantity available for domestic consumption annually during the three years ending 1924-25 was 9,090,000 tons.

#### EXPENDITURE ON THE AGRICULTURAL DEPARTMENTS IN THE PROVINCES.

204. THE HONOURABLE LALA SUKHBIR SINHA: Will Government give a statement of expenditure on the Agricultural Departments of every province in the pre-reform year of 1919-1920 and every year after this Department was transferred in 1920-1921?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR: The statement desired is laid on the table.

*Statement showing the total expenditure on Provincial Agricultural Departments from 1919-20 to 1924-25.*

| Province.         | 1919-20.  | 1920-21.  | 1921-22.  | 1922-23.  | 1923-24.  | 1924-25<br>Revised<br>Estimates |
|-------------------|-----------|-----------|-----------|-----------|-----------|---------------------------------|
|                   | Rs.       | Rs.       | Rs.       | Rs.       | Rs.       | Rs.                             |
| Bengal            | 8,38,871  | 9,07,446  | 9,81,911  | 10,02,777 | 8,52,098  | 10,48,000                       |
| Bihar and Orissa  | 3,88,872  | 4,69,812  | 4,71,529  | 5,02,552  | 4,39,823  | 4,97,564                        |
| United Provinces  | 9,90,814  | 14,63,199 | 21,33,001 | 19,24,890 | 17,33,177 | 17,92,800                       |
| Punjab            | 11,18,512 | 17,78,058 | 16,72,072 | 14,33,289 | 13,25,380 | 15,28,800                       |
| Bombay            | 13,43,892 | 16,09,000 | 19,50,254 | 14,77,958 | 15,12,253 | 15,92,000                       |
| Madras            | 13,16,887 | 12,71,158 | 13,86,005 | 11,59,428 | 14,47,940 | 14,20,100                       |
| Central Provinces | 5,10,020  | 7,22,926  | 9,55,800  | 9,09,803  | 9,56,641  | 9,25,700                        |
| Burma             | 2,96,723  | 3,77,712  | 5,22,615  | 6,50,220  | 7,92,224  | 8,39,200                        |
| Assam             | 3,08,066  | 2,39,840  | 3,21,090  | 2,58,060  | 2,56,136  | 2,52,900                        |
| N.-W. F. Province | 40,019    | 50,433    | 55,954    | 57,812    | 53,608    | 81,000                          |
| Baluchistan       | 18,519    | 28,401    | 28,461    | 19,540    | 12,170    | 16,800                          |

\*For the whole year according to the accounts for 1923-24.

#### RECOMMENDATIONS OF THE ECONOMIC INQUIRY COMMITTEE.

205. THE HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state what further steps they are going to take on the Report of the Indian Economic Inquiry Committee published in 1925, in order to give effect to the recommendations of the Council of State, made in their Resolution on the 4th February, 1924, and of the Legislative Assembly on the 22nd September, of the same year?

THE HONOURABLE MR. D. T. CHADWICK (on behalf of the Honourable Mr. A. C. McWatters): The Government have addressed Provincial Governments as regards the further action to be taken on the Report of the Committee. I am afraid I shall not be in a position to give a more detailed reply on the subject until those answers have been received and considered.

#### AGE OF RETIREMENT OF HIGH COURT JUDGES.

206. THE HONOURABLE LALA SUKHBIR SINHA: Will the Government be pleased to state whether the question of raising the age limit for the retirement of the Chief Justices and Judges of the High Courts in India to sixty-five years is under consideration and what steps, if any, have been taken in that direction?

THE HONOURABLE MR. J. CRERAR: The reply to the first part of the question is in the negative, and the second part does not therefore arise.

#### APPOINTMENT OF A THIRD MINISTER IN THE UNITED PROVINCES.

207. THE HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state whether the United Provinces Government has appointed a third Minister without the previous sanction of the Governor General in Council?

THE HONOURABLE MR. J. CRERAR: The sanction of the Governor General in Council to the appointment of Ministers is not required by section 52 of the Government of India Act.

#### STRENGTH OF THE ALLAHABAD HIGH COURT.

208. THE HONOURABLE LALA SUKHBIR SINHA: (a) Is it a fact that the Allahabad High Court is to have a permanent strength of nine Judges, instead of seven, and two additional Judges besides for a period of two years?

(b) Will the Government be pleased to lay on the table the figures of institution and disposal of (i) civil appeals and revisions; (ii) criminal appeals, revisions and references; and (iii) original trials, relating to the High Court at Allahabad for the years 1915 to 1925?

THE HONOURABLE MR. J. CRERAR: (a) Yes.

(b) I refer the Honourable Member to the Statistics given in the Civil Statements of the High Court of Judicature at Allahabad and of the Courts subordinate thereto for the years in question. For example the information required for the year 1924 will be found in paragraph 7 of the volume of Civil Statements for that year.

## ACCUMULATION OF ARREARS IN HIGH COURTS.

209. THE HONOURABLE LALA SUKHBIR SINHA: (a) Will the Government be pleased to state the actual number of court sittings of each Judge in the different High Courts in India in the years 1923, 1924 and 1925?

(b) Will it be pleased to state in what High Courts in India the Judges do not sit on Saturdays?

(c) Is it a fact that in most High Courts the actual number of court days on an average hardly exceeds two hundred days in a year and that frequent reports of accumulation of arrears are received from the High Courts with a recurring demand for additional Judges; if that is so, what remedy do the Government propose to adopt to prevent further accumulation?

THE HONOURABLE MR. J. CRERAR: The Honourable Member is doubtless aware that the Government of India are directly concerned with the Calcutta High Court only. The information asked for by the Honourable Member is also information in regard to the detailed internal administration of the Courts themselves. That administration has, in the case of all the courts, been invested by the Government of India Act, by the Letters Patent and by legislation in India in the High Courts as a whole and in the Chief Justices in particular. It is true that under the provisions included in the Letters Patent, the Government of India and, except in the case of the Calcutta High Court, Local Governments, may call for records, returns and statements. The Government of India, however, consider that no public purpose would be served by publishing the detailed information asked for. They are aware of the great increase in litigation in the High Courts in India which has resulted in much congestion of legal business. That congestion has engaged and is engaging the attention of the High Courts, the Chief Justices and the Executive Governments concerned and they trust that the action which has been and is being taken will result in the disposal of the arrears, which have accumulated, as far as possible.

## PASSAGE ALLOWANCES OF GOVERNMENT OFFICERS.

210. THE HONOURABLE MR. MANMOHANDAS RAMJI: Will the Government be pleased to state:

(a) whether their attention has been drawn to the advertisement of the Ellerman City and Hall Lines, in the *Times of India* to the following effect:

Government allowance, £140 per return passage. Ellerman Line return fare £122, First Class, A., £105, First Class, B. The difference will be credited by Government and may be utilized by the officer against additional passages;

(b) whether it is a fact that the payment for the passage allowance, under the Lee scheme to Government officers, is made in cash;

(c) if so, whether such was the recommendation of the Lee Commission;

(d) if not, why have the Government adopted this procedure; and

(e) whether the difference in the Government allowance and the steamship company's rate can be utilized by the officer for himself?

THE HONOURABLE MR. D. T. CHADWICK (on behalf of the Honourable Mr. A. C. McWatters): The Government have seen the advertisement in question. The position is that the Lee Commission recommended the grant of a certain number of passages of the standard of P. and O., 1st Class "B". In practice, it is not obligatory on the officers or their families to travel by this Company or that class. The cost of each journey debitable to Government is limited to the amount admissible according to this standard. If a particular journey is actually more expensive, the officer has to pay the excess from his own pocket. If less expensive, the saving remains at the credit of a *pro forma* passage account opened in the name of the officer and of each member of his family separately and may be utilised by the beneficiary towards further passages later, but no transfer of a credit is allowed from one account to another. Payment is not made in cash to the officer: In fact, except in the case of certain journeys by land, payments are usually made only to Steamship companies or passenger agents. If the Honourable Member requires more detailed information, I would invite his attention to the Home Department Notification No. F-172-B., dated the 15th January, 1925, and the Finance Department Notification No. F-35, dated the 6th February, 1925, which contain the rules originally framed on the subject and which were published in the Gazette of India at the time.

## RESOLUTION RE EMIGRATION OF INDIAN UNSKILLED LABOURERS TO BRITISH GUIANA.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH SAHIB BAHADUR (Member, Education, Health and Lands): Sir, I move:

"That this Council approves the draft notification which has been laid in draft before the Chamber specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to British Guiana and recommends to the Governor General in Council that the notification be published in the Gazette of India."

Sir, I do not propose to weary the House by reading the notification which, I take it, has been in the hands of Honourable Members for the last few days. Nor do I intend to take the House over the whole history connected with this episode beyond mentioning for their information a few relevant facts from and after the year 1920. It will, I think, be within the recollection of Honourable Members that in that year a deputation consisting of Dr. Nunan and Mr. Lukhoo visited Delhi for the purpose of laying before the Government of India a colonisation scheme for the benefit of such of the Indians who intended to take advantage of the same. Before coming to any conclusion as regards the steps which the Government of India should take in the matter it was decided to appoint a Committee of the then Indian Legislature to interview the deputation, ascertain the full details of the scheme and its implications, if any, and make a definite recommendation to Government. This Committee of the Legislature went into the whole question completely and fully and was of opinion that the scheme as presented by the British Guiana representatives appeared then to be capable of acceptance but that a deputation should be sent from India with certain definite instructions to examine the scheme. The instructions to the deputation were to investigate local conditions in British Guiana, to examine on the spot the suitability of the colonisation scheme put forward by the representatives of British Guiana and to report whether any further guarantee in respect of the status of



[Sir Muhammad Hatibullah.]

Indian emigrants are necessary before emigration was renewed. For certain reasons, into which I need not enter at the present moment, the deputation which was appointed by the Indian Government to proceed to British Guiana with these definite instructions could not leave India before 1922. They examined the question thoroughly and made a report in two instalments. The first instalment consisted of a report by the two Indian members and the second by the English member. The English member of the deputation could not sign the report which was prepared by the Indian members as by the time it was ready he had left London and was otherwise engaged. However, these two instalments of the report were received by the Government of India in May, 1923, and October, 1923, respectively. The question as to the action which the Government of India should take thereon had naturally to be referred to the Standing Emigration Committee, a body which had come into existence since, and after a very careful consideration of the question they came to the conclusion that another officer should be deputed to British Guiana for the purpose of making a thorough survey of the position and securing such concessions on behalf of the Indians who may emigrate as it was possible to do. In the meantime, Sir, there was an unfortunate incident in British Guiana which I think somewhat disturbed the Indian feelings—I am referring to the riot in British Guiana in which a few Indian lives were lost. After, however, the atmosphere had calmed down and after we had obtained authentic records relating to the Coroner's inquiry which was held in British Guiana over the riot in question, the proposal to depute an Indian officer to British Guiana was renewed. Kunwar Maharaj Singh, an officer of undoubted merit and ability and one whom the Government of India regarded as best fitted for that appointment, was eventually chosen. As he happened to be at the time on leave in England his services were not available for that purpose before October, 1925. He proceeded to British Guiana, made thorough and careful inquiries and submitted a report which I take it is in the hands of Honourable Members as it was published in February 1925. The notification which I ask the sanction of this House to issue is based on the main recommendations contained in that report. There are, I know, a few subsidiary recommendations which have been made by the special officer and they have been or are being dealt with between the Government of India and the Colonial Government by correspondence, and I can assure the House that so far even as those subsidiary recommendations are concerned, the Colonial Government is willing to accept them. What will be the effect of these recommendations may I ask myself? It seems to me, Sir, that if this notification is approved, and if Indians are permitted to emigrate to British Guiana under the terms and conditions which have been therein specifically mentioned, we shall have secured a guarantee on behalf of those Indians who go to British Guiana for equal rights and status in common with the other residents of British Guiana regardless of colour or caste. We have secured on behalf of the future emigrant an honourable means of livelihood unfettered by any social or other considerations. We have also created, I think, a link between British Guiana and India which I hope and trust will be to the mutual advantage of both the countries. Sir, those who have read the report would have noticed that as things now stand the condition of Indians in British Guiana is more satisfactory than what could be found in some of the slums of

our own country. The moment they go there they shake off the social barriers which rather hamper them in this country and are permitted to carry on such trade, avocation or calling as may be to their taste. Some of them belonging to what may technically be regarded in India as the untouchables or the depressed classes have adorned some of the honourable professions in that country. We therefore hope, Sir, that this further batch of Indians which will go with sufficient safeguards and sufficient guarantees will add still more to the prosperity of the Indian settler there and I also hope, Sir, that by this means we shall extend India across the seas in every British Possession and Colony, and thereby convince the world that we really are a part of the British Commonwealth of Nations.

THE HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted, namely:

“ This Council approves the draft notification which has been laid in draft before the Chamber specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to British Guiana and recommends to the Governor General in Council that the notification be published in the Gazette of India.”

The motion was adopted.

#### INDIAN SUCCESSION (AMENDMENT) BILL.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I beg to move that the Bill to amend the provisions of section 33 of the Indian Succession Act, 1925, be taken into consideration.

Sir, I have very little to say further in connection with this small Bill than what I said when introducing it in this House a few days ago. I made it plain then that this Bill has no application to any community in this country except to Europeans and Anglo-Indians. When the Indian Succession Act of 1865 came into being, those portions of it which applied to Anglo-Indians and Europeans in this country were based on the law as it then was in England. The law in England was amended in 1890 to introduce some improvements in the Succession Act there in connection with small estates in cases of intestacy without lineal descendants. The law of India was never amended in a similar fashion, and this small Bill of mine now seeks to amend that law in order to introduce in this country the improvements made in the English law. As I said on the previous occasion, this Bill has received the approbation of Europeans and Anglo-Indians in this country, and I commend it to this Council.

The motion was adopted.

Clause 2 was added to the Bill.

THE HONOURABLE THE PRESIDENT: The question is:

“ That clause 3 stand part of the Bill.”

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir I move as an amendment:

"That in sub-section (5) of section 33-A proposed to be inserted in the Indian Succession Act, 1925, by clause 3 of the Bill, the following be added to clause (a), namely:

'or of any person professing the Hindu, Buddhist, Sikh or Jaina religion the succession to whose property is, under section 24 of the Special Marriage Act, 1872, regulated by the provisions of this Act'."

This is purely a drafting amendment designed to carry out the intentions of the Honourable Mover. The provisions of the Special Marriage Act, section 24, are as follows:

"Succession to the property of any person professing the Hindu, Buddhist, Sikh or Jaina religion who marries under this Act and to the property of the issue of such marriage shall be regulated by the provisions of the Indian Succession Act, 1865."

The Honourable Sir Arthur Froom has explained to the Council that his intention is that this Bill should regulate solely the intestate property of members of the European and Anglo-Indian communities. Owing, however, to the existence of this provision in the Special Marriage Act, unless a special provision for exclusion is made, it will apply to a class of persons which was not contemplated by the Honourable Mover. The amendment proposed is, as I say, an entirely drafting amendment, and I trust the House will accept it, and also the Honourable Mover.

THE HONOURABLE SIR ARTHUR FROMM: Sir, I accept the amendment, and in doing so I should like to express my thanks to the Honourable Mr. Crerar for introducing it. I recognize at once that it constitutes a further improvement on my small Bill.

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE SIR ARTHUR FROMM: Sir, I beg to move that the Bill as amended be passed.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The Council will now adjourn till 11 o'clock on Thursday, 25th March, when the Council will meet in the Chamber of the Legislative Assembly to hear the address of His Excellency the Governor General.

The Council then adjourned till Eleven of the Clock on Thursday, the 25th March, 1926.

## COUNCIL OF STATE.

Thursday, 25th March, 1926.

### FAREWELL SPEECH DELIVERED TO THE COUNCIL OF STATE AND THE LEGISLATIVE ASSEMBLY BY HIS EXCELLENCY THE VICEROY.

His Excellency the Viceroy having arrived in procession with the Presidents of the Council of State and the Legislative Assembly took his seat on the Dais at Eleven of the Clock.

HIS EXCELLENCY THE VICEROY: I have come to address you for the last time, to bid you a very regretful farewell. The Session is almost at its end; in a few days I shall say good-bye to this historic city, to wonderful India, and to the responsible position I have held during the last five years. The period of the Viceroyalty is but a very brief span in the life of India, yet these last five years have, I believe, a significance, which may not be fully appreciated until events have fallen with the lapse of time into their true perspective, and the relative importance attributable to incidents that have loomed large on our horizon has been duly weighed and recorded. It may, and I hope will, be chronicled by the historian that the foundation of responsible self-government in India was well and truly laid during this period, although it may be that some who were actively engaged in the operation chafed at what they regarded as the slow rate of progress and grumbled because they were not permitted to place the crowning dome on the edifice before the base had been made capable of supporting it. During these years since the inauguration of the Reforms we have travelled together—for you are aware that the Governor General is a component part of this Legislature—along new and hitherto untrodden paths, often hindered by obstacles and beset with difficulties, and in the earlier days not infrequently within the sound of raging tempests without. We have not always been in agreement, indeed this was scarcely to be expected. Sometimes there have been sharp conflicts. Occasionally I have felt bound to exercise the special powers vested in the Governor General. However strongly some may have criticised these actions, I feel sure you will not have doubted that they were dictated solely by my conception of the solemn duties entrusted to me. I have myself never failed to recognise that the differences between myself or my Government and Members of the Assembly have arisen from honest divergences of opinion mainly as to the methods to be pursued and as to the time of advance in the constitutional domain. There has been no difference in purpose; we have striven to attain the same end, the prosperity and happiness of India.

The sands of my office are running out, and I do not wish to dwell unduly to-day on our points of difference: rather would I concentrate upon

[H. E. the Viceroy.]

our points of agreement, which have been far more numerous and have led to results of greater importance than are perhaps always acknowledged in the turmoil of political controversy and agitation.

I came to India with a special mandate to guide the working of the Reforms, in which I took keen personal interest. During the whole period of my office my labours have been largely devoted to carrying out this policy, and my energies have been to a great extent concentrated on this question. Many problems of Commerce and Industry, of Finance and Economics, of Railway Development, Tariffs and other subjects of vast importance to India have also engaged my attention. I have had opportunities of surveying these fields of activities; my purpose to-day is to refer very briefly to a different sphere of activity of wide importance to India and of special interest to the Legislatures. As I am addressing you for the last time, when the reins of my office are about to be transferred to my successor, I shall make but few observations on the political situation. I have striven throughout to place my views clearly before you in order to remove possible misconceptions regarding the objects I had in mind, and to acquaint you with the course along which I desired to steer the Ship of State; to-day I shall refer only to a few aspects of the political problems.

Although much attention is constantly devoted in India to political and constitutional change, I am often inclined to think that the great importance attributed to the Reforms in England at the time of their inauguration and subsequently is not sufficiently realised in India. The Reforms initiated in the first place a new departure in the relations between England and India; they put India on the road to the realisation of more complete unity and higher national self-expression. In the language of His Majesty the King-Emperor the new Constitution took its place "among the great historic measures passed by the Parliament for the better government of India and the greater contentment of her people". His Royal Highness the Duke of Connaught arrived in India with a special message of sympathy and encouragement from His Majesty to inaugurate the new Legislatures, and in His Majesty's charge to me as Viceroy and Governor General a month later the following special instructions regarding the working of the Reformed Constitution were embodied: "For *above all things* it is Our Will and Pleasure that the plans laid by Our Parliament for the progressive realisation of responsible government in British India as an integral part of Our Empire may come to fruition to the end that British India may attain its due place among Our Dominions". The execution of these instructions has been a solemn obligation upon me during these five years; with full cognisance of the importance and implication of this policy, I have omitted no step which was likely, in my view, to conduce to its successful realisation. In my efforts I have had the support and encouragement of His Majesty's Government, and though I have been associated with five Prime Ministers and four Secretaries of State for India during my term of office, there has at no time during that period been any change in the main stream of this policy. There has been no desire to divert it from its channel or to alter its course; the goal of British policy remains to-day, subject to the fulfilment of the essential conditions by India, what it was when I assumed my office, that is, "the progressive realisation of responsible government in India as an integral

part of the British Empire". I have recalled these considerations to you in order to emphasise that the policy of His Majesty's Government is definite and stable. It has not changed with successive Governments; in this respect it will not change with successive Viceroys, for my distinguished successor, Lord Irwin, prior to his departure stated that it would be his endeavour to forward whole-heartedly the advancement of India towards full self-government on constitutional lines. Nevertheless, looked at merely from the Indian point of view, the great significance of the Reforms is still at times misunderstood or underrated. Yet they give what India never had before—a guarantee by Parliament for her political progress. They open the door to the attainment of a new national status and dignity; they give an opportunity not offered before to enter into more intimate relations with England and the Empire and enable India gradually to build up her own responsible institutions within the Commonwealth of nations forming the Empire. I lay emphasis on all these considerations to-day, because as the result of my five years intimate connection with India, I have learnt to place a greater value on the new Constitution than when I first set out from Home. I am aware that it is said that the inspiration of the policy finds its origin in democratic institutions which are especially British in character and cannot be applied to India. But Indians will be the first to assert that these ideals during a long association with British rule have become ingrained in the minds of Indians as among the essentials of national progress. No useful purpose would be served by disguising from ourselves that there are inherent difficulties in adapting British democratic institutions to Indian conditions, but these must be confronted by India and her political leaders. The essential principle underlying English institutions is based on a fundamental unity of sentiment and on a general desire, in issues of cardinal importance, to waive the claims of individual or sectional advantage for the benefit of the common weal. India's internal conditions are not naturally conducive to solidarity. People by different races with separate historical antecedents and conflicting ideals of culture India possesses various elements which do not tend towards unity. Sharp inequalities of development in education and civilization divide men: creeds and castes tend to separative influences. The administrative problems are not less complex; but I shall not pursue the enumeration of difficulties. My purpose in referring to them is to emphasise again that they cannot be relegated into the background; they cannot be disregarded, they force themselves in India at every turn to the forefront. Communal differences have become more acute as all India knows. I need not elaborate them. I mention them because they loom large in India and they are not merely superficial. They have their roots deeply entrenched and will not easily be extirpated. All thoughtful men in India realise the situation; it would be idle to attempt to refer even cursorily to the political conditions of India without mention of it.—but there to-day I must leave this momentous problem in the hope that Indian patriotism and Indian intellect will help to find a solution.

Now, when my return to England is imminent, and I have given long and deep reflection to the position of India under the new Constitution, I have felt it incumbent upon me to state my views to you, to offer them in the friendliest spirit and with the purpose of securing your whole-hearted good-will and co-operation in the administration. I am not for one moment suggesting that the Constitution in its present form is perfect

[H. E. the Viceroy.]

and that it will not require revision and amendment and adaptation to conditions in new developments. This will form the subject of a great and momentous inquiry at a later date. The necessary conditions to ensure its appointment earlier than the statutory date have been too frequently stated by me and my Government to need repetition. Even so my observations are constantly misunderstood notwithstanding that I have been at pains to correct misinterpretations. In particular, I desire to emphasise that I have never required complete or abject surrender of any political party or section. I earnestly trust that my successor may be more fortunate than I in this respect and that he may find in the new regime that clear and unambiguous expression of good-will and desire for harmonious relations which I have sought to obtain.

Unfortunately the years immediately following the introduction of the Reforms could hardly have been more unfavourable to their growth. A ferment of unsettlement of feeling was at work in India as elsewhere in the world. Besides these developments India's finances were crippled; her trade and commerce were enveloped in a heavy cloud of economic stagnation; a great section of the Indian people were also troubled regarding the fortunes of an Empire closely associated with their most precious religious sentiments and beliefs. These conditions caused the acutest anxiety to me and my Government, and throughout these early years, in addition to the heavy burden of developing the new Constitution, we were faced with the constant necessity of dealing with a succession of critical developments, which not only impeded the working of the Reforms, but menaced at one time their very existence. It is freely and fully acknowledged that there is a great change in the present atmosphere; peace reigns on our borders; internal disturbances have been set at rest; law and order have been vindicated and established; the financial situation has been stabilised with beneficent reactions on the nation-building activities of the Reformed Constitution; conditions have been created which give fair prospect for trade and commerce in the development of India's resources; the anxieties of the Indian Moslem population have been allayed. Looking back over these early years I again gladly acknowledge the support given by the Indian Legislature to the Government in many important steps taken in critical situations.

I have had one other purpose in mind in making this brief summary. Quite recently Lord Irwin in a generous reference to myself claimed that credit should be given to the Viceroy when the results of his administration were deemed satisfactory. I will add that, if credit is to be attributed to me in any degree for any of these results, it should in fairness be very fully shared by those associated with me in the heavy burdens of the Government of India. No Viceroy can possibly have received more loyal and devoted service than I during these five years in which it has been my good fortune to have the great advantage of most skilled and capable assistance, not only from the Members of my Council, but also from those who have otherwise been called upon to contribute to the administration.

And now let me abandon political discussion, and for a brief moment turn to personal considerations. Throughout my address to you to-day the sad reflection dominates my mind that it is the last of these occasions. I should not be human if I could remain unmoved in the face of my impending departure from India. The memories of these years will always be

treasured by me: I cannot refer to them without associating Her Excellency in these expressions of profound regret at departure. For the moment all controversies are forgotten. I think only of the many acts of thoughtful kindness and sympathetic friendship throughout our stay in India. Inevitably my thoughts turn to the generous assistance Her Excellency and I have invariably received from India from Members of the Legislature and from all classes of the public in our labours in the cause of suffering humanity. Her Excellency with the true instinct of woman and mother has made this her special avocation, and I know that she leaves grateful hearts behind her.

While I have been in India I have always striven to labour for her best interests. I have regarded myself as a link with her imperial connection charged with a mission to advance her greater destinies. I have kept an impartial mind, free from the trammels of parties or interests and fully pledged to the implications of her particular institutions. I may not have always succeeded, for human effort has its limitations; but believe me that to the best of my ability I have never fallen short in sympathy for India or desire to serve her. I take away most kindly recollections of her and she will always be in my thoughts. It is in this light that I would wish to dwell in your hearts also—as one who did his best to serve India.

# INDEX.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | PAGES.                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>A</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |
| ABBOTT, THE HONOURABLE MR. E. R.—<br>Oath of Office ... ..                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1                                   |
| ABDUL KARIM, THE HONOURABLE MAULVI—<br>Code of Criminal Procedure (Second Amendment) Bill—<br>Motion to pass ... ..<br>Oath of Office ... ..                                                                                                                                                                                                                                                                                                                                                    | 280—282<br>2                        |
| ACT(s)—<br>Question re—<br>Adoption of all-India legislation on the lines of the Bombay<br>Securities Contracts Control —<br>Application of section 71 (1) of the Government of India —<br>to the Sonthal Parganas.<br>Names of the Provinces to which the Cutchi Memons —, 1920,<br>has been applied.                                                                                                                                                                                          | 52<br>109—110<br>487                |
| ADVISORY PUBLICITY COMMITTEE—<br>Election of Messrs. Ramadas Pantulu and G. S. Khaparde to the —                                                                                                                                                                                                                                                                                                                                                                                                | 317                                 |
| AGRICULTURAL COLLEGE(s)—<br>Question re training of students in State — in methods for the<br>prevention of alkaline deposits on land under cultivation by canal<br>water.                                                                                                                                                                                                                                                                                                                      | 26                                  |
| AGRICULTURAL DEPARTMENTS—<br>Question re expenditure on the — in the Provinces ...                                                                                                                                                                                                                                                                                                                                                                                                              | 638                                 |
| AGRICULTURE—<br>See under "Royal Commission on Agriculture".                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                     |
| AJMER—<br>Question re paucity of Muhammadans in the Education Depart-<br>ment.                                                                                                                                                                                                                                                                                                                                                                                                                  | 471                                 |
| AJMER-MERWARA—<br>Question re—<br>Duties of the Superintendent of Education, Delhi and — ...<br>Inspectors of local High Schools by the Assistant Superintendent<br>of Education, Delhi, and —.<br>Muhammadan grievances in respect of the educational administration<br>of Delhi, and —.<br>Number of Muhammadan and Hindu teachers, clerks and peons<br>in the schools in the Delhi Province and —.<br>Paucity of Muslims in the office of the Superintendent of Educa-<br>tion, Delhi and —. | 469<br>470<br>469—470<br>470<br>470 |
| AKBAR KHAN, THE HONOURABLE MAJOR NAWAB MOHAMED—<br>General discussion of the Railway Budget ...<br>Message of gratitude from the Council of State to Their Excellencies<br>the Earl and Countess of Reading.                                                                                                                                                                                                                                                                                    | 245—246<br>571—572                  |

|                                                                                                                                  | PAGES.   |
|----------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>AKBAR KHAN, THE HONOURABLE MAJOR NAWAB MOHAMED—contd.</b>                                                                     |          |
| Oath of Office ... ..                                                                                                            | 43       |
| Resolution <i>re</i> salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.          | 482-483  |
| <b>ALAY NABI, THE HONOURABLE SAIYID—</b>                                                                                         |          |
| Oath of Office ... ..                                                                                                            | 2        |
| Resolution <i>re</i> appointment of a Royal Commission to inquire into the working of the Indian Constitution.                   | 201-205  |
| <b>ALKALINE DEPOSITS—</b>                                                                                                        |          |
| Question <i>re</i> —                                                                                                             |          |
| Abandonment of land under cultivation by canal water owing to the accumulation of heavy —                                        | 25-26    |
| Training of students in State agricultural colleges in methods for the prevention of — on land under cultivation by canal water. | 26       |
| <b>ALLAHABAD—</b>                                                                                                                |          |
| Question <i>re</i> strength of the High Court ... ..                                                                             | 639      |
| <b>ALLOWANCE(S)—</b>                                                                                                             |          |
| Question <i>re</i> —                                                                                                             |          |
| — granted to Frontier tribes for the protection of the Khyber Railway.                                                           | 60       |
| — of European and Anglo-Indian and Indian apprentices in the East Indian Railway workshop at Jamalpur.                           | 307, 309 |
| — of State prisoners transferred from Bengal to other Provinces                                                                  | 28       |
| Passage — of Government officers ... ..                                                                                          | 610-611  |
| <b>ALLOWANCE(S), OVERTIME—</b>                                                                                                   |          |
| Question <i>re</i> — of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                             | 308-309  |
| <b>ALLOWANCES, TRAVELLING AND DAILY—</b>                                                                                         |          |
| Resolution <i>re</i> reduction of the — of Members of the Council of State.                                                      | 81-90    |
| <b>ANDAMANS—</b>                                                                                                                 |          |
| Question <i>re</i> Moplah colonization of the — ... ..                                                                           | 29       |
| <b>ANDAMANS DEPUTATION—</b>                                                                                                      |          |
| Question <i>re</i> report of the — ... ..                                                                                        | 585      |
| <b>ANNAMALAI CHETTIYAR, THE HONOURABLE SIR S. R. M.—</b>                                                                         |          |
| Nomination of —, to be on the Panel of Chairmen of the Council of State.                                                         | 30       |
| <b>ANTI-ASIATIC LEGISLATION—</b>                                                                                                 |          |
| Question <i>re</i> — in South Africa ... ..                                                                                      | 16-17    |
| <b>APOLOGY—</b>                                                                                                                  |          |
| — offered by the Honourable Lala Sukhbir Sinha for his absence from the meeting of the 15th March 1926.                          | 635      |

|                                                                                                                                           | PAGES.   |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>APPOINTMENT(S)—</b>                                                                                                                    |          |
| Question <i>re</i> percentage of — held in the Imperial Services by Indians and non-Indians.                                              | 14-15    |
| <b>APPRAISER(S)—</b>                                                                                                                      |          |
| Question <i>re</i> revision of the pay of the — of the Madras Customs House, etc.                                                         | 372-373  |
| <b>APPRENTICE(S)—</b>                                                                                                                     |          |
| Question <i>re</i> —                                                                                                                      |          |
| Allowances of European and Anglo-Indian and Indian — in the East Indian Railway workshop at Jamalpur.                                     | 307, 309 |
| Differential treatment accorded to European and Anglo-Indian and Indian — in the railway workshop of the East Indian Railway at Jamalpur. | 308-309  |
| Employment at high rates of pay of European and Anglo-Indian — on the East Indian Railway.                                                | 309      |
| European and Anglo-Indian and Indian — on the East Indian Railway.                                                                        | 309      |
| Grant of holidays for important festivals to Muhammadan clerks, — and coolies employed in the East Indian Railway workshop at Jamalpur.   | 308-309  |
| Holidays of European and Anglo-Indian and Indian — on the East Indian Railway.                                                            | 307, 309 |
| Initial starting pay, after the conclusion of their course, of European and Anglo-Indian and Indian — on the East Indian Railway.         | 309      |
| Liability to search of Indian — employed on the East Indian Railway.                                                                      | 19       |
| Memorial to the Chief Mechanical Engineer, North Western Railway, from the Indian literate —                                              | 308, 309 |
| Method of entrance to and exit from their work of European and Anglo-Indian and Indian — employed on the East Indian Railway.             | 308, 309 |
| Method of payment of the salaries of European and Anglo-Indian and Indian — on the East Indian Railway.                                   | 308, 309 |
| Method of recording attendance of European and Anglo-Indian and Indian — on the East Indian Railway.                                      | 308, 309 |
| Non-employment of Indian — trained at Jamalpur after the conclusion of their training.                                                    | 308, 309 |
| Overtime allowances of European and Anglo-Indian and Indian — on the East Indian Railway.                                                 | 309      |
| Passes granted to European and Anglo-Indian and Indian — on the East Indian Railway.                                                      | 24       |
| Prospects of literate — on the North Western Railway, etc. ...                                                                            | 307, 309 |
| Scale of pay of Indian — on the East Indian Railway ... ..                                                                                |          |
| <b>ARMY—</b>                                                                                                                              |          |
| Question <i>re</i> —                                                                                                                      |          |
| Enlistment in the Indian — of Hindu Jats from the Jullundur and Lahore Divisions.                                                         | 19       |
| Number of Hindu, Sikh and Muslim Jats in the Indian —                                                                                     | 19-20    |
| Number of Mazhabi Sikhs in the Indian —                                                                                                   | 21-22    |
| Number of Punjabi Hindus in the Indian —                                                                                                  | 20       |
| Recruitment of Muhyal Brahmans of the Rawalpindi Division for the Indian —                                                                | 20-21    |
| Recruitment of Punjabi Hindu regiments for the Indian —                                                                                   | 21       |
| <b>ASSENT TO BILLS—</b>                                                                                                                   |          |
| See under "Governor General".                                                                                                             |          |
| <b>ASSISTANT COMMISSIONER(S) OF INCOME-TAX—</b>                                                                                           |          |
| Resolution <i>re</i> qualifications of — ... ..                                                                                           | 451-458  |



|                                                                                                                                                                                                                                                                                                                                                                                        | PAGES.                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| ASSISTANT SUPERINTENDENT OF EDUCATION, DELHI AND AJMER-MERWARA—<br>Question re inspection of local High Schools by the — ...                                                                                                                                                                                                                                                           | 470                          |
| AUTOMATIC COUPLER SYSTEM—<br>Question re—<br>Expected savings consequent on the introduction of the — OR<br>broad gauge railways.<br>Introduction of the — on broad gauge railways ...                                                                                                                                                                                                 | 61—62<br>61—62               |
| B                                                                                                                                                                                                                                                                                                                                                                                      |                              |
| BALLY BRIDGE—<br>Question re — of the East Indian Railway ...                                                                                                                                                                                                                                                                                                                          | 362—363                      |
| BANK(S)—<br>Question re—<br>Land mortgage — ...<br>Legislation for extending protection to Indian — ...                                                                                                                                                                                                                                                                                | 26.<br>443—450               |
| BANK OF ENGLAND—<br>Question re Transfer of work done by the — on behalf of the<br>Secretary of State for India to the branch of the Imperial Bank<br>of India in London.                                                                                                                                                                                                              | 57                           |
| BANKING—<br>Resolution re — legislation ...                                                                                                                                                                                                                                                                                                                                            | 458—466                      |
| BAWLA MURDER CASE—<br>Question re — ...                                                                                                                                                                                                                                                                                                                                                | 29, 58                       |
| BELL, THE HONOURABLE MR. J. W. A.—<br>Election of — to the panel for the Central Advisory Council for<br>Railways.<br>Election of — to the panel for the Standing Advisory Committee<br>for the Commerce Department.<br>Election of — to the panel for the Standing Advisory Committee<br>for the Department of Industries and Labour.<br>General discussion of the Railway Budget ... | 317<br>329<br>329<br>220—222 |
| Indian Income-tax (Amendment) Bill—<br>Motion of the Honourable Sir Arthur Froom in adjourn considera-<br>tion.                                                                                                                                                                                                                                                                        | 620—625,<br>626, 627,<br>628 |
| Nomination of the — to be on the Panel of Chairmen of the<br>Council of State.                                                                                                                                                                                                                                                                                                         | 30                           |
| Oath of Office ...                                                                                                                                                                                                                                                                                                                                                                     | 1                            |
| BENGAL—<br>Question re—<br>Allowances of State prisoners transferred from — to other<br>Provinces.<br>Re-transfer to — of certain Bengali State prisoners detained in<br>jails in the Madras Presidency.                                                                                                                                                                               | 28<br>10—11                  |
| BETTING—<br>Question re taxation of the proceeds of — on races ...                                                                                                                                                                                                                                                                                                                     | 373                          |
| BIHAR AND ORISSA—<br>Question re proposed levy of rates on coal exported from — ...                                                                                                                                                                                                                                                                                                    | 12                           |

|                                                                                                                                                                                                                                                                                                                               | PAGES.                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| BIJAY CHAND MAHTAB, THE HONOURABLE SIR, MAHARAJADHIRAJA BAHADUR<br>OF BURDWAN—<br>General discussion of the Budget (Part II) ...<br>General discussion of the Railway Budget ...<br>Message of gratitude from the Council of State to Their Excellencies<br>the Earl and Countess of Reading.<br>Oath of Office ...           | 381—383<br>236<br>569<br>103                               |
| Resolution re—<br>Appointment of a Royal Commission to inquire into the working of<br>the Indian Constitution.<br>Import duty on artificial ghee ...<br>Leader of the Indian delegation to the League of Nations ...<br>Salaries of the two members of the Judicial Committee of the<br>Privy Council with Indian experience. | 195—197,<br>200, 213<br>352—353<br>126—127<br>486—487      |
| BILL(S)—<br>Assent of the Governor General to certain — ...<br>— passed by the Legislative Assembly—Laid on the Table ...                                                                                                                                                                                                     | 31<br>2,32,62,104,<br>145,220,544,<br>564 and 581<br>—582. |
| Code of Civil Procedure (Amendment)—<br>Motion to consider ...<br>Adopted ...<br>Motion to pass ...<br>Adopted ...                                                                                                                                                                                                            | 262<br>262<br>262<br>262                                   |
| Code of Civil Procedure (Second Amendment)—<br>Motion to consider ...<br>Adopted ...<br>Motion to pass ...<br>Adopted ...                                                                                                                                                                                                     | 613<br>613<br>613<br>613                                   |
| Code of Criminal Procedure (Amendment)—<br>Motion to consider ...<br>Adopted ...<br>Motion to pass ...<br>Adopted ...                                                                                                                                                                                                         | 105<br>105<br>105<br>105                                   |
| Code of Criminal Procedure (Second Amendment)—<br>Motion to consider ...<br>Adopted ...<br>Motion to pass ...<br>Adopted ...                                                                                                                                                                                                  | 269—272<br>272<br>272<br>284                               |
| Contempt of Courts—<br>Motion to consider ...<br>Adopted ...<br>Motion to pass ...<br>Adopted ...                                                                                                                                                                                                                             | 330—335<br>335<br>335<br>341                               |
| Cotton Industry (Statistics)—<br>Motion to consider ...<br>Adopted ...<br>Motion to pass ...<br>Adopted ...                                                                                                                                                                                                                   | 611—612<br>612<br>612<br>612                               |

|                                                         | PAGES.  |
|---------------------------------------------------------|---------|
| <b>BILL(s)—contd.</b>                                   |         |
| Delhi Joint Water Board—                                | 613—614 |
| Motion to consider ... ..                               | 614     |
| Adopted ... ..                                          | 614     |
| Motion to pass ... ..                                   | 614     |
| Adopted ... ..                                          | 614     |
| Government Trading Taxation—                            | 106     |
| Motion to consider ... ..                               | 106     |
| Adopted ... ..                                          | 106     |
| Motion to pass ... ..                                   | 106     |
| Adopted ... ..                                          | 106     |
| Guardians and Wards (Amendment)—                        | 106—107 |
| Motion to consider ... ..                               | 107     |
| Adopted ... ..                                          | 107     |
| Motion to pass ... ..                                   | 107     |
| Adopted ... ..                                          | 107     |
| Indian Divorce (Amendment)—                             | 630—632 |
| Motion to consider ... ..                               | 632     |
| Adopted ... ..                                          | 632     |
| Motion to pass ... ..                                   | 632     |
| Adopted ... ..                                          | 632     |
| Indian Factories (Amendment)—                           | 632     |
| Motion to consider ... ..                               | 632     |
| Adopted ... ..                                          | 632     |
| Motion to pass ... ..                                   | 632     |
| Adopted ... ..                                          | 632     |
| Indian Finance—                                         | 586—587 |
| Motion to consider ... ..                               | 587     |
| Adopted ... ..                                          | 587     |
| Consideration of clauses ... ..                         | 587—610 |
| Motion to pass ... ..                                   | 610     |
| Adopted ... ..                                          | 611     |
| Indian Income-tax (Amendment)—                          | 614—616 |
| Motion to consider ... ..                               | 617—628 |
| Motion to adjourn discussion of the above motion ... .. | 629     |
| Negatived ... ..                                        | 629     |
| Motion to consider—Adopted ... ..                       | 630     |
| Motion to pass ... ..                                   | 630     |
| Adopted ... ..                                          | 630     |
| Indian Lunacy (Amendment)—                              | 107—108 |
| Motion to consider ... ..                               | 108     |
| Adopted ... ..                                          | 108     |
| Motion to pass ... ..                                   | 108     |
| Adopted ... ..                                          | 108     |
| Indian Medical Education—                               | 258     |
| Motion for leave to introduce ... ..                    | 258     |
| Adopted ... ..                                          | 258     |
| Introduced ... ..                                       | 258     |
| Motion to circulate ... ..                              | 341—343 |
| Adopted ... ..                                          | 343     |
| Indian Naturalization—                                  | 263—264 |
| Motion to consider ... ..                               | 264     |
| Adopted ... ..                                          | 264     |
| Motion to pass ... ..                                   | 264     |
| Adopted ... ..                                          | 265     |

|                                                                                                                                         | PAGES.  |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>BILL(s)—contd.</b>                                                                                                                   |         |
| Indian Registration (Amendment)—                                                                                                        |         |
| Motion to consider ... ..                                                                                                               | 359     |
| Adopted ... ..                                                                                                                          | 359     |
| Motion to pass ... ..                                                                                                                   | 359     |
| Adopted ... ..                                                                                                                          | 359     |
| Indian Succession (Amendment)—                                                                                                          |         |
| Motion for leave to introduce ... ..                                                                                                    | 564—565 |
| Adopted ... ..                                                                                                                          | 565     |
| Introduced ... ..                                                                                                                       | 565     |
| Motion to consider ... ..                                                                                                               | 643     |
| Adopted ... ..                                                                                                                          | 643     |
| Motion to pass ... ..                                                                                                                   | 644     |
| Adopted ... ..                                                                                                                          | 644     |
| Indian Tariff (Amendment)—                                                                                                              |         |
| Motion to consider ... ..                                                                                                               | 582—583 |
| Adopted ... ..                                                                                                                          | 583     |
| Motion to pass ... ..                                                                                                                   | 583     |
| Adopted ... ..                                                                                                                          | 583     |
| Indian Trade Unions—                                                                                                                    |         |
| Motion to consider ... ..                                                                                                               | 299—302 |
| Adopted ... ..                                                                                                                          | 302     |
| Motion to amend clause 15 (j) ... ..                                                                                                    | 302—303 |
| Adopted ... ..                                                                                                                          | 303     |
| Motion to pass ... ..                                                                                                                   | 304     |
| Adopted ... ..                                                                                                                          | 304     |
| Message from the Legislative Assembly intimating the agreement of that Chamber in the amendments made by the Council of State in the —. | 582     |
| Insolvency (Amendment)—                                                                                                                 |         |
| Motion to consider ... ..                                                                                                               | 268—269 |
| Adopted ... ..                                                                                                                          | 269     |
| Motion to pass ... ..                                                                                                                   | 269     |
| Adopted ... ..                                                                                                                          | 269     |
| Legal Practitioners (Amendment)—                                                                                                        |         |
| Motion to consider ... ..                                                                                                               | 296—297 |
| Adopted ... ..                                                                                                                          | 297     |
| Amendment to clause 2 ... ..                                                                                                            | 297     |
| Adopted ... ..                                                                                                                          | 297     |
| Motion to pass ... ..                                                                                                                   | 297     |
| Adopted ... ..                                                                                                                          | 297     |
| Message from the Legislative Assembly intimating the agreement of that Chamber in the amendments made by the Council of State in the —. | 582     |
| Legal Practitioners (Fees)—                                                                                                             |         |
| Motion to consider ... ..                                                                                                               | 612     |
| Adopted ... ..                                                                                                                          | 612     |
| Motion to pass ... ..                                                                                                                   | 613     |
| Adopted ... ..                                                                                                                          | 613     |
| Madras Civil Courts (Amendment)—                                                                                                        |         |
| Motion to consider ... ..                                                                                                               | 285     |
| Adopted ... ..                                                                                                                          | 285     |
| Motion to pass ... ..                                                                                                                   | 286     |
| Adopted ... ..                                                                                                                          | 286     |

**BILL(s)—concl'd.****Madras Civil Courts (Amendment)—concl'd.**

Message from the Legislative Assembly intimating the agreement of that Chamber in the amendments made by the Council of State in the —.

582

**Madras Civil Courts (Second Amendment)—**

Motion to consider ... 583—584

Adopted ... 584

Motion to pass ... 584

Adopted ... 584

**Promissory Notes (Stamp)—**

Motion to consider ... 297—298

Adopted ... 298

Motion to pass ... 298

Adopted ... 298

**Question re—**

Commonwealth of India — ... 17

Madras Land Revenue — ... 10

Non-official — and Resolutions passed by the Legislative Assembly ... 423—424

and rejected by the Council of State and *vice versa*.

**Small Cause Courts (Attachment of Immoveable Property)—**

Motion to consider ... 104

Adopted ... 104

Motion to pass ... 105

Adopted ... 105

**Steel Industry (Amendment)—**

Motion to consider ... 265—267

Adopted ... 267

Motion to pass ... 267

Adopted ... 268

**Transfer of Property (Amendment)—**

Motion to consider ... 633

Adopted ... 633

Motion to pass ... 633

Adopted ... 633

**BIRDWOOD, HIS EXCELLENCY FIELD MARSHAL SIR WILLIAM RIDDELL—**

Oath of Office ... 1

**BLACKETT, THE HONOURABLE SIR BASH—**

General discussion of the Budget (Part II) ... 107, 414—422

**BOGIE CARRIAGE—**

Question re— ... 59

Restoration of the through first and second class composite — ... 563

between Howrah and Lahore.

Running of a through first and second class — between Howrah ...

and Lahore.

**BOMBAY—**

Question re purchase of land for military purposes in — ... 52—53

**BOMBAY CITY—**

Question re receipts under Income-tax for — ... 53—55

**BOMBAY MILLOWNERS' ASSOCIATION—**

Question re further representation from the — regarding protec- ... 51

tion for the cotton industry.

**BOMBAY PRESIDENCY—**

Question re falling off in customs revenue in the — on chemicals ... 56

and mill stores used by the textile industry.

**BOMBAY SECURITIES CONTRACTS CONTROL ACT—**

See under "Act(s)".

**BOSE RESEARCH INSTITUTE—**

Question re— ... 218—219

Deputation of Mr. Littlehales to inspect the —, Calcutta ... 218

Increase of the grant to the —, Calcutta ...

**BRAHMAN(s)—**

Question re recruitment of Muhyal — of the Rawalpindi Division ... 20—21

for the Indian Army.

**BRAYNE, THE HONOURABLE MR. A. F. L.—**

Oath of Office ... 585

**BRITISH GUIANA—**

Resolution re Emigration of Indian unskilled labourers to — ... 641—643

**BROKERAGE—**

Question re — paid in London by the Secretary of State for ... 57

India on his financial operations.

**BUDGET—**

General discussion of the — (Part II) ... 373—422

General discussion of the Railway — ... 220—254

Introduction of the — (Part II) for 1926-27 ... 317—327

Introduction of the Railway — for 1926-27 ... 145—161

Message from His Excellency the Governor General regarding the ... 103

heads of expenditure to be open to discussion when the —

(Part II) is under consideration.

Message from His Excellency the Governor General regarding the ... 103

dates for the presentation and general discussion of the — (Part

II), in the Council of State.

Message from the Governor General regarding dates for the presenta- ... 30

tion and discussion of the Railway — in the Council of State.

**BULL, SIR WILLIAM—**

Question re political significance attaching to the visit to India of — ... 48

**BUSINESS—**

See under "Statement of Business".

## C

**CALCUTTA—**

Question re— ... 218—219

Deputation of Mr. Littlehales to inspect the Bose Research ...

Institute. — ... 218

Increase of the grant to the Bose Research Institute, — ... 21

Rebates in railway freights on coal booked to — for export ...

**CALCUTTA MINT—**

Question re removal of the — from its present site ... 363—370

**CANADA—**

Question re grant of preference to the Dominion of — ... 16

|                                                                                                                                            | PAGES.           |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| CANAL WATER—                                                                                                                               |                  |
| Question <i>re</i> —                                                                                                                       | 25—26            |
| Abandonment of land under cultivation by — owing to the accumulation of heavy alkaline deposits.                                           | 26               |
| Training of students in State agricultural colleges in methods for the prevention of alkaline deposits on land under cultivation by —.     |                  |
| CENTRAL ADVISORY COUNCIL FOR RAILWAYS—                                                                                                     | 259              |
| Motion for election of a panel for the — ...                                                                                               | 290—291          |
| Nominations to the panel for the — ...                                                                                                     | 317              |
| Result of the election to the panel for the — ...                                                                                          |                  |
| CENTRAL AGRICULTURAL COMMITTEE—                                                                                                            |                  |
| See under "Committee(s)".                                                                                                                  |                  |
| CHADWICK, THE HONOURABLE MR. D. T.—                                                                                                        |                  |
| Cotton Industry (Statistics) Bill—                                                                                                         | 611—612          |
| Motion to consider ...                                                                                                                     | 612              |
| Motion to pass ...                                                                                                                         |                  |
| Indian Tariff (Amendment) Bill—                                                                                                            | 582—583          |
| Motion to consider ...                                                                                                                     | 583              |
| Motion to pass ...                                                                                                                         |                  |
| Indian Trade Unions Bill—                                                                                                                  | 304              |
| Motion to pass ...                                                                                                                         |                  |
| Motion for election of a panel for the Central Advisory Council for Railways.                                                              | 259              |
| Oath of Office ...                                                                                                                         | 1                |
| Resolution <i>re</i> —                                                                                                                     |                  |
| Continuation of the imposition of a customs duty on lac ...                                                                                | 37—39            |
| Grant of supplementary assistance to the tin-plate industry ...                                                                            | 286—288, 289—290 |
| Guarantee of appointments on State Railways to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges. | 431—434, 436—437 |
| Import duty on artificial <i>ghee</i> ...                                                                                                  | 347—351          |
| Statement (laid on the table) by — regarding commercial treaties, both bilateral and multilateral, which affect India.                     | 507—543          |
| Steel Industry (Amendment) Bill—                                                                                                           |                  |
| Motion to consider ...                                                                                                                     | 265—267          |
| Motion to pass ...                                                                                                                         | 267—268          |
| CHARANJIT SINGH, THE HONOURABLE SARDAR—                                                                                                    | 375              |
| General discussion of the Budget (Part II) ...                                                                                             | 565—568          |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                     | 2                |
| Oath of Office ...                                                                                                                         | 475—476          |
| Resolution <i>re</i> salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                    |                  |
| CHARGEMAN(MEN)—                                                                                                                            | 24               |
| Question <i>re</i> number of — employed on the North-Western Railway                                                                       |                  |
| CHARI, THE HONOURABLE MR. P. C. DESIKA—                                                                                                    |                  |
| Code of Criminal Procedure (Second Amendment) Bill—                                                                                        | 275—277, 283     |
| Motion to pass ...                                                                                                                         |                  |

|                                                                                                                                                                                                                                                  | PAGES.                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| CHARI, THE HONOURABLE MR. P. C. DESIKA— <i>contd.</i>                                                                                                                                                                                            |                       |
| Contempt of Courts Bill—                                                                                                                                                                                                                         | 338—340               |
| Motion to pass ...                                                                                                                                                                                                                               | 329                   |
| Election of — to the Panel for the Standing Advisory Committee for the Commerce Department.                                                                                                                                                      | 329                   |
| Election of — to the Panel for the Standing Advisory Committee for the Department of Education, Health and Lands.                                                                                                                                | 162                   |
| Election of — to the Panel for the Standing Committee on Emigration.                                                                                                                                                                             | 236—240               |
| General discussion of the Railway Budget ...                                                                                                                                                                                                     |                       |
| Indian Finance Bill—                                                                                                                                                                                                                             |                       |
| Consideration of clause 7 ...                                                                                                                                                                                                                    | 589                   |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                                                                                                                                          | 595—599               |
| Amendment of the Honourable Sardar Shivdev Singh Oberoi to clauses (1) and (2) of Part I-A. of Schedule II.                                                                                                                                      | 609                   |
| Indian Income-tax (Amendment) Bill—                                                                                                                                                                                                              |                       |
| Motion of the Honourable Sir Arthur Froom to adjourn consideration.                                                                                                                                                                              | 620                   |
| Oath of Office ...                                                                                                                                                                                                                               | 2                     |
| Objection by the — to the moving of Mr. Ramadas Pantulu's amendment to the Resolution of Dr. U. Rama Rao regarding the reduction of the travelling and daily allowances of Members of the Council of State on the ground of insufficient notice. | 84                    |
| Resolution <i>re</i> —                                                                                                                                                                                                                           |                       |
| Appointment of a Royal Commission to inquire into the working of the Indian constitution.                                                                                                                                                        | 173—176               |
| Creation of a Self-governing Tamil-speaking Province ...                                                                                                                                                                                         | 548—551, 552, 561     |
| Leader of the Indian delegation to the League of Nations ...                                                                                                                                                                                     | 123—126               |
| Qualifications of Assistant Commissioners of Income-tax ...                                                                                                                                                                                      | 451—453, 456, 457—458 |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                                                                                                                               | 484—485               |
| CHEMICALS—                                                                                                                                                                                                                                       |                       |
| Question <i>re</i> falling off in customs revenue in the Bombay Presidency on — and mill stores used by the textile industry.                                                                                                                    | 56                    |
| CHEQUES—                                                                                                                                                                                                                                         |                       |
| Question <i>re</i> abolition of the stamp duty on — ...                                                                                                                                                                                          | 56                    |
| CHILCOTT, SIR WARREN—                                                                                                                                                                                                                            |                       |
| Question <i>re</i> political significance attaching to the visit to India of —.                                                                                                                                                                  | 48                    |
| CLERK(S)—                                                                                                                                                                                                                                        |                       |
| Question <i>re</i> —                                                                                                                                                                                                                             |                       |
| Grant of holidays for important festivals to Muhammadan —, apprentices and coolies employed in the East Indian Railway workshop at Jamalpur.                                                                                                     | 309                   |
| Number of Muhammadan and Hindu teachers, — and peons in the schools in the Delhi Province and Ajmer-Merwara.                                                                                                                                     | 470                   |
| COAL—                                                                                                                                                                                                                                            |                       |
| Question <i>re</i> —                                                                                                                                                                                                                             |                       |
| Proposed levy of rates on — exported from Bihar and Orissa ...                                                                                                                                                                                   | 12                    |
| Rebates in railway freight on — booked to Calcutta for export ...                                                                                                                                                                                | 21                    |
| Reduction of railway freights on — ...                                                                                                                                                                                                           | 17                    |

|                                                                                                                                                                                                               | PAGES. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| CODE OF CIVIL PROCEDURE (AMENDMENT) BILL—<br>See under "Bill(s)".                                                                                                                                             |        |
| CODE OF CIVIL PROCEDURE (SECOND AMENDMENT) BILL—<br>See under "Bill(s)".                                                                                                                                      |        |
| CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL—<br>See under "Bill(s)".                                                                                                                                          |        |
| CODE OF CRIMINAL PROCEDURE (SECOND AMENDMENT) BILL—<br>See under "Bill(s)".                                                                                                                                   |        |
| COMMANDER-IN-CHIEF, HIS EXCELLENCY THE —<br>Oath of Office ... ..                                                                                                                                             | 1      |
| COMMERCE DEPARTMENT—                                                                                                                                                                                          |        |
| Date for receiving nominations to the panel for the Standing<br>Advisory Committee for the —.                                                                                                                 | 220    |
| Motion for the election of a panel for the Standing Advisory<br>Committee for the —.                                                                                                                          | 215    |
| Nominations to the panel for the Standing Advisory Committee<br>for the —.                                                                                                                                    | 305    |
| Result of the election to the panel for the Standing Advisory Com-<br>mittee for the —.                                                                                                                       | 329    |
| COMMERCIAL TREATIES—<br>See under "Treaty(ies)".                                                                                                                                                              |        |
| COMMISSION(s)—<br>See under "Royal Commission(s)".                                                                                                                                                            |        |
| COMMITTEE(s)—                                                                                                                                                                                                 |        |
| Question re—                                                                                                                                                                                                  | 443    |
| Action taken on the recommendation of the Inchcape —                                                                                                                                                          | 51     |
| Action taken on the Report of the External Capital —                                                                                                                                                          | 218    |
| Action taken on the Resolution adopted by the Indian Legisla-<br>ture on the recommendations of the Majority Report of the<br>Reforms Inquiry —.                                                              | 217    |
| Action taken on the Resolution passed by the Council of State<br>on the recommendations of the Majority Report of the Reforms<br>Inquiry —.                                                                   | 43     |
| Amended Resolution adopted by the Legislative Assembly regarding<br>the recommendations of the Reforms Inquiry —.                                                                                             | 13—14  |
| — appointed during the years 1922, 1923 and 1924 ...                                                                                                                                                          | 636    |
| Appointment of a Central Agricultural — in the Government<br>of India.                                                                                                                                        | 217    |
| Correspondence between the Secretary of State and the Govern-<br>ment of India on the Resolution passed by the Council of<br>State on the recommendations of the Majority Report of the<br>Reforms Inquiry —. | 40     |
| Establishment of a Rates Advisory — ... ..                                                                                                                                                                    | 639    |
| Recommendations of the Economic Inquiry — ... ..                                                                                                                                                              | 111    |
| Report of the Indian Territorial and Auxiliary Forces — ...                                                                                                                                                   | 52     |
| Report of the Taxation Inquiry — ... ..                                                                                                                                                                       | 255—57 |
| Statement (laid on the table) regarding — appointed in 1922—24                                                                                                                                                |        |
| COMMITTEE ON PETITIONS—<br>Constitution of the — ... ..                                                                                                                                                       | 31     |
| COMMONWEALTH OF INDIA BILL—<br>See under "Bill(s)".                                                                                                                                                           |        |

|                                                                                                                                                                                                        | PAGES.  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| COMPANY-MANAGED RAILWAYS—<br>See under "Railway(s)".                                                                                                                                                   |         |
| CONCESSION TICKETS—<br>Question re — on railways ... ..                                                                                                                                                | 635—636 |
| CONFERENCE(s)—<br>Question re—<br>Subjects discussed at the — of Finance Members held in<br>November 1925.                                                                                             | 56      |
| CONSTITUTION—<br>Question re appointment of a Royal Commission to investigate into<br>the working of the Indian —.                                                                                     | 62      |
| Resolution re appointment of a Royal Commission to inquire into<br>the working of the Indian —.                                                                                                        | 162—215 |
| CONTEMPT OF COURTS BILL—<br>See under "Bill(s)".                                                                                                                                                       |         |
| CONVENTION(s)—<br>Question re ratification by the Japanese Government of the — of<br>the International Labour Conference.                                                                              | 17      |
| Resolution re ratification of the Draft — of the International<br>Labour Conference concerning workmen's compensation for occupa-<br>tional diseases.                                                  | 32—37   |
| COOLY(IES)—<br>Question re grant of holidays for important festivals to Muhammadan<br>clerks, apprentices and — employed in the East Indian Railway<br>workshop at Jamalpur.                           | 309     |
| COTTON INDUSTRY—<br>Question re further representation from the Bombay Millowners'<br>Association regarding protection for the —.                                                                      | 51      |
| COTTON INDUSTRY (STATISTICS) BILL—<br>See under "Bill(s)".                                                                                                                                             |         |
| COUNCIL OF STATE—                                                                                                                                                                                      |         |
| Arrangements for taking a photographic group of the Members of<br>the —.                                                                                                                               | 343     |
| Farewell Speech of His Excellency the Viceroy (Lord Reading)<br>to the — and the Legislative Assembly.                                                                                                 | 645—649 |
| Inauguration of the Second — by His Excellency the Viceroy ...                                                                                                                                         | 3—8     |
| Message from His Excellency the Governor General (Lord Reading)<br>in acknowledgment of the message of gratitude from the — to<br>Their Excellencies the Earl and Countess of Reading.                 | 585—586 |
| Message of gratitude from the — to Their Excellencies the Earl<br>and Countess of Reading.                                                                                                             | 565—579 |
| Question re—                                                                                                                                                                                           |         |
| Action taken on the Resolution passed by the — on the recom-<br>mendations of the Majority Report of the Reforms Inquiry<br>Committee.                                                                 | 217     |
| Correspondence between the Secretary of State and the Govern-<br>ment of India on the Resolution passed by the — on the<br>recommendations of the Majority Report of the Reforms Inquiry<br>Committee. | 217     |
| Non-official Bills and Resolution passed by the Legislative Assembly<br>and rejected by the — and vice versa.                                                                                          | 423—424 |
| Number of voters in each constituency of the — who voted at<br>the last general election.                                                                                                              | 43      |

|                                                                                                                                                                                                                                         | PAGES.       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| COUNCIL OF STATE— <i>contd.</i>                                                                                                                                                                                                         |              |
| Resolution <i>re</i> —                                                                                                                                                                                                                  | 438—442      |
| Privileges and status of Members of the —                                                                                                                                                                                               | 81—90        |
| Reduction of the travelling and daily allowances of Members of the —                                                                                                                                                                    |              |
| CHERAR, THE HONOURABLE MR. J.—                                                                                                                                                                                                          |              |
| Code of Criminal Procedure (Amendment) Bill—                                                                                                                                                                                            | 105          |
| Motion to consider                                                                                                                                                                                                                      | 105          |
| Motion to pass                                                                                                                                                                                                                          |              |
| Code of Criminal Procedure (Second Amendment) Bill—                                                                                                                                                                                     | 269—272      |
| Motion to consider                                                                                                                                                                                                                      | 272—276      |
| Motion to pass                                                                                                                                                                                                                          | 282—284      |
| Contempt of Courts Bill—                                                                                                                                                                                                                | 330—335      |
| Motion to consider                                                                                                                                                                                                                      | 335, 340—341 |
| Motion to pass                                                                                                                                                                                                                          |              |
| Indian Divorce (Amendment) Bill—                                                                                                                                                                                                        | 630—632      |
| Motion to consider                                                                                                                                                                                                                      | 632          |
| Motion to pass                                                                                                                                                                                                                          |              |
| Indian Lunacy (Amendment) Bill—                                                                                                                                                                                                         | 107—108      |
| Motion to consider                                                                                                                                                                                                                      | 108          |
| Motion to pass                                                                                                                                                                                                                          |              |
| Indian Naturalisation Bill—                                                                                                                                                                                                             | 263—264      |
| Motion to consider                                                                                                                                                                                                                      | 264—265      |
| Motion to pass                                                                                                                                                                                                                          |              |
| Indian Succession (Amendment) Bill—                                                                                                                                                                                                     | 644          |
| Moves amendment to clause 3 of the —                                                                                                                                                                                                    | 215          |
| Motion by — for the election of panels for the Standing Advisory Committees for the Home Department, the Commerce Department, the Department of Education, Health and Lands, and the Department of Industries and Labour, respectively. |              |
| Oath of Office                                                                                                                                                                                                                          | 1            |
| Resolution <i>re</i> —                                                                                                                                                                                                                  | 62           |
| Appointment of a Royal Commission to investigate into the working of the Indian Constitution.                                                                                                                                           | 407—504      |
| Creation of a self-governing Tamil-speaking province                                                                                                                                                                                    | 141—143      |
| Formation of a separate Kannada Province                                                                                                                                                                                                | 476—478      |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                                                                                                                      | 487—488      |
| CRIME(s)—                                                                                                                                                                                                                               |              |
| Question <i>re</i> — against life and property                                                                                                                                                                                          | 563          |
| CRIMINALS—                                                                                                                                                                                                                              |              |
| Question <i>re</i> speech of Lord Lytton at the Rotary Club on the reformatory treatment of —                                                                                                                                           | 28—29        |
| CURRENCY—                                                                                                                                                                                                                               |              |
| <i>See</i> under "Royal Commission on Currency".                                                                                                                                                                                        |              |
| CUSTOMS DUTY(IES)—                                                                                                                                                                                                                      |              |
| Resolution <i>re</i> continuation of the imposition of a — on lac                                                                                                                                                                       | 37—41        |
| CUSTOMS HOUSE—                                                                                                                                                                                                                          |              |
| Question <i>re</i> revision of the pay of the appraisers of the —, Madras, etc.                                                                                                                                                         | 372—373      |

CUSTOMS REVENUE—  
Question *re* falling off in — in the Bombay Presidency on chemicals and mill stores used by the textile industry.

CUTCHI MEMONS ACT, 1920—  
*See* under "Act(s)".

## D

DAILY ALLOWANCE(s)—  
*See* under "Allowances, Travelling and Daily".

DAS, THE HONOURABLE MR. S. R.—  
Code of Criminal Procedure (Amendment) Bill—  
Motion to consider

Motion to pass

Code of Criminal Procedure (Second Amendment) Bill—  
Motion to consider

Motion to pass

Guardians and Wards (Amendment) Bill—  
Motion to consider

Motion to pass

Insolvency (Amendment) Bill—  
Motion to consider

Motion to pass

Legal Practitioners (Amendment) Bill—  
Motion to consider

Motion to amend clause 2 of the Bill

Motion to pass

Legal Practitioners (Fees) Bill—  
Motion to consider

Motion to pass

Madras Civil Courts (Amendment) Bill—  
Motion to consider

Motion to pass

Madras Civil Courts (Second Amendment) Bill—  
Motion to consider

Motion to pass

Oath of Office

Resolution *re*—  
Leader of the Indian delegation to the League of Nations

Privileges and status of Members of the Council of State  
Reduction of the travelling and daily allowances of Members of the Council of State.

Small Cause Courts (Attachment of Immoveable Property) Bill—  
Motion to consider

Motion to pass

Transfer of Property (Amendment) Bill—  
Motion to consider

Motion to pass

## PAGES.

56

262

262

613

613

106—107

107

268—269

269

296—297

297

297

612

613

285

286

583—584

584

1

120—123,

127, 131

440

88—89

104

105

633

633



|                                                                                                                                           | PAGES.  |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>DEHRA DUN—</b>                                                                                                                         |         |
| Question <i>re—</i>                                                                                                                       |         |
| Appointment of an Indian to the post of President of the Imperial Forest Research Institute, —.                                           | 294     |
| Closing of the Imperial Forest Research Institute, — ...                                                                                  | 295.    |
| Expenditure on the Imperial Forest Research Institute, — ...                                                                              | 293—294 |
| Grant of extensions of service to temporary specialist officers employed in the Imperial Forest Research Institute, —.                    | 295—296 |
| Grant of extensions of service to the Timber Testing Expert of the Imperial Forest Research Institute, —.                                 | 296     |
| Indianisation of the posts of specialists at the Imperial Forest Research Institute, —.                                                   | 294     |
| Number of Instructors and Assistant Instructors in the Imperial Forest Research Institute and College, —.                                 | 295     |
| Reduction of the number of officers in receipt of Rs. 1,000 a month in the Imperial Forest Research Institute, —.                         | 295     |
| <b>DELHI—</b>                                                                                                                             |         |
| Question <i>re—</i>                                                                                                                       |         |
| Duties of the Superintendent of Education, — and Ajmer-Merwara.                                                                           | 469     |
| Inspections of Local High Schools by the Assistant Superintendent of Education, — and Ajmer-Merwara.                                      | 470     |
| Muhammadan grievances in respect of the educational administration of — and Ajmer-Merwara.                                                | 469—470 |
| Paucity of Muslims in the office of the Superintendent of Education, — and Ajmer-Merwara.                                                 | 470     |
| <b>DELHI JOINT WATER BOARD BILL—</b>                                                                                                      |         |
| See under "Bill(s)".                                                                                                                      |         |
| <b>DELHI PROVINCE—</b>                                                                                                                    |         |
| Question <i>re</i> number of Muhammadan and Hindu teachers, clerks and peons in the — and Ajmer-Merwara.                                  | 470     |
| <b>DEPUTATION—</b>                                                                                                                        |         |
| Question <i>re—</i>                                                                                                                       |         |
| Interim report of the Indian — to South Africa ...                                                                                        | 47      |
| — of Mr. Littlehales to inspect the Bose Research Institute, Calcutta.                                                                    | 218—219 |
| <b>DERA ISMAIL KHAN—TANK DECAUVILLE RAILWAY—</b>                                                                                          |         |
| See under "Railway(s)".                                                                                                                   |         |
| <b>DISEASES, OCCUPATIONAL—</b>                                                                                                            |         |
| Resolution <i>re</i> ratification of the draft convention of the International Labour Conference concerning workmen's compensation for —. | 32—37   |
| <b>DIVISIONAL SYSTEM—</b>                                                                                                                 |         |
| Question <i>re</i> savings effected and increase in efficiency obtained by the introduction of the — on State Railways.                   | 59—60   |
| <b>E</b>                                                                                                                                  |         |
| <b>EAST INDIAN RAILWAY—</b>                                                                                                               |         |
| See under "Railway(s)".                                                                                                                   |         |
| <b>EASTERN BENGAL RAILWAY—</b>                                                                                                            |         |
| See under "Railway(s)".                                                                                                                   |         |
| <b>ECONOMIC INQUIRY COMMITTEE—</b>                                                                                                        |         |
| See under "Committee(s)".                                                                                                                 |         |

|                                                                                                                                                              | PAGES.  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>EDUCATION DEPARTMENT, AJMER—</b>                                                                                                                          |         |
| Question <i>re</i> paucity of Muhammadans in the — ...                                                                                                       | 471     |
| <b>EDUCATION, HEALTH AND LANDS, DEPARTMENT OF—</b>                                                                                                           |         |
| Date for receiving nominations to the panel for the Standing Advisory Committee for the —.                                                                   | 220     |
| Motion for the election of a panel for the Standing Advisory Committee for the —.                                                                            | 215     |
| Nominations to the panel for the Standing Advisory Committee for the —.                                                                                      | 306     |
| Result of the election to the panel for the Standing Advisory Committee for the —.                                                                           | 329     |
| <b>ELECTION(S)—</b>                                                                                                                                          |         |
| Question <i>re</i> number of voters in each constituency of the Council of State who voted at the last general —.                                            | 43      |
| <b>EMERSON, THE HONOURABLE MR. T.—</b>                                                                                                                       |         |
| Oath of Office ...                                                                                                                                           | 2       |
| <b>EMIGRATION—</b>                                                                                                                                           |         |
| Date for the receipt of nominations to the panel of the Standing Committee on —.                                                                             | 62      |
| Election to the panel for the Standing Committee for — ...                                                                                                   | 162     |
| Motion for the election of a Panel for the Standing Committee on —.                                                                                          | 32      |
| Resolution <i>re</i> — of Indian unskilled labourers to British Guiana ...                                                                                   | 641—643 |
| <b>EXPORT DUTY(IES)—</b>                                                                                                                                     |         |
| Question <i>re</i> — on rubber ...                                                                                                                           | 53.     |
| <b>EXTENSION(S) OF SERVICE—</b>                                                                                                                              |         |
| Question <i>re—</i>                                                                                                                                          |         |
| Grant of — to temporary, specialist officers employed in the Imperial Forest Research Institute, Dehra Dun.                                                  | 295—296 |
| Grant of — to the Timber Testing Expert of the Imperial Forest Research Institute, Dehra Dun.                                                                | 296     |
| <b>EXTERNAL CAPITAL COMMITTEE—</b>                                                                                                                           |         |
| See under "Committee(s)".                                                                                                                                    |         |
| <b>F</b>                                                                                                                                                     |         |
| <b>FARES—</b>                                                                                                                                                |         |
| Question <i>re—</i>                                                                                                                                          |         |
| Reduction of — for third class passengers on State Railways ...                                                                                              | 262     |
| Reduction of — on the North Western Railway ...                                                                                                              | 24—25   |
| <b>FAREWELL SPEECH—</b>                                                                                                                                      |         |
| — of His Excellency the Viceroy (Lord Reading) to the Council of State and the Legislative Assembly.                                                         | 645—649 |
| <b>FESTIVAL(S)—</b>                                                                                                                                          |         |
| Question <i>re</i> grant of holidays for important — to Muhammadan clerks, apprentices and coolies employed in the East Indian Railway workshop at Jamalpur. | 309     |
| <b>FINANCE MEMBERS—</b>                                                                                                                                      |         |
| Question <i>re—</i>                                                                                                                                          |         |
| Official report of the proceedings of the Conference of — ...                                                                                                | 29      |
| Subjects discussed at the Conference of — held in November, 1925.                                                                                            | 56      |

|                                                                                                             | PAGES.        |
|-------------------------------------------------------------------------------------------------------------|---------------|
| <b>FOOD GRAINS—</b>                                                                                         |               |
| Question re—                                                                                                |               |
| Increase of the maximum rate of railway freight on — ...                                                    | 261           |
| Reduction of the railway freight on — ...                                                                   | 261           |
| <b>FOREMAN(MEN)—</b>                                                                                        |               |
| Question re number of — employed on the North-Western Railway                                               | 24            |
| <b>FOREST RESEARCH INSTITUTE—</b>                                                                           |               |
| Question re—                                                                                                |               |
| Appointment of an Indian to the post of President of the Imperial —, Dehra Dun.                             | 294           |
| Closing of the Imperial —, Dehra Dun.                                                                       | 295           |
| Expenditure on the Imperial —, Dehra Dun.                                                                   | 293—294       |
| Grant of extensions of service to temporary specialist officers employed in the Imperial —, Dehra Dun.      | 295—296       |
| Grant of extensions of service to the Timber Testing Expert of the Imperial —, Dehra Dun.                   | 296           |
| Indianisation of the posts of specialists at the Imperial —, Dehra Dun.                                     | 294           |
| Number of Instructors and Assistant Instructors in the Imperial — and College, Dehra Dun.                   | 295           |
| Reduction of the number of officers in receipt of Rs. 1,000 a month in the Imperial —, Dehra Dun.           | 295           |
| <b>FORT SANDEMAN—</b>                                                                                       |               |
| Question re survey of railway lines from Hindubagh to — and from — to Tank.                                 | 23            |
| <b>FRONTIER—</b>                                                                                            |               |
| Question re construction of new railway lines and roads in the —                                            | 23            |
| <b>FRONTIER TRIBES—</b>                                                                                     |               |
| Question re allowances granted to — for the protection of the Khyber Railway.                               | 60            |
| <b>FROOM, THE HONOURABLE SIR ARTHUR—</b>                                                                    |               |
| Election of — to the panel for the Central Advisory Council for Railways.                                   | 317           |
| Election of — to the panel for the Standing Advisory Committee for the Commerce Department.                 | 329           |
| Election of — to the panel for the Standing Advisory Committee for the Department of Industries and Labour. | 329           |
| General discussion of the Budget (Part II) ...                                                              | 379—381       |
| General discussion of the Railway Budget ...                                                                | 233—235       |
| <b>Indian Finance Bill—</b>                                                                                 |               |
| Motion to pass ...                                                                                          | 587           |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.     | 600           |
| <b>Indian Income-tax (Amendment) Bill—</b>                                                                  |               |
| Motion to adjourn consideration of — ...                                                                    | 616, 617—     |
| Consideration of clause 2 ...                                                                               | 620, 626, 628 |
|                                                                                                             | 630           |
| <b>Indian Succession (Amendment) Bill—</b>                                                                  |               |
| Motion for leave to introduce ...                                                                           | 564—565       |
| Motion to consider ...                                                                                      | 643           |
| Motion to pass ...                                                                                          | 644           |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.      | 570—571       |
| Oath of Office ...                                                                                          | 1             |

|                                                                                                                                                                                          | PAGES.       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>FROOM, THE HONOURABLE SIR ARTHUR—contd.</b>                                                                                                                                           |              |
| Question (Supplementary) re—                                                                                                                                                             | 314          |
| Firm from which pencils supplied to the Honourable Members of the Council of State are purchased.                                                                                        | 113          |
| Order issued by the North-Western Railway (England) to purchase rails of British manufacture.                                                                                            | 113          |
| Report published by Japanese Railway Administrations regarding the satisfactory character of rails purchased by them from Great Britain.                                                 |              |
| <b>Resolution re—</b>                                                                                                                                                                    |              |
| Grant of supplementary assistance to the tin-plate industry ...                                                                                                                          | 288—289, 290 |
| Privileges and status of Members of the Council of State                                                                                                                                 | 441          |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                                                                       | 478, 486     |
| <b>Steel Industry (Amendment) Bill—</b>                                                                                                                                                  |              |
| Motion to pass ...                                                                                                                                                                       | 267—268      |
| <b>G</b>                                                                                                                                                                                 |              |
| <b>GENEVA LABOUR CONFERENCE—</b>                                                                                                                                                         |              |
| Question re failure of the Japanese Government to give legislative effect to certain resolutions of the —.                                                                               | 26—27        |
| <b>GHEE—</b>                                                                                                                                                                             |              |
| Question re imports of artificial — ...                                                                                                                                                  | 18           |
| Resolution re import duty on artificial — ...                                                                                                                                            | 345—359      |
| <b>GOLAM MOSTAFA CHAUDHURY, THE HONOURABLE MAULVI—</b>                                                                                                                                   |              |
| Oath of Office ...                                                                                                                                                                       | 2            |
| <b>GOODS TRAINS—</b>                                                                                                                                                                     |              |
| See under "Trains".                                                                                                                                                                      |              |
| <b>GOODS WAGONS—</b>                                                                                                                                                                     |              |
| See under "Wagon(s)".                                                                                                                                                                    |              |
| <b>GOVERNMENT OF BOMBAY—</b>                                                                                                                                                             |              |
| Question re dispute between the — and the Punjab Government regarding the apportionment of water in the Indus.                                                                           | 810          |
| <b>GOVERNMENT OF INDIA—</b>                                                                                                                                                              |              |
| Question re—                                                                                                                                                                             | 217          |
| Correspondence between the Secretary of State and the — on the Resolution passed by the Council of State on the recommendations of the Majority Report of the Reforms Inquiry Committee. | 468          |
| Loans raised by the — for the use of Provincial Governments                                                                                                                              | 468          |
| Loans raised by the — in India and abroad ...                                                                                                                                            |              |
| <b>GOVERNMENT OF INDIA ACT—</b>                                                                                                                                                          |              |
| See under "Act(s)".                                                                                                                                                                      |              |
| <b>GOVERNMENT OF INDIA SECRETARIAT—</b>                                                                                                                                                  |              |
| Question re number of superior posts in the — held by Indians on the 1st January 1921 and the 1st January 1926 ...                                                                       | 15           |
| <b>GOVERNMENT OF THE PUNJAB—</b>                                                                                                                                                         |              |
| Question re dispute between the Government of Bombay and the — regarding the apportionment of water in the Indus.                                                                        | 310          |

|                                                                                                                                                                       | PAGES.  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| GOVERNMENT OFFICE(S)—                                                                                                                                                 |         |
| Question re—                                                                                                                                                          |         |
| Purchase of black lead pencils for the use of — ...                                                                                                                   | 313     |
| Purchase of pencils for the use of — from the Madras Pencil Factory.                                                                                                  | 314     |
| Purchase of stationery for — ...                                                                                                                                      | 47—48   |
| GOVERNMENT OFFICER(S)—                                                                                                                                                |         |
| Question re passage allowances of — ...                                                                                                                               | 640—641 |
| GOVERNMENT OFFICIALS—                                                                                                                                                 |         |
| Question re rebate granted to Government by the P. and O. Steam Navigation Company on passages engaged for — ...                                                      | 468—469 |
| GOVERNMENT SECURITIES—                                                                                                                                                |         |
| Question re foundation of scholarships from interest on — held by Muhammadans.                                                                                        | 467—468 |
| GOVERNMENT TRADING TAXATION BILL—                                                                                                                                     |         |
| See under "Bill(s)".                                                                                                                                                  |         |
| Governor General, His Excellency the (LORD READING)—                                                                                                                  |         |
| Assent of the — to certain Bills ...                                                                                                                                  | 31      |
| Message from — in acknowledgment of the message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                        | 585—586 |
| Message from — nominating certain Members of the Council of State to be on the Panel of Chairman.                                                                     | 30      |
| Message from — regarding dates for the presentation and discussion of the Railway Budget in the Council of State.                                                     | 30      |
| Message from — regarding dates for the presentation and general discussion of the Budget (Part II) in the Council of State.                                           | 103     |
| Message from — regarding the heads of expenditure to be open to discussion when the Budget (Part II) is under consideration.                                          | 103     |
| Message from — requiring the attendance of the Members of the Council of State in the Legislative Assembly Chamber at 11 o'clock on Thursday, the 25th of March 1926. | 581     |
| GOVIND DAS, THE HONOURABLE SETH—                                                                                                                                      |         |
| Election of — to the panel for the Standing Committee on Emigration.                                                                                                  | 162     |
| Oath of Office ...                                                                                                                                                    | 2       |
| Question re—                                                                                                                                                          |         |
| Appointment of an Indian to the post of President of the Imperial Forest Research Institute, Dehra Dun.                                                               | 294     |
| Closing of the Imperial Forest Research Institute, Dehra Dun ...                                                                                                      | 295     |
| Expenditure on the Imperial Forest Research Institute, Dehra Dun, etc.                                                                                                | 293—294 |
| Grant of extensions of service to temporary specialist officers employed in the Imperial Forest Research Institute, Dehra Dun ...                                     | 295—296 |
| Grant of extension of service to the Timber Testing Expert of the Imperial Forest Research Institute, Dehra Dun.                                                      | 296     |
| Indianisation of the posts of specialists at the Imperial Forest Research Institute, Dehra Dun.                                                                       | 294     |
| Number of Instructors and Assistant Instructors in the Imperial Forest Research Institute and College, Dehra Dun.                                                     | 295     |
| Reduction of the number of officers in receipt of Rs. 1,000 a month in the Imperial Forest Research Institute, Dehra Dun.                                             | 295     |

|                                                                                                        | PAGES.                   |
|--------------------------------------------------------------------------------------------------------|--------------------------|
| GOVIND DAS, THE HONOURABLE SETH— <i>contd.</i>                                                         |                          |
| Resolution re—                                                                                         |                          |
| Appointment of a Royal Commission to inquire into the working of the Indian constitution.              | 170—173                  |
| Royal Commission on Agriculture ...                                                                    | 74—77                    |
| GRANT(S)—                                                                                              |                          |
| Question re increase of the — to the Bose Research Institute, Calcutta.                                | 218                      |
| GRIEVANCE(S)—                                                                                          |                          |
| Question re—                                                                                           |                          |
| Muhammadan — in respect of the educational administration of Delhi and Ajmer-Merwara.                  | 469—470                  |
| — of Postmasters ...                                                                                   | 219                      |
| GUARDIANS AND WARDS (AMENDMENT) BILL—                                                                  |                          |
| See under "Bill(s)".                                                                                   |                          |
| H                                                                                                      |                          |
| HABIBULLAH, THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD, SAHIB BAHADUR—                                   |                          |
| General discussion of the Budget (Part II) ...                                                         | 402—405                  |
| Indian Medical Education Bill—                                                                         |                          |
| Motion to circulate ...                                                                                | 341—342                  |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading. | 572—573                  |
| Motion for the election of a Panel for the Standing Committee on Emigration.                           | 32                       |
| Oath of Office ...                                                                                     | 1                        |
| Resolution re—                                                                                         |                          |
| Creation of a Tamil-speaking province ...                                                              | 504—505                  |
| Emigration of Indian unskilled labourers to British Guiana ...                                         | 641—643                  |
| Royal Commission on Agriculture ...                                                                    | 67—72                    |
| Statement by — regarding negotiations with the Union Government of South Africa.                       | 113—115                  |
| Statement of business by — ...                                                                         | 41—42, 90, 254, 422, 562 |
| HARNAM SINGH, THE HONOURABLE RAJA SIR—                                                                 |                          |
| Oath of Office ...                                                                                     | 1                        |
| HASSAN—                                                                                                |                          |
| Question re construction of a railway line between Mangalore and —.                                    | 9                        |
| HIGH COMMISSIONER FOR INDIA—                                                                           |                          |
| Question re Indianisation of the staff of the — ...                                                    | 44                       |
| HIGH COURT(S)—                                                                                         |                          |
| Question re—                                                                                           |                          |
| Accumulation of arrears in — ...                                                                       | 640                      |
| Arrears of work in the —, Patna ...                                                                    | 13                       |
| Strength of the —, Allahabad ...                                                                       | 689                      |
| HIGH COURT JUDGES—                                                                                     |                          |
| See under "Judge(s)".                                                                                  |                          |

|                                                                                                                                            | PAGES.   |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>HIGH SCHOOLS—</b>                                                                                                                       |          |
| Inspections of local — by the Assistant Superintendent of Education, Delhi and Ajmer-Merwara.                                              | 470      |
| <b>HINDLEY, THE HONOURABLE SIR CLEMENT—</b>                                                                                                |          |
| General discussion on the Railway Budget ...                                                                                               | 248—252  |
| Introduction by — of the Railway Budget for 1926-27 ...                                                                                    | 145—161  |
| Oath of Office ...                                                                                                                         | 145      |
| <b>HINDU(S)—</b>                                                                                                                           |          |
| Question re—                                                                                                                               |          |
| Number of Muhammadan and — teachers, clerks and peons in the schools in the Delhi Province and Ajmer-Merwara.                              | 470      |
| Number of Punjabi — in the Indian Army ...                                                                                                 | 20       |
| Recruitment of Punjabi — regiments for the Indian Army ...                                                                                 | 21       |
| <b>HINDUBAGH—</b>                                                                                                                          |          |
| Question re survey of railway lines from — to Fort Sandeman and from Fort Sandeman to Tank.                                                | 23       |
| <b>HOLIDAY(S)—</b>                                                                                                                         |          |
| Question re—                                                                                                                               |          |
| Grant of — for important festivals to Muhammadan clerks, apprentices and coolies employed in the East Indian Railway workshop at Jamalpur. | 308      |
| — of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                                                          | 308—309  |
| <b>HOME DEPARTMENT—</b>                                                                                                                    |          |
| Date for receiving nomination to the panel for the Standing Advisory Committee for the —.                                                  | 220      |
| Motion for the election of a panel for the Standing Advisory Committee for the —.                                                          | 215      |
| Nominations to the panel for the Standing Advisory Committee for the —.                                                                    | 305      |
| Result of the election to the panel for the Standing Advisory Committee for the —.                                                         | 329      |
| <b>HOTSON, THE HONOURABLE MR. J. E. B.—</b>                                                                                                |          |
| General discussion of the Budget (Part II) ...                                                                                             | 397—401  |
| Oath of Office ...                                                                                                                         | 2        |
| Resolution re formation of a separate Kannada Province ...                                                                                 | 139—141, |
|                                                                                                                                            | 144      |
| <b>HOWRAH—</b>                                                                                                                             |          |
| Question re—                                                                                                                               |          |
| Restoration of the through first and second class composite bogie carriage between — and Lahore.                                           | 59       |
| Running of a through first and second class bogie carriage between — and Lahore.                                                           | 563      |
| <b>HUBBACK, THE HONOURABLE MR. J. A.—</b>                                                                                                  |          |
| Oath of Office ...                                                                                                                         | 2        |
| Resolution re continuation of the imposition of a customs duty on lac.                                                                     | 39—41    |
| <b>IMPERIAL BANK OF INDIA—</b>                                                                                                             |          |
| Question re transfer of work done by the Bank of England on behalf of the Secretary of State for India to the branch of the — in London.   | 57       |

|                                                                                                                                            | PAGES.  |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>IMPERIAL FOREST RESEARCH INSTITUTE—</b>                                                                                                 |         |
| See under "Forest Research Institute".                                                                                                     |         |
| <b>IMPERIAL SERVICES—</b>                                                                                                                  |         |
| Question re percentage of appointments held in the — by Indians and non-Indians.                                                           | 14—15   |
| <b>IMPORT DUTY(IES)—</b>                                                                                                                   |         |
| Question re—                                                                                                                               |         |
| Abolition of the — on Saccharine ...                                                                                                       | 316     |
| — on Saccharine ...                                                                                                                        | 315     |
| Resolution re — on artificial ghee ...                                                                                                     | 345—359 |
| <b>INAUGURATION—</b>                                                                                                                       |         |
| — of the Second Council of State by His Excellency the Viceroy.                                                                            | 3—8     |
| <b>INCHCAPE COMMITTEE—</b>                                                                                                                 |         |
| See under "Committee(s)".                                                                                                                  |         |
| <b>INCHCAPE, LORD—</b>                                                                                                                     |         |
| Question re political significance attaching to the visit to India of —.                                                                   | 48      |
| <b>INCOME-TAX—</b>                                                                                                                         |         |
| Question re—                                                                                                                               |         |
| Receipts under — for Bombay City ...                                                                                                       | 53—55   |
| Reduction of the — and super-tax ...                                                                                                       | 423     |
| Resolution re qualifications of Assistant Commissioners of —                                                                               | 451—458 |
| <b>INDIAN ARMY—</b>                                                                                                                        |         |
| See under "Army".                                                                                                                          |         |
| <b>INDIAN DIVORCE (AMENDMENT) BILL—</b>                                                                                                    |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN FACTORIES (AMENDMENT) BILL—</b>                                                                                                  |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN FINANCE BILL—</b>                                                                                                                |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN INCOME-TAX (AMENDMENT) BILL—</b>                                                                                                 |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN LEGISLATURE—</b>                                                                                                                 |         |
| Question re action taken on the Resolution adopted by the — on the recommendations of the Majority Report of the Reform Inquiry Committee. | 218     |
| <b>INDIAN LUNACY (AMENDMENT) BILL—</b>                                                                                                     |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN MEDICAL EDUCATION BILL—</b>                                                                                                      |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN NATURALIZATION BILL—</b>                                                                                                         |         |
| See under "Bill(s)".                                                                                                                       |         |
| <b>INDIAN POLICE—</b>                                                                                                                      |         |
| Question re recruitment to the — for the next ten years                                                                                    | 46      |

|                                                                                                                  | PAGES.       |
|------------------------------------------------------------------------------------------------------------------|--------------|
| INDIAN REGISTRATION (AMENDMENT) BILL—<br>See under "Bill(s)".                                                    |              |
| INDIAN STORES DEPARTMENT—                                                                                        |              |
| • Question re—                                                                                                   |              |
| Abolition of the levy of the departmental charges charged by the —                                               | 311          |
| • Indianisation of the —                                                                                         | 313          |
| Levy of charges for services performed by the —                                                                  | 311          |
| Number of Indian officers employed in the —                                                                      | 313          |
| Purchase of Government stores through the —                                                                      | 310—311      |
| Total value of purchases made by the — during the last two years, etc.                                           | 312—313      |
| INDIAN SUCCESSION (AMENDMENT) BILL—<br>See under "Bill(s)".                                                      |              |
| INDIAN TARIFF (AMENDMENT) BILL—<br>See under "Bill(s)".                                                          |              |
| INDIAN TERRITORIAL AND AUXILIARY FORCES COMMITTEE—<br>See under "Committee(s)".                                  |              |
| INDIAN TRADE UNIONS BILL—<br>See under "Bill(s)".                                                                |              |
| INDIANISATION—                                                                                                   |              |
| Question re—                                                                                                     |              |
| — of the Indian Stores Department                                                                                | 313          |
| — of the posts of specialists at the Imperial Forest Research Institute, Dehra Dun.                              | 294          |
| — of the staff of the High Commissioner for India                                                                | 44           |
| INDUS—                                                                                                           |              |
| Question re—                                                                                                     |              |
| Dispute between the Government of Bombay and the Punjab Government regarding apportionment of the water in the — | 310          |
| Sufficiency of water in the — for the Sukkur Barrage as well as the irrigation schemes in the Punjab.            | 310          |
| INDUSTRIES AND LABOUR, DEPARTMENT OF—                                                                            |              |
| Date for receiving nominations for the panel for the Standing Advisory Committee for the —                       | 220          |
| Motion for the election of a panel for the Standing Advisory Committee for the —                                 | 215          |
| Nominations to the panel for the Standing Advisory Committee for the —                                           | 306          |
| Result of the election to the panel for the Standing Advisory Committee for the —                                | 320          |
| INNER, THE HONOURABLE SIR CHARLES—                                                                               |              |
| General discussion of the Railway Budget                                                                         | 252—254      |
| Resolution re import duty on artificial ghee                                                                     | 355—356, 358 |
| INSOLVENCY (AMENDMENT) BILL—<br>See under "Bill(s)".                                                             |              |
| INSTRUCTOR—                                                                                                      |              |
| Question re number of — and Assistant — in the Imperial Forest Research Institute and Dehra Dun.                 | 295          |

|                                                                                                                                             | PAGES.       |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| INTEREST—                                                                                                                                   |              |
| Question re foundation of Scholarships from — on Government securities held by Muhammadans.                                                 | 467—468      |
| INTERNATIONAL LABOUR CONFERENCE—                                                                                                            |              |
| Question re ratification by the Japanese Government of the Conventions of the —                                                             | 17           |
| Resolution re ratification of the Draft Convention of the — concerning Workmen's Compensation for occupational diseases.                    | 32—37        |
| IRRIGATION SCHEMES—                                                                                                                         |              |
| Question re sufficiency of water in the Indus for the Sukkur Barrage as well as the — in the Punjab.                                        | 310          |
| J                                                                                                                                           |              |
| JAFFER, THE HONOURABLE MR. EBRAHIM HAROON—                                                                                                  |              |
| Election of — to the panel for the Standing Committee on Emigration.                                                                        | 162          |
| General discussion of the Budget (Part II) ...                                                                                              | 373—375      |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                      | 568—569      |
| Nomination of — as a member of the Committee on Petitions                                                                                   | 31           |
| Oath of Office                                                                                                                              | 2            |
| Question re—                                                                                                                                |              |
| Action taken on the recommendations of the Inchcape Committee                                                                               | 443          |
| Additional expenditure on items in which retrenchment was effected.                                                                         | 443          |
| Foundation of scholarships from interest on Government securities held by Muhammadans.                                                      | 467—468      |
| Legislation for extending protection to Indian banks                                                                                        | 443—450      |
| Names of the Provinces to which the Cutchi Memons Act, 1920, has been applied.                                                              | 467          |
| Official report of the proceedings of the Conference of Finance Members.                                                                    | 29           |
| Resolution re banking legislation                                                                                                           | 458—460, 466 |
| JAPANESE GOVERNMENT—                                                                                                                        |              |
| Question re—                                                                                                                                |              |
| Failure of the — to give legislative effect to certain resolutions of the Geneva Labour Conference.                                         | 26—27        |
| Ratification by the — of the Conventions of the International Labour Conference.                                                            | 17           |
| Question (Supplementary) re intention of the Japanese Government to raise the duty on pig-iron.                                             | 51           |
| JAMALPUR—                                                                                                                                   |              |
| Question re—                                                                                                                                |              |
| Allowances of European and Anglo-Indian and Indian apprentices in the East Indian Railway Workshop at —                                     | 307, 309     |
| Differential treatment accorded to European and Anglo-Indian and Indian apprentices in the railway workshop of the East Indian Railway at — | 307, 309     |
| Grant of holidays for important festivals to Muhammadan clerks, apprentices and coolies employed in the East Indian Railway workshop at —   | 309          |
| Non-employment of Indian apprentices trained at — after the conclusion of their training.                                                   | 308, 309     |

|                                                                                                    | PAGES.            |
|----------------------------------------------------------------------------------------------------|-------------------|
| <b>JATS—</b>                                                                                       |                   |
| Question <i>re</i> —                                                                               |                   |
| Enlistment in the Indian Army of Hindu — from the Jullundur and Lahore Divisions.                  | 19 *              |
| Number of Hindu, Sikh and Muslim — in the Indian Army ...                                          | 19—20             |
| <b>JOURNEYMAN(MEN)—</b>                                                                            |                   |
| Question <i>re</i> number of — employed in the North Western Railway                               | 24                |
| <b>JUDGE(S)—</b>                                                                                   |                   |
| Question <i>re</i> Age of retirement of High Court — ...                                           | 639               |
| <b>JUDICIAL COMMITTEE OF THE PRIVY COUNCIL—</b>                                                    |                   |
| <i>See under "Privy Council".</i>                                                                  |                   |
| <b>JULLUNDUR—</b>                                                                                  |                   |
| Question <i>re</i> enlistment in the Indian Army of Hindu Jats from the — and Lahore Divisions.    | 19                |
| <b>K</b>                                                                                           |                   |
| <b>KALIGHAT—</b>                                                                                   |                   |
| Question <i>re</i> railway freight on rice from Khulna to — on the Eastern Bengal Railway.         | 261               |
| <b>KANNADA PROVINCE—</b>                                                                           |                   |
| Resolution <i>re</i> formation of a separate — ...                                                 | 132—144           |
| <b>KHAPARDE, THE HONOURABLE MR. G. S.—</b>                                                         |                   |
| Election of — to the Advisory Publicity Committee ...                                              | 317               |
| Election of — to the panel for the Standing Advisory Committee for the Home Department.            | 329               |
| General discussion of the Budget (Part II) ...                                                     | 405—407           |
| Oath of Office ...                                                                                 | 1—2               |
| Question <i>re</i> grievances of Postmasters ...                                                   | 219               |
| Resolution <i>re</i> —                                                                             |                   |
| Appointment of a Royal Commission to inquire into the working of the Indian Constitution.          | 183, 197—201      |
| Creation of a self-governing Tamil-speaking province ...                                           | 548, 553          |
| Privileges and status of Members of the Council of State ...                                       | 441               |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience. | 471—475, 479, 487 |
| <b>KHULNA—</b>                                                                                     |                   |
| Question <i>re</i> railway freight on rice from — to Kalighat on the Eastern Bengal Railway.       | 261               |
| <b>KHYBER RAILWAY—</b>                                                                             |                   |
| <i>See under "Railway(s)".</i>                                                                     |                   |
| <b>L</b>                                                                                           |                   |
| <b>LABOURER(S)—</b>                                                                                |                   |
| Question <i>re</i> emigration of Indian unskilled — to British Guiana                              | 641—643           |
| <b>LAC—</b>                                                                                        |                   |
| Resolution <i>re</i> continuation of the imposition of a customs duty on —.                        | 37—41             |

|                                                                                                                                                                                                                                    | PAGES.                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>LAHORE—</b>                                                                                                                                                                                                                     |                                             |
| Question <i>re</i> —                                                                                                                                                                                                               |                                             |
| Enlistment in the Indian Army of Hindu Jats from the Jullundur and — Divisions.                                                                                                                                                    | 19                                          |
| Restoration of the through first and second class composite bogie carriage between Howrah and —.                                                                                                                                   | 59                                          |
| Running of a through first and second class bogie carriage between Howrah and —.                                                                                                                                                   | 503                                         |
| <b>LAND—</b>                                                                                                                                                                                                                       |                                             |
| Question <i>re</i> —                                                                                                                                                                                                               |                                             |
| Abandonment of — under cultivation by canal water owing to the accumulation of heavy alkaline deposits.                                                                                                                            | 25—26                                       |
| Purchase of — for military purposes in Bombay ...                                                                                                                                                                                  | 52—53                                       |
| Training of students in State agricultural colleges in methods for the prevention of alkaline deposits on — under cultivation by canal water.                                                                                      | 26                                          |
| <b>LAND MORTGAGE BANKS—</b>                                                                                                                                                                                                        |                                             |
| <i>See under "Bank(s)".</i>                                                                                                                                                                                                        |                                             |
| <b>LAND REVENUE ASSESSMENTS—</b>                                                                                                                                                                                                   |                                             |
| Question <i>re</i> reversion of — ...                                                                                                                                                                                              | 41                                          |
| <b>LEAGUE OF NATIONS—</b>                                                                                                                                                                                                          |                                             |
| Question <i>re</i> various questions connected with India's membership of the —.                                                                                                                                                   | 361—362                                     |
| Resolution <i>re</i> leader of the Indian delegation to the — ...                                                                                                                                                                  | 115—132                                     |
| <b>LEATHER INDUSTRY—</b>                                                                                                                                                                                                           |                                             |
| Question <i>re</i> scholarships for training in the — ...                                                                                                                                                                          | 219                                         |
| <b>LEGAL PRACTITIONERS (AMENDMENT) BILL—</b>                                                                                                                                                                                       |                                             |
| <i>See under "Bill(s)".</i>                                                                                                                                                                                                        |                                             |
| <b>LEGAL PRACTITIONERS (FEES) BILL—</b>                                                                                                                                                                                            |                                             |
| <i>See under "Bill(s)".</i>                                                                                                                                                                                                        |                                             |
| <b>LEGISLATION—</b>                                                                                                                                                                                                                |                                             |
| Question <i>re</i> —                                                                                                                                                                                                               |                                             |
| Adoption of all-India — on the lines of the Bombay Securities Contracts Control Act.                                                                                                                                               | 52                                          |
| — for extending protection to Indian banks ...                                                                                                                                                                                     | 443—450                                     |
| Resolution <i>re</i> banking ...                                                                                                                                                                                                   | 458—466                                     |
| <b>LEGISLATIVE ASSEMBLY—</b>                                                                                                                                                                                                       |                                             |
| Bills passed by the — laid on the table ...                                                                                                                                                                                        | 2, 32, 62, 104, 145, 220, 544, 564, 581—582 |
| Farewell speech of His Excellency the Viceroy (Lord Reading) to the Council of State and the —.                                                                                                                                    | 645—649                                     |
| Message from the — intimating the agreement of that Chamber in the amendments made by the Council of State in the Indian Trade Unions Bill, the Legal Practitioners (Amendment) Bill and the Madras Civil Courts (Amendment) Bill. | 582                                         |
| Question <i>re</i> —                                                                                                                                                                                                               |                                             |
| Amended Resolution adopted by the — regarding the recommendations of the Reforms Inquiry Committee.                                                                                                                                | 43                                          |
| Non-official Bills and Resolutions passed by the — and rejected by the Council of State and <i>vice versa</i> .                                                                                                                    | 123—124                                     |



|                                                                                                                                                               | PAGES.            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>LEY, THE HONOURABLE MR. A. H.—</b>                                                                                                                         |                   |
| Delhi Joint Water Board Bill—                                                                                                                                 |                   |
| Motion to consider ... ..                                                                                                                                     | 613—614           |
| Motion to pass ... ..                                                                                                                                         | 614               |
| Indian Factories (Amendment) Bill—                                                                                                                            |                   |
| Motion to consider ... ..                                                                                                                                     | 632               |
| Motion to pass ... ..                                                                                                                                         | 632               |
| Indian Finance Bill—                                                                                                                                          |                   |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                                                       | 593—595, 597, 600 |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding charges for reduction of parcels.                                          | 602—604           |
| Indian Trade Unions Bill—                                                                                                                                     |                   |
| Motion to consider ... ..                                                                                                                                     | 299—302           |
| Moves an amendment to sub-clause (j) of clause 15 ... ..                                                                                                      | 302—303           |
| Replies to the remarks of Mr. Manmohandas Ramji regarding clause 22.                                                                                          | 303               |
| Motion to pass ... ..                                                                                                                                         | 304               |
| Oath of Office ... ..                                                                                                                                         | 1                 |
| Resolution <i>re</i> ratification of the draft convention of the International Labour Conference concerning workmen's compensation for occupational diseases. | 32—37             |
| <b>LIBRARY COMMITTEE—</b>                                                                                                                                     |                   |
| Appointment of the Honourable Mr. K. C. Roy to the — ...                                                                                                      | 31                |
| <b>LIFE AND PROPERTY—</b>                                                                                                                                     |                   |
| Question <i>re</i> crimes against — ... ..                                                                                                                    | 563               |
| <b>LITTLEHAILES, MR.—</b>                                                                                                                                     |                   |
| Question <i>re</i> deputation of — to inspect the Bose Research Institute, Calcutta.                                                                          | 218—219           |
| <b>LOAN(S)—</b>                                                                                                                                               |                   |
| Question <i>re</i> —                                                                                                                                          |                   |
| — raised by the Government of India in India and abroad ...                                                                                                   | 468               |
| — raised by the Government of India for Provincial Governments                                                                                                | 468               |
| <b>LOAN PROGRAMME(S)—</b>                                                                                                                                     |                   |
| Question <i>re</i> — of Provincial Governments ... ..                                                                                                         | 53                |
| <b>LOCOMOTIVES—</b>                                                                                                                                           |                   |
| Question <i>re</i> —                                                                                                                                          |                   |
| — for State Railways ... ..                                                                                                                                   | 50                |
| Standard type of — for India ... ..                                                                                                                           | 50—51             |
| <b>LONDON—</b>                                                                                                                                                |                   |
| Question <i>re</i> —                                                                                                                                          |                   |
| Brokerage paid in — by the Secretary of State for India on his financial operations.                                                                          | 57                |
| Transfer of work done by the Bank of England on behalf of the Secretary of State for India to the branch of the Imperial Bank of India in London.             | 57                |
| <b>LYTTON, LORD—</b>                                                                                                                                          |                   |
| Question <i>re</i> speech of — at the Rotary Club on the reformatory treatment of criminals.                                                                  | 28—29             |

|                                                                                                                             | PAGES.       |
|-----------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>M</b>                                                                                                                    |              |
| <b>MACDONALD, MR. RAMSAY—</b>                                                                                               |              |
| Question <i>re</i> political significance attaching to the visit to India of —.                                             | 48           |
| <b>MACLAGAN ENGINEERING COLLEGE, LAHORE—</b>                                                                                |              |
| Question <i>re</i> Guarantee of appointments in the Railway Service to students of the —.                                   | 60—61        |
| Resolution <i>re</i> Guarantee of appointments on State Railways to qualified students of the — and other similar colleges. | 425—438      |
| <b>MACWATT, THE HONOURABLE MAJOR-GENERAL SIR CHARLES—</b>                                                                   |              |
| Oath of Office ... ..                                                                                                       | 1            |
| Resolution <i>re</i> import duty on artificial <i>ghee</i> ... ..                                                           | 353—355, 358 |
| <b>MADRAS—</b>                                                                                                              |              |
| Question <i>re</i> revision of the pay of the appraisers of the Customs House, —, etc.                                      | 372—373      |
| <b>MADRAS CIVIL COURTS (AMENDMENT) BILL—</b>                                                                                |              |
| <i>See</i> under "Bill(s)".                                                                                                 |              |
| <b>MADRAS CIVIL COURTS (SECOND AMENDMENT) BILL—</b>                                                                         |              |
| <i>See</i> under "Bill(s)".                                                                                                 |              |
| <b>MADRAS LAND REVENUE BILL—</b>                                                                                            |              |
| <i>See</i> under "Bill(s)".                                                                                                 |              |
| <b>MADRAS PENCIL FACTORY—</b>                                                                                               |              |
| Question <i>re</i> purchase of pencils for the use of Government offices from the —.                                        | 314          |
| <b>MADRAS 'PRESIDENCY—</b>                                                                                                  |              |
| Question <i>re</i> —                                                                                                        |              |
| Retransfer to Bengal of certain Bengali State prisoners detained in jails in the —.                                         | 10—11        |
| Treatment of Bengali State prisoners in jails in the — ...                                                                  | 27—28        |
| <b>MAHENDRA PRASAD, THE HONOURABLE MR.—</b>                                                                                 |              |
| Election of — to the panel for the Standing Advisory Committee for the Department of Industries and Labour.                 | 329          |
| Oath of Office ... ..                                                                                                       | 2            |
| Question <i>re</i> —                                                                                                        |              |
| Application of section 71 (1) of the Government of India Act to the Sonthal Parganas.                                       | 109—110      |
| Declaration of the Sonthal Parganas as a backward tract ...                                                                 | 109          |
| Regulation VII of 1925 ... ..                                                                                               | 110—111      |
| <b>MANGALORE—</b>                                                                                                           |              |
| Question <i>re</i> construction of a railway line between — and Hassan                                                      | 9            |
| <b>MANMOHANDAS RAMJI, THE HONOURABLE MR.—</b>                                                                               |              |
| General discussion of the Railway Budget ... ..                                                                             | 222—223, 240 |
| General discussion of the Budget (Part II) ... ..                                                                           | 386—387      |
| Indian Finance Bill—                                                                                                        |              |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                     | 599          |
| Motion to pass ... ..                                                                                                       | 610          |

|                                                                                                                         | PAGES.   |
|-------------------------------------------------------------------------------------------------------------------------|----------|
| MANMOHANDAS RAMJI, THE HONOURABLE MR.— <i>contd.</i>                                                                    |          |
| Indian Income-tax (Amendment) Bill—                                                                                     | 625      |
| Motion of the Honourable Sir Arthur Froom to adjourn consideration.                                                     |          |
| Indian Trade Unions Bill—                                                                                               | 303      |
| Remarks on clause 22 ... ..                                                                                             |          |
| Oath of Office ... ..                                                                                                   | 43       |
| Question <i>re</i> —                                                                                                    | 468      |
| Loans raised by the Government of India for the use of Provincial Governments.                                          | 468      |
| Loans raised by the Government of India in India and abroad ...                                                         | 371—372  |
| Number of goods wagons for which orders have been placed with Indian firms.                                             |          |
| Number of goods wagons ordered from England ... ..                                                                      | 371—372  |
| Passage allowances of Government officers ... ..                                                                        | 640—641  |
| Rebate granted to Government by the P. and O. Steam Navigation Company on passages engaged for Government officials ... | 468—469  |
| Resolution <i>re</i> —                                                                                                  |          |
| Banking legislation ... ..                                                                                              | 460—461  |
| Royal Commission on Agriculture ... ..                                                                                  | 80       |
| MAZHBI SIKHS—                                                                                                           |          |
| See under "Sikh(s)".                                                                                                    |          |
| McWATTERS, THE HONOURABLE MR. A. C.—                                                                                    |          |
| Government Trading Taxation Bill—                                                                                       |          |
| Motion to consider ... ..                                                                                               | 106      |
| Motion to pass ... ..                                                                                                   | 106      |
| Indian Finance Bill—                                                                                                    |          |
| Motion to consider ... ..                                                                                               | 586, 587 |
| Consideration of clause 7 ... ..                                                                                        | 589—590  |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                 | 601      |
| Amendment of the Honourable Sardar Shivdev Singh Oberoi to clauses (1) and (2) of Part I-A of Schedule II.              | 607—608, |
| Motion to pass ... ..                                                                                                   | 609      |
| Motion to pass ... ..                                                                                                   | 610      |
| Indian Income-tax (Amendment) Bill—                                                                                     |          |
| Motion to consider ... ..                                                                                               | 614—616  |
| Motion of the Honourable Sir Arthur Froom to adjourn consideration.                                                     | 625—628  |
| Consideration of clause 2 ... ..                                                                                        | 630      |
| Motion to pass ... ..                                                                                                   | 630      |
| Oath of Office ... ..                                                                                                   | 1        |
| Presentation of the Budget (Part II) for 1926-27 ... ..                                                                 | 317—327  |
| Promissory Notes (Stamp) Bill—                                                                                          |          |
| Motion to consider ... ..                                                                                               | 297—298  |
| Motion to pass ... ..                                                                                                   | 298      |
| Resolution <i>re</i> —                                                                                                  |          |
| Banking legislation ... ..                                                                                              | 461—466  |
| Qualifications of Assistant Commissioners of Income-tax ...                                                             | 455—457  |
| Reduction of the exports of opium ... ..                                                                                | 544—547  |
| MEHR SHAH, THE HONOURABLE NAWAB SAHIBZADA SAYAD MOHAMMAD—                                                               |          |
| Oath of Office ... ..                                                                                                   | 2        |

|                                                                                                                                                                                                                                                  | PAGES.  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| MEMORIAL(s)—                                                                                                                                                                                                                                     |         |
| Question <i>re</i> — to the Chief Mechanical Engineer, North Western Railway, from the Indian literate apprentices.                                                                                                                              | 19      |
| MESSAGE(s)—                                                                                                                                                                                                                                      |         |
| — from His Excellency the Governor General (Lord Reading) in acknowledgment of the — of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                                              | 585—586 |
| — from His Excellency the Governor General nominating certain Members of the Council of State to be on the Panel of Chairmen.                                                                                                                    | 30      |
| — from His Excellency the Governor General regarding dates for the presentation and discussion of the Railway Budget in the Council of State.                                                                                                    | 30      |
| — from His Excellency the Governor General regarding the dates for the presentation and general discussion of the Budget (Part II) in the Council of State.                                                                                      | 103     |
| — from His Excellency the Governor General regarding the heads of expenditure to be open to discussion when the Budget (Part II) is under consideration.                                                                                         | 103     |
| — from His Excellency the Governor General requiring the attendance of the Members of the Council of State in the Legislative Assembly Chamber at 11 o'clock on Thursday, the 25th of March, 1926.                                               | 581     |
| — from the Legislative Assembly intimating the agreement of that Chamber in the amendments made by the Council of State in the Indian Trade Unions Bill, the Legal Practitioners (Amendment) Bill, and the Madras Civil Courts (Amendment) Bill. | 582     |
| — of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                                                                                                                                 | 565—579 |
| METEOROLOGICAL DEPARTMENT—                                                                                                                                                                                                                       |         |
| Question <i>re</i> expenditure on the collection and supply of aerial information by the — to the Royal Air Force.                                                                                                                               | 58—59   |
| MILITARY PURPOSES—                                                                                                                                                                                                                               |         |
| Question <i>re</i> purchase of land for — in Bombay ... ..                                                                                                                                                                                       | 52—53   |
| MILL STORES—                                                                                                                                                                                                                                     |         |
| Question <i>re</i> falling off in customs revenue in the Bombay Presidency on chemicals and — used by the textile industry.                                                                                                                      | 56      |
| MINISTER(s)—                                                                                                                                                                                                                                     |         |
| Question <i>re</i> appointment of a third — in the United Provinces ...                                                                                                                                                                          | 639     |
| MISRA, THE HONOURABLE PANDIT SHYAM BIHARI—                                                                                                                                                                                                       |         |
| Code of Criminal Procedure (Second Amendment) Bill—                                                                                                                                                                                              |         |
| Motion to pass ... ..                                                                                                                                                                                                                            | 278—280 |
| Oath of Office ... ..                                                                                                                                                                                                                            | 2       |
| Resolution <i>re</i> —                                                                                                                                                                                                                           |         |
| Qualifications of Assistant Commissioners of Income-tax ...                                                                                                                                                                                      | 453—455 |
| Royal Commission on Agriculture ... ..                                                                                                                                                                                                           | 79—80   |
| MONTAGU-CHELMSFORD REFORMS—                                                                                                                                                                                                                      |         |
| See under "Reforms".                                                                                                                                                                                                                             |         |
| MOPLAH(s)—                                                                                                                                                                                                                                       |         |
| Question <i>re</i> — colonization of the Andamans ... ..                                                                                                                                                                                         | 29      |

|                                                                                                                                          | PAGES.                        |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>MORARJI, THE HONOURABLE MR. R. D.—</b>                                                                                                | 329                           |
| Election of — to the panel for the Standing Advisory Committee for the Department of Education, Health and Lands.                        | 393—396                       |
| General discussion of the Budget (Part II) ...                                                                                           | 43                            |
| Oath of Office ...                                                                                                                       | 551                           |
| Resolution <i>re</i> creation of a self-governing Tamil-speaking Province                                                                |                               |
| <b>MOTI CHAND, THE HONOURABLE RAJA—</b>                                                                                                  | 255                           |
| Oath of Office ...                                                                                                                       |                               |
| <b>MUDDIMAN, THE HONOURABLE SIR ALEXANDER—</b>                                                                                           | 176, 180—                     |
| Resolution <i>re</i> appointment of Royal Commission to inquire into the working of the Indian Constitution.                             | 183, 188—<br>192, 214—<br>215 |
| <b>MUHAMMAD HUSSAIN, THE HONOURABLE MIAN ALI BAKSH—</b>                                                                                  | 2                             |
| Oath of Office ...                                                                                                                       |                               |
| <b>MUHAMMADAN(s)—</b>                                                                                                                    |                               |
| Question <i>re</i> —                                                                                                                     | 467—468                       |
| Foundation of scholarships from interest on Government securities held by —.                                                             | 309                           |
| Grant of holidays for important festivals to — clerks, apprentices and coolies employed in the East Indian Railway workshop at Jamalpur. | 469, 470                      |
| — grievances in respect of the educational administration of Delhi and Ajmer-Merwara.                                                    | 470                           |
| Number of — and Hindu teachers, clerks and peons in the schools in the Delhi Province and Ajmer-Merwara.                                 | 471                           |
| Paucity of — in the Education Department, Ajmer ...                                                                                      |                               |
| <b>MUHYAL BRAHMANS—</b>                                                                                                                  |                               |
| See under "Brahman(s)".                                                                                                                  |                               |
| <b>MUKHERJEE, THE HONOURABLE SRIJUT LOKENATH—</b>                                                                                        | 329                           |
| Election of — to the panel for the Standing Advisory Committee for the Commerce Department.                                              | 2                             |
| Oath of Office ...                                                                                                                       |                               |
| <b>MUSLIM(s)—</b>                                                                                                                        | 470                           |
| Question <i>re</i> paucity of — in the office of the Superintendent of Education, Delhi and Ajmer-Merwara.                               |                               |
| <b>"MUSLIM OUTLOOK"—</b>                                                                                                                 | 471                           |
| Question <i>re</i> article in the —, dated the 22nd December 1925 ...                                                                    |                               |
| <b>N</b>                                                                                                                                 |                               |
| <b>NAWAB ALI KHAN, THE HONOURABLE RAJA—</b>                                                                                              | 377—379                       |
| General discussion of the Budget (Part II) ...                                                                                           | 2                             |
| Oath of Office ...                                                                                                                       |                               |
| <b>NORTH WESTERN RAILWAY—</b>                                                                                                            |                               |
| See under "Railway(s)".                                                                                                                  |                               |
| <b>O</b>                                                                                                                                 |                               |
| <b>OATH OF OFFICE—</b>                                                                                                                   |                               |
| Abbott, the Honourable Mr. E. R. ...                                                                                                     | 1                             |
| Abdul Karim, the Honourable Maulvi ...                                                                                                   | 2                             |
| Akbar Khan, the Honourable Major Nawab Mahomed ...                                                                                       | 43                            |

|                                                                                         | PAGES. |
|-----------------------------------------------------------------------------------------|--------|
| <b>OATH OF OFFICE—contd.</b>                                                            |        |
| Alay Nabi, the Honourable Saiyid ...                                                    | 2      |
| Bell, the Honourable Mr. J. W. A. ...                                                   | 1      |
| Bijay Chand Mahtab, the Honourable Sir, Maharajadhiraja Bahadur of Burdwan.             | 103    |
| Birdwood, His Excellency Field Marshal Sir William Riddell ...                          | 1      |
| Brayne, the Honourable Mr. A. F. L. ...                                                 | 585    |
| Chadwick, the Honourable Mr. D. T. ...                                                  | 1      |
| Charanjit Singh, the Honourable Sardar ...                                              | 2      |
| Chari, the Honourable Mr. P. C. Desika ...                                              | 2      |
| Crerar, the Honourable Mr. J. ...                                                       | 1      |
| Das, the Honourable Mr. S. R. ...                                                       | 2      |
| Emerson, the Honourable Mr. T. ...                                                      | 1      |
| Froom, the Honourable Sir Arthur ...                                                    | 2      |
| Golam Mostafa Chaudhury, the Honourable Maulvi ...                                      | 2      |
| Govind Das, the Honourable Seth ...                                                     | 1      |
| Habibullah, the Honourable Khan Bahadur Sir Muhammad, Sahib Bahadur.                    |        |
| Harnam Singh, the Honourable Raja Sir ...                                               | 1      |
| Hindley, the Honourable Sir Clement ...                                                 | 145    |
| Hotson, the Honourable Mr. J. E. B. ...                                                 | 2      |
| Hubback, the Honourable Mr. J. A. ...                                                   | 2      |
| Jaffer, the Honourable Mr. Ebrahim Haroon ...                                           | 1—2    |
| Khaparde, the Honourable Mr. G. S. ...                                                  | 1      |
| Ley, the Honourable Mr. A. H. ...                                                       | 1      |
| MacWatt, the Honourable Major General Sir Charles ...                                   | 2      |
| Mahendra Prasad, the Honourable Mr. ...                                                 | 43     |
| Manmohandas Ramji, the Honourable Mr. ...                                               | 1      |
| McWatters, the Honourable Mr. A. C. ...                                                 | 2      |
| Mehr Shah, the Honourable Nawab Sahibzada Sayad Muhammad ...                            | 2      |
| Misra, the Honourable Pandit Shyam Bihari ...                                           | 43     |
| Morarji, the Honourable Mr. R. D. ...                                                   | 255    |
| Moti Chand, the Honourable Raja ...                                                     | 2      |
| Muhammad Hussain, the Honourable Mian Ali Baksh ...                                     | 2      |
| Mukherjee, the Honourable Srijut Lokenath ...                                           | 2      |
| Nawab Ali Khan, the Honourable Raja ...                                                 | 581    |
| Oberoil, the Honourable Sardar Shivdev Singh ...                                        | 2      |
| Padshah, the Honourable Saiyed Mahomed, Sahib Bahadur ...                               | 2      |
| Ramadas Pantulu, the Honourable Mr. V. ...                                              | 2      |
| Rama-Rao, the Honourable Rao Sahib Dr. U. ...                                           | 361    |
| Rameshwara Singh, the Honourable Sir, Maharajadhiraja of Darbhanga.                     | 43     |
| Rampal Singh, the Honourable Raja Sir ...                                               | 9      |
| Ram Saran Das, the Honourable Rai Bahadur Lala ...                                      | 255    |
| Ranga Rao, the Honourable Raja Sri Rewa Swetachalapati Ramakrishna, Bahadur of Bobbili. |        |
| Richey, the Honourable Mr. J. A. ...                                                    | 1      |
| Roy, the Honourable Mr. K. C. ...                                                       | 2      |
| Sankaran Nair, the Honourable Sir C. ...                                                | 255    |
| Sethna, the Honourable Mr. Phiroze C. ...                                               | 43     |
| Sett, the Honourable Rai Bahadur Nalininath ...                                         | 2      |
| Sinha, the Honourable Lala Sukhbir ...                                                  | 585    |
| Sinha, the Honourable Mr. Anugraha Narayan ...                                          | 2      |
| Smith, the Honourable Sir Henry Moncrieff ...                                           | 1      |
| Suhrawardy, the Honourable Mr. Mahmood ...                                              | 2      |
| Tek Chand, the Honourable Diwan ...                                                     | 2      |
| Thompson, the Honourable Mr. J. P. ...                                                  | 1      |
| Todhunter, the Honourable Sir C. G. ...                                                 | 1      |
| Umar Hayat Khan, the Honourable Colonel Nawab Sir ...                                   | 2      |
| Wacha, the Honourable Sir D. E. ...                                                     | 1      |
| Zubair, the Honourable Mr. Shah Muhammad ...                                            | 2      |

|                                                                                                                                  | PAGES.  |
|----------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>ONKROI, THE HONOURABLE SARDAR SHIVDEV SINGH—</b>                                                                              |         |
| Indian Finance Bill—                                                                                                             |         |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                          | 59      |
| Amendment to clauses (1) and (2) of Part I-A of Schedule II                                                                      | 604—607 |
| Oath of Office ...                                                                                                               | 581     |
| <b>OPIUM—</b>                                                                                                                    |         |
| Resolution <i>re</i> reduction of the exports of — ...                                                                           | 544—547 |
| <b>ORIYA-SPEAKING TRACTS—</b>                                                                                                    |         |
| Question <i>re</i> Amalgamation of the — ...                                                                                     |         |
| <b>OVERTIME ALLOWANCE(S)—</b>                                                                                                    |         |
| See under "Allowance(s), Overtime".                                                                                              |         |
| <b>P</b>                                                                                                                         |         |
| <b>PADSHAH, THE HONOURABLE SAIYED MAHOMED, SAHIB BAHADUR—</b>                                                                    | 162     |
| Election of — to the panel for the Standing Committee on Emigration.                                                             |         |
| Indian Finance Bill—                                                                                                             | 592—593 |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                          | 2       |
| Oath of Office ...                                                                                                               |         |
| Question <i>re</i> —                                                                                                             | 471     |
| Article in the "Muslim Outlook", dated the 22nd December 1925                                                                    | 46      |
| Duties of the Superintendent of Education, Delhi, and Ajmer-Merwara.                                                             | 470     |
| Inspection of local High Schools by the Assistant Superintendent of Education, Delhi and Ajmer-Merwara.                          | 463—470 |
| Muhammadan grievances in respect of the educational administration of Delhi and Ajmer-Merwara.                                   | 470     |
| Number of Muhammadan and Hindu teachers, clerks and peons in the Schools in the Delhi Province and Ajmer-Merwara.                | 471     |
| Paucity of Muhammadans in the Education Department, Ajmer                                                                        | 470     |
| Paucity of Muslims in the Office of the Superintendent of Education, Delhi and Ajmer-Merwara.                                    | 585     |
| Report of the Andamans Deputation ...                                                                                            |         |
| Resolution <i>re</i> —                                                                                                           |         |
| Appointment of a Royal Commission to inquire into the working of the Indian Constitution.                                        | 184—186 |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                               | 481—482 |
| <b>PANEL OF CHAIRMEN—</b>                                                                                                        | 30      |
| Message from the Governor General nominating certain members to be on the — of the Council of State.                             |         |
| <b>PASS(ES)—</b>                                                                                                                 | 309     |
| Question <i>re</i> — granted to European and Anglo-Indian and Indian apprentices on the East Indian Railway.                     |         |
| <b>PASSAGE(S)—</b>                                                                                                               | 468—469 |
| Question <i>re</i> rebate granted to Government by the P. and O. Steam Navigation Company on — engaged for Government officials. |         |
| <b>PASSAGE ALLOWANCES—</b>                                                                                                       |         |
| See under "Allowance(s)".                                                                                                        |         |

|                                                                                                                                                                                                                                                                                   | PAGES.   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>PASSPORT(S)—</b>                                                                                                                                                                                                                                                               |          |
| Question <i>re</i> discontinuance of the issue of — ...                                                                                                                                                                                                                           | 58       |
| <b>PATNA—</b>                                                                                                                                                                                                                                                                     | 13       |
| Question <i>re</i> arrears of work in the High Court, — ...                                                                                                                                                                                                                       |          |
| <b>PAY—</b>                                                                                                                                                                                                                                                                       |          |
| Question <i>re</i> —                                                                                                                                                                                                                                                              |          |
| Initial starting — after the conclusion of their course, of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                                                                                                                                          | 307, 309 |
| Revision of the — of the appraisers of the Madras Customs House, etc.                                                                                                                                                                                                             | 372—373  |
| Scale of — of Indian apprentices on the East Indian Railway                                                                                                                                                                                                                       | 307, 309 |
| <b>PENCILS—</b>                                                                                                                                                                                                                                                                   |          |
| Question <i>re</i> —                                                                                                                                                                                                                                                              |          |
| Purchase of black lead — for the use of Government offices                                                                                                                                                                                                                        | 313      |
| Purchase of — for the use of Government offices from the Madras Pencil Factory.                                                                                                                                                                                                   | 314      |
| <b>PEON(S)—</b>                                                                                                                                                                                                                                                                   | 470      |
| Question <i>re</i> number of Muhammadan and Hindu teachers, clerks, and — in the Schools in the Delhi Province and Ajmer-Merwara.                                                                                                                                                 |          |
| <b>PHOTOGRAPHIC GROUP—</b>                                                                                                                                                                                                                                                        | 343      |
| Arrangements for taking a — of Members of the Council of State.                                                                                                                                                                                                                   |          |
| <b>PIG-IRON—</b>                                                                                                                                                                                                                                                                  | 51       |
| Question (Supplementary) <i>re</i> intention of the Japanese Government to raise the duty on —.                                                                                                                                                                                   |          |
| <b>P. &amp; O. STEAM NAVIGATION COMPANY—</b>                                                                                                                                                                                                                                      | 463—469  |
| Question <i>re</i> rebate granted to Government by the — on passages engaged for Government officials.                                                                                                                                                                            |          |
| <b>POSTMASTER(S)—</b>                                                                                                                                                                                                                                                             | 219      |
| Question <i>re</i> grievances of — ...                                                                                                                                                                                                                                            |          |
| <b>PREFERENCE—</b>                                                                                                                                                                                                                                                                | 16       |
| Question <i>re</i> grant of — to the Dominion of Canada ...                                                                                                                                                                                                                       |          |
| <b>PRESIDENT, THE HONOURABLE THE—</b>                                                                                                                                                                                                                                             | 617      |
| Acceptance by — of the motion of the Honourable Sir Arthur Froom to adjourn the consideration of the Indian Income-tax (Amendment) Bill.                                                                                                                                          |          |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                                                                                                                                                            | 578—579  |
| Oath of Office ...                                                                                                                                                                                                                                                                | 1        |
| Permission granted by — to the Honourable Mr. K. C. Roy to move the adjournment <i>sine die</i> of the discussion of the Resolution regarding the reduction of the travelling and daily allowances of Members of the Council of State.                                            | 89       |
| Remarks by — regarding disposal of amendments to the Resolution regarding appointment of a Royal Commission to inquire into the working of the Indian Constitution.                                                                                                               | 170      |
| Remarks by — regarding the unnecessary labour expense and inconvenience caused not only to the staff of the Council but to the Government by the absence of the Honourable Lala Sukhbir Sinha on the 15th March when questions standing in his name appeared on the agenda paper. | 467      |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | PAGES.  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>PRESIDENT, THE HONOURABLE THE—<i>contd.</i></b>                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| Ruling by — that the amendment of Mr. Ramadas Pantulu to the Resolution of Dr. U. Rama Rao regarding the reduction of the travelling and daily allowances of Members of the Council of State was admissible.                                                                                                                                                                                                                                                                    | 85—86   |
| Ruling by — that the amendment of the Honourable Rai Bahadur Lala Ram Saran Das to omit clause 7 of the Indian Finance Bill was not in order, because the Standing Orders laid down that no amendment should have the direct effect of a negative vote.                                                                                                                                                                                                                         | 588     |
| Ruling by — that the amendments to clause 6 of the Indian Finance Bill standing in the names of the Honourable Rai Bahadur Lala Ram Saran Das and the Honourable Sardar Shivdev Singh Oberoi were not admissible. The purpose of the Finance Bill was to fix rates of income-tax, and from that point of view the amendments standing on the paper were not proper amendments to the Finance Bill, but should be brought in as amendments to the Indian Income-tax Act, 1922.   | 587—588 |
| Ruling by — that the Honourable Rai Bahadur Lala Ram Saran Das would not be in order in addressing the House in connection with the matter in respect of which he desired to move amendments to clause 6 (3) of the Indian Finance Bill in view of the fact that these amendments had been previously ruled out of order. ( <i>vide</i> pages 587-588).                                                                                                                         | 610—611 |
| Ruling by — that, under the Indian Legislative Rules, when a Bill has been passed in one Chamber and comes to the Second Chamber, there is no provision whatever for a motion in the second Chamber for circulation of the Bill [Ruling in regard to the Honourable Sir Arthur Froom's proposed motion in the Council of State that the Indian Income-tax (Amendment) Bill, as passed by the Legislative Assembly, should be circulated for the purpose of eliciting opinions.] | 616     |
| States that owing to the omission of certain words in sub-clause (d) of clause 15 of the Indian Trade Unions Bill, technically the Bill, as passed by the Legislative Assembly, was not laid on the table on the 10th February 1926, and asks if any Honourable Member objects on the ground of requiring further notice. No objection being taken, the consideration of the Bill was proceeded with.                                                                           | 298—299 |
| Welcome to Members of the Council of State by — ...                                                                                                                                                                                                                                                                                                                                                                                                                             | 29—30   |
| <b>PRIVILEGES—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| Resolution <i>re</i> — and status of Members of the Council of State                                                                                                                                                                                                                                                                                                                                                                                                            | 438—442 |
| <b>PRIVY COUNCIL—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |
| Resolution <i>re</i> salaries of the two members of the Judicial Committee of the — with Indian experience.                                                                                                                                                                                                                                                                                                                                                                     | 471—488 |
| <b>PROMISSORY NOTES (STAMP) BILL—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |
| See under "Bill(s)".                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |
| <b>PROTECTION—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| Question <i>re</i> further representation from the Bombay Millowners' Association regarding — for the cotton industry.                                                                                                                                                                                                                                                                                                                                                          | 51      |
| <b>PROVINCE(S)—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |
| Question <i>re</i> names of the — to which the Cutchi Memons Act, 1920, has been applied.                                                                                                                                                                                                                                                                                                                                                                                       | 47      |
| <b>PROVINCIAL GOVERNMENTS—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |         |
| Question <i>re</i> —                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 468     |
| Loans raised by the Government of India for the use of — ...                                                                                                                                                                                                                                                                                                                                                                                                                    | 53      |
| Loan programmes of — ...                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |

|                                                                                                                                   | PAGES.   |
|-----------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>PUBLIC SERVICES COMMISSION—</b>                                                                                                |          |
| Question <i>re</i> establishment of the — ...                                                                                     | 314      |
| <b>PUNJAB—</b>                                                                                                                    |          |
| Question <i>re</i> —                                                                                                              |          |
| Construction of new railway lines in the — ...                                                                                    | 25       |
| Sufficiency of water in the Indus for the Sukkur Barrage as well as the irrigation schemes in the — ...                           | 310      |
| <b>PUNJABI HINDUS—</b>                                                                                                            |          |
| See under "Hindu(s)".                                                                                                             |          |
| <b>R</b>                                                                                                                          |          |
| <b>RACES—</b>                                                                                                                     |          |
| Question <i>re</i> taxation of the proceeds of betting on — ...                                                                   | 373      |
| <b>RAILS—</b>                                                                                                                     |          |
| Question <i>re</i> purchase of foreign — by company-managed Railways                                                              | 111—113  |
| <b>RAILWAY(S)—</b>                                                                                                                |          |
| Dera Ismail Khan-Tank Decauville—                                                                                                 |          |
| Question <i>re</i> —                                                                                                              |          |
| Annual loss on the — ...                                                                                                          | 22       |
| Dismantling of the — ...                                                                                                          | 22—23    |
| Transfer of the management of the — to the North Western Railway.                                                                 | 22       |
| <b>Eastern Bengal—</b>                                                                                                            |          |
| Question <i>re</i> railway freight on rice from Khulna to Kalighat on the —.                                                      | 261      |
| <b>East Indian—</b>                                                                                                               |          |
| Question <i>re</i> —                                                                                                              |          |
| Allowances of European and Anglo-Indian and Indian apprentices in the — workshop at Jamalpur.                                     | 307, 309 |
| Bally Bridge of the — ...                                                                                                         | 362—363  |
| Differential treatment accorded to European and Anglo-Indian and Indian apprentices in the railway workshop of the — at Jamalpur. | 307, 309 |
| Employment at high rates of pay of European and Anglo-Indian apprentices on the —.                                                | 308—309  |
| European and Anglo-Indian and Indian apprentices on the — ...                                                                     | 309      |
| Grant of holidays for important festivals to Muhammadan clerks, apprentices and coolies employed in the — workshop at Jamalpur.   | 309      |
| Holidays of European and Anglo-Indian and Indian apprentices on the —.                                                            | 308—309  |
| Initial starting pay, after the conclusion of their course, of European and Anglo-Indian and Indian apprentices on the —.         | 307, 309 |
| Liability to search of Indian apprentices employed on the — ...                                                                   | 309      |
| Method of payment of the salaries of European and Anglo-Indian and Indian apprentices on the —.                                   | 308—309  |
| Method of recording attendance of European and Anglo-Indian and Indian apprentices on the —.                                      | 308—309  |
| Overtime allowances of European and Anglo-Indian and Indian apprentices on the —.                                                 | 308—309  |
| Passes granted to European and Anglo-Indian and Indian apprentices employed on the —.                                             | 309      |
| Scale of pay of Indian apprentices on the — ...                                                                                   | 307, 309 |
| <b>Khyber—</b>                                                                                                                    |          |
| Question <i>re</i> allowances granted to Frontier tribes for the protection of the —.                                             | 60       |

|                                                                                                                               | PAGES.  |
|-------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>RAILWAY(S)—contd.</b>                                                                                                      |         |
| North Western—                                                                                                                |         |
| Question re—                                                                                                                  |         |
| Appointment of Europeans and Anglo-Indians as Traffic Inspectors (Transportation) on the —                                    | 19      |
| Indian Traffic Inspectors (Transportation) on the —                                                                           | 18      |
| Lighting of roadside stations on the —                                                                                        | 24      |
| Memorial to the Chief Mechanical Engineer, —, from the Indian literate apprentices.                                           | 19      |
| Number of foremen, chargemen and journeymen employed on the —                                                                 | 24      |
| Number of senior station masters on the —                                                                                     | 23—24   |
| Prospects of literate apprentices on the —, etc.                                                                              | 24      |
| Recruitment of Traffic Inspectors (Transportation) on the —                                                                   | 18      |
| Reduction of fares on the —                                                                                                   | 24—25   |
| Selection of station masters as Traffic Inspectors (Transportation) on the —                                                  | 18—19   |
| Transfer of the management of the Dera Ismail Khan-Tank Decauville Railway to the —                                           | 22      |
| Question re—                                                                                                                  |         |
| Concession and return tickets on —                                                                                            | 635—636 |
| Expected savings consequent on the introduction of the automatic coupler system on broad gauge —                              | 61—62   |
| Goods trains on broad gauge —                                                                                                 | 369     |
| Introduction of the automatic coupler system on broad gauge —                                                                 | 61—62   |
| Purchase of foreign rails by company-managed —                                                                                | 111—113 |
| <b>State—</b>                                                                                                                 |         |
| Question re—                                                                                                                  |         |
| • Congestion of third class passenger traffic on —                                                                            | 261—262 |
| Locomotives for —                                                                                                             | 50      |
| Reduction of fares for third class passengers on —                                                                            | 262     |
| Savings effected and efficiency obtained by the introduction of the divisional system on —                                    | 59—60   |
| <b>Resolution re—</b>                                                                                                         |         |
| Guarantee of appointments on — to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges. | 425—438 |
| See also "Central Advisory Council for Railways".                                                                             |         |
| <b>RAILWAY BOARD—</b>                                                                                                         |         |
| Question re preparation by the — of a programme for the reduction of railway freights.                                        | 45      |
| <b>RAILWAY BUDGET—</b>                                                                                                        |         |
| See under "Budget".                                                                                                           |         |
| <b>RAILWAY FARES—</b>                                                                                                         |         |
| Question re reduction of —                                                                                                    | 45      |
| <b>RAILWAY FREIGHT(S)—</b>                                                                                                    |         |
| Question re—                                                                                                                  |         |
| Increase of the maximum rate of — on food grains                                                                              | 261     |
| Preparation by the Railway Board of a programme for the reduction of —                                                        | 45      |
| — on rice from Khulna to Kalighat on the Eastern Bengal Railway.                                                              | 261     |
| Rebates in — on coal booked to Calcutta for export                                                                            | 21      |
| Reduction of — on coal                                                                                                        | 17      |
| Reduction of the — on food grains                                                                                             | 261     |

|                                                                                                                                                  | PAGES.                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>RAILWAY LINE(S)—</b>                                                                                                                          |                             |
| Question re—                                                                                                                                     |                             |
| Construction of a — between Mangalore and Hassan                                                                                                 | 9                           |
| Construction of new — and roads in the Frontier                                                                                                  | 23                          |
| Construction of new — in the Punjab                                                                                                              | 25                          |
| Survey of — from Hindubagh to Fort Sandeman and from Fort Sandeman to Tank.                                                                      | 23                          |
| <b>RAILWAY RATES—</b>                                                                                                                            |                             |
| Question re reduction of —                                                                                                                       | 45                          |
| <b>RAILWAY SERVICE—</b>                                                                                                                          |                             |
| Question re guarantee of appointments in the — to students of the MacLagan Engineering College, Lahore.                                          | 60—61                       |
| <b>RAILWAY WORKSHOP(S)—</b>                                                                                                                      |                             |
| Question re differential treatment accorded to European and Anglo-Indian and Indian apprentices in the — of the East Indian Railway at Jamalpur. | 307—309                     |
| <b>RAINFALL—</b>                                                                                                                                 |                             |
| Question re provision of additional funds for the development of discoveries affecting the forecasting of — in India                             | 59                          |
| <b>RAMADAS PANTULU, THE HONOURABLE MR. V.—</b>                                                                                                   |                             |
| Code of Criminal Procedure (Second Amendment) Bill—                                                                                              |                             |
| Motion to pass                                                                                                                                   | 272—274                     |
| Contempt of Courts Bill—                                                                                                                         |                             |
| Motion to pass                                                                                                                                   | 335—338                     |
| Election of — to the Advisory Publicity Committee                                                                                                | 317                         |
| Election of — to the panel for the Central Advisory Council for Railways.                                                                        | 317                         |
| Election of — to the panel for the Standing Advisory Committee for the Home Department.                                                          | 329                         |
| Election of — to the panel for the Standing Committee on Emigration.                                                                             | 162                         |
| General discussion of the Railway Budget                                                                                                         | 242—245, 251                |
| <b>Indian Naturalisation Bill—</b>                                                                                                               |                             |
| Motion to pass                                                                                                                                   | 264—265                     |
| <b>Indian Trade Unions Bill—</b>                                                                                                                 |                             |
| Motion to pass                                                                                                                                   | 304                         |
| Nomination of — as a member of the Committee on Petitions                                                                                        | 31                          |
| Oath of Office                                                                                                                                   | 2                           |
| <b>Question (Supplementary) re—</b>                                                                                                              |                             |
| Admission of members of the Standing Finance Committee to the Conference of Finance Members.                                                     | 56                          |
| Inability of the Indian deputation to South Africa to find accommodation in hotels owing to racial prejudice.                                    | 47                          |
| Report on the Bose Research Institute by Mr. Littlehailes                                                                                        | 218                         |
| <b>Resolution re—</b>                                                                                                                            |                             |
| Appointment of a Royal Commission to inquire into the working of the Indian Constitution.                                                        | 176—180, 181, 190, 210, 212 |
| Formation of a separate Kannada Province                                                                                                         | 136—138                     |
| Leader of the Indian delegation to the League of Nations                                                                                         | 118—120                     |
| Reduction of the travelling and daily allowances of Members of the Council of State.                                                             | 86—88                       |
| Royal Commission on Agriculture                                                                                                                  | 72—74                       |



|                                                                      | PAGES.    |
|----------------------------------------------------------------------|-----------|
| <b>RAMA RAO, THE HONOURABLE RAO SAHIB DR. U.—</b>                    |           |
| Code of Criminal Procedure (Second Amendment) Bill—                  |           |
| Motion to pass ... ..                                                | 277—278,  |
|                                                                      | 279       |
|                                                                      | 329       |
| Election of — to the panel for the Standing Advisory Committee       |           |
| for the Department of Education, Health and Lands.                   |           |
| General discussion of the Railway Budget ... ..                      | 228—233   |
| Indian Medical Education Bill—                                       |           |
| Motion for leave to introduce ... ..                                 | 258       |
| Motion to circulate ... ..                                           | 311, 312— |
|                                                                      | 343       |
| Oath of Office ... ..                                                | 2         |
| Question re—                                                         |           |
| Abolition of the levy of the departmental charges charged by the     | 311       |
| Indian Stores Department.                                            |           |
| Allowances of State prisoners transferred from Bengal to other       | 28        |
| Provinces.                                                           |           |
| Bawla Murder case ... ..                                             | 29        |
| Construction of a railway line between Mangalore and Hassan ...      | 9         |
| Establishment of the Public Services Commission ... ..               | 314       |
| Indianisation of the Indian Stores Department ... ..                 | 313       |
| Inquiry into the prevalence of tuberculosis in India ... ..          | 315       |
| Levy of charges for services performed by the Indian Stores          | 311       |
| Department.                                                          |           |
| Madras Land Revenue Bill ... ..                                      | 10        |
| Moplah colonization of the Andamans ... ..                           | 29        |
| Number of Indian Officers employed in the Indian Stores Depart-      | 313       |
| ment.                                                                |           |
| Purchase of black lead pencils for the use of Government offices ... | 313       |
| Purchase of Government stores through the Indian Stores Depart-      | 310—311   |
| ment.                                                                |           |
| Purchase of pencils for the use of Government offices from the       | 314       |
| Madras Pencil Factory.                                               |           |
| Re-transfer to Bengal of certain Bengali State prisoners detained in | 10—11     |
| jails in the Madras Presidency.                                      |           |
| Revision of the pay of the appraisers of the Madras Customs House,   | 372—373   |
| etc.                                                                 |           |
| Scholarships for training in the leather industry ... ..             | 219       |
| Separation of judicial and executive functions ... ..                | 9—10      |
| Sir Frederick Whyte's book on federal constitution ... ..            | 27        |
| Smuggling of saccharine ... ..                                       | 314—315   |
| Speech of Lord Lytton at the Rotary Club on the reformatory          | 28—29     |
| treatment of criminals.                                              |           |
| Taxation of the proceeds of betting on races ... ..                  | 373       |
| Total value of purchases made by the Indian Stores Department        | 312—313   |
| during the last two years, etc.                                      |           |
| Treatment of Bengali State prisoners in jails in the Madras Presi-   | 27—28     |
| dency.                                                               |           |
| Women's medical service in India ... ..                              | 450       |
| Question (Supplementary) re—                                         |           |
| Availability to Members of the Council of State of the terms of      | 26        |
| reference to the Agricultural Commission.                            |           |
| Constitution of the Public Services Commission ... ..                | 46        |
| Intention of the Japanese Government to raise the duty on pig-iron   | 51        |
| Purchase of stationery for Government offices ... ..                 | 48        |
| Raising of the question of remission of provincial contributions by  | 56        |
| the Madras Member at the Conference of Finance Members.              |           |
| Visit to India of Sir John Simon, Lord Inchcape, Mr. Ramsay          | 48        |
| Macdonald, Sir William Bull and Sir Warren Chilcott.                 |           |

|                                                                         | PAGES.   |
|-------------------------------------------------------------------------|----------|
| <b>RAMA RAO, THE HONOURABLE RAO SAHIB DR. U.—contd.</b>                 |          |
| Resolution re—                                                          | 183—184, |
| Appointment of a Royal Commission to inquire into the working           | 211      |
| of the Indian constitution.                                             |          |
| Formation of a separate Kannada Province ... ..                         | 132—136, |
|                                                                         | 143—144  |
| Import duty on artificial ghee ... ..                                   | 351—352, |
|                                                                         | 353      |
| Leader of the Indian delegation to the League of Nations ...            | 129—130  |
| Reduction of the travelling and daily allowances of Members of          | 81—84    |
| the Council of State.                                                   |          |
| Royal Commission on Agriculture ... ..                                  | 77—78    |
| <b>RAMESHWARA SINGH, THE HONOURABLE SIR, MAHARAJADHIRAJA BAHADUR OF</b> |          |
| <b>DARBHANGA—</b>                                                       |          |
| Message of gratitude from the Council of State to Their Excellencies    | 576—578  |
| the Earl and Countess of Reading.                                       |          |
| Oath of office ... ..                                                   | 361      |
| Resolution re salaries of the two members of the Judicial Committee     | 480—481  |
| of the Privy Council with Indian experience.                            |          |
| <b>RAMPAL SINGH, THE HONOURABLE RAJA SIR—</b>                           |          |
| Election of — to the panel for the Central Advisory Council for         | 317      |
| Railways.                                                               |          |
| Election of — to the panel for the Standing Advisory Committee          | 329      |
| for the Department of Education, Health and Lands.                      |          |
| Message of gratitude from the Council of State to Their Excellencies    | 569—570  |
| the Earl and Countess of Reading.                                       |          |
| Nomination of — as a member of the Committee on Petitions ...           | 31       |
| Oath of office ... ..                                                   | 43       |
| Resolution re salaries of the two members of the Judicial Committee     | 487      |
| of the Privy Council with Indian experience.                            |          |
| <b>RAM SARAN DAS, THE HONOURABLE RAI BAHADUR LALA—</b>                  |          |
| Election of — to the panel for the Central Advisory Council for         | 317      |
| Railways.                                                               |          |
| Election of — to the panel for the Standing Advisory Committee          | 329      |
| for the Commerce Department.                                            |          |
| Election of — to the panel for the Standing Committee on Emigra-        | 162      |
| tion.                                                                   |          |
| General Discussion of the Budget (Part II) ... ..                       | 391—393, |
|                                                                         | 415      |
| General discussion of the Railway Budget ... ..                         | 223—227, |
|                                                                         | 249, 250 |
| Indian Finance Bill—                                                    |          |
| Consideration of clause 7 ... ..                                        | 588—589, |
|                                                                         | 590      |
| Amendment to Schedule I regarding rates for postcards ...               | 590—591, |
|                                                                         | 601      |
| Amendment to Schedule I regarding charges for redirection of            | 602      |
| parcels.                                                                |          |
| Amendment of the Honourable Sardar Shivdev Singh Oberoi to              | 608—609  |
| clauses (1) and (2) of Part I-A of Schedule II.                         |          |
| Motion to pass ... ..                                                   | 610—611  |
| Indian Income-tax (Amendment) Bill—                                     |          |
| Motion of the Honourable Sir Arthur Froom to adjourn considera-         | 616—617  |
| tion.                                                                   |          |
| Nomination of — as Chairman of the Committee on Petitions ...           | 31       |
| Oath of office ... ..                                                   | 2        |
| Question re—                                                            |          |
| Allowances granted to Frontier tribes for the protection of the         | 60       |
| Khyber Railway.                                                         |          |

RAM SARAN DAS, THE HONOURABLE RAI BAHADUR LALA—*contd.*Question *re—contd.*

|                                                                                                                            |       |
|----------------------------------------------------------------------------------------------------------------------------|-------|
| Annual loss on the Dera Ismail Khan-Tank Decauville Railway                                                                | 22    |
| Appointment of Europeans and Anglo-Indians as Traffic Inspectors (Transportation) on the North Western Railway.            | 19    |
| Article in the <i>Times</i> Engineering Supplement regarding the gauges and discharges at Sukkur.                          | 310   |
| Construction of new railway lines and roads in the Frontier                                                                | 23    |
| Construction of new railway lines in the Punjab                                                                            | 25    |
| Crimes against life and property                                                                                           | 563   |
| Dismantling of the Dera Ismail Khan-Tank Decauville Railway                                                                | 22—23 |
| Dispute between the Government of Bombay and the Punjab Government regarding the apportionment of water in the Indus.      | 310   |
| Enlistment in the Indian Army of Hindu Jats from the Jhullundur and Lahore Divisions.                                      | 19    |
| Expected savings consequent on the introduction of the automatic coupler system on broad gauge railways.                   | 61—62 |
| Goods trains on broad gauge railways                                                                                       | 309   |
| Guarantee of appointments in the Railway service to students of the MacLagan Engineering College, Lahore.                  | 60—61 |
| Imports of artificial <i>ghee</i>                                                                                          | 18    |
| Indian Traffic Inspectors (Transportation) on the North Western Railway.                                                   | 18    |
| Introduction of the automatic coupler system on broad gauge railways.                                                      | 61—62 |
| Lighting of roadside stations on the North Western Railway                                                                 | 24    |
| Memorial to the Chief Mechanical Engineer, North Western Railway, from the Indian literate apprentices.                    | 19    |
| Number of Foremen, chargemen and journeymen employed on the North Western Railway.                                         | 24    |
| Number of Hindu, Sikh and Muslim Jats in the Indian Army                                                                   | 19—20 |
| Number of Mazhbir Sikhs in the Indian Army                                                                                 | 21—22 |
| Number of Punjabi Hindus in the Indian Army                                                                                | 20    |
| Number of senior station masters on the North Western Railway                                                              | 23—24 |
| Prospects of literate apprentices on the North Western Railway, etc.                                                       | 24    |
| Ratification by the Japanese Government of the conventions of the International Labour Conference.                         | 17    |
| Rebates in railway freights on coal booked to Calcutta for export...                                                       | 21    |
| Recruitment of Muhyal Brahmins of the Rawalpindi Division for the Indian Army.                                             | 20—21 |
| Recruitment of Punjabi Hindu regiments for the Indian Army                                                                 | 21    |
| Recruitment of Traffic Inspectors (Transportation) on the North Western Railway.                                           | 18    |
| Reduction of fares on the North Western Railway                                                                            | 24—25 |
| Reduction of railway freights on coal                                                                                      | 17    |
| Resolution relating to rupee tenders                                                                                       | 17    |
| Restoration of the through first and second class composite bogie carriage between Howrah and Lahore.                      | 59    |
| Running of a through first and second class bogie carriage between Howrah and Lahore.                                      | 563   |
| Savings effected and increase in efficiency obtained by the introduction of the divisional system on State Railways.       | 59—60 |
| Selection of station masters as Traffic Inspectors (Transportation) on the North Western Railway.                          | 18—19 |
| Speech of Dr. Summers, late Chief Engineer, Sind, regarding the average level of water at Sukkur during the last 60 years. | 310   |
| Sufficiency of water in the Indus for the Sukkur Barrage as well as the irrigation schemes in the Punjab.                  | 310   |
| Survey of railway lines from Hindubagh to Fort Sandeman and from Sandeman to Tank.                                         | 23    |
| Transfer of the management of the Dera Ismail Khan-Tank Decauville Railway to the North Western Railway.                   | 22    |

## PAGES.

RAM SARAN DAS, THE HONOURABLE RAI BAHADUR LALA—*contd.*Resolution *re—*

|                                                                                                                                            |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Appointment of a Royal Commission to inquire into the working of the Indian constitution.                                                  | 192—195          |
| Banking legislation                                                                                                                        | 466              |
| Creation of a self-governing Tamil-speaking province                                                                                       | 504              |
| Guarantee of appointments on State Railways to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges. | 425—431, 434—437 |
| Import duty on artificial <i>ghee</i>                                                                                                      | 345—347, 357—359 |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                         | 482              |

## RANGA RAO, THE HONOURABLE RAJA SWETACHALAPATI RAMAKRISHNA, BAHADUR OF BOBBILE—

|                                                                                                        |         |
|--------------------------------------------------------------------------------------------------------|---------|
| General Discussion of the Budget (Part II)                                                             | 412—414 |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading. | 578     |
| Oath of office                                                                                         | 255     |
| Resolution <i>re</i> creation of a self-governing Tamil-speaking province                              | 555—556 |

## RATES ADVISORY COMMITTEE—

See under "Committee(s)".

## RAZA ALI, THE HONOURABLE SAIYID—

|                                                                                                                   |     |
|-------------------------------------------------------------------------------------------------------------------|-----|
| Election of — to the panel for the Standing Advisory Committee for the Department of Education, Health and Lands. | 329 |
| Election of — to the panel for the Standing Advisory Committee for the Department of Industries and Labour.       | 329 |
| Nomination of — to be on the panel of Chairmen of the Council of State.                                           | 30  |

## RAWALPINDI—

|                                                                                          |       |
|------------------------------------------------------------------------------------------|-------|
| Question <i>re</i> recruitment of Muhyal Brahmins of the — Division for the Indian Army. | 20—21 |
|------------------------------------------------------------------------------------------|-------|

## READING, THEIR EXCELLENCIES THE EARL AND COUNTESS OF—

|                                                                                                                                          |         |
|------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Message of gratitude from the Council of State to —                                                                                      | 565—579 |
| Message from His Excellency the Governor General (Lord Reading) in acknowledgment of the message of gratitude from the Council of State. | 585—586 |

## REBATE—

|                                                                                                                                  |         |
|----------------------------------------------------------------------------------------------------------------------------------|---------|
| Question <i>re</i> — granted to Government by the P. & O. Steam Navigation Company on passages engaged for Government officials. | 468—469 |
|----------------------------------------------------------------------------------------------------------------------------------|---------|

## REFORMS—

|                                                                                          |       |
|------------------------------------------------------------------------------------------|-------|
| Question <i>re—</i>                                                                      |       |
| Appointment of a Royal Commission to investigate the working of the Montagu-Chelmsford — | 43    |
| Royal Commission on —                                                                    | 49—50 |

## REFORMS INQUIRY COMMITTEE—

See under "Committee(s)".

## REGULATION VII OF 1925—

|                      |         |
|----------------------|---------|
| Question <i>re</i> — | 110—111 |
|----------------------|---------|

## REPORT(S)—

|                                                         |    |
|---------------------------------------------------------|----|
| Question <i>re—</i>                                     |    |
| Action taken on the — of the External Capital Committee | 51 |
| Interim — of the Indian deputation to South Africa      | 47 |

|                                                                                                                                                                                                   | PAGES.              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>REPORT(S)—contd.</b>                                                                                                                                                                           |                     |
| Question <i>re—contd.</i>                                                                                                                                                                         |                     |
| Interim — of the Royal Commission on Currency ...                                                                                                                                                 | 51                  |
| — of the Andamans Deputation ...                                                                                                                                                                  | 585                 |
| — of the Taxation Inquiry Committee ...                                                                                                                                                           | 52                  |
| <b>RESOLUTION(S)—</b>                                                                                                                                                                             |                     |
| Question <i>re—</i>                                                                                                                                                                               |                     |
| Action taken on the — adopted by the Indian Legislature on the recommendations of the Majority Report of the Reforms Inquiry Committee.                                                           | 218                 |
| Action taken on the — passed by the Council of State on the recommendations of the Majority Report of the Reforms Inquiry Committee.                                                              | 217                 |
| Amended — adopted by the Legislative Assembly regarding the recommendations of the Reforms Inquiry Committee.                                                                                     | 43                  |
| Correspondence between the Secretary of State and the Government of India on the — passed by the Council of State on the recommendations of the Majority Report of the Reforms Inquiry Committee. | 217                 |
| Non-official Bills and — passed by the Legislative Assembly and rejected by the Council of State, and <i>vice versa</i> .                                                                         | 423—424             |
| — relating to rupee tenders ...                                                                                                                                                                   | 17                  |
| — <i>re—</i>                                                                                                                                                                                      |                     |
| Appointment of a Royal Commission to inquire into the working of the Indian constitution.                                                                                                         | 62, 162—215         |
| Banking legislation ...                                                                                                                                                                           | 458—466             |
| Continuation of the imposition of a customs duty on lac ...                                                                                                                                       | 37—41               |
| Creation of a self-governing Tamil-speaking province ...                                                                                                                                          | 489—505,<br>548—562 |
| Emigration of Indian unskilled labourers to British Guiana ...                                                                                                                                    | 641—643             |
| Formation of a separate Kannada Province ...                                                                                                                                                      | 132—144             |
| Grant of Supplementary assistance to tin-plate industry ...                                                                                                                                       | 286—290             |
| Guarantee of appointments on State Railways to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges.                                                        | 425—438             |
| Import duty on artificial ghee ...                                                                                                                                                                | 345—359             |
| Leader of the Indian delegation to the League of Nations ...                                                                                                                                      | 115—132             |
| Privileges and status of Members of the Council of State ...                                                                                                                                      | 438—442             |
| Qualifications of Assistant Commissioners of Income-tax ...                                                                                                                                       | 451—458             |
| Ratification of the draft convention of the International Labour Conference concerning workmen's compensation for occupational diseases.                                                          | 32—37               |
| Reduction of the exports of opium ...                                                                                                                                                             | 544—547             |
| Reduction of the travelling and daily allowances of Members of the Council of State.                                                                                                              | 81—90               |
| Royal Commission on Agriculture ...                                                                                                                                                               | 62—81               |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                                                                                | 471—488             |
| <b>RETIREMENT—</b>                                                                                                                                                                                |                     |
| Question <i>re</i> age of — of High Court Judges ...                                                                                                                                              | 639                 |
| <b>RETURN TICKETS—</b>                                                                                                                                                                            |                     |
| Question <i>re</i> concession and — on railways ...                                                                                                                                               | 635—636             |
| <b>RETRENCHMENT—</b>                                                                                                                                                                              |                     |
| Question <i>re</i> additional expenditure on items in which — was effected                                                                                                                        | 443                 |
| <b>RICE—</b>                                                                                                                                                                                      |                     |
| Question <i>re</i> railway freight on — from Khulna to Kalighat on the Eastern Bengal Railway.                                                                                                    | 361                 |

|                                                                                                                                                                                                            | PAGES.          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>RICHEY, THE HONOURABLE MR. J. A.—</b>                                                                                                                                                                   |                 |
| Oath of office ...                                                                                                                                                                                         | 1               |
| <b>ROAD(S)—</b>                                                                                                                                                                                            |                 |
| Question <i>re</i> construction of new railway lines and — in the Frontier                                                                                                                                 | 23              |
| <b>ROADSIDE STATION(S)—</b>                                                                                                                                                                                |                 |
| See under "Station(s)".                                                                                                                                                                                    |                 |
| <b>ROTARY CLUB—</b>                                                                                                                                                                                        |                 |
| Question <i>re</i> speech of Lord Lytton at the — on the reformatory treatment of criminals.                                                                                                               | 28—29           |
| <b>ROY, THE HONOURABLE MR. K. C.—</b>                                                                                                                                                                      |                 |
| Appointment of — to the Library Committee ...                                                                                                                                                              | 31              |
| Election of — to the panel for the Central Advisory Council for Railways.                                                                                                                                  | 317             |
| Election of — to the panel for the Standing Advisory Committee for the Department of Industries and Labour.                                                                                                | 329             |
| Election of — to the panel for the Standing Committee on Emigration.                                                                                                                                       | 162             |
| General discussion of the Railway Budget ...                                                                                                                                                               | 240—241         |
| General Discussion of the Budget (Part II) ...                                                                                                                                                             | 387—391,<br>417 |
| Indian Finance Bill—                                                                                                                                                                                       |                 |
| Motion to pass ...                                                                                                                                                                                         | 610             |
| Indian Registration (Amendment) Bill—                                                                                                                                                                      |                 |
| Motion to consider ...                                                                                                                                                                                     | 359             |
| Motion to pass ...                                                                                                                                                                                         | 359             |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                                                                                     | 573—574         |
| Oath of office ...                                                                                                                                                                                         | 2               |
| Question <i>re—</i>                                                                                                                                                                                        |                 |
| Action taken on the Resolution adopted by the Indian Legislature on the recommendations of the Majority Report of the Reforms Inquiry Committee.                                                           | 218             |
| Action taken on the Resolution passed by the Council of State on the recommendations of the Majority Report of the Reforms Inquiry Committee.                                                              | 217             |
| Correspondence between the Secretary of State and the Government of India on the Resolution passed by the Council of State on the recommendations of the Majority Report on the Reforms Inquiry Committee. | 217             |
| Deputation of Mr. Littlehales to inspect the Bose Research Institute, Calcutta.                                                                                                                            | 218—219         |
| Increase of the grant to the Bose Research Institute, Calcutta ...                                                                                                                                         | 218             |
| <b>Resolution <i>re—</i></b>                                                                                                                                                                               |                 |
| Creation of a self-governing Tamil-speaking province ...                                                                                                                                                   | 553—555         |
| Privileges and status of Members of the Council of State ...                                                                                                                                               | 438—440, 441    |
| Reduction of the travelling and daily allowances of Members of the Council of State.                                                                                                                       | 89              |
| Royal Commission on Agriculture ...                                                                                                                                                                        | 62—65,<br>80—81 |
| <b>ROYAL AIR FORCE—</b>                                                                                                                                                                                    |                 |
| Question <i>re</i> expenditure on the collection and supply of aerial information by the Meteorological Department to the —.                                                                               | 58—59           |
| <b>ROYAL COMMISSION—</b>                                                                                                                                                                                   |                 |
| Question <i>re—</i>                                                                                                                                                                                        |                 |
| Appointment of a — to investigate the working of the Montagu-Chelmsford Reforms.                                                                                                                           | 43              |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | PAGES.      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>ROYAL COMMISSION—contd.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |
| Question <i>re—contd.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |
| — on Reforms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 49—50       |
| Resolution <i>re</i> appointment of a — to inquire into the working of the Indian Constitution.                                                                                                                                                                                                                                                                                                                                                                                                       | 62, 162—215 |
| <b>ROYAL COMMISSION ON AGRICULTURE—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |
| Correspondence relating to the appointment of the —                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 91—102      |
| Resolution <i>re</i> —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 62—81       |
| <b>ROYAL COMMISSION ON CURRENCY—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |
| Question <i>re</i> interim report of the —                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 51          |
| <b>RUBBER—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |
| Question <i>re</i> export duty on —                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 53          |
| <b>RULING(s)—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |
| — by the Honourable the President that the amendment of Mr. Ramadas Pantulu to the Resolution of Dr. U. Rama Rao regarding the reduction of the travelling and daily allowances of Members of the Council of State was admissible.                                                                                                                                                                                                                                                                    | 85—86       |
| — by the Honourable the President that the amendment of the Honourable Rai Bahadur Lala Ram Saran Das to omit clause 7 of the Indian Finance Bill was not in order, because the Standing Orders laid down that no amendment should have the direct effect of a negative vote.                                                                                                                                                                                                                         | 588         |
| — by the Honourable the President that the amendments to clause 6 of the Indian Finance Bill standing in the names of the Honourable Rai Bahadur Lala Ram Saran Das and the Honourable Sardar Shivdev Singh Uberoi were not admissible. The purpose of the Finance Bill was to fix rates of income-tax, and from that point of view the amendments standing on the paper were not proper amendments to the Finance Bill, but should be brought in as amendments to the Indian Income-tax Act, 1922.   | 587—588     |
| — by the Honourable the President that the Honourable Rai Bahadur Lala Ram Saran Das would not be in order in addressing the House in connection with the matter in respect of which he desired to move amendments to clause 6 (3) of the Indian Finance Bill, in view of the fact that those amendments had been previously ruled out of order, <i>vide</i> pages 587-88.                                                                                                                            | 610—611     |
| — by the Honourable the President that, under the Indian Legislative Rules, when a Bill has been passed in one Chamber and comes to the second Chamber, there is no provision whatever for a motion in the second Chamber for circulation of the Bill [Ruling in regard to the Honourable Sir Arthur Froom's proposed motion in the Council of State that the Indian Income-tax (Amendment) Bill, as passed by the Legislative Assembly, should be circulated for the purpose of eliciting opinions]. | 616         |
| <b>RUPEE TENDERS—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |
| Question <i>re—</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |
| — for stores                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 46          |
| Resolution relating to —                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 17          |
| <b>S</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             |
| <b>SACCHARINE—</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |
| Question <i>re—</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |
| Abolition of the import duty on —                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 316         |
| Import duty on —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 315         |
| Quantity of — imported into India for the years 1919-20 to 1924-25.                                                                                                                                                                                                                                                                                                                                                                                                                                   | 316         |
| Smuggling of —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 314—315,    |
| Suppression of the smuggling in —                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 316         |

|                                                                                                                                                                                           | PAGES.    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>SANKARAN NAIR, THE HONOURABLE SIR C.—</b>                                                                                                                                              |           |
| Election of — to the panel for the Standing Advisory Committee for the Home Department.                                                                                                   | 329       |
| General Discussion of the Budget (Part II)                                                                                                                                                | 383—386   |
| Nomination of — as a member of the Committee on Petitions                                                                                                                                 | 418       |
| Oath of office                                                                                                                                                                            | 31        |
| Resolution <i>re—</i>                                                                                                                                                                     | 255       |
| Creation of a self-governing Tamil-speaking province                                                                                                                                      | 489—497,  |
|                                                                                                                                                                                           | 498, 499, |
|                                                                                                                                                                                           | 500, 501, |
|                                                                                                                                                                                           | 504, 505, |
|                                                                                                                                                                                           | 556—560,  |
|                                                                                                                                                                                           | 561       |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                                                                        | 478,      |
|                                                                                                                                                                                           | 479—480   |
| <b>SCHOLARSHIP(s)—</b>                                                                                                                                                                    |           |
| Question <i>re—</i>                                                                                                                                                                       |           |
| Foundation of — from interest on Government securities held by Muhammadans.                                                                                                               | 467—468   |
| — for training in the leather industry                                                                                                                                                    | 219       |
| <b>SCHOOL(s)—</b>                                                                                                                                                                         |           |
| Question <i>re</i> number of Muhammadan and Hindu teachers, clerks and peons in the — in the Delhi Province and Ajmer-Merwara.                                                            | 470       |
| <b>SECRETARY OF STATE FOR INDIA—</b>                                                                                                                                                      |           |
| Question <i>re—</i>                                                                                                                                                                       |           |
| Brokerage paid in London by the — on his financial operations                                                                                                                             | 57        |
| Correspondence between the — and the Government of India on the Resolution passed by the Council of State on the recommendations of the Majority Report of the Reforms Inquiry Committee. | 217       |
| Transfer of work done by the Bank of England on behalf of the — to the branch of the Imperial Bank of India in London.                                                                    | 57        |
| <b>SECURITIES—</b>                                                                                                                                                                        |           |
| Question <i>re</i> foundation of scholarships from interest on Government — held by Muhammadans.                                                                                          | 467—468   |
| <b>SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS—</b>                                                                                                                                    |           |
| Question <i>re</i> —                                                                                                                                                                      | 9—10,     |
|                                                                                                                                                                                           | 12, 371   |
| <b>SETHNA, THE HONOURABLE MR. PHIROZE C.—</b>                                                                                                                                             |           |
| Election of — to the panel for the Central Advisory Council for Railways.                                                                                                                 | 317       |
| Election of — to the panel for the Standing Advisory Committee for the Commerce Department.                                                                                               | 329       |
| Election of — to the panel for the Standing Advisory Committee for the Department of Industries and Labour.                                                                               | 329       |
| Election of — to the panel for the Standing Advisory Committee for the Home Department.                                                                                                   | 329       |
| Election of — to the panel for the Standing Committee on Emigration.                                                                                                                      | 152       |
| Negotiations with the Union Government of South Africa                                                                                                                                    | 115       |
| Nomination of — to be on the panel of Chairman of the Council of State.                                                                                                                   | 30        |
| Oath of office                                                                                                                                                                            | 43        |
| Question <i>re—</i>                                                                                                                                                                       |           |
| Abolition of the stamp duty on cheques                                                                                                                                                    | 56        |
| Action taken on the Report of the External Capital Committee                                                                                                                              | 51        |
| Admission of Indian Students in England to the University Officers' Training Corps.                                                                                                       | 44        |

## INDEX.

SETHNA, THE HONOURABLE MR. PHIROZE C.—*contd.*

|                                                                                                                                                          |                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Question <i>re—contd.</i>                                                                                                                                |                       |
| Adoption of all-India legislation on the lines of the Bombay Securities Contracts Control Act.                                                           | 52                    |
| Amended Resolution adopted by the Legislative Assembly regarding the recommendations of the Reforms Inquiry Committee.                                   | 43                    |
| Appointment of a Royal Commission to investigate the working of the Montagu-Chelmsford Reforms.                                                          | 43                    |
| Bawla murder case                                                                                                                                        | 58                    |
| Brokerage paid in London by the Secretary of State for India on his financial operations.                                                                | 57                    |
| Date of the next statutory steel inquiry                                                                                                                 | 48                    |
| Discontinuance of the issue of passports                                                                                                                 | 58                    |
| Establishment of a Rates Advisory Committee                                                                                                              | 49                    |
| Establishment of a training ship in Indian waters                                                                                                        | 46—47                 |
| Expenditure on the collection and supply of aerial information by the Meteorological Department to the Royal Air Force.                                  | 58—59                 |
| Export duty on rubber                                                                                                                                    | 53                    |
| Falling off in customs revenue in the Bombay Presidency on chemicals and mill stores used by the textile industry.                                       | 56                    |
| Further representation from the Bombay Millowners' Association regarding protection for the cotton industry.                                             | 51                    |
| Indianisation of the staff of the High Commissioner for India                                                                                            | 44                    |
| Interim report of the Indian deputation to South Africa                                                                                                  | 47                    |
| Interim report of the Royal Commission on Currency                                                                                                       | 51                    |
| Loan programmes of Provincial Governments                                                                                                                | 53                    |
| Locomotives for State Railways                                                                                                                           | 50                    |
| Number of voters in each constituency of the Council of State who voted at the last general election.                                                    | 43                    |
| Political significance attaching to the visit to India of Sir John Simon, Lord Inchcape, Mr. Ramsay Macdonald, Sir William Bull and Sir Warren Chilcott. | 48                    |
| Programme of the Tariff Board for the next six months                                                                                                    | 48                    |
| Provision of additional funds for the development of discoveries affecting the forecasting of rainfall in India.                                         | 59                    |
| Purchase of foreign rails by company-managed Railways                                                                                                    | 111—113               |
| Purchase of land for military purposes in Bombay                                                                                                         | 52—53                 |
| Purchase of stationery for Government offices                                                                                                            | 47—48                 |
| Receipts under Income-tax for Bombay City                                                                                                                | 53—55                 |
| Recruitment to the Indian Police for the last ten years                                                                                                  | 46                    |
| Reduction of Railway rates and fares                                                                                                                     | 45                    |
| Preparation by the Railway Board of a programme for the reduction of railway freights.                                                                   | 45                    |
| Report of the Indian Territorial and Auxiliary Forces Committee                                                                                          | 111                   |
| Report of the Taxation Inquiry Committee                                                                                                                 | 52                    |
| Revision of land revenue assessments                                                                                                                     | 44                    |
| Royal Commission on Reforms                                                                                                                              | 49—50                 |
| Rupree tenders for stores                                                                                                                                | 46                    |
| Standard type of locomotives for India                                                                                                                   | 50—51                 |
| Subjects discussed at the Conference of Finance Members held in November 1925.                                                                           | 56                    |
| Transfer of work done by the Bank of England on behalf of the Secretary of State for India to the branch of the Imperial Bank of India in London.        | 57                    |
| Various questions connected with India's Membership of the League of Nations.                                                                            | 361—362               |
| Resolution <i>re—</i>                                                                                                                                    |                       |
| Appointment of a Royal Commission to inquire into the working of the Indian Constitution.                                                                | 162—170, 171, 210—214 |
| Leader of the Indian delegation to the League of Nations                                                                                                 | 115—118, 127, 130—131 |

SETHNA, THE HONOURABLE MR. PHIROZE C.—*concl.*

|                                                                                                                                   |              |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|
| Resolution <i>re—contd.</i>                                                                                                       |              |
| Reduction of the travelling and daily allowances of Members of the Council of State.                                              | 87           |
| Royal Commission on Agriculture                                                                                                   | 65—67        |
| SETT, THE HONOURABLE RAI BAHADUR NALININATH—                                                                                      |              |
| Code of Criminal Procedure (Second Amendment) Bill—                                                                               | 274—275      |
| Motion to pass                                                                                                                    | 217—248      |
| General discussion of the Railway Budget                                                                                          | 2            |
| Oath of office                                                                                                                    |              |
| Question <i>re—</i>                                                                                                               |              |
| Bally Bridge of the East Indian Railway                                                                                           | 362—363      |
| Removal of the Calcutta Mint from its present site                                                                                | 363—370      |
| Separation of judicial and executive functions                                                                                    | 371          |
| SIKH(S)—                                                                                                                          |              |
| Question <i>re</i> number of Mazbhi — in the Indian Army                                                                          | 21—22        |
| SIMON, SIR JOHN—                                                                                                                  |              |
| Question <i>re</i> Political significance attaching to the visit to India of —                                                    | 48           |
| SINHA, THE HONOURABLE MR. ANUGRAHA NARAYAN—                                                                                       |              |
| Oath of office                                                                                                                    | 2            |
| Question <i>re—</i>                                                                                                               |              |
| Abolition of the import duty on saccharine                                                                                        | 316          |
| Amalgamation of the Oriya-speaking tracts                                                                                         | 13           |
| Anti-Asiatic legislation in South Africa                                                                                          | 16—17        |
| Arrears of work in the Patna High Court                                                                                           | 13           |
| Committees appointed during the years 1922, 1923 and 1924                                                                         | 13—14        |
| Commonwealth of India Bill                                                                                                        | 17           |
| Grant of preference to the Dominion of Canada                                                                                     | 16           |
| Import duty on saccharine                                                                                                         | 315          |
| Number of superior posts in the Government of India Secretariat held by Indians on the 1st January 1921 and the 1st January 1926. | 15           |
| Percentage of appointments held in the Imperial services by Indians and non-Indians.                                              | 14—15        |
| Proposed levy of rates on coal exported from Bihar and Orissa                                                                     | 12           |
| Quantity of saccharine imported into India for the years 1919-20 to 1924-25.                                                      | 316          |
| Separation of judicial and executive functions                                                                                    | 12           |
| Smuggling of saccharine                                                                                                           | 316          |
| Suppression of the smuggling in saccharine                                                                                        | 316          |
| SMALL CAUSE COURTS (ATTACHMENT OF IMMOVEABLE PROPERTY) BILL—                                                                      |              |
| See under "Bill(s)".                                                                                                              |              |
| SMITH, THE HONOURABLE SIR HENRY MONCRIEFF—                                                                                        |              |
| Oath of office                                                                                                                    | 1            |
| SMUGGLING—                                                                                                                        |              |
| Question <i>re—</i>                                                                                                               |              |
| — of saccharine                                                                                                                   | 314—315, 316 |
| Suppression of the — on saccharine                                                                                                | 316          |
| SONTHAL PARGANNAS—                                                                                                                |              |
| Question <i>re—</i>                                                                                                               |              |
| Application of section 71 (7) of the Government of India Act to the —                                                             | 109—110      |
| Declaration of the — as a backward tract                                                                                          | 109          |

|                                                                                                                                                                                                                | PAGES.                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <b>SOUTH AFRICA—</b>                                                                                                                                                                                           |                                |
| Question <i>re—</i>                                                                                                                                                                                            |                                |
| Anti-Asiatic legislation in — ... ..                                                                                                                                                                           | 16—17                          |
| Interim report of the Indian deputation to — ... ..                                                                                                                                                            | 47                             |
| Statement regarding negotiations with the Union Government of — ... ..                                                                                                                                         | 113—115                        |
| <b>SPECIALIST(s)—</b>                                                                                                                                                                                          |                                |
| Question <i>re</i> Indianisation of the post of — at the Imperial Forest Research Institute, Dehra Dun ... ..                                                                                                  | 294                            |
| <b>SPECIALIST OFFICERS—</b>                                                                                                                                                                                    |                                |
| Question <i>re</i> grant of extensions of service to temporary — employed in the Imperial Forest Research Institute, Dehra Dun. ... ..                                                                         | 295—296                        |
| <b>SPEECH(ES)—</b>                                                                                                                                                                                             |                                |
| Question <i>re</i> — of Dr. Summers, late Chief Engineer, Sind, regarding the average level of water at Sukkur during the last 60 years. ... ..                                                                | 310                            |
| <b>STAMP DUTY—</b>                                                                                                                                                                                             |                                |
| Question <i>re</i> abolition of the — on cheques ... ..                                                                                                                                                        | 56                             |
| <b>STANDING ADVISORY COMMITTEE(S)—</b>                                                                                                                                                                         |                                |
| Motion for the election of panels for the — for the Home Department, the Commerce Department, the Department of Education, Health and Lands, and the Department of Industries and Labour, respectively. ... .. | 215                            |
| Date for receiving nominations to the panels for the — for the Home Department, the Commerce Department, the Department of Education, Health and Lands, and the Department of Industries and Labour. ... ..    | 220                            |
| Nominations to the panels for — for the Home Department, Commerce Department, Department of Education, Health and Lands, and the Department of Industries and Labour. ... ..                                   | 305—306                        |
| Result of the elections to the panels for the — for the Home Department, Commerce Department, the Department of Education, Health and Lands, and the Department of Industries and Labour, respectively. ... .. | 329                            |
| <b>STANDING COMMITTEE(S)—</b>                                                                                                                                                                                  |                                |
| Date for the receipt of nominations to the panel of the — on Emigration. ... ..                                                                                                                                | 62                             |
| Election to the panel for the — on Emigration ... ..                                                                                                                                                           | 162                            |
| Motion for the election of a panel for the — on Emigration ... ..                                                                                                                                              | 32                             |
| <b>STATEMENT (LAID ON THE TABLE) BY THE HONOURABLE MR. J. CRERAR—</b>                                                                                                                                          |                                |
| — regarding Committees appointed in 1922-24 ... ..                                                                                                                                                             | 255—257                        |
| <b>STATEMENT (LAID ON THE TABLE) BY THE HONOURABLE MR. D. T. CHADWICK—</b>                                                                                                                                     |                                |
| — regarding commercial treaties both bi-lateral and multi-lateral, which affect India. ... ..                                                                                                                  | 507—543                        |
| <b>STATEMENT OF BUSINESS—</b>                                                                                                                                                                                  |                                |
| — by the Honourable Khan Bahadur Sir Muhammad Habibullah Sahib Bahadur. ... ..                                                                                                                                 | 41—42,<br>90, 254,<br>422, 562 |
| <b>STATE PRISONER(S)—</b>                                                                                                                                                                                      |                                |
| Question <i>re—</i>                                                                                                                                                                                            |                                |
| Allowances of — transferred from Bengal to other Provinces ... ..                                                                                                                                              | 28                             |
| Re-transfer to Bengal of certain Bengali — detained in jails in the Madras Presidency. ... ..                                                                                                                  | 10—11                          |
| Treatment of Bengali — in jails in the Madras Presidency ... ..                                                                                                                                                | 27—28                          |
| <b>STATE RAILWAYS—</b>                                                                                                                                                                                         |                                |
| <i>See under "Railway(s)".</i>                                                                                                                                                                                 |                                |

|                                                                                                                                                                 | PAGES.  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>STATION(S)—</b>                                                                                                                                              |         |
| Question <i>re</i> lighting of roadside — on the North Western Railway ... ..                                                                                   | 24      |
| <b>STATION MASTER(S)—</b>                                                                                                                                       |         |
| Question <i>re—</i>                                                                                                                                             |         |
| Number of senior — on the North Western Railway ... ..                                                                                                          | 23—24   |
| Selection of — as Traffic Inspectors (Transportation) on the North Western Railway. ... ..                                                                      | 18—19   |
| <b>STATIONERY—</b>                                                                                                                                              |         |
| Question <i>re</i> purchase of — for Government Offices ... ..                                                                                                  | 47—48   |
| <b>STATUS—</b>                                                                                                                                                  |         |
| Resolution <i>re</i> privilege and — of Members of the Council of State... ..                                                                                   | 438—442 |
| <b>STEEL INDUSTRY (AMENDMENT) BILL—</b>                                                                                                                         |         |
| <i>See under "Bills".</i>                                                                                                                                       | 48      |
| <b>STEEL INQUIRY—</b>                                                                                                                                           |         |
| Question <i>re</i> date of the next statutory — ... ..                                                                                                          | 310—311 |
| <b>STORES—</b>                                                                                                                                                  |         |
| Question <i>re—</i>                                                                                                                                             |         |
| Purchase of Government — through the Indian Stores Department. ... ..                                                                                           | 46      |
| Rupee tenders for — ... ..                                                                                                                                      |         |
| <b>STUDENT(S)—</b>                                                                                                                                              |         |
| Question <i>re—</i>                                                                                                                                             |         |
| Admission of Indian — in England to the University Officers' Training Corps. ... ..                                                                             | 44      |
| Guarantee of appointments in the Railway Service to — of the MacLagan Engineering College, Lahore. ... ..                                                       | 60—61   |
| Training of — in State Agricultural colleges in methods for the prevention of alkaline deposits on lands under cultivation by canal water. ... ..               | 26      |
| Resolution <i>re</i> guarantee of appointments on State Railways to qualified — of the MacLagan Engineering College, Lahore, and other similar colleges. ... .. | 425—438 |
| <b>SUKHEER SINHA, THE HONOURABLE LALA—</b>                                                                                                                      |         |
| Apology offered by — for his absence from the meeting of the 15th March 1926. ... ..                                                                            | 635     |
| <b>Indian Finance Bill—</b>                                                                                                                                     |         |
| Amendment of the Honourable Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards. ... ..                                                  | 591—592 |
| Oath of office ... ..                                                                                                                                           | 585     |
| <b>Question <i>re—</i></b>                                                                                                                                      |         |
| Accumulation of arrears in High Courts ... ..                                                                                                                   | 640     |
| Age of retirement of High Court Judges ... ..                                                                                                                   | 639     |
| Appointment of a Central Agricultural Committee in the Government of India. ... ..                                                                              | 636     |
| Appointment of a third Minister in the United Provinces ... ..                                                                                                  | 639     |
| Area under wheat cultivation, etc. ... ..                                                                                                                       | 638     |
| Concession and return tickets on railways ... ..                                                                                                                | 635—636 |
| Expenditure on the Agricultural Departments in the Provinces ... ..                                                                                             | 638     |
| Import of sugar into India ... ..                                                                                                                               | 637—638 |
| Improvement of sugarcane cultivation and the manufacture of sugar. ... ..                                                                                       | 636—637 |
| Recommendations of the Economic Inquiry Committee ... ..                                                                                                        | 639     |
| Strength of the High Court, Allahabad ... ..                                                                                                                    | 639     |



|                                                                                                                                                                                                                                                                               | PAGES.   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| SUKHBIR SINHA, THE HONOURABLE LALA— <i>contd.</i>                                                                                                                                                                                                                             | 467      |
| Remarks by the Honourable the President regarding the unnecessary labour, expense and inconvenience caused not only to the staff of the Council but to the Government by the absence of — on the 15th March when questions standing in his name appeared on the agenda paper. |          |
| SUGAR—                                                                                                                                                                                                                                                                        |          |
| Question <i>re</i> —                                                                                                                                                                                                                                                          |          |
| Import of — into India ...                                                                                                                                                                                                                                                    | 637—638  |
| Improvement of sugarcane cultivation and the manufacture of —                                                                                                                                                                                                                 | 636—637  |
| SUGAR CANE—                                                                                                                                                                                                                                                                   |          |
| Question <i>re</i> improvement of — cultivation and the manufacture of sugar.                                                                                                                                                                                                 | 636—637  |
| SUHRAWARDY, THE HONOURABLE MR. MAHMOOD—                                                                                                                                                                                                                                       |          |
| Oath of office ...                                                                                                                                                                                                                                                            | 2        |
| Question <i>re</i> —                                                                                                                                                                                                                                                          |          |
| Congestion of third class passenger traffic on State Railways ...                                                                                                                                                                                                             | 261—262  |
| Increase of the maximum rate of railway freight on food grains ...                                                                                                                                                                                                            | 261      |
| Railway freight on rice from Khulna to Kalighat on the Eastern Bengal Railway.                                                                                                                                                                                                | 261      |
| Reduction of fares for third class passengers on State Railways ...                                                                                                                                                                                                           | 262      |
| Reduction of the income-tax and super-tax ...                                                                                                                                                                                                                                 | 423      |
| Reduction of the railway freight on food grains ...                                                                                                                                                                                                                           | 261      |
| SUKKUR—                                                                                                                                                                                                                                                                       |          |
| Question <i>re</i> —                                                                                                                                                                                                                                                          |          |
| Article in the "Times" Engineering Supplement regarding the gauges and discharges at —                                                                                                                                                                                        | 310      |
| Speech of Dr. Summers, late Chief Engineer, Sind, regarding the average level of water at — during the last 60 years.                                                                                                                                                         | 310      |
| SUKKUR BARRAGE—                                                                                                                                                                                                                                                               |          |
| Question <i>re</i> sufficiency of water in the Indus for the — as well as the irrigation schemes in the Punjab.                                                                                                                                                               | 310      |
| SUMMERS, DR.—                                                                                                                                                                                                                                                                 |          |
| Question <i>re</i> speech of —, late Chief Engineer, Sind, regarding the average level of water at Sukkur during the last 60 years.                                                                                                                                           | 310      |
| SUPERINTENDENT OF EDUCATION, DELHI AND AJMER-MERWARA—                                                                                                                                                                                                                         |          |
| Question <i>re</i> —                                                                                                                                                                                                                                                          |          |
| Duties of the —                                                                                                                                                                                                                                                               | 469      |
| Paucity of Muslims in the office of the —                                                                                                                                                                                                                                     | 470      |
| SUPER-TAX—                                                                                                                                                                                                                                                                    |          |
| Question <i>re</i> reduction of the income-tax and —                                                                                                                                                                                                                          | 423      |
| T                                                                                                                                                                                                                                                                             |          |
| TAMIL-SPEAKING PROVINCE—                                                                                                                                                                                                                                                      |          |
| Resolution <i>re</i> creation of a self-governing —                                                                                                                                                                                                                           | 469—505, |
|                                                                                                                                                                                                                                                                               | 548—562  |
| TANK—                                                                                                                                                                                                                                                                         |          |
| Question <i>re</i> survey of railway lines from Hindubagh to Fort Sandeman and from Fort Sandeman to —                                                                                                                                                                        | 23       |
| TARIFF BOARD—                                                                                                                                                                                                                                                                 |          |
| Question <i>re</i> programme of the — for the next six months                                                                                                                                                                                                                 | 48       |

|                                                                                                                       | PAGES.  |
|-----------------------------------------------------------------------------------------------------------------------|---------|
| TAXATION—                                                                                                             |         |
| Question <i>re</i> — of the proceeds of betting on races ...                                                          | 373     |
| TAXATION INQUIRY COMMITTEE—                                                                                           |         |
| See under "Committee(s)"                                                                                              |         |
| TEACHER(S)—                                                                                                           |         |
| Number of Muhammadan and Hindu —, clerks and peons in the Schools in the Delhi Province and Ajmer-Merwara.            | 470     |
| TEK CHAND, THE HONOURABLE DIWAN—                                                                                      |         |
| Oath of office ...                                                                                                    |         |
| TEXTILE INDUSTRY—                                                                                                     |         |
| Question <i>re</i> falling off in customs revenue in the Bombay Presidency on chemicals and mill stores used by the — |         |
| THIRD CLASS PASSENGER(S)—                                                                                             |         |
| Question <i>re</i> reduction of fares for — on State Railways ...                                                     | 262     |
| THIRD CLASS PASSENGER TRAFFIC—                                                                                        |         |
| Question <i>re</i> congestion of — on State Railways ...                                                              | 261—262 |
| THOMPSON, THE HONOURABLE MR. J. P.—                                                                                   |         |
| Oath of Office ...                                                                                                    | 1       |
| TIMBER-TESTING EXPERT—                                                                                                |         |
| Question <i>re</i> grant of extensions of service to the — of the Imperial Forest Research Institute, Dehra Dun.      | 296     |
| "Times" ENGINEERING SUPPLEMENT—                                                                                       |         |
| Question <i>re</i> article in the — regarding the gauges and discharges of Sukkur.                                    | 310     |
| TIN PLATE INDUSTRY—                                                                                                   |         |
| Resolution <i>re</i> grant of supplementary assistance to the —                                                       | 286—290 |
| TODHUNTER, THE HONOURABLE SIR CHARLES—                                                                                |         |
| General Discussion of the Budget (Part II) ...                                                                        | 411—412 |
| Oath of Office ...                                                                                                    | 1       |
| TRAFFIC INSPECTORS (TRANSPORTATION)—                                                                                  |         |
| Question <i>re</i> appointment of Europeans and Anglo-Indians as — on the North-Western Railway.                      | 19      |
| Indian — on the North-Western Railway ...                                                                             | 18      |
| Recruitment of — on the North-Western Railway ...                                                                     | 18      |
| Selection of station masters as — on the North-Western Railway ...                                                    | 18—19   |
| TRAIN(S)—                                                                                                             |         |
| Question <i>re</i> goods — on broad gauge railways ...                                                                | 309     |
| TRAINING SHIP—                                                                                                        |         |
| Question <i>re</i> establishment of — on Indian waters ...                                                            | 46—47   |
| TRANSFER OF PROPERTY (AMENDMENT) BILL—                                                                                |         |
| See under "Bill(s)"                                                                                                   |         |
| TRAVELLING ALLOWANCES—                                                                                                |         |
| See under "Allowances, travelling and daily"                                                                          |         |
| TREATY(IES)—                                                                                                          |         |
| Statement (laid on the table) regarding commercial —, both bi-lateral and multi-lateral, which affect India.          | 507—543 |

|                                                                                                                                            | PAGES.        |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>TUBERCULOSIS—</b>                                                                                                                       |               |
| Question re inquiry into the prevalence of — in India ...                                                                                  | 315           |
| <b>U</b>                                                                                                                                   |               |
| <b>UMAR HAYAT KHAN, THE HONOURABLE COLONEL NAWAB SIR—</b>                                                                                  |               |
| Election of — to the panel for the Standing Advisory Committee for the Department of Education, Health and Lands.                          | 329           |
| Election of — to the panel for the Standing Advisory Committee for the Home Department.                                                    | 329           |
| General discussion of the Railway Budget ...                                                                                               | 227—228       |
| General Discussion of the Budget (Part II) ...                                                                                             | 375—377       |
| <b>Indian Finance Bill—</b>                                                                                                                |               |
| Amendment of the Hon'ble Rai Bahadur Lala Ram Saran Das to Schedule I regarding rates for postcards.                                       | 599—600       |
| Amendment of the Hon'ble Sardar Shiydev Singh Oberoi to clauses (1) and (2) of Part I-A of Schedule II.                                    | 608           |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                     | 571           |
| Oath of Office ...                                                                                                                         | 2             |
| <b>Resolution re—</b>                                                                                                                      |               |
| Creation of a self-governing Tamil-speaking province ...                                                                                   | 505, 551—553  |
| Formation of a separate Kannada Province ...                                                                                               | 138—139       |
| Guarantee of appointments on State Railways to qualified students of the MacLagan Engineering College, Lahore, and other similar colleges. | 434           |
| Import duty on artificial ghee ...                                                                                                         | 356—357       |
| Leader of the Indian delegation to the League of Nations ...                                                                               | 127—129       |
| Privileges and status of Members of the Council of State ...                                                                               | 440           |
| Reduction of the travelling and daily allowances of Members of the Council of State.                                                       | 84—85, 86, 90 |
| Royal Commission on Agriculture ...                                                                                                        | 79            |
| Salaries of the two members of the Judicial Committee of the Privy Council with Indian experience.                                         | 485—486       |
| <b>UNION GOVERNMENT OF SOUTH AFRICA—</b>                                                                                                   |               |
| See under "South Africa".                                                                                                                  |               |
| <b>UNITED PROVINCES—</b>                                                                                                                   |               |
| Question re appointment of a third Minister in the — ...                                                                                   | 639           |
| <b>UNIVERSITY OFFICERS' TRAINING CORPS—</b>                                                                                                |               |
| Question re admission of students in England to the — ...                                                                                  | 44            |
| <b>V</b>                                                                                                                                   |               |
| <b>VICEROY, HIS EXCELLENCY THE (LORD READING)—</b>                                                                                         |               |
| Farewell speech of — to the Council of State and the Legislative Assembly.                                                                 | 645—649       |
| Inauguration of the Second Council of State by — ...                                                                                       | 3—8           |
| <b>VOTER(S)—</b>                                                                                                                           |               |
| Question re number of — in each constituency of the Council of State who voted at the last general election.                               | 48            |
| <b>W</b>                                                                                                                                   |               |
| <b>WACHA, THE HONOURABLE SIR DINSHAW—</b>                                                                                                  |               |
| General discussion of the Budget (Part II) ...                                                                                             | 407—411       |
| Message of gratitude from the Council of State to Their Excellencies the Earl and Countess of Reading.                                     | 574—576       |

|                                                                                                                                                     | PAGES.       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>WACHA, THE HONOURABLE SIR DINSHAW—contd.</b>                                                                                                     |              |
| Oath of Office ...                                                                                                                                  | 1            |
| Question re—                                                                                                                                        |              |
| Abandonment of land under cultivation by canal water owing to the accumulation of heavy alkaline deposits.                                          | 25—26        |
| Failure of the Japanese Government to give legislative effect to certain resolutions of the Geneva Labour Conference.                               | 26—27        |
| Land-mortgage Banks ...                                                                                                                             | 26           |
| Training of students in State agricultural colleges in methods for the prevention of alkaline deposits on land under cultivation by canal water.    | 26           |
| Resolution re appointment of a Royal Commission to enquire into the working of the Indian Constitution.                                             | 163, 205—210 |
| <b>WAGON(S)—</b>                                                                                                                                    |              |
| Question re—                                                                                                                                        |              |
| Number of goods — for which orders have been placed with Indian firms.                                                                              | 371—372      |
| Number of goods — ordered from England ...                                                                                                          | 371—372      |
| <b>WHEAT—</b>                                                                                                                                       |              |
| Question re area under — cultivation, etc. ...                                                                                                      | 638          |
| <b>WHYTE, SIR FREDERICK—</b>                                                                                                                        |              |
| Question re —'s book on federal constitutions ...                                                                                                   | 27           |
| <b>WOMEN'S MEDICAL SERVICE IN INDIA—</b>                                                                                                            |              |
| Question re — ...                                                                                                                                   | 450          |
| <b>WORKMEN'S COMPENSATION—</b>                                                                                                                      |              |
| Resolution re ratification of the draft convention of the International Labour Conference concerning — for occupational diseases.                   | 32—37        |
| <b>Z</b>                                                                                                                                            |              |
| <b>ZUBAIR, THE HONOURABLE MR. SHAH MUHAMMAD—</b>                                                                                                    |              |
| Election of — to the panel for the Central Advisory Council for Railways.                                                                           | 317          |
| Election of — to the panel for the Standing Advisory Committee for the Home Department.                                                             | 329          |
| Oath of Office ...                                                                                                                                  | 2            |
| Question re—                                                                                                                                        |              |
| Allowances of European and Anglo-Indian and Indian apprentices in the East Indian Railway workshop at Jamalpur.                                     | 307, 309     |
| Differential treatment accorded to European and Anglo-Indian and Indian apprentices in the railway workshop of the East Indian Railway at Jamalpur. | 307, 309     |
| Employment at high rates of pay of European and Anglo-Indian apprentices on the East Indian Railway.                                                | 308, 309     |
| European and Anglo-Indian and Indian apprentices on the East Indian Railway.                                                                        | 309          |
| Grant of holidays for important festivals to Muhammadan clerks, apprentices and coolies employed in the East Indian Railway workshop at Jamalpur.   | 309          |
| Holidays of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                                                            | 308, 309     |
| Initial starting pay, after the completion of their course, of European and Anglo-Indian and Indian apprentices on the East Indian Railway.         | 307, 309     |
| Liability to search of Indian apprentices employed on the East Indian Railway.                                                                      | 309          |
| Method of entrance to and exit from their work of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                      | 308, 309     |

|                                                                                                                                    | PAGES.   |
|------------------------------------------------------------------------------------------------------------------------------------|----------|
| ZUBAIR, THE HONOURABLE MR. SHAH MUHAMMAD— <i>contd.</i>                                                                            |          |
| Question <i>re—contd.</i>                                                                                                          |          |
| Method of payment of the salaries of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                  | 308, 309 |
| Method of recording attendance of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                     | 308, 309 |
| Non-employment of Indian apprentices trained at Jamalpur after the conclusion of their training.                                   | 308, 309 |
| Non-official Bills and Resolutions passed by the Legislative Assembly and rejected by the Council of State and <i>vice versa</i> . | 423—424  |
| Overtime allowances of European and Anglo-Indian and Indian apprentices on the East Indian Railway.                                | 308, 309 |
| Passes granted to European and Anglo-Indian and Indian apprentices employed on the East Indian Railway.                            | 309      |
| Scale of pay of Indian apprentices on the East Indian Railway ...                                                                  | 307, 309 |

