

*Friday,  
27th February, 1903*

**ABSTRACT OF THE PROCEEDINGS**

**OF THE**

**Council of the Governor General of India,**

**LAWS AND REGULATIONS**

**Vol. XLII**

**Jan.-Dec., 1903**

ABSTRACT OF THE PROCEEDINGS  
OF  
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA:  
ASSEMBLED FOR THE PURPOSE OF MAKING  
LAWS AND REGULATIONS

1903

VOLUME XLII



Published by Authority of the Governor General.



CALCUTTA  
PRINTED BY THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA,  
1904

*Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, a & d 55 & 55 Vict., c. 14).*

---

The Council met at Government House, Calcutta, on Friday, the 27th February, 1903.

PRESENT:

His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Mr. J. A. Bourdillon, C.S.I., Lieutenant-Governor of Bengal.

His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., Commander-in-Chief in India.

The Hon'ble Mr. T. Raleigh, C.S.I.

The Hon'ble Sir E. F.G. Law, K.C.M.G., C.S.I.

The Hon'ble Major-General Sir E. R. Elles, K.C.B.

The Hon'ble Mr. A. T. Arundel, C.S.I.

The Hon'ble Sir Denzil Ibbetson, K.C.S.I.

The Hon'ble Mr. Gopal Krishna Gokhale.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidia Vinodha Avargal, Rai Bahadur, C.I.E.

The Hon'ble Mr. L. P. Pugh.

The Hon'ble Sayyid Husain Bilgrami.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Sir M. C. Turner, Kt.

The Hon'ble Mr. G. C. Whitworth.

The Hon'ble Mr. R. F. Rampini.

The Hon'ble Mr. G. F. T. Power.

The Hon'ble Rai Sri Ram Bahadur.

The Hon'ble Mr. A. W. Cruickshank, C.S.I.

His Highness Raja Sir Surindar Bikram Prakash Bahadur, K.C.S.I., of Sirmur.

His Highness Agha Sir Sultan Muhammad Shah, Agha Khan, G.C.I.E.

The Hon'ble Mr. C. W. Bolton, C.S.I.

INDIAN ELECTRICITY BILL.

The Hon'ble MR. ARUNDEL presented the Report of the Select Committee on the Bill to make better provision for facilitating and regulating the

supply and use of electrical energy for lighting and other purposes. He said:—  
 “ My Lord, I beg leave to offer some explanatory remarks. In the Statement of Objects and Reasons which I laid before the Council with the Bill last year I said that legislation had been pressed upon the Government of India from various quarters and by the Governments of Bombay and Bengal in particular, and that the promoters of electrical enterprise would welcome the passing of a general Act, while one English firm had submitted a draft Bill for consideration.

“ The Bill I then introduced had been prepared after much consideration and criticism, and I referred especially to the assistance which I had received from the Hon’ble Mr. Ashton and from Mr. Meares, the Electrical Engineer to the Government of Bengal, and which has since been continued. Endeavour was made in framing the Bill to provide in the substantive law for conditions that are fixed and stable and in the rule-making powers for conditions that are liable to modification from time to time. A number of criticisms on the Bill were received during the year and the Select Committee have profited by them in the alterations they have introduced. The Council may desire to know the reasons for the more important of the changes.

“ In clause 4 (*r*) (*a*), instead of requiring the consent of the local authority before a license is granted and empowering the Local Government to dispense with that consent if refused, it is provided that the Local Government shall consult the local authority, consider its objections, if any, and that, should they consider the objections insufficient, they shall record their reasons and communicate them to the local authority. This change was introduced to obviate the fears of English capitalists that the right of veto by a local authority would, as in England, be practically final, for the Board of Trade never overrides it, and that the difficulties of obtaining a license would therefore be greatly increased.

“ Original clause 4 (*r*) (*b*), which provided that licenses might be granted subject to a time-limit, has been omitted.

“ It was open to two objections, first, to the detriment of the local authority, that the period fixed might be so long as to bar the local authority from the right of purchase for an unreasonable time, and second, to the detriment of the licensee, who, whether the time was long or short, might have to dispose of his property as scrap if the local authority or Local Government declined to purchase when the period expired. As the Bill now stands, all licenses will run for an indefinite time, but the local authority will have the right of purchasing the undertaking at the end of forty-two years and at intervals not exceeding ten years thereafter.

[27TH FEBRUARY, 1903.] [Mr. Arundel.]

" *Clauses 5, 7 and 10.*—The terms of purchase of electrical undertakings have naturally attracted much interest. The object in view is on the one hand to attract capital, and on the other not to place so high a price upon the undertaking as to bar the local authority from purchase at the end of forty-two years, if it thinks fit. As the provisions stand, the price to be paid will be the fair market-value of the lands, buildings, works, materials and plant at the time of purchase but without any addition for compulsory purchase or good-will or profits. But, in case these terms should be found inadequate to attract capital, it will be open to the Local Government, with the previous sanction of the Governor General in Council, to vary the terms of purchase in such way and to such extent as may be recognized as necessary.

" *Clause 7 (5).*—A new clause has been inserted to enable a local authority, instead of purchasing an undertaking, to arrange with the licensee to continue to work the undertaking on such terms as may be arranged. This may prove of advantage in cases where the local authority is diffident about working an undertaking itself. It may prove advantageous to the licensee, and cannot in any way be disadvantageous to him, as he can always say, 'I prefer to be bought out or to work on until the next term of ten years or whatever it may be has expired.'

*Clause 26.*—It is now provided that disputes between licensees under the Electricity Act and telegraph authorities or licensees of telephone wires shall be referred for decision to the Governor General in Council instead of to the Local Government. This is because the Telegraph Department and licensees under the Indian Telegraph Act are under the Government of India and not under Local Governments.

" *Clause 32.*—The Select Committee have accepted a proposal made in various quarters for the appointment of Advisory Boards. The Governor General in Council can appoint an Advisory Board for the whole of India, and each Local Government can appoint an Advisory Board for the Province or for a portion of a Province. The only duty imperatively laid upon such Boards if appointed is [clause 34 (3)] to report on the expediency of making any rule under the Act and as to the suitability of its provisions.

"But power has been taken [clause 33 (2) (7)] to frame rules not only for the appointment of Advisory Boards, but also define their duties and regulate their procedure. The difficulties felt by Local Governments in disposing of electrical questions, in many of which expert knowledge is specially necessary, will, I have little doubt, lead to the early appointment of Advisory

[*Mr. Arundel; Sir Denzil Ibbetson.*] [27TH FEBRUARY, 1903.]

Boards in Provinces where electrical enterprise is making progress, and where experts can be found fitted to be members of the Boards. And, while it may be some time before rules can be made under the Act formally imposing additional duties upon the Boards, there will no doubt be many occasions when the Local Government will gladly avail themselves of the knowledge of Advisory Boards in regard to matters that may come up for decision.

“It has been asked, what is the owner, who works a private generating plant under Part III, to do, if he desires to supply some place outside his own premises with energy without taking out a license to supply the public. The answer is that he must arrange with the local authority or the owner of the land, as the case may be, for permission to put up any poles or lines to his destination, and he must of course conform generally to the provisions of the Act.

“It has also been asked how energy can be taken by a licensee from a generating station at some distance perhaps, to quote the analogy of the works at the Cauvery Falls in Mysore, at a great distance from the area to be supplied. The answer is that, if the public interests require it, the Government of India may (under clause 55) confer upon any licensee any of the powers possessed by a telegraph authority under the Indian Telegraph Act, 1885, with respect to the placing of lines and posts.

“*Clause 42.*—Saving clauses have been inserted to preserve the terms of licenses and agreements now in force for electric lighting and traction. It will of course be open to all holders of such licenses or agreements to apply for fresh licenses under the Electricity Act. On the one hand, they would gain the advantage that the life of their undertaking would be prolonged to forty-two years from the date of the new license. On the other hand, if their present sale clauses are more favourable than those provided in clause 5 (*b*) of the Bill, they might seek some further concession under the provisions of section 10 before deciding to apply for a new license under the Act.”

#### PROVIDENT FUNDS (AMENDMENT) BILL.

The Hon'ble SIR DENZIL IBBETSON presented the Report of the Select Committee on the Bill further to amend the Provident Funds Act, 1897. He said :—“The Bill has been generally approved of by the authorities consulted. We have carefully considered the suggestions and criticisms on points of detail which we received, and have decided to leave the Bill as introduced substantially unaltered.”

[27TH FEBRUARY, 1903.] [*Sir Edward Law; Sir Denzil Ibbetson;*  
*Sir Montagu Turner.*]

#### INDIAN PORTS (AMENDMENT) BILL.

The Hon'ble SIR EDWARD LAW presented the Report of the Select Committee on the Bill further to amend the Indian Ports Act, 1889. He said:— "The Committee carefully considered the Bill and did not find it necessary to suggest any alteration in substance. They recommend that the Bill, in which only some slight formal changes have been made, be passed."

#### PROBATE AND ADMINISTRATION BILL.

The Hon'ble SIR DENZIL IBBETSON moved that the Bill to empower District Judges in certain cases to grant Probates of Wills and Letters of Administration having effect throughout British India be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Sir Montagu Turner, the Hon'ble Mr. Cruickshank, His Highness the Agha Khan and the mover, with instructions to report within three weeks.

The motion was put and agreed to.

#### INDIAN TEA CESS BILL.

The Hon'ble SIR MONTAGU TURNER moved that the Bill to provide for the levy of customs-duty on Indian tea exported from British India, and to amend section 5 of the Indian Tariff Act, 1894, be referred to a Select Committee consisting of the Hon'ble Mr. Raleigh, the Hon'ble Sir Edward Law, the Hon'ble Rai Sri Ram Bahadur, the Hon'ble Mr. Bolton and the mover, with instructions to report within three weeks.

The motion was put and agreed to.

The Council adjourned to Friday, the 6th March, 1903.

CALCUTTA;  
The 2nd March, 1903.

J. M. MACPHERSON,  
*Secretary to the Government of India,*  
*Legislative Department.*