

Wednesday, April 13, 1881

COUNCIL OF GOVERNOR GENERAL  
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ABSTRACT OF THE PROCEEDINGS

OF THE

Council of the Governor General of India,

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS.

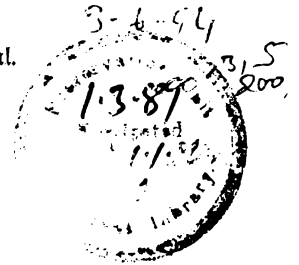
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1882.

*Abstract of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament 24 & 25 Vic., cap. 67.*

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The Council met at Government House, Simla, on Wednesday, the 13th April, 1881.

P R E S E N T :

His Excellency the Viceroy and Governor General of India, K.G., G.M.S.I., G.M.I.E., *presiding*.

His Excellency the Commander-in-Chief, G.C.B.

The Hon'ble Whitley Stokes, C.S.I., C.I.E.

The Hon'ble Rivers Thompson, C.S.I., C.I.E.

The Hon'ble J. Gibbs, C.S.I., C.I.E.

Major the Hon'ble E. Baring, R.A., C.S.I.

Colonel the Hon'ble G. T. Chesney, R.E.

The Hon'ble C. Grant.

INDIAN PAPER CURRENCY ACT AMENDMENT BILL.

The Hon'ble MR. STOKES moved for leave to introduce a Bill to amend the Indian Paper Currency Act, 1871. He said that there was at present no paper currency which was a legal tender in British Burma. Notes of the Calcutta Circle were used to a limited extent in the chief towns, and occasionally notes of other circles were used, but there was no circle of issue in that important Province. Great inconvenience had been felt by the mercantile classes from this want; and in the year 1872 the question of establishing a circle of issue in Burma was before the Government of India. The Indian Paper Currency Act of 1871, however, rendered it necessary to declare every town (other than Calcutta, Madras or Bombay) in which there was an office of issue to be, for the purposes of the Act, situate within some Presidency. Had, therefore, a circle of issue been established in Burma, it would have been necessary to declare the place of issue to be situate within one of the Presidencies of Fort William, Fort St. George and Bombay. The result would have been that, under section 9 of the Act, the notes of the Burma Circle would have been payable at the office or offices of issue in Burma, and also at the Presidency-town of the Presidency (probably Fort William) within which the town of issue had been declared,

for the purposes of the Act, to be situate. Now the nature of the commercial transactions between Burma and India was such that, under those circumstances, it would have been unwise to establish a circle of issue in Burma. At particular periods of the year large remittances of money were made between Calcutta and Rangoon. The average yearly import of gold and silver into British Burma between 1873 and 1878 was Rs. 1,48,51,650. The average export was Rs. 34,26,078. With the exception of an insignificant fraction, these transactions were with India, and the great bulk of them with Calcutta; and if the Burmese notes were payable at Calcutta, the Government might be put to considerable inconvenience and expense in providing cash to meet the notes. The question was accordingly allowed to remain in abeyance.

The rapid increase of the trade of Burma had again caused the question to be brought before the Government of India. The best authorities were agreed that Burma could no longer do without a paper currency, but that the Burmese notes should be payable only at the office of issue and not at any Presidency-town. The public would thus enjoy most of the conveniences of a paper currency: the undertaking would probably prove a financial success; while the Government would not be obliged to undertake the exchange business of British Burma.

The amendments in the Paper Currency Act proposed in the Bill had for their objects—first, to create a Commissioner of the Department of Issue at Rangoon; secondly, to make the towns of issue in Burma independent of the Presidencies; and, thirdly, to render the paper issued at any town in Burma payable only at the office of issue.

Although the notes would be compulsorily payable only at their respective offices of issue, the same accommodation would of course be given at all treasuries to holders of notes as was given in India. Treasuries would, he presumed, receive all notes in payment of any Government demand, and would cash all notes when convenient. Travellers also would, he supposed, usually be accommodated. The Deputy Accountant General, British Burma, thought that the Burmese would readily accept a paper currency in substitution of a silver currency alone, for the latter had many drawbacks—such as cumbrousness and the difficulty, expense and sometimes danger, of conveying coin from place to place. The Agent in Rangoon of the Chartered Mercantile Bank concurred, grounding his opinion on the fact that the Burmese were comparatively wealthy, and were a spending, not a hoarding, people. The money they received so largely

for their produce was largely spent at a later period of the year : they held it for a short time only : they would therefore soon learn to appreciate the advantage of having it in a light and portable form.

Major the Hon'ble E. BARING said that he had nothing to add to the remarks made by the Hon'ble Mr. Stokes. It appeared to him that the Bill was a desirable one ; and he presumed that it would now be published in the Government of India and the Local Government Gazettes, and that we should thus have an opportunity of learning what were the views of the public regarding it.

The Hon'ble MR. STOKES explained that the publication of the Bill would take place in the usual course after it had been introduced at the next meeting of the Council.

The Motion was put and agreed to.

#### SINDH INCUMBERED ESTATES ACT AMENDMENT BILL.

The Hon'ble MR. GIBBS moved for leave to introduce a Bill to amend the Sindh Incumbered Estates Act, 1876. He said that his observations on this motion would also apply to the subsequent motion, which stood in his name, for leave to introduce a Bill to amend the Broach and Kaira Incumbered Estates Act, 1877. The Council would be aware that in 1876 an Act was passed called the Sindh Incumbered Estates Act, and that in 1877 a similar Act was passed to enable the Government to arrange the debts of Taluqdárs of the Broach and Kaira districts. Both of those Acts were, more or less, founded on a previous Act passed by the Bombay Council in 1862 for the Ahmadábád Taluqdárs. The working of that Act had been found to be beneficial ; the necessities of the Taluqdárs in Kaira, Broach as well as in Ahmadábád, and also of the zamíndárs in Sindh, required some extraordinary provisions to be made in order to clear them of their debts, and for that purpose those Acts were passed and became Acts Nos. XIV of 1876 and 1877. In the practical working of these Acts, which was under the charge of an officer called the manager, it was found that, while Government advanced money to pay off creditors, there was a considerable amount of difficulty and unnecessary trouble caused by the Government taking a special mortgage in every case for the money thus advanced ; and it was pointed out by the Government of Bombay that "the legislature did not, it would seem, contemplate when those enactments were passed that Government might find it expedient to advance money on the security of the estate at a

fair rate of interest in order to enable the manager to compromise and discharge at once some or all of the debts due to private creditors. Had this been contemplated, it is probable that some provision would have been inserted, both allowing this arrangement and directing that the management should continue under the Acts until the debt so incurred to Government is paid off. This, in the opinion of this Government, is the nature of the amendment which is now necessary."

To effect this, a correspondence took place between the Governments of India and Bombay; and the result had been that the Legislative Department had prepared those two short amending Bills.

The money which had hitherto been borrowed had been regarded as a liability incurred to Government in respect of the property under management, within the meaning of section 10 of the Act. This view, however, was based on an erroneous conception of the law; and, as the Act stood now, the only way to secure advances made by Government was by mortgaging the indebted estate. It was objected that as soon as the debts were paid off, the estate was released from management, and that Government would then only have the security of an ordinary mortgage for the advance. It was proposed, therefore, to amend the Act by enabling the manager to borrow money from Government, and by providing that the estate should not be released from management until the money so borrowed was repaid with interest. This would be effected by slight additions to sections 23 and 25. By other amendments the management was made to extend to the debt which might be incurred to Government by the manager borrowing money, and the manager was directed, in submitting his liquidation-scheme, to show in it the amount which he proposed to borrow from Government, and the way in which he proposed to repay it. As the management could not terminate till the whole advance was repaid, there was ample security for its repayment. That was the principal object of those two Bills.

There was also another small amendment, especially with regard to the Sindh Act, allowing a further period of six months from the passing of the present amending Act, to enable people to come in; but he was inclined to think that a similar provision would have to be made in the other Act also, and a reference would be made to the Government of Bombay on this point.

The Hon'ble MR. RIVERS THOMPSON said that he was not sure if he had understood his hon'ble friend's remarks correctly. The correspondence to which

he had referred had occurred in the Home and Revenue Department. It was understood that the advances made by Government to liquidate the debt were secured upon the estate, and that the Act provided that the managers should realize what was due to the Government. It had, however, been held by the Legislative Department that as the law stood this could not be done without a mortgage in each separate case ; and, considering the number of the estates, the execution of a deed of mortgage in each would, in the opinion of the Bombay Government, increase the difficulty of management very much. Was it to do away with that necessity that the amendment of the Act was intended ?

The Hon'ble MR. GIBBS said that that was one of the objects of the measure.

The Motion was put and agreed to.

#### BROACH AND KAIRA INCUMBERED ESTATES ACT AMENDMENT BILL.

The Hon'ble Mr. GIBBS also moved for leave to introduce a Bill to amend the Broach and Kaira Incumbered Estates Act, 1877.

The Motion was put and agreed to.

#### EXCISE BILL.

The Hon'ble MR. STOKES moved for leave to introduce a Bill to consolidate and amend the law relating to the Excise-revenue in Northern India, British Burma and Coorg. He said that the Bill was, in the main, a re-enactment of the Excise Act, 1871, in a shorter and, it was believed, a clearer form.

His Excellency THE PRESIDENT enquired if the Bill repealed the whole of the Excise Act.

The Hon'ble MR. STOKES replied that a part of the Act was already repealed by the Opium Act of 1878, and that the Bill repealed the rest of it.

The Hon'ble MR. STOKES continued :—The only substantial changes of importance which the Bill introduced were two, a greater restriction in regard to ganjá and other intoxicating products of the Indian hemp plant, especially in British Burma ; and an enhancement of the penalties for certain breaches of the Excise-law. As regards the former, the amendment of the law proposed for

British Burma would practically amount to a prohibition of the use of these intoxicating drugs, except for medicinal purposes, in that Province. This was advocated by the Chief Commissioner on the following grounds—

His Excellency THE PRESIDENT :—“ Was that Mr. Aitchison ? ”

The Hon'ble MR. STOKES :—“ Both Mr. Aitchison and Mr. Bernard were in favour of the change.”

The Hon'ble MR. STOKES continued :—It was advocated on four grounds—

- (1) that these drugs, particularly ganjá, were far more injurious to health than opium ;
- (2) that at present they were unknown to the Burmese themselves, or, at any rate, had not come into use to such an extent among them that they would feel deprived of a luxury if their supply were summarily stopped ;
- (3) that such drugs were already forbidden in the Arakan Hill Tracts, and that the prohibition had worked well ; and
- (4) that they were, for the most part, used only by immigrants from India, chiefly Madrasis, and, in the opinion of the Chief Commissioner, these persons deserved no special consideration in the matter.

The alteration of the law in this particular for other Provinces was of much less importance. It consisted in the reduction of the weight of ganjá and bháng which might be sold by a retail vendor or be possessed by a private person from a quarter of a ser to five tolas, the same weight as was permitted in the case of charas. As to ganjá, it was stated by a high authority that the quantity now allowed was much greater than was necessary, considering how noxious was the drug, and how small a weight was sufficient to meet the daily requirements of an ordinary smoker. The effect of the large quantity now allowed was to encourage and facilitate smuggling and the illegal transport of the drug.

The enhancement of the penalties prescribed for offences against the Act had been advocated by certain of the Local Governments, on the ground that the persons who commonly committed such offences were unable to pay a fine, and that they did not care about being put into the civil jail—in fact, such confinement was rather a luxury to them than otherwise; and imprisonment without hard labour was really no punishment to them at all. There was no doubt that large



frauds were committed on the excise-revenue; that one of their chief causes was the lightness of the penalties attending their detection, and that, till severer penalties were prescribed, the revenue would be inadequately protected. The Bill accordingly gave power to sentence to imprisonment of either description extending to six months in lieu of, or in addition to, fine in certain cases, and in other cases substituted imprisonment in the criminal jail for imprisonment in the civil jail.

The Hon'ble MR. RIVERS THOMPSON said that he might mention that the cultivation of ganjá had all along been prohibited in British Burma; but, notwithstanding this prohibition, from the facility with which the drug could be smuggled into the Province, frequently difficulties had arisen. It had been brought to light that, although the cultivation of ganjá did not prevail in the country, there was no penalty against the use or possession of it; and, therefore, the only way that it could be controlled was by employing the preventive officers to seize the article before it could be brought on shore, and by confiscating it. These measures were not always successful; and the fact that the drug was often smuggled into Burma by the native troops from Madras and Bengal, and that the post office even was used for delivering packets of the drug in different parts of the country, rendered it necessary that the law should be made more stringent.

The Motion was put and agreed to.

#### CENTRAL PROVINCES LAND-REVENUE BILL.

The Hon'ble MR. GRANT moved that the Hon'ble Mr. Thompson and the Hon'ble Major Baring be added to the Select Committee on the Bill to consolidate and amend the law relating to Land-revenue and the jurisdiction of Revenue-officers in the Central Provinces.

The Motion was put and agreed to.

The Council adjourned to Wednesday, the 20th April, 1881.

R. J. CROSTHWAITE,

SIMLA;  
The 13th April, 1881. }

*Officiating Secretary to the Government of India,  
Legislative Department.*