

THE INDIAN LEGISLATIVE COUNCIL

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PROCEEDINGS
OF
THE INDIAN LEGISLATIVE COUNCIL

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS
FROOM APRIL 1917 TO MARCH 1918

WITH INDEX

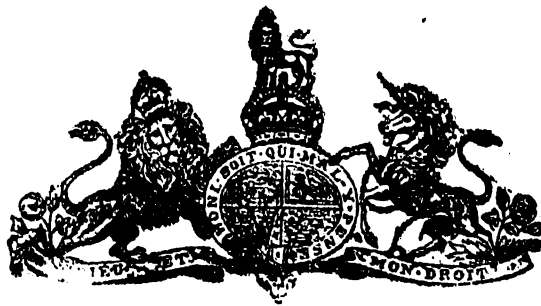
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GOVERNMENT OF INDIA.

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 Wednesday,
the 19th September, 1917.

PRESENT:

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G.,
Viceroy and Governor General, *presiding*, and 62 Members of whom 55 were
Additional Members.

STATEMENTS LAID ON THE TABLE.

The Hon'ble Sir William Vincent :—“ My Lord, I beg to lay on the table a reply, together with a statement* regarding clerical posts in the Government of India Secretariat. The statement is one which was promised in reply to a question asked by the Hon'ble Mr. Bhupendra Nath Basu on the 21st March, 1917.”

The Hon'ble Sir C. Sankaran Nair :—“ My Lord, the statement† giving the information promised in my reply to the question asked by the Hon'ble Rao Bahadur B. N. Sarma on the 16th February, 1917, is laid on the table. Bengal has been excluded from the statement as reliable figures for that Presidency are not available; but such figures as are available are being called for.”

QUESTIONS AND ANSWERS.

The Hon'ble Mr. Srinivasa Sastri asked :—

1. “ Will Government be pleased to make a short statement of the progress made in the different Provinces by co-operative building societies, and of the special facilities, if any, afforded to them by the local Governments and Administrations ? ”

* Vide Appendix A.
† Not included in these proceedings.

[Mr. R. A. Mant; Mr. Srinivasa Sastri.]

[19TH SEPTEMBER, 1917.]

The Hon'ble Mr. R. A. Mant replied :—

“The Hon'ble Member's attention is invited to paragraph 36 of the Reports on the working of Co-operative Societies in the Madras Presidency for the years 1914-15 and 1915-16, and to paragraph 55 of the Bombay Report for the year 1915-16. The Government of India have no further information on the subject.”

The Hon'ble Mr. Srinivasa Sastri asked :—

Bombay Co-operative Housing Association.

2. “(a) Is it a fact that the Bombay Co-operative Housing Association made a representation, through its President, Sir Prabhasankar Pattani, pointing out the necessity of giving State loans to building societies composed of persons of limited means ?

(b) If so, will Government be pleased to state what orders, if any, have been passed on the representation ?”

The Hon'ble Mr. R. A. Mant replied :—

“No representation from the Bombay Co-operative Housing Association on the subject has so far reached the Government of India.”

The Hon'ble Mr. Srinivasa Sastri asked :—

Financing of Co-operative building societies.

3. “(a) Is it a fact that Co-operative Central Banks mostly lend to agricultural societies for short periods at $7\frac{1}{2}$ to 9 per cent *per annum* ?

(b) Are Government aware that co-operative building societies for the benefit of the poor require capital repayable in easy instalments over periods ranging from 30 to 50 years ?

(c) Have Government received any representations on the best methods of financing co-operative building societies ?

(d) Are any measures, legislative or administrative, in contemplation to secure the above object ?”

The Hon'ble Mr. R. A. Mant replied :—

“(a) The Government of India have no information of the prevailing rates for short-term loans, but Central Banks lend both to agricultural and to non-agricultural societies at rates of interest varying from $7\frac{1}{2}$ to $12\frac{1}{2}$ per cent per annum.

(b) The Government are not aware that building societies require advances for such long periods as from 30 to 50 years.

(c) and (d) In 1915 the Government of Bombay submitted proposals for the grant of loans by Government to building societies for the encouragement of house building on approved sanitary lines, but the Government of India were unable to accept them, as they considered that such societies should preferably receive loans from Central Banks or other similar institutions, established for the purpose of financing co-operative societies. The Government of India do not propose to re-open the subject on the information at present before them.”

The Hon'ble Mr. Srinivasa Sastri asked :—

Grant of financial aid to Building Societies.

4. “Will Government consider the desirability of empowering Municipalities and Local Boards by provincial legislation to grant facilities to building societies—by giving financial aid, by a liberal land policy which will allow of their buying, selling and renting land, and by other suitable means ?”

The Hon'ble Mr. R. A. Mant replied :—

“The need for legislation in the direction indicated does not appear to have yet been felt generally and the Government of India are therefore not at present prepared to take any action in the matter.”

The Hon'ble Mr. Srinivasa Sastri asked :—

Attendance of members at public meetings.

5. “(a) Is it a fact that several local Governments and Administrations have issued, on the subject of the attendance of students at public meetings, orders which differ materially from one another ?”

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[*Mr. Srinivasa Sastri; Sir C. Sankaran Nair.*]

(b) Is it a fact that at a Conference of the heads of the colleges in the Presidency of Madras the order of the Local Government on the subject was generally pronounced to be unworkable ?

(c) Do the Government of India propose after consulting, if necessary, the best official and non-official opinion in the country on the subject, to issue a general order permitting the attendance of students in colleges at public meetings ?”

The Hon'ble Sir C. Sankaran Nair replied :—

“ (a) The Government of India have learnt from reports in the Press that certain local Governments have recently issued various instructions on the subject of the attendance of students at political meetings.

(b) The Government of India have also seen a report to this effect in the Press, but have received no official intimation.

(c) The Government of India issued a circular letter to local Governments on the 4th May 1907. The Government of India do not consider it necessary to issue any further instructions.”

The Hon'ble Mr. Srinivasa Sastri asked :—

6. “ (a) Is it a fact that the Government of Madras have applied to the Government of India for permission to introduce emergency legislation empowering the Corporation of Madras to levy increased property taxes ?

(b) If so, will Government be pleased to publish the letter of the Madras Government applying for such permission, or if this be not possible to state the grounds on which the permission has been applied for ?

(c) What orders have the Government of India passed on the application ?

(d) Is it a fact that, under Section 95 of the Madras City Municipal Act, 1904, the budgets of the Madras Corporation have to be submitted by the President to the Government of Madras and that Government have the power to pass such orders on the budgets as they think fit ?

(e) Do the Madras Government account for the financial condition of the Corporation having been brought to such a pass that emergency legislation for increase of taxation has to be undertaken ? If so, how do they so account ? ”

The Hon'ble Sir C. Sankaran Nair replied :—

“ (a) to (c) It is not proposed to undertake any emergency legislation empowering the Corporation of Madras to levy increased property taxes.”

The Hon'ble Mr. Srinivasa Sastri asked :—

7. “ Will Government be pleased to state—

(a) When the Madras drainage and water-supply schemes are expected to be completed,

Madras drainage and water-supply schemes.

(b) what further sums they are expected to cost, and

(c) how it is proposed to meet the additional expenditure ? ”

The Hon'ble Sir C. Sankaran Nar replied :—

“ (a) The restricted programme adopted by the Madras Corporation is expected to be completed in 1921-22.

(b) Rs. 50 lakhs.

(c) Probably by loans.”

[*Mr. Srinivasa Sastri; Sir C. Sankaran Nair; Sir Fazulbhoy Currimbhoy; Mr. R. A. Mant; Sir William Meyer.*] [19TH SEPTEMBER, 1917.]

The Hon'ble Mr. Srinivasa Sastri asked :—

Special Works Department of the Madras City Corporation. 8. "Is it a fact that the Special Works Department of the Madras City Corporation, with a Special Engineer on Rs. 2,500 per month at its head, is proving a great burden on its resources?"

The Hon'ble Sir C. Sankaran Nair replied :—

"Paragraph 7 of the Administration Report of the Corporation of Madras for 1915-16 indicates that the Special Works Department involves the Corporation in considerable expenditure. But it is not understood from the report that this is regarded as excessive or due to the pay of the Special Engineer."

The Hon'ble Sir Fazulbhoy Currimbhoy asked :—

Elementary agricultural education. 9. "(a) Do Government contemplate making adequate financial provision for the diffusion of agricultural education throughout the country on the lines of the scheme adopted at the last Agricultural Conference?"

(b) Will Government be pleased to state what objections, if any, exist to the adoption of a scheme of elementary agricultural education through the existing primary schools?"

The Hon'ble Mr. R. A. Mant replied :—

"The subject of agricultural education has recently been considered by a conference at Simla. The views of the Government of India on the recommendations of the Conference will shortly be published and I would ask my Hon'ble friend to await this publication, which will I hope give him all the information he requires."

The Hon'ble Sir Fazulbhoy Currimbhoy asked :—

Refining of gold. 10. "With reference to the Hon'ble Finance Member's statement in March last that the difficulty of absence of facilities for refining gold on a really large scale was being remedied, will Government be pleased to state what progress has been made in this direction up to now?"

The Hon'ble Sir William Meyer replied :—

"The statement to which my Hon'ble friend refers related to the refining of raw gold for sale. Arrangements to this end were almost completed, but no gold was actually refined owing to the subsequent decision to discontinue the sale of raw gold on behalf of Government."

The question of refining gold for coinage has since been further under examination with reference to the proposal to coin sovereigns as a temporary measure at Bombay, with regard to which matter His Excellency made an announcement the other day. The detailed arrangements which would be necessary are still under consideration."

The Hon'ble Sir Fazulbhoy Currimbhoy asked :—

Development of the resources of the Indian Empire. 11. "(a) Did the Dominions Royal Commission recommend that an Imperial Development Board be established for the development of the resources of the Empire?"

[19TH SEPTEMBER, 1917.]

[*Sir Fazulbhoy Currimbhoy; Sir George Barnes; Maharaja Sir Manindra Chandra Nandi; Sir Robert Gillan.*]

(b) If so, have the Government of India been consulted by the Imperial Government regarding this recommendation and has any despatch on the subject been submitted to the Secretary of State for India? If so, will Government be pleased to lay it on the table?"

The Hon'ble Sir George Barnes replied :—

"The Dominions Royal Commission recommended the setting up of an Imperial Development Board as stated by the Hon'ble Member, but the Government of India have not been consulted by the Imperial Government regarding this recommendation, nor are they likely to be consulted having regard to the fact that the report of the Dominions Royal Commission related only to the Dominions. The report of the Commission will, however, be valuable for the consideration of the questions relating to trade policy in this country after the war. I think it follows from what I have said that no despatch on the recommendations of the Commission has been submitted to the Secretary of State for India."

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

12. (a) Has the attention of Government been drawn to an incident in the office of the Chief Superintendent, East Indian Railway, Calcutta, in which one Babu Probodh Chandra Banerjee, a senior clerk of 15 years' service, is alleged to have been grossly insulted by Mr. B. F. Higman, Acting Chief Superintendent, Transportation Department, on the 30th June last? Case of Babu Probodh Ch. Banerjee.

(b) Is it a fact that the said Babu Probodh Chandra Banerjee swooned away in the office as a result of this incident and was sent away in an ambulance car and did not regain consciousness till the 4th July and that he was found by Lieutenant-Colonel E. H. Brown, M.D., I.M.S., to be suffering from a form of epileptic attacks since the 30th June last and was recommended for three months' leave?

(c) Are Government aware that the incident has been the subject of strong comments in the newspaper press of Calcutta and has greatly exercised the mind of the Indian employees of the East Indian Railway?

(d) Is it a fact that the said Babu Probodh Chandra Banerjee made an application to Sir Robert Highet, Agent, East Indian Railway, praying for the redressal of his grievances in connection with this case?

(e) If so, will Government be pleased to state what enquiries, if any, were made thereon by the Agent and in what manner?

(f) Are there any circulars or orders by the Railway Board or the Agent, which lay down rules for the guidance of superior officers in the matter of treatment of Indian subordinates, and the penalties for a breach thereof?

(g) If so, will Government be pleased to lay all such papers on the table and state if they are meant to apply to Company-managed Railways as well as to State-managed Railways?

(h) What steps, if any, do Government intend to take in accordance therewith in the present case?"

The Hon'ble Sir Robert Gillan replied :—

"The incident to which the Hon'ble Member refers was made the subject of an appeal to the Agent, East Indian Railway. I have received varying accounts of the words alleged to have been used by Mr. Higman, but from the papers I have seen and the further enquiries I have been able to make, it seems clear that the

[*Sir Robert Gillan; Maharaja Sir Manindra Chandra Nandi; Sir George Barnes; Sir C. Sankaran Nair.*] [19TH SEPTEMBER, 1917.]

words used were 'Don't be a silly ass.' The clerk in question who was, it appears, in a weak state of health and consequently nervous and excitable, completely lost control of himself, and had to be taken before the General Traffic Manager, who did his best to pacify him, but he finally fell down in an epileptic fit. It seems clear that the occurrence was due not to the words spoken by Mr. Higman, but to the man's state of health at the time. Mr. Higman, I may add, is an officer who is always considerate for the feelings of others, whether Indian or European, and I am satisfied that nothing was further from his intentions than to wound the feelings of the clerk named by the Hon'ble Member. The clerk is pronounced by the doctor to be in a bad state of health, and has been granted three months' sick leave.

With regard to sections (f) and (g) of the Hon'ble Member's question. Rule No. 543 of the East Indian Railway Hand-book of General Rules and Regulations reads as follows :—

'Any authenticated case of oppression or ill-treatment of an Indian passenger or Indian subordinate of the Company on the part of any officer or servant will tend to his summary dismissal.'

Any case of this kind would be severely dealt with by the Agent, who, I may add, would be strongly supported in his action by the Railway Board."

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

13. "(a) Have Government consulted the leading European Chambers of Commerce in India with regard to the policy of post-war trade in India, and were the views of the Indian representatives of Commerce ascertained on the question ?

(b) Have Government formulated any policy regarding post-war trade, and, if so, will they make a statement in this connection ? "

The Hon'ble Sir George Barnes replied :—

"(a) The Government consulted all the leading Chambers of Commerce in India, both European and Indian, with regard to the policy of post-war trade in India, and answers have been received on the question from all the Chambers consulted.

(b) The problems connected with post-war trade are under the consideration of the Government of India, and they are unable to make any statement on the subject at present."

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

14. "Will Government be pleased to state the complete scope of the enquiry of the Calcutta University Commission and if it will include a consideration of the scheme of Post Graduate teaching recently sanctioned ? "

The Hon'ble Sir C. Sankaran Nair replied :—

"The Hon'ble Member is referred to the reply given on the 16th February, 1917, to a rather similar question asked by the Hon'ble Rai Sita Nath Ray Bahadur. The scope of the enquiry will be sufficiently wide to include consideration of the organisation of post-graduate teaching."

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

15. "Will Government be pleased to state the number of Indians who have so far enlisted in the Indian Defence Force, Province by Province ? "

Post War
Trade in
India.

The Calcutta
University
Commission.

Indians
enlisted in
the Indian
Defence
Force.

[19TH SEPTEMBER, 1917.]

[His Excellency the Commander-in-Chief ;
Maharaja Sir Manindra Chandra Nandi ; Sir
George Barnes ; Mr. R. A. Mant.]

His Excellency the Cmanoder-min-Chief replied :—

“Up to the 28th August the total number of applicants for enrolment in the Indian Branch Indian Defence Force was 5,643 as shown by Provinces as under :—

Bengal	...	...	...	...	...	740
Madras	...	...	...	...	...	1,749
Bombay	...	...	...	...	...	591
United Provinces	...	...	...	...	...	205
Punjab and Frontier	...	...	...	...	...	366
Burma	...	...	...	...	...	1,992

These are the numbers so far reported but there may be other applications presented to District Magistrates which have still to be reported.

No information is, however, available as to the numbers actually enrolled as no reports have so far been received from Divisions in which medical examination and enrolment have been ordered.”

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

16. “(a) Will Government be pleased to state the total amount of sugar, raw crude and refined, imported into India in 1915-16 from Java, Mauritius, Japan and other foreign countries; and what was the total output of sugar in India itself during those two years ? The sugar industry in India.

(b) Are Government taking any, and, if so, what special measures for the development of the sugar industry in this country ? ”

The Hon'ble Sir George Barnes replied :—

“I place on the table a statement showing the imports of sugar, so far as they are available, from Java, Mauritius, Japan and other foreign countries for the years 1915-16 and 1916-17. The estimated output of raw sugar in India for 1915-16 was 2,634,000 tons, and that for 1916-17 was 2,626,000 tons .

In reply to the second part of the question, I would refer the Hon'ble Member to the answer given to a similar question by the Hon'ble Rai Bahadur B. D. Shukul at the meeting of the Council on the 12th September.”

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

17. “(a) In what provinces of India are experiments being made for the cultivation of American and Egyptian cottons, and what are the results so far obtained by these experiments ? Cultivation of American and Egyptian cotton.

(b) What steps have been taken to introduce American and Egyptian cotton in the canal areas of the Punjab ?

(c) Has any experiment been made in Bengal, particularly in the Eastern Districts, for the introduction of long-staple cottons and, if so, with what result ? ”

The Hon'ble Mr. R. A. Mant replied :—

“ (a) Experiments in the cultivation of American and Egyptian cottons have at different times been made in every Province in India. Special attention has been paid to the subject in the principal cotton growing Provinces, Bombay Madras, the Central Provinces, the United Provinces and the Punjab. Speaking broadly, the result of the experiments has been to establish that there is

* Not included in these Proceedings.

[*Mr. R. A. Mant ; Sir Dinshaw Wacha ; Sir William Meyer.*] [19TH SEPTEMBER, 1917.]

little or no prospect of success in the case of Egyptian cotton except possibly under perennial irrigation in Sind but that American cotton can be successfully grown in certain parts of India. The most striking results obtained with the latter have been in Madras where the outturn of Cambodia, an acclimatized variety of American cotton, is now estimated at 35,000 bales of 400 lbs. each, and in the Punjab, where the area under a variety known as American No. 4-F. was in 1915-16 estimated at 50,000 acres. A variety known as Cawnpore American has also been definitely established in a small area in the United Provinces. The whole question of the extension of the cultivation of long stapled cotton in India will be investigated during the coming cold weather by a special committee.

(b) American cotton has been successfully introduced into the canal colonies in the Punjab and the area under American No. 4-F. in the Province, which is rapidly extending, is almost entirely in those colonies. Attempts to introduce Egyptian cotton into those areas have been abandoned as it has been found that it ripens late and is unable to stand frost.

(c) Experiments in the introduction of long-stapled cottons throughout Bengal have been made since the middle of the nineteenth century but have invariably proved failures. Climatic conditions in Bengal appear to be wholly unfavourable to the production of a first rate quality of cotton and the attempt to introduce such cottons has therefore been abandoned."

The Hon'ble Sir Dinshaw Wacha asked :—

Scale of expenditure on certain branches of the Army.

18. " Will Government be pleased to state what are, respectively, the normal and the present scales of expenditure on :—

(a) The combatant forces of the army in India, including such ancillary services as the Supply and Transport Corps, Signal Companies, the Royal Flying Corps and the Ordnance Department; and

(b) The Medical and Sanitary Services including the Army Hospital Corps and Army Bearer Corps, ambulance convoys and hospital ships ? "

The Hon'ble Sir William Meyer replied :—

" I understand that the Hon'ble Member's question refers not only to the army now actually serving in India, but to the Indian Expeditionary Forces as well ; and that he asks for information about pay charges only and not as to the expenditure on stores and on equipment and transport charges, the present scale of which is naturally much in excess of the peace scale owing to the special conditions created by the war.

On the above assumptions, the replies to the Hon'ble Member's questions are as follows :—

(a) The normal scale of annual expenditure, before the war, on account of the pay charges of the combatant forces, including such ancillary services as the Supply and Transport Corps, Signal Companies, the Royal Flying Corps, and the Ordnance Department (exclusive of manufacturing establishments) was about £10½ millions.

The present scale of expenditure is about £24½ millions.

(b) The corresponding figures for the Medical and Sanitary Services including Army Hospital Corps, Army Bearer Corps, Ambulance Convoys and the medical personnel employed on hospital ships are £555,000 and £2,500,000 respectively.

The figures given for the present scale are necessarily merely a forecast of the probable total expenditure in the current year, based upon actual expenditure for the past five months."

[19TH SEPTEMBER, 1917.]

[*Sir Dinshaw Wacha; Sir C. Sankaran Nair; Mr. B. A. Mant; Sir George Barnes.*]

The Hon'ble Sir Dinshaw Wacha asked :—

19. " With reference to the discussion which took place in this Council on the 10th March 1917, on a Resolution regarding the extension and improvement of elementary education, will Government be pleased to place on the table any well considered scheme Extension and improvement of education for the masses in India.

(a) explaining the method and manner in which such extension and improvement could be successfully attained within a reasonable period of time, and

(b) giving approximately the total cost of the expenditure which will necessarily be chargeable on the ordinary revenues of India? "

The Hon'ble Sir C. Sankaran Nair replied :—

"The Government of India have recently had the question of the extension and improvement of Elementary Education under their careful consideration. For the reasons stated by His Excellency the Viceroy in his speech on the 5th instant in this Council, it is impossible to lay any such scheme on the table."

The Hon'ble Sir Dinshaw Wacha asked :—

20. " Has the attention of Government been drawn Castor oil.

(a) to a paper lately read by Mr. Victor Messere at Cairo on the influence of soil and climate on the weight and oil production of the Castor oil plant, and

(b) to the experiment made there with seeds from France which turned out very satisfactory owing to the hot climate and richness of the soil of Egypt? "

The Hon'ble Mr. R. A. Mant replied :—

" The reply to both parts of the question is in the negative."

The Hon'ble Sir Dinshaw Wacha asked :—

21 " (a) Is Government aware of the production in Korea of dyestuffs from the leaves of a species of maple tree known to Koreans as the 'Shinnamu'? Production of dyestuffs in Korea.

(b) Do Government propose to obtain from the British Consul General at Seoul particulars regarding the production of the Shinnamu dyestuffs together with samples of the dye and samples of cotton yarn dyed with it in four colours? "

The Hon'ble Sir George Barnes replied :—

"I. have no information on the subject, but I will certainly make the enquiries desired by the Hon'ble Member."

The Hon'ble Sir Dinshaw Wacha asked :—

22. " (a) Is the Government aware of the cultivation in China of the tree botanically named *Stillingia Sibebara* and commonly known as the 'tallow tree,' from which is obtained a dyestuff which is its chief product and a kind of tallow technically known as 'prima,' a by-product consumed by candle makers? Introduction into India of the tallow tree from China.

(b) Will Government be pleased to consider the question of importing this tree from China with a view to obtaining from it the dyestuff and tallow referred to? "

The Hon'ble Mr. R. A. Mant replied :—

" (a) The reply is in the affirmative, though I would point out that the correct botanical name of the tree is '*Sapium Sebiferum, Roxb.*'

(b) The tree has been cultivated in India for many years and is fairly common in gardens in many Provinces. In some places it has established itself as a wild plant. Efforts have been made to utilize the tallow in India at

[*Mr. R. A. Mant*; *Sir Dinshaw Wacha*; *Sir George Barnes*; *Rai Sita Nath Ray Bahadur.*] [19TH SEPTEMBER 1917.]

the labour and expense involved in extraction have been found⁵ to be far in excess of the value of the product. The value of the dye obtainable from the leaves does not appear to have been investigated in India. This point will be further considered."

The Hon'ble Sir Dinshaw Wacha asked :—

23. " (a) Is it a fact that the Egyptian Government have found, as the result of trials made in 1916 under the direction of their expert Mr. G. Wills, that stalks of the cotton plant and other vegetables have good heating powers ?

(b) Will Government be pleased to direct that similar trials be made on one of their agricultural farms ? "

The Hon'ble Mr. R. A. Mant replied :—

" (a) The Government of India understand that experiments have been made in Egypt in the conversion of cotton sticks, as pulled from the field, into charcoal, but that their object has been not the provision of a new source of fuel but the destruction of the cotton pest known as the pink boll-worm.

(b) The stalks of cotton and other plants are already largely used by cultivators in India as fuel and the Government of India are advised that it is not necessary that any special experiments should be carried out in this matter."

The Hon'ble Sir Dinshaw Wacha asked :—

24. " Will Government be pleased to state the total amount annually expended on the establishment of the Statistical Department during each year, from 1907 to 1916, and also the details of the present staff of the Department and their salaries."

The Hon'ble Sir George Barnes replied :—

" I place on the table a statement* showing the amount expended annually on the establishment of the Statistical Department for the three years 1914-15, 1915-16 and 1916-17. Information for the earlier years is not available as prior to 1914-15, the Department formed a part of the Department of Commercial Intelligence, and it is impossible to separate the expenditure on purely statistical work from the total expenditure of that Department.

I also place on the table a statement giving the details of the present staff of the Department and their salaries."

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

25. " (a) With reference to the question put by Mr. Ghuznavi at a meeting of this Council on the 17th of March 1915 regarding a recommendation of the Senate that section 3 of the Calcutta University Regulations be amended in connection with the minimum age limit for the Matriculation examination of the University, and the Hon'ble Mr. Sharp's reply thereto, will Government be pleased to state if the Senate of the Calcutta University have yet approached them officially in the matter ?

(b) If the answer to (a) be in the affirmative, will Government be pleased to state when such application was received from the Senate, and what action, if any, Government have taken in the matter ?

(c) If the answer to (a) be in the negative, will Government be pleased to consider the desirability of asking the Senate to approach them officially in the matter ? "

[19TH SEPTEMBER, 1917.]

[*Sir C. Sankaran Nair ; Captain Ajab Khan, Sardar Bahadur ; His Excellency the Commander-in-Chief ; Mr. K. V. Rangaswamy Ayyangar ; Sir George Barnes*]

The Hon'ble Sir C. Sankaran Nair replied :—

“ (a) Yes.

(b) and (c) The proposal in question was received from the Calcutta University in April 1915. The Government of India have decided to defer action on the general question pending consideration of the new arrangements for admission to the Indian Civil Service proposed by the Public Services Commission, and of the recommendations of the proposed Calcutta University Commission.”

The Hon'ble Captain Ajab Khan, Sardar Bahadur, asked —

26. “ Will Government be pleased to state whether the three Extra Assistant Cantonment Magistrates appointed in 1911 as a trial measure, have given satisfaction, and whether any more posts in that line are to be given to Indian officers ? ”

His Excellency the Commander-in-Chief replied :—

“ The experiment in the manner in which it was applied has not proved a success.

It is not proposed to take any further steps in this direction at present.

On the conclusion of the war this question will be again investigated.”

The Hon'ble Mr. K. V. Rangaswamy Ayyangar asked :—

27. “ Has there been any reduction in the number of telegraphic communications in India since the increase in the rates for telegrams ? ”

If so, will Government be pleased to lay on the table the statistics showing the percentage of such reduction ? ”

The Hon'ble Sir George Barnes replied :—

“ For the period from December 1916 to June 1917, there has been a small decrease, amounting to a little under 1 per cent., in the total Inland telegraph traffic as compared with the figures for the corresponding period of the previous year. The figures on which this percentage is based include ‘State’ and ‘Express’ traffic. If the Hon'ble Member so desires, a statement will be laid on the table, as soon as the figures are available, showing separate figures for private telegrams charged at ordinary rates, but this I am afraid will not be possible during the present session of the Council.”

The Hon'ble Mr. K. V. Rangaswamy Ayyangar asked :—

28. “ Will Government be pleased to lay on the table the correspondence between the Government of India and the Secretary of State relating to the creation of the post of the Educational Commissioner with the Government of India ? ”

The Hon'ble Sir C. Sankaran Nair replied :—

“ The portions of the correspondence* between the Government of India and the Secretary of State relating to the post of Educational Commissioner are laid on the table.”

[19TH SEPTEMBER, 1917.]

[*Khan Bahadur Mian Muhammad Shafi ;
His Excellency the Commander-in-Chief ;
Rao Bahadur B. N. Sarma.*]**The Hon'ble Khan Bahadur Mian Muhammad Shafi** asked :—**Recruitment
for the
Indian
Defence
Force from
the Punjab**

29. (a) Is it a fact that organized efforts have been started in several Provinces and more particularly in the Punjab towards recruitment for the Indian Defence Force ?

(b) Is Government aware of the feeling prevalent in the Punjab and elsewhere that the period of enlistment in the Indian Defence Force should be extended till the end of this year and do Government propose to take the necessary steps in this behalf ?”

His Excellency the Commander-in-Chief replied :—

“ (a) Enrolment for the Indian portion of the Indian Defence Force is on a purely voluntary basis. Official action has been confined to giving publicity to conditions of service, etc., and the registration and medical examination of those offering to enrol. In the Punjab, to which the Hon'ble Member particularly refers, a Central Committee was formed under private auspices for stimulating recruitment.

(b) Government received an application from the Punjab to extend this period, but have decided that no amendment of the law should be undertaken at present.”

The Hon'ble Rao Bahadur B. N. Sarma asked :—**The Indian
Defence
Force.**

30. (a) Has the attention of Government been drawn to complaints as to the inadequacy and unsuitability of the provision for rations whether in money or in kind made for recruits among the educated classes of the Indian section of the Indian Defence Force ?

(b) If so, do Government propose to modify the rules so as to make provision suitable to the habits of living of the educated classes ?

(c) Has the age limit for recruitment been reduced in the case of Indians to thirty, and is it a fact that such reduction has had a prejudicial effect upon the recruitment of educated Indians ?

(d) If so, will Government be pleased to consider the question of raising the age limit to that prescribed for European British subjects by the Indian Defence Force Act, 1917 ?”

His Excellency the Commander-in-Chief replied :—

“ (a) The answer is in the affirmative.

(b) The Government of India do not propose to make any discrimination in the provision of rations in the Indian Army based on the social status of the recruit. Such a discrimination exists in no Army in the world. In the British Army recruits drawn from the highest ranks in society receive precisely the same rations as those drawn by the lowest. The Government of India have no reason to believe that the educated classes require in order to keep them in health and fighting vigour any more liberal provision than is found sufficient in the case of the classes who form the great mass of the Indian Army. And they are entirely opposed to so undemocratic a measure as would be the preferential treatment of any particular class.

(c) It is not accurate to say that the age limit of recruitment has been reduced. It has in point of fact been raised from 25 the normal age limit for recruitment in the Indian Army to 30. The Government of India are not aware that this age limit has had any prejudicial effect on the recruitment of educated Indians other than the obvious consequence of excluding those who exceed this age.

(d) The Government of India do not propose to raise the age limit.”

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[*Rao Bahadur B. N. Sarma; Sir William Vincent; Mr. M. B. Dadabhoy; His Excellency the Commander-in-Chief; Raja Sir Muhammad Ali Muhammad Khan.*]

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

31. " Will Government be pleased to state the number and names of persons who have been interned under the Defence of India Act on the ground that they are dangerous to public safety—

Persons interned under the Defence of India Act.

- (a) for bringing the administration into contempt,
- (b) for creating or exciting disaffection towards the Government,
- (c) for creating or promoting ill-will between communities."

The Hon'ble Sir William Vincent replied :—

" The powers referred to are exercised by Local Governments who will be asked to supply the information required."

The Hon'ble Mr. M. B. Dadabhoy asked :—

32. " (a) Has any estimate been prepared of the extra cost—initial and recurring—that would be entailed by the Defence of India Force? If so, what is the amount of cost estimated?

Extra cost entailed by the formation of the Indian Defence Force.

(b) Will additional barracks be necessary? If so, what is the estimated cost of the additional works?"

His Excellency the Commander-in-Chief replied :—

" (a) The extra expenditure in the current year involved by the constitution of the European Branch of the Indian Defence Force is estimated roundly at Rs. 35 lakhs. No accurate estimate can at present be framed to show how much of this is initial and how much recurring. The cost of the Indian Branch of the Defence Force cannot be estimated at present as it is not known what the strength of this section of the force will be.

(b) The reply is in the negative."

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan asked :—

33. " (a) Are any of the findings of the Mesopotamia Commission adverse to Lord Hardinge?

Findings of the Mesopotamia Commission.

(b) If so, are the Government of India aware that such findings have been received throughout India with indignation, and of the intensity of feeling on the subject displayed by the Indian people and Press?

(c) If the answer to (b) is in the affirmative, have the Government of India brought this fact to the notice of the Home Government?"

The Hon'ble Sir William Vincent replied :—

" The answer to (a) is in the affirmative.

(b) and (c) The Government of India have gathered from resolutions passed and from the expression of opinions in the press that there is a strong feeling of sympathy in India with Lord Hardinge and unwillingness to accept those findings of the Commission which are adverse to him; but they have had no correspondence on the subject with the Secretary of State for India."

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan asked :—

34. " (a) Has the attention of Government been drawn to certain statements in responsible quarters as to the inadequacy of India's monetary contributions in support of the war in which the British Empire is engaged?"

India's monetary contributions towards the war.

[*Raja Sir Muhammad Ali Muhammad Khan ;* '[19TH SEPTEMBER, 1917.]
Sir William Meyer.]

(b) Will Government be pleased to state—

- (i) the different funds initiated in India in connection with the war and the total amounts collected by each of them ; and
- (ii) the total investments in the loans floated by the Government of India since the beginning of the war ?

(c) Will Government also state what contributions towards the war the Government of India has made since August 1914 directly and in the form of costs of expeditionary forces borne by the Indian Exchequer, or in any other form ?

The Hon'ble Sir William Meyer replied :—

“(a) The Government of India are aware that allegations have from time to time been made as to the alleged inadequacy of India's monetary contributions towards the war, but such statements have not been made in responsible quarters. On the contrary, in a telegram from the Prime Minister which His Excellency read out to this Council on the 23rd March last in connection with India's War gift of £100 million, Mr. Lloyd George expressed to the Government and the people of India the most sincere gratitude of the British Government ' for the magnificent contribution which India has just made towards the financing of the war.' ”

(b) (i) The attention of the Hon'ble Member is invited to the answer given by Sir Reginald Craddock on the 27th September, 1916, to the Hon'ble Maharaja Sir Manindra Chandra Nandi's question regarding contributions to the war by Indian Native States and Indian Provinces. That answer gives some idea of the number of Funds in existence but the Government of India have not means readily at their disposal to bring the information contained therein up to date. They have, however, in accordance with the promise made by Sir Reginald Craddock in this Council in reply to a question by the Hon'ble Sir Ibrahim Rahimtoola on the 7th March last, instructed local Governments to maintain detailed and classified records of all contributions which have been made in the past or which may be made in the future, towards the war, so as to facilitate their compilation and publication after the termination of hostilities.

(b) (ii) The investments in the loans floated by the Government of India since the beginning of the war amount roundly to 61 crores of rupees. This figure includes investments in the Post Office section of the current year's loan up to the 12th September, and in Post Office cash certificates up to the 31st August. Subscriptions to these are still being received. The figure quoted however excludes about Rs. 1½ crores received as subscriptions to the Indian War loan in the form of British Treasury bills.

(c) I have already referred to India's special contribution of £100 million. The proceeds of the Indian War loan, and from the sale of Post Office cash certificates during the current year, will be remitted to the Home Government in part payment thereof, and the Government of India will take over the liability for an amount of the 5 per cent British war loan 1929—17 equivalent to the balance. In paragraph 41 of my speech introducing the Financial Statement for the current year, I gave estimates of the expenditure which has been borne by Indian revenues on account of the Expeditionary Forces and there has not since been any important change in the figures there quoted. No other direct monetary contribution has been made by the Government of India towards the cost of the war, but they have of course had to incur additional expenditure in various directions as a result of the war. I draw special attention in this connection to the figures for military and political expenditure given in paragraphs 42 and 43 of the same speech. They have also financed very heavy war expenditure in India on behalf of His Majesty's Government, the equivalent of which has been repaid to us in London. The effects of the latter measure of

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Sir George Barnes.*]

assistance from the point of view of our currency and exchange position were dealt with fully in paragraphs 26 to 37 of my speech referred to above, and the new investments on behalf of the Government of India in securities of His Majesty's Government since the commencement of the war, to which reference was made in paragraph 37, now amount to nearly £45 million, against £35 million then estimated up to the end of March last.

The Hon'ble Khan Bahadur Allahando Shah asked :—

35. (a) Has Government under consideration any proposal that the present elective strength of the Legislative Councils be increased? Representation of the Zamindars and Jagirdars of Sind on the Imperial and Provincial Councils.

(b) If so, will Government be pleased to state what steps, if any, they propose to take towards a sufficient representation of the Zamindars and Jagirdars of Sind on the Imperial Council and on the Provincial Council, of the District Local Boards on the Provincial Council, and of the Mahomedans of Sind on the Provincial Council?

The Hon'ble Sir William Vincent replied :—

"The general matter referred to in the first part of the question is under consideration, but for obvious reasons the Government of India cannot make any definite statement on the subject at present. For the same reason I am unable to give a specific reply to the second part of the Hon'ble Member's question."

The Hon'ble Khan Bahadur Allahando Shah asked :—

36. (a) Is it a fact that members of the Indian Civil Service get acting allowances when senior officers of that service go on leave? Acting allowances to members of the I.C.S.

(b) Do Deputy Collectors, or officers of similar grade, get such acting allowances when senior officers proceed on leave?

(c) If not, will Government be pleased to state the reasons why no such acting allowances are granted in their case?

The Hon'ble Sir William Vincent replied :—

"The answer to question (a) is in the affirmative, and to question (b) in the negative. As regards (c) the Hon'ble Member is referred to the reply given to a similar inquiry made by the Hon'ble Mr. Dadabhoy at the meeting of the Imperial Legislative Council held on the 26th February 1912."

GOVERNMENT SAVINGS BANKS (AMENDMENT) BILL.

The Hon'ble Sir George Barnes :—"My Lord, I beg to move that the Bill to amend the Government Savings Bank Act, 1873, be taken into consideration."

The motion was put and agreed to.

The Hon'ble Sir George Barnes :—"I beg to move, my Lord, that the Bill be passed."

The motion was put and agreed to.

POST OFFICE CASH CERTIFICATES BILL.

The Hon'ble Sir William Meyer :—"My Lord, I beg to move that the Bill to restrict the transfer of Post Office 5-year Cash Certificates and to provide for the payment of Certificates standing in the name of deceased persons which I introduced on the 5th September, be taken into consideration."

The motion was put and agreed to.

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The Hon'ble Sir William Meyer :—“I move that the Bill be passed.”

The motion was put and agreed to.

**THE INDIAN PAPER CURRENCY (AMENDMENT)
BILL.**

The Hon'ble Sir William Meyer :—“My Lord, I move that the Bill to amend the Indian Paper Currency Act, 1910, and the Indian Paper Currency (Temporary Amendment) Act, 1917, which I introduced in this Council on the 5th September, be now taken into consideration.”

The motion was put and agreed to.

The Hon'ble Rao Bahadur B. N. Sarma :—“My Lord, the object of the amendment, that in clause 1 (2) after the word ‘sections’ the figure ‘2’ be inserted, is to make the position more clear as to the applicability of the clause during the currency of the present war. I think, however, that there will be a redundancy if I ask for the inclusion of the figure 2 in this particular clause. I do not like to interfere with the artistic excellence of the Bill and therefore withdraw my amendment.”

The amendment was by leave withdrawn.

The Hon'ble Rao Bahadur B. N. Sarma :—“My Lord, the addition which I propose to clause 2 runs as follows :—

‘At the end of six months after the war the reserve to secure the payment, and the notes for the additional amount issued under this section or of other currency notes of like amount shall consist of sovereigns, half-sovereigns, rupees, half-rupees and gold bullion and the sum expended in the purchase of silver bullion and securities of the Government of India; but such securities of the Government of India shall not exceed one-third of the amount of such currency notes.’

“Section 3 of the present Act provides for a reserve of an additional amount against the additional notes that may be introduced into the circulation and is only intended to last during the currency of the war and for 6 months thereafter. The Hon'ble Sir William Meyer in his speech introducing the Bill which became the Act of 1917, No. XI, said that the intention of the Government of India was to undertake no amendment of a substantive character in the enactment of 1910, till the close of the war.

“The object of the amendment is to obtain present legislative recognition of two principles recommended by the Royal Commission on Currency for adoption by the Indian Government, *viz.*, that with the exception of 5 million, the rest of the paper currency reserve should be located in India and that the invested portion may come up to one-third of the net note circulation. The recommendations are contained in paragraphs 112, 113 and 117 of the Report; the recommendations in paragraphs 112 and 113 have been summarised in the conclusions at the end of the Report. The 17th recommendation runs as follows :—

‘The Paper Currency system of India should be made more elastic. The fiduciary portion of the note issue should be increased at once from 14 to 20 crores and thereafter fixed at a maximum of the amount of notes held by Government in the Reserve Treasuries *plus* one-third of the net circulation, and the Government should take power to make temporary investments or loans, or loans from the fiduciary portion within this maximum in India and in London as an alternative to investment in permanent securities.’

“The last portion is not applicable, the first portion is the one I seek to embody in my amendment. In paragraph 117 of the Report it is said :—

‘Any additions to the gold held on account of the Paper Currency Reserve in London over and above the sum of £5,000,000 should be regarded as temporary only and used as and when required for the purchase of silver for coinage into rupees the function of such additional gold being to maintain the internal currency of India and not to support exchange.’

“My Lord, during the last few months there has been an enormous addition to the note circulation in India as already pointed out on more than one occasion. The increase between the 7th of May and the 31st of August of this year has been 20 crores of rupees; and between the 10th

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of August and the 31st of August it has been 5 crores. The position is that on the 31st of August we have a gross note circulation of 105 crores of which 5.25 is in reserve treasuries against which we have a specie reserve of 41 in India, and 2.55 in England, the invested amount being 61 crores, 10 of which are in Government of India securities, 10 in British and 42 in British Treasury Bills. The investments are approximately two-thirds of the gross circulation and are leading to inconvertibility at any time, a position which according to the Finance Minister was threatened if restrictions had not been placed on the Secretary of State's weekly sales (this is what the Hon'ble Member said)

'Our rupee holding in the Paper Currency Reserve had then sunk to 14 crores and in spite of the silver awaiting coinage, it was evident that under the conditions as regards purchase and shipment which the war imposed, a limit must be placed for some time at any rate upon further sales. To have held on would have been to accept the probability of falling short of rupees for the encashment of notes and of having to declare our paper money temporarily inconvertible. Accordingly on December 20th the Secretary of State imposed a limit of Rs. 80 lakhs on his weekly sales which was raised to 120 lakhs for the following week and has since been continued at that figure.'

"If the investments in British treasury bills be looked upon as the nearest approach to a reserve in cash, the objection, and a real objection, is that the location is in London and the reserve would not be available at a sudden emergency and the practice is opposed to the Commission's recommendations. I realise that the Government of India have been forced to adopt these expedients owing to circumstances over which they have no control, and that as stated by the Hon'ble the Finance Minister who has justly earned the gratitude of the Indian community for his vigilant watchfulness over Indian economical interests, in his speech on the 20th March on the motion for the passing of the Temporary Currency Amendment Act of 1917, the legal position at the end of 6 months after the war would be that the Government could hold in investments only 14 crores. The question therefore is as to whether we should as a legislative assembly indicate no guide for future Government action. There is a school of thought which has been attempting to assimilate the position of the Government in the matter of note issue to that of a banker and urge that investment may extend to two-thirds. The Secretary of State and the Indian Legislature steadily set their faces against that view, and the recommendation of the Currency Commission while advocating a more liberal policy adopted the view of the orthodox school and extended the limit to a third of the net circulation. The legislature has not so far laid down a rule of proportion as a guide and in spite of the warnings of 1914-15 we have been obliged to accept a wide departure. More strenuous times seem to be in store for us and would it be wise to allow permanent principles to be laid down immediately after the war at a time when the temptation would be even stronger than at present. Would it not be wiser to indicate to the Government that as at present advised, we are not prepared to allow the investments to go beyond a certain limit and proportion and that the reserve should be in India? The Government has been leaning on the recommendations of the Commission whenever they required such support for their policy, *i.e.*, in increasing the investments from 14 to 20 crores and there can be no harm but positive good if we accept the recommendation of the Commission on this matter. No legislation can of course be permanent and it may be that at the end of the war we may have to adopt changes but there seems to be no reason why we should postpone indication of a clear guide to future Government action. I don't ask for any alteration of the policy of the Government of India which induced the Government to invest in treasury bills to the extent of 42 crores of rupees but I think the legislature under the present circumstances should fix directly a certain proportion to guard against the temptations which lie in store for Government. It is with this object, and knowing full well that the Hon'ble the Finance Minister stated in March that we might postpone action until after the war and six months thereafter that I venture to bring forward this amendment."

[*Pandit Madan Mohan Malaviya ; Sir
William Meyer.*]

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The Hon'ble Pandit Madan Mohan Malaviya :—“ My Lord, I generally support the observations of my Hon'ble friend Mr. Sarma, but I should like to add one thing ; I do not understand why this Bill was not referred to a Select Committee. This Bill was introduced on the 5th of September, and as it deals with matters of great importance, I think, Sir, it should have been placed before a Select Committee where the abstruse and difficult questions which it involves, could have been discussed and conclusions arrived at which might have made it unnecessary to move amendments to it here. I do not wish to say anything more on this occasion.”

The Hon'ble Sir William Meyer :—“ With reference to the reference of the last speaker, my Lord, I would submit that if he thought that the Bill ought to have been referred to a Select Committee, he could have proposed that when I moved for leave to introduce the Bill and that it be published in the *Gazette of India* in English.....

The Hon'ble Pandit Madan Mohan Malaviya :—“ May I say, Sir, that as the ordinary procedure laid down for dealing with bills was departed from there should have been an explanation on the part of the Hon'ble Member why it was departed from.”

The Hon'ble Sir William Meyer :—“ We thought a reference to the Select Committee was not necessary.

“ As regards the Hon'ble Mr. Sarma's amendment, I cannot accept it. Clause 2 of the Bill which the Hon'ble Member wants to amend has temporary application, that is, up to six months after the war. The Hon'ble Member clearly recognized this by the previous amendment which he had placed on the agenda but subsequently withdrew suggesting that this temporary character of clause 2 should be emphasised more definitely. The Hon'ble Mr. Sarma also recognizes that during the stress of war we have had to adopt special measures ; and I may observe in this connection that we have still about 40 per cent of our currency circulation covered by actual specie, and that this is a better percentage than that of France, or even that of Great Britain, if you take into account the Government currency notes there as well as the Bank of England notes.

“ The Hon'ble Member now proposes an amendment which is to regulate the conditions after the war. What he proposes is therefore that on the 30th day of the sixth month after the war the composition of the currency reserve should be constituted in the particular manner he has described, but on the first day of the 7th month these provisions would automatically become waste paper because this section will lapse. That seems to me rather confused thinking if I may say so, and it shows the inadvisability of attempting to draft into a temporary war measure a provision which has regard to the permanent composition of our Reserve after the war.

“ Apart from that, the amendment is not one which I could accept as a matter of principle. Speaking generally, there are, as Hon'ble Members know, two ways in which you can provide a Currency Reserve for the encashment of currency notes. One is the English system, the Bank of England system, under which, save in the case of certain definite investments allowed by statute, all the notes you issue must be fully covered by specie. That is the system which we have hitherto adopted in India. It has the disadvantage of course that every time you want to alter the investible portion of your Reserve you have got to legislate. The other is the more automatic system that has been adopted in some other countries, which prescribes that the investible portion of the Currency Reserve shall not exceed a definite ratio of the total value of the currency notes issued. That is the future system which the Chamberlain Commission suggested for India, and *per se* it has much to say for it. But it is quite obvious that when we have to legislate in a matter of this importance, we

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cannot do so without obtaining the opinions of Local Governments, Chambers of Commerce, and the great Banks on this important new departure, and more especially as to the particular proportion which the Chamberlain Commission proposed should be the automatic limit of investment. Well, we made a reference asking for opinions on this and other portions of the Currency Commission's Report shortly before the war. But it was then pressed upon us, and we felt strongly ourselves, that a time of war was not a time in which these important matters could be appropriately considered, and that it would be well to ask those whom we had consulted to defer giving us their opinions until after the war when they and we would have had the benefit of actual war experience. That is the position as it now stands.

"Mr. Sarma's amendment purports to be based on the proposals of the Chamberlain Commission, but there are two important points of difference. In the first place, the Commission said that the limit of automatic investment should be the total amount of the notes in Government treasuries *plus* one-third of the net circulation; but my Hon'ble friend says that one-third of the gross circulation should be the limit. Then the Chamberlain Commission gave discretion as to the character of the investments which might be made out of the investible portion, but the Hon'ble Mr. Sarma wants to limit us to Government of India securities. I may remind the Council in this connection that even in our pre-war legislation we had discretion to invest up to 4 crores in sterling securities. So it comes to this really that my Hon'ble friend wants us to substitute a formula of his own for the recommendations of the Currency Commission, and he wants us to do this straightaway without having obtained the opinions of Local Governments and commercial bodies. I say that is an entirely inadmissible proposition. We shall when the war is over get the opinions of these bodies and consider them, and we shall then of course have to consult this Council, because these temporary provisions will automatically disappear six months after the war expires; and if we want to make any alteration in our permanent currency machinery we must get the sanction of this Council to such a course. That is the time, after we have got the opinions of those who will advise us, when we can consider the matter and get the sanction of this Council as to what our currency arrangements should be after the war. For these reasons, my Lord, I beg to oppose the amendment."

The Hon'ble Rao Bahadur B. N. Sarma :—"My Lord with regard to the technical objection which has been taken to this amendment, I may observe that it is immaterial whether this clause is added at the close of clause 2 or in sections 19 and 22, of the principal Act. But as regards the point of substance, my position is that it would be positively dangerous to allow a considerable increase in the note circulation and the invested portion thereof and to compel the Legislature practically to submit to a departure from the principle which has been enunciated by the Chamberlain Commission as being suitable for peace times. That was the danger I apprehended and in order to give a definite guide on which the Government could act in future, I have brought in that amendment. With regard to the points of difference between the Chamberlain Commission's recommendations and those that are embodied in my amendment, I may submit that out of 105 crores of rupees only 5 crores are in Reserve Treasuries so that in the net result there would not be much difference whether the one-third is one-third of the gross circulation or one-third of the net circulation, but I put it as the safer limit.

"With regard to the Government of India securities being the only securities in which the money should be invested, my object is to make India self-contained and resist the temptation of investing money in outside securities. But having regard to the observations of the Hon'ble Finance Minister, no good purpose would be served in pressing for a division. I therefore withdraw this amendment."

The amendment was by leave withdrawn.

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William Meyer.*]

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The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, the next amendment I beg to move is that the words 'for the purpose of coinage or such other temporary cause' may be added in clause 6 after the words 'His Majesty's Dominions.' The object of the amendment is to give legislative sanction to the object of the Hon'ble Finance Minister when he stated that section 6 was intended to provide for the contingency of gold coin having to remain in the Dominions for temporary causes. I have made that point clear in my amendment, that when gold is retained in any of His Majesty's Dominions temporarily merely for the purpose of coinage, or other such temporary causes such gold should be treated as part of the Reserve. I hope the Council will be able to accept this amendment."

The Hon'ble Sir William Meyer:—"My Lord, the purpose of the Hon'ble Member who moved the amendment is really the purpose that the Government had in mind, but in order to make the matter absolutely clear I am willing to accept his amendment with a slight alteration in wording about which I have consulted the Legislative Department. I would like the new clause he proposes to put in, to run thus:—"for coinage or such other temporary purpose."

The Hon'ble Rao Bahadur B. N. Sarma:—"I accept that."

The amendment as revised was put and agreed to.

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, I beg to move the next amendment in my name that is to include the following words in section 19:—

'Provided further that the currency notes of the denominational value of one rupee and two and a half rupees shall not exceed at any time ten millions of rupees.'

"This again is an amendment which is intended to effect the object which the Hon'ble Finance Minister had in view when he said that we shall have to proceed very cautiously in the matter of introducing into India notes of the value of one rupee and 2½ rupees, and that the experiment would in the first instance be confined to the principal cities. As I said the object is to give legislative sanction to the intention of the Government of India.

"My Lord, there is considerable difference of opinion as to whether it is wise at the present stage to introduce one rupee and 2½ rupees currency notes into India. We have accepted the position and I am not going to reopen that matter, but the reasons which can be very safely urged against the introduction of such a measure under the present conditions of India have great cogency and bearing upon my amendment which wishes to restrict this note circulation to 10 million rupees at any time. My Lord in 1861 when there was an attempt made by certain members of the then Council to introduce the 5-rupees note into India, objection was taken by several Government members to the adoption of such a course on the ground that the introduction of 5-rupee notes in the then circumstances of India was not only impolitic but also cruel to the vast mass of the population of India, and the amendment which was proposed to modify the Government measure was negatived by a large majority. The observations which were then made by the Government member for Madras, the Hon'ble Mr. Forbes against the 5-rupee note have great cogency and bearing on this present one-rupee note. I may be permitted to quote from his speech a few statements which succinctly state the position in question. Speaking of the state of things which existed in certain parts of Europe or in Scotland where £1 note circulation existed, he said:—

'In Great Britain the wages of labourers and artizans are paid weekly, and as no labourer and few artizans earn £1 a week, they can never be paid in paper; but in India wages are all paid monthly, and many a labourer and many an artizan earns five Rupees a month, and will be paid, if the amendment be adopted, in paper. Now how does our experience tell us that a native of the poorer classes keeps his money? He either ties it in a corner of his cloth or buries it in the floor of his house. In the one case a shower of rain would reduce his month's wages to a useless pulp, and in the other the white ants would destroy it;'

(he might have added 'the rats')

and it is this that led me to say just now that a five-rupees paper legal tender would be more justly called a cruel than merely impolitic measure. If the poorer classes were

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to try to keep their paper money, they would be pretty sure by some accident to lose it; and if they attempted to change it, as from the fear of loss they certainly would, advantage would be taken of their anxiety to be freed from so fugitive a treasure, and a heavy discount would be exacted, so that take the question in what way we will, it seems to me that a heavy loss will fall on the poorer classes by paper legal tender of small value.'

"Whatever force these remarks might have had with reference to the 5-rupee currency notes, I am sure they will be perfectly relevant with regard to the one-rupee currency note. It is positively dangerous to cause discontent in the land by the circulation of the one-rupee currency note without further experience, because many a poor family might be deprived of their whole wealth by fire or by such accidental causes; and, moreover, owing to the long distances at which treasuries are situated, the poorer classes would find it absolutely difficult, without paying a heavy discount, to cash their one-rupee currency notes.

"Under ordinary circumstances, therefore, some of us might have felt it necessary to oppose these one-rupee and 2½-rupee currency notes altogether. But I for one felt disinclined to adopt such a course for two reasons. First of all because I feel that it is necessary gradually to encourage the growth of paper money in this country and to discourage metallic currency in the true interests of India, and the second reason is that I felt disinclined to oppose any measure which might be brought by the Government during war time. But, my Lord, I think the recommendation I make that the total value of such currency should be confined to 10 millions of rupees at a time may be accepted without any difficulty whatsoever, because it would set a limit beyond which the Government may not be tempted in the present crisis into introducing into the note circulation of the country these one-rupee notes in large numbers. If we have regard to the uniform growth of note circulation during recent months to which I referred a few minutes ago, *viz.*, 20 crores within 3 months and 5 crores within 20 days, I am sure there is good reason and justification for the adoption of this cautious measure which I recommend for adoption by the Council. And even if we have regard to past experience of the five-rupee currency notes, I think there would be no great difficulty in accepting my suggestion. We find that in 1901-02 the five-rupee note circulation was only 40 lakhs of rupees. It was only gradually that there was an increase, and at present it is 2 crores and 25 lakhs of rupees, and there has been an enormous growth within the last three years, the number of pieces having increased from about 3 millions and odd to four millions and odd. Consequently, my Lord, if the five-rupee currency notes are only two crores and odd at present in circulation, after so many years, there seems to be no inconvenience which would be caused by the limitation which I propose, in the matter of the one crore of rupees. Perhaps my limitation is a little too liberal, and I should have confined it possibly to 50 lakhs of rupees. Still I wish to leave a liberal margin, and I hope, therefore, that the Council will not consider one crore of rupees too small a sum. And, even from the other point of view, I do not see any reason why the Government should oppose it, because, my Lord, if this one crore or whatever be the sum is to be backed up by hard cash, gold and silver bullion and coins then I do not think there would be very much reason for this curtailment of unlimited power. It is only if the Government wishes to have in the reserve securities or treasury bills against the one-rupee or 2½-rupee currency notes that they need be afraid about the acceptance of my amendment. But so long as the Government propose to have a cash reserve against the one-rupee and 2½-rupee notes, there seems to be no reason why they should not accept this amendment. I feel sure that, inasmuch as one-rupee and 2½-rupee notes would certainly be presented for encashment in much larger numbers than five or ten-rupee notes, the Government would find it necessary to coin more silver if they added to the one-rupee note circulation. In these circumstances, my Lord, I think this is a necessary and useful amendment, and I hope the Council will see their way to agree to it."

[*Mr. M. W. Hogg ; Sir Fazulbhoy
Currimbhoy ; Sir Dinshaw Wacha.*]

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The Hon'ble Mr. M. W. Hogg :—“ My Lord, I rise to oppose the amendment which has been moved by the Hon'ble Mr. Sarma.

“ When the proposal of the Government of India to introduce one-rupee and 2½-rupee currency notes was first circulated for the information of commercial bodies, banks and other representative bodies, I think I am right in saying that two points were fairly generally agreed upon by most of the commercial bodies and banks consulted. The first point was that it was not believed that these notes would at once lead to a very general popularity. It was thought that their circulation would probably for some time at least be confined principally to the presidency towns and the other larger towns, and it was not therefore believed that they would provide any general or immediate panacea for the shortage of metallic currency from which the country was suffering. The second point on which I think most commercial bodies were agreed was that it would be very inadvisable to attempt to force these small currency notes upon the agricultural and less educated classes and that the demand for them must be allowed to spring up gradually and naturally. I gather from the speech of the Hon'ble Mr. Sarma that it is on this latter point that he is afraid. He seems to think there is a danger of the Government of India attempting to force these notes upon the unwilling agricultural and labouring classes. I see no reason whatever to imagine that the Government of India would embark upon a policy of such flagrant folly as that, and, in fact, in the speech of the Hon'ble the Finance Member, when he introduced the Bill the other day, he laid stress upon the necessity for caution in introducing these notes. If, therefore, the notes are not forced into circulation and are readily convertible, I can see no possible object in tying the hands of the Government of India as to the total circulation to be allowed. Moreover, if these notes do attain a greater and speedier popularity than was generally anticipated, what harm will be done? Their circulation will displace to some extent either the circulation of notes of larger denomination or the circulation of metallic currency. To the extent to which they displace the circulation of notes of larger denomination, the total note circulation of Government will not be increased; to the extent to which they displace the circulation of rupees, those rupees will flow back into the Government treasuries and thereby increase the metallic reserve held against any increase of these notes circulation. I therefore oppose any arbitrary limit which it is sought to place upon the circulation of these notes.”

The Hon'ble Sir Fazulbhoy Currimbhoy :—“ My Lord, the amendment of my friend, the Hon'ble Mr. Sarma, is an innocent one and no harm will be done in accepting it. It will be a very long time before the limit suggested by Mr. Sarma is reached because these notes are to be introduced for circulation first of all in the Presidency towns, and thereafter gradually in the mofussil and the rural districts. The circulation in the commencement is bound to be small and even two millions will take a very long time to get into circulation. I therefore consider there is no objection if the amendment is accepted.”

The Hon'ble Sir Dinshaw Wacha :—“ I agree with what has fallen from the Hon'ble Mr. Hogg.

“ The objection raised by the Hon'ble Mr. Sarma as to the danger of circulating one-rupee notes among the agricultural and labouring classes is no doubt a strong one. But, as a matter of fact, when the Hon'ble the Finance Minister came down to Bombay the other day and attended a meeting of the Indian Chamber of Commerce, I was one of the persons who pointed out that objection, and I believe the Hon'ble the Finance Minister agreed with us that these notes should not be forced upon the poorer classes. Not only that, but I think that the experience of such an experienced man as the Finance Minister would be that, looking into the past history of currency, especially the history of the five-rupee notes, he must have known very well that currency notes of small denomination will take a very long time to get into circulation at all even in the Presidency towns.

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[*Sir Dinshaw Wacha; Rai Sita Nath Ray Bahadur; Mr. K. V. Rangaswamy Ayyangar; His Excellency The President; Mr. M. B. Dadabhoy.*]

“Five rupee notes were first introduced about 1870, and even up till 1905 the circulation was very, very small. From that time downwards we have of course an improvement; but the point is that the circulation of five-rupee notes even today, taken the whole circulation together, does not go beyond 3 per cent. The Hon'ble the Finance Minister knows all about this, and he is aware that even ten million rupees in these notes will take a long, long time to circulate. Therefore I think, Sir, it would be far better that there was no restriction such as the Hon'ble Mr. Sarma wants. The Government of India, the Currency Department, all are very well aware of how slowly these notes will circulate. As education brings the masses to understand the value of paper currency and how to economise silver, and in that way save the Government the increase in the cost of silver there will be progress. Taking all this into consideration, I think it would be far better to leave the Government of India a free hand in this matter than to restrict the circulation as the mover of this amendment proposes.”

The Hon'ble Rai Sitanath Ray Bahadur:—“My Lord, although I give my humble support to this Bill I have some misgivings as to whether the proposed Re. 1 and Rs. 2½ currency notes will prove popular in rural areas, where the old-fashioned peasantry, with their conservative ideas, even now hesitate and in some places refuse to accept currency notes. Merchants and middlemen find it very difficult to make them accept these notes, and the result is that in every jute season, as we see in Bengal, large remittances of silver coins have to be despatched from Calcutta to the mofussil to enable the jute merchants to purchase jute from the jute cultivators. Apart from sentiment there are also other reasons why one and two-and-a-half rupee notes will not be acceptable or popular in rural areas. As has been pointed out by the Hon'ble Mr. Sarma himself, our day labourers and cultivators generally carry coins about their persons without their being damaged even when working in submerged field or wading through water as they have at times to do in *Beel* tracts and other low lying areas. But what will be the condition of currency notes when soaked in water? It is therefore reasonable to suppose that these people will refuse to accept currency notes, and I hope the experiment will in the first instance be confined to Presidency towns and not enforced in rural areas.”

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—“My Lord, it is a very old grievance that the currency reserves are not held in India. So long as the currency reserves are not held in India to be of benefit to Indians and so long as they are held in England, an unlimited increase of currency will not have the support of non-official Members of this Council. I do not insist that at this crisis England should not be benefited by having the free use of our reserves.....”

His Excellency the President:—“I should be glad if the Hon'ble Member would confine himself to the amendment. The amendment deals with the particular question of currency notes of the value of one rupee and two-and-a-half rupees.”

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—“I am only saying that unlimited reserves of currency held in England.....”

His Excellency the President:—“I think the Hon'ble Member has strayed from the subject matter of the amendment.”

The Hon'ble Mr. M. B. Dadabhoy:—“My Lord, I entirely associate myself with the remarks which have fallen from my Hon'ble friend Sir Dinshaw Wacha. But I have one question to ask in connection with this matter. I am not opposing the Bill at all, but my Hon'ble friend Sir William Meyer will be in a position to throw some light on the subject. It has been stated that the life of a currency note is ordinarily about six months, and that the price of manufacturing a currency note is about half-an-anna per note. In that case it is apparent that in a very short time, say in 12 to 16 years, the expense

[Mr. M. B. Dadabhoy; Sir William Meyer.]

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which we shall incur in manufacturing the note will be too heavy. In other words, the question is whether the manufacture of one-rupee currency notes will financially pay us. I was looking forward for some explanation on this point from the Hon'ble Sir William Meyer in the illuminating speech which he made the other day, but he gave none, nor has he stated anything on the subject to-day. He might enlighten the Council by giving some explanation on this point."

The Hon'ble Sir William Meyer:—"I will begin, my Lord, with the point raised by the last speaker, the Hon'ble Mr. Dadabhoy. I cannot give him an exact estimate of the cost of these currency notes because they are being made at home by the Bank of England and we have not got sufficient data; but I may say in general terms that it is not likely that the rupee note will cost more than or as much as one rupee, and I would remind my Hon'ble friend that these notes, directly they become popular, will have the further advantage of inducing people to use the larger notes. And there is no question whatever as to the relative cost of the Rs. 5 note and the Rs. 2½ note as compared with equivalent metal.

"My Lord, I cannot accept this amendment because it ties the hands of Government and I am afraid is calculated to interfere with the success of the experiment which we are initiating. I could understand the need for strictly limiting the issue, if it were proposed in any way to make these small notes inconvertible, or less easily convertible than any other notes. But nothing of the kind is proposed. They will be universal notes, as convertible as any other—in fact, more so, because, as I told the Council the other day, we are going to give special facilities for their encashment at Post Offices.

"Well, as I have already explained, this is an experiment. We are fully aware of the undesirability of forcing these notes on the people. I can assure the Council that no man will be required to take the notes against his will, and, as I have just said, if he finds himself in possession of notes by exchange or otherwise, he can get them cashed. Now, this experiment may be a 'frost,' to use a slang word; or at any rate it may progress very slowly. In that case, we do not need any statutory limit as to the issue of the notes. If there is very little demand for the notes, they won't be issued. But many unexpected things have happened, economically and financially, in the course of this War. It may be as I hope, that the notes will attain very considerable and rapid popularity, in which case their issue will be gradually extended from the Presidency towns to other centres.

"How undesirable would it be, then, that this experiment, which the Hon'ble Mr. Sarma welcomes, should be suddenly tied up, because the Government had reached the end of its tether and had to rush to Council or issue an Ordinance to get the limits extended? I can conceive of nothing which would affect these notes more unfortunately than that.

"The Hon'ble Mr. Sarma then asks, if the experiment succeeds, what will be the gain? Because, he says, we will have to keep rupees against the notes we issue. Well, if we hereafter adopt the recommendation that a large definite percentage of the note issue should be investible, we have the advantage that we shall not have to keep a cash reserve against the full amount of these notes. But even if we had to keep their full value in the Currency Reserve, we should still have the benefit of keeping the rupees in a central reservoir instead of leaving them scattered about the country and possibly disappearing into hoards.

"I would remind the Council too that in no other case do we limit the issue of any particular class of notes. The legislature may indicate what classes of notes should be issued, and it prescribes the limits of the total circulation by the conditions it lays down in respect of the Paper Currency Reserve. But nobody has ever thought of laying down that no more than a certain amount of ten

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[*Sir William Meyer; Rao Bahadur B. N. Sarma.*]

rupee or five rupee notes and so on should be issued. If you put this disability on these one rupee and 2½ Rs. notes by saying that no more than a specific amount shall be issued, I say you are evidencing an initial want of confidence, and that you are thereby handicapping the success of the experiment which the Hon'ble mover of the amendment professes so ardently to desire. For these reasons, I am unable to accept the amendment."

The Hon'ble Rao Bahadur B. N. Sarma :—“ My Lord, I am constrained to say that the reasons given against my amendment by the various Hon'ble Members have not convinced me of the unwisdom of my amendment. It has been said that the Government do not wish to force these notes on anybody and that it is only a slow growth that can be expected. But my Lord, when we make 1 Ru. and 2½ Rs. notes legal tender, are we not forcing every one of His Majesty's subjects to accept them in remuneration for his wages or for any other purpose. Suppose a *ricksaw-wallu* at the end of the day gets a rupee in the form of a currency note. He cannot say 'I decline to take it.' He is bound to take it and then he will have to rush to the nearest Treasury or other office to get coin in exchange; if it were a rupee, perhaps the discount would only be a quarter of an anna or so, but if it were a one rupee currency note, he might have to pay a couple of annas. I may relate my own personal experience. It was only in June last that I went to a mofussil station fifteen miles from the treasury and I could not induce the labourers there to accept a ten-rupee or a five-rupee note; I had to invoke the aid of the *karnam* of the village to take these people to the nearest market in order that the notes might be changed into rupees and those people paid. If that was my difficulty only three months ago in a station only fifteen miles away from the Treasury, what would be the position of a labourer when this one-rupee note is forced on him because it is legal tender. It would really mean in his case only 12 or 13 annas. Therefore, my Lord, while we make it legal tender we are naturally forcing it upon the people, and the present currency position makes it all the more necessary that we should be apprehensive that the trade will force upon the market these one rupee and 2½ Rs. notes because we have been finding that we are sometimes short of cash. That is the reason why the Government of India took the trouble of coining within a very short time 36 crores of rupees. That shows clearly that the market demands rupees; and if they cannot be supplied in abundance, the trades associations and others who have to buy their goods will force these notes upon the public and they will not be confined to the Presidency towns; they are bound to extend into the mofussil with the undesirable results stated.

“ Then, the Hon'ble the Finance Member said that it is quite possible that the public may encourage these and that the circulation may extend beyond a crore of rupees in a short time. Nobody would welcome it more than I. We are meeting only three months hence in Delhi; and if the Finance Minister can come before the Legislative Council and say that within these three months he has been so successful, so fortunate, as to be able to make the public accept more than a crore's worth of one rupee and 2½ Rs. notes, the Legislative Council will be only too ready to grant any further extension that he may desire. And surely it cannot be said that within three months the limitation of one crore would produce want of confidence in the Government. My Lord, the real fear in my mind and in the minds of certain of us is that there would be a temptation on the part of Government to force on the market a large number of these notes against Treasury Bills and securities, making the whole position of note circulation even more hopeless than it is at present. My fear may be unfounded, but we have to be cautious. Therefore, my Lord, I am unable to withdraw the amendment.”

The motion was put and negatived.

[*Sir William Meyer ; Sir George Barnes.*]

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The Hon'ble Sir William Meyer :—“ My Lord, I now move that the Bill as amended be passed.”

The motion was put and agreed to.

THE INDIAN TRANSFER OF SHIPS RESTRICTION BILL.

The Hon'ble Sir George Barnes :—“ This Bill, Your Lordship, will remember, was introduced on the 5th of September, and no objection was raised to it until yesterday and the day before when several telegrams were despatched from Bombay to various Members of this Council, asking that the Bill should be referred to a Select Committee. My Hon'ble friend Sir Dinshaw Wacha, who received one of the telegrams, at my request telegraphed to inquire what were the particular points in the Bill which it was thought could be remedied by consideration in Select Committee. He was good enough to hand to me the telegram which he received in reply which makes it clear that the grievances relate solely to the risk of impressment; reference to a Select Committee would be no remedy; and the only way therefore in which they could be remedied would be by withdrawing the Bill altogether and allowing the objectors to transfer their vessels to neutral flags. The liability to impressment is one of the necessities of the war which has been unfortunately forced upon the British Empire, and is a burden which all parts of that Empire must share. This very point was specially brought out in the Statement of Objects and Reasons attached to the Bill from which I quote :

‘ The increasing restrictions which it has been necessary to impose upon British shipowners have greatly added to the risk of owners attempting to escape from such restrictions by transferring ships to foreign registry.’

“ It was in consequence of this risk that the Government of India decided only after proof had been placed before them that the possibility of transfer was actual and immediate, to bring their legislation into line with that of the United Kingdom.

“ I feel it my duty therefore to make it clear that we cannot allow the reasons put forward to delay the passing of the Bill. I am fully aware that the grievances are very real ones, and are not the less felt here, because they press equally upon shipowners in all parts of the Empire. Although very large numbers of ships belonging to British owners in India were impressed from the outbreak of war, it was not until comparatively recently that it was found necessary to impress the ships belonging to Indian owners. Since then we have had before us representations regarding such cases, and in dealing with these representations the Government of India have accorded their special sympathy and support to them especially where the owners were owners of single ships. An owner who owns a single ship is obviously far more severely affected by the impressment of that ship than a large company by the impressment of several ships. We were able to secure from His Majesty's Government a special extra rate of Rs. 2 per ton in favour of ships domiciled in India. This addition represents an increase roughly speaking of over 15 per cent. on the Admiralty blue-book rate, which applies to British ships generally. We were also able, until the pressure upon shipping became too severe, to obtain the release from impressment of several boats belonging to Indian owners, but latterly owing to the increasing stringency of the shipping position and the vital necessity of spreading the Imperial control of shipping as widely as possible, we have found His Majesty's Government unable to comply with our recommendations for release. This does not mean, however, that we are in any way relaxing our efforts in the interests of Indian shipowners, and we are prepared to

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give every consideration to any complaints regarding the hardships caused by this general system of impressment and to support to His Majesty's Government any suggestions which we think might be reasonably put forward.

"I beg to move, my Lord, that the Bill be taken into consideration."

The motion was put and agreed to.

The Hon'ble Mr. M. A. Jinnah:—"My Lord, it is with some hesitation that I ventured to give notice of the amendment that stands in my name that in clause 2 (1) (a) (i) after the words and figures 'Aliens Act, 1914' the following be inserted:—'and will include Indian subjects of His Majesty,' because I am fully aware that the Legislative Department is very ably represented. However, the question is one which I thought, when I received the Agenda, showing that the Hon'ble Member in charge of the Bill was going to move that it be taken into consideration and passed, should be placed before the Council. The Agenda was received by me only on Monday night, since then I have tried to devote some attention to this question. The matter stands in this way—the definition in the Bill is this, section 2 says:—

'British subject means a person who is a natural-born British subject within the meaning of the British Nationality and Status of Aliens Act of 1914'

"Now, the question is whether that definition will include an Indian subject of His Majesty or not. It seems to me that there is considerable doubt thrown on the point by the Acts of Parliament passed from time to time; for this purpose I will draw the attention of the Council to the observations made by Ilbert in his book. 'The Government of India,' he says on page 379:—

'It appears to have been held at one time that the expression 'natural-born subjects' is, in the statutes affecting India, always taken to mean European British subjects, and, although this position can no longer be maintained in its entirety.'

He then refers to some English statutes —

'There is ground for argument that it may be construed subject to restrictions in its application to descendants of non-European subjects of the Crown.'

Then on page 411 this is what he says:—

'Consequently the term 'British subject' has to be construed in a restricted sense in the earlier of the enactments, and it is possible that the restricted meaning which had been attached to it by usage still continued to attach to it when used in some of the enactments dating subsequently to the time when British India had passed under the direct and immediate sovereignty of the Crown. The term as used in Acts of Parliament was never precisely defined and perhaps was treated as including generally white-skinned residents or sojourners in the country by way of contradistinction to the native population.'

"I am fully aware that the Hon'ble the Law Member will probably point out to me that if we turn to the definition—after all this is a definition by reference—to the Act of 1914, the words are as follows:—

'The following persons shall be deemed to be natural-born British subjects, namely, any person born within His Majesty's dominions and allegiance.'

"Now as to the word 'dominions' it may be that the Hon'ble the Law Member will say that it will include any part of the Empire, and that will include India. The only hesitation which I have in my mind is that when we talk of dominions that generally conveys, that the idea of a self-governing dominion and that does not include India. We have the term in the first place 'British possessions' and it is a question whether that term will include India or not. It is for that

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reason, my Lord, that I want to make it quite clear and so I propose in my amendment the addition of the words 'and will include Indian subjects of His Majesty.' However I am open to conviction and if the Hon'ble the Law Member satisfies the Council that the clause does include Indian subjects of His Majesty I am prepared to accept the statement.

"My Lord, I want to make one observation that is not quite germane to my amendment; I don't want to make a second speech. With regard to what fell from the Hon'ble Member in charge of the Bill I have no doubt that explanation will certainly allay the feelings that were created in Bombay, but I would like to point out that (he referred to apprehensions in the minds of shipowners) the Hon'ble Member is perhaps aware that when the Act was passed.....

The Hon'ble Mr. G. R. Lowndes:—"I venture to rise to a point of order. It seems to me inconvenient that the Hon'ble Member should go outside his amendment. He would no doubt be in order if he said what he is now proposing to say on the motion that the Bill be passed. I quite agree that it is sometimes desirable not to make two speeches but it might be difficult to reply to him on the present motion."

His Excellency the President:—"In view of what the Hon'ble the Law Member has said I hope the Hon'ble Mr. Jinnah will defer his remarks."

The Hon'ble Mr. M. A. Jinnah:—"My Lord, I did not want to make a second speech."

The Hon'ble Mr. G. R. Lowndes:—"My Lord, I hope my learned friend will make a second speech on the subsequent motion. I am very desirous that his grievances should be ventilated as there is probably a very simple answer to be given to them and it is probably better that it should be given in this Council. With regard to the amendment that has been moved it is perhaps within the recollection of the Council that when this Bill was before us on the last occasion, on the motion for leave to introduce, the Hon'ble Pandit Madan Mohan Malaviya made certain comments upon it at the end of which he asked me whether I considered that the definition included Indian subjects of His Majesty and though I was well aware that a legal opinion given hastily and without consideration was possibly of the smallest value, I thought I was justified in giving the answer, which I then gave, and I am equally clear as to my opinion on the point today. The Hon'ble Mr. Jinnah has referred to a doubt in Ilbert's book as to the meaning of 'natural born British subjects.' Now I do not dispute that, prior to 1858, when India came directly into the possession of the British Crown, the term 'natural born subject of his Majesty' was used in Acts of Parliament in a sense which did not include Indian subjects of His Majesty, as the position of India was then somewhat different from what it was after 1858. Take the Government of India Act of 1833. In section 81—I am speaking from recollection—of that Act, the expression 'natural born subjects of His Majesty' is used in the sense of what we now speak of as 'European British subjects.' That this is the sense in which it is used in that particular section is quite clear from the context of the section. It provided that people might come from Great Britain and settle in India and it is in that connection that the expression is used. In 1864 the Foreigners' Act was passed in India and in it the draftsman adopted the same meaning of the expression 'natural born subject of His Majesty.' In the definition of 'foreigner' in that Act it is perfectly clear that words are used in that sense. I would like to point out to the Council the difference which has been made since then by the recent amendment of the Act. In the wording of the Foreigners' Act of 1864, as it was originally passed a 'foreigner' is described as 'not being either a natural born subject of Her Majesty within the meaning

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of section 81 of the Government of India Act of 1833, or a Native of British India.' I think the Council will see that it is perfectly clear here that the expression 'natural born subject of Her Majesty' is used in contradistinction to 'a Native of British India.' But the section has since been amended and has been brought into line with the modern form of expression. The definition of 'foreigner' in the amended Act covers a person 'who is not a natural born British subject as defined in sub-sections (1) and (2) of section 1 of the British Nationality and Status of Aliens Act, 1914.' My Hon'ble friend Mr. Jinnah is as correct, as he always is, in dealing with the old law, but the position now has been entirely altered. A new definition ought, I think, to have been adopted after 1858, and it seems to me that it was probably a mistake to have followed the old one in 1864; however, that is now ancient history. But with regard to the definition adopted in the present Bill all that we are considering now, and the sole question on which my Hon'ble friend feels a doubt, is whether the expression which we have adopted from the English statute, namely, 'any person born within His Majesty's dominions.....' whether there is even a shadow of doubt that now in 1917, those words cover Indian subjects of His Majesty. I quite agree with my Hon'ble friend that if there is, as I say, even a shadow of doubt on the point, this amendment ought to be accepted. But I venture to put it to the Council that there is none. The explanation is this. The widest term which can be used of the British Empire is 'His Majesty's dominions' The term dominions, derived from the Latin word 'Dominus,' covers all that is under the lordship and authority of the King. It includes the whole of the British Empire. It includes the Great Britain and Ireland, British India and all the Colonies. Next we have an expression which is used to exclude the United Kingdom but to cover everything else, namely, 'British possessions.' 'British possessions' means the whole of the British Empire except the United Kingdom, and includes British India and all the Colonies. Then lastly we have an expression which excludes British India also, and that is the term 'Colonies.' Therefore, you have these three classes of expressions, the widest, which we have got here 'British dominions' including the whole of the British Empire; the second 'British possessions' including British India and the Colonies, and the third 'Colonies' which excludes British India. I am not speaking without the book because if my Hon'ble friend had had more time to look into this question, he would no doubt have turned to the English Interpretation Act of 1889, which is the equivalent of our General Clauses Act out here, and he would have found in it if he had turned to section 18, all that I have just told the Council. He would have found by implication, a very definite implication, that 'British dominions' includes the whole of the Empire, that 'British possessions' includes the whole of the British Empire, excepting the United Kingdom, and that 'Colonies' excludes British India. Perhaps it may be convenient if I read to the Council the exact words of the definition of British India in section 18. I do not propose to read the whole of the section but only sub-section (4), as it seems to me to contain the kernel of the whole thing. 'The expression 'British India' shall mean all territories and places within Her Majesty's Dominions which are for the time being governed by Her Majesty through the Governor General of India or through any Governor or other officer subordinate to the Governor General of India.'

"Here, I think, the Council will see that the expression British India in all English statutes is defined as a part of Her Majesty's Dominions. In the present Bill we have merely adopted a definition, from the most recent English statute, the British Nationality and Status of Aliens Act of 1914, and we have adopted it exactly as it is set out in the statute for the sake of convenience. The definition that we have adopted begins 'Any person born within His Majesty's Dominions and allegiance,' and the statute from which we have taken it is definitely subject to the Interpretation Act of 1889. That is to say, you have got to construe every word you find used in it by this dictionary in the Interpretation Act.

[*Mr. G. R. Lowndes; Pandit Madan Mohan Malaviya.*] [19TH SEPTEMBER, 1917.]

“If you turn to that dictionary you find very clearly and definitely that in this Act, the expression ‘British dominions’ does include British India.

“There is only one other point that I wish to refer to and that is that we have already adopted this same definition in at least two previous Acts out here without comment in this Council, and I may say that the skies have not fallen upon us. We have already co-opted the definition into the Foreigners Act of 1864, as amended by Act III of 1915, and we have also adopted it in Act III of 1916, where we have taken a definition of ‘British subject’ which is based on the same definition from the same Act. I submit, therefore, to the Council that they need not have the least nervousness as to whether the expression ‘persons born within His Majesty’s Dominions’ includes British subjects of His Majesty.”

The Hon’ble Pandit Madan Mohan Malaviya :—“My Lord, there is no doubt that what the Hon’ble the Law Member has said clears up the position to a great extent, but I am not so sure that it clears it up altogether, and what I would urge is this, that when we are passing a law in this Council which will affect the people of India, there can be no reasonable objection to making it clear that ‘British subjects,’ as defined in the Act will include the Indian subjects of His Majesty? If it requires all the learning of our esteemed friend the Hon’ble the Law Member.....

The Hon’ble Mr. G. R. Lowndes :—“Not all!”

The Hon’ble Pandit Madan Mohan Malaviya :—“I beg your pardon. If it requires the great learning of the Hon’ble the Law Member, to refer to several enactments, several British statutes, to make it clear that British subjects, as defined in this Bill, will include the Indian subjects of His Majesty, and if it also leaves the possibility of a court of justice not accepting the view propounded by the Hon’ble the Law Member, is it not desirable that the matter should be placed beyond doubt by a few words being included in the Bill? The last thing which the Hon’ble Law Member referred to was that British India would include all places within His Majesty’s Dominions.....

The Hon’ble Mr. G. R. Lowndes :—“My Lord, I certainly did not suggest that British India included all places within His Majesty’s Dominions.”

The Hon’ble Pandit Madan Mohan Malaviya :—“I beg your pardon, the Hon’ble Law Member said that—

‘The expression ‘British India’ shall mean all territories and places within Her Majesty’s Dominions which are for the time being governed by Her Majesty through the Governor General of India or any officer subordinate to the Governor General of India.’

“That is to define ‘British India’ and to indicate what territories and places within Her Majesty’s Dominions shall be under the control of the Governor General of India. It does not lay down the reverse that British Dominions shall include British India. If it did in those clear terms, there would be no room left for doubt. The other day I drew attention to the disadvantages of legislation by reference, and here the disadvantage is brought out in a very clear manner, when it leads to the necessity of an amendment being proposed such as has been proposed and to an explanation being offered. I think, therefore, that the amendment of my friend the Hon’ble Mr. Jinnah should be accepted. I would suggest just a little alteration in its wording in order to make it run better with the text of the section as it stands. I suggest it should read as follows:—‘British subject means a person who is a natural born British subject,’ etc., ‘or is an Indian subject of His Majesty.’ I submit, my Lord, that the Indian subjects of His Majesty are entitled to claim that in Indian legislation, in an Indian statute, they should be mentioned before any other subjects of His Majesty.”

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[*Dr. Tej Bahadur Sapru ; Mr. G. R. Lowndes ; Pandit Madan Mohan Malaviya ; Mr. M. A. Jinnah ; Sir George Barnes, Sir Fazulbhoy Currimbhoy.*]

The Hon'ble Dr. Tej Bahadur Sapru :—" My Lord, I approach the question from a purely lawyer's point of view and having regard to what has fallen from the lips of the Hon'ble Law Member, I confess that my mind is free from doubt on that subject. My Lord, as the Hon'ble Law Member has pointed out, the first clause refers to the definition in the British Nationality and Status of Aliens Act, and there the word 'Dominion' does no doubt occur, which goes to show that India would be included in the term 'Dominion.' My Hon'ble friend Mr. Jinnah said that the word 'Dominion' raises a certain amount of doubt in his mind. With all respect to him, I would say that, so far as I am aware, the word 'Dominion' is not a technical expression, and as has been pointed out by the Hon'ble Law Member, it is wide enough to cover the case of India. The amendment therefore seems to be superfluous."

The Hon'ble Mr. G. R. Lowndes :—" I do not know whether the Hon'ble Mr. Jinnah desires to withdraw his amendment. If he presses it, I should like to say a word in reply to the Hon'ble Pandit. It is merely this, that I think it would be a great mistake from the Indian point of view to throw the very faintest shadow of doubt on the question of whether an Indian subject of His Majesty is included within this term which we have in this Act, 'any person born within His Majesty's Dominions'

The Hon'ble Pandit Madan Mohan Malaviya :—" If you do not confine it to a particular statute, I would accept that."

The Hon'ble Mr. G. R. Lowndes :—" We in India treat ourselves as being part of His Majesty's Dominions, and I for one could never be a party to the idea that we are not sitting here in Simla in His Majesty's Dominions. In the second place, I would only point out this, that if you do in this particular Act insert this somewhat unusual addition, you throw very considerable doubt on the previous Acts in which we have adopted the same definition without qualification. Thirdly, I would only say in regard to the nice things the Hon'ble Pandit has said with regard to my erudition, that it does not require a very vast amount of learning merely to turn to a dictionary to see what an expression means. The English Interpretation Act is merely a dictionary of the statute."

The Hon'ble Mr. M. A. Jinnah :—" I may say this, that I entirely agree with the Hon'ble Pandit in the compliment he paid to the Hon'ble Law Member. I will at once say this, my Lord, that if I were a judge and I had the Hon'ble Law Member before me arguing as he has argued, he certainly would convince me. There is a great deal of force in what he says and I feel it unnecessary for me to take up the time of the Council and press the amendment."

The amendment was by leave withdrawn.

The Hon'ble Sir George Barnes :—" My Lord, I move that the Bill be now passed."

The motion was put and agreed to.

THE INDIAN TRUSTS (AMENDMENT) BILL.

The Hon'ble Sir Fazulbhoy Currimbhoy :—" My Lord, I beg to move that the Bill to amend the Indian Trusts Act, 1882, be taken into consideration. The Bill has been widely published and no amendments have been received. I therefore think it unnecessary to detain the Council and go into details further and I will therefore only ask that the Bill be taken into consideration. But before I move that, my Lord, I would however just ask for a few minutes indulgence on the part of Hon'ble Members to permit me to pay a

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ASSIMILATION OF THE LEGISLATIVE AND ADMINISTRATIVE SYSTEM IN THE PUNJAB TO THAT OF THE PROVINCE OF BIHAR AND ORISSA.

[*Sir Fazulbhoy Currimbhoy; His Excellency the President; His Honour the Lieutenant Governor.*]

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tribute of grateful appreciation to my Hon'ble friend Sir Claude Hill, whose absence I regret very much, to his Department, and to the Government of Bombay, for the help they have given me in carrying this measure through. With these few words I beg to move that the Bill be taken into consideration."

The motion was put and agreed to.

The Hon'ble Sir Fazulbhoy Currimbhoy :—"I beg to move that the Bill be now passed."

The motion was put and agreed to.

RESOLUTION *re* ASSIMILATION OF THE LEGISLATIVE AND ADMINISTRATIVE SYSTEM IN THE PUNJAB TO THAT OF THE PROVINCE OF BIHAR AND ORISSA.

His Excellency the President :—"Hon'ble Members will now realise that we have come to the further discussion on the Resolution of the Hon'ble Mr. Shafi which Council had before them on Thursday last. I understand that His Honour the Lieutenant-Governor would like to make a few personal observations, and I am sure that the Council will be only too glad to hear His Honour. After he has made those personal observations, I shall make a few myself, and then the discussion will proceed."

His Honour Sir Michael O'Dwyer :—"My Lord, with your Excellency's permission I desire to make a personal explanation to this Council before to-day's debate on the Resolution before it begins.

"I understand that certain remarks of mine at the last meeting of the Council on the Resolution relating to the Punjab have aroused resentment in the minds of many Hon'ble Members.

"The views to which I gave expression were my own individual views, neither Your Excellency nor any Member of the Government of India had any prior knowledge direct or indirect of what I was going to say. For what I said, therefore, the responsibility is solely and entirely mine, and I do not wish to disclaim it.

"In the debate in question the recognition of the progress made by the Punjab, and in particular of its services in the present war was the real issue under consideration, and in taking part in the discussion, as I stated at the time, my intention was, while emphasizing the particular services of the Punjab, to take the opportunity to stimulate other provinces to similar efforts. I therefore criticised certain manifestations of public opinion because I regarded them as harmful to recruiting and to the mobilisation of all our resources in the cause of the Empire. This, I am sure, the Council will agree with me should be and is the first thought in our minds at the present juncture.

"If, however, in my zeal to hold up the Punjab as a model to other provinces I criticised the attitude adopted by public men elsewhere in a manner which may have appeared invidious, or has wounded the feelings of individuals, I much regret that my remarks produced a result which I did not intend.

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ADMINISTRATIVE SYSTEM IN THE PUNJAB TO THAT OF
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[*His Honour the Lieutenant Governor; His Excellency the President; Pandit Madan Mohan Malaviya.*]

“I also deeply regret that any action of mine should have had the effect of disturbing that spirit of harmony and co-operation for which Your Excellency made such an eloquent appeal at the opening meeting of the session. Nothing was further from my thoughts than to transgress Your Excellency's wishes. Indeed, I would ask leave to repeat to-day, what I said at the last meeting that, quite apart from official obligations, the policy then announced by Your Excellency has my loyal and hearty support.”

His Excellency the President said :—“I have little to add to what has already been said by His Honour the Lieutenant-Governor. I addressed Hon'ble Members so lately that my appeal for mutual forbearance will be fresh in their memories. His Honour in a debate on a subject, which was so little, as I thought, likely to be controversial that I was absent from it, unwittingly, as he has just told you, in his zeal to emphasise the good services and the merits of his province, transgressed the spirit of my appeal and introduced comparisons with the services of other provinces which I cannot help thinking were unnecessary for the building up of his argument and were undoubtedly contentious. He has expressed his regret, and I trust the incident by consent of all may be regarded now as closed. Hon'ble Members, however, may say that they cannot sit down under the imputations which have been conveyed by His Honour's speech, but I would remind them that their silence in the present circumstances can in no sense be misinterpreted. In my judgment, the calm and dispassionate examination of the matters alluded to in my speech of the other day is at the present moment the issue of supreme importance, and nothing could be more unfortunate than if we were to be led off into any discussion which would imperil or jeopardise that great issue. I can well appreciate that many Hon'ble Members may desire to reply, but I suggest for their consideration that such a discussion could only tend to obscure the main question on which our thoughts should alone be concentrated. Speaking for myself and from my own experience of public affairs, I have never in the long run found silence misinterpreted, when there were obvious reasons for its being observed.

“I must now leave the matter with Hon'ble Members. They have an absolute right to continue the debate, and they will of course be in order if they wish to reply to certain passages in His Honour's speech. The question for them to consider is whether in the present circumstances it is judicious whether it is wise, whether above all, it is desirable in the public interest.”

The Hon'ble Pandit Madan Mohan Malaviya:—“My Lord, I am glad that His Honour Sir Michael O'Dwyer has seen fit to express his regret for having made certain observations in the speech which he made in this Council on Thursday last, and which, as we all know by this time, not only gave offence to many members of this Council but also to the educated Indian public generally throughout the country. My Lord, we felt that we must reply to that speech because it contained unjust attacks upon some of us, upon our public men and movements and the provinces which we have the honour to represent. I wish His Honour had seen his way to withdraw those remarks which he knows and feels gave offence; but he has not seen it fit to do so. However, Your Excellency has been pleased to appeal to us to deal with the matter in a generous spirit and to bear in mind the situation in which we are placed. Having regard to the advice which Your Excellency has been pleased to give us, I would ask my friends to accept the expression of regret which His Honour has made and not to reply to the observations which gave offence. In view of

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[*Pandit Madan Mohan Malaviya ; Khan Bahadur Mian Muhammad Shafi ; Dr. Tej Bahadur Sapru ; His Excellency the President.*] [19TH SEPTEMBER, 1917.]

the fact that those observations have caused great indignation throughout the country, it would have been our duty to reply to them at length, but, having regard to the advice which Your Excellency has been pleased to give us, and in view of the situation, I think we should leave the matter there, making it clear that we, on our part, repudiate all the attacks which His Honour Sir Michael O'Dwyer made against our public men, our movements and the provinces we represent.

“ My Lord, none of us grudges the province of the Punjab the credit which it has won by its services. We rejoice to think that our brethren in the Punjab have done as well as they have done ; but it was not necessary, in extolling the services of the Punjab, to belittle the efforts which other provinces, of the Empire have made.

I do not wish to say more, My Lord, and I hope the incident may now be closed. We feel grateful to Your Excellency and your Government for the attitude which you have taken in this matter.

The Hon'ble Khan Bahadur Mian Muhammad Shafi :—“ My Lord, I now ask Your Excellency's permission to say a few words in winding up this discussion, and, finally, in view of the sympathetic response made on behalf of your Excellency's Government to the proposals put forward by me in my opening speech, to ask permission to withdraw my Resolution.

“ I am highly grateful to my friends, the Hon'ble Mr. Krishna Sahay and the Hon'ble Mr. Bishen Dutt Shukul for the warm support they gave me the other day, and, although I am equally grateful to my friend the Hon'ble Mr. Jinnah for his sympathy with the spirit of my Resolution, I wish his sympathy had gone a little further and not refused me the support which my Resolution, I venture to submit, deserves. Great though be his desire to promote constitutional reform and administrative development in my Province, I can assure him that it cannot be greater than that of one who himself belongs to the Punjab, is proud of the educational and material progress of his province and claims for it with the utmost confidence all the constitutional privileges which even the Presidency, of which my Hon'ble friend is so prominent a figure, enjoys.

“ To His Honour the Lieutenant-Governor I owe, on behalf of the people of my province, a warm debt of gratitude for the weighty support which he has been pleased to accord to my Resolution, and from what fell from the lips of His Honour I at any rate am filled with the hope that soon proposals will come up from our Local Government in connection with the suggestions that I have put forward.....

The Hon'ble Dr. Tej Bahadur Sapru :—“ My Lord, I rise to a point of order. If my learned friend intends to withdraw the Resolution, he has no right to speak on the merits, because we have been deprived of the chance of speaking on the merits.”

The Hon'ble Khan Bahadur Mian Muhammad Shafi :—“ I am not speaking on the merits at all.”

His Excellency the President :—“ I think perhaps it would be very much better if we accepted the Resolution as withdrawn.”

The Resolution was by leave withdrawn.

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[*Mr. M. B. Dadabhoy.*]**RESOLUTION *re* SELF GOVERNMENT.**

The Hon'ble Mr. M. B. Dadabhoy to move the following Resolution :—

'This Council recommends to the Governor General in Council that he be pleased to declare that the attainment of self-government within the Empire is the ultimate goal of the policy of the Government of India, that it proposes to take early and definite steps towards that end by the diffusion of primary education, the steady expansion of local self-government, the advance towards provincial autonomy as far as practicable, and the liberalization of the Government of India and of the Provincial Governments on progressive lines.'

"My Lord, I had given notice of this Resolution before the pronouncement which was made in Parliament by the Secretary of State for India and which was published in the Gazette Extraordinary of the 20th August last. And further in view of that pronouncement and your Excellency's weighty pronouncement made in this Council on the 5th of last month I do not think it necessary to press this Resolution. I ask your Excellency's leave to withdraw it."

The Resolution was by leave withdrawn.

RESOLUTION *re* ELECTION COURTS.

The Hon'ble Mr. M. B. Dadabhoy :—“ My Lord, the Resolution I beg to move runs thus :—

'This Council recommends to the Governor General in Council that Election Courts be established at all important centres in India, with powers to try all disputes relating to election whether to the local bodies or to the various Councils, expeditiously and finally.'

"The want of a special and effective machinery for the trial of election disputes has been felt by the people for some time past, but the matter does not appear to have attracted the notice of Government before the dispute about the Hon'ble Mr. Abdur Rahim's election to this Council. Before the expansion of the various Councils during Lord Lansdowne's regime as Viceroy and Governor-General of India, election was confined to the local bodies only, and disputes relating thereto had not assumed the gravity they have since done. The law also was practically silent about the grounds on which elections could be attacked and avoided. The Rules framed under the Local Self-Government Acts and the Municipal Acts by the Provincial Governments alone regulated the elections, and any violation of those Rules *per se* rendered the election void. Even as the state of the law was in those times there were cases challenging the validity of elections with varying success. In the absence of a special machinery for trial, they were brought in the ordinary Civil Courts of original jurisdiction under Section 11 of the old Code of Civil Procedure, and Section 42 of the Specific Relief Act, and the Courts had to decide the issues according to good conscience, in other words, according to the principles of the English law on the subject as contained in Corrupt and Illegal Practices Prevention Act, 1883 (46 and 47 Vict. C. 51), and Municipal Elections Act, 1882 (47 and 48 Vict. C. 70). One such case *Sabhorpat Sing vs. Abdul Gaffar* would be found reported in Indian Law Reports, 24 Cal., p. 107. Important points about the maintainability of such suits and the jurisdiction of the Civil Court were decided in that case in favour of the plaintiff by the Calcutta High Court. There were other cases relating to municipal elections but not reported in the authorised Law Reports. One of them, Title Suit No. 156 of 1905 of the Court of the Subordinate Judge in a certain district in Bihar, was quite sensational in character on account of the serious allegations made by the plaintiff and the position of the party against whom they were made. That suit was decreed in the plaintiff's favour, and the decree was upheld on appeal.

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“ My Lord, with the further enlargement of the Councils under what is known as the Minto-Morley Reform Scheme and the extension of elective rights, a situation has been created which is not easily handled by the Executive under the Regulations framed by Government in that behalf and by the Civil Courts under the statute and case law. Several complaints have been made to Government, but the election in each case has been declared valid. No case has been taken to the Court except in Bengal after the last election, but the High Court original suit was abandoned in pursuance apparently of a compromise. But the dispute about the Hon'ble Mr. Abdur Rahim's election has revealed the weak points in the present arrangements, and has emphasised the need for a radical change. Hon'ble Members must be aware of the history of that case. Two important facts emerged in the course of the proceedings. In the first place, it was clear there was some sort of understanding between the parties. Whether it was a compact or a compromise is somewhat doubtful. But that there was a settlement of differences, admits of little doubt. In the next place, the petitioner having withdrawn the petition and there being delay in hearing, proper evidence was not forthcoming. In the Resolution of the Government of India, Legislative Department, No. 10, dated the 20th April 1917, your Excellency observed that your Excellency 'is by no means satisfied that the election was free from corrupt practices.' Your Excellency was so impressed with the unsatisfactory nature of existing arrangements that your Excellency referred to 'the desirability of permanent legislation to provide effective machinery for the investigation of election petitions in the future.' Your Excellency also affirmed your 'determination not to tolerate anything in the nature of a collusive compromise of an election dispute.' And the resolution before the Council invites the attention of Hon'ble Members to the need of special legislation on the subject, providing *inter alia* for the establishment of election courts for the trial of election disputes. These disputes, far from disappearing with time, are bound to grow in number and frequency. Everything points to the conclusion that after the war there will be important changes in the constitution of the Administration, probably all leading to the evolution of something analogous to a semi-parliamentary system of government based upon representation. An immediate and substantial advance in the direction of responsible government is promised. It may fairly be assumed that a further enlargement of the Councils will be taken in hand in the immediate future. And necessarily local self-government will be rapidly developed on an elective basis. Election will accordingly play a more and more important part in Indian polity, and disputes about the validity of particular elections must naturally become both frequent and grave. Now if in existing circumstances the machinery is found wanting, with a large increase in the volume of business it will become absolutely useless. It is better to be prepared in time, and to make adequate provision against a contingency that is sure to happen.

“ My Lord, the needs of the situation are twofold. In the first place, the law about elections must be clearly defined, and the grounds which vitiate an election should be stated with precision in a self-contained Act. The English Law cannot serve the purpose on all occasions. An Indian Act is necessary. It may be modelled upon the English Act, but difference in local conditions may and will render additional provisions and alterations necessary. The principles will undoubtedly be the same. In the next place, the ordinary courts must be relieved of the duty of administering the new law if only for the sake of expedition. It is of the utmost importance in these matters that the investigation should be finished as quickly as possible. This condition the ordinary courts are, for a variety of reasons, unable to fulfil. In England the King's Bench Division of the High Court of Justice has jurisdiction as regards disputes about election to Parliament. Under the Parliamentary Elections and Corrupt Practices Act of 1879 (42 and 43 Vict. C. 75), a rota is prepared by the 4th November every year of three puisne judges two

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of whom are selected to hear election petitions. The procedure provided is somewhat complicated and unsuited to conditions other than British. If upon the report of an election court to the Speaker both Houses by a joint address represent to the King that corrupt practices either have, or are believed to have, extensively prevailed at an election in any county or city, borough, university, or place, and pray for an inquiry by persons named in the address, His Majesty may by Royal Warrant appoint those persons Commissioners for the purposes of a thorough inquiry. Election Commissioners may be similarly appointed on the petition to the House of Commons of two or more electors of any electoral division, alleging the extensive prevalence of corrupt or illegal practices at an election, within twenty-one days after the return to the Clerk of the Crown of a member or within fourteen days after the meeting of Parliament. For the investigation of disputes relating to municipal elections a special 'election court' is constituted under Municipal Corporations Act, 1882 (45 and 46 Vict. C. 50). The court is presided over by a lawyer commissioner who is appointed by the judges of the aforesaid rota and who certifies his judgment to the High Court. The procedure at the hearing and in the interlocutory stage is substantially the same as in the case of petitions relating to Parliamentary elections. The system works satisfactorily in England. But in India, while the broad principles may be followed, different local conditions will necessitate modification in important particulars. The roster, circuit, and the English procedure will be impracticable in India. The country is so vast that a number of courts at different centres will be more satisfactory. And in this scheme of distinct courts the primary object to be kept in view is that a judicial machinery at once simple and effective should be provided for investigation of election petitions. Without considerable simplification of the ordinary procedure of the civil court, the end cannot be attained. Expedition is the great point, and with a cumbrous procedure in force that is impracticable. But while I emphasise the need for quick disposal it is furthest from my mind to suggest that that should be effected by striking off cases or hearing them *ex parte*. On the contrary, care must be taken to impress upon the courts that such a procedure will defeat the main purpose of the special legislation and of the special arrangement. It must be borne in mind that a thorough investigation is what is desired by Government, not in the interest of individual suitors, but for the purity of elections. It is not so much a personal matter of the plaintiff. As in a serious criminal case the Crown is the party most interested in the result, Government, without being formally on the record, has a substantial interest in all election petitions. At the same time false petitions must be discouraged by making the party responsible for them liable to prosecution and to pay costs.

"My Lord, for the sake of economy the highest civil court of ordinary jurisdiction within a district may be vested with powers under the special legislation advocated. In important areas the District Judge may have jurisdiction concurrently with the Subordinate Judge. At the hearing the courts must follow the Code of Civil Procedure in all matters unless the provisions are in conflict with those of the new law. Likewise in the matter of evidence the Indian Evidence Act must be followed. The judgment in all cases must be forthwith certified to the Provincial Government, and that Government must promptly take the necessary executive action for the prosecution, where necessary, of the offending parties. But the declaration by the election court that a particular election is void, must have the effect, as in England, of causing a vacancy in the seat. It must be obligatory upon the unsuccessful party to vacate the seat. This is indispensable, as cases have occurred in the past in which, notwithstanding the most scathing judgments of the civil court, defeated defendants have been allowed to hold office and to retain their seats on municipal boards through the favour of the local executive. In the suit referred to above (Title Suit No. 156 of 1905) the Subordinate Judge found upon the evidence that 'coercion and undue influence exercised over the voters and.....corrupt practices vitiated the election, and he declared that the election was null and void. A copy of the

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[19TH SEPTEMBER, 1917.]

judgment, I am informed, was sent to the District Magistrate. But the unsuccessful defendant held his seat until the next election as if nothing had happened. This is hardly proper, and stringent provisions are necessary to prevent such a contingency. A judicial adjudication must be conclusive and binding on the executive. It will also perhaps be expedient to make the judgments of election courts final. But this is a point in regard to which Hon'ble Members would possibly like to keep an open mind. For the sake of expedition, the judgments should be non-appealable; for the sake of justice, however, an appeal upon both law and facts might be necessary. Public opinion may well be awaited on this point. Should the right of appeal be in the end granted, provision must be made for the admission and disposal of such appeals by a special Division Bench of the High Court or the Chief Court or the Judicial Commissioner as the case may be, within one month, or at the most two months, from the date of the decree. This can be done if the rules regarding the preparation of paper books be not applicable to this class of appeals. In England the reports of the Election Judges or Election Commissioners are final, no appeal being allowed from the conclusions, but reservation of questions of law for the consideration of the High Court is discretionary in all proceedings relating to elections. There is nothing wrong in principle in this procedure, but in India the public feeling about appeals is very strong, and in view of that feeling some concessions may be found necessary, if only for the purpose of securing the sympathy and the co-operation of the public in the administration of a law that is novel in scope and effect.

"One other point. The judgment of an election court ought to have in India the same effect of disqualifying parties under certain circumstances for future candidature as in England. This is a very necessary condition for the satisfactory working of the system. In England upon the finding of the Election Judges that a candidate has been guilty by his agents of any corrupt or illegal practice at the election, that candidate is disqualified for seven years. If the corrupt practice of which the candidate is found guilty be other than treating or undue influence, such candidate is permanently disqualified. In the case of municipal elections, the disqualification is, under certain circumstances, for three years, and in certain other circumstances for the same period as in Parliamentary elections. And all this apart from the liability of the offender to punishment on conviction in a prosecution for offences connected with elections. But here in India, in the absence of legislative provision in that behalf, disqualification is not even thought of. In the aforesaid case the Sub-Judge found that under orders of an important personage and his son

'persons qualified to vote were seized by their durwans and brought to their house under duress and released only on condition to vote for the defendant. Voters more obdurate were sent to the polling station under custody of peons and guards and produced before the polling officer under watch and ward.....'

and the son,

'as Vice-Chairman of the Municipal Committee, exercised his power in disposing of some applications for revision of the register of voters in such a way that the plaintiff's interest might be prejudiced and that the defendant's interest subserved thereby.'

"The Sub-Judge also found that the Babu's orderly with drawn sword was present at the polling station. But these judicial findings did not affect these persons in the least. On the contrary, some time after the one was honoured with the title of 'Raja' and the other was nominated to a seat on the Provincial Legislative Council. It is essentially necessary that the deficiencies of the law should be supplied, and an effective judicial machinery, with large powers, should be introduced for both the prevention and the punishment of persons guilty of malpractices at elections. And, to my mind, election courts, with powers equivalent to those enjoyed by English Election Judges and Election Commissioners, are indispensable. For these reasons, I beg to move that the Government will be pleased to undertake suitable legislation at an early date."

[19TH SEPTEMBER, 1917.] [Sir William Vincent ; Mr. M. B. Dadabhoj.]

The Hon'ble Sir William Vincent :—“ My Lord, I think it will save time if I explain at the earliest opportunity in this debate the attitude of Government towards this Resolution. The Hon'ble Member has explained the position in regard to Mr. Ghulam H. Kassim Ariff and the Government freely admit that there were some unsatisfactory features in that particular case. Further they agree that Mr. Duval's report indicated that, for other reasons, a change in the regulations was necessary and that it is desirable to enact permanent legislation in order to provide machinery for dealing with these petitions, and in view of these facts the Government of India were on the point of addressing Local Governments on the subject when we received notice of the Hon'ble Member's Resolution. We then decided to defer further action until the matter had been discussed in Council and we intend now to embody in our letter to Local Governments any further suggestions which may come from members of this Council. The proposals that we were about to make were the following :—

“ We proposed, subject to reconsideration, to impose certain additional obligations on candidates ; it has been found difficult for instance in the case of election inquiries to determine whether a particular person was or was not the candidate's agent, and it was suggested that a regulation might be made to provide that candidates before every council election should as in England be required to declare their election agents at the time their nomination papers were submitted, a candidate being allowed to nominate himself as his own agent, if he so desired. We also proposed that candidates might, within a fixed period, be required to file a detailed return of their expenses, and to swear to the correctness of this return, a penalty for a false oath being imposed.

“ It has been found that a more complete definition of the term ‘ corrupt practices ’ is needed. What we have done hitherto is to adopt fragments of the English law : we think now that by more careful drafting these provisions of the regulations could be made simpler and more comprehensive.

“ We suggest penalties for corrupt practices, power being taken to disqualify a candidate found guilty for a period of years, possibly six years would be a convenient period and not seven as suggested by the Hon'ble Member.....

The Hon'ble Mr. M. B. Dadabhoj :—“ I have not suggested that, I have said this is the case in England.”

The Hon'ble Sir William Vincent :—The Hon'ble Member is correct. Six years would however be double the ordinary term of tenure of office in this Council or in the provincial councils. The question whether where widespread corruption prevails a whole electorate should be disqualified is also one that will require consideration.

“ As to the authority to direct inquiry into election petitions *prima facie* we consider that the Governor General in Council or the Local Government, in the case of provincial elections, might be the proper authority and we think, as at present advised, that in order to give legislative authority for such inquiries an enactment on the lines of the Ordinance passed last year to deal with a particular petition might be necessary. It has also been suggested that the Commissioner to inquire into a petition should be a District Judge qualified for appointment to the High Court and that he should be empowered to direct that the costs should be paid by either party to the petition. We also think that provision be made requiring security for the costs of the inquiry from the person who makes an application questioning the validity of the election. It is hoped that this will cause petitioners to consider their allegations with greater care than has always been the case in the past and might tend to discourage groundless and frivolous applications. The Government furthermore were tentatively of opinion that

278 RESOLUTION *re* ELECTION COURTS ; *re* COMMISSIONED RANKS
IN THE INDIAN ARMY.

[*Sir William Vincent ; Mr. M. B. Dadabhoj ; His Excellency the President ; Khan Bahadur Mian Muhammad Shafi.*] [19TH SEPTEMBER, 1917.]

the question of undertaking legislation on the lines of the English law, to make corrupt practices by a person at a council election punishable by the criminal law ought to be considered and that if such a change is introduced a person convicted of such an offence should also be disqualified from voting. The extension of these principles to municipal, district and local board elections is a matter that would require changes in the local laws governing such elections, but seems a reasonable corollary to these proposals. Similarly the question whether corrupt practices at such elections should also be made criminal offences will have to be considered. As a matter of fact the Bombay Government have in their local Act taken action to prevent corrupt practices at Municipal elections already. What I have said shows that we are in full sympathy with the objects underlying the Resolution. I am quite sure that the Hon'ble Member will realise that his suggestions will also carefully be considered. I trust that in these circumstances he will not find it necessary to press the matter further at the present juncture."

The Hon'ble Mr. M. B. Dadabhoj :—" My Lord, in view of the statement now made by the Hon'ble the Home Member I do not think it at all necessary to press this Resolution. I am very pleased to hear and I am sure that my colleagues will be very pleased to know that the Government are in earnest in putting this question on a proper footing ; the sooner it is done the better."

His Excellency the President :—" Probably the Hon'ble Member intends to withdraw his Resolution. He cannot now make a speech."

The Hon'ble Mr. M. B. Dadabhoj :—" I beg to withdraw the Resolution."

The Resolution was by leave withdrawn.

**RESOLUTION *re* COMMISSIONED RANKS IN THE
INDIAN ARMY.**

The Hon'ble Khan Bahadur Mian Muhammad Shafi to move the following Resolution :—

"The Council recommends to the Governor General in Council that the Commissioned ranks in the Indian Army be thrown open to Indians and the persons selected for appointment to such ranks be given the same training as is received by British Officers of the Indian Army."

" My Lord, exactly two months ago, on the 19th of July last, I sent to our popular Secretary notice of the Resolution that stands in my name. On the 20th of August last His Majesty's Secretary of State for India made a declaration in the House of Commons in which it was announced that His Majesty's Government had decided to remove the bar which has hitherto precluded the admission of Indians to Commissioned ranks in His Majesty's Indian Army. The entire Indian population, and the martial races in India in particular, are deeply grateful to His Majesty's Government for removing this humiliating bar. I am perfectly confident that the Government of India will bear in mind the fact that differentiation between the general conditions relating to the training and status of the Indian commissioned officers and the British commissioned officers would not only rob this act of justice of its grace but would constitute a fresh cause of dissatisfaction. With these few words I crave permission to withdraw the Resolution."

The Resolution was by leave withdrawn.

RESOLUTION *re* INTERNMENT ORDERS AGAINST MRS. BESANT, 279
Etc.

[19TH SEPTEMBER, 1917].

[*Pandit Madan Mohan Malaviya ; Rao Bahadur B. N. Sarma.*]

RESOLUTION *re* INTERNMENT ORDERS AGAINST
Mrs. BESANT, Etc.

The Hon'ble Pandit Madan Mohan Malaviya :—" My Lord, the resolution that stands against my name runs as follows :—

'This Council recommends to the Governor General in Council that he should be pleased to direct the Government of Madras to cancel the orders of internment passed under the Defence of India Act against Mrs. Annie Besant, Mr. G. S. Arundale and Mr. B. P. Wadia.'

"The object of the Resolution has been gained ; we know, my Lord, to our great relief and satisfaction, that the Government of India have advised the Government of Madras to release Mrs. Besant and Messrs. Arundale and Wadia.

"The public have learnt with grateful satisfaction that these three persons have been released. It is happily no longer necessary to make the recommendation contained in the Resolution, and I therefore beg leave to withdraw it."

The Resolution was by leave withdrawn.

The Hon'ble Rao Bahadur B. N. Sarma to move the following Resolution :—

'This Council recommends to the Governor General in Council that steps be taken for the reversal of the order of the Madras Government interning Mrs. Annie Besant, Mr. Arundale and Mr. Wadia under the Defence of India Act, and the removal of the restrictions imposed upon their liberty.'

"My Lord, I am grateful to the Government for their recommendation in this particular regard and beg to withdraw the Resolution that stands in my name."

The Resolution was by leave withdrawn.

The Council adjourned to Thursday, the 20th September 1917.

SIMLA ;
The 27th September, 1917. }

A. P. MUDDIMAN,
Secretary to the Government of India.

APPENDIX A.

(Referred to in the Statement laid on the Table.)

Reply to the question put by the Hon'ble Babu Bhupendra Nath Basu at the meeting of the Legislative Council held on the 21st March 1917.

(a) The recruitment rules issued with the Home Department Resolution nos. 817-825, dated the 6th July 1910, and the general register of approved candidates for the first division prescribed therein were superseded by that Department's Resolution nos. 1715-1725, dated the 2nd November 1911. The register in question has not been maintained since then.

(b) The existing system of recruitment is governed by the Resolution of the 2nd November 1911, which was published in the *Gazette of India*. A copy of it is laid on the table. The reasons for the abolition of the register are given in paragraph 1 of the Resolution.

(d) The Hon'ble Member has quoted from rule 1 of the rules appended to the Home Department Resolution, dated the 6th July 1910. This rule was slightly modified by the Home Department Resolution nos. 1409-1417, dated the 23rd September 1910, by which the "Oxford Senior Local" was also introduced as a qualifying test for European candidates. In the revised orders of the 2nd November 1911 now in force the qualifying tests were made more elastic by the introduction of the word "ordinarily" before the prescribed educational tests for Europeans and Indians.

Different tests for Europeans and Indians were prescribed in view of the different educational courses ordinarily followed by these two classes of candidates.

(c), (e), (f) and (g).—A statement giving the required information is laid on the table.

Nos. 1715-1725.

GOVERNMENT OF INDIA.

HOME DEPARTMENT.

ESTABLISHMENTS.

Simla, the 2nd November 1911.

RESOLUTION.

The orders issued in the Home Department Resolution no. 817-825, dated the 6th July 1910, as amended by Home Department Resolution no. 1409-1417, dated the 23rd September 1910, provided for the recruitment of candidates for the first division of the Secretariat staff through the Home Department of the Government of India, in accordance with the rules published with those Resolutions. Experience of the working of that system has shown that there is no advantage either to the Departments concerned or to the candidates themselves in concentrating this duty in one Department of the Government of India, nor for the maintenance of uniform rules for recruitment for all the Departments.

2. The Governor General in Council is accordingly pleased to direct, in supersession of the Resolutions and rules referred to above, that for the future candidates for employment in the Government of India Secretariats shall apply direct to the head of the Department in which they wish to serve. Further, that each Department shall be at liberty to frame such rules for recruitment in its office, as circumstances may warrant. The main conditions in the rules for the

first division shall be that in the case of Europeans the candidate must ordinarily have passed the Oxford or Cambridge Senior Local or the High School Examination or Matriculation Examination of a University, or such other examinations not inferior to these as may from time to time be notified by the Governor General in Council, and in the case of Indians that the candidate must ordinarily have a University Degree. In both classes the candidates must ordinarily not be less than 18 nor more than 25 years of age.

3. No special conditions have, up to the present, been laid down for appointments in the second division, but it is left to the Departments to frame rules for that division if they deem fit to do so.

4. The scales of pay in the Secretariat offices are, with some exceptions, as follows:—

Superintendents—

					Rs.
1st grade	...	...	...	...	700
2nd "	...	...	...	...	600
3rd "	...	...	...	...	500

First Division.

Secretariat Assistants—

					Rs.
1st grade	...	...	..	...	400
2nd "	...	...	...	...	350
3rd "	...	...	...	..	300
4th "	...	...	..	...	250
5th "	...	...	...	...	200
6th "	...	...	...	...	170
7th "	...	...	...	...	140

Second Division.

Clerks—

					Rs.
1st grade	...	...	...	...	200
2nd "	...	...	...	...	180
3rd "	...	...	...	...	160
4th "	...	...	...	...	140
5th "	...	...	...	...	120

Efficiency bar—

					Rs.
6th grade	..	...	...	...	100
7th "	...	...	...	...	90
8th "	...	...	...	...	80
9th "	...	...	...	...	70
10th "	...	...	...	...	60
Probationers	...	...	...	...	50

ORDER.—Ordered that a copy of the above Resolution be published in the Supplement to the *Gazette of India*.

Legislative Department.
Foreign Department.
Finance Department.
Public Works Department.
Army Department.
Finance (Military Finance) Department.
Railway Department.
Department of Education.
Department of Revenue and Agriculture.
Department of Commerce and Industry.

Ordered also that a copy of the Resolution be forwarded to the Departments of the Government of India noted in the margin for information and guidance.

A. EARLE,
 Secretary to the Government of India.

Appointments made in the Government of India

Department or Office.	Number of appointments made in:												Total number of clerical appointments (excluding Registrars and Superintendents) on 28th February 1917.	Number of appointments made in the six years preceding the abolition											
	1911		1912		1913		1914		1915		1916			Upper Division.				Lower							
	Upper Division.		Lower		Upper		Lower		Upper		Lower			1915		1916		1917		1918		1919		1920	
	Registered candidates.	Unregistered	Registered	Unregistered	Registered	Unregistered	Registered	Unregistered	Registered	Unregistered	Registered	Unregistered		Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.
Foreign and Political Department.	3	1	0	1	8	1	3	2	1	3	59	2	6	1	1	3	1	3	2	4	2	1			
I. G., Imperial Service Troops.										1	3					1		1							
Finance Department.	1	3	2	3	3	7	2	4	4	3	1	61	(a)							1	3	1	6	1	
Public Works Department.	4	3	3	1	3	1	1			1	4	(a)								1	3	4	1	2	1
Consulting Architect to the G. of I. (b).									1		1											1			
Electrical Adviser to the Government of India (b).			1								2										1				
Army Department	1		1		4	3	5	1	3	3	50						1	3						1	
Ordnance Branch, A. R. Q. (c).	1					17	20		1	9	73										2				
Railway Department.	2	3	4	3	1		3	2	4	1	74	1						2		1	3				
Department of C. & I.	4	2	1				2	7	1	3	60	4	3	3	3	2	1			1	26	8	4	6	
D. G., Posts and Telegraphs (b).											300										10	3	15	1	
Geological Survey of India.											12											1			
Commercial Intelligence Department.						1			1	1	13														
Department of Statistics (b).	5		3		5		2		6		71										6		16		
Controller of Patents and Designs (b).											6	3													
Department of R. & A.	1	1	1	4	1		3		1		51	1			3	1					5	1	1	1	
Surveyor General of India.											23										2		1		
D. G. of Observatories.											46										6				
Department of Education.	1	3	1	1	1		1	6	1	3	38														
Educational Commissioner with the G. of I. (b).											4														
Officer in Charge of the Records of the G. of I. (b).											32										3		1		
Financial Adviser Military Pensions (c).					1		1				16											10	5		
Legislative Department (b).											34										1		1	1	
Home Department	1	2	1	3	4	2	3	3	4	2	51	1		1		1	1			3	1	7	3		
D. G., I. M. S. (b)											31										4	5	5	1	

secretariat and attached offices during the years 1905-16.

of the competitive examination.		Number of appointments made in the six years following the abolition of the competitive examination.																Total number of Registrars and Superintendents on 28th February 1917.	Remarks.
Division.		Upper Division.								Lower Division.									
1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1911	1912	1913	1914	1915	1916				
Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.	Indians.	Anglo-Indians.		
1	6	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	10	
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
2	2	16	3	4	2	1	1	1	1	3	3	6	1	4	3	3	3	4	3
1	1	1	3	4	1	1	3	4	2	1	1	1	1	1	1	1	1	6	
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	3	13	4	1	3	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4	4	1	8	2	3	1	1	2	2	9	1	1	1	1	2	4	1	4	3
2	1	1	1	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
21	5	6	1	7	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
7	1	4	6	7	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
3	2	1	3	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
3	1	2	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
17	1	1	3	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	2	4	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	1	2	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	3	1	3	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
3	3	1	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

4 reserved for military men & permissive appointments.

Separated from Department of Statistics since June 1914.

Including Sanitary Commissioner's Office.

Divisions, and the figures for both Divisions are shown together. Same for both Divisions are therefore shown together.

APPENDIX B.

(Referred to in Question No. 24.)

STATEMENT I.

Statement showing the annual expenditure incurred on the establishment of
Statistical Department for the years noted.

Year.						Expenditure.
1914-15	...	...	...	...	...	Rs. 89,329
1915-16	...	...	...	...	...	1,00,862
1916-17	...	...	...	...	..	1,02,080*

* Revised Estimate figure.

STATEMENT II.

Statement showing the present establishment of the Department of Statistics
and their pay.

					Pay.	
					Rs.	Rs.
1	Director of Statistics	...	...	...	1,200—50	1,750
1	Superintendent	...	...	...	400—600	
1	Deputy Superintendent	...	...	...	800—400 and personal allowance 50—100.	
1	Ditto	...	...	...	300—400	
1	Clerk	...	...	...	275	
1	"	...	...	...	240	
3	"	...	...	...	180 each.	
4	"	...	...	...	135 "	
5	"	...	...	...	100 "	
8	"	...	...	...	75 "	
5	"	...	...	...	55 "	
2	"	...	...	...	50 "	
11	"	...	...	...	45 "	
10	"	...	...	...	40 "	1 special allowance of Rs. 10.
10	"	...	...	...	35 each	
10	"	...	...	...	30 "	
18	Servants	...	...	...	3 on Rs. 12 each.	
					1 on Rs. 10.	
					2 on Rs. 9 each.	
					11 on Rs. 8 "	
					1 on Rs. 7	
	Extra Establishment	...	...	...	2,400	
	Caretakers' Establishment	...	...	...	450	

APPENDIX C.*(Referred to in Question No. 28.)*

NO. 18 OF 1915.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

SALARIES, ESTABLISHMENTS, ETC.
Administration.

To

THE MOST HONOURABLE THE MARQUESS OF CREWE, K.G.,

*His Majesty's Secretary of State for India.**Delhi, the 1st January 1915.*

MY LORD MARQUESS,

WE have the honour to refer to the correspondence ending with your Lordship's telegram dated the 18th November, 1913, concerning the organization of our Department of Education.

2. In giving provisional sanction in your despatch No. 13, dated the 27th January, 1911, to the proposals which we made as to the transfer of work to the new department and as to its superior personnel, you expressed the wish that a further report should be submitted at the close of two or three years in the light of the experience gained of the work to be done and of the efficiency of the establishment proposed to dispose of it.

3. We have now gained sufficient experience to address your Lordship with a view to the permanent organization of the Department. We are satisfied that the Department has justified its existence; and that the increased attention which it has been possible to give to education, sanitation, archæology, etc., has already had beneficial results. These results have been attained without any increase in centralization; indeed, we may claim to have fulfilled the policy indicated in paragraph 8 of your Lordship's despatch which is, moreover, the accepted policy of the Government of India. In proposing an organization different from that with which the Department commenced we in no way wish to question the efficiency of arrangements hitherto. Far from it. We have, however, reached a stage of development for which a somewhat different machinery is required.

4. The first objective of the new Department was to formulate a general statement of policy, more particularly in the matter of education. In order to attain this objective conferences of a representative character were obviously necessary as a preliminary measure. Lord Minto's Government felt that at

such a stage the educational expert adviser of the Government of India ought to be in the Secretariat, in constant and close touch with the Government of India. The relatively simpler issues in the case of sanitation were met by a re-distribution of work between the Sanitary Commissioner and the Director-General, Indian Medical Service, and it was not felt necessary to have a Secretary to the Government of India for sanitation alone. Three large and representative conferences were held on education at Allahabad and Simla ; and three similar conferences were held on sanitation at Bombay, Madras and Lucknow. These conferences were fruitful and inspiring and enabled us to formulate a general policy of education and sanitation, in our Educational Resolution No. 301-C.D., dated the 21st February 1913, and our Sanitary Resolution No. 888—908, dated the 23rd May 1914. Meanwhile large Imperial grants have been given out aggregating ₹483·2 lakhs non-recurring and ₹124 lakhs recurring for Education, and ₹406·2 lakhs non-recurring and ₹55·2 lakhs recurring for Sanitation. In addition, grants amounting to ₹82·33 lakhs a year have been made to District Boards in certain provinces, which will facilitate the advance of local self-government and rural sanitation. Moreover, we hope to give further grants when the state of our finances permits. The position has, therefore, now completely changed. Policy has been enunciated. Grants have been given. Schemes are being worked out. In preparing those schemes more than one local Government has asked for the advice of our Colleague, Sir Harcourt Butler, and Mr. Sharp, and from every point of view it seems to us that the time has now come when it is desirable for our Department of Education to be in more constant touch than at present it is with the administration of local Governments without, it must be added, in any way interfering with their discretion or interrupting the steady process of decentralization.

5. In the despatch already quoted your Lordship expressed considerable doubt as to the wisdom of the change involved in the abolition of the appointment of Director-General of Education. You were particularly impressed with the fact that the extensive tours of the Director-General of Education fulfilled a most useful purpose in increasing the appreciation of provincial distinctions and difficulties by the Government, in diffusing information and in assisting local officers by suggestions based on a wider range of experience than they themselves could command. While for reasons already given we considered it desirable to frame our proposals temporarily on different lines, we fully recognise the force of your Lordship's criticisms at the present stage. Indeed, we now consider that the time has come to appoint a touring expert educational officer with functions somewhat similar to those exercised by Mr. Orange. We feel the need of such an officer, especially in connection with the most profitable utilisation of the imperial grants still unspent and those which we hope to give in future. We would, however, prefer that he should be called "Educational Commissioner with the Government of India" instead of "Director-General." The latter title is indeed misleading, as it suggests direction where advice and assistance will alone be given. The designation which we propose corresponds with that of Sanitary Commissioner with the Government of India.

6. Our first proposal, therefore, is that the present post of Joint Secretary in the Department should be abolished and that a post of Educational Commissioner with the Government of India should be created on a salary of ₹2,500 rising by annual increments of 100 to ₹3,000. We propose to appoint the Hon'ble Mr. H. Sharp, C.I.E., to be Educational Commissioner and to give him, as a special case in view of his services and the loss of his position as a Secretary to the Government of India, an initial salary of ₹2,750 rising by ₹50, 100, 100 to ₹3,000 without exchange compensation allowance. It is an essential part of our scheme that the Educational Commissioner should have free access to the Member in charge of his Department and that when at headquarters he should have times fixed for regular interviews with the Member. His notes would, however, go to the Member through the Secretary. The Secretary will then be in the position of Secretaries of the Indian Civil Service in other Departments, with a considerable accession to his work. Our second proposal is that the salary of the Secretary should be ₹4,000 a month, as in the case of the Secretaries

of the Home, Foreign, Political, Finance, Revenue and Commerce and Industry
Departments.

* * * * *

We have the honour to be,

MY LORD MARQUESS,

Your Lordship's most obedient, humble Servants,

(Signed) HARDINGE OF PENSHURST.

„ BEAUCHAMP DUFF.

„ R. W. CARLYLE.

„ HARCOURT BUTLER.

„ S. A. IMAM.

„ W. H. CLARK.

„ R. H. CRADDOCK.

„ W. S. MEYER.

India Office, London.

12th March 1915.

Public.

No. 53.

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

MY LORD,

I have considered in Council the letter of Your Excellency's Government in the Finance Department no. 18 (Salaries), dated the 1st January last, in which you propose a revised scheme for the permanent organisation of your Department of Education. The most important modification proposed is the appointment of an Educational Commissioner with the Government of India, in the place of the present Joint Secretary. I approve this step, and I also approve your recommendation as to the title of the new appointment with the object of defining its duties as concerned with the giving of advice and assistance to local Governments and not with direction. The Commissioner should in effect discharge the functions with the Decentralisation Commission described as appropriate for an Imperial Inspector-General.

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I have the honour to be,

MY LORD,

Your Lordship's most obedient, humble Servant,

CREWE.