

Wednesday, 24th January, 1923

COUNCIL OF STATE DEBATES

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THIRD SESSION

OF THE

COUNCIL OF STATE, 1923.



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CONTENTS.

	Page
WEDNESDAY, 24TH JANUARY, 1923—	
Members Sworn	523
Death of the Honourable Maung Po. Bye	523—24
Grant of Honours to Members	524
Questions and Answers	525—14
Arrangement of Questions	545
Questions and Answers	545—48
Reports laid on the Table of Joint Committee on Bills	548
Governor General's Assent to Bills	548
Statement of Exchange Gains and Losses	548—60
Communications in Frontier Province	561
Muslims, Hindus, etc., in Government of India Secretariat	561—66
Policy of His Majesty's Government with reference to the Government of India Act	567—68
Emigration to the Straits Settlements and Malay States	568—69
Emigration to Ceylon	569—70
Business of the House	570
THURSDAY, 25TH JANUARY, 1923—	
Report of Joint Committee on the Workmen's Compensation Bill	571
The Hindu Ceremonial Emoluments Bill—Request for postponement	571—72
Resolution <i>re</i> Purchase of Stores in England	572—77
Appointment of Public Services Commission	577—78
Resolution regarding the Indian Civil and other Imperial Services	578—86
Resolution <i>re</i> Conditions of Service of future entrants to I. C. S.	586—87
MONDAY, 29TH JANUARY, 1923—	
Member Sworn	589
Questions and Answers	589—92
The Criminal Tribes (Amendment) Bill	592—612
Message from the Legislative Assembly	612
TUESDAY, 30TH JANUARY, 1923—	
Questions and Answers	613—18
The Indian Boilers Bill	618
Message from the Governor General	618—19
The Registration of Chelas Bill	619—28
Resolution <i>re</i> Promotion of Irrigation Projects	629—50
WEDNESDAY, 31ST JANUARY, 1923—	
Bills passed by the Legislative Assembly	651
Gift of Books by Sir William Geary	651
The Indian Cotton Cess Bill—Reference to Joint Committee	651—71
The Indian Cotton Cess Bill—Nomination to Joint Committee	671
Course of Business	671—72

WEDNESDAY, 31ST JANUARY, 1923—contd.

Resolution <i>re</i> Workmen's Compensation and Social Insurance in Agriculture	672—84
Resolution <i>re</i> Protection of Women and Children in Agriculture—Recommendations of International Labour Conference	684—89
Statement of Business	688

MONDAY, 12TH FEBRUARY, 1923—

Questions and Answers	689—99
Dates for Discussion of Budget	699—700
Governor General's Assent to Bills	700
Bills passed by the Legislative Assembly	700
Alteration of Date of <i>Shivraatri</i> and Course of Business	700
Resolutions of which notice is given but not moved in Council	701
Resolution <i>re</i> Repeal of Army Amalgamation Scheme of 1869	701—17
The Malabar (Completion of Trials) Supplementing Bill laid on the Table	717—18

WEDNESDAY, 14TH FEBRUARY, 1923—

Questions and Answers	719—32
The Cotton Transport Bill	733—39
The Cantonments (House-Accommodation) Bill	739—49
Statement of Business	749

THURSDAY, 15TH FEBRUARY, 1923—

Statement <i>re</i> Government of India Presses laid on the table	751—53
The Malabar (Completion of Trials) Supplementing Bill	754—55
The Indian Mines Bill	755—59
The Indian Boilers Bill	759—65
Resolution <i>re</i> Emigration of Unskilled Labourers to Ceylon	765—70
Resolution <i>re</i> Emigration of Unskilled Labourers to Straits Settlements and Malay States	770—72

FRIDAY, 16TH FEBRUARY, 1923—

Resolution <i>re</i> Inquiry into Industrial Finance and Industrial Banks	773—87
Resolution <i>re</i> the Adoption of a System of Compulsory National Military Training and Service	787—98
The Married Women's Property (Amendment) Bill laid on the Table	798
Resolution <i>re</i> the Adoption of a System of Compulsory National Military Training and Service	798—818
Resolution <i>re</i> Necessity of Census of Products of British India	818—19

MONDAY, 19TH FEBRUARY, 1923—

Questions and Answers	821—23
Resolution <i>re</i> Necessity of Census of Products of British India	828—26
Resolution <i>re</i> Opportunities to Indians for qualifying for Secretaryships, etc.	825—27
Resolution <i>re</i> Radio Communications	828
Resolution <i>re</i> Imposition of an Export Duty on Benzine and Petrol	828—34

TUESDAY, 20TH FEBRUARY, 1923—

Bills laid on the Table	885
The Prisoners (Amendment) Bill	885
The Indian Naval Armament Bill	886
The Workmen's Compensation Bill	887-78

WEDNESDAY, 21ST FEBRUARY, 1923—

Resolution <i>re</i> Administration of Ajmer-Merwara	879-88
Resolution <i>re</i> Cognizance by Legislature of Matters on which Govern- ment of India has undertaken legislation [Modification of Rule 23 (1) of the Rules of Business]	888-906
Resolution <i>re</i> Recommendations of the Committee on Indian Arms Rules	907

THURSDAY, 22ND FEBRUARY, 1923—

The Criminal Law Amendment Bill laid on the Table	909
Message from the Legislative Assembly	909
The Workmen's Compensation Bill	909-17
The Indian Factories (Amendment) Bill	917-20
The Hindu Ceremonial Emoluments Bill	929-31
Statement of Business	931

MONDAY, 26TH FEBRUARY, 1923—

Questions and Answers	933-33
Bills laid on the Table	938
Resolution <i>re</i> Recommendations of Committee on Indian Arms Rules	939-62
Resolution <i>re</i> Amendment of Standing Orders	962-64
Discussion on the Criminal Law Amendment Bill	964

TUESDAY, 27TH FEBRUARY, 1923—

Message from the Legislative Assembly	967
Bills laid on the Table	967
The Indian Paper Currency Bill	967-68
The Prisoners (Amendment) Bill	968
The Repealing and Amending Bill	969
The Hindu Ceremonial Emoluments Bill	969-95
Message from the Legislative Assembly	995

WEDNESDAY, 28TH FEBRUARY, 1923—

Bill laid on the Table	997
Conference <i>re</i> Regulations under the Electoral Rules	997
Resolution <i>re</i> Appointment of Indians to the Traffic Inspector Cadre	997-1020
Resolution <i>re</i> Appointment of Indians as Departmental Secretaries, Joint Secretaries, etc.	1020-50
Statement of Business	1050

THURSDAY, 1ST MARCH, 1923—

Member Sworn	1051
The Budget	1051-59
The Criminal Law Amendment Bill	1060-83

MONDAY, 5TH MARCH, 1923—

Questions and Answers	1085
Statement laid on the Table	1085
Resolution <i>re</i> Imposition of an Export Duty on Benzine and Petroli	1085—1101
Resolution <i>re</i> Rights and Status of Indians in Kenya	1102—21
The Married Women's Property (Amendment) Bill	1122—23

TUESDAY, 6TH MARCH, 1923—

Member Sworn	1127
Questions and Answers	1127—29
The Code of Criminal Procedure (Amendment) Bill	1129—31
Bills assented to by the Governor General	1131—32

WEDNESDAY, 7TH MARCH, 1923—

The Budget	1133—81
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THURSDAY, 8TH MARCH, 1923—

Absence from House at question time of Members who have given notice of Questions	1183
Questions and Answers	1183—90
Draft Notification <i>re</i> Emigration of Unskilled Labour to Mauritius	1190—91
The Indian Cotton Cess Bill	1191—1203
The Indian Income-tax (Amendment) Bill	1203—04
The Government Savings Banks (Amendment) Bill	1204—05
The Official Secrets Bill	1205—15
Message from the Legislative Assembly	1216
Statement of Business	1216

MONDAY, 12TH MARCH, 1923—

Questions and Answers	1217—18
Message from the Legislative Assembly	1218
Bill laid on the Table	1218
Resolution <i>re</i> Amendment of Electoral Rules	1219—29
The Malkharoda and Gaontia Villages Laws Bill	1229—30

TUESDAY, 13TH MARCH, 1923—

Announcement of Summer Session in July, 1923	1231
The Code of Criminal Procedure (Amendment) Bill	1231—70

WEDNESDAY, 14TH MARCH, 1923—

Questions and Answers	1271
Resolution <i>re</i> Indian Stores Department	1271—85
Resolution <i>re</i> Eligibility of Political Prisoners for Election to Legislature	1285—1302

THURSDAY, 15TH MARCH, 1923—

The Malkharoda and Gaontia Villages Laws Bill	1303—04
The Indian Penal Code (Amendment) Bill	1304—24
Statement of Business	1324—25

	Pages.
WEDNESDAY, 21ST MARCH, 1923—	
Member Sworn	1327
Questions and Answers	1327—34
Bill laid on the Table	1334
The Indian Finance Bill	1335—36
The Mahendra Partab Singh Estates Bill	1336—38
Report of Select Committee on Amendments to Standing Orders	1338
Bills assented to by His Excellency the Governor General	1339
Resolution <i>re</i> Emigration of Unskilled Labour to Mauritius	1338—45
FRIDAY, 23RD MARCH, 1923—	
Messages from the Legislative Assembly	1347
Bills laid on the Table	1347—48
The Indian Finance Bill	1348—97
MONDAY, 26TH MARCH, 1923—	
Questions and Answers	1399—1401
The Mahendra Partab Singh Estates Bill	1401—07
The Legal Practitioners (Women) Bill	1407—08
The Indian Merchant Shipping Bill	1408—10
Statement of Business	1410
TUESDAY, 27TH MARCH, 1923—	
Message from the Legislative Assembly	1411
The Indian Finance Bill	1411—18
Adjournment of Council of State and attendance at meetings	1413

COUNCIL OF STATE.

Wednesday, the 24th January, 1923.

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

MEMBERS SWORN:

The Honourable Mr. Purshotamdas Thakurdas, C.I.E., M.B.E. (Bombay: Nominated Non-Official).

The Honourable Mr. David Thomas Chadwick, C.I.E. (Commerce Secretary).

The Honourable Mr. Henry Telford Stonor Forrest (Bihar and Orissa: Nominated Official).

The Honourable Mr. James Crerar, C.S.I., C.I.E. (Home Secretary).

The Honourable Mr. Montagu Sherard Dawes Butler, C.B., C.I.E., C.V.O., C.B.E. (Education Secretary).

DEATH OF THE HONOURABLE MAUNG PO BYE.

The HONOURABLE THE PRESIDENT: I regret to have to report to the Council that since we last met we have sustained a loss by the death of the Honourable Maung Po Bye, who was the representative in this Council of the Burma Province. Till he was prevented from attending this Council by ill-health, I think he was probably one of our most popular Members. His burly figure, his picturesque attire, his considerable power of eloquence, which was always seasoned by a sense of humour, made him a distinct personality, and the Council is poorer for the loss of his genial presence. Before he joined us on the Council he was an officer in the service of Government, and he gave up his well-earned rest on retirement to come forward and take part in public life at a time when to do so in Burma required a certain amount of courage. A further real sacrifice was the voyage from Burma, which he often told me was a source of extreme discomfort to him. Apart from his work on this Council he served as a member of Sir Frederick Whyte's Committee which framed the new constitution for Burma. In fact, I think I am justified in saying that his latter years were entirely devoted to the prosecution of the best interests of the province of which he was so proud. It may be within the recollection of some of you that on the last occasion when he addressed this Council he made what I think we all felt to be a very powerful appeal on behalf of

Burma. He made it, as you may remember, under circumstances of great physical distress; in fact he had to obtain the special permission of the Chair to address the Council while seated. I cannot help thinking he himself would have liked to have thought that this was his last action in this Council. I am sure it is the unanimous wish of this Council that I should cause to be communicated to his widow and children our sincere sympathy in their sad loss.

The HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-Official): This is a sorry occasion and I feel that I should associate myself, as I believe everybody in this House does, with what has fallen from the Honourable President. The Honourable Mr. Maung Po Bye came a long distance and he used to have to travel a full week before he got to Delhi, and in the state of his health the fact that he undertook this long journey was itself a subject of admiration to me. I had the honour to sit very near to him, and in his failing health he was unable to say much, yet he managed to make that appeal to which the Chair has graciously referred. I think we really are poorer for his departure in this respect that he brought to us a great deal of his personal experience both from the inside the administration and outside the administration. He was a very careful critic and also a very careful student on both sides, and therefore I suppose we shall always feel the loss caused by his passing on. I hope this message of grief will be communicated to his family.

The HONOURABLE THE PRESIDENT: I think I may take it that it is the unanimous wish of the House that I should act in the direction I indicated.

GRANT OF HONOURS TO MEMBERS.

The HONOURABLE THE PRESIDENT: Before we proceed to the business of the day there remains one duty of a pleasant character, and that is to convey the congratulations of the Council to those of its Members who have been honoured by the King-Emperor on the 1st of January. In that connection I first mention the officer of the Finance Department who so ably assists us in the many financial discussions we have in this House, I refer to the Honourable Mr. Cook. I am sure the House will wish to congratulate the Honourable Mr. Cook on his well-earned C.S.I. (Applause.) There is another Honour, but unfortunately the recipient is not here. I refer to the dignity of Nawab which was conferred on the Honourable Major Muhammad Akbar Khan of Hoti Mardan. We are all pleased to see his services have been rewarded. Last but not least is the Knighthood conferred on our Secretary. I have every reason to know how well deserved that is. Not only from his work in connection with this Council, but from association with him for many years in another sphere of activity. Sir Henry Moncrieff Smith commands the respect and regard of all those who have ever worked with him. I am sure the Council will desire to congratulate him most heartily. (Applause.)

The HONOURABLE MR. E. M. COOK (Finance Secretary): Mr. President, among the many congratulations I have received, there are none that I value more highly than those of you, Sir, and my Honourable Colleagues here.

QUESTIONS AND ANSWERS.

CONTRACT FOR PRINTING POSTAGE STAMPS.

1. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (i) What were the original rates paid to Messrs. De la Rue and Company for their ten years' contract from 1915, for printing postage stamps?

(ii) In what years did Messrs. De la Rue and Company apply for increased rates and what increases did they ask for?

(iii) From what month and year were the increases sanctioned and what percentage of increase was given?

(iv) What is the approximate value of the contract?

The HONOURABLE MR. D. T. CHADWICK: (i) The rates are embodied in three schedules to the contract with Messrs. De la Rue and Company, the reprinting of which in the official report will involve considerable expense to which I am sure the House will not wish the Government of India to go. But the contract is available in my office for inspection by the Honourable Member or any other Honourable Member of this House.

(ii) In July 1917 and again in December 1919, Messrs. De la Rue and Company asked for such increased rates as, in view of the great rise in the prices of materials and labour, would make their contract just remunerative.

(iii) It was agreed to pay Messrs. De la Rue and Company the proved extra cost of paper and packing cases from the beginning of the war (less £1,000 a year) and to make an allowance in respect of the extra cost of labour and materials (other than paper) in respect of all articles supplied subsequent to the 1st January 1919. These extra payments amount to an increase of 57 per cent. over the original rates.

(iv) The annual value of the contract for the last three years is as follows:

	£
1920-21	369,346
1921-22	338,805
1922-23 (Budget)	285,500

The HONOURABLE LALA SUKHBIR SINHA: Is it not possible to have these postage stamps printed in India?

The HONOURABLE MR. D. T. CHADWICK: There is an officer at present inquiring into this matter and the cost thereof.

SANDHURST AND DEHRA DUN MILITARY COLLEGES.

2. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will Government kindly lay on the table of the Council the present rules for the selection of candidates for admission to the Royal Military College, Sandhurst, and the new Military College opened in Dehra Dun?

(b) Will they also kindly lay on the table such rules for the selection of candidates for admission to different military schools newly opened in India?

(c) Will they state what is the present number of students in the Dehra Dun Military College and in the different military schools?

(d) For what offices are students passing out of Dehra Dun Military College and military schools likely to qualify?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The Honourable Member will be furnished separately with a copy of the "Provisional regulations for the admission of Indian gentlemen to the Royal Military College, Sandhurst". The conditions for the admission to the Prince of Wales' Royal Indian Military College, Dehra Dun, have been published in a memorandum, a copy of which I place on the table of the House.

(b) No new military school, other than the one at Dehra Dun, has recently been opened in India. As my Honourable friend must be aware, however, His Royal Highness the Prince of Wales laid the foundation stones last year of certain schools which are intended to provide special educational facilities for the sons of Indian officers and soldiers. The construction of these schools is for the time being delayed by financial difficulties.

(c) The number of students at present in the Dehra Dun College is 87. It is hoped that this number will shortly be increased to 52.

(d) Cadets passing satisfactorily out of Dehra Dun will proceed to Sandhurst in order to qualify for King's Commissions in the Indian Army.

In the interests of candidates who may fail to secure entrance to Sandhurst, it is under consideration to negotiate with Indian universities for the recognition of the Dehra Dun college leaving certificate as the equivalent of the Matriculation Examination but the education at Dehra Dun is not intended to qualify students for any special employment other than an army career.

Information respecting conditions of admission to the Prince of Wales's Royal Military College, Dehra Dun.

I.—METHOD OF OBTAINING COMMISSIONS IN THE INDIAN ARMY.

1. Indian candidates for King's Commissions in the Indian Army are at present required to pass through the Royal Military College, Sandhurst, England.

2. To enable them to profit fully from a course of study at the Royal Military College and so to qualify for commissions, it is necessary that their preparation for entry to the College should be of a kind that it is difficult at present to obtain in India.

3. During the Delhi session, 1921, of the Legislative Assembly, His Excellency the Commander-in-Chief accepted, on behalf of the Government of India, a resolution proposing "that adequate facilities should be provided in India for the preliminary training of Indians to fit them to enter the Royal Military College, Sandhurst."

4. The Government of India accordingly, with the sanction of the Secretary of State for India, have established at Dehra Dun a college designed to provide the necessary preliminary training for entry to the Royal Military College, Sandhurst.

II.—PRINCE OF WALES'S ROYAL INDIAN MILITARY COLLEGE.

5. His Majesty the King-Emperor has been graciously pleased to approve the proposal that the institution shall be known as the Prince of Wales's Royal Indian Military College.

6. The College will be under the direct control of His Excellency the Commander-in-Chief in India.

7. The College will provide a public school education on English lines for Indian youths who desire subsequently to enter the Royal Military College, Sandhurst, with a view to obtaining commissions in the Indian Army. It is intended for those who wish to make the Army their profession in life, and parents or guardians of candidates will be required to furnish a declaration to this effect. The course of study at the College will, however, be such that, should a boy fail in the examination for entrance to the Royal Military College, Sandhurst, he will be in as good a position to pass the university entrance examination as if he had been educated at an ordinary school.

III.—REGULATIONS FOR ADMISSION.

8. The College was formally opened by His Royal Highness the Prince of Wales on March 13th, 1922. The total number of students who can be in residence the first year is 40, thereafter more will be admitted as accommodation becomes available.

The number of students who will be admitted to the College each term will be notified to Local Governments and Administrations.

The limits of age for admission to the College will be from 12 to 13 years.

No candidate over 13 years of age will be admitted, and preference will be given to those candidates who are not over 12½ years of age.

Candidates will be accepted from:—

(a) Provinces of British India.

(b) Indian States (nominated by His Excellency the Commander-in-Chief).

(c) Sons of Indian Officers of good service specially nominated by His Excellency the Commander-in-Chief.

9. The allotment of vacancies will be determined mainly in consideration of the numbers of the male population of each province and of its contribution in man power to the Army from the outbreak of the Great War to the present time.

10. No students from the College will be sent up for the Sandhurst Entrance Examination until April 1923, when the senior candidates will appear for examination.

11. Applicants for vacancies under 8 (a) and 8 (c) must submit their applications to the Local Government or Administration within whose jurisdiction they ordinarily reside. Applications for the vacancies under 8 (b) must be submitted to the Local Political Officer.

12. For vacancies under 8 (a) the nominations will rest with the Local Government or Administration concerned; for vacancies under 8 (b) and 8 (c) the nominations will be made by His Excellency the Commander-in-Chief on the recommendation of the Local Government or Administration or the Political Officer, as the case may be.

13. The local authorities referred to in rule 11 should forward all applications received by them, together with their nominations or recommendations, as the case may be, to the Secretary to the Government of India, Army Department, so as to reach him not later than 1st July and 1st December annually. It will be necessary for the local authorities to fix a date by which all applications should reach them.

14. The nominating or recommending authority should satisfy itself that the scholastic attainments of those applicants whom it nominates or recommends are such as to justify an expectation that, if they were to continue their present course of studies, they would pass the University Matriculation, High School Leaving Certificate Examination, Chiefs' College Diploma Examination, or any examination that is officially recognised as the equivalent of the above, by the time they attain the age of 17 years. Special attention should be paid to the attainments of candidates in English and Mathematics. Their general intelligence should, if possible, be tested by a few questions in their mother tongue. For the purpose of these tests, it would be desirable to take into consultation an officer of the Indian Education Service or of the Staff of a Chiefs' College. No written entrance examination will be held.

15. The nominating authorities, before making their final nominations, should consult one or more responsible unofficial Indians who may be in a position to give useful advice, and also an officer of the Indian Army, preferably the General Officer Commanding a District, and in any case an officer not below the rank of Lieutenant-Colonel.

16. A Political Officer, when forwarding applications received by him for vacancies under paragraph 8 (b), should make his own recommendations and, in case he is able to recommend more than one applicant, should state the order of preference in which he recommends them.

17. Local Governments and Administrations should, before submitting their recommendations for vacancies, under paragraph 8 (c), obtain the opinion of the General Officer Commanding the Military District in which the applicant ordinarily resides as to the applicant's merits and suitability, and should forward this opinion with their recommendations.

18. No candidate should be nominated or recommended unless he is certified by a fully qualified medical practitioner to be physically fit in all respects.

19. A student may at any time be removed from the College by order of His Excellency the Commander-in-Chief if it is considered that he is not making satisfactory progress in his studies.

20. The fees for students admitted under rule 8 (a) and 8 (b) will be Rs. 1,500 for each school year. This is a privileged rate and is liable to enhancement hereafter, if circumstances require. No enhancement, however, will be made in the fees payable by the first batch of candidates. These fees will include tuition, mess, school servants, washing and mending, and medical attendance of the ordinary kind, and, as initial provision, one suit of the uniform to be worn by students when at the College.

21. The fees to be paid by students admitted under rule 8 (c) will be determined by His Excellency the Commander-in-Chief in each particular case.

IV.—MISCELLANEOUS.

22. *Messing*.—One general mess will be maintained. All students will be required to mess together. Special care will be taken that no food is served in the mess which could, in any way, offend the religious susceptibilities of any student.

HIGH COMMISSIONER FOR INDIA.

3. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will the Government kindly state whether or not they have filled up the vacancy in the post of High Commissioner for India in England caused by the death of Sir William Meyer?

(b) If not, will they kindly state whether they contemplate the filling of the post by an Indian?

The HONOURABLE MR. D. T. CHADWICK: The Government of India are not yet in a position to make an announcement.

The HONOURABLE SAIYID RAZA ALI: Are the Government aware that Mr. Montagu contemplated that the successor of Sir William Meyer should be an Indian?

The HONOURABLE MR. D. T. CHADWICK: I am not aware of the exact portion of the Right Honourable Mr. Montagu's speech to which the Honourable Member refers, but the Government of India are well aware of the feeling in this country that an Indian should be appointed to the post.

INDIAN COMMERCIAL SERVICE.

4. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) With reference to question No. 78, asked by me on 18th February, 1922, will Government kindly state whether the formation of the proposed Indian Commercial Service has been decided upon?

(b) Will they kindly state what are to be the functions of this service and how is it to be recruited?

The HONOURABLE MR. D. T. CHADWICK: (a) and (b). The formation of an Imperial Commercial Service has been deferred owing to the present financial stringency.

PUBLIC SERVICE COMMISSION.

5. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether it is under contemplation to appoint a new Public Service Commission?

The HONOURABLE MR. J. CRERAR: Government hope to be in a position to make a statement on the matter in connection with the Resolutions which are in the List of Business for to-morrow.

HOME DEPARTMENT CIRCULAR *re* IMPERIAL SERVICES.

6. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether replies of Local Governments to the circular letter of the Home Secretary to Government of India, regarding the eventual stoppage of recruitment to Imperial Services in Great Britain, have been received? If so, will they kindly lay them on the table of the Council?

The HONOURABLE MR. J. CRERAR: The replies of all the Local Governments have not yet been received. Government cannot at present give any undertaking to lay the correspondence on the table of the Council.

PETROL TAX.

7. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether no tax is levied on petrol exported from ports in the Indian Empire? If the answer be in the affirmative, will the Government kindly state why export duties have not been levied on the export of petrol?

The HONOURABLE MR. D. T. CHADWICK: I would refer the Honourable Member to the reply given to the Honourable Mr. Sethna's question, No. 9, dated the 6th September 1922.

WORKMEN'S COMPENSATION BILL.

8. The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government be pleased to state if the Insurance expert, who helped at the deliberations of the Committee in connection with the Workmen's Compensation Bill, was sent out by any Insurance Association or he came on the invitation of the Government of India? If the latter, will Government please state the amount paid in connection with his visit?

The HONOURABLE MR. D. T. CHADWICK: The expert was sent out by the Accident Offices Association. He received no payment from Government for the assistance which he rendered.

RAILWAY CONCESSION TICKETS.

9. The HONOURABLE LALA SUKHBIR SINHA: In view of the fact that railway fares have recently been increased by 25 per cent., will Government be pleased to state whether it is under their contemplation to introduce the system of return tickets of six-monthly and other return and concession tickets on reduced rates that was stopped during the war?

The HONOURABLE MR. D. T. CHADWICK: The introduction of concessions of this kind is within the competence of Railway Administrations and the Government have no doubt that these Administrations are fully alive to the desirability of restoring them as soon as circumstances permit. They will bring the matter to the notice of Agents of Railway Companies.

CENTRAL COTTON COMMITTEE.

10. The HONOURABLE LALA SUKHBIR SINHA: Will the Government be pleased to state whether it is a fact that there is a permanent Central Cotton Committee and, if so, to mention the names of members and their duties which they have to perform?

The HONOURABLE MR. B. N. SARMA: Yes. The attention of the Honourable Member is invited to the Government of India, Department of Revenue and Agriculture Resolution No. 404-22, dated the 31st March 1921, announcing the formation of a Central Cotton Committee with headquarters at Bombay. The Resolution is reproduced in Appendix I to the first annual report of the Secretary to the Committee, copies of which have been supplied to all Members of the Council of State and the Legislative Assembly. Four representatives of the cotton growers in Madras, the Central Provinces, United Provinces and the Punjab have recently been added to the Committee. The Committee is intended to be a permanent institution and its functions are indicated in paragraph 3 of the Resolution mentioned above and on page 6 of the Secretary's Annual Report. A list of the names of the members of the Committee is laid on the table.

List of Members of the Indian Central Cotton Committee.

1. S. Milligan, Esq., M.A., B.Sc., Agricultural Adviser to the Government of India, Pusa, *President*.
2. C. G. Freke, Esq., Director General of Commercial Intelligence, Calcutta.
3. The Honourable Mr. Lalubhai Samaldas, C.I.E., Co-operative Representative.
4. C. A. H. Townsend, Esq., I.C.S., Director of Agriculture, Punjab.
5. Dr. D. Clouston, C.I.E., Director of Agriculture, Central Provinces.
6. Dr. H. H. Mann, Director of Agriculture, Bombay, Poona.
7. T. F. Main, Esq., Deputy Director of Agriculture, Sind.
8. A. McKerral, Esq., Deputy Director of Agriculture, Burma.
9. Dr. H. M. Leake, M.L.C., Director of Agriculture, United Provinces.
10. G. R. Hilson, Esq., Cotton Specialist, Madras, Coimbatore.
11. V. A. Grantham, Esq., Deputy Chairman, Bombay Chamber of Commerce.
12. J. A. Kay, Esq., Chairman, Bombay Millowners' Association.
13. The Honourable Mr. Purshottamdas Thakurdas, C.I.E., M.B.E., Indian Merchants' Chamber, Bombay.
14. W. Ellis Jones, Esq., East India Cotton Association, Limited, Bombay.
15. Seth Mangaldas Girdhardas, M.L.C., President, Ahmedabad Millowners' Association.
16. F. G. Travers, Esq., Karachi Chamber of Commerce.
17. S. B. Mehta, Esq., C.I.E., Central Provinces Commercial Representative.
18. N. A. Dravid, Esq., M.L.C., Central Provinces Commercial Representative.
19. H. P. M. Rae, Esq., Madras Commercial Representative.
20. G. Z. Meli, Esq., Tuticorin Chamber of Commerce.
21. H. Horsman, Esq., Upper India Chamber of Commerce.
22. Rai Bahadur Seth Prabhu Dayal, M.B.E., Punjab Commercial Representative.
23. B. K. Lahiri, Esq., Bengal Representative.
24. Mazhar Husain, Esq., Director of Agriculture, Hyderabad.
25. Shankarrao Madhavrao Pagar, Esq., M.A., Ph.D., Director of Commerce and Industries, Baroda.
26. A. Howard, Esq., C.I.E., Imperial Economic Botanist, nominated by the Rajputana and Central Indian States.
27. Dr. R. L. Pendleton, B.Sc., Ph.D., Representative, Gwalior State.
28. W. Roberts, Esq., Representative of the Empire Cotton Growing Corporation.
29. Rao Sahib V. G. Kulkarni, M.L.C., Representative of Cotton Growers, Central Provinces.
30. The Honourable Sardar Jogendra Singh, Representative of Cotton Growers, Punjab.
31. M. R. Ry. R. Appasami Nayudu Garu, M.L.C., Representative of Cotton Growers, Madras.
32. The Honourable Khan Bahadur Nawab Muhammad Muzammil' Ullah Khan, O.B.E., Representative of Cotton Growers, United Provinces.
33. B. C. Hart, Esq., B.Sc., M.B.E., F.C.S., *Secretary*.

SACRED OXEN.

11. The HONOURABLE LALA SUKHBIR SINHA: (a) Will Government be pleased to state whether there are any rules for the prohibition of

slaughter of sacred bulls and buffaloes dedicated by the Hindus and for not using them in carts or ploughs by any body or individual?

(b) If so, will Government be pleased to lay them on the table?

The HONOURABLE MR. B. N. SARMA: The answer to both parts of the question is in the negative. So far as the Government of India are aware, the sacred animals referred to are never slaughtered or used in the manner indicated.

INCOME TAX PAYMENTS.

12. The HONOURABLE LALA SUKHBIR SINHA: (a) In connection with my question asked in the meeting of the 6th September 1922, will Government be pleased to state the total number of returns Nos. 7 and 6 filed by the assesses, and how many out of them were accepted by the Income-tax Officers as correct for assessment in each province?

(b) Is any importance attached to these returns in making assessments even after declaration of the assessee on oath that it contains the correct information to the best of his knowledge?

(c) Is it a fact that when an assessee fails to make a return or produce account he is assessed arbitrarily at double or three times the original amount on which the assessment stood in the previous year, and, if so, in how many cases in each province this procedure has been followed?

The HONOURABLE MR. E. M. COOK: (a) The total number of returns of income in each province is not known. Inquiries are, however, being made and information will be duly communicated to the Honourable Member. It is not proposed to call for any information regarding the number of such returns that were found to be correct, as this would involve an examination of every income-tax file in India.

(b) Yes.

(c) There is no such general practice as the question implies.

PAY AND ALLOWANCES ON O. AND R. RAILWAY.

13. The HONOURABLE LALA SUKHBIR SINHA: (a) Will the Government be pleased to state if it is a fact that in the Oudh and Rohilkhand Railway the permanent running staff gets double pay and double allowance for gazetted holidays, casual as well as privilege leave, while the permanent station staff gets none even when it has to go about on duty?

(b) Whether it is a fact that the running staff is allowed rest rooms in place of quarters allowed to the permanent station staff?

(c) Do Government propose to remove these inequalities?

The HONOURABLE MR. D. T. CHADWICK: (a) The Traffic Running Staff on the Oudh and Rohilkhand Railway do not get double pay and double allowances while on duty on gazetted holidays and on casual as well as on privilege leave. They get the same leave privileges as the station staff. But they are allowed an extra day's pay for working on Sundays and on certain specified holidays, viz., Christmas Day, New Year's Day, the King-Emperor's Birthday and Good Friday, in consideration of the fact that they have to be away from their homes on these special occasions while the station staff are always at their own headquarters.

(b) The Running Staff are not allowed rest rooms in place of quarters. At stations forming the end of a run certain rooms known as "Running Rooms" are provided where Running Staff stop for the time they have to wait to work back trains to their headquarters. On the other hand the Running Staff have to pay rent for residential quarters if provided with residential quarters while such of the station staff as are liable to be called to duty at any hour are provided with rent-free quarters.

(c) From the facts which have just been mentioned it will be seen that there is no inequality or unfair treatment accorded to the station staff.

The HONOURABLE SAIYID RAZA ALI: With reference to the reply given to part (a) of the question, are Indian members of the Running Staff allowed any allowances for working on Hindu and Mussulman Holidays?

The HONOURABLE MR. D. T. CHADWICK: I believe that the extra day's pay is restricted to the days which I have mentioned in order that those who perform those duties should be treated in the same manner.

MILITARY DAIRIES.

14. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to state—

- (a) How many dairies are there under the control of the Quarter Master General?
- (b) The income and expenditure per year of all these dairies from establishment till 1921?
- (c) Whether this expenditure includes interest on capital expended and depreciation and sinking funds on buildings and plants?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The number of dairies is as follows:

Permanent dairies	25
Temporary dairies	3
Young stock farms	3
Creamery	1

(b) Previous to the year 1912-13, Grass and Dairy Farms were run as combined institutions and departmental accounts for the period prior to that year are not now in existence. With effect from the year 1912 the present system of accounts was started, all stocks, buildings, etc., were re-valued, and the value brought on to the books. The income and expenditure of the dairies from 1912-13 are given in the statement which I hereby lay on the table of the House.

(c) The expenditure does not include interest on capital, but does include the capital value of all sums written off, i.e., the cost of all articles of capital value expended, the value of casualties in the stock, etc. It also includes the depreciation on all live stock, buildings, plant, as well as the rent for lands occupied, all administrative charges, together with a proportion of the cost of the staff employed at Army Headquarters.

Statement showing income and expenditure on military dairies since 1912-15.

Year.	Income.	Expenditure.
	Rs.	Rs.
1912-13	26,68,585	31,77,486
1913-14	28,45,361	32,21,908
1914-15	29,87,085	33,98,216
1915-16	32,74,780	36,65,033
1916-17	72,89,202	72,25,600
1917-18	82,22,068	86,68,422
1918-19	97,04,572	1,07,70,938
1919-20	89,64,714	1,05,49,045
1920-21	95,40,271	90,74,678
1921-22	76,64,217	83,39,020

DAIRY PRODUCE.

15. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to say if the price of milk and milk products was raised by about 50 per cent. in the year 1919-20, that is, the only year the military dairies have showed a profit?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No increase was made in the price of products in 1919-20. In 1920-21, the prices were raised by approximately 43 per cent. In that year the profit amounted to over Rs. 4,70,000.

COST OF MILITARY DAIRIES.

16. The HONOURABLE MR. LALUBHAI SAMALDAS: Will the Government be pleased to say by what per cent. does the cost now incurred on military dairies exceed the pre-war cost, i.e., 1913-14?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The cost of the dairies in 1913-14 and now will be apparent from the figures given in the statement which has been laid on the table in response to a previous question by the Honourable Member.

MILITARY DAIRY FARMS—DUTIES ON.

17. The HONOURABLE MR. LALUBHAI SAMALDAS: Will the Government be pleased to say whether they have received any representation recommending that Imperial Agricultural Department should take over Military Dairy Farms and use them as educational centres and bull-breeding farms and, if so, what action they propose taking in the matter?

The HONOURABLE MR. B. N. SARMA: A suggestion to this effect has been made and is under consideration.

ROYAL AIR FORCE.

18. The HONOURABLE MR. LALUBHAI SAMALDAS: Will Government be pleased to say if they have noticed a special cable—Times (London) Service published in the 'Times of India' of the 31st August 1922 under the heading of 'Bitter Times' Attack' regarding the administration and equipment of the Royal Air Force in India, and will they be pleased to say how much truth is there in the statement?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Government of India have seen the newspaper article in question, and the allegations contained therein have been carefully investigated, with the following results:

(1) During the year 1921-22, there was a very considerable shortage in the spare parts and equipment required for maintenance by the Royal Air Force in India. For a time the deficiencies were met by the consumption of reserves but in the course of the year certain categories of the reserves were themselves exhausted. The effect was to diminish the number of machines serviceable for flying. On the other hand, no machine which was known to be in an unserviceable condition was permitted to be flown. When the facts regarding the internal condition of the Royal Air Force came fully to the knowledge of the Government of India, steps were immediately taken to set matters right, and the restoration of efficiency to the Royal Air Force in India has been in progress for some time and will shortly, I hope, be completed. This result has been achieved mainly by the allotment of additional funds for the purchase of equipment and spare parts, and to some extent also by the introduction of improvements in the internal administration of the Stores Branch of the Royal Air Force.

(2) The criticisms which appeared in the same newspaper article in regard to the tactical disposition of the Royal Air Force formations employed in connection with the occupation of Waziristan are not well founded, and the Government of India are satisfied, with my concurrence, that the arrangements adopted in regard to this matter were necessary.

(3) The failure of bombs to explode—another matter dealt with in the newspaper article—cannot be entirely prevented; but the officers who from time to time have commanded the forces employed in Waziristan have never reported the bombs used as being inefficient to the extent which might be inferred from the statement communicated to the "Times".

ZOOLOGICAL SURVEY OF INDIA.

19. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state if there has been any recent increment in the salaries of the officers of the Zoological Survey of India, and also—

- (a) the increment sanctioned to each officer; and
- (b) the reasons of the increment?
- (c) Do the European officers of the Survey get any additional overseas allowance, besides the recent increment of the salary?
- (d) Is it a fact that, while increments have been granted to the Director and the Superintendent of the Survey, the initial pay of the Indian Assistant Superintendents has been reduced, and that of the European Assistant Superintendents kept practically the same?

The HONOURABLE MR. M. S. D. BUTLER: (a) (b) (c) and (d). With a view to attract and retain the services of officers possessing the requisite scientific knowledge and ability the pay of officers of the Zoological Survey

of India has been revised recently as shown below :

	OLD SCALE.	NEW SCALE.	
		Pay.	Overseas allowance.
	Rs.	Rs.	Rs.
1. Director	1,000—80—1,400	1,750—50—2,000	N/A
2. Superintendent	700— $\frac{4}{2}$ —900	1,000—50—1,500	250
3. Assistant Superintendent	500— $\frac{4}{2}$ —700	850—50—950	150—250

Overseas pay is granted to officers of non-Indian domicile holding the post of Superintendent or Assistant Superintendent. The pay has been revised of the service as a whole and not of any particular post or individual. Existing officers will not draw less in the new scale than what they drew under the old scale.

EMPLOYMENT OF ANGLO-INDIANS AND DOMICILED EUROPEANS.

20. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: (a) Has the attention of the Government been drawn to a statement made in a letter of the President of the Anglo-Indian and Domiciled European Association asking the Government "for a pledge, in plain and unequivocal terms, to the effect that there is not only no intention on the part of the Government to exclude the members of (his) community from a fair share of appointments in the public services to which by reason of birth, tradition and loyalty to the State, they are justly entitled, but that Anglo-Indians and Domiciled Europeans may, with confidence, look to the Government stoutly to resist the attempts which are being made in certain quarters to discourage their increased employment in departments of the State"?

(b) Will the Government be pleased to lay on the table the reply sent to the above points of the letter of the President of the Anglo-Indian and Domiciled European Association?

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

(b) I place a copy of the reply on the table of the House.

Letter No. F. 420/I. Ests., dated the 19th January 1923.

From—The Deputy Secretary to the Government of India, Home Department, Delhi,

To—The President in Chief, Anglo-Indian and Domiciled European Association, India.

I am directed to invite a reference to your letter dated the 1st September 1922 in which you refer to the question of Indianisation, and its possible bearings on the employment of Anglo-Indians and domiciled Europeans.

2. In reply I am to invite attention to section 99 of the Government of India Act, to article 37 of the Civil Service Regulations and to the answer given to the question put by Mr. K. Ahmed in the Legislative Assembly on the 6th September 1922 in regard to the employment of domiciled Europeans in the Railway Services. Domiciled Europeans of Anglo-Indians who come within the definition of Native of India in article 37, Civil Service Regulations, are and have been at least since the passing of the Government of India Act, 1870, eligible for practically all appointments for

which Indians are eligible, and no change in this respect is contemplated by the Government.

3. I am to inquire whether you have any objection to a copy of your letter of the 1st September 1922 and of this reply being laid on the table of the Council of State in reply to a question in that Chamber. As the question is to be asked on 24th January a very early reply is requested.

ANGLO-INDIANS AS STATUTORY INDIANS.

21. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state whether they recognise Anglo-Indians as statutory Indians for the purpose of appointments in the public services in this country?

The HONOURABLE MR. J. CRERAR: Yes.

CONTRIBUTIONS TO LEAGUE OF NATIONS.

22. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to lay on the table a statement of the contributions made by the different European and Asiatic Members of the League of Nations in 1921 and 1922, respectively?

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: A statement giving the information asked for is placed on the table.

Statement showing the contributions made by the different European and Asiatic Members of the League of Nations in 1921 and 1922, respectively.

States.	1921. Gold Francs.	1922. Gold Francs.
Albania	41,666	47,453
Austria	208,333	202,267
Belgium	625,000	606,801
British Empire	1,041,666	1,011,335
Bulgaria	28,333	22,267
China	1,041,666	1,011,335
Czechoslovakia	625,000	606,801
Denmark	410,666	404,533
Estonia		121,360
Finland	416,666	404,533
France	1,041,666	1,011,335
Greece	208,333	202,267
India	1,041,666	1,011,335
Italy	1,041,666	1,011,335
Japan	1,041,666	1,011,335
Latvia		202,267
Lithuania		121,360
Luxemburg	25,000	12,360
Netherlands	625,000	606,801
Norway	410,666	404,533
Persia	125,000	121,360
Poland	1,041,666	1,011,335
Portugal	416,666	404,533
Roumania	625,000	606,801
Serb-Croat-Slovene State	410,666	404,533
Siam	125,000	121,360
Spain	625,000	606,801
Sweden	625,000	606,801
Switzerland	625,000	606,801

RETIRED SURPLUS OFFICERS.

23. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state the total amount so far paid to the various surplus officers whose retirement has been approved under Royal Warrant, dated April 25, 1922:

- (a) in the shape of allowances, bonuses, gratuities, etc., and
- (b) the total average amount *per capita*?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The total amount paid up to the end of October in India to surplus officers was Rs. 48,00,000 approximately. In addition, a sum of £198,651 had been paid in England by the Secretary of State up to the same date.

(b) The average amount of gratuity paid, as calculated from a number of actual payments, is—

	£
Captains 	1,585
Lieutenants 	1,188

To calculate the average total amount paid, including miscellaneous expenses, would involve a special compilation of figures being made and this could not be justified.

ARMY OFFICERS IN I. C. S.

24. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state the reasons for confining sixteen appointments in the Indian Civil Service exclusively to Army Officers—both surplus and permanent?

The HONOURABLE MR. J. CRERAR: The Honourable Member's attention is invited to the Press Communiqué of the 12th October, 1922. There is still a shortage of European recruitment to be made good for the years 1915 to 1921. As service candidates were no longer available it was decided that appointments might suitably be offered to officers of the Indian Army whose date of Commission for promotion to the Indian Army fell between the 1st January, 1915 and 31st December, 1918. The Government of India in consultation with the Secretary of State were of the opinion that some of them who possessed the requisite educational qualifications which will of course be tested could be selected for appointment to the Indian Civil Service.

RAILWAY FREIGHTS.

25. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state if they contemplate taking any measure for reducing the Railway freights in India in keeping with the considerable reduction of shipping freights recently effected between England and India?

The HONOURABLE MR. D. T. CHADWICK: Government see no reason at present to make any change in the schedules of maxima rates laid down for railways in India.

The HONOURABLE SAYID RAZA ALI: Is it true that similar rates have been introduced in England?

The HONOURABLE MR. D. T. CHADWICK: That may be, Sir; but I am not aware that the conditions in India and England are similar in this matter.

PROTECTION OF INDIAN INDUSTRIES.

26. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state if they have in view any anti-dumping legislation to protect Indian industries, especially the steel industry?

The HONOURABLE MR. D. T. CHADWICK: Not at present. Obviously a decision must first be taken on the main question of policy raised by the Fiscal Commission's report.

The HONOURABLE MR. PURSHOTAMDAS THAKURDAS: When do Government expect to bring this up before this House?

The HONOURABLE MR. D. T. CHADWICK: The matter is under the very urgent consideration of Government, but I am not aware that they have any fixed dates at present.

The HONOURABLE MR. PURSHOTAMDAS THAKURDAS: Is it likely to come up in the course of this Session, Sir?

The HONOURABLE MR. D. T. CHADWICK: That I am not in a position to say.

The HONOURABLE MR. PURSHOTAMDAS THAKURDAS: May I ask one more question, Sir? In view of the great importance of the final consideration of this, would Government be pleased to make a pronouncement on this subject in the course of this Session?

The HONOURABLE MR. D. T. CHADWICK: I am perfectly certain that in a matter of such great importance as this the Government will give it their most urgent and rapid attention that it is possible for them to do.

The HONOURABLE MR. PURSHOTAMDAS THAKURDAS: My question, if I may be permitted to point out, was, would they be pleased to do so in the course of this Session?

The HONOURABLE THE PRESIDENT: The Honourable Member has already answered.

MARKING OF FOREIGN GOODS.

27. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state if they have in view any legislation to enforce the marking of all foreign goods with the name of the country of their origin?

The HONOURABLE MR. D. T. CHADWICK: The question of undertaking legislation with a view to securing compulsory marking of the country of origin on all foreign goods imported into India has for some time past been receiving the consideration of Government, and commercial opinion has been consulted in the matter. No final decision has, however, yet been reached as to the desirability or otherwise of taking such a step, and it is not possible at present to say what action, if any, will be taken in the matter.

WAZIRISTAN OPERATIONS.

28. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state how much the

Waziristan operations have cost the Indian Government during the past three years?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Prior to the year 1920-21, expenditure on the military occupation of Waziristan was not distinguished in the accounts from the expenditure on North-West Frontier operations generally. In 1920-21, Waziristan expenditure amounted to approximately Rs. 14,40,00,000 and in 1921-22 to approximately Rs. 6,98,00,000.

The HONOURABLE SAIYID RAZA ALI: Is it true that the question of the permanent occupation of the whole or any part of Waziristan is under consideration of the Government of India?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The whole question is under the consideration of the Government of India and I think the whole question includes what the Honourable Member has referred to.

SPECIAL APPOINTMENTS IN I. M. S.

29. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state the reasons for the appointment of thirty Indian Medical Service Officers by special notification on special terms?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The measure is designed purely and simply to remedy the very serious, but it is hoped temporary, deficiency in the current recruitment of European officers for the Indian Medical Service.

LLEWELYN SMITH COMMITTEE'S REPORT.

30. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state the date when the Llewelyn Committee's Report was submitted and why it has not yet been published?

The HONOURABLE MR. J. CRERAR: The Llewelyn Smith Committee's Report was submitted to the Government of India on the 20th December, 1919. As parts of it deal with matters of a confidential nature the whole report has not been published. The decisions of the Government of India on the various recommendations made were announced in a Resolution of the 15th September, 1920, and a copy of the report omitting the confidential portions has been placed in the library of the Indian Legislature.

INCHCAPE COMMITTEE' REPORT.

31. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state the probable time when the report of the Inchcape Committee is likely to be submitted, and if it is the intention of the Government to place their recommendations before the Indian Legislature before any action is taken on them?

The HONOURABLE MR. E. M. COOK: The exact date cannot at present be stated but Government hope to receive the report in the course of next month. They regret that the course suggested in the latter part of the Honourable Member's question is not practicable.

CHIN HILLS AND PAKOKKU HILLS TRACTS.

32. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state if the cost of the annexation of the Chin Hills and the Pakokku Hills Tracts has been charged against Indian Révenue and, if so, what is the exact amount of their cost respectively?

The HONOURABLE MR. J. P. THOMPSON: Yes. Inquiry has been made from the Local Government as to the exact amount and a reply will be furnished to the Honourable Member in due course.

FISCAL AND INCHEAPE COMMITTEES—COST OF.

33. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY: Will the Government be pleased to state the total cost of the Fiscal Commission and the estimated cost of the Incheape Committee?

The HONOURABLE MR. D. T. CHADWICK: The total cost of the Indian Fiscal Commission was Rs. 3,26,500. The Incheape Committee is estimated to cost about Rs. 80,000.

INDIANS IN IMPERIAL SERVICES.

34. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will Government be pleased to state how many Indians have been recruited for Imperial Services ever since January 1st, 1921, and how many of them belong to the rural and urban classes, respectively?

The HONOURABLE MR. J. CRERAR: Information as to the number of Indians recruited to the Imperial Services since January, 1921, is being collected and will be supplied to the Honourable Member as soon as available. The Government of India doubt whether it will be practicable to state how many belong to the rural and urban classes respectively.

RURAL CLASSES IN IMPERIAL SERVICES.

35. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will Government be pleased to state its policy in filling up vacancies in Imperial Services with regard to safeguarding the interests of the rural classes in general and backward communities in particular?

The HONOURABLE MR. J. CRERAR: The Government of India do not consider that it would be practicable to frame special provisions for recruitment to the Imperial Services on the basis of a distinction between rural and urban classes. Endeavours are, however, made, where this is feasible, to secure some equilibrium in the matter of Provincial and Communal representation. Thus, in the case of the Indian Civil Service the rules provide that nomination shall be resorted to in certain circumstances to correct possible inequalities in communal and provincial representation which may be brought about by the system of Competitive Examination.

CANDIDATES FROM RURAL AND URBAN AREAS.

36. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will Government be pleased to state:

- (a) How many vacancies have been filled up by the Staff Selection Board up to now and how many of them have gone to men drawn from rural areas and how many to urban candidates?

- (b) Is there some one on the said Board to represent the interests of the rural classes and has he raised any protest against the majority of these posts going to urban classes?

The HONOURABLE MR. J. CRERAR: The Board in nominating passed candidates to vacancies keep in view the desirability of securing adequate representation of the leading communities but it is not practicable to discriminate between candidates on the ground of their coming from rural or urban areas.

RETIREMENTS AND MILITARY PENSIONS.

37. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will His Excellency the Commander-in-Chief be pleased to state for the information of this Council:

- (i) the number of persons that have retired from military service since the war was over; and
- (ii) the number of pension cases still remaining undisposed of by the Army Department?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Government regret that it is impracticable to furnish the Honourable Member with the figures for which he asks. In order to do so it would be necessary to undertake a special compilation, the labour and expense of which would not be justified by the result.

PENSION CASES UNDISPOSED OF.

38. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Are Government aware that very great discontent prevails among the military classes on account of a very large number of pension and gratuity cases remaining undisposed of?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Government are aware that there is unfortunately some ground for the complaint that delays occur in the disbursement of pensions and gratuities to the military classes. Amongst the special causes which have contributed to these delays may be mentioned:

- (1) The very great volume of the work involved.
- (2) The disbandment of regiments and the consequent difficulty experienced by the administrative authorities in keeping touch with pensioners.
- (3) Changes of residence on the part of pensioners.
- (4) Casualties amongst pensioners.
- (5) Ignorance on the part of pensioners as to the correct procedure in obtaining payment.

Government have devised and are devising all possible measures to reduce these delays to a minimum, and, as a special concession, orders have recently been issued for the grant to every pensioner of an advance of six months' pension before he leaves his regiment on retirement.

MILITARY COLLEGE, DEHRA DUN.

39. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: (a) How many boys have been admitted to the Military College at Dehra Dun and how many of them are sons of Indian soldiers?

(b) Are Government aware that there is a strong feeling among the retired Indian Officers against the said College, on account of the heavy expenses and the fact that boys of non-military classes are also being admitted to that College?

(c) If so, what steps do Government propose to take to ensure that it is made easy for an ordinary Indian Officer to send his son to the above College and that strict regard shall be had to the claims of military classes in the selection of candidates for this College?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The number of cadets so far admitted to Dehra Dun College is 38, of whom 17 are the sons of Indian officers, including two whose fathers are serving in the Indian State Forces.

(b) The answer is in the negative.

(c) On my nomination, the sons of Indian officers who have rendered distinguished service may be admitted to the college on the payment of reduced fees. I can assure the Honourable Member that, in selecting cadets, full regard is had to the claims of military classes.

STUDENTS IN DELHI COLLEGES.

40. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will the Honourable Member in charge of Education be pleased to state:

(a) If it is a fact that the majority of resident students in Delhi Colleges belong to Ambala Division of the Punjab?

(b) If so, what provision has the Delhi University made for keeping itself in touch with the High Schools of that Division?

The HONOURABLE MR. M. S. D. BUTLER: (a) The answer is in the affirmative.

(b) The Delhi University is precluded, under section 5 of the Act, from associating itself with any educational institution outside the ten mile radius within which its limits of jurisdiction are confined.

PUNJAB UNIVERSITY SCHOLARSHIPS.

41. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Has the Punjab University allowed students from Ambala Division to draw their Punjab University and Government scholarships in Delhi Colleges and, if not, in what way does Delhi University propose to compensate these boys for the loss of the above-mentioned stipends?

The HONOURABLE MR. M. S. D. BUTLER: The answer to the first part of the question is in the negative. The Delhi University pays for such scholarships out of its own funds.

DELHI UNIVERSITY BOARD.

42. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Is there a representative of the resident students on the Board of Delhi University?

The HONOURABLE MR. M. S. D. BUTLER: The question is not understood, but if the Honourable Member is referring to a Residence, Health and Discipline Board it may be mentioned that such a Board has not yet been constituted.

MILITARY TRAVELLING ALLOWANCES.

43. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will His Excellency the Commander-in-Chief be pleased to state:

- (a) whether an Indian Officer is entitled to anything over and above the Railway Warrant while travelling by rail;
- (b) what action, if any, has been taken by Government on the recommendations of the Army in India Committee, contained in paragraph 58 of Part V, regarding status and allowance of Indian Officers when travelling?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Nothing is admissible over and above the railway warrant which authorizes—

- (i) in the case of permanent duty moves, free 2nd class conveyance for the officer himself, his wife and his family and 3rd class conveyance for one servant. In addition, 3 maunds of baggage are allowed for the officer, 1½ maunds for his wife and ½ maund for each child;
- (ii) in the case of temporary duty moves, the warrant authorises free 2nd class conveyance for the officer and 3rd class accommodation for one servant; 2½ maunds of baggage are allowed.

Indian officers with honorary King's commissions, receive travelling and detention allowances on the same scale as British officers of corresponding rank, when travelling on duty at public expense. When accompanying troops, these officers receive 1st class accommodation, as in the case of British officers.

(b) The Esher Committee recommended that Indian officers travelling on duty should be permitted to travel 2nd class while Indian officers with honorary King's commission should receive 1st class accommodation, their families receiving corresponding concessions. This, it will be observed from the reply I have just given to part (a) of the question, has been sanctioned.

The Esher Committee also recommended that the rate of detention allowance at present admissible to Indian officers should be increased from Re. 1 to Rs. 2. This proposal is at present under consideration as a part of the general question of the revision of the existing travelling allowances.

EDUCATION OF SONS OF INDIAN SOLDIERS.

44. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will His Excellency the Commander-in-Chief be pleased to state:

- (a) What action has been taken on the recommendations of the Army in India Committee, contained in paragraph 59 of Part V, regarding the educational facilities for sons of Indian soldiers in order to qualify them for (i) Civil, and (ii) for Military services?
- (b) What action has been taken by Government in order to secure preferential treatment for the sons and relatives of Indian soldiers in the Civil Departments of the country as recommended in paragraph 59 mentioned above?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) As the Honourable Member is aware, the Government of India have established a college at Dehra Dun which is intended to provide a public school education on English lines for Indian youths who desire to enter the Royal Military College, Sandhurst. The sons of Indian officers who have rendered distinguished service may be admitted to the Dehra Dun College at reduced fees. In addition His Royal Highness the Prince of Wales, during his visit to India, laid the foundation-stones of two military boarding schools, each of which is intended to accommodate 200 pupils who are to be the sons of Indian soldiers. The education to be provided at these schools will be of an Anglo-Vernacular Middle type.

His Royal Highness also laid the foundation of the "Kitchener College," which it is contemplated will be a high school, conducted as a military institution, for the sons of Indian officers.

Further, officers and non-commissioned officers of the Indian Army Education Corps are being posted to Army units, and their duties will include the education of the children of Indian officers and men.

(b) The Esher Committee did not recommend that preferential treatment should be accorded to the sons and relatives of Indian soldiers in civil departments. They expressed the opinion that the sons of Indian soldiers should be given educational facilities which would enable them to compete on more or less equal terms with the sons of the wealthier classes and the reply which I have given to the first part of this question shows the steps which the Government are taking to this end.

" ORDER OF BRITISH INDIA. "

45. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will His Excellency the Commander-in-Chief be pleased to state what action has been taken by Government on the recommendations of the Army in India Committee, contained in paragraph 68 of Part V, regarding the increase in the number of Order of British India?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: A final decision has not yet been taken by the Government on the recommendation mentioned.

INDIAN OFFICERS OF THE " ORDER OF BRITISH INDIA. "

46. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: (a) Is the Government aware that there is some discontent in the junior ranks of Indian officers who do not generally get an Order of British India?

(b) If so, what steps does Government propose to take in order to remove this grievance?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). There is no cause for discontent among junior Indian officers of the Indian Army. In order that the claims of such officers may not be overlooked, commanding officers have been instructed to submit the names of three officers annually for admission to the Order of British India. Selections are made according to an authorised system of marks, and it is not possible, therefore, for the claims of a junior officer with services in no way inferior to those of senior officers to be overlooked.

ARRANGEMENT OF QUESTIONS.

The HONOURABLE THE PRESIDENT: Before we proceed, I should like the Honourable the Leader of the House to consider and let me know whether he thinks any improvement can be made in the system of arranging questions. The House will observe that His Excellency the Commander-in-Chief has had to reply to a long string of questions which happen by chance to follow one another in the list. If this could be avoided by arranging the order differently it might relieve Members of Government of an undue strain. Perhaps the Leader of the House will consider the matter and let me know what can be done.

QUESTIONS AND ANSWERS.

AGRICULTURAL SERVICE OFFICERS.

47. The HONOURABLE LIEUTENANT RAO BAHADUR CHAUDHRI LAL CHAND: Will Government be pleased to state:

- (a) the number of miles travelled by *pacca* roads by each of the Imperial Agricultural Service Officers during the year 1921-22;
- (b) the number of miles travelled by the above officers during the above period on *kacha* roads?

The HONOURABLE MR. B. N. SARMA: It is doubtful whether this information can be obtained, and any attempt to collect it would certainly involve an amount of labour wholly out of proportion to any usefulness which it would possess. I therefore regret that I cannot supply it.

STABILISATION OF EXCHANGE.

48. The HONOURABLE MR. V. G. KALE: Will Government be pleased to state if it is to be inferred from the policy apparently underlying the present resumption of the sale of Council drafts that Government intend to try to stabilize exchange at the rate of 16d. the rupee?

The HONOURABLE MR. E. M. COOK: The answer is in the negative. The Communiqué of the 4th January states the whole facts, namely, that the resumption of sale of Council drafts was necessitated by the need for strengthening the Secretary of State's sterling resources.

The HONOURABLE MR. V. G. KALE: By waiting to see the rate of Council drafts rise will Government be gaining on their remittances to the Secretary of State in the near future?

The HONOURABLE MR. E. M. COOK: I take it the Honourable Member implies that if we had waited a little longer, we might have got our money home cheaper?

The HONOURABLE MR. V. G. KALE: Yes.

The HONOURABLE MR. E. M. COOK: Yes, it is always possible to gamble in exchange.

PROFESSOR HORNE'S MISSION TO U. S. A.

49. The HONOURABLE MR. V. G. KALE: Will Government be pleased to state what has been the total cost of Professor Horne's mission to the United States of America to the Indian treasury?

The HONOURABLE MR. J. CRERAR: The information is being obtained and will be laid on the table in due course.

PROFESSOR HORNE'S REPORT.

50. The HONOURABLE MR. V. G. KALE: Will Government be pleased to state if Professor Horne has submitted to it a report of his work in America and if it will place a copy of that report on the table of the House?

The HONOURABLE MR. J. CRERAR: Professor Horne was not required to submit any formal report.

The HONOURABLE MR. V. G. KALE: Will not the public be given an opportunity of knowing exactly how the country's money has been spent in America and whether the country has obtained an adequate value for the money which has been spent?

The HONOURABLE MR. J. CRERAR: I shall be much obliged if the Honourable Member will give notice of that question and I shall consider it in connection with the preceding question which was before the House.

PUBLIC MONUMENTS AT HAMPI.

51. The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: (i) Are the Government of India aware of the public dissatisfaction that exists in connection with the conservation of public monuments at Hampi, (near Hospet, Bellary District, Madras Presidency), which mark the site of the ancient Empire Kingdom of Vijayanagar?

(ii) Has the attention of Government been drawn to the representations in the Press of the Kannada Academy, Bangalore, in this matter?

The HONOURABLE MR. M. S. D. BUTLER: The Government of India have no information regarding these complaints and are making inquiries.

COMMUNICATION BETWEEN INDIA AND CEYLON.

52. The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: Will the Government of India be pleased to state if they have under contemplation any scheme for opening direct channel communication between India and Ceylon? If so, will the Government be pleased to make a statement on the question?

The HONOURABLE MR. D. T. CHADWICK: The Government of India have been considering in consultation with the Government of Madras a scheme for the construction of a Ship Canal through the island of Pamban (Rameswarum). It is presumed that this is the scheme to which the Honourable Member refers. The project has recently been subjected to a detailed investigation by the Harbour Engineer of the Government of Madras. As a result of this investigation, it appears that the cost of constructing the proposed canal would be very much greater than was originally anticipated, and for the present it is understood that the scheme is in abeyance.

SEPARATION OF EXECUTIVE AND JUDICIAL FUNCTIONS.

53. The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: (i) Will the Government be pleased to state if it has laid down any settled

policy for Local Governments and Administrations to follow in the matter of the separation of executive from judicial functions? If so, will the Government be pleased to lay the papers on the table?

(ii) Will the Government be pleased to state whether it is part of its policy in this connection to appoint Honorary Magistrates vesting them with first class magistrate's powers and withdrawing the magisterial powers of even Divisional Officers in the districts?

(iii) Will the Government be pleased to state the Local Governments and Administrations which have adopted this policy in working out this scheme?

(iv) Will the Government be pleased to consider the desirability of laying down the general principles on which benches of Honorary Magistrates of the kind in question should be appointed, including the one of consultation of suitable local non-officials of position and standing?

The HONOURABLE MR. J. CRERAR: The subject is a provincial one. The Honourable Member is referred to Home Department Resolution No. F.-196-Judicial of the 7th December 1921.

TERRITORIAL FORCE.

54. The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: (a) Will the Government be pleased to state in how many districts in the Madras Presidency, Territorial Force is formed and is working?

(b) What are the reasons for not starting as yet the force in other districts of the Presidency?

(c) How many Zamindars or near relatives of Zamindars of the Presidency have enlisted themselves in the force till now?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b)—Under Section 4 of the Indian Territorial Force Act, 1920, units are constituted for Provinces. Four units, exclusive of the University Training Corps, have been constituted for the Madras Presidency. Those enrolled have been recruited from a number of districts, but details of the numbers obtained from each district are not available. Recruitment is not restricted to any particular areas.

(c) The information is not available.

TREE TAXATION.

55. The HONOURABLE DIWAN BAHADUR V. RAMABHADRA NAIDU: Will the Government be pleased to state whether they have directed Local Governments and Administrations to undertake a revision of their tree taxation principles with a view to augment their local revenues?

The HONOURABLE MR. D. T. CHADWICK: No. I may remind the Honourable Member that Excise is a provincial transferred subject in all provinces except in Assam where it is provincial reserved.

DUTY ON MOTOR SPIRIT.

56. The HONOURABLE MR. G. S. KHAPARDE: (a) Will the Government be pleased to state whether motor spirit produced in India and Burma and consumed in India and Burma has to pay a duty of six annas per gallon?

(b) Is it true that petrol exported to foreign countries from India and Burma has to pay no such duty?

(c) Is it true that Government has lost something like four crores and a half by not taxing the exports of petrol from India at six annas per gallon?

(d) If the answer to the above three questions be in the affirmative, will the Government be pleased to indicate the reason why the exports of petrol from India and Burma are not taxed?

The HONOURABLE MR. D. T. CHADWICK: (a) Yes.

(b) and (d). I would refer the Honourable Member to the reply given to the Honourable Rai Bahadur Lala Ram Saran Das's question No. 7 of to-day's date.

(c) It is impossible to answer this question, as Government is unable to gauge with any accuracy what effect the imposition of an export duty of six annas per gallon would have had on the quantity of petrol actually exported.

REPORT OF COMMITTEE ON PUBLIC PETITIONS.

57. The HONOURABLE MR. G. S. KHAPARDE: (i) Will the Government be pleased to state what action has been taken on the Report of the Committee on Public Petitions, dated 21st February 1922?

(ii) If no action has been taken, will the Government be pleased to indicate the action which it proposes to take?

The HONOURABLE MR. J. CRERAR: Government do not propose to take any further action beyond publishing the Report which has already been done.

They are grateful for the work performed by the Committee which was so ably presided over by you, Sir, and it is now open to any Member who desires to do so to give notice of a motion under Standing Order 53.

REPORTS LAID ON THE TABLE OF JOINT COMMITTEES ON BILLS.

The SECRETARY OF THE COUNCIL: Sir, I lay on the table reports of the Joint Committees on the following Bills:

A Bill to provide for the restriction and control of the transport of cotton in certain circumstances.

A Bill further to amend the Cantonments (House-Accommodation) Act, 1902.

A Bill to consolidate and amend the law relating to Steam Boilers.

A Bill to amend and consolidate the law relating to the regulation and inspection of mines.

GOVERNOR GENERAL'S ASSENT TO BILLS.

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

The Indian Extradition (Amendment) Act, 1922.

The Indian Museum (Amendment) Act, 1922.

The Negotiable Instruments (Amendment) Act, 1922.

The Court-fees (Amendment) Act, 1922.

The Parsi Marriage and Divorce (Amendment) Act, 1922.

The Official Trustees and Administrator General's Acts Amendment Act, 1922.

The Police (Incitement to Disaffection) Act, 1922.

The Indian Transfer of Ships Restriction (Repealing) Act, 1922.

STATEMENT OF EXCHANGE GAINS AND LOSSES.

The Hon'ble Mr. E. M. COOK (Finance Secretary): Sir, I lay on the table a Memorandum on Exchange Gains and Losses during the five years 1917-18 to 1921-22, which the Council asked for in a Resolution passed on the 22nd March, 1922. I must apologise for being so long in complying with the Council's request. The memorandum was not quite ready for laying on the table at the Simla session; Honourable Members who read it will see that its preparation has involved a great deal of labour.

Memorandum on Exchange Gains and Losses during the five years 1917-18 to 1921-22.

The following Resolution moved by the Hon'ble Mr. Kale was adopted by the Council of State on the 22nd March 1922:—

" This Council recommends to the Governor General in Council that he may be pleased (a) to place on the table of this House a full statement showing the gains and the losses that have accrued to Government since the year 1917-18 on Capital as well as Revenue account, in connection with the sale of Council drafts and Reverse Councils, the revaluation of sterling securities and gold in the Currency Reserve, the purchase and sale of gold, the purchase of silver and the coinage and the issue of rupees to the public, the repayment by the British Government in London of funds disbursed on its behalf in this country, and the remittance transactions between India and other countries generally and showing how the losses have been met and the gains have been disposed of; and (b) to consider the desirability of re-examining the basis of the exchange value of the rupee on which the accounts are being kept, particularly with reference to remittances to and from this country "

This memorandum is prepared and laid on the table with reference to part (a) of the Resolution.

2. The memorandum is in three parts. Part I gives an account of the gains and losses actually brought to account in each year from 1917-18 to 1921-22 according to the basis of conversion in force for the accounts of the Government of India in each of these years, viz., Rs. 15 per £ from 1917-18 to 1919-20 and Rs. 10 per £ in 1920-21 and 1921-22, and how the net gain or loss in each of these years was actually dealt with. Part II shows how the account of exchange gains and losses would have stood in the last two years if the basis of conversion for the accounts had remained at Rs. 15 per £ instead of Rs. 10 per £. Part III attempts an estimate of the real exchange losses incurred during the five years under consideration as distinguished from accounting losses. The accounts of the year 1921-22 have not yet been closed; the actual figures of the accounts for that year are not therefore available, and the Revised estimates have been used instead.

PART I.

3. Statement I appended to this memorandum shows the difference representing exchange in respect of remittance transactions between India and England actually brought to account in each year since 1917-18 on the basis of the conversion rates in force in each year. Statements II and III furnish details of the loss on rupee coinage and the gain and loss on the purchase and sale of gold, and Statement IV brings together the credits and debits under the Exchange head in respect of all these and similar transactions in each year during this period.

4. It will be useful to give here an explanation of the more important transactions in respect of which gains and losses on account of exchange arise and the nature of these gains and losses. In the years 1917-18 to 1919-20, the rate of conversion of rupees into £ sterling and vice versa for the accounts was Rs. 15 per £, while the exchange value of the rupee stood at above 16d. Accordingly, the rupees paid in India on account of Council Bills sold by the Secretary of State were less than the equivalent of the sterling received in England at the rate of Rs. 15 per £, and a gain was therefore brought to account in respect of these sales. The war disbursements made in India on behalf of the Home Government and supplies of funds in

India to Colonial and other Governments were repaid in sterling in London at current rates of exchange, and when these varied from day to day, at rates fixed for each month in consultation between the British Treasury and the India Office on the basis of the market rates of exchange prevalent at the time; the recoveries effected in sterling were, therefore, when expressed in rupees at the conventional rate of Rs. 15 per pound, in excess of the rupees actually disbursed in India, and here again there was a gain to be brought to account. On the other hand, when sterling bills were sold on London at rates above 16d. per rupee, the rupees received in India fell short of the rupee equivalent at Rs. 15 per pound of the sterling paid in London, and the difference represented a loss on account of exchange. There was again a loss on rupee coinage owing to the rupee outturn of the silver coined in the greater part of this period being less than its purchase price reckoned at Rs. 15 per pound together with miscellaneous expenditure connected with purchase and coinage. Similarly, there was a loss on the purchase and sale of gold owing to the rupees realised from the sale of gold in India being less than the sterling paid for the gold converted at Rs. 15 per pound. In the case of money order transactions with countries having a sterling currency, there was a gain or a loss according to the direction in which the remittance flowed. If, for instance, the money order exchanges between India and the United Kingdom resulted in a net remittance by the public from the former to the latter country, the rupees received in India would fall short of the sterling paid in the United Kingdom turned into rupees at the conventional rate, and there would be a loss on exchange as in the case of sterling bills sold on London. In the converse case, there would be a gain by exchange as in the case of Council Bills sold by the Secretary of State.

5. The rate for the conversion of sterling into rupees and *vice versa* for the purpose of the accounts was altered to Rs. 10 per pound with effect from the 1st April 1920; the actual exchange value of the rupee in the years 1920-21 and 1921-22 was, however, less than 24d. per rupee. The relation between the account and current rates in these years was thus the reverse of that in the preceding three years, and the remittance transactions which resulted in an exchange gain in the earlier period resulted in a loss in the latter period and *vice versa*.

6. The average rates of exchange on the sale of Councils by the Secretary of State in 1917-18 and 1918-19 were 16.5315d. and 17.5441d. respectively, the rate for immediate Councils during this period having risen from 16½d. to 17d. on the 29th August 1917 and to 18d. on the 11th April 1918. Inclusive of a loss on rupee coinage of 16.95 lakhs and 6.18.01 lakhs respectively, the exchange account showed a net gain of 4.71.78 lakhs in 1917-18 and 7.25.15 lakhs in 1918-19, and these gains were credited to the revenue account of the Government of India as an item of revenue; the former figure is included in the Imperial surplus of 12.13.05 lakhs which the accounts for 1917-18 showed, while the Imperial deficit of 5.73.06 lakhs disclosed by the accounts for 1918-19 would have been correspondingly higher but for the gain from exchange amounting to Rs. 7.25.16 lakhs which was credited to the Imperial revenue account in that year.

It should be mentioned here that, out of the sale of Council Bills in 1918-19, a sum of 5.01 lakhs related to Councils sold at favourable rates in the following circumstances. Under an agreement with the Secretary of State, the British Exchange Banks undertook during the war to devote their resources to the fullest extent possible to the financing of War exports, and in return received a guarantee that such funds as might in discharge of this undertaking be transferred to London in excess of remittances in the opposite direction would be retransferred to India through Council Bills at the rate at which the overbuying had taken place. A beginning was made in the year 1918-19 of the retransfer to India of the funds so transferred by the Exchange Banks; and Council Bills to the extent of 5.01 lakhs were accordingly sold to them at favourable rates for this purpose.

7. There were several sharp rises of exchange in 1919-20, the rate for immediate telegraphic transfers having risen to 20d. on the 13th May, 22d. on the 12th August, 24d. on the 15th September, 26d. on the 25th November and 28d. on the 16th December. The last rate remained in force till the beginning of February and was exceeded during the rest of the year when as a result of the policy adopted on the Report of the Babington Smith Committee on Indian Exchange and Currency, reverse Councils were sold on the basis of a ratio of Rs. 10 to the sovereign, allowance being made for the depreciation of sterling with reference to the latest current rate for the dollar-sterling exchange. The average rate of exchange for the year accordingly worked out as high as 23.8778d. Sales of Councils were heavy in the first

three quarters of the year, while in the last quarter reverse Councils and gold bullion were sold in pursuance, as stated above, of the policy adopted on the Currency Committee's report. As in 1918-19, special Councils were sold to Exchange Banks in liquidation of the overbuying guarantee to the extent of 5,38 lakhs. After taking into account the exchange adjustments in connection with war disbursements on behalf of the Home Government and other remittance transactions and the losses on rupee coinage, and on the purchase and sale of gold, the net exchange gains during the year amounted to 9,18.48 lakhs, the basis of conversion for the accounts still remaining at Rs. 15 per £. Owing to the large rise in the exchange value of the rupee in 1919-20, it was decided that the portion of the exchange gains attributable to capital outlay in England on Railways, irrigation works and Delhi should be credited to the capital account. Accordingly, out of the net credit of 9,18.48 lakhs, a sum of 3,95.41 lakhs was credited to the capital heads, and the balance of 5,23.07 lakhs was not appropriated to revenue, but was retained under a suspense head in order to provide in part for meeting the deficiency which would arise on the revaluation of the sterling securities and gold held in the Paper Currency Reserve at the new ratio of Rs. 10 per £ recommended by the Currency Committee. Eventually, however, the credit balance of 5,23.07 lakhs was not devoted to meeting the deficiency referred to as other resources were earmarked for that purpose when legislation was carried out giving effect to the new ratio; it remained under the suspense head and was wiped off by the exchange losses which were brought to account in subsequent years.

8. There was no sale of Council Bills in either 1920-21 or 1921-22, but the sale of reverse Councils continued during part of the former year. The average of the Telegraphic Transfer rates on London for these years worked out to 20-657*d.* and 15-8488*d.* respectively, or very much less than the accounting rate of 24*d.* which was introduced as stated above from the 1st April 1920. The entries in the Exchange account in both these years were thus the reverse of those in the account for 1919-20.

Two entries in Statement IV and one in Statement I relating to the year 1920-21 require some explanation. Firstly, in consequence of the introduction of the new conversion rate of Rs. 10 per £, the loss on the sale of reverse Councils is distributed in Statement I over two items, the difference between the rupee equivalents at the old and new conversion rates appearing against item (iii), and the difference between the rupee equivalent at Rs. 10 and the rupees actually received appearing against item (ii). Secondly, the new ratio of Rs. 10 per £ was legalised from the 1st October 1920 and this entailed the revaluation of the gold and sterling securities held in the Paper Currency Reserve on that date on the basis of the new ratio. The deficiency on revaluation amounted to 17,47.36 lakhs and this amount was made good to the Paper Currency Reserve by the deposit of Indian Treasury Bills of a corresponding value in the reserve by charging the amount to a special suspense head "Adjustment of exchange on revaluation of gold and sterling securities in Paper Currency Reserve." This head was to be cleared by the gradual appropriation of interest from investments of the Paper Currency Reserve and the excess in the assets of the Gold Standard Reserve over £40 millions but as the transaction is of the same nature as other exchange adjustments under consideration, it has been included in Statement IV. The last entry relates to the payment of 1,68.85 lakhs made to the British exchange Banks in settlement of the overbuying guarantee. As stated in paragraph 6, the liability arising from this guarantee was discharged in part in 1918-19 and 1919-20 by the sale of Councils at favourable rates to the Exchange Banks; the remaining portion of the liability was liquidated in 1920-21 by weekly payments to the Banks of the difference between the rupee equivalent at the guaranteed rate and at the average of the maximum and minimum rates for Telegraphic Transfers on London on the date of liquidation.

The next exchange loss brought to account in the years 1920-21 and 1921-22 inclusive of the above special items amounted to 53,09.18 lakhs and 10,47.80 lakhs respectively; of the former amount, however, 17,47.36 lakhs was shown in the accounts under the special suspense head mentioned above, the balance of 35,61.82 lakhs only appearing under the Exchange head. A further change was made with effect from the 1st April 1920 in the method of allocation of exchange gains and losses. Under the new procedure, the portion of these gains and losses attributable to the revenue and capital accounts in respect of outlay incurred in England was to be calculated on the basis of the average Telegraphic Transfer rate from Calcutta on London and transferred to those accounts; and it was to be considered with reference to the circumstances of each year whether the balance of exchange gains and losses remaining after the above transfers are made should be written off to the revenue, or kept in suspense against the possibility of opposite results in succeeding years.

Of the net exchange loss of 35,61.82 lakhs in 1920-21, sums of 2,97.65 lakhs and 4,56.21 lakhs respectively, were accordingly transferred to the capital and revenue accounts, and the balance of 28,07.96 remained unappropriated under the suspense head. Similarly, against the net exchange loss of 10,47.80 lakhs in 1921-22, the transfers to the capital and revenue accounts amounted to 22,35.77 lakhs, leaving 16,12.99 lakhs at debit of the suspense head for the two years together.

Inclusive of the credit balance of 5,23.07 lakhs which remained under the suspense head at the end of the year 1919-20 as stated in paragraph 7 above, the balance of unappropriated exchange losses awaiting clearance in subsequent years amounted on the 31st March 1922 to 10,96.92 lakhs, apart from a sum of 17,47.36 lakhs of account of the revaluation of gold and sterling securities in the Paper Currency Reserve held under a special suspense head.

9. Taking the period 1917-18 to 1921-22 together, the position therefore is that the net exchange loss brought to account in these years amounted to 42,41.57 lakhs; of this, gains amounting to 11,96.93 lakhs were credited to revenue in 1917-18 and 1918-19, a loss of 17,47.36 lakhs due to the revaluation of gold and sterling securities in the Paper Currency Reserve was charged to a special suspense head, resources being definitely earmarked for the clearance of this head, and losses amounting to Rs. 25,94.22 lakhs were charged to the revenue and capital accounts in the years 1919-20 to 1921-22, leaving a debit of 10,96.92 lakhs on the 31st March 1922 under the suspense head for Exchange to be cleared in subsequent years.

PART II.

10. Statement V shows the exchange adjustments in respect of remittance transactions in the years 1920-21 and 1921-22 as they would have stood if the basis for conversion in the accounts had remained at Rs. 15 per £ instead of Rs. 10 per £. Statement VI brings together the entire credits and debits to the Exchange head in these years on the same basis and their distribution between the revenue, capital and suspense accounts. The entry of 17,47.36 lakhs in Statement IV relating to the deficiency on the revaluation of gold and sterling securities in the Paper Currency Reserve finds no place in Statement VI as there would have been no revaluation and no deficiency if there were no change in the ratio between the £ and the rupee. It will be seen that on this basis there would have been an exchange loss of 12,74.23 lakhs in 1920-21 and a gain of 1,69.23 lakhs in 1921-22 making for the five years under consideration a net exchange gain of 10,00.41* lakhs.

<p>If, however, the existing method of allocation of exchange adjustments between the revenue, capital and suspense accounts is assumed to have remained in force in these two years, the unappropriated balance under the Suspense head at the end of the year 1921-22 would have amounted to a debit of 21,34.88 lakhs as shown in the margin.† The larger outstanding arrived at by this method is due to the fact that, while in the year 1920-21 the exchange account would under this method have shown an actual loss, substantial credits are assumed to be transferred to the revenue and capital accounts on the basis of the average of the Telegraphic Transfer rates from Calcutta on London, leaving a large amount of loss under the Suspense head.</p>	<p>†</p> <table border="0"> <tr><td>+ 5,23.07</td></tr> <tr><td>- 28,43.75</td></tr> <tr><td>+ 1,85.80</td></tr> <tr><td>-----</td></tr> <tr><td>- 21,34.88</td></tr> </table>	+ 5,23.07	- 28,43.75	+ 1,85.80	-----	- 21,34.88
+ 5,23.07						
- 28,43.75						
+ 1,85.80						

- 21,34.88						

PART III.

11. An approximate calculation is made in this part of the portion of the exchange gains and losses dealt with in the preceding paragraphs which can be regarded as representing real as distinguished from accounting losses.

(a) The loss resulting from the revaluation of gold and sterling securities in the Paper Currency Reserve should be regarded as real except to the extent of any compensatory gain through an appreciation of these holdings which would result if an exchange rate lower than Rs. 10 per pound were eventually adopted.

(b) The loss which arose from the coinage of rupees was the result of the high prices which ruled for silver; but the rate at which Council Bills were sold and in consequence also that at which funds were provided for the Home and other Governments

against recoveries in London were raised from time to time so that the provision of rupees at the prices ruling for silver should not result in a loss to Government. As the aggregate amount of Council Bills and funds supplied to the Home and other Governments at increased rates of exchange far exceeded the rupees coined during this period, the loss which resulted from rupee coinage was more than made up by recoveries effected at higher rates of exchange.

(c) As regards the purchase and sale of gold, the payments made in sterling for the purchase of gold totalled £34,507,000, and this sum was practically provided in full by remittances during the year 1919-20. Assuming that the funds required for the purchase were provided at the average rate of exchange obtained on remittances during that year, there was a real gain on the gold transactions amounting to 4,05.85 lakhs.

(d) The loss on the liquidation of the overbuying guarantee to Exchange Banks consists of two parts: (i) the loss arising from the sale of Councils to them in 1918-19 and 1919-20 at rates more favourable than the current market rates of exchange, and (ii) the cash payments made to them in 1920-21 in final discharge of the guarantee. The latter payments totalled 1,68.85 lakhs, and the loss under head (i) is calculated to amount to 1,87.44 lakhs, making a total loss on this item of 3,56.29 lakhs.

(e) As regards other remittance transactions between India and England, a real or avoidable loss can arise only from one of the following causes:—

- (i) Owing to a delay in securing a correspondence between the current rate of exchange and the rates at which particular transactions are carried out;
- (ii) owing to particular transactions being carried out for special reasons at rates which are unfavourable to Government as compared with current market rates; or
- (iii) owing to the re-transfer at unfavourable rates of funds remitted in one direction at favourable rates.

As regards (i), such delays occurred mainly in connection with postal remittances prior to 1921, when some time intervened between a change in the market rate and the revision of foreign money order rates on the basis of the changed market rate. The loss on this account, was, however, small and is not capable of calculation without a considerable amount of labour; moreover, the delays operated in both directions, resulting at times in a gain also.

The only important transaction of the kind referred to at (ii) is the sale of Councils at favourable rates to Exchange Banks in connection with the overbuying guarantee which has already been dealt with.

Under item (iii) fall the sales of reverse Councils in the three years 1918-19 to 1920-21. Details of these sales are given in Statement VII. The total sales during this period amounted to £60,847,000, of which £14,114,000 was paid from the Secretary of State's treasury balances and the balance of £46,733,000 by the sale of sterling investments on behalf of the Paper Currency Reserve. Out of the payments made from Treasury balances, £5,315,000 was found from remittances to England made in 1918-19 and £8,799,000 from remittances made in 1919-20, while the funds for the investments in the Paper Currency Reserve which were withdrawn for paying sterling bills were remitted to England to the extent of £20,680,000 in 1918-19, £8,658,000 in 1917-18 and £17,395,000 in 1916-17. Assuming that these remittances were effected at the average rate of exchange which obtained in the year of remittance, the real loss on the sale of sterling bills on London during this period works out to 28,91.79 lakhs.

12. Thus apart from the loss arising from the revaluation of the Paper Currency Reserve, the real loss due to the exchange operations of the quinquennial period under consideration may be estimated at 28,42.23 lakhs. This figure is gross and does not allow any set off for the gains which were obtained from the provision of funds by Councils or otherwise at high rates of exchange.

STATE

Statement showing the difference on account of exchange in respect of remittance to 1921-22, the basis of conversion being Rs. 15 per £ in 1917-18

(Figures in thou)

	1917-18.				1918-19.			
	Sterling received or paid in England.	Rupees paid or received in India.	DIFFERENCE REPRESENTING		Sterling received or paid in England.	Rupees paid or received in India.	DIFFERENCE REPRESENTING	
			Excess receipt.	Excess payment.			Excess receipt.	Excess payment.
	£	Rs.	Rs.	Rs.	£	Rs.	Rs.	Rs.
(i) Council Bills sold by the Secretary of State.	33,453	48,57,82	1,61,87	...	20,946	23,63,41	2,76,54	...
(ii) Reverse Councils on London sold in India (a).	...	...	...	...	5,315	7,08,02	...	89,23
(iii) Difference due to realisation of sterling securities in P. C. R. for payment of reverse Councils on London.	...	...	...	...	...	...	...	...
(iv) War Expenditure recoverable from Home Government and miscellaneous military and marine transactions.	61,348	89,05,74	2,96,54	...	67,263	90,86,01	10,03,47	...
(v) Postal and money order transactions with foreign countries having a sterling currency (d).	...	...	9,25	...	...	...	67,53	...
(vi) Remittance transactions with Ceylon, East Africa, Hong Kong and other Governments (b).	...	...	29,76	...	...	...	67,15	...
(vii) Transfers from Currency in England for treasury requirements against payment to it in India.	...	...	...	...	...	...	...	...
(viii) Remittances to Mesopotamia recoverable in London (c).	...	...	...	...	...	...	...	...
(ix) Miscellaneous transactions (b)	...	...	...	8,19	...	...	17,70	...
			4,96,92	8,19			14,82,39	89,23
			+ 4,88,78				+ 13,43,16	

- (a) For details of the rates at which reverse
 (b) For details of these transactions see
 No. 88-C of the Finance and Revenue
 (c) The similar remittances in years previous
 (d) Only the entries relating to exchange have

MENT I.

transactions between India and England brought to account in each of the years 1917-18 to 1919-20 and Rs. 10 per £ in 1920-21 and 1921-22 (sands of £ and Rs.)

1919-20.				1920-21.				1921-22 (Revised.)			
Sterling received or paid in England.	Rupees paid or received in India.	DIFFERENCE REPRESENTING		Sterling received or paid in England.	Rupees paid or received in India.	DIFFERENCE REPRESENTING		Sterling received or paid in England.	Rupees paid or received in India.	DIFFERENCE REPRESENTING	
		Excess receipt.	Excess payment.			Excess receipt.	Excess payment.			Excess receipt.	Excess payment.
£	Rs.	Rs.	Rs.	£	Rs.	Rs.	Rs.	£	Rs.	Rs.	Rs.
31,226	34,54.98	12,28.95		...				...
24,544	18,57.78		18,28.87	30,9.8	28,55.80		2,43.00	...			
	...		...	34,000	51,00.07		17,00.03	...			
74,902	82,94.05	29,41.25		50,476	62,18.79		11,71.15	10,681	16,91.25		6,23.16
			92.05	...			83.25	...			76.15
...	...	88.93	...	...			18.26	...			36.64
...	...	...	...	...	...	...	...	2,498	3,72.45	...	1,22.60
...	...	...	...	...	...	...	...	5,629	8,49.20	...	2,79.25
...	...	...	2,66.26	...	...	11.46	...	...	...	...	1,52.79
		42,59.18	21,82.18			411.46	32,15.69			...	12,90.59
		+ 20,76.95				- 32,04.23				- 12,90.59	

Councils were sold, see Statement VII.
Account No. 45 of the Finance and Revenue Accounts for 1917-18, 1918-19 and 1919-20, and account Accounts for 1920-21.
to 1921-22 are included in item (iv).
been shown against these items.

STATEMENT II.

Statements showing the loss on rupee coinage brought to account in each of the years 1917-18 to 1921-22.

(Figures in thousands of £ and Rs.)

	1917-18.	1918-19.	1919-20.	1920-21.	1921-22 (Revised).
(i) Purchase price of Silver taken up for coinage during the year £	2,361	36,957	28,540	4,573	...
(ii) Equivalent of (1) in Rs. at £1 = Rs. 15 Rs.	3,54,22	55,48,40	42,80,98	6,86,02	...
(iii) Charges connected with purchase and coinage in England £	20	1,35	407	3	...
(iv) Charges connected with purchase and coinage in India Rs.	6,96	1,05,31	75,82	12,17	...
(v) Total of (iii) and (iv) at Rs. 15 = £1 Rs.	9,97	2,75,55	1,36,89	12,47	...
(vi) Total purchase price and other charges (ii. and (v) Rs.	3,64,19	55,19,16	44,17,88	6,98,49	...
(vii) Out-turn value of silver Rs.	3,47,24	62,01,15	37,44,28	6,06,01	...
(viii) Difference representing loss (vi-vii) Rs.	16,95(6)	6,18,01	6,73,59	92,48	...
(ix) Write-back of loss adjusted in excess during 1918-19 to 1920-21 Rs.	...	...	...	...	-2,61,08(a)

(a) The correctness of this write-back is under examination and a further adjustment is likely to be necessary.

(b) There was a gain in respect of the bulk of the rupee coinage carried out in 1917-18; this was as usual credited to the Gold and Standard Reserve and is not therefore included in this statement.

STATEMENT III.

Statement showing the gains and losses on the acquisition, purchase, and sale of gold in each year from 1919-20 to 1921-22. (Figures in thousands of Rs. and £ except where otherwise stated.)

	1919-20.	1920-21.	1921-22.
(a) T. T. sold in India against the deposit of gold to the credit of the Government of India in Ottawa and New York—			
(i) Quantity of gold received . . .	469,237 oz. fine	...	...
(ii) Value of the same at Rs. 15 per £ . . .	2,98,98	...	...
(iii) Rupees actually paid for the gold . . .	2,27,81	...	...
(iv) Difference between (ii) and (iii) representing gain . . .	+71,17	...	...
(b) Imported gold—			
Difference between (i) the value of gold imported into India and acquired by Government under the Gold Import Act at rates fixed from time to time up to 2nd February 1920 and after that date at Rs. 10 = £1 or Re. 1 = 11 80016 grs. of fine gold and (ii) the value at which it was placed in the Paper Currency Reserve (i.e., Rs. 15 = £1 or Re. 1 = 7 53944 grs. fine gold).	+2,57,09	+13,71	
(c) Indian mines gold purchased—			
(i) Quantity of gold received . . .	198,287 oz. fine	282,350 oz. fine	63,087 oz. fine
(ii) Value of the same paid in India . . .	1,20,22	1,29,53	34,09
(iii) Value of the same paid in England at Rs. 15 per £ in 1919-20 and Rs. 10 per £ in 1920-21 and 1921-22. . .		47,36	11,00
(iv) Total value paid . . .	1,20,22	1,76,89	45,09
(v) Value at which gold was placed in the Paper Currency Reserve (i.e., Rs. 15 per sovereign in 1919-20 and Rs. 10 in subsequent years). . .	1,26,84	1,50,08	26,80
(vi) Difference between (iv) and (v) representing gain (+) or loss (-). . .	+6,12	-26,61	-18,29
(d) Gold purchased by the Secretary of State—			
(i) Quantity of gold received . . .	5,170,850 oz. fine	1,163,587 oz. fine	...
(ii) Value paid for the same . . .	£27,448 = 41,17,22	£6,470 = 6,46,97	...
(iii) Value at which gold was placed in the Paper Currency Reserve. . .	32,73,90	7,73,94	
(iv) Difference between (ii) and (iii) representing gain (+) or loss (-). . .	8,38,32	+1,25,97	
(e) Sale of gold in India—			
(i) Quantity of gold sold . . .	3,361,732 oz. fine	4,698,722 oz. fine	...
(ii) Rupee proceeds of sale . . .	21,49,10	27,70,01	...
(iii) Value at which gold was held in the Paper Currency Reserve. . .	21,30,04	29,79,14	...
(iv) Difference between (ii) and (iii) representing gain (+) or loss (-). . .	+19,06	-2,09,13	...
(f) Total gain (+) or loss (-) . . .	-4,84,58	-93,26	-18,29

STATEMENT IV.

Statement showing the net gain or loss adjusted under the head "Exchange" in each of the years 1917-18 to 1921-22.

[Figures in thousands of Rs.]

	1917-18.	1918-19.	1919-20.	1920-21.	1921-22 (Revised).
(i) Difference on account of exchange in respect of remittance transactions between India and England as in Statement I	Rs. + 4,88,78	Rs. + 13,43,16	Rs. + 20,76,95	Rs. - 32,04,23	Rs. - 12,90,50
(ii) Loss on rupee coinage as in Statement II	--16,95	--6,18,01	--6,73,59	-92,48	+ 2,61,08
(iii) Net gain or loss on gold purchases and sales as in Statement III		...	-4,84,88	-98,26	-18,29
(iv) Difference due to re-valuation of securities and gold in the Paper Currency Reserve on the 1st October 1920 at the new ratio of Rs. 10 = £1			...	-17,47,86 (a)	...
(v) Loss in connection with the cancellation of over-buying guarantee to Exchange Banks	...	...	...	--1,68,85	...
Total credit (+) or debit (-) under the Exchange head	+ 4,71,78	+ 7,25,15	+ 9,18,48	--53,09,18	--10,48

(a) This amount was actually adjusted in the accounts under a special Suspense head "Adjustment of exchange on revaluation of gold and sterling securities in Paper Currency Reserve" and was to be cleared by the gradual appropriation of interest from investments in the Paper Currency Reserve and excess in assets of the Gold Standard Reserve above £40 millions as announced at the time of the Paper Currency legislation of September 1920. As it is however of the same nature as the other transactions included in this statement, it has been included here.

STATEMENT V.

Statement showing the difference on account of Exchange in respect of remittance transactions between India and England that would have been brought to account in each of the years 1920-21 and 1921-22 if the basis of conversion had been Rs. 15 instead of Rs. 10 per £.

[Figures in thousands of rupees.]

	1920-21.		REVISED 1921-22.	
	DIFFERENCE FOR EXCHANGE REPRESENTING		DIFFERENCE FOR EXCHANGE REPRESENTING	
	Excess receipt.	Excess payment.	Excess receipt.	Excess payment.
(i) Council Bills	Rs. ...	Rs. ...	Rs. ...	Rs. ...
(ii) Reverse Councils on London	...	17,92,42	...	...
(iii) Recoverable war expenditure and miscellaneous military and marine transactions	13,52,67	...	...	89,11
(iv) Postal and money order transactions	...	2,01,68	...	1,65
(v) Remittance transactions with Ceylon, East Africa, Hong Kong and other Governments	43,85	...	8,19	...
(vi) Transfers through Currency	...	...	2,38	...
(vii) Remittances to Mesopotamia	...	...	2,22	...
(viii) Miscellaneous transactions	28,20	...	11	...
	14,24,72	19,94,03	12,85	90,76
	-5,69,31		-77,91	

STATEMENT VI.

Statement showing the adjustments under the head Exchange in the years 1920-21 and 1921-22 as they would have stood if the rate of conversion for the accounts had been £1=Rs. 15 and the distribution thereof among the Commercial undertakings and the Central and Provincial expenditure head "Exchange."

[Figures in thousands of rupees.]

	1920-21.	1921-22.
	Rs.	Rs.
(i) Difference on account of exchange in respect of remittance transactions as per Statement V.	-5,69.31	-77.91
(ii) Loss in connection with the cancellation of overbuying guarantees to Exchange Banks.	-1,68.65	...
(iii) Net loss in connection with the purchase, acquisition and sale of gold.	-4,43.44	-23.79
(iv) Loss on rupee coinage	-92.63	+2,60.93
TOTAL	-12,74.23	+1,59.23
Adjusted as follows:—		
Amount transferred to—		
Railway Capital	+6,10.32	-19.20
Railway Revenue	+8,51.04	-1.35
Irrigation Capital and Revenue	+5.27	-3
Delhi Capital	+6.95	-8
Posts and Telegraphs Revenue	+29.58	-8.10
General Expenditure Head "Exchange"—		
Central	+5,66.36	+4.52
Provincial . . . . .	...	-2.33
Total transfers	+15,69.52	-26.57
Net amount, debited or credited to Suspense	-23,43.75	+1,85.80

STATEMENT VII.

Statement showing the Reverse Councils on London sold in the years 1918-19 to 1920-21.

Date of sale.	Rate of immediates.	Amount sold at each sale. (In thousands of £.)	Difference between rupees received and equivalent of sterling paid at Rs. 15 per £. (In thousands of Rs.)
1918-19.			
14th November 1918	1s.-5 31/32d.	1,000	...
21st November 1918	1s.-5 31/32d.	2,000	...
28th November 1918	1s.-5 31/32d.	560	...
12th December 1918	1s.-5 31/32d.	20	...
19th December 1918	1s.-5 31/32d.	40	...
9th January 1919	1s.-5 31/32d.	25	...
30th January 1919	1s.-5 31/32d.	20	...
6th February 1919	1s.-5 31/32d.	400	...
13th February 1919	1s.-5 31/32d.	555	...
20th February 1919	1s.-5 31/32d.	125	...
27th February 1919	1s.-5 31/32d.	105	...
6th March 1919	1s.-5 31/32d.	110	...
13th March 1919	1s.-5 31/32d.	185	...
20th March 1919	1s.-5 31/32d.	120	...
27th March 1919	1s.-5 31/32d.	60	...
TOTAL	...	7,315	89.32

STATEMENT VII—contd.

Statement showing the Reverse Councils on London sold in the years 1918-19 to 1920-21.

Date of sale.	Rate of immediate.	Amount sold at each sale. (In thousands of £.)	Difference between rupees received and equivalent of sterling paid at Rs. 15 per £. (In thousands of Rs.)	
			£	Rs.
- 1919-20.				
3rd April 1919	1s.-5 31/32d.	125	...	...
10th April 1919	1s.-5 31/32d.	25	...	...
2d January 1920	2s.-3 29/32d.	770	...	...
8th January 1920	2s.-3 29/32d.	990	...	...
15th January 1920	2s.-3 29/32d.	300	...	...
22nd January 1920	2s.-3 29/32d.	2,000	...	...
29th January 1920	2s.-3 29/32d.	1,334	...	...
5th February 1920	2s.-8 15/16d.	2,000	...	...
12th February 1920	2s.-10 27/32d.	5,000	...	...
19th February 1920	2s.-10 7/32d.	2,000	...	...
26th February 1920	2s.-10 5/16d.	2,000	...	...
3rd March 1920	2s.-10 1/32d.	2,000	...	...
11th March 1920	2s.-8 3/32d.	2,000	...	...
18th March 1920	2s.-7 5/16d.	2,000	...	...
25th March 1920	2s.-5 31/32d.	2,000	...	...
TOTAL	...	24,544		16,28,87
1920-21.				
1st April 1920	2s.-4 13/16d.	1,988	...	...
8th April 1920	2s.-4 3/32d.	2,000	...	...
15th April 1920	2s.-4 7/16d.	2,000	...	...
22nd April 1920	2s.-4 17/32d.	2,000	...	...
29th April 1920	2s.-5 7/16d.	1,000	...	...
6th May 1920	2s.-5 3/16d.	1,000	...	...
13th May 1920	2s.-5 11/32d.	1,000	...	...
20th May 1920	2s.-5 1/4d.	1,000	...	...
26th May 1920	2s.-5 13/32d.	1,000	...	...
3rd June 1920	2s.-5d.	1,000	...	...
10th June 1920	2s.-4 27/32d.	1,000	...	...
15th June 1920	2s.-4 5/8d.	1,000	...	...
24th June 1920	1s.-11 19/32d.	1,000	...	...
1st July 1920	1s.-11 19/32d.	1,000	...	...
8th July 1920	1s.-11 13/32d.	1,000	...	...
15th July 1920	1s.-11 19/32d.	1,000	...	...
22nd July 1920	1s.-11 19/32d.	1,000	...	...
29th July 1920	1s.-11 19/32d.	1,000	...	...
5th August 1920	1s.-11 19/32d.	1,000	...	...
12th August 1920	1s.-11 19/32d.	1,000	...	...
19th August 1920	1s.-11 19/32d.	1,000	...	...
26th August 1920	1s.-11 19/32d.	1,000	...	...
2nd September 1920	1s.-11 19/32d.	1,000	...	...
7th September 1920	1s.-11 19/32d.	1,000	...	...
13th September 1920	1s.-11 19/32d.	1,000	...	...
21st September 1920	1s.-11 19/32d.	1,000	...	...
28th September 1920	1s.-11 19/32d.	1,000	...	...
TOTAL	...			17,92,40

COMMUNICATIONS IN FRONTIER PROVINCE.

The HONOURABLE MR. J. P. THOMPSON (Political Secretary): Sir, I lay on the table the information promised in reply to question No. 148 asked by the Honourable Rai Bahadur Lala Ram Saran Das on the 20th September 1922, regarding measures adopted to improve communications in the settled districts and in the trans-border areas of the Frontier Province, and names of civil roads and railways built during the last seven years.

(a) Government are fully alive to the necessity of maintaining and improving communications in the settled districts as well as in the trans-border areas of the North-West Frontier Provinces and have only been compelled by the existing financial stringency to postpone consideration of a comprehensive scheme of road construction and improvement. In the meanwhile the most important work under construction in the settled Districts is a road from Draban in the Dera Ismail Khan District to Ghazni Khel in Bannu, which is being metalled, and in the trans-frontier, roads within Waziristan a road from Thall on the Kurram in the Kohat District to Idak on the Tochi.

(b) Civil and military roads built during the last seven years.

1. Kam Shilman-Loi Shilman section of the Landi Kotal Kam Shilman-Loi Shilman road.
2. Two miles of road on the Peshawar-Michni section of the Peshawar-Michni-Shabkadar-Abazai road.
3. Kaur-Khirgi-Jandola-Kotkai-Sararogha road.
4. Charsadda Tangi road.

Railways.—Railways in the Frontier Province are included in the North Western Railway System and for particulars of the railways built during the last seven years the Honourable Member is referred to the History of Indian Railways corrected up to the 31st March 1921, a copy of which is available in the Library of the Council of State.

MUSLIMS, HINDUS, ETC., IN GOVERNMENT OF INDIA SECRETARIAT.

The HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I lay on the table the statement promised in reply to question (No. 89, dated 11th September 1922), by the Honourable Khan Bahadur Sir Ahmedthamby Maricair regarding the number of Muslims, Hindus, etc., employed in the Government of India Secretariat.

(a) (i) Statement showing the number of Europeans, Anglo-Indians, etc., employed in the Government of India Secretariat on the 1st September, 1922.

(1) Officers holding posts above the grade of Superintendent.

Department.	EUROPEANS.		ANGLO-INDIANS.		HINDUS.		MUHAMMADANS.		SIKHS.		INDIAN CHRISTIANS.		OTHERS.		TOTAL.		REMARKS.
	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	
Home	6	3	..	..	..	1	..	..	..	..	..	..	..	..	6	4	
Foreign and Political	7	..	..	..	..	..	1	..	..	..	..	..	..	..	8	..	
Finance	4	2	..	..	2	..	..	..	..	..	..	..	..	..	6	2	
Legislative	4	3	1	..	2	1	..	..	..	..	..	..	..	..	7	4	
Army	4	2	1	1	..	..	..	..	..	..	..	..	..	..	5	3	
Public Works	3	..	1	1	..	..	..	..	..	..	..	..	..	..	4	1	
Revenue and Agriculture	4	1	1	..	..	..	..	..	..	..	1	..	..	..	6	1	
Education and Health	1	..	..	..	1	..	..	2	..	..	1	..	..	..	5	..	
Commerce	5	1	..	..	..	..	..	..	..	..	..	..	..	..	5	1	
Industries	4	..	..	..	2	..	..	..	..	..	..	..	..	..	7	..	
Railway Board	11	..	..	..	..	..	..	..	..	..	..	..	..	..	11	..	
Office of Financial Adviser (Military Finance).	10	3	..	..	1	..	..	..	..	..	..	..	..	..	11	3	

*Excluding officiating officers.

(2) Superintendents.

Department.	EUROPEANS.		ANGLO-INDIANS.		HINDUS.		MUHAMMADANS.		SIKHS.		INDIAN CHRISTIANS.		OTHERS.		TOTAL.		REMARKS.
	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	
Home	...	...	3	1	...	...	...	...	...	...	...	...	...	...	6	1	
Foreign and Political	6	...	3	...	...	...	...	...	...	...	...	...	...	...	9	...	
Finance	1	...	...	...	3	...	1	...	1	...	...	...	...	...	6	...	
Legislative	2	...	...	1	1	1	...	...	...	...	...	...	...	...	3	2	
Army	1	...	2	1	2	1	...	...	...	...	...	...	...	...	5	2	
Public Works	1	...	3	...	1	...	...	...	...	...	...	...	...	...	5	...	
Revenue and Agriculture	4	...	...	...	...	...	...	...	...	...	...	...	...	...	4	...	
Education and Health	...	...	1	...	2	...	...	...	...	...	...	...	...	...	3	...	
Commerce	1	...	...	...	1	...	2	...	...	...	...	...	...	...	4	...	
Industries	2	...	1	...	3	1	...	2	...	...	...	...	...	...	4	...	
Railway Board	...	...	4	...	1	...	1	...	...	...	...	...	...	6	1		
Office of Financial Adviser (Military Finance).	1	...	...	...	4	...	...	...	...	...	...	1	...	7	...		

*Excluding officiating officers.

(3) Assistants.

Department.	EUROPEANS.		ANGLO-INDIANS.		HINDUS.		MUHAMMADANS.		SIKHS.		INDIAN CHRISTIANS.		OTHERS.		TOTAL.		PERCENTAGE OF MUHAMMADANS TO NON-MUHAMMADANS.		REMARKS.
	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	
Home and Foreign Affairs	4	...	5	1	7	1	2	1	1	...	1	...	...	...	20	2	11	NW	
Treasury	16	5	13	1	6	4	1	1	1	...	...	...	...	...	37	13	3	NW	
Legislative	3	1	4	...	12	...	2	...	...	...	...	...	...	...	23	1	9.5	NW	† Parace.
Army	2	...	8	2	9	6	3	...	...	...	...	...	...	...	23	8	9.5	NW	
Public Works	2	...	6	4	10	15	...	...	...	...	...	...	...	...	18	5	NW	9	
Revenue and Agriculture	...	...	8	1	10	1	...	...	...	...	...	...	...	...	18	4	NW	100	
Education and Health	...	...	2	...	3	...	2	...	1	...	...	...	...	...	21	...	10.5	NW	
Commerce	1	...	5	...	6	...	3	...	...	...	...	...	...	...	14	...	27	NW	
Industries	2	...	3	1	6	6	...	...	...	...	...	...	...	...	13	9	NW	88.5	
Railway Board	1	...	11	2	11	2	...	...	...	...	...	...	...	...	18	2	19.5	NW	
Office of Financial Adviser (Military Finance).	4	...	12	...	13	1	1	...	...	...	...	...	...	...	(b) 30	2	3	100	(a) American. (b) Including 1 Sikh, Head draftsman.
	4	...	2	...	18	6	...	...	...	...	...	...	...	...	24	6	NW	NW	

* Excluding officiating officers.

(4) Clerks.

Department.	EUROPEANS.		ANGLO-INDIANS.		HINDUS.		MUHAMMADANS.		SIKHS.		INDIAN CHRISTIANS.		OTHERS.		TOTAL.	REMARKS.	
	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.			
Home	..	..	5	6	19	47	8	..	2	1	..	..	..	..	34	14	† Excludes Hindu photographer in office of Director, Central Bureau of Information.
Foreign and Political	3	..	5	2	28	9	6	5	2	1	2	..	..	..	46	17	
Finance	..	..	..	..	28	3	4	..	..	..	2	1	..	..	34	4	
Legislative	1	..	..	1	18	6	9	2	1	..	1	..	..	..	30	9	
Army	..	..	3	11	23	52	2	7	2	..	..	1	..	..	29	71	
Public Works	1	..	2	..	18	4	6	..	..	1	..	..	..	..	27	5	
Revenue and Agriculture	..	..	3	..	15	2	10	..	4	..	..	..	..	..	31	2	
Education and Health	..	..	1	..	11	1	6	..	1	..	..	..	..	..	19	1	† In Calcutta office.
Commerce	..	..	2	..	24	7	3	2	..	2	..	..	..	..	29	11	
Industries	..	..	1	..	19	2	8	..	..	3	3	..	..	..	31	4	
Railway Board	..	..	5	2	36	8	10	3	5	..	1	..	..	..	(a) 57	(a) 18	(a) Including 13 draftsmen, i.e., 8 Hindus, 7 Mussalman and 3 Sikhs.
Office of Financial Adviser (Military Finance).	1	1	..	..	20	4	5	1	1	..	..	..	..	..	37	6	

* Excluding officiating officers.

(b) Stenographers.

Department.	EURO-PEANS.		ANGLO-INDIANS.		HINDUS.		MUHAMMADANS.		SIKHS.		INDIAN CHRISTIANS.		OTHERS.		TOTAL.		REMARKS.
	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	Permanent.	*Temporary.	
Home	3	..	2	2	..	..	..	..	..	..	..	..	5	3	
Foreign and Political Finance	1	..	3	..	..	..	..	..	..	..	..	..	4	1	
Legislative	1	..	5	1	..	1	..	..	..	..	..	..	6	1	(a) Council porters.
	2	..	(a)6	..	..	..	..	..	..	..	..	..	15	1	(b) Jews.
Army	1	1	..	..	..	..	..	..	..	..	2	1	
Public Works	1	..	2	..	..	..	..	..	..	..	..	..	3	..	
Revenue and Agriculture	3	..	..	..	..	..	..	..	..	..	3	..	
Education and Health	1	..	..	..	..	..	..	..	3	..	(c)2
Commerce	4	1	..	..	..	..	..	..	..	..	4	1	(c) One Parago and one Jew.
Industries	6	..	..	..	..	..	..	..	..	..	6	..	
Railway Board	5	1	..	..	..	..	..	..	..	..	5	1	
Office of Financial Adviser.	6	..	..	..	..	..	..	..	..	..	6	..	
Military Finance.	

* Excluding officiating officers.

(ii) Proportion of Muslims to non-Muslims in each Department (including temporary appointments)—

Home	13 per cent.	21 per cent.
Foreign and Political Finance	12 "	36 "
Legislative	11 "	13 "
Army	15 "	16 "
Public Works	7 "	15 "

(iii) Total proportion of Muslims to non-Muslims in all the Departments of the Government of India—About 13 per cent.

(b) Total number of permanent assistants in the Railway Department (Railway Board) is 30 and not "about 40."

POLICY OF HIS MAJESTY'S GOVERNMENT WITH REFERENCE
TO THE GOVERNMENT OF INDIA ACT.

The HONOURABLE MR. J. CRERAR, (Home Secretary): Sir, I lay on the table a copy of a Despatch from His Majesty's Secretary of State for India, No. 62-Public, dated the 2nd November 1922, regarding the policy of His Majesty's Government with reference to the Government of India Act.

INDIA OFFICE, LONDON.

2nd. November 1922.

Public,
No. 62.

TO HIS EXCELLENCY THE RIGHT HONOURABLE THE GOVERNOR GENERAL OF INDIA
IN COUNCIL.

MY LORD,

More than a year has elapsed since Your Excellency's Government forwarded to my predecessor the report of a debate which took place in the Legislative Assembly in September of last year, as a result of which a motion was carried recommending that the Secretary of State should be informed that the Assembly was of opinion that the progress made by India on the path to responsible government warrants a re-examination or revision of the constitution at an earlier date than 1929. On the 28th February last my predecessor stated, in reply to a question put to him in the House of Commons, that he intended to address a Despatch to Your Excellency's Government in reply to this motion, which would follow generally the lines of his speech in the course of the debate on the address a fortnight earlier. Circumstances, however, prevented the fulfilment of this intention, and since it has fallen to myself to make the reply which it is desirable that the Assembly should receive, I do not imagine that Your Excellency's Government will have expected that I should address myself to so large and important a question without mature consideration, even though some further delay was involved.

2. The result of my consideration is that I have little to add to, and nothing to qualify in, the statement of the case made by my predecessor in the concluding portions of his speech in the House of Commons on the 14th February last. The policy deliberately adopted by Parliament in enacting the Act of 1919, and recently reaffirmed by the present head of His Majesty's Government, was to provide an instalment of self-government, but at the same time to make further progress in that direction dependent upon experience of the practical results achieved in the working of the new constitution as a whole. It would have been a matter for surprise had any speaker in the Indian debate of September of last year attempted to prove as the result of six months' experience of a new constitution that its possibilities were exhausted and that nothing remained to be learned from further experience of its operation. No such attempt was made, and the arguments used in support of the motion consequently lose some of their cogency in my view, for three reasons. In the first place, they assumed that progress is impossible under the existing constitution, and can be achieved only by further amendment of the Government of India Act. This assumption I believe to be fundamentally erroneous.

3. The outstanding feature of the change made by the Act of 1919 was that it provided British India with a progressive constitution in place of an inelastic system of government, and that consequently there is room within the structure of that constitution for the Legislatures to develop and establish for themselves a position in conformity with the spirit of the Act.

4. In the second place, however great the merits shown by the Legislatures as a whole and by individual members (and I am far from wishing to underestimate them), the fact remains that the merits and capabilities of the electorate have not yet been tested by time and experience. The foundation of all constitutional development must be the presence of a vigorous and instructed body of public opinion operating not only in the Legislatures, but—what is even more important—in the constituencies. Until this foundation has been firmly laid, progress would not be assisted, and might indeed be retarded, if fresh responsibilities were added to those with which the electors have so recently been entrusted.

5. Thirdly, the new constitutional machinery has to be tested in its working as a whole. Changes have been made as the result of the Act of 1919 in the composition, powers, and responsibilities not only of the Legislatures, but also of the executive Governments. No estimate of the success of the new system could pretend to completeness which was not based upon proof of the capacity of these bodies, as now constituted, to administer the duties entrusted to them—duties which, from the point of view of the public welfare, are at least as important as those of the Legislatures; and trustworthy proof of such capacity can only be established by experience of the extent to which the increased association of Indians in the sphere of executive responsibility has justified itself in practice.

6. I would add that, even were these reasons for patience less cogent, an opinion based upon six months' experience of its working that a new constitution, in the elaboration of which over two years were occupied, stands in need of revision, is hardly likely to commend itself to Parliament, since it is clear that sufficient time has not elapsed to enable the new machinery to be adequately tested. It would, in fact, be without precedent if a constitution, deliberately framed to provide a basis for development in whatever directions experience may indicate, were to be brought under review within a few months of its inauguration; and indeed any such process could hardly fail to deprive the constitution of a large element of its value, by determining prematurely the precise directions in which further progress is to be made.

7. I shall be glad if Your Excellency's Government will cause copies of this Despatch to be laid on the Table of both Chambers of the Indian Legislature.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble Servant,

(Signed) PEEL.

EMIGRATION TO THE STRAITS SETTLEMENTS AND MALAY STATES.

The HONOURABLE MR. B. N. SARMA (Revenue and Agriculture Member): Sir, I lay on the table, in pursuance of the provisions of sub-section (2) of section 10 of the Indian Emigration Act, 1922, a draft notification specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to the Straits Settlements, the Federated Malay States and the Unfederated Malay States.

No.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

(EMIGRATION.)

Delhi, the January 1923.

NOTIFICATION.

In exercise of the powers conferred by section 10 of the Indian Emigration Act, 1922 (VII of 1922), hereinafter referred to as "the Act", the Governor General in Council is pleased to issue the following Notification in the form in which it has been approved by both Chambers of the Indian Legislature:—

Emigration to the Straits Settlements, the Federated Malay States of Perak, Selangor, Negri-Sembilan and Pahang and to the Unfederated Malay States of

Kedah, Perlis, Johore, Kalantan, Trengganu and Brunei for the purpose of unskilled work shall be lawful on the following terms and conditions, namely:—

- (1) The emigrant shall
 - (a) have been recruited by a person licensed for that purpose by and responsible to an officer (hereinafter called the Emigration Commissioner) appointed by the Government of the Straits Settlements and by the Governments of the Federated and Unfederated Malay States, or
 - (b) have applied direct to the Emigration Commissioner for an assisted passage and have been accepted by him.
- (2) The emigrant shall not before leaving British India, have entered into any engagement to labour for a period exceeding one month.
- (3) Engagements to labour entered into by an emigrant in Malaya for a period exceeding one month shall be void.
- (4) The Government of the Straits Settlements and the Governments of the Federated and Unfederated Malay States shall at any time when so desired by the Governor General in Council admit and give all facilities to an Agent appointed under section 7 of the Act.
- (5) Within one year of his arrival in the Colony any emigrant who has been assisted to emigrate at the cost of the Indian Immigration Fund shall, on satisfying the Agent appointed under section 7 of the Act that his return to his home is desirable either on the ground of the state of his health or on the ground that the work which he is required to do is unsuitable to his capacity, or that he has been unjustly treated by his employer or for any other sufficient reason, be repatriated free of cost to the place of recruitment and the costs of such repatriation shall be defrayed by the Government of the Straits Settlements and the Federated Malay States and Unfederated Malay States.
- (6) If at any time there is no Agent appointed under section 7 of the Act, the Government of the Straits Settlements and the Governments of the Federated and Unfederated Malay States shall appoint a person to perform the duties of the Agent as set forth in Clause 5.
- (7) There shall be no evasion of the provisions of the Act by the conveyance through foreign ports in the Peninsula of India of persons who would be emigrants for the purpose of unskilled work if they departed from British ports.
- (8) The Government of the Straits Settlements and the Federated and Unfederated Malay States shall furnish such periodical reports and returns as may be required from time to time by the Government of India in respect of the welfare of the persons emigrating to the colony in accordance with this Notification.

EMIGRATION TO CEYLON.

The HONOURABLE MR. B. N. SARMA (Revenue and Agriculture Member): Sir, I lay on the table, in pursuance of the provisions of sub-section (2) of section 10 of the Indian Emigration Act, 1922, a draft notification specifying the terms and conditions on which emigration for the purpose of unskilled work shall be lawful to Ceylon.

No.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

(EMIGRATION.)

Delhi, the January 1923.

NOTIFICATION.

In exercise of the powers conferred by section 10 of the Indian Emigration Act, 1922 (VII of 1922), hereinafter referred to as "the Act", the Governor General in

Council is pleased to issue the following Notification in the form in which it has been approved by both Chambers of the Indian Legislature :—

“ Emigration to Ceylon for the purpose of unskilled work shall be lawful on the following terms and conditions, namely :—

- (1) The emigrant shall—
 - (a) have been recruited by a person licensed for that purpose by and responsible to an officer (hereinafter called the Emigration Commissioner) appointed by the Government of Ceylon, or
 - (b) have applied direct to the Emigration Commissioner for an assisted passage and have been accepted by him.
- (2) The emigrant shall not, before leaving British India, have entered into a contract of service for a period exceeding one month.
- (3) Within six months from the issue of this Notification, or within such further period as the Governor General in Council may by notification appoint, the Legislature of Ceylon shall have enacted that any contract of service for a period exceeding one month entered into by an emigrant shall be void.
- (4) No part of the cost of his recruitment, subsistence during transport, or transport shall be recoverable from any emigrant and all expenses in this connection shall be defrayed from a common fund to be raised in such manner and managed by such agency as may appear suitable to the Colonial Government.
- (5) The Government of Ceylon shall at any time when so desired by the Governor General in Council admit and give all facilities to an Agent appointed under section 7 of the Act.
- (6) Within one year of his arrival in Ceylon any emigrant who has been assisted to emigrate at the cost of the common fund referred to in clause (4) shall, on satisfying the Agent appointed under section 7 of the Act that his return to his home is desirable either on the ground of the state of his health or on the ground that the work which he is required to do is unsuitable to his capacity, or that he has been unjustly treated by his employer, or for any other sufficient reason, be repatriated free of cost to the place of recruitment, and the costs of such repatriation shall be defrayed by the Government of Ceylon or the Ceylon Planters' Association.
- (7) If at any time there is no Agent appointed under section 7 of the Act, the Government of Ceylon shall appoint a person to perform the duties of the Agent as set forth in clause (6).
- (8) Within six months from the issue of this Notification, or within such further period as the Governor General in Council may by notification appoint, the Legislature of Ceylon shall have enacted that no payment made in India by a recruiter to an emigrant to enable him to pay off debts before emigrating shall be recoverable.
- (9) The Government of Ceylon shall furnish such periodical reports and returns as may be required from time to time by the Government of India in respect of the welfare of persons emigrating to Ceylon in accordance with this Notification.

BUSINESS OF THE HOUSE.

The HONOURABLE THE PRESIDENT: The Council will take unofficial business to-morrow. I will now ask the Honourable the Leader of the House if he can make a statement in regard to the course of official business.

The HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, I understand that the next meeting of this Council for official business will be held on the 29th January. The only item of official business at present ready for that date is the motion that the Bill further to amend the Criminal Tribes Act, 1911, as passed by the Legislative Assembly, be taken into consideration. On the 31st January, which is I understand the next official day, Government will give time for the resumption of the discussion on the Hindú Ceremonial Emoluments Bill. The course of further business in this Chamber will be determined by the progress made in another place with the Bill to amend the Code of Criminal Procedure.

The Council, then adjourned till Eleven of the Clock on Thursday, the 25th January 1923.