

THE INDIAN LEGISLATIVE COUNCIL

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PROCEEDINGS

OF

THE INDIAN LEGISLATIVE COUNCIL

ASSEMBLED FOR THE PURPOSE OF MAKING

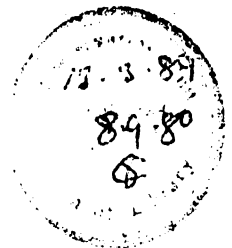
LAWS AND REGULATIONS

From April 1919 to March 1920

WITH INDEX

VOL. LVIII

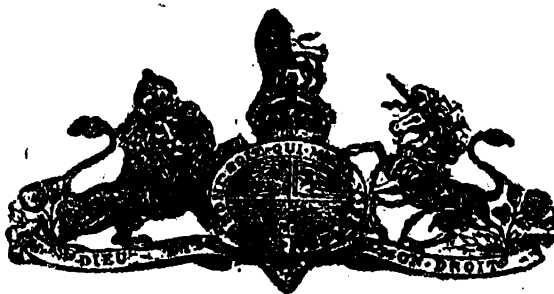
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1920



GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER
THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915.
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Viceregal Lodge, Simla, on
Monday, the 15th September, 1919.

PRESENT :

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., K.C., *Vice-President, presiding*, and
53 Members, of whom 46 were Additional Members.

OATH OF OFFICE.

The following Additional Member made the prescribed oath or affirmation of allegiance to the Crown:— 11-4 A.M.

The Hon'ble Mr. Henry Robert Conway Dobbs, C.S.I.,
C.I.E.

QUESTIONS AND ANSWERS.

The Hon'ble Rai Sita Nath Ray Bahadur asked:— 11-5 A.M.

1. "(a) Is it a fact that it is proposed to adopt the contract system in the Cash and Pay Departments of the Eastern Bengal Railway?"

Adoption of contract system in the Cash and Pay Departments of the Eastern Bengal Railway.

(b) Will not the adoption of this system be a departure from the usual practice, and result in depriving a large number of employes of the prospects and privileges of the Provident Fund?"

The Hon'ble Sir Arthur Anderson replied:—

"(a) A proposal to this effect is at present under the consideration of Government.

[*Sir Arthur Anderson ; Rai Sita Nath Ray Bahadur.*]

[15TH SEPTEMBER, 1919.]

(b) By the adoption of the system the Eastern Bengal Railway would conform with existing practice on the other State-worked railways. Employés of the contractor, not being railway servants, would not be eligible for Provident Fund benefits. The number of employés in the Cash and Pay Department of the Eastern Bengal Railway is about fifty. If the contract system is introduced in this Department employment in other branches of the railway carrying the benefits of the Provident Fund would be found ultimately for the majority of these if they so desired."

The Hon'ble Rai Sita Nath Ray Bahadur asked :—

Supply of
Wagons to
collieries.

2. "(a) Is it a fact that the Railway Board in their letter No. 169-T-19, dated the 4th August 1919, stated to the Bengal National Chamber of Commerce that figures had been placed before them giving the percentage of wagon supplies under various heads received by collieries belonging to the members of the Indian Mining Federation and the Indian Mining Association, which went to show that under the coal Special Indent system wagon supplies had approximated very fairly to the percentages of the total outputs represented by the two Associations ?

(b) Will Government be pleased to lay on the table a list of the collieries working in Bengal and in Bihar and Orissa showing their respective raisings during the operation of the coal Special Indent system for the respective periods of its working under the Committee appointed to regulate the supply of coal from January 1917 to October 1917 and under the Coal Controller and the Coal Transportation Officer from November 1917 to July 1919, and also showing the wagons supplied to each colliery under each of the various heads during those periods ?"

The Hon'ble Sir Arthur Anderson replied :—

"(a) The reply is in the affirmative.

(b) The figures asked for cannot be placed on the table as their preparation would involve a large expenditure of time and labour. I may, however, inform the Hon'ble Member that collieries belonging to members of the Indian Mining Association produced approximately 70 per cent. of the total output of coal in 1918, and figures available shew that during May 1919, which may be taken as a typical month, these collieries received 78.51 per cent. of the total wagon supplies."

The Hon'ble Rai Sita Nath Ray Bahadur asked :—

Coal Special
Indent
system.

3. "(a) Is it a fact that the Railway Board on the 14th May last wrote to the Bengal National Chamber of Commerce in reply to their representation for the withdrawal of the Special Indent system for the supply of wagons for coal that the coal Special Indent system was being abolished on and from the 1st of August, 1919, and so further action in this respect was unnecessary ?

(b) Is it a fact that the coal Special Indent system was withdrawn and wagons were being supplied for coal on the pre-war basis *pro rata* according to raisings from the 1st August last ?

(c) Is it a fact that a notice was issued under the signature of the Coal Transportation Officer on the 4th August renewing the Special Indent system on and from the 15th August last ?

(d) Will Government be pleased to state the special circumstances, if any, which arose between the 14th May 1919 and the 4th August 1919, which led them to alter their decision with regard to the coal Special Indent system ?"

[15TH SEPTEMBER, 1919.]

[*Sir Arthur Anderson; Rai Sita Nath Ray Bahadur; Sir George Barnes; Sir Dinshaw Wacha.*]

The Hon'ble Sir Arthur Anderson replied :—

“Replies to (a), (b) and (c) are in the affirmative.”

As regards (d), Government were advised that railway transportation difficulties and the continued absence of shipping necessitated the continuance of the Special Indent system. They are anxious, however, to put an end to all forms of control at the earliest possible moment, and propose to do so in this case as soon as it is reasonably safe so to do.”

The Hon'ble Rai Sita Nath Ray Bahadur asked :—

4. “Have Government in contemplation any scheme for the increase of the pay of postal peons?” Increase of pay of postal peons.

The Hon'ble Sir George Barnes replied :—

“There has been a steady increase in the rates of pay of postmen during recent years. The aggregate monthly cost of the revisions sanctioned by the Director-General, Posts and Telegraphs, and the Postmasters-General during 1917-18 and 1918-19 amounts to Rs. 14,917 a month, and the number of men benefited by these revisions is 9,056. In addition to this various revisions have been, and are being, carried out during the current year.

Besides these revisions of pay, all postmen receive special war allowances, which are calculated at the following rates :—

For men whose pay is Rs. 12 or less, Rs. 2 ;

For men whose pay exceeds Rs. 12, but does not exceed Rs. 20, Rs. 3 ;

For men whose pay exceeds Rs. 20, but does not exceed Rs. 35, Rs. 4 ;

For men whose pay exceeds Rs. 35, but does not exceed Rs. 50, Rs. 5.

In addition to these war allowances, postmen draw grain compensation allowance according to the ordinary rules under Article 72, Civil Account Code. At present prices these allowances amount to Rs. 1-8 for men whose pay (excluding war allowances) is Rs. 16 or less, and Rs. 3 for men whose pay (excluding war allowances) is more than Rs. 16 but not more than Rs. 30.

To illustrate the extent of the improvements effected, the average emoluments in 1914 and 1919 at the four chief offices in India may be compared.

		<i>Average emoluments.</i>	
		1914.	1919.
		Rs.	Rs.
(1) Calcutta	...	16-6	23
(2) Bombay	...	19-9	27-5
(3) Madras	...	15	24-7
(4) Lahore	...	18-7	21-15

Government are now contemplating a general scheme for the permanent increase of the pay of postmen which will absorb the present temporary war allowances.”

The Hon'ble Sir Dinshaw Wacha asked :—

5. “Has the attention of Government been drawn to a statement in the Press that the Report of the Medical Services Committee will not be published? Is this statement true? If so, will Government be pleased to state the reasons for not publishing the Report?” Publication of the Report of the Medical Services Committee.

[His Excellency the Commander-in-Chief;
Sir Dinshaw Wacha.]

[15TH SEPTEMBER, 1919.]

His Excellency the Commander-in-Chief replied :—

“The reply to the first two parts of the question asked by the Hon'ble Member is in the affirmative. The report of the Medical Services Committee is being considered by the Government of India, and must therefore be treated as confidential at this stage. Moreover, Government consider that no useful purpose would be served by placing it in the hands of the public at present.”

The Hon'ble Sir Dinshaw Wacha asked :—

Re-organisa-
tion of the
Medical
Services in
India.

6. “Will Government lay on the table copies of—

(a) the Report of the Committee on the Re-organisation of the Medical Services in India ; and

(b) the despatch of the Government of India on the above Report to the Secretary of State for India ?”

His Excellency the Commander-in-Chief replied :—

“(a) and (b) The report of the Medical Services Committee is being considered by the Government of India, and must therefore at this stage be treated as confidential. A despatch to the Secretary of State for India has not yet been prepared on the subject, as the opinions of Local Governments have not all been received. The reply to the questions asked by the Hon'ble Member is therefore in the negative.”

The Hon'ble Sir Dinshaw Wacha asked :—

Recom-
mendations
made in the
Report re :
the Indian
Medical
profession.

7. “What recommendations, if any, have been made in the Report on the Re-organisation of the Medical Services in India to satisfy the aspirations of the Indian Medical profession towards a larger share in the Military, Civil, Scientific, Educational and Sanitary Posts in the services and in the War Reserve ?”

His Excellency the Commander-in-Chief replied :—

“As the report of the Medical Services Committee must be treated as confidential at this stage, Government are unable to make any public announcement at present as to the recommendations made by that body.”

The Hon'ble Sir Dinshaw Wacha asked :—

Appointment
of temporary
Indian
Officers to
the perman-
ent cadre
of the Indian
Medical
Service.

8. “(a) Is any augmentation contemplated in the near future in the permanent cadre of the Indian Medical Service ?

(b) Has any provision been made for the recognition and appreciation of Indians holding temporary commissions in the Indian Medical Service, and are any steps being taken for their incorporation in the permanent cadre of the Indian Medical Service ?

(c) Is it a fact that in filling up certain permanent posts in the Indian Medical Service from among the holders of temporary commissions, 33 men out of 146 recruited in England and 17 men out of 900 recruited in India have been appointed by the Secretary of State for India ? Were all the 33 men Europeans ?

(d) Will Indian Members of the Indian Medical Service holding temporary commissions and who have been on active service in the various theatres of War have a preferential claim to incorporation in the permanent cadre of the Indian Medical Service ?”

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[His Excellency the Commander-in-Chief;
Sir Dinshaw Wacha; Sir Arthur
Anderson; Mr. H. F. Howard.]

His Excellency the Commander-in-Chief replied :—

"(a) An augmentation of the permanent cadre of the Indian Medical Service is under consideration with reference to military medical requirements.

(b) Indians holding temporary commissions have the same opportunities of earning rewards and decorations as permanent officers of the Indian Medical Service.

Applications for permanent commissions from Indians holding temporary commissions in the Indian Medical Service have been called for, and these applications are now under consideration.

(c) Fifty officers have been given permanent commissions in the Indian Medical Service by nomination since the entrance by competitive examination ceased. Of this number, 33 were Europeans and 17 were Indians.

(d) Active service in the various theatres of war will be taken into consideration by the Selection Committee in recommending Indian members of the Indian Medical Service holding temporary commissions for permanent appointments."

The Hon'ble Sir Dinshaw Wacha asked :—

9. "Is it true that the salary of Indian probationers in the various higher services on the State and other Railways is lower than that of European probationers for the same service? If so, do Government propose to take any, and, if so, what measures in this matter?"

Salary of
Indian Pro-
bationers on
Railways.

The Hon'ble Sir Arthur Anderson replied :—

"On State railways no difference is made in the pay granted to locally recruited probationers, whether European or Indian. Generally speaking, however, officers both European and Indian, appointed on probation in Europe, are given a higher initial rate of pay than locally recruited men.

The practice on Companies' lines is not uniform. In some cases the initial pay is higher than that given on State railways; in others it is lower. Government do not propose to interfere with the discretion of Companies in the matter."

The Hon'ble Sir Dinshaw Wacha asked :—

10. "When do Government contemplate removing the restrictions on the flow of gold and silver bullion to this country?"

Removal of
restrictions
on the flow
of gold and
silver
bullion.

The Hon'ble Mr. H. F. Howard replied :—

"Government regret that they are not in a position to make any announcement on the subject. They recognise, however, that an integral part of any permanent sound currency policy must be the unrestricted movement of the precious metals. In a recent discussion which I had with the Bengal Chamber of Commerce, a summary of which has appeared in the newspapers, I pointed out the difficulty, in the present abnormal conditions, of removing the present restrictions on the private import of gold and silver immediately, and I can only repeat that Government recognise that their removal is very desirable as soon as circumstances permit."

[*Maharaja Sir Manindra Chandra Nandi ;
Mr. R. A. Mant ; Rao Bahadur B. N.
Sarma ; Sir George Barnes.*]

[15TH SEPTEMBER, 1919.]

The Hon'ble Maharaja Sir Manindra Chandra Nandi
asked :—

Normal
annual
requirements
in food-
grains for the
population of
British India.

11. “(a) What is the normal annual requirement of the population of British India (excluding Burma) as regards food-grains, and how has the same been ascertained? How much of this approximately represents the minimum human need per head of the population, and how much the seed reserve, wastage, etc.?”

(b) Is it a fact that during the Viceroyalty of Lord Curzon an inquiry was made as to the normal requirements of the average individual inhabitant of the different provinces?

If so, what briefly were the circumstances of the said inquiry and the findings arrived at thereon in respect of each province?

(c) Will Government be pleased to publish a detailed memorandum embodying the results of the said inquiry, and any other inquiries that may have been made with a similar object?”

The Hon'ble Mr. R. A. Mant replied :—

“(a) The Government are not in a position to furnish any reliable estimate of the normal annual requirements of food-grains of the population of British India.

(b) and (c) The Government of India have more than once caused inquiries to be made regarding the production, consumption and surplus of food-grains in India, and such an inquiry was made during the Viceroyalty of Lord Curzon, but it did not include an investigation of the normal requirements of the average individual. The results of these inquiries are not considered sufficiently accurate to justify their publication as an authoritative pronouncement, and the Government of India therefore regret that they do not see their way to giving the information asked for. In this connection I would invite the Hon'ble Member's attention to the Resolution of the Government of India in the Finance Department No. 1614-F., dated 24th October 1914, regarding Mr. Datta's Report on the inquiry into the rise of Prices in India.”

The Hon'ble Rao Bahadur B. N. Sarma asked :—

Foodstuffs
supplied by
India
during the
war.

12. “Will Government be pleased to state (a) the total quantities and values of foodstuffs, and (b) the total value of other materials and goods supplied by India (i) to the United Kingdom, (ii) to the Allies during the period of the war at controlled prices (lower than the prices prevailing in the importing countries), and (c) the aggregate values thereof as per market prices in the importing countries?”

The Hon'ble Sir George Barnes replied :—

“The information for which the Hon'ble Member asks is not at hand, nor is it in most cases obtainable. Prices of some materials were controlled, but they were in many cases equally controlled in the importing countries. It is obviously impossible to compare values at controlled prices with purely hypothetical values calculated to represent what would have been the position if prices had not been controlled. An endeavour will, however, be made to supply information, so far as it is obtainable, of quantities and values of materials supplied at controlled prices, and a statement will be laid on the table when it is ready. Besides materials supplied at controlled prices, there were of course numerous articles supplied from India not on controlled, but on contract rates, which in many cases compared very favourably with

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[*Sir George Barnes ; Rai Sahib Seth Nathmal ; Sir William Vincent ; Sardar Sundar Singh Majithia ; the Vice-President ; Mr. Kamini Kumar Chanda.*]

open market rates. I presume the Hon'ble Member does not refer to these, but it would of course be a serious mistake to assume that it was necessarily to the disadvantage of the seller to meet a large and steady demand from Government, over and above the ordinary trade requirements, at considerably reduced rates."

The Hon'ble Rai Sahib Seth Nathmal asked :—

13. "(a) Has the attention of Government been drawn to a letter that appeared in the 'Leader' of the 18th August, 1919, under the heading 'Provincial Services and the Public Services Commission' ? Provincial Civil Services.

(b) In respect of what Departments of the Imperial Services have the recommendations of the Public Services Commission so far been given effect to ?

(c) Have any proposals been received from Local Governments with regard to the Provincial Civil Services ?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state whether they have submitted any recommendations to the Secretary of State to give effect to those proposals ?

(e) If the answer to parts (c) or (d) be in the affirmative, will Government be pleased to place on the table the correspondence that passed between them and the Local Governments on the one hand and between them and the Secretary of State on the other ?"

The Hon'ble Sir William Vincent replied :—

"(a) The answer is in the affirmative.

(b) So far the orders of the Secretary of State have been received only on the recommendations regarding the Mint and Assay and the Indian Finance Departments. In a few other cases, such as the Police Service, the Forest Service, Public Works Department, and the Indian Medical Service, orders have been received from the Secretary of State to our references regarding pay, but the proposals regarding the constitution of, and other changes in, the departments still remain for decision.

(c), (d) and (e) Proposals have been received from some of the Local Governments and Administrations, but until the Government of India are in possession of the views of nearly all of them, they are unable to address the Secretary of State. They will, however, do so as soon as possible."

The Hon'ble Sardar Sundar Singh Majithia :—" May I ask, Sir, whether it would not be more convenient to take Mr. Chanda's Resolution after Mr. Sarma's Resolution has been discussed ?" 11-17 AM

The Vice-President :—" I think we must keep to the order of the Resolutions on the paper."

RESOLUTION *re* : REMOVAL OF THE PUNJAB GOVERNMENT FROM SIMLA.

The Hon'ble Mr. Kamini Kumar Chanda :—" Sir, I beg to move the Resolution that stands in my name and runs as follows :— 11-18 AM

'This Council recommends to the Governor General in Council that Simla should be the summer headquarters of the Punjab Government.'

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FROM SIMLA.

[*Mr. Kamini Kumar Chanda.*]

[15TH SEPTEMBER, 1919.]

“Sir, I am fully aware, I do not desire to, and shall not, disguise the fact that there seems to be some feeling in the matter of this Resolution of mine among my Punjab friends not only in this Council, but outside it, a feeling that one like me, coming from the further east, the other end of the country, should take it upon himself to move a Resolution affecting the Punjab which is so very well represented in this Council. Sir, if the Punjab alone was affected by this matter, certainly I would plead guilty to the charge of impertinent interference in other people's affairs. But, Sir, I submit that we, coming from other provinces, are as much interested in this matter as my Hon'ble friends from the Punjab, and I trust the Council will agree with me. Sir, before 1912, the Government of India was associated for three months in the year with a Provincial Government, namely, the Government of Bengal in the city of Calcutta in accordance with a practice which was hoary with age, dating back to the earliest days, of the British connection with this country. But, in spite of that, in spite of the fact that it was only for a very short time that the two Governments were together, the practice was condemned, and one of the reasons given in the Durbar Despatch of 1911, which was assented to by the Secretary of State for India for the transfer of the Capital from Calcutta, was this connection. In the words of the Government of India at that time ‘the connection was bad for the Government of India, the connection was bad for the Government of Bengal, and unfair to other provinces.’ Sir, if this criticism was applicable to Calcutta, where the two Governments were together for only three months, very much more is it applicable in the case of Simla where the Government of India is associated with the Government of the Punjab for more than half the year, besides the fact that, comparatively speaking, it is in accordance with a very recent practice. Is it necessary, Sir, that I should labour this point in view of this authority of the Government of India and of the Secretary of State in regard to this matter? There is another matter, Sir. As a result of this the Lieutenant-Governor of the Punjab is the only Member of this Council among the provincial rulers. Surely, that is a matter which the other provinces could certainly take exception to. While I am on this point, I may as well mention an incident which took place in this Council Chamber two years ago. When speaking on a Resolution that was moved by my Hon'ble friend, Mr. Shañ, in 1917, Sir Michael O'Dwyer, forgetting that he was not addressing his own Council, and usurping the functions that pertain to His Excellency the Viceroy, as was pointed out at the time by my Hon'ble friend, Pandit Madan Mohan Malaviya, delivered a most inflammable speech and made an attack upon the prominent men of other provinces on the ground that he was reviewing the situation of the country. Sir, that speech caused very deep resentment among the other provinces, and it was fortunately through the kind intervention of the Viceroy that Sir Michael O'Dwyer had to express his regret openly in this Council for his speech. Sir, that spectacle was hardly edifying and to put a stop to any repetition of this, if for nothing else, this practice must be put an end to. The Council may be aware, Sir, that Murree used to be the summer residence of the Lieutenant-Governor of the Punjab. About 1877 or 1878, the Lieutenant-Governor of the Punjab was invited to come to Simla. In those days the Council may remember that the Punjab was the North-West Frontier Province, and the Lieutenant-Governor of the Punjab was adviser to the Viceroy in regard to frontier affairs. At that time there was the Kabul trouble and shortly the second Afghan War broke out. It was in reference to this that the Lieutenant-Governor was invited to come to Simla to advise the Viceroy. Then His Honour proposed to purchase Barnes Court as his official residence; but the Government of India objected, on the ground that even then Simla was very overcrowded and it was only in view of the political and administrative considerations necessitating the constant presence of the Lieutenant-Governor in Simla to advise the Viceroy, that the objection was waived

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and that is how the Punjab obtained a footing in Simla. But, Sir, those considerations have ceased to exist now. In the words of the Government of India (Lord Curzon's Government) (I am reading a portion of the despatch which they submitted on this point)—'The situation has now been entirely changed; the frontier has been severed from the Punjab and has been equipped with an administration of its own.' The solitary reason for the summer location of the Punjab Government at the seat of the Imperial Government has, therefore, ceased to apply. If there were still validity in it, it would furnish an argument not for retaining the Lieutenant-Governor of the Punjab in Simla but the Chief Commissioner of the North-West Frontier Province in his place.' And the same despatch proceeds that 'even after experience of the new system there were officers of the highest authority who strongly deprecated the change and did their best to get it reversed. Prominent among these was Sir Charles Aitchison, who was Lieutenant-Governor of the Punjab from 1882 to 1887.' 'Apart from any question relating to the frontier it appears to us on general administrative grounds to be undesirable that the seats of the two Governments should be identical for so long a period of the year.' That despatch also quoted the authority of Lord Dufferin who condemned the practice of the Imperial Government and any Provincial Government being associated together for any time. Taking this view, Lord Curzon's Government took this matter up after the formation of the new North-West Frontier Province, and suggested a reversion to the state of things that prevailed before 1878, by the withdrawal of the Punjab Government to some place more suitable than Simla. The Punjab Government was accordingly addressed on 28th June 1901, and it was pointed out to the Lieutenant-Governor that, as the chief reason for the location of the Punjab Government at Simla had ceased to exist, its continued residence there involved the following disadvantages: firstly, that it tended to detract from the position of the Lieutenant-Governor as the head of the province; secondly, that where there was any separation of antagonism of interests it was not unlikely to produce friction rather than despatch in the transaction of business; and thirdly, that it added to the growing difficulties connected with the population of Simla and prospective congestion of the station. The then Lieutenant-Governor of the Punjab, Sir Mackworth Young, opposed this proposal strongly, but his successor Sir Charles Rivaz entirely differed from him and supported this proposal. The result was that a Joint Committee of the two Governments, the Government of India and the Punjab Government, was formed to report on this matter and to select a site for the location of the Punjab Government in the summer. The Committee selected Dalhousie which was much nearer to Lahore than Simla and estimated the cost of removal to be 24 lakhs 25 thousand rupees. The Government of India thought that the estimate erred on the side of excessiveness, but they forwarded the report which had been accepted by the Lieutenant-Governor of the Punjab to the Secretary of State urging strongly that the recommendation should be accepted. Lord George Hamilton was then Secretary of State, but was soon succeeded by Lord Middleton (then Mr. Brodrick), and it was he who dealt with the despatch. He did not see his way to accept the recommendations of that Committee that the congested state of Simla was a strong ground for the transfer of the Punjab Government. The Government of Lord Curzon replied to this by their despatch, No. 14 of 1905, dated the 30th March, and strongly re-urged the acceptance of their proposal; but Mr. Brodrick would not yield, and without rejecting the proposal deferred the solution of the question to a more convenient season, to quote his own words. That is, Sir, how the question came to be shelved. It is a matter for speculation what would have been the fate of this proposal if Mr. Brodrick had not been Secretary of State or if the relations between him and Lord Curzon were otherwise than what they are known to have been. However, that apart, I believe, Sir, that there are very imperative grounds on which the question should be re-examined now. In the first place, in spite

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of everything that has taken place since the publication of the Joint Report on Indian Constitutional Reforms, one would not be surprised if the ruler of the Punjab in future is not drawn, is not recruited, from the distinguished service of Sir Michael O'Dwyer, but recruited in England. It is obvious then, as was mentioned in the Coronation Durlar Despatch, that it would not be desirable that two noblemen from England, the Viceroy and the Governor of the Punjab should be residing at the same place as every now and again delicate social questions were likely to arise which would not be easy of solution. Then it would hardly be consistent with the dignity of the ruler of the Punjab that in his own province, for Simla is part of the province, he would not be the premier nobleman but only a '*chota lat.*' But the real objection arises from the fact of the congested state of Simla. You have seen that even in its very inception the Government of India objected to Simla being the permanent residence of the Lieutenant-Governor of the Punjab on the ground of congestion. In the time of Lord Curzon this difficulty was further accentuated. Can anybody say the position is better to-day? Can anybody say that there is accommodation enough to meet the requirements? We have the Army Head Quarters, and is it not a fact that they require more room? There are very many new offices in that Department that are going to be started and we must very soon have room for them. Then there is the Munitions Board, and we shall have very probably a Development Board. Where is the accommodation to come from? Then take the case of the Government of India. This Legislature will be more than doubled in a short time. We shall have a Council of State of 50 members, this will require accommodation. In the Legislative Assembly the number of elected members will be more than three times what it is now, they will require accommodation. Then, again, the sitting of the two Chambers, the Assembly and the Council of State will be much longer than it is now. Where is the accommodation to come from? Then take the question of the Punjab. It is going to have an executive Council, the members of the executive Council will require accommodation for residences. There will be more than one or more Ministers, and they with their respective staffs will require residences. With the introduction of responsible government in this country the sittings of the Punjab Legislative Council will not be confined to the cold weather sittings when the Government goes to Lahore. This question of accommodation cannot be solved if the Punjab Government is to continue in Simla. I am afraid a good deal of discontent has been caused by certain whole-sale land acquisition proceedings. The other day the Hon'ble Mr. Mant told us that the Government of India was not aware that there was any general feeling of indignation on the part of householders all over the country. I have read a different story in the newspapers and I have heard that the action of the Government of India has been compared to that of a highwayman with a pistol. I asked Mr. Mant about the case of a gentleman who offered to pay Rs. 15,000 to the Government if he were allowed to retain his property, or in the alternative, he asked the Government to put it up to auction. Neither proposal was agreed to by the Government of India. If, Sir, the Punjab Government is to remain in Simla, these difficulties will become far more aggravated. I am surprised that the Hon'ble Mr. Mant said that there was no discontent on the part of the public. Knowing human nature, I say that when people see high officials of the Government of India occupying palatial residences at a trifling rent, it is hardly likely that they will look with indifference at this prospect. I submit that the position is one which is serious enough to call for attention. I will quote a passage from Lord Curzon's Despatch in which he says:—

'The officers in the Punjab Service will regret the loss of the advantage which they at present enjoy in being brought directly under the notice of the Supreme Government.' It goes on to say: 'There are many Punjab officers who will regret the loss of the superior social amenities and amusements which they

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enjoy at Simla, and the wider opportunities that it offers for cultured existence, as compared with the necessarily more restricted range of thought, interest and entertainment that is provided by a provincial hill station of the ordinary type.' This may be freely conceded, but it is a case in which, as Sir Charles Rivaz has observed, 'personal must give way to the public interests.'

" Finally, one word as to the financial aspect of the matter. I say in the long run there will be no financial loss involved to the Government if the Punjab Government is transferred from Simla. The Government of India has embarked on a policy of building operations which will involve a heavy sum of money. This might be profitably diverted. All the money could be devoted towards starting a new hill station ; this would not only relieve Simla of the expenditure in further expansion, but prevent a costly experiment and it will avoid land acquisition proceedings, present and future.

" I do not think I need detain the Council any further, for in my humble capacity I associate myself with the weighty arguments of the Government of India. If this Council sees fit to reject my Resolution, it will be demolishing the case of the Government of India, not mine."

The Hon'ble Major Malik Sir Umar Hayat Khan :—" Sir, 11-37 A.M.
Simla is a District of the Punjab and thus under the Punjab Government. The Punjab Government has made its home on its own territory.

" The Government of India has encroached upon the Punjab Territory to visit the place and are now welcomed in their home.

" The Punjab Government are not in Simla but are in Ohhota Simla. They are in a remote corner from which our Hon'ble Mover wants to throw them down the precipice. I do not know how he would like if I walked to his home and told him to shift, leaving the house and property. If there be a question of Simla being over-crowded, there are miles and miles of uninhabited hills round Simla where extension could be effected and railway and water-supply extended. If it is meant that the Punjab Government should shift because it is the Punjab Government, then I hope the Government of India will not forget the services the Province has just performed in the World War and at the Frontier. The Punjabis will feel very much offended if anything was contemplated in this direction.

" Our Province has given the chance to many speakers from other parts of India to be able to say that 'we have made sacrifices and we have shed our blood for the Empire' though they have not got much connection with the Soldiers of martial classes which have borne the brunt of the struggle, and they should not be so unthankful as to ask us to leave our home in return.

" I will now touch another aspect and that is the expenditure. Apart from the expenditure incurred in the war and recent troubles, the country has gone through hard times as mentioned by His Excellency the other day. No proposal should be entertained which will impose on the Punjab the fresh burden of building on another hill station, because that would have to come from the pockets of the Punjabis and not from those of the other Provinces. It might be said, why should the Government go to the hills at all ? I now and then come across criticism of a handful of men in England not knowing the climatic conditions of India, who say that no Government should go to the hills. I wish they could come and work one year in the plains and the following year on the hills, and they would soon find the difference in the outturn of work. All public servants are paid out of Indian revenues and in return naturally India wants the maximum work out of them.

" The Englishman cannot be expected to do his best when the temperature runs from 120° to 126° in the plains. I wish the Hon'ble Mover had been with

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me this hot weather at the Peshawar Front. He would have seen that even people of the country were suffering very severely ; and his output would not have come up to what it is now ; which is about three-fourths that of the whole of the Council business.

“ Sir, as the bulk of the Indian Army is recruited from the Punjab, it is absolutely necessary that its Government ought to be always in close touch with the Army Headquarters. When there was a great demand for the recruits and the Provincial Recruiting Board used to convene its meetings at Simla many distinguished officers from Army Headquarters could attend and help us without any hitch in carrying on their ordinary routine work.

“ When question after question is being hurled at the Punjab Government's head its Headquarters at Simla for supplying information would have been of great value.

“ Then, Sir, there has been a criticism on His Honour Sir Michael O'Dwyer's last speech. That was the time when we tried to get as many men as we could and tried to buck them up for fighting. It was to please the Punjabis who were shedding their blood that Sir Michael O'Dwyer delivered that speech, so that the other provinces may also come up to their pitch, and I think if during the war such a speech was made, it was for the good of the Government as well as for the good of the war which was then being carried on.

“ Then, again, it has been said that the Punjab Government was called here on account of the troubles at Kabul. Well, when there was trouble this time in the Punjab it also caused troubles in Kabul on account of certain people, and if these troubles occur in future on account of the political propaganda which is carried on by certain people, then, I think, it is all the more necessary that the Punjab Government should remain where the Government of India remains. With these few remarks I hope the Council would vote against the Resolution.”

11-43 A.M.

The Hon'ble Sardar Sundar Singh Majithia :—“ Sir, I am sorry I have to oppose my Hon'ble friend's motion. He thinks that the connection of the Government of the Punjab with the Government of India is unfair to other provinces. I would not say anything, but I hope he is not jealous of us and wishes to take the Government of India to his own province. If he were, I am sure the Government of India would not like to go into the heavy rains that his province gives.

“ Then he said further on, that His Honour the Lieutenant-Governor, as head of a Provincial Government, was the only Member on this Council. I think he forgets that when the Government of India goes down to Delhi, the Chief Commissioner of Delhi is also a member on this Council.

“ Then he said that Murree used to be the headquarters of the Government of the Punjab when my Province was called the North-West Frontier Province. Does he think that now that the Punjab is not so styled, it has lost its claim of a place in a part of its own Province and should not be near the Government of India so as always to be at hand, as my Hon'ble friend Malik Sir Umar Hayat Khan said, to give the necessary information and assistance to that Government ?

“ One thing more. My friend Malik Sir Umar Hayat Khan said that Simla being in the Punjab we are in our own homes. I would remind my friend of the story about the old woman and the camel in Aesop's Fables. I hope with due respect to the Government of India, I do not mean to say that the Government of India is going to act like the camel towards us in the Punjab, but my friend does wish the Government of India to so act and turn

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us out from our home. That is not the way in which we Punjabis would like to be treated.

“ He said further that the Secretary of State threw out this proposal and he gave the reason that perhaps it was due to a difference of opinion between the Secretary of State and the then Viceroy of India. I do not know what the real facts of the case are. Perhaps he has got more information on this point than I claim to have.

“ Then he referred to delicate social questions. I am afraid I cannot understand what he means by this. Does he mean that the Punjab Government or the Head of the Punjab Government has not given the chances of enjoying the delicate social associations in their own homes? I hope that is not his meaning. But if he means something else, I am afraid he has not explained his point.

“ He further said that after all the Head of the Punjab Government is called in Simla as the Chota Lord Sahib. Surely, as Head of the Punjab Government, he is the Chota Lord Sahib, and if to-day he asks the Chota Lord Sahib to go out of Simla I hope he will not ask the *Jangi* Lord Sahib to go out next. Perhaps that may not be convenient. But if to-day he asks the Chota Lord Sahib to go out of Simla, his next move would, perhaps, be to ask His Excellency the Commander-in-Chief to leave Simla on account of congestion and to find some convenient quarters somewhere else. My friend's suggestion might perhaps come later though I am not a prophet in this respect.

“ Further, my Hon'ble friend said that on account of congestion many offices have to be built. My friend forgets that there is a scheme of extension which has been under the consideration of the Government of India. With the room that is available round about, I hope it will be possible for the Government of India to provide accommodation for all and every sort of offices that may be created. With regard to the additional members in the Punjab Executive Council, I do not think we will have more than one, and surely the accommodation required for the Executive Member and the Minister,—only two officers—should not be grudged, and I hope my friend would not grudge it.

“ Again, he referred to the financial circumstances. In his opening speech I think he said something about the estimates prepared in Lord Curzon's time amounting to something like 24 lakhs and 25 thousand, but beyond quoting that figure he has not given us any other idea as to what he thinks the cost would be under the changed circumstances. Everybody who knows the circumstances in the country knows full well that the cost of building has more than quadrupled compared with what it was in the olden times, and perhaps if I take the figures as he gave them from the statement 24 lakhs and 25 thousand, it will considerably be much more than what the finances of the Punjab would be able to bear after this war.

“ I therefore hope, Sir, that the Council would not see their way to accept the suggestion which has been made by my friend.”

The Hon'ble Sir William Vincent:—“ Sir, the Hon'ble Mover 11-50 A.M.
has not been very fortunate in securing support from the province of the Punjab which is directly interested in the Resolution, but, at the same time, I do quite recognise that this is not entirely a provincial matter, but a matter of Imperial importance in a certain sense. But, in this connection, I should like in the first place to draw the attention of the Council to the wording of the Resolution:—“ This Council recommends to the Governor General in Council that Simla should cease to be the summer headquarters of the Punjab Government. There is no suggestion anywhere that an inquiry should be made, that local opinion should be ascertained or the matter locally investigated. This Council without having an opportunity of examining the facts with any care is asked to arrive at a summary decision on a change which is one of very great moment.

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Such a course will not, I think, readily commend itself to Hon'ble Members. The Council has been told that this question was examined at great length in 1903, and it is correct to say that Lord Curzon's Government, both then, and I think, in 1905, recommended that the Punjab Government should be moved from Simla, and that Simla should be made, as it were, an Imperial enclave. That proposal was carefully considered by, I think, two successive Secretaries of State, or by one Secretary of State on two separate occasions, and it was deliberately rejected for reasons which are known to the Mover. The Hon'ble Member asked me some time ago to place at his disposal the correspondence between the Government of India and the Secretary of State on this matter and I did so, but he has not, I think, mentioned the reasons which led the Secretary of State to reject the proposal, and if any other Members of this Council wish to have the papers, I shall be pleased to place them at their disposal. Briefly stated, the reasons were (I put them very briefly) that there were certain political advantages in having the headquarters of the Local Government and that of the Imperial Government in the same place; that the disadvantages arising out of such an arrangement were much over-estimated; that any form of administration by the Central Government of a small territory was inadvisable and very expensive, and that the population of Simla was then about 30,000—I will correct the figures if I find I am wrong—and that it would be reduced by 2,000 only if the headquarters were removed, so that any relief afforded to the congestion of Simla would be temporary and the expenditure would be far greater than the advantages to be derived, justified. Well, the question was again examined incidentally in 1917 by a Committee up here, and then again, I think, the Committee decided not to make any specific recommendations on the point, although they left the question open for discussion should necessity arise, and that is, I think, the present state of the case. I think the Council would do well if they left it there. Should necessity arise for reconsidering this question, then it can be re-opened at any time. But if it is proposed to make Simla, as it were, an Imperial enclave, I should warn the Council that the recurring expenditure would be very considerable. We know from our experience of Delhi that the arrangements there are perhaps more expensive than in any administration in the whole of India. I think also that the Council will agree that, before a Local Government is prohibited from having its headquarters at any place it chooses within its own territories, and at a place particularly where it has been firmly established for many years, very cogent reasons should be given.

"I now turn to examine the reasons given by the Hon'ble Member for this change. Some of them were of considerable value, but others were clearly not of that character. His first argument is that because the Durbar Despatch discusses the question of the headquarters of the Local Government and the Imperial Government being in the same place, and finally decides that such a state of affairs is open to objection, therefore it must be bad. Well, Sir, I am afraid that if the Durbar Despatch, the despatch of 1911, were exposed to public criticism, it would be found that many of the arguments in that despatch would not be accepted by persons of authority in the country. I am not referring to Government officials, but to the non-official community, although it is possible that some Government officials, even if they were allowed an opportunity of expressing their personal opinion, would have doubts on the benefits which were claimed for the move. The second argument for the proposal was that it was said His Honour the Lieutenant-Governor was a member of this Council and that this was open to objection. I venture to suggest that we derive great assistance from the presence of His Honour, and I think there are few Members of this Council who do not welcome the presence of Sir Edward Maclagan here now. A reference was then made to a speech by Sir Michael O'Dwyer some years ago. Sir, I cannot but think that that was a most unfortunate reference. An incident which has been closed now for some

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years is dragged in without any reason in this Council on the pretext that it would justify the removal of the Punjab Government from Simla. If, Sir, that is the only reason for the removal of the Local Government that the Hon'ble Member can give, I think the case is a very weak one. It is true that there may be a difficulty in future with an officer of the status of a Governor in this Province, and that will be a matter for consideration, but I ask the Council not to urge the Government to come to an immediate decision on a question of this magnitude and importance on the information now available.

"The most cogent reason for moving the Punjab Government from Simla is, however, really the question of congestion, but when I came to inquire into details of this congestion, I found exactly what, I think, was said by one of the Hon'ble Members from the Punjab, that the number of houses occupied by officials from that Province is so small, that really it would make little difference if they were moved. The total number of officers employed by the Punjab Government, from the figures I have been able to collect, is 137, including 82 Indians, and they occupy 14 houses only. The congestion in Simla is mainly due to the occupation of houses by non-officials, who as a matter of fact occupied 72 houses here in 1917. This congestion is, however, now being removed and has been partly removed already by the erection of new residences. I do not want to weary the Council by a long list of figures, but they may take it from me that new accommodation is being provided both for Government of India officers at 'Craig Dhar,' 'Bemloc,' Summer Hill and at Dhar, and also for Punjab officers at the other end of Simla. That there has been congestion in the past is certainly true, and our attention was very strongly drawn to it last year when there was this outbreak of Influenza. From that time and before that time, but particularly from that time, the process of removing that congestion has been steadily pursued, and I would invite the Hon'ble Member to go down to the places I have mentioned, where he can see for himself the additional accommodation that is being provided both for Europeans and Indians.

"There is one other point to which I ought to refer and that is, the question of expense, because that is a very pertinent question for this Council to consider. The Hon'ble Member has not made any suggestion, as far as I was aware, of any definite place to which the Punjab Government is to be removed. He did say that it was proposed in one of the older despatches that they should go to Dalhousie, but he did not, as I understand, endorse that proposal in this Council himself. In fact his proposals are of a very vague nature and were described by the Hon'ble Malik Major Sir Umar Hayat Khan as proposals to push the Punjab Government down the khud without telling them where they were to go.

"Returning to the question of expense, the cost of moving the Government of the Punjab from this place has been estimated. The estimate then was in 1917 35 lakhs without any railway to the new headquarters; the price of materials has probably gone up since then. And we know that, when buildings are made, they always cost considerably more than the estimates. I think therefore that the Council would not be wrong in saying that the cost would be at least 50 lakhs, without any railway communication. Further, if the Local Government of a province, of this importance, is to be in touch with the rest of the province, I think it will be admitted that railway communication to its summer headquarters is an absolute necessity. If railway communication is given to a site even close to Simla, the estimated cost is Rs. 124 lakhs. That is a figure which, I think, will give Hon'ble Members of this Council to think before they lightly decide summarily to evict the Government of the Punjab from Simla. The view of the Government of India is that this question should be left open. Should it be necessary to reconsider it at any moment, they would be prepared to do so, but they must quite definitely and firmly oppose the specific Resolution proposed by the Hon'ble Member."

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[*Rao Bahadur B. N. Sarma.*]

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19 7.2.

The Hon'ble Rao Bahadur B. N. Sarma :—“ Sir, we are glad to recognise that the Hon'ble the Home Member is conscious of the fact that this question is really one of Imperial importance, and, I think, the suggestion that he has made, namely, that it should be left open, is worthy of commendation. But may I also say, Sir, that my Hon'ble friend, Mr. Chanda, was right in bringing up this proposition at this stage, because something will have to be done definitely before large expenditure is incurred by way of building Council Chambers, residences for new officials and so on, if the Reform Scheme should come into operation. I believe that the general expectation is that the Reform Scheme would come into operation somewhere next year, and, if the Councils are to meet then, it stands to reason that some definite solution must be found at an early date. So that the question as to whether the Punjab Government should go on building for their officers and for their Councils along with the Government of India, or that the Government of India should think of going somewhere else is a question which, I think, should be settled soon once for all. That is the reason why I think my Hon'ble friend Mr. Chanda was right in bringing to the notice of the Government and the Council this important question at an early stage. Then, Sir, we have another reason, because this proposition has got some bearing upon another Resolution standing against my name, namely, that it would be desirable in the public interests that the Government of India should choose some permanent headquarters where they could stay throughout the year. Well, I am not going to anticipate what may be said on that Resolution, but it is arguable that, if the Government of India were to be permanently located at one place, it may be that the decision would be in favour of Simla then only; and if the decision should be that the permanent headquarters of the Government should be at Simla almost throughout the year—although it is hardly likely that that would be the decision—in that event, in that contingency, I think my Hon'ble friend's remarks would have additional weight, because I think, if the Government of India should choose Simla for residence for the greater part of the year, or throughout there is no room for the residence of two Governments here. But I think it is as well that we should assume that the present conditions of things will continue. Assuming that the present state of things will continue, and that Simla happens to be the summer headquarters of the Government of India, then the real point, Sir, is as to whether, from the administrative point of view as well as from the point of view of convenience, it is desirable that the Punjab Government should have the same headquarters as the Government of India. I think, from the administrative point of view, the decision arrived at in 1911 has much to be said in its favour. Recent events have, I think, only emphasised the wisdom of the decision that was come to in 1911. My Hon'ble friend, Major Sir Umar Hayat Khan, says that the Punjab consists of very inflammable material. Well, let us take it that that is so. If that is so, I think it is all the greater reason that the Government of India should be at a distance so as not to be associated so closely with the doings of the Punjab Government, and I think in the interests of the rest of India it is desirable that it should be so. May I point out also, Sir, that it would be extremely convenient to have an Imperial enclave as at Delhi, for the simple reason that the people of the other provinces would have a greater chance of coming to the Imperial headquarters without any interference, without such interference, as was the result of recent troubles and panic. Recent events have emphasised the importance, from the administrative point of view, of the decision of 1911, and I think much can be said in favour of the Resolution of the Hon'ble Mr. Chanda on that ground.

“Then again, Sir, could it be contended really that it is desirable to have two Council Chambers here and that place can be found in Simla for 50 or 60 non-official members of the Punjab Council and 100 or 125 non-official and official members of the Imperial Council, let alone the extension of the offices

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and so on which would have to be provided under the new scheme? It seems to me absolutely impossible to locate conveniently so many members in this place, and the Councillors would necessarily have to come here. Well, Sir, the question will have to be faced immediately, and I think the cost mentioned, 125 lakhs, will pale into insignificance when future interests have to be taken into consideration.

"Sir, may I say one word with regard to the constant introduction into this Council of the quality of the Punjab citizens and the quality of the rest of the citizens of India? We are all proud of the bravery of the martial races inhabiting the Punjab. We feel that we are one with them, and we hope that that feeling is reciprocated by the Punjabis, although it does not seem to find any acceptance at the hands of my Hon'ble Colleague, the Hon'ble Sir Umar Hayat Khan. I make bold to say that we from other Provinces of India have conquered the Punjab and have established British sovereignty in India, and there are as brave men, as bold men, as courageous men, as strong men physically in the rest of India as can be boasted of by the Punjab. And, Sir, I hope, therefore, that these pretensions will not be very often made because they are hardly in good taste, let alone being provocative.

"Then it was said that if there is to be propaganda of the character that has been indulged in recently, it is as well that the Punjab Government should be near the headquarters of the Government of India. That is just the trouble, and the Government of India has unfortunately been gravely misunderstood by its being so closely connected with the recent doings in the Punjab. I dare say, if the two Governments were at a distance and communications between them had to be carried on by correspondence and not by private conversations, better control might be exercised by the Government of India. Therefore, for that reason also, I think it is desirable that the headquarters of the two Governments should not be the same. I do not see any reason why there should be an importation of so much feeling by the representative of the Punjab or on the part of the representative of any other province.

"The question is one of a purely business-like nature. It is not a question of anybody asking the Punjab Government to shift from Simla which is legitimately their own. It is a question as to which place should be the headquarters of the Punjab Government for the convenience of the people in general. It would be intolerable if under the *regime* of the new Councils the headquarters of the Punjab Government were not in a place where the Government would be in touch with public opinion with the greatest commercial men and with the best elements of society, but far away from them for six months in the year."

The Hon'ble Mr. R. A. Mant :—"Sir, I only rise to answer a 12-10 P.M. question put to me by the Hon'ble Mr. Chanda regarding the purchase of certain houses in Simla. I do not quite know what the incident has to do with this Resolution; but in case his remarks may give rise to any misconception I think it is well to state the facts. The facts are simply these. The houses referred to were the joint property of two owners. One of these owners authorised the other to treat with Government. The Government made to him what they considered to be a fair offer and he accepted it on behalf of both owners after consulting his partner.

The Hon'ble Mr. Kamini Kumar Chanda :—"May I rise to a point of order, Sir? Is it relevant to go into the details of the transaction when speaking with reference to this Resolution?"

The Vice-President :—"Certainly. It is in answer to the Hon'ble Member's question."

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The Hon'ble Mr. R. A. Mant :—"It is only because the Hon'ble Member asked the question, Sir, that I wished to give him the facts. Well, the partner then came forward and offered to buy the houses back from Government at a higher price. The Government did not accept this offer because they had bought the houses for a public purpose and not as a speculation. The Government were also asked to put the houses up to auction in order to ascertain their true value. Surely the Hon'ble Mr. Chanda does not contend that an auction in such circumstances would result in genuine bidding. If the owners in this or any other case are unwilling to accept the offer made by Government, it is open to them to get a regular award under the Land Acquisition Act."

12-15 22.

The Hon'ble Pandit Madan Mohan Malaviya :—"Sir, it is rather surprising to see the attitude taken up by the Hon'ble the Home Member. He suggested that the Hon'ble Mr. Chanda should be content and advised the Council to be content not to press the question to a decision now and leave it open for consideration by the Government at such time as they may think fit. He then went on to remark that he was very definitely and firmly opposed to the Resolution. Now, Sir, that I think leaves the question in a rather awkward position. Are members to understand that the Home Member speaking on behalf of the Government of India has made an informal pledge that this question shall be reconsidered by the Government of India? Or does his stout opposition mean that the question will be shelved indefinitely? I want an answer. If the Government of India will say, as the Hon'ble Member's remarks indicated, that they recognise the importance of the question raised by Mr. Chanda, that they recognise that the arguments, the reasons are on the side of Mr. Chanda, and that light, criticism and what, I shall not say more, is on the side of Sir Umar Hayat Khan and other members, then if he does recognise it, he should say to the Council that the matter is going to be considered by the Government of India at an early date. If that is not to be, then, I think, the Council ought to press the Government of India to take up this question for consideration at an early date, because from all that the Hon'ble Mr. Chanda has said it is obvious that the question needs reconsideration. In 1903, as the Hon'ble Mr. Chanda pointed out, Lord Curzon's Government in a very able despatch dated the 24th September, 1903, gave many reasons why the Punjab Government should be transferred from Simla to Dalhousie. In concluding that despatch the Government said :

'In conclusion we desire to press upon your Lordship's consideration the desirability of finally settling the question that we have submitted to you at the present time. It may confidently be predicted that if this occasion be lost, it will never again recur' (There they were wrong). 'The special justification afforded on the one hand by the removal of the Frontier from the administrative charge of the Punjab Government, and on the other by the impending opening of the railway will not again arise, and public opinion will not, therefore, be so generally favourable to the change; while the cost of removal will tend to become greater, if not insurmountable, since the Punjab Government is constantly adding to the expenditure for which it would, as now, demand an equivalent in the event of transfer. Moreover, as Simla grows larger and the congestion becomes more serious, we shall incur the reproach of having thrown away the one great opportunity presented to us of reducing the dimensions and therewith the gravity of the population problem with which we are already confronted. We accordingly commend our proposals to your Lordship as politically opportune and administratively advantageous, while in their financial aspect they are not only as economical as it has been possible to make them, but also most moderate in relation to the public benefits which they may be expected to confer.'

That was in 1903. Now, it is unfortunate that the Secretary of State who had to deal with this matter could not recognise the wisdom of the recommendations, and the matter was shelved. But, Sir, many events have happened since then. Calcutta has ceased to be the capital of the Government of India. Delhi has become the nominal capital and Simla has become in a larger sense the capital of India. The Government of India spend more time in Simla now

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[*Pandit Madan Mohan Malaviya.*]

than they used to do before, and Delhi is really the winter camp of the Government of India ; they go there as they would go to any other place for a few months' stay. Now that is one important consideration which has arisen. In addition to what my friends, the Hon'ble Mr. Chanda and the Hon'ble Mr. Sarma have said, there is the fact that these reforms are certain to come. Some men may not like it, but they are certain to come, and with the reforms will come a very great expansion of the requirements of Government for the purposes of carrying on the administration of Council. Secondly, there is the need for letting people live a little more freely here and not being compelled every year to undergo much inconvenience in finding house accommodation when they come to Simla, not for the sake of pleasure, but to serve their King and country. Many people are being put to much inconvenience, and it would be intolerable if this inconvenience is allowed to grow and suitable steps not taken to remedy it. Those are the aspects of the question so far as the transfer of the Punjab Government's summer headquarters is concerned. There is one other matter which I may mention. It is undoubtedly a fact, without referring to any individual, it is undoubtedly a fact, that the very close association of the Government of India and the Government of the Punjab is sometimes a great disadvantage to the people of the Punjab. The people of the Punjab do not get that justice that they might otherwise get in certain circumstances if the Government of India and the Punjab Government were not in the same place together ; and recent events have confirmed the apprehension of these people on this point. Next, the advantage which the people of the Punjab may derive from the headquarters of the Punjab Government being at a hill station are denied to them. Go to any other provincial hill station and you will find a number of gentlemen of the province spending a fair portion of their time at the summer headquarters of the Government. I do not know that the people of the Punjab enjoy the same benefit to the same extent that people of other provinces do. The Government of India elbow out the Punjab Government to a certain extent.

“For these reasons I think, Sir, that it is eminently desirable that at this opportunity which is another very favourable opportunity for reconsideration of the question the whole matter should be reconsidered. That was one opportunity when Lord Curzon urged the settlement of this question. It was unfortunately lost. Here is another opportunity arisen on the eve of the introduction of constitutional reforms and changes which will affect both the Government of India and the Punjab Government. Even if these changes were not in sight the problem would press for consideration and solution ; but with these changes almost certain to come—not almost, but quite certain to come—it is time that the matter were taken up and considered in a judicial spirit. Of course the opinions of some people may have to be dealt with rather lightly ; but no real reasons, considerations of any weight should be ignored by the Government in weighing the question, and I have no doubt that when the question has been weighed, it will be recognised that the recommendation made by the Hon'ble Mr. Chanda has a great deal more weight on its side than can be urged against it. It may not be a pleasant thing to contemplate for some of our friends who are very closely attached to Simla, that the Punjab Government should cease to have its headquarters here. It may be that there will be disadvantages in that respect. On the other hand, the Punjab Government and the Punjab people may find that they are better off than now if they have a summer headquarters of their own. The matter ought to be considered, as I say, in a calm and judicial spirit, and when it is so considered, I have no doubt that the conclusion which will be arrived at will, speaking personally—it may be venturesome to predict—but I venture to think that the conclusion which will be arrived at will be in support of the proposition moved by Mr. Chanda rather than against it. I, therefore, ask the Hon'ble the Home Member to say definitely whether the Government of India agree that this matter shall be taken up and considered at a suitable time. If he says it will,

[*Pandit Madan Mohan Malaviya ; Mr. Sachchidananda Sinha ; Major Malik Sir Umar Hayat Khan ; the Vice-President ; Sir William Vincent.*]

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then the Hon'ble Mr. Chanda will be right in not pressing his Resolution. If the Hon'ble the Home Member tells us that the attitude of the Government is one of opposition to the Resolution, then I think the Council will be better advised to vote in favour of it."

12-22 P.M.

The Hon'ble Mr. Sachchidananda Sinha:—"Sir, when I came to the Council this morning, I came with a perfectly open mind. I came to listen to the debate on this Resolution and to profit by it and then to form my conclusions on the subject. Personally I should be sorry if the headquarters of the Punjab Government are removed from Simla, for I have often enjoyed the hospitality of Barnes Court, and being rather partial to the good things of life, I should be very sorry to lose that prospect. But this is not a matter which can be discussed from the personal standpoint, whether of a particular individual, or of a particular Lieutenant-Governor, or anybody else. It is, as the Hon'ble the Home Member has said, an imperial problem and it should be judged from that standpoint. Having heard the debate carefully and the past history of this matter, as unfolded by the Hon'ble Mr. Chanda from the despatches of the Government of India, it appears to me that there is a good deal to be said in favour of the proposal. But here, Sir, may I be permitted to say that I desire to protest against the spirit which the Hon'ble Major Malik Sir Umar Hayat Khan, Tiwana, imports into the discussions in this Council, when any matter that concerns the Punjab comes up. He says to us: 'Oh, you are nobodies, we Punjabis are the only people concerned, we shall say what we like, you are outsiders' and so forth. He said the same thing when the last debate on the Punjab Committee was on. But Sir, I desire to point out that in this Council when we are discussing Imperial problems, every member, no matter from what province he comes, has an equal right with the Hon'ble Major Sahib to express his opinions.

The Hon'ble Major Malik Sir Umar Hayat Khan:—"Sir, I desire to ask if these personal matters are relevant to the Resolution that is being discussed?"

The Vice President:—"The Hon'ble Member must not be thin-skinned. He has provoked the retort."

The Hon'ble Mr. Sachchidananda Sinha:—"Sir, I think we all have an equal right to express our opinions. It is not a question—as the Major Sahib said—of throwing the Punjab Government down a precipice. He referred also to certain things which Sir Michael O'Dwyer had done to 'buck up' the soldiers. I do not want to say a word against Sir Michael O'Dwyer, for so long as we have here in our friend the understudy of Sir Michael O'Dwyer, the late Lieutenant-Governor, it is not necessary.

"I have given very careful attention to the remarks of the Hon'ble the Home Member and, I think, he conceded that this matter deserves very careful attention. As regards the question of expense, this is a point on which the Government of India are most ingenious. The Government of our country easily find a thousand excuses for carrying out what they like, and they as easily find a thousand excuses for not doing what they do not like. When they wanted to remove the capital to Delhi and to spend crores of rupees on that project, they found good excuses in the famous Despatch of 1911. I was surprised to hear Sir William Vincent say that many of the premises and conclusions of that Despatch would not be accepted by non-officials and even by several officials.

The Hon'ble Sir William Vincent:—"I said if officials were allowed to express their personal opinions many would not take the view that the reasons given for the transfer were convincing. I am not suggesting that this is my opinion."

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[*Mr. Sachchidananda Sinha; Sir Zulfikar Ali Khan.*]

The Hon'ble Mr. Sachchidananda Sinha :—" Sir, it seems to me that the question of expense is not of such great importance. The sum of 35 lakhs is, it is true, a large one, but the Government of India have vast resources at their disposal, and if this scheme is to be carried out they could easily find this money. Therefore, I am not deterred by the prospect of the financial liability that will be incurred in carrying out the scheme. The question is this—is it or is it not desirable that the Punjab Government should be kept at Simla? If it is undesirable that the head of a Provincial Government should be kept at the headquarters of the Government of India, then, I think, the question of 35 lakhs should not matter at all. I have no desire to traverse the ground covered in the previous speakers' speeches, but I will only mention one small matter. I was talking to a friend the other day and I said 'His Excellency'. He said :—" His Excellency! why which of the two do you mean?' Now, if there is going to be a third 'His Excellency' in Simla, this will, I fear, cause much confusion in various matters—if not confusion worse confounded. We have asked the Government to declare their opinion on this Resolution unhesitatingly, and I hope the Hon'ble the Home Member will, in view of our expression of opinion, be pleased to give us a more suave answer than he did on the occasion of the debate on the Punjab Committee. The replies given by Sir William Vincent show that he takes up generally a very unbending and unrelenting attitude. I do not say that he does so wilfully or perversely, but I do say that the impression left on our minds by his attitude on previous occasions, is one of non-possimus. The other day, when I said that his attitude on the Punjab Commission was one of non-possimus, he seemed to resent the language and protested against it, but we cannot help characterising it as such. I hope the Hon'ble the Home Member will give us a more sympathetic answer to-day, and we may then ask Mr. Chanda to withdraw his Resolution."

The Hon'ble Sir Zulfikar Ali Khan :—" Sir, as a Punjabi and as one who has some vested interests in Simla I feel I cannot refrain from taking part in the debate on this Resolution. My Hon'ble friend the Mover has no such idea as that he will derive any good from this Resolution. I think it is rather a spirit of peevish discontent characteristic of the times that is responsible for the pulsating upheaval of his physical forces. 12-20 P.M.

" Now, Sir, in determining the merits of such a Resolution as this, the foremost consideration is the financial one. Although I believe that he cherishes the best ideas, yet the best ideas are poisoned by considerations of financial stringency. Previous speakers have alluded clearly to this difficulty but have not, as far as I am aware, shown any way out of it. I think the removal of the Punjab Government from here to some other hill station will involve prodigious expenditure. It may approximately come to something like a crore and a half.

" Now, Sir, in view of all sorts of schemes for education, for sanitation and the like, is it possible for us non-official members to propose such fanciful schemes which involve a crore and a half on account of the move from Simla of the Punjab Government to some other station? I must say that this shows a lack of perspective on our part. If we have to request the Imperial Government for grants for education, for sanitation and the like, we must keep in view that the resources of the Imperial Government are not unlimited, and for this purpose I do not think the Hon'ble Mover has shown any source from which this expenditure could be derived.

" Sir, when the Imperial Government moved from Calcutta to Delhi, we all remember that public opinion practically all over India was opposed to it, and the sentiments of the people were confirmed by frequent and persistent rumours which were floated as to the return of the Imperial Government to

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Calcutta. This is a fair indication of the sentiments of the people. I know that the Government of India are anxious to create an atmosphere for themselves, but I do not think that even they want to be exclusive. The Hon'ble Mover would create a sort of solitude for them where they can certainly have some sort of spiritual rest and peace, but does he mean to put them in an airtight compartment where no provincial voice could reach them? When the Viceroy's Executive Councillors sent that despatch of 1911 regarding the Durbar, they scrupulously abstained from making any mention of the Punjab in their despatch, although, I believe, they were aware all the time that they had to live for about half the year with the Punjab Government at Simla. Now, Sir, if they had realised any inconvenience on account of our presence here, I think they might even then have solved that question, but as they did not feel any such inconvenience, I daresay they did not want the Government to leave the Punjab.

"Now, Sir, apart from other æsthetic reasons, we Punjabis feel that when we come to Simla we have opportunities of meeting such cultured and refined people as come from other provinces, and it has a great civilizing influence on us, and although, according to them, the dusty wisdom of the Punjab is rather questionable, we feel that the breath which comes from them shall shake off that dust from us. It is here that we meet and know about politics which guide the sentiments and interests in their provinces, and it is here that we have opportunities of mixing and talking with them, and would these people, for whom we have the greatest respect, deprive us of that advantage? Sir, on account of this Resolution there is already a good deal of speculation going on at present at Dalhousie with regard to house properties. I wonder if the Hon'ble Mover has any hand—I fear to mention it, Sir,—I wonder if he has any hand in that.

"My friend the Hon'ble Mr. Sarma said that when the Punjab was conquered it was conquered by people from other provinces. I think he ought to study history a little more and know the facts more clearly. The facts are these, that the Punjab was conquered by its own people"

The Hon'ble Sir William Vincent:—"May I rise to a point of order? I submit we are straying very far from the subject-matter of this Resolution."

The Vice-President:—"I hope the Hon'ble Member will come back from history to practical politics."

The Hon'ble Sir Zulfikar Ali Khan:—"Well, Sir, I am only replying to the arguments alluded to by the previous speakers, and if I am allowed to reply to them I will proceed further"

The Hon'ble Rao Bahadur B. N. Sarma:—"I agree that the Punjab was conquered by the Punjabis helping the others."

The Vice-President:—"We will leave the question at that."

The Hon'ble Sir Zulfikar Ali Khan:—"Now as regards accommodation at Simla, it is quite clear to everybody that there are so many sites round about Simla which could be utilised for this purpose, and this argument, therefore, according to my opinion, does not hold good. You go in any direction, and you will find so many desirable sites that accommodation for further expansion could be provided. I would not detain the Council any more, but I would say that my friend the Hon'ble Mover does certainly feel actuated by such sentiments as 'do good and throw it into the sea; if the fishes do not see it, God will.'"

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[*Mr. Kamini Kumar Chanda.*]

The Hon'ble Mr. Kamini Kumar Chanda:—"Sir, I cannot say that I am at all surprised at the reception, shall I say the warm reception, which this simple Resolution of mine has met with at the hands of my friends from the Punjab. As my Hon'ble friend Nawab Sir Zulfikar Ali Khan said, that in going into this matter I may be mistaken in the view I have taken of it, but I have no personal interest at all in the matter. But I do not understand why my Hon'ble friend should think that my Resolution involves or rather deprives members from other provinces the pleasure of mixing with us. Sir, I may say that wherever the Punjab Government might be situated, those members of this Council, whether from the Punjab or from the Far East, will always have opportunities of meeting one another. I do not see at all why my friend should be under this misapprehension. 12-39 P.M.

"Now as regards the remarks of my Hon'ble friend on my left* to which reference has already been made by my Hon'ble friends Mr. Sarma and Mr. Sinha, I do not think I need do more than associate myself with their remarks.

"Before I had the privilege of my Hon'ble friend's acquaintance I knew, from reading the Proceedings of this Council, of which he was a member before, that on almost every occasion he constituted himself as a sort of non-official ally of the Government and spoke on behalf of the Punjab Government. Well, I am sure every member will agree with me that my Hon'ble friend is quite welcome to that position. Of course after the valiant deeds which he has done on the battle-fields, of which we should be proud, I am sure he has got a renewal of the charter which gives him that right. I am sure I need not say anything more on that point. Several things have been said, I do not know if the time will allow me to refer to them, but I must refer in my humble way to the remarks of the Hon'ble the Home Member. In the first place, he has taken exception to the manner of the framing of my Resolution, and has raised the point as to why I did not ask for an inquiry. The reason was this. I think he will pardon me for saying that he was not correct in saying that the proposal of the Government of Lord Curzon was rejected by the Secretary of State. That is not so. What the Secretary of State said was this. In his despatch No. 91, dated 28th July 1905, he said:—

'These demands' (the demands to which he had referred), 'will continue to be a burden on your resources for several years to come: and, until they are satisfied, I think that the consideration of the question of creating a new summer headquarters for the Punjab Government, the cost of which I still think must largely exceed your estimates, should be deferred to a more convenient season.'

"He did not reject, he simply postponed the consideration of the matter, and I simply ask the Council to take it up. It was not necessary, in view of this, that there should be a further inquiry. But I hope the Hon'ble the Home Member, as my friend the Hon'ble Pandit Madan Mohan Malaviya suggested, would give us an assurance that this matter would now be re-investigated in view of the present situation. It was not necessary for me to ask for a further inquiry; all the materials are there. The despatches of Lord Curzon's Government and the two despatches of the Secretary of State contain all the materials which are necessary for a decision on this question, and if further materials were needed, I hoped the Hon'ble the Home Member himself would see that the matter was investigated and these things inquired into.

"Sir, with regard to the proposition that the Government of India and the Provincial Government should not be at the same place, the Hon'ble the Home Member has taken exception to that. I do not know that I am called upon

* The Hon'ble Sir Umar Hayat Khan.

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to support that view. At any rate that is the view of four Viceroys. I mentioned in my opening speech that that was the view of Lord Lytton, Lord Curzon, Lord Hardinge. I also referred to Lord Dufferin, but after my recent and disastrous experience in quoting on the 12th I did not venture to attempt to quote, but I will just quote one sentence from that despatch. This is what Lord Dufferin's despatch says; in paragraph 33 of the despatch of the 15th March 1887:—

'That the permanent location of the Government at any presidency-town would be adverse to efficient supervision of the Empire as a whole and would establish a disproportionate influence at the seat of the Government inconsistent with impartial and well-balanced rule.'

"Lord Curzon's Government said: 'this argument applies no less to a hill station than to a plains capital, and that it was both in theory and in practice undesirable that the Supreme Government and a Local Government should anywhere be located in the same station for so long a period as between five and six months of the year.' Sir, I always understood that Viceroys might change, Hon'ble Members and Home Members might change, but the policy of the Government of India remained unchanged. The policy advocated in my Resolution is the policy of the Government of India. The Government of India at that time was unanimous in this recommendation, and I thought that, although it is not the same Government here to-day, the same policy would not be discountenanced. I do not know, Sir, whether the theory that has been propounded to-day by the Hon'ble the Home Member will not be rejected to-morrow by another Home Member. I thought under these circumstances that this question at any rate needed re-investigation according to the decision of the Secretary of State.

"The Hon'ble the Home Member has referred to the question of cost. Of course in a matter like this a layman like myself can hardly be expected to give an off-hand answer, but that is a matter that ought to be gone into by a committee and investigated. I know Lord Curzon's Government thought the estimate of 24 lakhs was an over-estimate, and whatever it may be you have to set off against it the value of the buildings of the Punjab Government in Simla which will be acquired. This will be set off and certainly a portion of the cost will be contributed by the Government of India. Then, as my Hon'ble friend Mr. Sarma says, the question of cost cannot be always a determining factor in large questions of policy.

"Then the Hon'ble the Home Member said that it was not right for me to refer to the speech by Sir Michael O'Dwyer. That speech was made without giving notice to us, and who can say that there will not be another speech another day if the practice continues. That was my justification for bringing it up.

"Then as regards the over-crowding, the Hon'ble the Home Member said a number of buildings are being constructed. I think the despatch which I read, the despatch of Lord Curzon's Government and the despatch of the Secretary of State, agreed that it would be dangerous to have further buildings constructed in Simla as it would make the place insanitary. But where will you find room to build residences for the new Members of Council, I mean Ministers and the Members of the Executive Council of the Punjab and the Hon'ble Members of the Council of State, and so on? Certainly, you must look ahead. It will not do for you to take it up at the last moment when you find the need has come.

"With regard to the story of the camel and the old woman told by the Hon'ble Sardar Sundar Singh, I think it is not the Government of India that is the camel; it is the Punjab Government. The Punjab Government was asked to come to Simla and having come, it refused to leave. Therefore it is

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not the Government of India, but the Punjab Government that is the camel in the story.

“ My Hon'ble friend Mr. Mant has replied to my question in regard to the gentleman whose house was acquired. I know that this is not the way to acquire property under the Land Acquisition Act, to offer it for public auction, but what I meant was this. The arbitrary way in which valuations are made was challenged by the gentleman. He said 'you either allow me to retain my property or put it up to auction.' That was a challenge to show that the valuation was too low. I believe the Government answered a question of mine to the effect that the matter had already gone to the Government of India about an appeal from these persons. You artificially, by executive order, prevent the house-owners from increasing the rent of their properties, and after that you acquire them, giving only 15 years' purchase as the value. What has happened in the case of the residences occupied by high officials of the Government of India? Take, for instance, 'Peterhoff.' We saw the other day that it had cost 2½ lakhs. What is the rent you get from that house? Rs. 5,500, out of which I believe Rs. 2,500 goes as Municipal taxes. That leaves about Rs. 3,000. What percentage does it represent? If 15 years' rent is to be the purchase price, would not the rent be increased several times? I refer to that simply for this purpose, that because you have the Punjab Government here you require accommodation, and therefore you arbitrarily acquire houses at arbitrary prices.

“ If the Punjab Government is removed from here, lots of buildings would be available and lots of spots would be available for building upon, and this evil need not arise.

“ I do not think I need detain the Council any longer. If the Hon'ble the Home Member will be pleased to assure me that the matter can be re-investigated, I will be quite prepared to withdraw this Resolution.”

The Hon'ble Sir William Vincent :—“ Sir, I am afraid that I hardly expected that any remarks of mine on this Resolution would meet with the approval of the Hon'ble Pandit Madan Mohan Malaviya; any such approval would be entirely contrary to my experience in the past. I was also asked by him and other Members what exactly I mean by stating that the Government would firmly and definitely oppose this Resolution and I ought to explain this. In replying to the Hon'ble Mover I drew the attention of the Council to the terms in which the Resolution is moved. It binds the Government down immediately to a sudden change of policy of the greatest magnitude, and that is a decision which, I think, this Council cannot ask the Government to take. A new proposition is now put to me that the Government should appoint a Committee or make some inquiry into the subject of this Resolution. I want to make clear to this Council that when new propositions are put to individual Members of Government during the discussion of a Resolution—a similar thing occurred in a debate on a resolution of great importance the other day—and they are asked then offhand to announce the intentions of Government”

12-50 P.M.

The Hon'ble Pandit Madan Mohan Malaviya :—“ May I rise to a point of order? The Hon'ble the Home Member asked the Council to leave the question as an open question. That was the basis upon which I made the suggestion, which was not a new suggestion.”

The Hon'ble Sir William Vincent :—“ What I was complaining of when I was interrupted by the Hon'ble Member was this, that I am not in-

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frequently asked to announce the decision of Government on important new propositions which are launched at me offhand, and I put it to the Members of this Council that they must see that this is neither fair to me nor to my colleagues or even to the Council. Matters of this importance—the question for instance, of re-opening the correspondence with the Secretary of State as to the removal of the Punjab Government from Simla—are not matters on which I individually can express any opinion. I must, in regard to any question of such moment, consult my colleagues and be guided by what a majority of them think. That is the position I want to take up. I am, however, quite prepared to admit—and I did admit in my opening speech—that there were arguments both ways. In fact, no one who knows the marvellous ability of Lord Curzon would suppose that he would put forward a proposal which had not very strong arguments behind it. There are arguments both ways. I am not able to commit Government to any admission as to which are the more cogent, and indeed I am not prepared in any way to admit the validity of many of the specific arguments used by the Hon'ble Member or that they were of any great force.

“ Another point has been made on which I must say something in reply, namely, the suggestion that the Punjab Government is in too close touch with the Government of India, and this was argued particularly with reference to the recent disturbances. Now, during those disturbances the Punjab Government was not in Simla at all but in Lahore. Our trouble was not that we were in too close touch with the Punjab Government, but that it was very difficult to communicate with them at all owing to the destruction of telegraph wires and all means of communication. It is said again that by reason of its proximity to the Government of India there is danger of unanimity of view between the Local Government and the Government of India. Sir, if Members of this Council were aware of the various occasions upon which the Local Government and the Government of India have differed, and differed fundamentally, on important questions, I do not think they would have pressed forward that argument as of any weight. I may say also that His Honour Sir Edward Maclagan's views do not carry more weight with me or with any Member of this Government if he is staying in Simla, than if he were staying in Lahore or elsewhere. The policy of the Government of India in this matter, I am then told, must be unchangeable and that because we advised a change in 1903 we must again do so. That is, if I may say so, a little unfair. Sometimes, the Government of India is accused of being too ready to change; at other times, it is accused of never changing, and the decision with reference to this particular case was not the decision of the Government of India but that of the Secretary of State. Whether the question should be re-opened or not, is a matter, as I said, for the collective counsel of the Government.

“ The only other point to which I should like to refer is the dispute between two Hon'ble Members as to the comparative merits of the Punjab and of Madras. The Hon'ble Mr. Sarma, I understand, alleges that people of the other provinces were as strong, as brave, as good as those of the Punjab. Might I suggest that Hon'ble Members settle their disputes outside

The Hon'ble Rao Bahadur B. N. Sarma :—“ I am sure the Government of India does not encourage that policy.”

The Vice-President :—“ Order, order.”

The motion was put and the Resolution was rejected.

RESOLUTION *re* HIGH PRICES OF NECESSARY ARTICLES OF FOOD AND CLOTH. 195

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RESOLUTION *re* HIGH PRICES OF NECESSARY ARTICLES OF FOOD AND CLOTH.

The Vice-President :--“ Before the Hon'ble Member begins, may I ask him very earnestly to try and speak so that I can hear what he says.”

The Hon'ble Mr. Kamini Kumar Chanda :--“ Sir, I beg to ^{12-57 p.m.} move the following Resolution :—

‘ This Council recommends to the Governor General in Council that immediate steps be taken for the reduction of the unprecedentedly high prices of necessary articles of food and of cloth which obtain in several provinces, either by further controlling exports or facilitating imports, or both, and by such other means as may be considered fit and proper.’

“ Sir, I do not think that I need explain, or apologise for the framing of my Resolution, since I am not suggesting any specific remedy beyond mentioning the control of exports and imports, but have placed the matter in the discretion of the Government. I was urged to ask for the same remedy as was adopted in England, namely, the appointment of a mixed Committee of Inquiry, but after mature consideration I decided to refrain from doing so. In the first place, a Committee of Inquiry would take time and that would mean delay, whereas what is most imperatively necessary is prompt measures, and, I believe, the Government has got all the necessary information at its disposal. In the second place, Sir, I tried to proceed on what I may call the lines of least resistance. I wish that a non-controversial subject like this—and I sincerely trust that the Council will accept this as a non-controversial Resolution—should not lose its character as such by the introduction of any debatable points in it. In the third place, I see that even in England the Labour party, in giving an ultimatum to the Coalition Government to vacate the Treasury Benches unless they can find a solution to high prices, do not make any specific recommendation.

“ Well, I find I can do no better than follow their example. Of course I do not mean that I am to give any ultimatum to Government; that would be crying for the moon, but to leave the matter to the discretion of the Government. What I propose to do is simply to call attention to the state of things now obtaining in the country by reason of high prices, and for this purpose I do not think that I need trouble the Council by any lengthy or elaborate statistics; nor do I propose to discuss any abstruse proposition of economics. I shall avoid all that, and for the best of reasons, because I do not understand them. Sir, to take the case of Bengal. Owing to a partial failure of the paddy crop in 1918 coupled with other factors, there was a rise in prices towards the end of the year: I ought to say here that the failure was very partial. There have been occasions when there have been greater failures of the crop; still there has been nothing like the present state of very high prices, and there is an impression in the minds of the public—it may be right or it may be wrong—but there is this impression that this state of things has been brought about by the action of Government in controlling foodstuffs. Sir, I said that there was a rise of prices towards the end of last year. At the beginning of the present year it rose rather higher, so much so as to bring the matter under discussion in the Bengal Legislative Council in February, when a Resolution was moved asking the Government to take steps in connection with the high prices. The Hon'ble Sir Henry Wheeler, who replied on behalf of Government, pointed out that the question of controlling exports of rice from the province, which was suggested as one of the measures, was not in the hands of the Provincial Government, but in that of the Government of India; and, secondly, he said that although the level of prices was high, it could not be said that it was unusual, so that the Provincial Government would not be justified in moving the Government of India. He said at the same time that the attitude of the

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Government of Bengal would be one of watching. At that time Sir, the price of rice was Rs. 6 a maund. Sir, after that discussion in Council there was no sign of a falling of prices. On the other hand, it was rising steadily. In June it came up to, I believe, Rs. 8 a maund; in July it exceeded that and the matter was again discussed in the Bengal Council. At this time the Government, through the Hon'ble Mr. Cumming, thought that the position had so much changed, that they would modify this attitude of watchfulness and thought also that something might be done to remedy this state of things. I believe, Sir, that some measures were adopted by the Government of Bengal including the taking of a census of rice in the province; but in spite of all that was done by the Government of Bengal there was no falling of prices; on the other hand, there was a steady rise. In July it was over Rs. 8 a maund and by the time I sent in notice of this Resolution it came nearly to Rs. 10 a maund, a thing unheard of in Bengal. Sir, since I have come, it has gone up further; and in some places it has now reached even Rs. 15 a maund, an increase of 500 per cent or more. I have been receiving telegrams and communications from various parts of the province, and I have further seen in the newspapers coming from Calcutta, that the position has become one of very great gravity. We find that looting of rice and paddy on an extensive scale has commenced and there are threats of strikes. I believe, Sir, I have seen in the papers that there have been serious lootings of rice and paddy at Serampore, Bhadreswar, Munshiganj, Midnapore, Rishra, Sheoraphuli, Bally, Barisal and Naihati, and in some of these places I find that armed police have had to be called. Well, Sir, as I said, of course when this state of things has been going on, it cannot be supposed by anybody that Government is apathetic or indifferent; but as the *Englishman*, which as a rule does not see eye to eye with us, described the action of Government as spasmodic and that in the estimation of the public the real cause of this difficulty was the action of Government in controlling foodstuffs. The complaint is not confined to the Indian community, but endorsed by important European bodies like the Darjeeling Planters' Association. The complaint is that rice was allowed to be exported out of the country without any restrictions (I use the term in a non-technical sense) without due regard to the requirements or needs of the country, while at the same time there has been a prohibition of importation of rice into Bengal from Burma. I said, Sir, that the price of rice had gone up to as much as Rs. 15 a maund in many places and nobody can tell that there will be no further rise. In fact you will find things are getting more serious.

"I have been speaking for the province of Bengal, but I want the Council to know that this state of things is not only prevalent in Bengal, but also in my province of Assam, at any rate from the division from which I come. On my arrival here I have received a copy of the proceedings of a meeting of the Indian Tea Association, Surma Valley Branch, at which a leading planter of Cachar, Mr. Cresswell, moved the following resolution:

'That the Local Government in spite of continual representations refused to take the necessary steps to curtail the unusually heavy exportation of dhan, which under ordinary circumstances would have been more or less sufficient for local requirements, giving, it is understood, as a reason that the ryot had to meet obligations to the Government. The time has now arrived when, unless Government take immediate measures to arrange for the necessary supplies of rice, the district is face to face with severe famine, when not only will the greatest hardship be brought upon all, but the ryot will be unable to pay to Government the revenue which was evidently so urgently needed, so much so that the interests of the community at large were considered worth sacrificing.'

"Sir, I have also seen in the papers of a serious riot in the Madras presidency for rice. When this was the state of things in Bengal, the British Indian Association, at a conference in their rooms at which, besides members of that body, members of the Bengal Landholders' Association, the Indian

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Association, the Bengal National Chamber of Commerce, the Central National Mahomedan Association, and the Muslim League were present, the President, Maharaja Bahadur Sir Prodyat Kumar Tagore, made the remark that if he were to choose between martial law, which was able to bring down the price of food-stuffs summarily, and semi-starvation, he would certainly vote for the former. Of course no one will take that seriously as his deliberate opinion. The horrors of martial law are awful but, when they are considered to be trifling in comparison with the state of things in the province, you get an idea how matters stand. In accordance with the deliberations of this Conference the Secretary of the British Indian Association, the Hon'ble Raja Rishi Case Law, addressed the Government of Bengal and submitted the following Resolutions:—(1) Reduction of the export of rice from the province, (2) Increase of transport facilities and a substantial reduction of freights, (3) Prevention of profiteering, (4) Importation of Burma rice, (5) Formation of advisory bodies to advise the Controller of Food Supplies and the Director of Civil Supplies in the matter of the control of foodstuffs. These suggestions have also been submitted to the Bengal Council which considered the matter again. I believe the Indian members in my province of Bengal were also associated with these recommendations. I said at the beginning that I would not quote any elaborate statistics or develop any theories, but that I would simply call attention to the state of things that has arisen in my province and that I would place this before the Council. What are we to do in the face of all this? Are we merely to sit with folded hands and content ourselves with the reflection that people in other countries also are suffering as we do here and that these evils are due to world prices? I submit, Sir, that it will be a very unfortunate state of things if nothing is done. The suggestions made by public bodies which I have placed before the Council deserve, I submit, careful consideration. There is an impression that the difficulty has been created by Government sanctioning heavy exports of rice overseas under the rationing system. We know from a Communiqué published that the exports overseas after the first three months of the year have been considerably reduced, and we are grateful to the Government for that. But it is unfortunate that, as appears from a Communiqué, the amount of rice exported during the three months January to March was nearly double that exported during the two previous years. It appears from the Trade Return of Calcutta for April 1918 to March 1919 published under the authority of the Governor General in Council that whereas in 1917 17,92,055 maunds and in 1918 20,19,392 maunds of rice were exported from Calcutta by sea, within the three months of January, February and March 1919, 53,70,526 maunds of rice were exported oversea, *i.e.*, Bengal exported nearly double the quantity of rice in the first three months of this year of what it did in the first two previous years. There has been a complaint that rice has been exported overseas to Europe for non-food purposes. This has been contradicted by an official Communiqué, but there is some justification for the complaint. In paragraph 279 of the Report of the inquiry into the rise of prices in India, it is stated that 'Indian rice exported to Europe is used for the manufacture of spirits and starch.' Mr. Dutt's inquiry was published in 1914, and there is a publication dated Simla, April 1918, in which the following statement occurs 'Indian rice (including Burma rice) taken by Europe is used more for distillation of spirits and manufacture of starch than for food.' There is another complaint that rice has been exported to countries like Sweden where there is no Indian population. There was also a statement to the effect that rice was being exported to Egypt, but we have seen in a Communiqué that Egypt is a distributing centre and not a consumer and so the objection disappears, but I have seen nowhere a reply to the criticism that rice has been exported to countries like Sweden where there is no Indian population. Then it has been complained (I am quoting from a question put in the Bengal Council) 'that export has often been allowed under military permits for really non-military

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purposes and to destinations without any military stations.' The answer which the Hon. Mr. McAlpin gave was as follows 'Government are aware that such allegations have been made but are not in a position to state whether they are correct.' That rather confirms the complaint. However, as Government has taken steps to reduce the export overseas let us hope that there will be no occasion for that in future.

"So much as regards the question of export overseas. The next suggestion that has been made both by Europeans and Indians is that Burma rice ought to be more freely imported and that facilities should be granted for easy transport of the same, and it has also been suggested in this connection that Government control should be withdrawn. There are two questions in regard to this matter. What is the object of the control and the second is, how has it been practically effected? As regards the object of the control, frankly, it has not been adopted in the interests of India, but the scheme has been adopted at the instance of the Royal Commission on Wheat Supply for rationing several countries in Europe. This has certainly made the action of Government open to attack. Before exporting rice for countries in Europe were steps taken to see that enough remained in the country for its consumption? I think that the Government should make a clear statement on the subject to remove the uneasy feeling that Government may have been apathetic or indifferent to the interests of the population of this country. If the control is withdrawn then the question will have to be considered from the Indian standpoint, regard being had to the very dangerous situation that has been created. In the next place, the manner in which this control has been given effect to has given rise to complaint.

"Sir, I think it cannot be denied that when the source of supply as regards Burma rice was easily controllable, when it was under the control of Government, they could easily fix not only the wholesale prices but the retail prices also. The system of controlling wholesale prices only as regards Burma rice has not, and would not, have made any difference in the situation. If anything, it has further increased the difficulties, it has opened the door to dishonest profiteering. Sir, I think it is a fact, and it has been found by experience in England, that if you are to have control at all, it will not do to have partial control, but you must have full and effective control. Therefore, when you come to fix wholesale prices for Burma rice, I think it is very desirable that you should go further and fix retail prices also.

"Then there is another point in connection with this control. Well, what is done is, the Director of Civil Supplies grants licenses to certain individuals, but there is no provision made for any supervision to see whether the purposes of the license are carried out, the licenses which are granted in the interests of any particular district. But cases have occurred where the licensees, far from importing rice to the district for which the license was granted, sold that license to other parties for a profit. There is no provision made to put a stop to this kind of thing.

"Then, in the next place, when a license was granted, no time limit was fixed within which the licensee was required to import the quantity for which the license was granted, and the result was that he used his license to tantalize the district as it were importing only small quantities at a time, and as they were insufficient, helping to increase the prices till famine prices were reached. Well, Sir, if these things are provided against, if greater care is taken in the grant of licenses, and provision for supervision is secured, there is no reason why you should not fix the retail prices too, and if retail prices of Burma rice are fixed, it is bound to react on the price of local rice, although on account of there being no possibility of controlling the movement of local rice, you cannot control its price, but if you control the retail price of Burma rice, that will react on the prices of local rice, and the price of the latter will automatically go

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down. I submit, Sir, these are things which ought to be considered. In this connection the suggestion that has been made that there ought to be strong Advisory Boards to advise the Director of Civil Supplies is well worth consideration.

"There is another complaint in regard to the import of Burma rice. We find that there has been a reduction in freight of Rs. 2 per ton only as regards Bengal. The freight that now obtains is several times of what it used to be before the war. We are grateful to Government that as regards some of the provinces there has been proportionately a greater reduction in the freight, and I submit, Sir, that there ought to be a further reduction of the freight as regards Bengal too. In this connection an allegation was made in the Bengal Council based on the authority of the 'Capital' of Calcutta which is as follows :—

'At present the entire carrying business of Rangoon to India is done by the British India Steam Navigation Company. No other Company is allowed to do the carrying except the Nippon Yusen and Kaisha which is allowed because of its connection with the British India Company. This company alone should not be allowed to make good war losses at the expense of the Indian. If other companies were allowed, it would perhaps effect a lowering of the freight and the price of rice.'

"Sir, I go beyond this. I would ask why you should not grant concession rates for Burma rice in view of the present situation? The railways are under the control of Government, and you can surely arrange to have the freights reduced. It may be argued that that would mean a Government subsidy, because the carrying companies, the steamer companies or the railway companies would look to the Government of India for making up the difference in the freight caused by the concession rates. Well, even so I see no reason why this should not be done under the present state of things. I believe, Sir, that when in 1917 the prices of food stuffs reached famine rates in England, the Government decided that it was necessary to cheapen grain artificially by a subsidy from Government, and I see no reason why this should not be done in this country. I say that the state of things obtaining in Bengal is such that there have been serious riots, to quell which the military had to be called out, and there have also been strikes; and there was another allegation not only in the Press but also in the Bengal Council, that there have been cases of suicide due to starvation. Of course, the Government denied that. Really speaking, I do not think

The Vice-President :—"I would draw the attention of the Hon'ble Member to the fact that he has already been speaking for half an hour, and I must ask him to bring his observations to a close."

The Hon'ble Mr. Kamini Kumar Chanda :—"The only other point to which I must invite the attention of Government is, the question of profiteering. This profiteering has got a great deal to do with the increase of prices. I have reason to believe, and it is the opinion of the Government of Bengal also, that large quantities of rice are held up by well-known merchants even in Calcutta. I believe, the Bengal Government is of opinion that with the stocks available in the country in July, it is impossible that prices could have gone up so high unless stocks were held up. I think, Sir, the Government of Bengal thinks that it has no legal power to remedy this state of things. But I do trust that the Government of India will see its way to remedy this matter. Profiteering in food-grains is a crime, it ought to be checked, it is a moral crime; morally it amounts to murder, and I submit, Sir, that steps ought to be taken to deal with this matter effectively. These are the submissions which have been made by the public, and I commend these to the consideration of the Government. As I said, I was not going to place any

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theory of mine. I respectfully urge that the Government will see its way to take such steps, if necessary by subsidies, to reduce the prices."

1-30 PM.

The Hon'ble Mr. R. A. Mant :—“ I rise at this early stage of the debate because I think it will be an advantage to other Hon'ble Members who may wish to take part in the discussion if I give some account of the steps that we have taken to deal with the problems of scarcity and high prices. I had hoped to be able to present to the Council a report on the operations of the Foodstuffs Commissioner, but Mr. Innes is so continually occupied with the work of food distribution that he has not had time to write about it. I hope that he will shortly be able to compile a report, and I can undertake to publish it, as the subject is one on which the public is entitled to the fullest information. Meanwhile, I will try to give the Council as much information as I can in the limited time available.

“ Before dealing with remedies it is advisable to investigate causes. I understood the Hon'ble Mover deprecated this, but I would remind him that a doctor cannot treat a patient properly until he has diagnosed the cause of the malady. A writer in 'Capital' recently classified the causes of high prices under three heads, firstly, all-world factors, secondly, all-India factors, and, thirdly, local factors. I propose to consider them in that order. The first head need not detain us long. For some years past the principal nations of Europe have devoted their whole energies to the work of destruction instead of production, with the inevitable result that there is a world shortage of the necessities of life. Together with this contraction of production, which in itself would tend to raise prices, there has been a huge inflation of European currencies, and these two factors combined are quite sufficient to account for the universal rise in prices. These conditions were bound sooner or later to react on India, both by increasing the demand for her products abroad and by adding to the cost of the articles that she imports. The restrictions imposed on exports, partly by shortage of tonnage and partly by the deliberate action of Government, have retarded the operation of this factor, but have not removed it altogether, while in the case of imports the shortage and high cost of freight has had the opposite effect, as it has reduced supplies of such articles as cotton cloth and thus raised prices here.

“ Turning now to all-India factors, we find similar causes operating, though not to the same extent. The widespread failure of last year's monsoon caused a very serious diminution in the production of foodstuffs. The area under rice and wheat, two of our most important food crops, contracted by 16,000,000 acres, or 18·8 per cent, as compared with the previous year, and the estimated outturn was reduced by nearly 15 million tons. We have also suffered from currency inflation. In normal times the balance of trade in favour of India is adjusted by importing the precious metals which are used partly for hoarding, partly for ornaments, and partly for expanding the currency. During the war, the most important countries in Europe and America placed an embargo on the export of gold, while silver also was difficult to obtain. In order, therefore, to provide funds for our export trade and to finance important items of war expenditure, the Government of India were compelled to issue notes against securities held by the Secretary of State in London, that is, mainly British treasury bills. I think that the issue of these notes caused a more direct and relatively greater expansion of the currency than imports of the precious metals would have done, but this is a very intricate subject which I feel that I ought to leave to the experts of the Finance Department.

“ I pass on then to local factors. Sir Claude Hill explained in the statement which he presented to this Council in February last, that the shortage of rolling stock on the railways involved great difficulty in distributing our reduced supplies of foodstuffs. This accentuated the effects of local scarcity

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and created golden opportunities for the profiteer. I see there is another Resolution on the agenda paper on the subject of profiteering, so I will not go into it now, except to say that I am inclined to agree with the writer in 'Capital' to whom I have already referred that profiteering is only a detail in the problem of high prices. Our experience at any rate has been that, wherever we have been able to push in ample supplies of grain, complaints of profiteering have practically ceased.

"The problem which we had to solve presented three main aspects, firstly, conservation of food-supplies, secondly, distribution, and, thirdly, prices. As regards the quantity of supplies available, we were fortunate in having had a succession of fairly good years and, although it is extremely difficult to estimate the amount of stocks in the hands of the cultivators, there is reason to believe that at this time last year the country was generally well-stocked. Although we did our best to provide food supplies for the Allies during the war, our exports have been considerably below the pre-war standard. In the five years 1909-10 to 1913-14, the net exports of grain, pulse and flour from India proper (*i.e.*, excluding Burma) amounted to 10,192,000 tons, and in the five years, 1914-15 to 1918-19, to 5,212,000 tons. There was thus a total decrease in the latter period of nearly 5 million tons. Corroborative evidence of the existence of large stocks is furnished by the fact referred to in His Excellency's opening speech the other day that the maximum number on famine relief in the current year has been less than 1-10th of the numbers relieved in 1900, although the failure of the monsoon of 1918 was at least as widespread as that of 1899. No doubt the main explanation of this difference is, as His Excellency observed, the increased prosperity of the people; but the figures also point to the conclusion that there were large stocks of grain in the country when the trouble came upon us. In fact it was increased prosperity that enabled the people to hold larger stocks.

"Still the decrease in production was a very serious matter, and, as explained by Sir Claude Hill in February last, it was decided to restrict exports of foodstuffs and to appoint a Foodstuffs Commissioner to control their distribution. I did not quite catch what the Hon'ble Member said about exports or the figures he gave for exports in the present year, but I can give him the following figures. In the first seven months, January to July 1918, the exports of grain, pulse and flour (other than rice) were 1,123,000 tons. In the first seven months of 1919 they were reduced to under 62,000 tons. As regards rice the exports have been reduced by 70 per cent., *i.e.*, from 1,593,000 tons in the first seven months of 1918 to 478,000 tons in 1919, of which 376,000 tons went from Burma. Part of this was old crop rice belonging to the British Wheat Commission which they had undertaken to supply to the Allies. The Hon'ble Member has suggested that the control of Burma rice was imposed in the interests of the Wheat Commission, I can assure him that quite the contrary was the case, and that the operations of the Wheat Commission in Burma have been of great advantage to the cultivator. Towards the close of 1917, the prospects of the Burma rice market were very gloomy indeed, as the 1917-18 crop was the largest on record and there was no shipping to carry it away. The price of paddy consequently sagged badly, and by the end of September 1917 had fallen to Rs. 78 per hundred baskets, which was lower than it had ever been before at that time of the year. The Local Government appealed to us for assistance, and eventually arrangements were made with the Royal Commission to purchase 100,000 tons of rice a month for Allied and neutral countries in Europe. The Wheat Commission also provided shipping and thus saved the situation in Burma.

"The Hon'ble Member has referred to certain exports to Sweden which are supposed to have been used for the manufacture of spirits or starch. We have no information as to the purposes for which Sweden required rice, but I understand that the Allies undertook to facilitate the importation to Sweden of

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certain what were called rationed articles on condition that the Swedish Government would prohibit the export of these and similar articles to enemy countries. Under this arrangement the British Government were bound to supply Sweden with 12,000 tons of rice, and the Wheat Commissioner, therefore, instructed the Rice Commissioner to ship 6,000 tons in July 1918 and another 5,000 tons in December 1918. This, as I have said, was old crop rice which the Royal Commission had bought and which India did not want. None of the rice of the present year's crop, over which we exercise control, has been allowed to go to Sweden or any other country in Europe.

"The greater part, however, of our export of rice in the current year has been to Colonies, such as Ceylon, the Straits Settlements and Mauritius, which have a large Indian population. We have also allowed supplies to go to Arabia for the benefit of Indian pilgrims. The fact is there is a general shortage of rice supplies throughout Asia, and we are continually receiving urgent appeals for assistance. We have shut our ears to appeals from foreign countries, such as Japan and Java, which have no particular claim on India, but I hope the Council will agree that we were right in doing what we could for the Indians overseas, who would otherwise have suffered great hardship. In the case of Ceylon, the obligation was practically unavoidable because the starving labourers would probably have returned to Madras in large numbers if we had refused to let them have any rice.

"Besides conserving our supplies we have been able to supplement them by imports of wheat from Australia. Here, again, we are under an obligation to the Wheat Commission who sold us the wheat at cost price and arranged for freight also at cost price, which was considerably below market rates. We could not get as much shipping as we hoped for, but we have actually imported nearly 200,000 tons, and there are more shipments on the way. The effect of these importations has undoubtedly been to check the rise of wheat prices in India which were getting to dangerous heights. The accounts of these transactions have not yet been made up, but I think that our expenditure will be very nearly, if not quite, covered by our receipts from sales.

"As regards distribution our chief difficulty has been in getting shipping to carry rice from Burma to India, but this was surmounted by the efforts of Major Storey, the Shipping Controller, and we succeeded, moreover, in inducing the Shipping Companies to reduce their rates from Rs. 55 per ton, which was the rate prevailing from Rangoon to Bombay in December last, to Rs. 24 per ton, with corresponding reductions for other ports. I did not quite catch what the Hon'ble Mover said about the rate to Calcutta, but I understood him to say that it was only brought down by Rs. 2 a ton. The actual reduction was from Rs. 22 to Rs. 16 a ton. The Hon'ble Mr. Chanda suggested, I understand, that we should control these shipping rates. Well, I can only tell him that if you tried to do that, the ships would go somewhere else and you would get no rice at all. We have got these rates down as low as we could reasonably get the companies to bring them, and I am afraid there is not much prospect of getting them lower at present. Well, having got these ships, we were able to push in supplies to Bombay, where the situation a few months ago was very acute; Bombay now has ample supplies, and we are in a position to provide larger quantities for Bengal, where there has lately been a serious rise in rice prices, while, at the same time, continuing to meet the needs of Madras. I do not wish to belittle the hardships in Bengal and Assam (to which the Hon'ble Member has referred), but I would point out that they are of comparatively recent growth. The Punjab consumer has suffered from the high price of wheat practically from the beginning of the war. In Bengal, on the other hand, rice prices were so low up to the end of last year that they were a cause of serious anxiety. At the Conference of Registrars of Co-operative Societies held here in August last, the Bengal Registrar said that the solvency of many societies was endangered by the low prices

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of rice and jute, and in this Council, in September, the Hon'ble the Maharaja of Kasimbazar, as I reminded him the other day, called attention to the large surplus stocks of rice in Bengal and asked whether we could not do something to find a market for them. Even up to the 8th of July, *i.e.*, about two months ago, the Director of Civil Supplies, Bengal, reported that there was no demand for Burma rice in Bengal, and that the Burma rice shops opened in Calcutta had definitely proved a failure. Possibly the rise in prices is now being felt more keenly in Bengal, because it has come so suddenly. I hope that the relief will be equally sudden and that the supplies which Mr. Innes is now pouring in from Burma both to Calcutta and Chittagong will effect a rapid change.

"I need not detain the Council with questions of internal distribution. Sir Claude Hill explained how the shortage of railway wagons forced us to exercise close control; how we tried to decentralise by letting Local Governments regulate movements of food-grains, from, to, and within, their own provinces; and how we soon found it necessary to curtail these powers in the interests of co-ordination. Our present aim is to relax internal control as soon as we can. The railway situation is better, and the food situation has been immensely improved by the present monsoon, which has so far been exceptionally good. We hope, therefore, that by the end of the year we shall be in a position to allow the internal trade in foodstuffs to resume its normal channels.

"I come now to prices. Some statistics lately published by Mr. Findlay Shirras show that the average rise in retail food prices at the five chief ports in India from July 1914 to the end of April 1919 was 57 per cent., whereas in Europe it ranged from 80 per cent. in Denmark to 234 per cent. in Sweden. In the United Kingdom notwithstanding food control it was 107 per cent. Now we all know that there has been a still further rise of prices in India since April last, and Mr. Shirras is working out some later figures. Meanwhile, I have had some rough statements prepared, showing by index numbers the course of the retail prices of four of the principal food-grains in all the major provinces excluding Burma. I lay these statements on the table as they may be of interest. They show that, if the figures for July 1919 are compared with those of July 1914, in the case of rice the rise ranged from 26 per cent. in Assam to 73 per cent. in the Central Provinces. In the case of wheat the lowest increase is 38 per cent. in Assam, and the highest 100 per cent. in the Central Provinces. Assam ought to be the most thankful province in this respect. But in the case of millets, which are so largely consumed by the poorer classes, the rise has been still more serious, and the increase in *jawar* prices ranged from 102 per cent. in the United Provinces to 132 per cent. in Bombay. As a matter of fact, the rise was really greater than this, because there was a poor *kharif* crop in Northern India in 1918, and the price of millets there, especially in the United Provinces, was above the normal in July 1914. Fortunately, the worst is over; a good *kharif* harvest in the greater part of India is practically assured, and the prices of *jawar* and *bajra* and other *kharif* grains are beginning to fall.

"As regards the measures by which we have attempted to check the rise in prices, it will be clear from what I have already said that we relied mainly on the policy of conserving supplies and increasing them where possible. We have also endeavoured to utilise our system of control for the purpose of reducing middlemen's profits, and Directors of Civil Supplies are authorised to make it a condition of importer's licenses that they shall sell at reasonable prices. For the rest, we have left it to Local Governments to see that the supplies that we have provided reach the consumer without undue intermediate profits. In most provinces, Local Governments have arranged for the opening of cheap grain shops with good results. I have more faith in these measures than in the plan, which has often been suggested, of fixing prices by Government order.

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In the few cases where this has been tried in India, it has not, I believe, been successful. It is true that the populace of Lahore enjoyed a brief millenium under martial law, but I understand that the order fixing food prices there had the effect, which was to be expected, of preventing further supplies from coming in. It seems almost a pity that martial law was removed before we could see the results of this interesting experiment.

"In Burma, we have been able to enforce price control over the current year's rice crop by means of restrictions on export. No export of rice is allowed except under license, and it is a condition of all licenses that the rice must have been purchased at or below the control price. Subject to this condition and to strict rationing of exports, the trade has been left free—at least it was free until a short time ago—when stocks began to be held up, apparently by speculators who anticipated that, on the conclusion of peace, control would be relaxed. The Local Government was then compelled to exercise its powers under the Defence of India Rules. The control price was first fixed on a basis of Rs. 125 per 100 baskets of paddy, and was raised in May last to Rs. 150. These prices were above the average rates prevailing in previous years, and were calculated to give the producer a fair rate of profit. At the same time, they were considerably below the prices prevailing outside India. I have not been able to get complete statistics of prices in foreign markets, but I have obtained the following figures from the Rice Commissioner at Rangoon. He quotes the Rangoon prices for various qualities at from Rs. 6-12 to Rs. 8 a cwt., while the prices for similar qualities at Colombo range from Rs. 13 to 15. Small Mills Specials, which are Rs. 6-12 at Rangoon, are quoted at Rs. 14 in Java and at Saigon, at Rs. 15 in Siam, and at Rs. 18 a cwt. in Japan. The latest information furnished by Mr. Shirras is that the price at Tokyo is Rs. 21 a cwt. I understand that prices are controlled in some of these places or they would be still higher. For instance, I have heard that Ceylon recently had to pay £ 60 a ton *c. i. f.* for rice from Siam, *i. e.*, at the present rate of exchange nearly Rs. 33 a cwt., an almost incredible price. It is clear then, as I have said, that our rice prices are considerably below world prices, and when we consider that India has imported 1,309,000 tons of rice and 64,000 tons of paddy from Burma from 1st January to the end of August 1919, it is evident that the scheme of rice control has been of enormous benefit to India. I should like to take this opportunity of paying a tribute to Mr. Gubbay, who conceived the scheme, and to Mr. Innes who has done so much to make it a success.

"We have now arrived at a rather curious position. In restricting exports we have adopted a policy which our predecessors always rejected as economically unsound. We were driven to this course by abnormal circumstances, but we recognise that, if we were to follow it as a permanent policy, the results which our predecessors feared would inevitably ensue. There are many other crops, of which it is sufficient to mention cotton, jute, and oilseeds, that compete with food-grains, and if India ceased to export those grains, the cultivators would cease to grow more than is required for home consumption. The one thing that has saved India from disaster in the present year is the fact that she normally exports food-grains. In this connection the statements which I have just laid on the table are significant as showing that the rise in the price of rice and wheat, of which we generally produce a surplus, has been distinctly less than in the case of *bajra* and *jawar*, of which there are hardly any exports. It is the surplus produced for export that provides India with a margin on which she can fall back in periods of scarcity. Without it, millions of human beings would periodically die of starvation. Our aim therefore must be sooner or later to bridge the gap between internal and external prices. It is possible that this object might be effected by raising still further the exchange value of the rupee. Although exporters complain of these changes as hampering foreign trade, there can be no doubt that raising exchange tends to lower

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internal prices. I do not think, however, we can usefully discuss this subject at present, as it is under consideration by an expert committee in London. I only mention it as a reason why we cannot immediately formulate our future policy.

“There are other reasons for circumspection. It is possible that world prices will come down to our levels, in which case we have only to sit tight. But, if they do not, and if we eventually have to rise to meet them, we must do all we can to graduate the process and let wages and salaries adjust themselves to the changed conditions before we settle down at a permanently higher level. If, therefore, speculators are holding on to stocks in the hope that our control of exports will shortly be removed, and that they will then scoop large profits, I would warn them that they are indulging in a vain dream. We know that there are stocks of rice in Burma and of wheat in the Punjab. It has already been announced that the rice control in Burma will be maintained till the next crop comes on to the market, and I take this opportunity of stating, for the benefit of holders of wheat, that we shall not withdraw the embargo on exports before the next harvest is reaped unless in the meantime there is a considerable drop in prices. In both cases, restrictions on exports will be maintained for a still further period, for a longer period if this proves necessary to keep down prices in India.

“I am afraid I have taken so long to deal with the question of foodstuffs that I have no time left to refer to any other commodities, and I must leave it to my Hon'ble Colleague in the Commerce and Industry Department to explain what has been done to reduce the price of cloth.

“It remains to indicate the attitude of the Government towards the Resolution. The terms in which it is couched rather suggest that we have done nothing to cope with the problem of high prices and ought to make an immediate move, whereas, I think, I have shown that we have done a good deal. I do not claim that we have worked any miracles. I do not say that we have not made mistakes. But I do claim that we have distributed the available food supplies equitably among the different provinces. We have brought down prices in one province, namely, Bombay, and have at least steadied them in many other provinces. I think that the Directors of Civil Supplies in the provinces will acknowledge that our system of food control has done much to mitigate the widespread distress. We cannot therefore accept the Resolution in its present form, but, if the Hon'ble Member will amend it so as to substitute for the words ‘that immediate steps be taken’ the words ‘that the Government should consider whether any further steps can be taken’, I shall be very pleased to accept it. We are fully alive to the hardships and dangers involved by high prices, and are only too glad to avail ourselves of non-official advice as to possible remedies.

Before I sit down I would ask the Council to consider this subject in its broadest aspect, *i.e.*, the effect of high prices on India as a whole. Consumers naturally dislike them and they cause much misery to thousands of people on small fixed incomes. But, from the point of view of the national balance sheet the question is simply one of profit and loss. If the rise is greater in the case of articles of which we produce a surplus than in the case of articles which we have to import, there will be a balance of gain to the country as a whole. There are indications that Indian trade has so far derived considerable benefit from the war. I lay on the table a statement showing her imports of bullion, absorption of rupees and net exports during the last ten years. This statement shows that in the five years, 1909-10 to 1913-14, the average annual absorption of rupees was 8.78 crores, while in the five years ending with 1918-19, the annual average was 22.08 crores. The balance of trade, as deduced from the excess of exports of merchandise over imports *minus* private imports of treasure and council bills, was against India in the first five-year period to the extent of 23 lakhs per annum, whereas in the five war years the balance

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in India's favour averaged 20·90 crores per annum. These figures were of course affected by some other factors : for instance, the absorption of rupees was stimulated by the shortage of imports of gold, while the balance of trade may be disturbed by the transfer of funds from India to London or *vice versa*. But the figures raise at any rate a strong presumption that India has been enriched by the war.

“ If these results continue, if there is a permanent rise in the value of India's products, which are mostly derived from the soil, without a corresponding increase in the cost of her imports, the future may be regarded as hopeful. In the process of transition to a different standard of values there is bound to be hardship to many individuals ; but as soon as adjustment has been effected between wages and prices, these troubles will be more than counterbalanced by the increased margin of profit to the cultivator. In the past the poverty of the agricultural classes has been the chief obstacle to the spread of education and the introduction of improved methods of cultivation. If the profits of the cultivator are increased, he will be able to afford better education and better methods, and these in turn will still further raise his income and his standard of living. I do not say that these results will ensue. It is impossible to predict the future course of prices, but from the figures that I have just quoted, it seems at least permissible to hope that some good may come to India out of the cataclysm which has brought so much suffering on the world.”

The Council then adjourned to Tuesday, the 16th September, 1919, at 11 A.M.

SIMLA ;

H. M. SMITH, -

The 23rd September, 1919. } *Offg. Secretary to the Government of India,*
Legislative Department.