

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

VOLUME II

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SECOND SESSION

OF THE

LEGISLATIVE ASSEMBLY, 1921



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# LEGISLATIVE ASSEMBLY.

*Saturday, 10th September, 1921.*

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The Assembly met in the Assembly Chamber at Thirty Minutes Past Ten of the Clock. The Honourable the President was in the Chair.

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## MEMBER SWORN:

Mr. M. Sambanda Mudaliar.

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## QUESTIONS AND ANSWERS.

### INSTRUCTORS AND ASSISTANT INSTRUCTORS OF THE FOREST RESEARCH INSTITUTE AND COLLEGE.

64. **Mr. Pyari Lal:** (a) Is it a fact that the duties of Instructors and Assistant Instructors at the Forest Research Institute and College are more or less identical?

(b) If the answer is in the affirmative, is there any reason why any differentiation should be observed in their designation?

**Mr. J. Hullah:** (a) and (b). The duties are not identical in so far as the standard of teaching and the responsibilities involved are concerned.

### RANGER CLASS STUDENTS IN THE FOREST RESEARCH COLLEGE.

65. **Mr. Pyari Lal:** (a) Will the Government be pleased to state whether in the Forest Research College all the students of the Ranger class are Indians, and why the post of House Tutor should not be filled by an officer who is thoroughly acquainted with the country and its student population?

(b) What special qualifications has the present incumbent for this post?

**Mr. J. Hullah:** (a) The classes do not always consist entirely of Indians though they do at present so consist.

Neither Imperial nor Provincial Forest Service officers can be expected to be thoroughly acquainted with the whole country and its student population. What, however, is considered of greater importance is, that the House Tutor should be able to command that respect from the students which is necessary to ensure discipline and maintain the highest tone in the College, and experience has shown, that the post must be filled by a senior officer on the staff of the College.

(b) The present incumbent is an Imperial officer of 14 years' service on the United Provinces list, who has been specially selected to fill the post of Principal, when the College is transferred to the Government of the United Provinces.

PERSONAL ASSISTANT TO THE PRESIDENT, FOREST RESEARCH INSTITUTE  
AND COLLEGE.

66. **Mr. Pyari Lal:** (a) Will the Government be pleased to consider the advisability of filling the post of Personal Assistant to the President, Forest Research Institute and College, by an officer well acquainted with the people and the country?

(b) Has the present incumbent any such qualifications and, for what length of time, has he been appointed?

**Mr. J. Hullah:** (a) and (b). The post of Personal Assistant to the President would normally have been filled by an officer of the Imperial Forest Service, but, owing to the shortage of staff, it has been filled temporarily for 3 years by the present incumbent who has had a university training and who served in the Army in India. Close acquaintance with India is of no special importance in connection with this post.

INDIANS AS FOREST RESEARCH OFFICERS.

67. **Mr. Pyari Lal:** (a) Has any attempt been made to find suitable Indians as Research Officers at the Forest Research Institute under the new scheme?

(b) If the answer is in the affirmative, will the Government be pleased to state the methods by which publicity has been given?

(c) If the answer is in the negative, will the Government be pleased to state what steps are proposed to be taken in future for utilizing Indian talent for Forest Research?

**Mr. J. Hullah:** (a), (b) and (c). For those of the posts which are reserved for members of the Imperial Service, Indian and European officers are equally eligible. As regards the newly conceived lines of investigation, the Government of India lay special stress on the appointment, at the outset, of scientists who have already extensive experience and an established reputation in the particular line of research in which they are to be employed and consider, that no racial discrimination should affect the selection of the best talent for this purpose. Such posts, as those of Wood Technologist, Seasoning and Timber Testing Specialist, etc., have been, or are being, filled by recruitment in England and America; these posts have not been advertised in India, because the Government of India know of no source in the country from which men of the type, or with the knowledge, required can be obtained. Applications for the post of Organic Chemist, one of the new posts not yet filled, are being invited through the press in India.

RECRUITMENT FOR THE INDIAN FOREST ENGINEER SERVICE.

68. **Mr. Pyari Lal:** Will the Government be pleased to state in what way recruitment for the newly sanctioned Indian Forest Engineer Service is to be made and if any publicity has been given with a view of securing suitable recruits from India?

**Mr. J. Hullah:** No recruitment for the Forest Engineering Service is to be made this year.

EXEMPTIONS UNDER THE INDIAN ARMS RULES.

69. **Baba Ujagar Singh Bedi:** (a) Has any list been prepared of exempted persons referred to in the following heads or sub-heads in Schedule I to the Indian Arms Rules, 1920:

- (i) sub-heads (a), (b) and (c) and most particularly sub-head (d) of head (6);
- (ii) sub-heads (a) to (g) of head (11);
- (iii) head (12)?

(b) If the answer is in the affirmative, would the Government be pleased to place on the table a list of such exempted persons with dates and names, with reference to the district or province to which they belong?

(c) If such list has been prepared, what principles were adopted to prepare it, especially in the case of persons under heads 6 (d) and 11 (g)? Have the Government prepared it according to their own idea, or was it prepared on the application for exemption of the persons concerned?

(d) If the Government have prepared it according to their own idea, then, are there any persons coming within the said heads who are not included in the list?

If so, will the Government place a list of such persons (district by district and province by province) on the table, stating the reason for their exclusion from the list?

(e) Have those persons whose names are not mentioned in the list, applied for exemption? If so:

- (i) what is the exact number of such applications?
- (ii) how many such applications were granted?
- (iii) how many were not granted, and why?

(f) Is it a fact, that persons awarded the Sword of Honour who are referred to in head (11) (d) in Schedule I to the Indian Arms Rules, 1920, were previously exempted in respect of all sorts of arms for personal use, but have been deprived of the exemption in respect of all arms except the Sword of Honour under the present Arms Rules?

(g) If the answer is in the affirmative, do the Government propose to allow such persons to enjoy exemption as previously?

(h) Will the Government be pleased to place on the table a list of those persons who have been awarded the Sword of Honour (district by district and province by province)?

**The Honourable Sir William Vincent:** (a) to (e). The Government of India have not themselves had lists prepared of the nature mentioned by the Honourable Member. Such lists, if prepared at all, would be prepared under the orders of Local Governments to whom, I venture to think, the Honourable Member might apply for the information he requires. The Government of India cannot undertake to collect the statistics asked for, as the labour involved would be out of all proportion to their utility. If any persons not exempted considers they should be, they should apply to the Local Government concerned.

(f) and (g). No. Persons of the class described in item (11) (d) in Schedule I to the Indian Arms Rules, 1920, continue to enjoy exemption for their lifetime to the same extent as before, in respect of arms for their personal use.

(A) The Government of India are unable to place on the table a list of the names asked for as this is primarily a matter for Local Governments and as the preparation of such lists would involve an amount of labour out of all proportion to the utility of the statistics.

**MR. HASAN IMAM'S STATEMENT *re*: THE TURKISH PEACE TERMS.**

70. **Mr. M. Faiyaz Khan:** (a) Has the attention of the Government been drawn to the statement of Mr. Hasan Imam given in an interview to a representative of the Associated Press at Monghyr, published in the *Independent* of 4th June 1921, page 4, column 4?

(b) Will the Government be pleased to state if Mr. Hasan Imam gave this statement (a) before, (b) after, he stayed at Viceregal Lodge, Simla?

**The Honourable Sir William Vincent:** (a) Yes;

(b) About a month afterwards.

**COMPETITIVE EXAMINATION IN INDIA FOR THE INDIAN CIVIL SERVICE.**

71. **Mr. J. B. Pantulu Garu:** When will the first Competitive Examination for recruitment to the Indian Civil Service be held in India?

**The Honourable Sir William Vincent:** Government hope that the first examination will be held in the spring of 1922, but they cannot guarantee this absolutely.

**MADRAS PRESIDENCY AND THE GOVERNMENT OF INDIA SECRETARIAT.**

72. **Mr. J. B. Pantulu Garu:** Is the Government aware that some parts of India, such as the Madras Presidency, are not at present adequately represented on the staff of the Government of India Secretariat and, will the Government be pleased to take such action as will ensure equal facilities for all provinces in this respect?

**The Honourable Sir William Vincent:** Government are aware that some parts of India including the Madras Presidency are at present inadequately represented on the Staff of the Government of India Secretariat. They have already taken action towards remedying this by creating the Staff Selection Board.

The Board, two out of four members of which are Indians, is watching the interests of each of the Provinces in connection with recruitment for the Government of India Secretariat. The question is not an easy one to deal with owing to the urgent nature of some of the appointments and the brief period for which they are created. Nor does its solution rest entirely with Government, the Staff Selection Board have in a number of instances offered appointments to men who have refused them. The Staff Selection Board has the matter constantly under consideration and is at present considering whether means could not be devised by which the correction of the existing disproportionate representation of the various provinces on the Secretariat could be facilitated.

Government invite the Honourable Member to arrange to visit the Staff Selection Board himself in order that he may ascertain personally the actual nature and value of the work the Board is carrying on to secure adequate representation of all communities.

**RAILWAY LINE FROM RAJAHMUNDRY TO BHADRACHALAM.**

**73. Mr. J. B. Pantulu Garu:** Is the Government aware that a survey was made some time ago for a line of Railway from Rajahmundry to Bhadrachalam which was till recently in the Godavari District but is now included in the new Agency District of the Madras Presidency, and will the Government be pleased to state when that line of Railway is likely to be taken in hand?

**Colonel W. D. Waghorn:** The Rajahmundry Bhadrachalam Railway forms a part of the proposed Rajahmundry Sironcha connection of which a survey was carried out in 1909-10.

The results of the survey shewed, that the gross earnings of the connection would not suffice to cover working expenses, and the project was accordingly dropped.

**STATEMENTS re: ILL-TREATMENT OF INDIANS.**

**74. Mr. J. B. Pantulu Garu:** (a) Has the attention of the Government been drawn to the editorial note headed 'A wail from Mesopotamia' and the enclosure thereto published in the *Young India* newspaper of 27th April 1921, and also to the correspondence headed 'Indians in Mesopotamia' published in the *Hindu* newspaper of 30th May 1921?

(b) Will the Government be pleased to state whether there is any foundation for all or any of the allegations therein contained regarding the ill-treatment of Indians employed in Mesopotamia?

(c) If there is any such foundation, do the Government propose to take early action to have matters righted?

**The Honourable Dr. T. B. Saprú** (on behalf of the Honourable Mr. Denys Bray): (a) Yes.

(b) The matter was referred to the High Commissioner, Mesopotamia, who states that all the allegations which he has been able to trace are without foundation.

(c) So far from service in Mesopotamia being unpopular among Indians, the High Commissioner reports, that petitions from personnel coming under reduction in accordance with general policy are constantly reaching him begging to be exempted from repatriation. In the circumstances, the Government of India see no necessity for taking any action in the matter.

**RE-ORGANIZATION OF THE ARCHÆOLOGICAL DEPARTMENT.**

**75. Mr. J. B. Pantulu Garu:** Will the Government be pleased to state whether the contemplated re-organisation of the Archæological Department has been effected and, if so, on what lines?

**Mr. H. Sharp:** The re-organisation of the Archæological Department has been effected as regards the terms of service. The contemplated increase of the Department has been only partially effected. The Honourable Member is referred to the Resolution in the Government of India, Department of Education, No. 190, dated the 14th June 1921, and a copy will be supplied to him if he desires.

### WHITEWASHING OF TEMPLES.

76. **Mr. J. B. Pantulu Garu:** (a) Is the Government aware, that there is a practice in some parts of the country, especially in Southern India, of whitewashing temples on festive occasions, and that this practice is calculated to gradually destroy all traces of valuable inscriptions and carvings of archæological and artistic value?

(b) Do the Government propose to consider the question of taking such action as will put a stop to this practice?

**Mr. H. Sharp:** Government are aware, that monuments of archæological interest are at times whitewashed and that this practice is calculated to injure inscriptions and carvings. Save, however, where a monument is definitely under the control and management of Government, it would not be desirable to interfere with religious usage in this matter, or to appear to infringe the rights of the owners or guardians of private shrines.

### INSCRIBED COPPER PLATES.

77. **Mr. J. B. Pantulu Garu:** Do the Government propose to consider the advisability of publishing vernacular notices in different parts of the country offering rewards for valuable inscribed copper plates which are discovered by private persons and delivered to the Epigraphical Department?

**Mr. H. Sharp:** The proposal made by the Honourable Member together with other encouragements which might be offered to the discoverers of copper plates, etc., will be considered.

### ESTABLISHMENT IN INDIA OF A PUBLIC SERVICES COMMISSION.

78. **Mr. N. M. Samarth:** (a) Will the Government be pleased to state whether rules have been made by the Secretary of State in Council for the establishment in India of a Public Services Commission as enjoined by section 98-C. of the Government of India Act?

(b) If so, will the Government be pleased to place the said rules on the table?

(c) If not, do the Government propose to communicate to the Secretary of State the desirability of expediting the matter?

**The Honourable Sir Will: m Vincent:** (a) and (b). The rules have not yet been finally made.

(c) Government have for some time been in telegraphic communication with the Secretary of State on the subject and it is expected, that the final form of the rules will be approved within a few days.

### LOCOMOTIVE AND CARRIAGE AND WAGON DEPARTMENTS IN INDIA.

79. **Mr. N. M. Samarth:** Will the Government be pleased to state what action they have taken or propose to take on paragraph 32, pages 22-23 of the Majority Report of the Royal Commission on Public Services in India, as regards their recommendation that 'a determined and immediate effort should be made to provide better educational opportunities in India, so that it may become increasingly possible to recruit in that country the staff needed to meet

all normal requirements' of the Locomotive and Carriage and Wagon Departments of the Indian Railways?

**Colonel W. D. Waghorn:** Government in despatch No. 15-B., dated the 16th August 1919, advised the Secretary of State that it was difficult to obtain in India suitable recruits for the Superior Locomotive and Carriage and Wagon Departments and that no substantial change in the immediate future could be looked for. At the same time, it was pointed out, that Government were by no means oblivious of the need for giving Indians the training recommended by the Commission and reference was made to proposals sanctioned in 1918 under which selected Indian graduates receive a preliminary training in the workshops of the East Indian Railway at Jamalpur or Lillooah and are then sent to England at the Company's expense to complete their training.

The provision of technical colleges rests with the Provincial Governments, and in certain provinces at least this matter is receiving considerable attention. As the standard of technical education improves, it is hoped, that it will be possible to train Indians entirely in this country and in time to obtain locally 50 per cent. of the recruits for the Superior Locomotive and Carriage Establishment.

TRAINING OF FOREMEN AND MECHANICAL ENGINEERS FOR STATE RAILWAYS.

80. **Mr. N. M. Samarth:** (a) Will the Government be pleased to state what action they have taken or propose to take on the recommendations of the Indian Industrial Commission contained in paragraphs 152, 158, 372 and clauses 34, 37, 38, 39 and 43 at pages 276-77 of their Report, with regard to the training of Foremen and Mechanical Engineers for State Railways?

(b) Have Government made or do they propose to make provision for the training of Indians for these two classes of the Railway Technical Services in the Railway Workshops, referred to in paragraph 36 of the said Report as being 'by far the most important development of Mechanical Engineering in India?'

(c) If so, will they kindly supply a copy of the rules they may have made or propose to make as regards age, qualifications, numerical strength and stipends to be allowed to apprentices of all races?

(d) Have the restrictions hitherto imposed by Railway Administrations against the admission or equal treatment of Indian apprentices in the Drawing classes and Technical schools attached to Railway Workshops been withdrawn?

(e) If not, do the Government propose to direct the Railway Administrations to frame rules as to age, educational qualifications and stipends applicable equally to all apprentices without regard to race, colour or creed?

**Colonel W. D. Waghorn:** (a) and (b). I place on the table a copy of Railway Department Resolution No. 2121-B., dated 28th April 1920, which deals with the subject. The Provincial Governments are making considerable progress in the direction of improving the apprenticeship system and schemes for the building of technical schools in the neighbourhood of the central workshops of the North-Western Railway, the Oudh and Rohilkhand Railway and the Eastern Bengal Railway, at Lahore, Lucknow and Kanchrapara, respectively, are in hand. Further particulars as to what is being done will be

found on pages 10 and 11 of the journal of Indian Industries and Labour for February last. Railways, generally, are enlarging the scope of the training and improving facilities at the shops, as it is fully recognised, that the better training of Indians for these posts is a most important consideration.

(c) Rules will be drawn up by the Provincial Governments and the Railway Administrations in collaboration when the schemes are sufficiently advanced.

(d) Indian apprentices equally with European apprentices are eligible for admission to Technical schools and for training in workshops.

(e) This matter is already being taken up with the Railway Administrations.

No. 2121-E.—19.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

*Dated Simla, the 28th April, 1920.*

RESOLUTION.

THE Government of India have had under consideration the report of the Indian Industrial Commission which in paragraph 165 draws attention to the predominant importance which mechanical engineering is now beginning to assume in India, and to the fact that the development of Industrial enterprises involving the employment of mechanical engineers and trained supervisors has hitherto depended almost entirely on the employment of imported staff. Although many Indian engineers are found in charge of small running plant, yet the subordinate and superior supervising staff in large engineering workshops are almost entirely European or Anglo-Indian. It is clear, however, that, if the advance of Indian industries is to proceed on the hoped-for scale, and if it is to be of real benefit to the people of India, there must be not only a great increase in the number and skill of artisans, but a class of Indian foremen and mechanical engineers must be created.

2. The Industrial Commission have also expressed the opinion that, in respect of mechanical engineering, in its various branches, the only satisfactory method of producing foremen and officers is by a system of apprenticeship in commercially managed engineering shops, combined with theoretical training, preferably imparted in class rooms near the shops and under the same general control. They especially emphasise the necessity of this system in India where the home surroundings of students belonging to the educated middle-classes do not familiarise them with industrial conditions, and where the students themselves have been hitherto more inclined to the theoretical than to the practical forms of training. This important pronouncement is based on an examination of the working of the apprenticeship system in several railway shops; and makes it clear that the great railway workshops of India, which form the most important part of the country's equipment in respect of mechanical engineering, must necessarily play the main part in the training of mechanical foremen and engineers, as well as of artisans.

3. The Government of India take this opportunity of expressing the hope that in the near future a large body of well-qualified men with a mechanical training will be created from among the educated middle-classes. Until recently there has been comparatively little readiness exhibited by these classes to pass through the severe and unaccustomed form of training which the profession of mechanical engineering requires; but, during the past few years, there have been increasingly hopeful signs of a change in this respect. On the other hand, the system of apprenticeship in railway workshops in the past gave little or no scope, and only poor prospects, to youths of these classes. Outside the railways, too, there was no great demand, till comparatively recent years, for Indian foremen or mechanical engineers.

4. It will be of interest to recite briefly what has been done by the railways in recent years to provide for their own requirements and at the same time, to a certain extent, to meet the needs of the country generally through their apprenticeship systems,

It is not too much to say that the railway shops of India have in the past served as the chief training ground for mechanical artisans for the whole country. Youths of the working class enter the shops and after a more or less complete course of training as artisan apprentices, either remain in the shops as artisans or take up similar employment elsewhere. There is, however, an absence of system in the complete training of these youths; they are usually uneducated, or only partially educated when they commence their apprenticeship; and arrangements for the very elementary forms of theoretical teaching they need are inadequate or non-existent.

5. The ranks of foremen, assistant foremen, and chargemen are filled ordinarily either by imported Europeans or by Europeans and Anglo-Indians brought up in the country and trained in the railway workshops. In the latter case, though the system has produced many competent men, some of whom have risen to important posts on railways and in private firms, it still leaves much to be desired. The theoretical training has been, as a rule, conducted by an inadequate and insufficiently qualified staff; and there is usually an absence of adequate supervision of the work of apprentices in the shops. The directions in which the training given at present needs improvement are sufficiently obvious. The scheme which has been in force for two or three years past on the Eastern Bengal Railway at Kanchrapara is an interesting example of the lines on which railway apprenticeship training is now developing.

The arrangements at Kanchrapara for educated Indian apprentices are as follows:—

Residential accommodation has been provided for 28 first class Indian apprentices who draw a monthly stipend rising in five years from Rs. 18 to Rs. 30. They receive their practical training in the workshops and obtain elementary theoretical instruction four hours weekly from teachers who are members of the railway staff and are paid for this work. The rules require that these apprentices shall be Matriculates and there is no lack of suitable candidates. Proposals have been recently put forward by a Committee appointed under the orders of the Government of Bengal for a more advanced scheme at Kanchrapara including the entertainment of a separate and highly qualified staff, and the erection of a hostel for Indian students and of a technical institute in which the classes would be held. The Committee hoped that it would ultimately be possible to bring into force similar schemes in connection with the East Indian and the Bengal-Nagpur Railway shops, as well as at certain other engineering works, and to provide a post-apprenticeship training at the Sibpur College. It was also suggested by the Committee that the general organisation of the whole system of apprenticeship training might be placed under a Board of Control, on which the railways, the engineering firms, and the Sibpur College would be represented.

6. In the case of the officer class, till recently very little has been done in the country to recruit either from the ranks of Europeans or Anglo-Indians, and even less in the case of Indians, with a view to enable promising apprentices to obtain further training in England, and to qualify eventually for officers' posts. Certain railways have introduced schemes providing the necessary pecuniary aid. It may be hoped that the Bengal Committee's scheme may assist in due course in providing Indian recruits for this class.

7. This brief account of the part hitherto played by the railways of India in providing artisans and foremen, not only for their own needs, but also for the industries of the country generally, indicates the direction in which further progress can be made. The Government of India are confident that the managements of the various railways are sufficiently alive to the needs of the time, to do everything possible to create a system which will give middle-class Indian youths an efficient system of training and thus fit them to take their share in the great work of equipping India with skilled mechanics and supervisors, the sinews that actuate the industrial frame.

8. It is needless to enter into details regarding the precise form of scheme that should be adopted. This may not always be the same in every case, and will have to be prepared to suit the conditions of each railway on which the improved system is introduced. The Government of India, however, desire to point out that the railways cannot be expected to bear the cost of training apprentices in their shops in excess of their own requirements, and the help of Local Governments may reasonably be asked to enable expenditure on further developments to be met. The Government of India have recently given considerable grants to Local Governments to assist them in meeting such calls.

It is also necessary to explain that there is a limit to the number of apprentices that can be trained in any workshop, imposed partly by its size, and partly by the nature of its work and the extent of the supervision available.

9. The Government of India trust that the question of the improvement of the apprenticeship system will be approached by railways and Local Governments in full co-operation, and with the determination to open widely, in the interests of the industrial advancement of the country, the excellent training ground presented by the railway workshops, and that the shop management and staff will bring to the task the same spirit of energy and progress which has raised the railway shops to their present high level of efficiency.

10. This Resolution deals principally with railway workshops but the Government of India are fully aware of the excellent work done by Local Government workshops and those owned by private firms, in training apprentices, and they feel sure that non-railway workshops will do their best to improve their systems of training on lines best suited to each individual concern.

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*Ordered* that the Resolution be communicated to all Departments of the Government of India, to all Provincial Governments and Minor Local Governments, and to the Agents, North-Western, Eastern Bengal and Oudh and Rohilkhand Railways for information.

*Ordered* also that this Resolution be forwarded to the Agents, Assam-Bengal, Bengal-Nagpur, Bengal and North-Western, Bombay, Baroda and Central India, Burma, East Indian, Great Indian Peninsula, Madras and Southern Mahratta, Rohilkund and Kumaon, and South Indian Railways, for information.

*Ordered* also that this Resolution be published in the *Gazette of India* for general information.

H. L. COLE,

*Secretary, Railway Board.*

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#### RECRUITMENT OF OFFICERS, SUPERIOR REVENUE ESTABLISHMENT, STATE RAILWAYS.

81. **Mr. N. M. Samarth** : Will the Government be pleased to lay on the table the rules, if any, framed for the recruitment of officers of the Superior Revenue Establishment of State Railways in accordance with the recommendations contained in paragraphs 8—11, pages 339-40 of the Majority Report of the Royal Commission on Public Services in India?

**Colonel W. D. Waghorn** : It is the intention to recruit the Superior Traffic and Stores Establishments of State Railways from among qualified students of Indian Engineering or other technical colleges in future. At present, owing to the reorganization of the scales, the numbers are in excess of cadres, and consequently no appointments are being made this year, and revised rules have not been issued yet. I have dealt with the recruitment of the Superior Loco. and Carriage establishment in reply to Question No. 79.

#### ADMISSION INTO THE RAILWAY SERVICE OF INDIANS AND ANGLO-INDIANS.

82. **Mr. N. M. Samarth** : (a) Are the Government going to give effect to the views of Sir M. B. Chaubal and Sir Abdur Rahim in paragraphs 24-25 at pages 381-82 and in paragraph 61 at page 416, respectively, of Volume I of the Report of the Public Services Commission with regard to the qualifying examinations for admission into the Railway Service for Indians and Anglo-Indians?

(b) If not, why not?

**Colonel W. D. Waghorn** : (a) and (b). The Public Services Commission dealt with the Superior establishments only. In my reply to Question No. 81, I have stated, that the intention is to recruit the Superior Traffic and Stores Establishments from Engineering colleges. The course of training at these colleges is the same for all students.

STAFF FOR STATE RAILWAYS.

83. **Mr. N. M. Samarth**: Do the Government propose to direct the Railway Companies working the State Railways to give effect to the general principles laid down by the Royal Commission on Public Services with regard to the recruitment of the staff for State Railways in Chapter III of Annexure XIX to their Report?

**Colonel W. D. Waghorn**: The Railway Companies have been made acquainted with the principles followed with regard to the recruitment of the staff for State railways, and they are also moving in the direction of appointing an increasing number of Indians to the higher appointments.

DELETION OF A NOTE IN STATE RAILWAY CODE *re*: SALARIES OF DRIVERS, ETC.

84. **Mr. N. M. Samarth**: Do the Government propose to order that the following note in paragraph 230 of the State Railway Open Line Code, Volume II, 1908 edition, be deleted:

'The maxima salaries for Native Drivers, Shunters and Guards are fixed at two-thirds of those for Europeans. Parsis are not Europeans and can only therefore be allowed the rates of pay laid down for natives.'

**Colonel W. D. Waghorn**: The rule was introduced prior to 1881 and will be omitted from the revised edition of the Code now under compilation.

SELECTION COMMITTEE RECOMMENDED BY THE ROYAL COMMISSION ON PUBLIC SERVICES.

85. **Mr. N. M. Samarth**: (a) Have the Government appointed the Selection Committee recommended by the Royal Commission on Public Services in paragraph 11 at page 340 of their Report?

(b) If so, what is its personnel?

(c) If not, when do the Government propose to appoint it?

**Colonel W. D. Waghorn**: No. But it is now proposed to form Selection Committees to appoint passed students of the several Engineering Colleges to the different departments, the system of guaranteeing appointments to the men who pass out highest being discontinued.

WHEAT PROFITS, 1915-16.

86. **Mr. E. L. Price**: Will the Government be pleased to state:

(a) the exact wording of the undertaking with regard to wheat profits, 1915-16;

(b) the exact amount of those profits;

(c) how they have been utilised?

**Mr. J. Hullah**: (a) No undertaking was given regarding the manner in which the profits would be utilised and no decision was reached until after the close of the operations. An indication of the intentions of the Government was contained in Sir Claude Hill's reply to a Question put by the Honourable Rai Bahadur B. D. Shukul at a meeting of the Imperial Legislative Council on the 16th February 1917 in which Sir Claude Hill stated, that it was hoped to devote these profits to special expenditure for the benefit of the agricultural

classes. On the 6th March 1917, the Government of India obtained the approval of the Secretary of State to the distribution of the profits among the principal wheat producing provinces subject to the condition that the money would be utilised on special schemes of non-recurring expenditure for the benefit of the agricultural classes and that any resultant recurring expenditure would be met from Provincial Revenues. The Secretary of State was informed at the same time, that the principal schemes suggested by Local Governments and approved by the Government of India were the replacement of existing strains of wheat and other staples by improved varieties, well-boring operations, the improvement of existing Government farms and the establishment of new farms for demonstration, experiment, seed supply and cattle breeding.

(b) The profits amounted to Rs. 25,99,860.

(c) Grants amounting to Rs. 26 lakhs were distributed to the Provinces as follows:—

	Rs.
Bombay	2,00,000
United Provinces	8,25,000
Punjab	12,25,000
Central Provinces	2,50,000
North-West Frontier Province	50,000
Bihar and Orissa	50,000
Total	28,00,000

**Mr. E. L. Price :** May I ask if Sind has got anything out of that ?

**Mr. J. Hullah :** It appears not. I do not know whether Bombay gave anything to Sind.

**Mr. T. V. Seshagiri Ayyar :** Did Madras get any of it ?

**Mr. J. Hullah :** No.

#### EXCESS EXPENDITURE IN RESPECT OF ' EXCHANGE. '

87. **Mr. E. L. Price :** Will the Government be pleased to state with regard to the Honourable the Finance Member's replies to Questions asked by me during the voting of demands on 14th March last (pp. 1024-25 of Volume I, No. 11, Official Reports) :

The excess expenditure to the latest date available ?

**The Honourable Mr. W. M. Hailey :** The total net expenditure in England during the first quarter of the year for which the figures are available is £5.91 millions. If exchange had been 1s. 8d. during that period, the rupee expenditure would have been 710 lakhs. Calculated, however, on the actual rates prevailing, the expenditure amounts to Rs. 891 lakhs and there was thus an excess of Rs. 181 lakhs.

#### PAY AND SERVICE OF STENOGRAPHERS, CLERKS AND ASSISTANTS IN THE GOVERNMENT OF INDIA SECRETARIAT.

88. **Mr. T. V. Seshagiri Ayyar :** Will the Government be pleased to state :

(i) the pay of stenographers employed in the Government of India before the introduction of the re-organised scales of pay in December 1919 ;

- (ii) the pay of shorthand writers employed in the Government of India after the introduction of the new scale of pay in 1919 ;
- (iii) the percentage of increase in pay that has been given owing to the dearness of provisions ;
- (iv) the pay of assistants and clerks employed in the Government of India before and after the revision in 1919, showing the percentage of increase in emoluments owing to dearness of provisions in each case ;
- (v) the number of years in which the maximum is reached in the case of (a) assistants ; (b) clerks ; and (c) stenographers ;
- (vi) whether it is a fact that technical skill is required for becoming a stenographer ;
- (vii) whether there has been noticed any marked difference in the quality of stenographers recently recruited by the Government of India as compared with those employed before December 1919 ;
- (viii) whether any difficulty has been found in recruiting efficient shorthand writers through the agency of the Staff Selection Board ;
- (ix) the fee which is paid to a stenographer employed in the Government of India when asked to report the proceedings of a Committee or of a Conference ;
- (x) the fee which has been or is paid to a stenographer, not in Government employ whether in India or appointed from outside India, in doing the same work ;
- (xi) whether it is a fact that stenographers employed in the Government of India (other than those attached to Secretaries) have to remain in office after office hours, which is usually 5 P.M., if so, whether they are paid any extra remuneration for so staying, and if not, why not ;
- (xii) whether any memorial has been submitted by stenographers, and, if so, when and how has it been considered by the Government of India ;
- (xiii) whether it is a fact that assistants and clerks have, as a rule, to stay in office after office hours ?

**The Honourable Sir William Vincent :** The information asked for by the Honourable Member is contained in the statement which is laid on the table :

*Statement.*

- (i) Incremental scale of Rs. 150—10—350 a month.
- (ii) Incremental scale of Rs. 175—9—400 a month.
- (iii) The percentage of increase in pay given owing to the dearness of provisions cannot be calculated. In giving effect to the new scale, initial pay was determined by length of service, and some men received a larger increase than others. The dearness of living was not the only factor in determining the new scale of pay.
- (iv) *Assistants.*—Before revision, grades of Rs. 140, 170, 200, 250, 300, 350 and 400.

After revision, time-scale of Rs. 200—15—365—efficiency bar—380—15—500 with an upper time-scale of Rs. 375—25—500 for selected assistants.

*Clerks.*—Before revision, grades of Rs. 60, 70, 80, 90, 100—efficiency bar—120, 140, 160, 180, 200 with two further increments of Rs. 25 each for long and approved service. After revision, time scale of Rs. 100—8—156—efficiency bar—164—8—200—with a special grade on Rs. 200—25—250.

As to the percentage of increase on account of dearness of provisions, the same remarks apply as in the case of stenographers.

(v) (a) Ordinary scale 20 years.

Selection scale 17 years.

(b) 25 years.

(c) 25 years.

(vi) Yes.

(vii) No.

(viii) Yes.

(ix) Fees are fixed according to the work to be done. Ordinarily, a fee not exceeding Rs. 20 a day is admissible.

(x) There are no fixed rules, remuneration in such cases being determined with reference to the qualifications of the individual employed.

(xi) Stenographers (other than those attached to Secretaries and Members) have not, as a rule, to stay in office after office hours. They are, however, obliged to do so occasionally during times of special pressure.

No extra remuneration is given for such late hours, as they are whole-time servants.

(xii) Two series of memorials have been received, one before and the other after the introduction of the new scale of pay. After careful consideration, both have been rejected.

(xiii) Assistants and clerks have not, as a rule, to stay back in office after the ordinary closing hour. They are, however, obliged to do so during periods of pressure, and to a somewhat greater extent than unattached stenographers.

#### VIOLATION OF CHASTITY OF AN INDIAN WOMAN AT SIALKOT.

89. **Mr. M. Faiyaz Khan :** (a) Has the attention of the Government been drawn to the statement published in the *Bunday Mataram* of 14th June 1921, page 2, column 2, in which it is stated, that a British soldier violated the chastity of an Indian woman at Sialkot, and he was released by the Cantonment Magistrate and fined Rs. 50 only?

(b) If the above statement is true, will the Government be pleased to state :

(i) the number of Indians alleged to have violated the chastity of European women in India during the last 150 years of the British Raj in India and the amount of punishment meted out to those Indians, and

(ii) the number of Europeans alleged to have violated the chastity of Indian women in India during the last 150 years of the British Raj in India and the amount of punishment meted out to those Europeans?

**The Honourable Sir William Vincent :** (a) Government have seen the article referred to by the Honourable Member. The soldier in question was charged with an offence punishable under Section 354 of the Indian Penal Code, but the Court found that there was no indecent assault and convicted the accused only on the minor offence of causing simple hurt, punishable under Section 323 of the Code. The sentence imposed was as stated.

(b) It is quite impossible for Government to collect the statistics suggested in the Question.

LORD CHELMSFORD ON INDIAN COUNCILS.

90. **Mr. M. Faiyaz Khan:** Has the attention of the Government been drawn to the 'London Letter' published in the *Leader* of 16th June 1921, page 7, column 2, in which Lord Chelmsford is said to have stated in a meeting recently held at Oxford, that 'it was a great disappointment to him (Lord Chelmsford) that the Councils were not so representative of the people as they might have been'?

**The Honourable Sir William Vincent:** Yes.

PURCHASE OF MICROSCOPES.

91. **Mr. M. Faiyaz Khan:** (a) Has the attention of the Government been drawn to the statement headed 'Microscopes for India' published in the *Leader* of the 16th June 1921, page 8, column 2?

(b) Will the Government be pleased to state whether tenders had been invited in India regarding the possibility of obtaining the microscopes on behalf of the Government of India through Indian firms in India before inviting tenders from English firms in England? Is it true, that the microscopes supplied to the Government of India, as mentioned above, were manufactured by Spencer Lens Co., of Buffalo, United States of America?

(c) Is the Government aware, that the said manufacturer is already represented in India by an Indian firm? Will the Government be pleased to state why it did not first invite tenders of Microscopes in India before inviting tenders from British firms in England?

**Mr. A. C. Chatterjee:** The attention of the Government has been drawn to the statement referred to, which was published in the *Leader* of the 16th June 1921.

2. Tenders for the microscopes in question were not invited in India. Under the provisions of the rules for the supply of articles for the public service, articles which are not manufactured in India are to be obtained by indent upon the Director-General of Stores, India Office, with certain exceptions laid down in the rules. The only exception which might have been applied to this case is embodied in Rule 3 (a) by which an indenter is empowered to make local purchases of imported stores, provided the following conditions are complied with:

- (1) that the articles are in India at the time of the order;
- (2) that their price and quality are not unfavourable as compared with those at which similar articles could be obtained through the Director-General of Stores; and
- (3) that the expenditure involved is within the financial powers delegated to the indenter under Rule 13 of the rules.

In this case, the value of the microscopes required by the indenter exceeded his financial powers, so that even if the other conditions of Rule 3 (a) had been complied with, the indenter acted correctly in forwarding the indent to the Director-General of Stores.

3. It is true, that the microscopes supplied were manufactured by the Spencer Lens Company of the United States of America. The Government is not aware, that that Company is already represented by an agent in India.

## EDITORIAL ARTICLES IN 'JUSTICE.'

92. **Mr. M. K. Reddi Garu**: Has the attention of the Government been drawn to the following editorial articles headed: 'Judicial Appointments,' 'The Retort Brutal,' 'The Future' and 'These be their Gods, Oh, Israel!' that appeared in the issue of 7th, 9th, 10th and 11th June, respectively, of *Justice*, an English daily of Madras.

**The Honourable Sir William Vincent**: The Government of India have seen the articles referred to.

## ARTICLES IN THE 'DAILY EXPRESS' AND 'NEW INDIA.'

93. **Mr. M. K. Reddi Garu**: Has the attention of the Government been drawn to an article headed 'Pitchforking done' which appeared in the *Daily Express* of the 10th June 1921, and to the article on the same subject which appeared in the *New India* of 9th June 1921?

**The Honourable Sir William Vincent**: The Government of India have seen the second but not the first article referred to.

## RACIAL DISTINCTIONS AMONG RAILWAY PASSENGERS IN REGARD TO ACCOMMODATION, ETC.

94. **Mr. M. K. Reddi Garu**: (a) Has the attention of the Government been drawn to Resolution No. 2 regarding the removal of 'all existing racial distinctions among the railway passengers as regards accommodation, retiring rooms, etc.,' which has been discussed in the last Session of the Madras Legislative Council?

(b) If so, what action has this Government taken in view of all the discussions which took place in that Council?

**Colonel W. D. Waghorn**: (a) Reply is in affirmative.

(b) The Government do not at present propose to take any further action than is now being taken. As this Assembly are aware, Railway Administrations are endeavouring to do away with all racial differences in the matter of travelling accommodation and this, in so far as upper class accommodation is concerned, has long been the case. The position, however, is somewhat different in the matter of the lower classes; and whereas the number of poor Europeans and Anglo-Indians travelling in the inter and third class carriages is comparatively small, the amount of accommodation reserved for them is equally small and the removal of this reservation would but afford accommodation for comparatively few Indian passengers. Indeed, it is considered desirable to continue the reservation of this accommodation in the interests of the much larger number of Indians themselves who travel third class.

In this connection, it may be mentioned, that at a Railway Conference held in Lucknow in 1908 to consider the question of the comfort and convenience of 3rd class passengers, and at which a large number of Indian gentlemen were invited to be present, it was resolved that 'every train be provided with a separate compartment for Europeans partitioned by planks, and not iron bars, and that European third class passengers be restricted to the use of that compartment.'

As regards retiring rooms the usual practice is to allot waiting or retiring rooms to 1st and 2nd class passengers, and Indian passengers holding tickets of these classes are entitled to the use of these rooms according to the class of ticket they hold. In some few instances, separate 1st and 2nd class retiring rooms for Europeans and Indians are provided, but this has been done not with a view to making any racial distinction but to meet the convenience of both parties, and at the pressing request of the Indian public the same has been done in the matter of refreshment rooms at most important stations. Separate refreshment rooms for Hindu and Muhammadan gentlemen have been provided at some stations, where facilities for refreshment are not easily obtainable in the vicinity of the stations and where the demand is sufficiently great to attract contractors and justify the necessary capital outlay.

**PAYMENTS TO BURN & Co. FOR AMERICAN RAILWAY WAGONS.**

95. **Mr. K. C. Neogy :** (a) On what basis are payments made to Messrs. Burn & Co. for work done in connection with the fitting up of American railway wagons ?

(b) How do the railway authorities satisfy themselves that all work for which payment is claimed in this connection has been actually and satisfactorily done ?

(c) At what stage is payment generally made to Messrs. Burn & Co. for stores indented by them for the said work ? Are the said Company being given any advances for purchase of materials ?

**Colonel W. D. Waghorn :** (a) The Honourable Member is referred to the reply to No. 2 (d) of his previous set of Questions in regard to this matter.

(b) The work is inspected by the Superintendent, Local Manufactures, Calcutta, or other officers appointed by the Agent, Eastern Bengal Railway, who is in administrative charge of the work, and final bills are admitted only on the passing of the work by the Inspecting Officer.

(c) The contract terms of payment are :

(i) With order— $\frac{1}{2}$  contract price for open wagons and  $\frac{1}{4}$  for covered wagons.

(ii) As material is delivered in contractor's yard— $\frac{1}{2}$  contract price for open wagons only.

(iii) On delivery—balance.

**MANUFACTURE OF RAILWAY WAGONS IN INDIA.**

96. **Mr. K. C. Neogy :** (a) Is it a fact that the purchase of articles of European manufacture for purposes of construction of railway wagons by private contracting firms, except through the authorities in England, is strictly prohibited ?

(b) If so, will Government be pleased to state whether the articles supplied by Messrs. Burn & Co. and Messrs. Jessop & Co., for purposes of construction of wagons by them, comprise solely of raw materials ?

(c) What materials are being supplied by the Railway and the said contractors, respectively, in connection with the said work of construction ?

**Colonel W. D. Waghorn :** (a), (b) and (c). It depends on the terms of the contract. At present contracts placed in India are for the supply of the

complete wagon, the railway concerned supplying the wheels and axles and the contracting firm arranging for all other materials. The contracting firms do the bulk of the manufacturing work in their own shops but are permitted to obtain parts which cannot be made in India.

**\*COST OF CONSTRUCTION OF RAILWAY WAGONS.**

**97. Mr. K. C. Neogy :** What has been the average cost of construction of different standard types of railway wagons in England, in India by private firms, and in Indian Railway workshops, respectively, during each of the last five years ?

**Colonel W. D. Waghorn :** The last five years cover the period of war and post-war conditions. Abnormal difficulties have prevailed in obtaining materials and getting any wagons constructed. There have been comparatively few wagons of standard types delivered and these only during the last year or two. Railway workshops do not manufacture wagons ordinarily and no standard types had been delivered by firms in India up to within the last few months. A comparison is therefore not possible and owing to the abnormal fluctuations of price of material and labour and exchange, actual costs would be difficult to obtain and of no practical value.

The distribution of recent orders by the Railway Board has been decided on tender prices ; in some cases, the quotations for Indian made wagons have been lower than those for imported wagons and in other cases the reverse.

**ORDER OF EXTERNMENT AGAINST MAULVI ABDUL MATIN CHOUDHURY  
BY THE DEPUTY COMMISSIONER OF THE KHASI AND JAINTIA HILLS.**

**98. Rai G. C. Nag Bahadur :** (a) Is the Government of India aware of Notification No. 784-P., dated the 9th October 1911, issued by the Government of Eastern Bengal and Assam, in force in the Khasi and Jaintia Hills District, by which the Deputy Commissioner of that district is empowered to pass an order of externment against any one visiting Shillong, the capital of the province of Assam, requiring him to leave the boundaries of that district within 24 hours ?

(b) Has the attention of the Government of India been drawn to the report published in the *Janasakti* newspaper of 14th June 1921, published from Sylhet, and other papers, that in pursuance of the aforesaid notification, a gentleman, named Maulvi Abdul Matin Choudhury, was directed by the Deputy Commissioner by his order, dated 6th June to leave the boundaries of the Khasi and Jaintia Hills district within 24 hours, the grounds given in the said order of externment being : (1) that the said Maulvi Abdul Matin was not a native of the district, (2) that he was a non-co-operator, and (3) that he was working in the said Khasi and Jaintia Hills for the non-co-operation movement ?

(c) Do the Government of India propose to direct the Government of Assam to cancel the said notification ?

**The Honourable Sir William Vincent :** The Government of India have no information about the matter which is one for the consideration of the Local Government of Assam and the Government of India do not propose to interfere.

PENSION GRANTED TO MAHINDRI DEVI.

99. **Rai G. C. Nag Bahadur**: (a) Did the Government of India receive through the Assam Government any memorial from Rani Mahindri Devi, widow of the last descendant of the Ahom King, and a political pensioner at Gauhati, asking the Government to increase the amount of her pension?

(b) Is the Government aware that Rs. 50 which is paid to her as pension is quite inadequate for her maintenance, and that she is at present living in a state of great indigence and squalor, and that her impoverished condition is very keenly felt among the people of the country?

(c) Do the Government of India propose to increase the amount of her pension, and also make a suitable grant for repairs of her house?

**The Honourable Sir William Vincent** (on behalf of the Honourable Sir John Wood): (a) The memorial referred to was addressed not to the Government of India but to the Government of Assam.

(b) The Government of Assam recommended, after local inquiry, that the Rani's monthly pension be raised from Rs. 50 to Rs. 100 and that a special grant of Rs. 1,000 be made for necessary repairs to her residence.

(c) These recommendations have been accepted by the Government of India and orders have issued accordingly.

PAY OF THE STAFF OF THE OFFICE OF THE DIRECTOR-GENERAL,  
POSTS AND TELEGRAPHS.

100. **Mr. M. K. Reddi Garu**: With regard to the Committee appointed for revising the pay of the staff of the Office of the Director-General of Posts and Telegraphs, will the Government kindly say:

(a) if the Committee's report has been received and when, also what has been done to give effect to their recommendations;

(b) whether the Government are prepared to accept all their recommendations without modifications and, if not, what are the reasons for it;

(c) whether a time-scale of pay as in the case of the Secretariat offices with effect from 1st December 1919 will be given with full benefit of past service to each of the staff of that office, and if not, what are the objections against that?

**Colonel Sir S. D'A. Crookshank**: (a) The report was received in March last. The recommendations of the Committee were carefully examined by the Government of India and the conclusions of the latter have now been accepted by the Standing Finance Committee.

(b) The Committee's recommendations have been accepted by Government with some modifications, which were considered necessary in view of the rates of pay given in other offices in Calcutta.

(c) As the pay of part of the establishment was revised in 1918 and 1919, it is not considered necessary to give retrospective effect to the new rates of pay from a date earlier than 1st March 1921. In order to avoid anomalies due to different methods of recruitment followed in the offices of the Director-General of the Post Offices and Telegraphs before the amalgamation, and to

special promotions or supersessions, it has been decided not to bring the clerical staff on to the new scales in accordance with the length of the service put in by them but to bring B class clerks on to the next scales at a point which will give them an immediate increase of 25 or 30 per cent. over their pay *plus* war allowance on March 1st last and to bring A class clerks on to the new scales at a stage next but one above their pay *plus* war allowance on the above date.

RECOMMENDATIONS OF THE GOVERNMENT OF INDIA SECRETARIAT PROCEDURE AND ESTABLISHMENTS COMMITTEES.

101. **Mr. M. K. Reddi Garu:** (a) Is it a fact that the Government of India Secretariat Procedure and the Establishments Committees recommended separately as regards (i) organisation and office procedure and (ii) pay of the officials of the Secretariat and attached offices, respectively?

(b) If so, why as regards (i) has the Government again appointed another Committee for the organisation of the office procedure of the (attached) office of the Director-General of Posts and Telegraphs when that office also was directed to adopt the recommendations as announced in the Home Department (Public) Resolution No. 2366, dated the 15th September 1920, in the Gazette of India?

(c) Why as regards (ii) in part (a), will not the scales of pay recommended for the attached offices, as published by the Staff Selection Board on the 6th September 1920 be given to that office with retrospective effect from 1st December 1919?

**Colonel Sir S. D'A. Crookshank:** (a) The Government of India Secretariat Procedure Committee stated that they saw no *prima facie* reason why the principles of their recommendations as to procedure should not be applied *mutatis mutandis* to attached offices. The recommendations of the Government of India Secretariat Establishments Salaries Committee did not deal with the pay and allowances of the staff of attached offices.

(b) While the recommendations of the Secretariat Procedure Committee were under examination by the Government of India, the Director-General of Posts and Telegraphs submitted proposals for revising the pay of the clerical staff of his office, the great majority of which are employed in Calcutta. It was decided, in the first instance, to place an officer on special duty to make recommendations with regard to all the offices attached to the Government of India situated in Calcutta, but it was subsequently found that no suitable officer could be spared for the purpose. As there was also reason to believe, that the working arrangements in the offices of Postmasters-General were susceptible of improvement, it was finally decided to appoint a small committee of expert officers of the Post and Telegraph Department not only to make recommendations for revising the pay of the staff in the office of the Director-General of Posts and Telegraphs, but also to examine in detail the organisation and methods of work both in that office and in those of all Postmasters-General, in order that they might recommend delegations of power and decentralization of control with a view to reducing the volume of work in those offices as well as to simplifying and regularising the procedure.

(c) As stated above, the great majority of the staff of the office of the Director-General of Posts and Telegraphs are posted at Calcutta. It was thought that their scales of pay should be fixed with special reference to the local conditions prevailing in that city.

DEPARTMENT OF COMMERCE AND OFFICE OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

102. **Mr. M. K. Reddi Garu:** With reference to the Answers given by Government to parts (d) and (e) of Question No. 595 put in this Assembly by Rai Bahadur Bakshi Sohan Lal on the 24th March last, will the Government kindly lay on the table a statement showing for comparison :

- (a) the total number of clerks in the Department of Commerce and in the office of the Director-General of Posts and Telegraphs with the academic qualifications of each and the system of recruitment under which they were appointed, and
- (b) whether as regards (e) above, the Government are prepared to consider the question of granting to the establishments of attached offices the same benefit of past services as they have granted to the Secretariat and other higher services such as I. C. S., Forest, Education, etc. ?

**The Honourable Sir William Vincent:** (a) A statement is laid on the table giving the information desired.

(b) The method was adopted in order to give an immediate increase in pay and to avoid the complication of personal allowances. We have no proposal under consideration to revise this method, but I am ready to make inquiries whether the method adopted has resulted in unreasonable inequality of treatment as compared with the Secretariat establishment having regard to the duties which the two classes of officers have to perform.

*Comparative statement showing number of clerks in the Department of Commerce and in the office of the Director-General, Posts and Telegraphs, their academic qualifications and the systems under which they were recruited.*

	Department of Commerce.	Office of the Director-General, Posts and Telegraphs.
Total number of clerks	73	236*
<i>Academic qualifications.</i>		
M. A., A. I. A.	1	...
M. A., B. L.	...	1
M. A.	2	7
M. Sc.	...	2
B. A., B. L.	5	...
B. A.	14	20
B. Sc.	...	1
Read up to B. A.	6	...
Intermediate Arts	...	4
Intermediate Science	...	1
F. A.	1	27
Read up to F. A.	3	...
Passed Matriculation	19	17
Passed Entrance	...	82
Passed High School...	...	1
Read up to Matriculation	12	...
Others (lower qualifications)	10	53

\* Twenty of these posts are vacant at present.

	Department of Commerce.	Office of the Director-General, Posts and Telegraphs.
<i>Methods of recruitment.</i>		
Recruited direct ... ..	65	196
Recruited after passing Secretariat Clerkship examination which was in force prior to 1911.	3	20
Recruited through Staff Selection Board ... ..	5	...

**ADDITION OF A TOURING OFFICER TO THE STAFF OF THE DIRECTOR-GENERAL, POSTS AND TELEGRAPHS.**

103. **Mr. M. K. Reddi Garu :** (a) Is it a fact that a highly paid officer has recently been added to the Head Quarters staff of the Telegraph Branch of the Director to swell the number of touring officers? If so, why?

(b) What are the number of touring officers in that Department and why there are so many?

(c) Is it not a fact that there are highly paid responsible Postmasters-General and Directors of Telegraph Engineering to control both the Traffic and Engineering Branches?

(d) Why cannot the number of such officers be reduced and their constant tours cut short?

**Colonel Sir S. D'A. Crookshank :** (a) The post of Deputy Chief Engineer, ranking as a Director, Telegraph Engineering, has recently been sanctioned by the Secretary of State. His duties are to assist the Chief Engineer in dealing with all questions relating to telephones, in devoting special attention to the commercial side of the telephone systems and in inspecting important telephone engineering works under construction. The appointment has been created in order to provide for an expert technical adviser on all engineering and traffic questions arising in connection with the development of telephone systems in India.

(b) There are five touring officers on the telegraph side of the headquarter staff of the Director-General, *viz.*, Chief Engineer, Deputy Chief Engineer, Telephones, Director of Wireless Telegraphs, Deputy Director-General, Telegraph Traffic, and the Traffic Controller. These officers tour from time to time in order to keep themselves in touch with local officers, to discuss outstanding questions with them, and to give them the benefit of their special technical knowledge and experience.

(c) Telegraph traffic is controlled by Postmasters-General and Engineering works and establishments by Directors, Telegraph Engineering, within their circles.

(d) The number of these officers cannot be reduced because the charges already held by them are too large. It is obvious, that in a public utility Department, such as this one is, the work of which is expanding annually, the tendency is and must be towards an increase of personnel of all classes.

The tours of these officers are not constant and, generally speaking, the amount of touring accomplished is barely adequate and sufficient to keep them in touch with requirements.

TREATMENT OF INDIAN PASSENGERS.

104. **Lala Girdharilal Agarwala:** (a) Have the Government read Mr. Raj Narsin's letter dated Katra Neil, Delhi, 13th May, printed in the *Leader*, dated 23rd May 1921, at page 7, column 1, about the conduct of a Lieutenant who would not allow Indians to travel with himself in the same Railway compartment and threatened to shoot and refused to give his name to the Railway authorities?

(b) What action, if any, have the Government taken in the matter?

(c) Do the Government propose to issue a circular to all Europeans in India to remove from their minds feeling of their racial superiority and cultivate the habit of treatment on the basis of equality, irrespective of creed or colour?

**Sir Godfrey Fell:** (a) Yes.

(b) As the Honourable Member is probably aware, the officer concerned was tried by the District Magistrate and fined Rs. 400.

(c) Government do not consider that it is necessary to issue a circular of the nature suggested, or that such a circular would serve any useful purpose. The attitude of Government towards such incidents as that referred to by the Honourable Member has been the subject of more than one recent pronouncement, and must be well known to all sections of the community.

PROBATIONARY SUPERINTENDENTS OF POST OFFICES.

105. **Mr. M. Faiyaz Khan:** (a) Is the Government aware that there is much discontent among the Probationary Superintendents of Post Offices on account of insufficient pay and bad prospects?

(b) Is any period of probation fixed for Probationary Superintendents of Post Offices prior to confirmation?

(c) Is it a fact that in other services, *viz.*, the Provincial Civil Service, Provincial Police and Forest, the probationary period is limited to two years?

(d) If the answer to (b) is in the negative, will the Government state why this is not done in case of Probationary Superintendents of Post Offices and they are not confirmed after completing two years' service?

(e) Is the Departmental examination for Superintendents of Post Offices held *in compartments* and twice a year, four attempts being allowed to each candidate, as is done in the case of Deputy Collectors? If not, why not?

(f) Is the scale of pay of these Superintendents the same as that fixed for Deputy Collectors, *viz.*, Rs. 300 to 1,000 by annual increments of Rs. 40? If not, why should not their pay be raised to the same scale?

**Colonel Sir S. D'A. Crookshank:** (a) Government are not aware of any such discontent. The pay has recently been increased from Rs. 100 to Rs. 200 a month and, as the number of highly qualified candidates for these posts exceeds the number of vacancies, there is no reason to believe that either the pay is insufficient or the prospects bad.

(b) The period of probation is not fixed.

(c) In the case of the Provincial Civil and Police Services the rules framed by Local Governments are not entirely uniform, but, as a general rule, officers are confirmed after two years, subject to their fitness and to their passing departmental tests. As regards the Provincial Forest Service, it is left to Local Governments to fix the probationary period, subject to the proviso that it should not exceed two years.

(d) The length of the probationary period depends on the number of vacancies among the permanent Superintendents. These occur at irregular intervals. It is not, therefore, possible definitely to fix the probationary period at two years although the period of probation averages about two years.

(e) The examination is held once a year. It is not held in compartments. Ordinarily a candidate is allowed two attempts. The present system has been found to give satisfactory results and it is not proposed to make any change.

(f) The answer is in the negative. The question has been examined and the present rate of pay is considered by Government to be sufficient.

#### PURCHASE OF SILVER.

106. **Mr. M. K. Reddi Garu:** (i) Will the Government be pleased to lay on the table a detailed statement showing the annual average at which the Royal Mint and the India Office have made their respective purchases of silver since the closing of the mints in 1893 up to date?

(ii) Will the Government be pleased to lay a statement on the table showing the number and names of firms that trade in silver and the number and names of firms of brokers, who deal in silver, both in London and Bombay, separately?

(iii) Will the Government kindly state if it is a fact:

(a) that the Secretary of State purchases his silver through these brokers in London, and

(b) that these brokers usually purchase their silver for India out of loans got from the Bank of England?

**The Honourable Mr. W. M. Hailey:** (i) A statement is laid on the table.

(ii) The Government has no information on the point.

(iii) Purchases of silver by the Secretary of State are normally now made through a firm of brokers in London; but, in the exceptional circumstances of recent years, considerable purchases have been made through other channels, and the Secretary of State holds himself at liberty to adopt whatever course seems expedient at the time when purchases are required. There is no information tending to support suggestion in (b) which is, moreover, inherently improbable as payments made in the London market are regularly made against delivery. In consideration of employment by the Indian Government, purchasers understand that in such connection they act as brokers only and not as dealers.

*Statement showing the average cost of silver purchased by the—*

Year.	ROYAL MINT.	INDIA OFFICE.	Financial year.	
	Average cost per standard ounce.	Average cost per standard ounce.		
	<i>d.</i>	<i>d.</i>		
1893 ... ..	36 $\frac{1}{8}$	No purchase	1893-94	
1894 ... ..	29 $\frac{1}{8}$			
1895 ... ..	30 $\frac{1}{8}$		to	
1896 ... ..	30 $\frac{1}{8}$			
1897 ... ..	27 $\frac{1}{8}$		1898-99	
1898 ... ..	27 $\frac{1}{8}$			
1899 ... ..	27 $\frac{1}{8}$		28	1899-00
1900 ... ..	28 $\frac{1}{8}$		29	1900-01
1901 ... ..	27 $\frac{1}{8}$		No purchase	1901-02
1902 ... ..	24 $\frac{1}{8}$		22 80	1902-03
1903 ... ..	23 $\frac{1}{8}$	27 19	1903-04	
1904 ... ..	26 $\frac{1}{8}$	27 14	1904-05	
1905 ... ..	27 $\frac{1}{8}$	29 74	1905-06	
1906 ... ..	31 $\frac{1}{8}$	31 69	1906-07	
1907 ... ..	30 $\frac{1}{8}$	31 27	1907-08	
1908 ... ..	24 $\frac{1}{8}$	No purchase	1908-09	
1909 ... ..	23 $\frac{1}{8}$		1909-10	
1910 ... ..	24 $\frac{1}{8}$			
1911 ... ..	24 $\frac{1}{8}$		1911-12	
1912 ... ..	27 $\frac{1}{8}$			
1913 ... ..	28 $\frac{1}{8}$		28 71	1912-13
1914 ... ..	24 $\frac{1}{8}$		28 71	1913-14
1915 ... ..	24 $\frac{1}{8}$		No purchase	1914-15
1916 ... ..	30 $\frac{1}{8}$		33 96	1915-16
1917 ... ..	39 $\frac{1}{8}$		33 93	1916-17
1918 ... ..	47 $\frac{1}{8}$	42 78	1917-18	
1919 ... ..	40 $\frac{1}{8}$	48 20	1918-19	
1920 ... ..	50 $\frac{1}{8}$	52 04	1919-20	
		Silver purchased at special rates from the Badwin mines and the Perth Mint.	1920-21	

APPOINTMENT IN INDIA OF EXPERT ACCOUNTANTS FROM LEADING FIRMS IN ENGLAND.

107. **Mr. K. C. Neogy:** (c) With reference to the 'body of expert Accountants from one of the leading firms in England,' whose assistance, as stated by the Finance Member in his last budget speech, has been taken by Government with the object of introducing in Army Supply Departments a system of commercial costing accounts and for the purpose of overhauling Post and Telegraph accounts, will Government be pleased :

- (a) to lay on the table the correspondence with the Secretary of State containing the terms of the contract on which the said Accountants were employed in India, and

(b) to state the number of the said Accountants so employed, the period during which they work, and the total cost—under different heads—entailed on Government by their visit, together with their respective rates of remuneration?

(ii) (a) Is it a fact that the said Accountants submitted bills charging Government for various expenses of an entirely personal nature, such as cost of entertainment of friends, cost of recreation and amusements, subscription to clubs, dentist's bill, etc.?

(b) If so, will Government be pleased to state the amounts charged in their bills under each of all items of such nature, and the amounts for which they have been passed by the Audit Department?

(iii) Will Government be pleased to lay on the table the forms of account which have been changed on their recommendation, in the different departments, noting in each case the improvements effected?

(iv) Is it a fact that some officers of the Audit Department have been placed on special duty for the same work as the said Accountants were expected to accomplish?

**The Honourable Mr. W. M. Hailey :** (i) (a). The correspondence is placed on the table (Annexure I).

(i) (b), (ii) (a), and (ii) (b). Three Accountants have been employed. They have been working in India since December 1920. In May 1921, the Senior Accountant sailed for England and he is expected back in India in the ensuing winter. A partner of the firm will also visit India to examine the materials collected by the Accountants before final recommendations are made. The rates of remuneration of the Partner and the Accountants are given in the correspondence which I have laid on the table.

A statement of the total cost expended in India up to 30th June 1921 by the representatives of the firm showing the amounts under different detailed heads is laid on the table (Annexure II). Besides this amount, a bill for £2,211-9-0 has been drawn upon the Secretary of State in England. This amount represents the total claim of the firm for work done for the Government of India from the 4th October 1920 to 28th February 1921, and includes the cost incurred in England on account of the three representatives sent to India. The bills include Rs. 66-5-0 for entertainment of friends and Rs. 110-7-0 for subscriptions to clubs. The latter was specially permitted for periods corresponding to the unexpired periods of subscriptions to similar clubs in England. The contract is for 'reasonable hotel and living expenses' and, I am informed, that when the contract was entered into, these gentlemen were given to understand that such items would be included in that category. Now, however, that the matter has been brought to notice, it has been arranged that the amount of these items shall be refunded, and no further payments on account of such charges will be made. The admissible charges include items 1 (a), 1 (c) and 2 in the statement of cost attached, which total Rs. 11,102-5-6. This works out to about Rs. 584 per head per mensem, which must be regarded as very reasonable, seeing that most of their work during the period in question was in Calcutta.

(iii) Up to the present, advance copies of their reports on the following concerns have been received, and action cannot be taken upon them until they have been approved by the London firm :—

- (1) Arts and Crafts Emporium, Lucknow.
- (2) Turpentine and Resin Distillery, Bareilly.
- (3) Government Saw Mills and Turnery, Clutterbuckganj.
- (4) Jail Factory at Naini.
- (5) Distillery Contractors' account in Bombay.
- (6) Bombay Trawler Accounting system.
- (7) Wood Working Institute, Bareilly.

(iv) No officers of the Audit Department have yet been placed on special duty for the same work as the Accountants from England are expected to accomplish. It is intended to attach two officers temporarily to the representatives of the firms in India to learn the work and to carry out the recommendations of the Accountants when they have left India.

ANNEXURE I.

*Copy of a letter from Messrs. Price Waterhouse and Company to the Financial Secretary to the India Office, London.*

With reference to the discussions which have taken place between ourselves and Messrs. Clauntlett and Burdon, representing the India Office, we are pleased to inform you, that we shall be prepared to undertake the inquiry which the Government of India desire should be made. We understand that the scope of the inquiry will be as follows :

- (a) To examine the existing system of accounts maintained in respect of the commercial or quasi-commercial activities of the Government of India.
- (b) To investigate the possibility of improving the existing system of accounts with a view to embodying therein methods and principles of accounting which are considered requisite in ordinary commercial practice and to make recommendations for the introduction where and when possible and desirable of system of 'cost' accounting, due regard in every instance being had to the special conditions obtaining in India.

2. We understand that the activities referred to in 1 (a) above comprise the following of which the first mentioned are the most important :

Post and Telegraph Department.  
 Opium Department.  
 Salt Department.  
 Public Works Workshops.  
 Ordnance Factories.  
 Military M. T. Workshops.  
 Clothing Factories.  
 Air Craft Workshops.  
 Military Grass and Dairy Farms.  
 Military Electrical and Mechanical Workshops.  
 Military Medical Stores and Factories.  
 Remount Depots.  
 Bombay Mint.  
 Acetone Factory.  
 Central Workshops, Amritsar.  
 Port Commissioners, Island Works, Chittagong.  
 Phoenix Bay Workshop.  
 Calcutta Mint Stores Accounts.  
 Mathematical Instrument Office, Calcutta.  
 Government Cinchona Plantations, Naduvattam.  
 Government Soap Factory, Calicut.  
 Sugar Factory, Nawabganj.

Turpentine Distillery, Bareilly.  
 Forest Utilisation and Woodworking Institute, Bareilly.  
 The Saw Mills and Turnery, Bareilly.  
 Marine Engineering Works, Dwabong.  
 Jail Manufacture Department, Madras.  
 Jail Factories, United Provinces.  
 Dacca Central Jail (Woolen Factory).  
 Presidency Jail Jute Work.

—We understand, however, that the Government of India do not at present wish to bind themselves or us to an absolute undertaking that each and all of these departments shall come under immediate review or that a reformed system of accounts shall be devised in each case. The more important departments will be dealt with first and the decision in detail as regards the others will await the results of the earlier stages of our inquiry.

3. We are prepared to undertake the inquiry on the following terms :

We propose to appoint for the immediate conduct of the inquiry Mr. Cathles, one of our principal clerks and two assistants. These three gentlemen will proceed to India so as to arrive if possible early in January 1921. So far as can be foreseen at present, the inquiry and the presentation of results will not be completed before the end of June 1922 and Mr. Cathles and his assistants will remain in India during this period subject, in the case of Mr. Cathles, to the qualification that if he is required to return to England for a period on other business of the firm, the Government will raise no objection to his doing so. On the other hand, the Government of India will be at liberty to require Mr. Cathles to visit England during and in pursuance of the inquiry for the purpose of acquiring information or consulting his principals. The desirability of increasing the staff under Mr. Cathles' control and thus hastening the inquiry can, if necessary, be discussed at a later date between the Government of India and ourselves. The material accumulated by Mr. Cathles and his assistants will ultimately be examined by one of our partners who will visit India for a short period at the appropriate time before we submit to the Government our final recommendations.

The terms of remuneration required are as follows :

Partner ... ..	20	Cuin as per diem of 7 hours.
Mr. Cathles ... ..	10	ditto.
1st Assistant ... ..	6	ditto.
2nd Assistant ... ..	5	ditto.

These fees to be charged at this rate for each day or part of a day of 7 hours that the services of the individual in question are wholly employed upon the work for the Government of India. This expression is to cover time spent in travelling to and from India, including time spent upon any visits to this country as indicated above.

In addition, the Government to undertake to secure and to pay first class passages to and from India and first class travelling expenses in India by rail, road and water, also reasonable hotel and living expenses and a reasonable allowance for the outfit of each representative.

We understand from you that the Government of India will supply at their own expense any clerical and menial establishment which under Indian conditions may be required for the purposes of the inquiry.

4. We understand that Mr. Cathles and his assistants will be required in the first instance to meet the representatives of the Government of India at Delhi and will there be given such information and facilities as they require. While in India, Mr. Cathles will receive necessary instructions from, and will be entitled to communicate with, the Government of India on our behalf.

*Copy of a letter No. F.-14111, dated the 1st December 1920, from India Office, London, to Messrs. Waterhouse and Company.*

In reply to your letter of the 21st October, I am directed to say, that the Secretary of State for India in Council is pleased to learn that you are prepared to undertake the inquiry desired by the Government of India. You will have been informed by the Comptroller and Accountant General of the Post Office that you will be given facilities for examining the system of Postal, Telegraph and Telephone accounting in use in England.

2. The second paragraph of your letter states correctly the departments, offices and undertakings of the Government of India, which, so far as is known at present, will come under examination. As you have observed, however, it is not in contemplation that you

should be bound to scrutinise the accounting of the whole of those where your investigations enable to make suggestions in selected cases which will sufficiently cover others or where for any other reason it seems feasible to omit any of those mentioned. Conversely, it will be open to the Government of India to add to the list in cases where a full examination seems indicated.

3. As regards the terms of remuneration, your proposals, I am to say, are accepted. Any details can be adjusted with the Government of India. These emoluments may be drawn either in this country in sterling or in India in rupees at the current market rate of exchange.

4. The Government of India will, as you have understood, supply clerical and menial establishment and incidental facilities. The programme indicated in your fourth paragraph is agreed to.

5. The Passage Department of this Office has been already communicated with on the subject of passages.

ANNEXURE II.

*A statement showing the total amount expended in India up to the 30th June 1921 by the representatives of the Firm of Price, Waterhouse and Company.*

			Rs.	A.	P.
(1) Living expenses	...	{ (a) Personal ...	10,205	15	8
		{ (b) Outfit in India ...	905	12	0
		{ (c) Servants ...	670	12	0
(2) Medical Charges	...	...	225	10	0
(3) Travelling expenses	...	(a) in India ...	3,922	10	8
		(b) from India to England ...	1,350	0	0
(4) Payments to typist and peons	...	...	249	8	10
TOTAL			17,580	4	7

LETTER IN 'LEADER' re LISTED POSTS AND PROVINCIAL CIVIL SERVICE.

108. **Lala Girdharilal Agarwala:** (a) Have the Government seen a letter printed in the *Leader* of Allahabad, dated 13th June 1921, at page 7, under the heading 'Listed Posts and P. C. S.?'

(b) Is there any truth in the statements made therein and more particularly with regard to the statement that some of the candidates nominated for the Indian Civil Service had been rejected for appointment as Deputy Collector and one of them had failed to pass the departmental examination for junior officers?

(c) Of all the candidates nominated to the Indian Civil Service how many possess the following qualifications, in each Province, and how many equally qualified were rejected:

(1) M.A. or M.Sc. with honours or university scholarship in B.A. or B.Sc. before passing M.A. or M.Sc., also LL.B. or B.L.;

(2) M.A. or M.Sc. with previous or final LL.B. or B.L.?

(d) How many successful candidates are not so qualified and on what grounds were better qualified candidates rejected in each case in favour of less qualified persons and by whom?

**The Honourable Sir William Vincent:** (a) Yes.

(b) Government have no information as to the particular question asked in this part, and the general question is too vague to admit of a definite answer.

(c) The information is being collected and will be furnished when complete.

(d) Information as to numbers is being collected and will be furnished later. High University Honours are not the only factor to be taken into consideration in making appointments to a service like the Indian Civil Service. The applications for nomination were examined by Local Governments who

recommended a number of those whom they considered suitable, and the final selections were made by the Government of India. Candidates possessing the qualifications referred to may have been rejected either by the Local Governments or by the Government of India.

**MANUAL OF GOVERNMENT ORDERS, UNITED PROVINCES, VOLUME I.**

109. **Lala Girdharilal Agarwala :** (a) Has the attention of the Government been drawn to the Manual of Government Orders, United Provinces, Volume I, paragraph 707 and its footnote?

(b) In what other Provinces, if any, do corresponding rules prevail?

(c) Is any similar rule or practice enforced in any High Court, Council, court or office in India where persons wearing shoes of Indian fashion are refused admittance unless they go bare-footed or put on shoes of European fashion?

(d) Do the Government propose to abolish any such rule or practice in future?

**The Honourable Sir William Vincent :** Government have seen the paragraph in question and the footnote. The subject is one for the decision of Local Governments and High Courts, and the Government of India have no information as to the extent to which a similar rule is in force in other provinces and in High Courts, nor do they propose to take any action in the matter.

**INFORMATION IN CONNECTION WITH QUESTION NO. 646 OF 28TH MARCH 1921.**

110. **Lala Girdharilal Agarwala :** With reference to the reply given on the 28th March 1921 to Question No. 646, will the Government be pleased to lay on the table such information only as may now be available?

**The Honourable Sir William Vincent :** I lay on the table a statement showing the number of Europeans, Anglo-Indians and Indians employed in the Government of India Secretariat on the 1st June 1921 on salaries of not less than Rs. 25 per mensem, and also refer the Honourable Member to the statement on page 1617 of the Legislative Assembly Debates, Volume 1, No. 15. The information contained in these two statements will partly cover items (c) and (d) of the statement asked for in Question No. 646 referred to by the Honourable Member.

As regards items (b) and (f), I will give the Honourable Member a copy of the Memorandum issued by the Staff Selection Board and of the Home Department Resolution No. 1062, dated the 27th May 1920, which will probably serve his purpose.

As to (k), the hours of work in the Secretariat are generally 10-30 A.M. to 4-30 P.M. (in the Home Department up to 5 P.M.) and for many offices up to much later.

With reference to (l), both Simla and Delhi may generally be taken as the headquarters.

As to (m) and (n), I will give the Honourable Member a copy of the statements showing generally the classes of Government quarters constructed in Simla and Delhi and the rents charged from clerks.

The information required under heads (a), (e), (g), (h), (i), (j), (o), (p) and (q) is not readily available and for the reasons given in Mr. O'Donnell's reply to the Honourable Member's previous question the Government are unwilling to undertake to collect it.

Statement showing the number of Europeans, Anglo-Indians and Indians employed in the Government of India Secretariats on the 1st June 1921, on salaries of not less than Rs. 25 per mensem, and in the case of Indians, the Provinces to which they belong.

Department.	NUMBER OF			NUMBER OF INDIANS BELONGING TO											REMARKS.		
	European	Anglo-Indians	Indians	Madras	Bombay	Bengal	United Provinces.	Punjab.	Burma	Bihar and Orissa.	Central Provinces.	Azamgarh.	North-West Frontier Province.	Coorg.		Delhi.	Native States.
Home	5	19	(a) 83	4	...	14	5	16	...	1	...	...	...	...	1	1	(c) Includes one native of Persia; who is now a British Indian subject.
Foreign and Political	44	30	102	1	...	38	6	52	...	...	...	3	...	...	3	...	(b) One of them is a Parai.
Finance	5	3	67	6	2	29	1	21	...	...	...	...	...	...	2	...	(c) Parai.
Education	3	4	31	...	(b) 2	9	5	12	...	1	...	...	...	...	1	1	(f) Includes one American.
Commerce	10	11	46	4	1	22	1	17	...	...	...	...	...	...	1	1	There are two Jews in the Legislative Department and one in the Department of Education who are not included in this statement.
Revenue and Agriculture	5	12	39	...	...	8	2	28	...	1	...	...	...	...	2	1	
Legislative	11	16	59	5	(c) 1	26	11	11	...	2	...	...	...	...	1	1	
Public Works	2	12	35	1	1	7	2	22	...	...	...	...	...	...	1	1	
Railway (Railway Board)	(d) 5	18	77	2	3	27	5	37	...	2	...	...	...	...	...	1	
Army	6	12	37	...	1	23	5	4	...	...	...	...	...	...	1	3	
Financial Adviser (Military Finance).	4	5	64	5	1	24	4	18	...	...	1	1	...	...	10	...	
Department of Industries	5	5	53	7	2	12	5	22	...	...	...	...	...	...	3	2	
TOTALS	105	147	647	35	14	239	51	260	...	7	...	1	4	...	24	11	

**Rao Bahadur T. Rangachariar :** Has any Member of the Government visited the Indian clerks' quarters at Dhar?

**The Honourable Sir William Vincent :** I am afraid I cannot answer that question. I have not visited the quarters myself. But I should be glad to provide any facilities which the Honourable Member wishes, if he desires to visit them.

**Rao Bahadur T. Rangachariar :** I would not attempt to go down there and come back!

#### ADVOCATE GENERAL FOR THE UNITED PROVINCES.

111. **Lala Girdharilal Agarwala :** Do the Government propose to appoint an Advocate General for the United Provinces and abolish the post of the Government Advocate in those Provinces?

**The Honourable Sir William Vincent :** The reply is in the negative.

#### PERCENTAGE OF INDIANS IN THE TELEGRAPH DEPARTMENT.

112. **Mr. M. Faiyaz Khan :** Do Government propose to consider the advisability of increasing the percentage of Indians in the Telegraph Department with equal rights and privileges in all grades?

**Colonel Sir S. D'A. Crookshank :** There being no separate Telegraph Department, it is presumed, that the question refers to the Telegraph Branch of the Department of Posts and Telegraphs. That the Government have carefully considered the advisability of increasing the percentage of Indians in the Telegraph Branch will be seen from the following figures.

The existing percentages of Indian and non-Indian telegraphists are 37 and 63 as compared with 28 and 72, respectively, on the 1st March 1917, and recently out of 404 Local Service telegraphists transferred to the General Service 340 were Indians. As the supervising grades in the Engineering, Technical and Traffic Branches are entirely recruited from the ranks of telegraphists, the increased percentage of Indian telegraphists means an increase in the number of Indians in the supervising grades.

All candidates who enter the Department are now given similar rights and privileges irrespective of the race or religion to which they belong.

#### AGRA TELEGRAPH OFFICE.

113. **Mr. M. Faiyaz Khan :** Will Government be pleased to restore the administration of the Agra Telegraph office from the present second Division to the first Division Superior Traffic branch as before such as in the time of Messrs. Sutherland, Gunter and Landon?

**Colonel Sir S. D'A. Crookshank :** The Agra Telegraph office was never classed as an appointment to be held by an officer of the first Division of the Superior Traffic branch and consequently the question of restoring it to the first Division does not arise. The first Division of the Superior Traffic branch was created in April 1914 when the amalgamation of the Post Office and the

Telegraph Department was effected. The appointments in the first Division were 12 in number and allotted as below :

- 8 Deputy Postmasters-General, Traffic.
- 3 Superintendents for charge of the Telegraph offices at Calcutta, Bombay and Madras.
- 1 Assistant Director-General, Telegraph Traffic.

Total ... 12

Before the amalgamation of 1914, the Telegraph offices at Calcutta, Bombay, Madras and Agra were in charge of Superintendents of the old Telegraph Department. These four offices were the only ones of sufficient importance for charge by gazetted officers. With the amalgamation of 1914 and the formation of a Superior Traffic branch the charge of other offices, approximating at the time to Agra in importance, went to Gazetted officers in the second Division of the Superior Traffic branch and the status of the Agra office was accordingly determined. Since then, the Agra office has grown in importance. The question of placing it in charge of an officer in the first division of the Superior Traffic branch will be considered in due course.

#### PRIVILEGES TO TELEGRAPHISTS, ETC.

114. **Mr. M. Faiyaz Khan:** Do Government propose to extend the same privilege to sons and relatives of non-Christian Telegraphists and Telegraph Masters for direct recruitment to the General Scale as is extended to sons and relatives of Christian subordinates?

**Colonel Sir S. D'A. Crookshank:** There is no established custom under which direct recruitment to the General Service is made from the sons and relations of Christian subordinates. The practice is to secure the best available candidates for the vacancies to be filled. Occasionally the selection of a son or near relation of a subordinate who has rendered good service in the Department for a long period of years is made provided that the candidate is fully qualified for an appointment. Such a selection is made entirely on the merits of individual cases, irrespective of religion or nationality.

#### REFUSAL OF LEAVE TO INDIAN TELEGRAPHISTS, ETC.

115. **Mr. M. Faiyaz Khan:** Is it a fact that on occasions of important Indian festivals, the Indian Telegraphists, Telegraph Masters and clerks are generally refused leave? If so, will the Government be pleased to issue orders for liberal treatment on holidays like Holi, Ramzan, Bakrid, Devali, etc.?

**Colonel Sir S. D'A. Crookshank:** The requirements of the public are such that the telegraph service, like the railways, must be maintained continuously. There are only four recognised telegraph holidays, *viz.*, the King's Birthday, Good Friday, Christmas Day and New Year's Day. On these four days, telegraph offices observe the same working hours as on a Sunday. These days were selected, because they are generally observed as closed holidays throughout India and in most countries with which India has telegraph connection. It is apprehended, that inconvenience to the public would result if this list of holidays were extended. Telegraph work is carried on at the end of

wires connecting widely separated provinces and it is, therefore, difficult to recognise local holidays. A holiday which has much importance in Bengal may not be observed at all in Burma. In fixing telegraph holidays, it is necessary to select only a few days which are observed throughout the country and Government believe, that they have allowed as many telegraph holidays as are justifiable. In addition to these four recognised holidays, members of the staff can get occasional leave of absence and whenever it is possible to do so without causing inconvenience, heads of offices are empowered to grant casual leave up to a limit of 20 days a year. It is possible under this order for some members of the staff of an office to get leave during their important festivals.

#### SCHOOLS OF TELEGRAPH TRAINING CLASSES.

116. **Mr. M. Faiyas Khan:** With reference to the Government of India, Department of Commerce, letter No. 2463, dated 26th May 1920, to the Director-General of Telegraphs, will the Government be pleased to lay on the table a statement of schools both European and Indian in which Telegraph Training Classes are opened?

**Colonel Sir S. D'A. Crookshank:** The statement required by the Honourable Member is laid on the table.

*Statement showing the names of schools, both European and Indian, in which Telegraph Training Classes are opened.*

##### *For non-Indian recruits.*

- |  |                            |
|--|----------------------------|
| (1) St. Andrew's Colonial Homes, Kalimpong ...               | } Bengal and Assam Circle. |
| (2) St. Joseph's School, Calcutta (to be closed shortly) ... |                            |
| (3) Lawrence Memorial School, Lovedale ...                   | } Madras Circle.           |
| (4) St. Joseph's College, Coonoor ...                        |                            |
| (5) St. Francis School, Lucknow ...                          |                            |

##### *For Indian recruits.*

- |   |                            |
|---|----------------------------|
| (6) Scottish Churches Collegiate School, Calcutta | } Bengal and Assam Circle. |
| (7) South Suburban School, Bhowanipur (Calcutta)  |                            |

#### COMPLAINTS AGAINST RAILWAY OFFICIALS OF KALKA.

117. **Haji Wajih-ud-din:** Is it a fact that Mr. Blewitt, Assistant Station Master, Kalka, and Mr. Blewitt, Travelling Ticket Collector, Kalka, are elder and younger brothers, respectively, and that Mr. Webb, Traffic Inspector on the Kalka-Simla Railway, is their brother-in-law? Have Government received certain complaints against these three closely related officials, and if so, how many and what action has been taken?

**Colonel W. D. Waghorn:** Mr. A. Blewitt, A. S. M., Kalka, E. I. R., and Mr. K. Blewitt, Travelling Ticket Examiner, K. S. Railway, are brothers. Mr. Webb, who is a Traffic Inspector on the K. S. Railway, is their brother-in-law.

No complaints have been received in which these three officials were conjointly implicated. A complaint was received by the Agent, N.-W. Railway, against Mr. K. Blewitt, Travelling Ticket Examiner, for rudeness to a lady passenger. The case was investigated by the Superintendent, K. S. Railway, and fully considered by the Agent, N.-W. Railway, and it was found that the complaint was the result of excessive zeal on Mr. Blewitt's part in the discharge of his duties and that he shewed some lack of tact but nothing worse. He was dealt with accordingly.

In another case, Mr. K. Blewitt was put into court by Rai Sahib Panna Lal of Ambala for refusing to allow him to enter a compartment reserved for Europeans. Mr. Blewitt was fined Rs. 500 *ex-parte*. On re-trial, the sentence was quashed.

These are the only two cases of complaint so far as the railway authorities are aware against either Mr. Blewitt. There is no record of any complaint having been made against Mr. Webb.

#### MESSRS. BEARD AND FITZPATRICK, EAST INDIAN RAILWAY.

118. **Haji Wajih-ud-din:** Is it a fact that Messrs. Beard and Fitzpatrick, employees of the East Indian Railway, were once dismissed, but have now been re-appointed by the same Railway on the same station, Kalka, and if so, what are the reasons of dismissal and appointment?

**Colonel W. D. Waghorn:** Messrs. Beard and Fitzpatrick, who were formerly employed on the East Indian Railway were both discharged (not dismissed) on account of misbehaviour at Kalka towards an Indian passenger in December 1918.

Beard has not been re-employed on the East Indian Railway but as it was considered by the East Indian Railway that Fitzpatrick who was not the chief offender and who was only 17 years old at the time, had been sufficiently punished, he has been re-employed as a ticket collector at Kalka where he is under the supervision of his father.

#### BOOKING DIFFICULTIES AT RAILWAY STATIONS.

119. **Haji Wajih-ud-din:** Are the Government aware of the difficulties experienced by the public in getting their goods booked generally at every railway station and especially at large and busy stations in India? If so, do the Government propose to take the necessary steps to remove them?

**Colonel W. D. Waghorn:** Government are not aware that difficulties are experienced by the public in getting their goods booked at stations generally or at large stations especially, except at times when the demand for wagons exceeds the supply or when congestion of traffic causes despatches to be restricted. The remedy for such cases is the provision of more rolling stock and additional facilities and this is receiving the attention of Government.

#### ADVISORY BOARDS OF MERCHANTS.

120. **Haji Wajih-ud-din:** Have the Government ever considered the feasibility of creating one Central and several Provincial Advisory Boards of Merchants and other experienced persons to help the Government in maintaining an effective control on different Railway Companies and to alleviate public grievances? If not, will the Government take it now into consideration?

**Colonel W. D. Waghorn:** Local Consulting Committees consisting of leading merchants and other experienced representatives of the public already exist on certain railways. The function of these committees is to co-operate with and assist the railway authorities generally with a view to extending facilities and improving the conveniences offered to the public; the question of the extension of this system to other railways is receiving the attention of Government.

Government do not consider that the creation of a Central Committee would afford a suitable means of dealing with the matters mentioned.

#### PAYMENT OF INCOME-TAX AND APPLICATIONS FOR INSOLVENCY.

121. **Haji Wajih-ud-din:** Will the Government be pleased to state:

- (a) the number of persons throughout India who paid income-tax in 1919-20, but have filed applications for insolvency in 1919-20?
- (b) the number of persons who are newly assessed this year with income-tax?

**The Honourable Mr. W. M. Hailey:** I regret that the information is not available.

#### CIVIL POPULATION IN CANTONMENTS.

122. **Haji Wajih-ud-din:** (a) Are the Government aware of the hardships suffered by the civil population of Cantonments by the application of Section 216 of the Cantonment Code? If so, do they propose to modify the aforesaid section?

(b) Have the Government gone through the columns of the several issues of the fortnightly *Cantonment Advocate* between January and May last, which contain allegations of malicious and *ultra vires* action of the Cantonment Magistrates under Section 216 of the Cantonment Code, against several respectable persons?

**Sir Godfrey Fell:** (a) Government are aware that exception has been taken in certain quarters to the method in which Section 216 of the Cantonment Code is applied. The Government have just received the recommendations of the Committee appointed to consider what reforms are necessary in the Cantonment Law, and are considering what modification of Section 216, if any, should be made.

(b) The Government have read the articles referred to.

#### TREATMENT OF 3RD CLASS PASSENGERS.

123. **Haji Wajih-ud-din:** Are the Government aware of the unsatisfactory treatment which the 3rd class passengers meet with, generally on almost all the Railway lines, and is any proposal to improve the situation now under consideration or to be considered in the near future?

**Colonel W. D. Waghorn:** 'Unsatisfactory treatment' is a very vague term and I would ask the Honourable Member kindly to specify the directions in which he considers improvement might be effected in regard to the treatment of 3rd class passengers. I should like to say that the comfort and convenience of

this class of passengers are matters which receive the constant attention of Government and a great deal has been done in recent years to improve conditions of travel; the railway staff have special instructions to treat passengers with courtesy and give them all possible help. If however, the 'Unsatisfactory treatment' refers to overcrowding in carriages or the like, this can only be remedied by the provision of extra passenger stock for railways generally and will, as the Honourable Member doubtless realises, involve time and money.

CORRESPONDENCE BETWEEN A SUB-OVERSEER, AMBALA AND MILITARY AUTHORITIES.

124. **Haji Wajih-ud-din**: Has the attention of the Government of India been drawn towards the correspondence between one Kashmiri Lal Barsal, Sub-Overseer, Ambala Cantonment, and the Military authorities as published in *Cantonment Advocate*, dated the 25th May 1921, on pages 11, 12 and 13, and if so, do the Government intend to interfere in the matter?

**Sir Godfrey Fell**: The Government have seen the correspondence in question. The facts of the case are as follows:

The Ambala Cantonment Committee have made a rule—which they are competent to do—that private water connections are to be given only to those houses which pay a water-tax on a basis of at least a Rs. 40 rental. Lala Kashmiri Lal, the registered rental of whose house was Rs. 4, obtained a private water connection without the permission or knowledge of the competent Cantonment authority. On discovering these facts, the Cantonment Committee raised the registered rental of Lala Kashmiri Lal's house to Rs. 40 and demanded and recovered from him the water tax based on this amount. Lala Kashmiri Lal appealed to the Commissioner, who decided that the Cantonment Committee were not competent to impose the enhanced rental of Rs. 40 and cancelled their order. He directed that any amount paid in excess of that due on a basis of a Rs. 4 rental should be refunded to Lala Kashmiri Lal. Meanwhile, the Cantonment Committee cut off the connection which Lala Kashmiri Lal had obtained surreptitiously and without authority. In so doing, they were acting within their powers. The Government of India do not intend to interfere in the matter.

LETTERS PUBLISHED IN THE 'TRIBUNE' re DISTRESS AND EXPENSIVE LIVING.

125. **Rai Bahadur Bakshi Sohan Lal**: Has the attention of the Government been drawn to the letters published in the *Tribune* of 6th and 18th May 1921, said to have been written by an Indian I.M.S. (T.C.)? If so, will the Government be pleased to state what action has been taken to relieve the alleged distress due to low rate of pay and expensive living?

**Sir Godfrey Fell**: The Government have read the letters referred to.

With regard to the second part of the question, the attention of the Honourable Member is invited to the reply given to the Question No. 45 asked on 5th September by Professor S. C. Shahani.

PAY TO TEMPORARY OFFICERS OF THE INDIAN MEDICAL SERVICE.

126. **Rai Bahadur Bakshi Sohan Lal**: Is it a fact that an Army Instruction (India), No. 613, was issued in August 1920, in which a hope of increase of pay was extended to temporary officers of the Indian Medical Service? If so, will the Government be pleased to state what action so far has been taken? Is any announcement to be shortly made regarding this increase and will the increase be on the same lines as that given to the permanent members of the Indian Medical Service?

**Sir Godfrey Fell**: The answer to the first part of the question is in the affirmative.

With regard to the second part, revised rates of pay for the temporary officers of the Indian Medical Service have now been sanctioned, and a press communiqué on the subject has been issued.

DEMobilIZATION OF THE TEMPORARY OFFICERS IN THE INDIAN MEDICAL SERVICE.

127. **Rai Bahadur Bakshi Sohan Lal**: Is it a fact that a large number of temporary officers of the Indian Medical Service have been demobilised during the last few months? Will an increase of pay if announced affect equally the demobilised officers for the time they served in the Military?

**Sir Godfrey Fell**: Since the 1st February 1921, approximately some 200 Temporary Commissioned Indian Medical Service officers have been demobilised, in all but a few cases at their own request. The increase of pay just sanctioned for Temporary Commissioned Indian Medical Service officers is conditional on their signing a new form of agreement. Consequently, officers of this class already demobilised will not be affected.

INCREASE OF PAY OF TEMPORARY INDIAN MEDICAL SERVICE OFFICERS.

128. **Rai Bahadur Bakshi Sohan Lal**: Do the Government propose to make a definite statement as to the increase of pay of temporary I. M. S. officers at an early date?

**Sir Godfrey Fell**: The attention of the Honourable Member is invited to the reply given to the latter part of his previous question, *i.e.*, No. 126.

TRANSFER OF THE ADEN ADMINISTRATION.

129. **Rai Bahadur Bakshi Sohan Lal**: (a) How far is it correct that it is under contemplation of the Government to transfer the administration of Aden from the Bombay Government to the Colonial Office?

(b) If so, will Government be pleased to state how long ago Aden was added to the British Indian Empire and administered by the Bombay Government at the cost of the Indian exchequer and what amount has been actually spent by the Indian Government on its upkeep?

(c) Is it a fact:

(i) that Government assured the Indian public and Indian merchants desirous of investing money in Aden that Aden will ever remain an integral part of Indian Empire;

- (ii) that it was captured in 1839 by an army sent by the Bombay Government and has always been a part of the British Indian Empire;
  - (iii) that it has been developed and maintained by Indian money, Indian enterprise and Indian trade;
  - (iv) that it was the Indian troops that have been mostly employed and kept in Aden to preserve peace and order;
  - (v) that Indian merchants have acquired landed and house property in Aden and have permanently settled down making Aden their homes?
- (d) Will the transfer of Aden to the Colonial Office injuriously affect the rights to equal citizenship of the British Commonwealth of His Majesty's British Indian subjects?
- (e) Will the Government be pleased to state :
- (i) what is the population of each community in Aden;
  - (ii) whether European merchants there are or are not only temporary residents carrying on trade as shipping and coaling or commission agents?
- (f) Will Government be pleased to state whether they have received any representation from the British Indian Colonial Merchants' Association, Bombay, protesting against the contemplated transfer of Aden administration to the Colonial Office? If so, what action, if any, has been or is intended to be taken in this matter?

**The Honourable Dr. T. B. Sapru** (on behalf of the Honourable Mr. Denys Bray) : (a) I would refer the Honourable Member to the answer given by the Honourable Mr. Bray in the Council of State on the 26th March 1921 to a question on this subject asked by the Honourable Mr. Bhurgri. The transfer of the administration of the Aden Settlement to the Colonial Office is still under consideration.

(b) 1839. The actual expenditure incurred on the upkeep of Aden since that date is not readily available, but the Welby Commission in 1900 estimated the annual cost at Rs. 24,50,000 of which Rs. 10,80,000 was paid by His Majesty's Government.

- (c) (i) No such assurance can be traced.
- (ii) Yes.
- (iii) Largely, but not wholly. Aden has been developed and maintained by British and Foreign money, enterprise and trade, as well as Indian.
- (iv) No; the normal garrison of Aden in the past has been British ranks 1,410, Indian ranks 1,134.
- (v) Yes.

(d) I would again refer to the answer given by the Honourable Mr. Bray in the Council of State on the 26th March and would repeat that the Government of India have throughout made it an absolute condition of their assent to the transfer that it shall in no way impair the interests and status of Indians, who shall receive precisely the same treatment as that accorded to

the other subjects of His Majesty. This stipulation His Majesty's Government have accepted unreservedly. The Secretary of State for India repeated this assurance in the same words in the House of Commons on the 4th August.

(e) (i) The statistics at the recent census are these: Arabs 30,562, Jews 4,408, Somalis 7,551, Indian Muhammadans 5,594, Hindus 3,691, Jains 308, Parsees 323, Europeans 1,900, others 2,063.

(ii) Yes.

(f) Yes. His Majesty's Secretary of State for India who has been informed of this and other representations recently stated in the House of Commons that Government would endeavour to give weight to the opinions of all communities concerned.

**Mr. R. A. Spence:** May I ask a supplementary question? Is there information available for the general public as to the advantages of transferring Aden from India? Where can information on the subject be obtained?

**The Honourable Dr. T. B. Sapru:** I must ask for notice of that question.

**Mr. N. M. Samarth:** Is it a fact that Mr. Winston Churchill stated in the House of Commons that it is practically settled that Aden is to be transferred from the Indian Government to the Colonial Office?

**The Honourable Dr. T. B. Sapru:** I am not aware of that.

**The Honourable Mr. W. M. Hailey:** Mr. Winston Churchill stated that the Secretary of State for India had agreed that Aden should be handed over. As far as actual transfer is concerned, that statement is premature. Negotiations are still going on, and no definite conclusion has been arrived at.

**Mr. N. M. Samarth:** Has the Government of India contradicted it publicly?

**The Honourable Mr. W. M. Hailey:** I have now stated the facts.

#### OFFER OF 7½ MILLION STERLING OF 7 PER CENT. STOCK.

130. **Mr. B. Venkatapatiraju:** Will the Government be pleased to state:

- (a) Whether the Chambers of Commerce were consulted in India in the matter of the offer of 7½ million sterling of 7 per cent. stock by the Indian Government in England?
- (b) Whether it is a fact that the loan was oversubscribed so that a large number of applicants received only 11 per cent. of what they asked for?
- (c) Whether the new loan already stands at a premium of 3 per cent. or more?
- (d) Whether the Government spent 2 per cent. for underwriting the loan?
- (e) Whether the Indian public were apprised of the issue of this loan before it was closed?

**The Honourable Mr. W. M. Hailey:** (a) No.

(b) Yes. Applicants for amounts up to £2,000 received allotment in full; applicants above £2,000 and up to £15,000 received £2,000; applicants for larger sums received about 11 per cent.

(c) Recent quotations have been slightly above 104. This price, however, includes the dividend of 8 pounds payable on the 5th October.

(d) Yes.

(e) Yes, though only about 24 hours before the loan was closed.

**Mr. J. Chaudhuri:** May I ask a Supplementary Question? Was this loan raised for buying railway materials in England?

**The Honourable Mr. W. M. Hailey:** This loan was raised, Sir, in circumstances which were explained when I made my budget speech on the 1st of March last. As the Honourable Member is aware, 5 millions were provided for under the arrangements then contemplated for supplementing our balances in England and India. The actual loan raised was 7½ millions. It was not raised specifically for the purpose which the Honourable Member suggests, but it was raised in aid of our balances generally, though, as a matter of fact, large sums of money had to be spent on railway material, and this loan went to provide part of the money.

**Mr. J. Chaudhuri:** Is it a fact that the materials which were purchased in England at the time could have been purchased cheaper if they had been ordered from America or bought in foreign markets?

**The Honourable Mr. W. M. Hailey:** I think, Sir, that the question that the Honourable Member has just raised does not arise out of the main question at all. There are other questions I fancy on the paper referring to that matter, and Government will give all the information at their command when replying to those questions.

**Mr. B. A. Spence:** May I ask the Honourable Member why, in view of the very advantageous terms of the loan, it was considered necessary to pay 2 per cent. for underwriting?

**The Honourable Mr. W. M. Hailey:** I am afraid I cannot answer that question in terms. It was thought at the time inadvisable to place this loan on the market without first engaging for underwriting. The arrangements were made, as the Honourable Member is aware, by the Secretary of State, and he and his advisers thought that step necessary.

#### RUPEE LOAN OF THE GOVERNMENT OF INDIA.

181. **Mr. B. Venkatapatiraju:** Will the Government be pleased to state:

(a) The amount subscribed for the new rupee loan of the Government of India at 6 per cent. in India and in England, respectively?

(b) What is the total amount that is proposed to be raised by this rupee loan?

(c) Whether any portion of this loan would be given to the Local Governments for lending to local bodies?

- (d) Whether it is a fact that  $7\frac{1}{2}$  per cent. interest is proposed to be charged for lending to the local bodies by the Government?
- (e) Whether half a per cent. extra over six per cent. would not cover the cost of supervision and realization?

**The Honourable Mr. W. M. Hailey :** (a) On the 29th August 1921, the figures were 42.55 lakhs in India, and 127 lakhs in England.

(b) The amount of the loan was unlimited.

(c) The Central Government will be making loans to some provincial Governments during the current year to finance their capital requirements, where they are unable to do so from their own resources, and in estimating their requirements, they take into consideration the loans which they propose to make to Local Bodies. Such loans to Provincial Governments are made from the Government of India's general ways and means resources, of which the proceeds of this year's loan form a part; it would not, therefore, be accurate to say, that it is a portion of this year's loan that is being lent to Local Governments.

(d) The Government of India have no information on this point.

(e) Government have no data from which they can test the correctness of the Honourable Member's assumption. The rate at which a Provincial Government lends to Local Bodies is a matter for that Government's discretion. I may add, however, that the rate of 6 per cent. referred to is free of income-tax, and this concession is equivalent to an additional interest payment of  $\frac{1}{2}$  per cent.

#### RAILWAY AND STEAMER CHARGES.

192. **Mr. B. Venkatapatiraju :** Will the Government be pleased to state whether there has been any increase in the rate of Railway and Steamer charges in India since the Assembly last met and if so, what was the increase?

**Colonel W. D. Waghorn :** Maxima and Minima rates for goods and coaching traffic carried over railways are sanctioned by the Railway Board, within these limits railways have the power to vary rates. Individual Railway Administrations acting under their powers have in certain instances increased their rates within the existing maxima. Increased maxima rates for goods traffic have been approved by the Railway Board since the last meeting of the Assembly, but no sanction has yet been given approving a date for their introduction.

As regards steamer charges, Government exercise no control over rates charged by steamer companies and the information asked for is not available.

#### INTERNATIONAL CREDITS.

193. **Mr. B. Venkatapatiraju :** (a) Will the Government be pleased to place on the table the correspondence that passed between the Government of India and the Secretary of State regarding the International credits?

(b) Will the Government be pleased to state whether the 'Ter Mullen' scheme would facilitate the importation of prime necessities by the importers

by offering collateral security for credit granted by foreign exporters, in the form of bonds issued to the Importer by his own Government ?

(c) Is it a fact that American manufacturers are not extending any credit to Indian Importers whatever be the references of their banks and their solvent position in the country ?

(d) Is American business with this country on a cash basis by prepayment before anything is shipped from the United States ?

(e) Is it a fact that India's demand for American goods is on the rising curve and the business necessitates that 'irrevocable letters of credit' should accompany all orders ?

(f) Is it necessary to carry on trade between India and the United States indirectly through intermediate channels like English Export and Import houses ?

(g) Is the Government of India prepared to recommend the inclusion of India in the International credit scheme ?

**The Honourable Mr. W. M. Hailey :** (a) A copy of the correspondence between the Secretary of State and the Government of India, as also the Government of India's circular letter to the Chambers of Commerce and their replies thereto, are laid on the table.

(b) The Ter Meullen scheme is designed to facilitate exports in the manner stated to countries where the ordinary machinery of credit has broken down.

(c) and (d). No. There is no such universal practice. Credit terms vary with the standing of the buyer. Government, however, understand that American exporters have recently been cautious in extending credit to Indian buyers in view of numerous instances in which Indian merchants have failed to meet their bills.

(e) India's demand for American goods, generally speaking, may be said to be on the rising curve in the same way as India's demand for goods of any other country is on the rising curve in view of the increase in consumption of an increasing population. Irrevocable letters of credit are not necessary in every case, though they are usually insisted on.

(f) That is a business consideration in regard to which Government cannot give an authoritative answer.

(g) Indian exporters will, it is hoped, be able to participate in the Ter Meullen scheme or similar International schemes, but, as at present advised, the Government of India doubt whether it is desirable that this Government should participate financially.

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Telegram R., No. 2736, dated the 21st October 1920.

From—His Majesty's Secretary of State for India,

To—His Excellency the Viceroy (Finance Department).

**Priority A.**—Brussels Financial Conference. I shall shortly forward by despatch report submitted by Indian Delegates and connected papers. Resolutions unanimously adopted by Conference enumerated principles of general application under four heads, Public Finance, Currency and Exchange, International Trade and International Credits. Constructive portion of proposals which bears directly on present position of India's export

trade is contained in numbers 8 and 9 of Resolutions on International Credits, substance of which is as follows :

*Begin. No. 8.*—International Organization should be formed and placed at the disposal of the States desiring to have assistance to credit for the purpose of paying for their essential imports. These States would then notify the assets which they are prepared to pledge as security for the sake of obtaining credit, and would come to an understanding with the International Organization as to conditions under which these assets would be administered. The bonds issued against the guarantee would be used as collateral for credits intended to cover the cost of commodities. Committee of Financiers and Business men should be nominated forthwith by the Council of the League of Nations for the purpose of defining the measures necessary to give practical effect to this proposal.

*No. 9.*—It has been represented to the Conference that more complete results might be achieved if the bonds used as collateral were to carry some International guarantee. The Conference sees no objection to the further consideration of this proposal. The Committee referred to in paragraph 8 above might usefully consider the conditions under which it could be applied. *Ends.*

2. Paragraph 8 summarised above refers to scheme put forward by Ter Mullen Dutch Banker generally accepted by Conference of December 18th; Indian delegates were doubtful whether this goes far enough and adoption thereon referred to in paragraph 9 was consequently put forward by Marshall Reid.

He was careful not to commit you. Full papers were forwarded to Cook by mail October 14th. I shall be glad if you will on receipt consider these proposals and telegraph your views as soon as possible.

8. From nature of proceedings and constitution of Conference delegates had no opportunity of direct commercial negotiations for disposal of particular commodities. In the course of proceedings, however, they made it generally known that India had considerable exportable surplus of raw commodities and will readily assist in world's reconstruction by supply of these provided satisfactory financial arrangements can be made; they also as explained above pressed for general scheme of trade credits.

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Telegram No. 2936-F., dated Simla, the 12th November 1920.

From—His Excellency the Viceroy (Finance Department),

To—His Majesty's Secretary of State for India.

Your telegram 21st October. Brussels Financial Conference. We have received papers forwarded with Howard's demi-official letters to Cook of 18th and 19th October, but have not yet received formal despatch.

2. We have no observations to make on general recommendations of Conference. These set forth generally accepted principles which we think we can justly claim have guided us in Indian Financial administration. We cordially welcome endeavour to work out a scheme of International credits, importance of which to India, especially in present condition of her export trade, we need not emphasize. Before, however, committing ourselves to practical details of scheme, we think it essential to consult representative commercial and banking opinion in India. We shall do this simultaneously with publication of report on November 25th and shall complete our inquiry with least possible delay.

3. Meanwhile, as at present advised, we agree with Sir Marshall Reid's opinion that for scheme to be of practical value, so far as India is concerned, bonds must be fully negotiable. Our inquiries here will be in part directed towards ascertaining how far bonds contemplated in Sir Marshall Reid's supplementary scheme will be acceptable as collateral, and on this point we suggest that it might be useful for you to consult head offices of Exchange Banks.

4. We desire to express our appreciation of able way in which India was represented at Brussels by her delegates.

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INDIA OFFICE, LONDON,

26th October 1920.

Financial,  
No. 88.

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

MY LORD,

In continuation of my telegram dated the 21st October 1920, I forward herewith, for the information of Your Excellency's Government, the report\* submitted by the delegates for India on the International Financial Conference recently held at Brussels. I have no objection to the publication of the report if you consider this course desirable. In that case please inform me and I will simultaneously publish it here.

2. It may be expected that a further communication will, in due course, be received from the League of Nations regarding the resolutions unanimously accepted by the Conference. Meanwhile, I shall be glad of any observations which you may desire to offer with regard to them, but you will observe that many of them merely set out generally accepted principles in the light of which Indian Finance has been consistently administered.

3. Apart from the recommendations of general application, India is specially interested in those relating to international credits. The matter is one in which, as the delegates explain in paragraph 11 of their report, the countries affected may be expected to define their attitude at short notice. A definite conclusion cannot, of course, be arrived at until formal proposals are initiated under the authority of the League of Nations on the subject. It is, however, desirable to come to a provisional decision on the question whether, in the event a scheme on the lines of that put forward by Sir Marshall Reid for an international guarantee finding general acceptance, Government of India should, in the interests of the Indian export trade, participate therein. I shall be glad, therefore, to have an early expression of your views as already asked for in my telegram quoted above. Without desiring in any way to anticipate your conclusions, I am inclined to think that the amount of such guarantee for which the Government of India should accept responsibility should not in any case exceed, say, 500,000*l*.

4. I have conveyed to the representatives of India at the Conference an expression of thanks on my behalf and on behalf of your Government for the valuable services which they have rendered.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble servant,

(Sd.) EDWIN S. MONTAGU.

Telegram No. 346-F, dated the 29th January 1921.

From—His Excellency the Viceroy (Finance Department),

To—His Majesty's Secretary of State for India.

Please refer to correspondence ending with Howard's demi-official letter No. F-15 of 6th January to Cook. Scheme for international credits. Copy of correspondence with Chambers of Commerce is being forwarded by this week's mail. Certain Chambers have not yet replied, but from replies already received and from informal discussions with Exchange Banks and merchants we consider that we have received sufficient indication of commercial opinion to enable us to reply to query asked in your telegram of 21st October 1920.

We shall, if necessary, send a further telegram on receiving remaining replies.

2. Endeavour to work out scheme of international credits is cordially welcomed, though, generally speaking, business public hesitates to commit itself to practical details. Opinion is, however, unanimous and is shared by us that Marshall Reid's scheme is decided improvement upon that known as the Ter Mullen scheme. Bengal Chamber is particularly anxious that any scheme which may be agreed upon be put into operation with the minimum of delay. We are advised that the particular trade which could benefit more than any other by early inauguration of credit scheme would be the export trades in hides.

3. As regards details, we entirely agree with opinion expressed in letter from Bengal Chamber of Commerce and also in informal discussions referred to above, that from a practical point of view it is essential that scheme should be worked in such a way as to use the proposed bonds as collateral for the establishment of cash credits at the London offices of the Exchange Banks, and that it must, in fact, be operated entirely from London. From his letter of 22nd December 1920 we gather that this is also Incheape's opinion. Bengal Chamber refers in this connection to limitation of resources of banks in India and to impossibility of Government at this end attempting any allocation among exporters. We suggest, therefore, that details be settled in consultation with Exchange Banks in London, and we are content to leave these entirely in your hands.

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Telegram No. 1255-F., dated Simla, the 20th April 1921.

From—His Excellency the Viceroy (Finance Department),

To—His Majesty's Secretary of State for India.

We shall be glad to know what the present position is as regards scheme for certain of international credits. Considerable interest is manifested in this matter in business circles in India, and we continually receive queries as to the stage which the discussion has now reached and what prospect there is of any practical outcome in the near future.

2. Matter was also discussed at recent meeting between Finance Member and Indian Merchants' Chamber and Bureau whose letter on the subject, dated 3rd March 1921, was forwarded to the India Office on March 24th. You will have noticed Chamber's suggestion that only practical solution is to be found on lines similar to that adopted in America, namely, creation of a Finance Corporation. In discussing this matter with Chamber at Bombay, Finance Member expressed doubt as to whether such a corporation could be created in India with sufficient capital resources which might have to be locked up for a considerable period. We are, however, exploring the matter further, as this suggestion has received support. Meanwhile, it will be of assistance for us to have some idea as to whether there is any probability of Indian exporters being able to benefit from any scheme of international credits that is likely to be set up in near future.

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Telegram No. 2193, dated the 27th April 1921.

From—His Majesty's Secretary of State for India,

To—His Excellency the Viceroy (Finance Department).

Your telegram of the 20th instant, 1255-F. International credits. Matter has been under discussion with organiser for Ter Mullen scheme who is at present on Continent for the purpose of ascertaining what importing countries will take advantage of scheme and particularly of devising measures for relief of Austria's position. He has been informed of commodities which India is in position to supply. He has not yet informed us what countries, if any, will be prepared to come under scheme, but has inquired whether, in case scheme is adopted for any country, Government of India would be prepared to guarantee exports from India thereto in respect of which Ter Mullen bonds have been put up without this collateral security. *Prima facie* it seems most doubtful whether it would be legitimate in present state of Indian finances to accept any extended liability of this kind, or the whole of such liability, and it is further possible that certain class in India might represent transaction as undertaken for benefit of British export of firms. What are your views on this point? India's case is really not on all fours with that here where similar guarantee by British Government has been given with object of alleviating serious trade depression. As against alternative, however, it has been suggested that if Ter Mullen scheme is accepted by any importing country or countries, it might be feasible to constitute Corporation in India which would give guarantee on lines suggested by organiser against security afforded by the bonds. It would probably be necessary even under this arrangement for Government of India to participate partially in scheme and accept some material portion of risk. Though it is not possible to give any close estimate as to extent of demand for guarantee of this kind, it would not necessarily be very large, as total annual exports from India to pre-war Austria were less than seven million pounds, and no difficulty would arise in limiting outstanding guarantees to five million pounds or even lesser sum. It has indeed been suggested that guarantees up to two million pounds might go a substantial way towards meeting demands at outset.

*Paragraph 2.*—The above alternative is on very similar lines to idea adumbrated in your telegram of April 20th (and seems to me the most promising suggestion so far put forward). I shall be glad to learn (1) results of further inquiries you are making on the subject, (2) whether you contemplate that Government should participate in proposed Corporation, and (3) if so, the proportion and total amount of the liability which we could in your opinion legitimately accept.

*Paragraph 3.*—In the event of major portion of risk being guaranteed by Government or by Corporation (gr. undec.) suggested it is possible that Exchange Banks may be induced to co-operate by accepting limited proportion of risk involved in case of export bills financed by them. I shall not however approach them formally on the subject until I know your general attitude towards guarantee by Government or creation of guaranteeing Corporation. It will, therefore, be useful if you will let me know your views on these points in anticipation of your further report as to practicability of formation of special Corporation for purpose.

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Telegram No. 1731-F., dated the 9th June 1921.

From—His Excellency the Viceroy (Finance Department),

To—His Majesty's Secretary of State for India.

Your telegram of 27th April, No. 2193. Export credits. Delay in replying has been due to our having explored matter in the informal consultation with European and Indian business interests at Calcutta and Bombay. Indian interests at both places are emphatically opposed to any form of Government guarantee. European interests would not object to Government guarantee which they recognise would strengthen the scheme, but they realise difficulties. Arguments which you suggest might be used that such guarantee would be for benefit of British export firms are in fact already being used. We think, therefore, that it is essential that Indian Government should not participate financially.

2. With regard to possibility of forming Finance Corporation in India, this is rejected as impracticable by European interests at both places and by Indian representatives in Calcutta. They realise that there is no solidarity of interests; the large exporting houses and the Exchange Banks are not in the position of principals, and they consider that finance can best be arranged through London. The leading houses will certainly prefer to make their own arrangements with approved buyers rather than pool their resources with others. The Indian Merchants' Chamber at Bombay are still desirous of exploring, purely as a business proposition, the formation of a Corporation to develop export and import trade with Germany and Austria, but it is clear no support for the scheme will be forthcoming from the Calcutta side, nor we believe from banking interests in Bombay, so that we doubt whether scheme on any substantial scale will mature. We do not think the Government of India should participate financially in any such scheme.

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No. 2960-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FROM

E. M. COOK, Esq., C.I.E., I.C.S.,

*Officiating Secretary to the Government of India,*

TO

THE SECRETARIES OF ALL CHAMBERS OF COMMERCE.

*Delhi, the 20th November 1920.*

SIR,

I am directed to enclose, for the information of your Committee, ½ copies of the Report of the Delegates for India to the recent International Financial Conference held at Brussels.

2. It is understood that the resolutions accepted by the Conference will shortly be considered by the League of Nations, and meanwhile the Government of India will be glad

to receive any observations which your Committee may desire to offer with regard to them. It will be observed, however, that most of the resolutions merely register the unanimous adherence of the Conference to certain canons of sound public finance, and set forth certain generally accepted principles, in the light of which India may justly claim that her public finance has been consistently administered.

3. Apart from the recommendations of general application, this country is specially interested in those relating to international credits, and I am particularly to invite the attention of your Committee to the scheme referred to in paragraph 8 of Appendix A, Enclosure IV, and set forth a Annex. A thereto. The Government of India are disposed cordially to welcome any endeavour to work out a scheme of international credits, the importance of which to India's export trade need not be emphasised. They think, however, that it is essential that, for any such scheme to be of practical value, so far as India is concerned, the bonds in question must be fully negotiable, and for this reason your Committee will probably agree with them that the amplifications suggested by Sir Marshall Reid, as printed in Appendix H, are an improvement.

4. The present depression in the export trade is no doubt partly due, in the case of some exports, to the existence of large unused stocks in foreign countries, but, in the case of other exports, it is probably due to the lack of credit facilities. It is as regards the latter class of exports that a scheme such as that put forward at the Brussels Conference may be of value. I am accordingly to invite the opinion of your Committee, firstly, as to how far any such scheme is likely to assist the various export interests represented in your Chamber, and secondly, whether your Committee have any criticisms or suggestions to make regarding the practical details of the scheme adumbrated by Sir Marshall Reid in Appendix H. In the event of a scheme on such lines proving practicable and finding general acceptance among the nations represented at the Conference, the Government of India will then consider the question of participating therein to the extent of accepting responsibility for some definite share of the international guarantee.

5. The Government of India have expressed to the Secretary of State their appreciation of the able way in which India was represented in Brussels by her delegates, Mr. H. F. Howard, Sir Marshall Reid and Sir Fazulbhoj Currimbhoy.

I have the honour to be,

SIR,

Your most obedient servant,

E. M. COOK,

*Officiating Secretary to the Government of India.*

No. 2961.

Copy forwarded to the Commerce Department, the Controller of the Currency, the Deputy Controller of the Currency, Bombay, and the Managing Governors Designate, Imperial Bank of India.

By order, etc.,

A. V. V. AIYAR,

*Assistant Secretary to the Government of India.*

No. 5-C. F. I., dated Karachi, the 16th December 1920.

From—E. L. ROGERS, Esq., Secretary, Karachi Chamber of Commerce,

To—The Secretary to the Government of India, Finance Department, Delhi.

I have the honour to acknowledge receipt of letter No. 2960-F., dated the 20th November 1920, forwarding 12 copies of the Report of the Delegates for India to the recent International Financial Conference held at Brussels, and stating that it is understood that the resolutions accepted by the Conference will shortly be considered by the League of Nations, and meanwhile the Government of India will be glad to receive any observations which this Chamber may desire to offer with regard to them.

In reply, I am directed to inform you that my Committee are of opinion that the scheme submitted by Sir Marshall Reid, C.I.E. (Appendix 'H'), might be given a trial if it can be put into operation,

Dated Cawnpore, the 23rd December 1920.

From—J. G. RYAN, Esq., Secretary, Upper India Chamber of Commerce,

To—The Secretary to the Government of India, Finance Department, Delhi.

I am directed to refer to your No. 2960-F., dated the 20th November, forwarding the Report of the Delegates for India to the recent International Financial Conference held at Brussels.

2. The Committee of the Chamber appreciate the opportunity afforded to them of putting forward any observations which they may desire in regard to the resolutions accepted by the Conference.

3. The interests represented by this Chamber are mainly industrial and manufacturing and their market is an indigenous one; the members of the Chamber therefore are not interested to the same extent in the proposals of the Conference as are the members of those Chambers which serve the large ports of India and are vitally affected by questions of export and import. At the same time, the Committee of this Chamber feel that the scheme submitted by Sir Marshall Reid in Appendix "H" of the report, is somewhat involved, and it is a question whether the scheme mentioned in a recent pronouncement of the Prime Minister, and which is in essentials one of simple barter with the central European countries, is not better and likely to be more easily worked.

Dated Madras, the 23rd December 1920.

From—JAS. F. SIMPSON, Esq., Chairman, Chamber of Commerce, Madras,

To—The Secretary to the Government of India, Finance Department, Delhi.

Your No. 2960-F., dated the 20th ultimo, together with its enclosure (Report of the Delegates for India to the International Financial Conference at Brussels, 1920), has been considered by this Chamber.

2. The Chamber is glad to note that the Government of India are disposed cordially to welcome any endeavour to work out a scheme of international credits.

As mentioned in paragraph 3 of your letter under reference, the importance of some such system of credits to India's export trade need not be emphasized.

The Chamber is of opinion that some such scheme would be likely to assist in disposing to the Continent of some of the heavy stocks of hides now being held by the Government in London.

Hides and skins are the principal export of Madras, and it is unnecessary to refer to the deplorable condition in which the trade now finds itself, and in connection with which the Chamber is now in correspondence with another department of Government.

3. The Chamber agrees generally with the suggestions of Sir Marshall Reid.

Dated the 5th January 1921.

From—The Secretary, Burma Chamber of Commerce, Rangoon,

To—The Secretary to the Government of India, Finance Department, Delhi.

Your Circular letter No. 2960-F. of November 20th, 1920, dealing with the Brussels International Financial Conference, has had the attention of my Committee, who desire me to say that this Chamber is strongly in favour of Continental credits being arranged, but would prefer to leave the details of the scheme to financial experts.

No. 116-1921, dated Calcutta, the 12th January 1921.

From—The Secretary, Bengal Chamber of Commerce,

To—The Secretary to the Government of India, Finance Department, Delhi.

I am directed to acknowledge the receipt of your letter No. 2960-F., dated the 20th November 1920, to which you attached copies of the Report of the Delegates for India to the recent International Financial Conference held at Brussels.

2. You invite the special attention of the Committee of the Chamber to the scheme for the establishment of international credits which is referred to in paragraph 8 of enclosure 4 to Appendix A. This Appendix to the Indian Delegates' Report is itself the report of the

Conference, and enclosure 4 enumerates the recommendations of the Committee on international credits, which were adopted by the Conference. You ask, firstly, for the opinion of the Chamber as to how far any such scheme is likely to assist the various export interests; and secondly, whether the Chamber has any criticisms or suggestions to offer regarding the practical details of the supplementary proposals put forward by Sir Marshall Reid and set forth in Appendix H.

3. In reply to these inquiries, I am to say that the Committee of the Chamber agree with the Government of India in cordially welcoming any endeavour to work out a scheme of international credits. For they are clearly of the opinion that if a scheme can be put into operation, it must have the effect of promoting, at any rate to some extent, the export trade of India. They agree also as to the necessity for making the bonds that may be created fully negotiable. And if this were provided for by any international guarantee, as contemplated by Sir Marshall Reid, the Committee would approve of the Government of India accepting responsibility for some definite share of the guarantee. But there would be, they apprehend, considerable difficulty in actually working the credits in this country. For they do not see how it would be possible for the Government of India to distribute among exporters the amount which would be at their disposal, without risking dissatisfaction which might even become political in character. It must also be remembered that the resources of the Banks in India are limited. And this limitation would not be overcome by the guarantee, because it would be necessary for the actual cash to be provided by the Banks with a long lock-up of funds; and the Banks here could not provide cash, under such conditions, except to a moderate extent.

4. In view of the foregoing considerations, the Committee feel that any credit scheme such as that contemplated must be centred in, and worked from, London. In fact this would appear to them to be the only practicable way of putting the system into successful operation. Credit is of course very fluid, and it would quickly find its way to this country from the centre which would be established in London. The Bank and accepting houses there would take up the bonds and issue letters of credit, which would enable business to proceed in the customary way. Probably also the Banks might regard the amount thus placed at their disposal as a nucleus of credit, and themselves take a share in the risk. It is, the Committee think, of the highest importance that any scheme which may be agreed upon should be put into operation with the minimum of delay. And they believe that if it is operated from London, as they suggest, it will be put into practice and worked much more quickly than it could possibly be from this country. They accordingly recommend, for the consideration of the Government, that the India Office should be asked to discuss the question with the leading London Banks interested in the Indian trade, both the Exchange Banks and others, and endeavour, in consultation with them, to formulate a practical method of working the system.

5. In reply to your second inquiry, I am to say that the Committee do not think that there is need for them to discuss in detail, at any rate for the moment, the proposals put forward by Sir Marshall Reid. The advice of the Banks in London should be obtained upon these proposals which, it may be noted, are not framed with exclusive reference to India.

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No. 23, dated Madras, the 24th January 1921.

From—The Southern India Skin and Hide Merchants' Association,  
To—E. M. COOK, Esq., C.I.E., I.C.S., Secretary to the Government of India,  
Finance Department.

Adverting to your Circular letter No. 2960-F., dated Delhi, the 20th November 1920, enclosing a copy of the Report of the Delegates for India presented at the International Financial Conference held at Brussels during last year, I have the honour to inform you that the details of the scheme of International Credits were fully discussed, and my Committee approves of the scheme and offers no criticisms or suggestions regarding the practical details of the scheme adumbrated by Sir Marshall Reid in Appendix H.

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No. 225-200—1920, dated the 26th January 1921.

From—The Acting Secretary, Chamber of Commerce, Bombay,  
To—The Officiating Secretary to the Government of India, Finance Department.

I am directed to acknowledge receipt of your letter No. 2960-F., dated the 20th November 1920, and its accompaniments with reference to the Report of the Delegates for India to the recent International Financial Conference held at Brussels,

2. In reply, I am to state that, after careful consideration of the above-mentioned Report and the covering letter from the Government of India in your Department, my Committee desire me to submit their views as under :—

- (a) My Committee consider that it is most important to the trade of India that everything possible should be done to restore the purchasing power of the Continental nations.
- (b) They consider further that a scheme of the nature put forward at the Conference, if practicable, will bring about the desired result.
- (c) My Committee, however, do not feel themselves competent to discuss the details of the scheme which must be subject, in their opinion, to continual discussion and re-arrangement in Europe. At the same time, they consider it desirable for Government to form a Committee, composed of the financial experts and leading exporters of this country, to consider, report on, and, if necessary, amplify the scheme adumbrated by Sir Marshall Reid in Appendix H.

No. T.-573, dated Bombay, the 3rd March 1921.

From—The Secretary, the Indian Merchants' Chamber and Bureau, Bombay,  
To—The Secretary to the Government of India, Finance Department.

I am directed to acknowledge receipt of your letter of the 20th November 1920 enclosing report of the Delegates for India to the International Financial Conference at Brussels.

You mention in paragraph 4 of your letter that the present depression in the export trade is—

- (a) partly due to existence of large unused stocks ;
- (b) partly to lack of credit facilities ;

and you invited the opinion of my Committee as to

*firstly*, how far the scheme in Appendix H is likely to assist the export interests, and

*secondly*, whether my Committee have any criticisms to make or suggestions to offer.

My Committee have given careful consideration to the above and are of opinion that the depression is due to the elimination of the enormous purchasing power that was represented by the war requirements of the various belligerent Governments, and that the substitution of this enormous purchasing power by other purchasing power of comparable magnitude would be needed to get rid of the commodities that have been set free by the cessation of war demands.

This seems impossible and therefore the depression must cure itself by compelling new supplies to be restricted to the prospective purchasing power.

Meanwhile, such purchasing power as may exist potentially has to be made effective by suitable measures. But the measures advocated in the scheme do not go to the fundamentals. It seems to be assumed that the money to pay for imports is there and it is only necessary to provide some sort of Bank Credit arrangement to get over the hesitation and distrust of the sellers in the exporting countries. This is not a correct diagnosis of the situation. The money to pay for imports is NOT there in the requisite amounts. By 'Money' here is to be understood 'Exchangeable Commodities'. If the importing countries had a sufficiency of exportable commodities to give in exchange, then the present banking machinery of the world would be able to cope with the situation and a way would be found to exchange the commodities requiring to be imported. But this is not the case. The situation to-day is that a country, say Roumania, is badly in need of say 200 millions worth of commodities from other countries and has presently only say 100 millions worth to offer in exchange. What is therefore wanted is to provide Roumania with the means of purchase for these additional 100 millions. Roumania has many potentially very valuable assets, *i.e.*, its forests, oil fields, mines, etc., and if it could be arranged to create bonds against these, Roumania would have the present means of paying for the additional 100 millions. The scheme contemplates such bonds but only as collateral, not as the *cash* that is to pay for the exports.

In this my Committee feel the Scheme fails to appreciate the real difficulty—the want of the cash,—and fails to provide for it and my Committee therefore feel that the proposed Scheme if useful at all will be of extremely limited usefulness.

What is really required is to provide countries like Roumania with this cash in the shape of long or short term loans, the money so provided being used solely for the purchase of necessary imports. Then alone will it be possible for banks to find the necessary cover for the bills offered against the additional 100 millions of commodities that Roumania needs.

Before anybody can contemplate the advance of this 100 millions he would require the assurance that the money that he lends will not be seized by other creditors against other debts previously incurred by Roumania of whatever kind.

To give an instance from ordinary commerce nobody will advance further funds to a man that is insolvent, however great his abilities otherwise may be until this insolvent either goes through the insolvency courts and then starts with a clean slate, or compounds with his creditors and frees himself from further pressure on their account.

Therefore what will have to be done in the hypothetical case of Roumania mentioned above is that its other creditors should compound with it in such a way that it may be possible for a new party to consider it reasonably safe to make further loans to Roumania. In other words the Allies that have made very large loans to Roumania should agree to either forego interest and agree to postponement of repayment of loan for a fixed period, say 20 years, or fund the interest and postpone the total liability, and should agree to give priority to such loans as may be hereafter made to Roumania for raw materials, machinery, etc.

This question bristles with difficulties and has evidently been shelved by the Brussels Conference owing no doubt to the great difficulty of getting Roumania's present creditors to forego or postpone any part of their claims. Hence we have this credit scheme which, as we point out above, will be quite inadequate to the needs of the situation. Having said this we shall now examine the scheme submitted by Sir Marshall Reid. This scheme contemplates—

- (1) the creation of bonds by Roumania on approved assets ;
- (2) the handing over of these bonds to the central commission ;
- (3) the issue by the Central Commission of its own bonds on the security of (2) ;
- (4) the creation of a guarantee fund to which exporters or importers could subscribe and could thereby be entitled to, say, 10 times the amount of their shares in the shape of C. C. bonds named in (3).

With the above modifications the rest of the scheme in Annexure A appears to be adopted by Sir Marshall Reid. The remaining steps are—

- (5) the pledging of the C. C. Bonds by the importer in Roumania to the exporter say in India who will hand them as collateral to his banker when selling his bill on Roumania ;
- (6) the return of the C. C. Bonds by the exporters on completion of the transaction in Roumania by the payment of the export bill on due date ;
- (7) failing such payment the selling of the Bonds held as collateral. (It is not clear what is to constitute failure to pay. The Roumanian importer may have money ready in his own currency, but might be unable to get the necessary exchange. Further, it is not very clear from Appendix H whether selling of the C. C. Bonds is contemplated by Sir Marshall Reid or only presentation to the Central Commission of the claim for the unpaid export bill.)

These are the most important steps in the scheme, the others being matters of detail. Now my Committee are unable to see how the creation of such bonds will provide banks with the necessary cover before they can buy the Indian export bill. If Roumania has not the additional 100 millions worth of commodities to offer in exchange, the cover will not be there and the banks will not buy the export bill without such cover.

Then again in case of failure on the part of the Roumanian importer the collateral is to be sold. My Committee very much doubt if such sales would be practicable, in any quantity or at any reasonable price.

If such bonds cannot be realised to meet the draft the banks will have recourse to the exporter. How is he to find money ?

My Committee consider the scheme unworkable on the above grounds. They therefore do not wish to dilate upon the other impracticable aspects of the scheme such as requiring each individual importer to furnish proof that he had previously obtained the express permission of the International Commission to enter into a particular transaction.

My Committee believe that if any real practical step is intended to be taken by this country, it should be something similar to what America is trying to do, namely, the creation

of a Finance Corporation with sufficient capital resources and borrowing powers to be able to raise the necessary funds from which the exports of Indian raw materials to Roumania could be financed and a sufficiently long credit be given to Roumania to repay it.

For this purpose my Committee would suggest calling together a committee of bankers in this country and asking them to see whether a solution of some kind similar to that being attempted in America is possible here or not.

If such a bankers' committee is called together, they might be asked to consider some suitable scheme of credit insurance as this kind of insurance is also a necessity of the present situation. If this suggestion is taken up my Committee will be pleased to submit their further views on the matter.

RECOMMENDATIONS OF THE CURRENCY COMMITTEE IN SOUTH AFRICA.

134. **Mr. B. Venkatapatiraju :** (a) Are the Government aware that the Currency Committee in South Africa recommended that the white-man's wealth or savings which he holds in the form of rupees is to be redeemed at its present value and the blackman's savings which he holds in the forms of small subsidiary coins are to be written down to half their present value and that the Home Authorities approved of this ?

(b) Are Indians settled there to be regarded as Blackmen or Whitemen in the application of the aforesaid rule ?

(c) Have the Government of India made any protest and, if so, with what result ?

(d) Is it a fact that the imposition of income-tax was insisted on by the Home Government when the hut tax was proposed to be increased in South Africa ?

(e) Was there any proposal to write-off income-tax dues there, was any similar concession shown to the hut tax-payers, will any Indian settlers be affected thereby, and what steps do the Government propose to take in the matter ?

**Mr. J. Hullah :** (a) and (c) The Honourable Member is presumably referring to East Africa and not South Africa as stated in the question. His attention is invited to questions and answers in Parliament on the subject of the recent revisions of the East African currency at pages 597-600, 1249-1251 and 1856-1859 of Hansard, Volume 142, Nos. 65, 68 and 72, respectively, copies of which I shall be glad to shew the Honourable Member. Briefly stated, the changes are that the existing exchange value of the rupee and the 50-cent pieces is retained at 2s. and 1s. respectively, the new shilling becomes the standard coin and legal tender for any amount, the rupee and 50-cent pieces are to be called in and replaced by the new shilling when sufficient supplies of the new currency are available, but the old 1-cent, 5-cent and 10-cent coins will not be replaced by the new coinage and will be used at half their present face value. This discrimination in the case of subsidiary coins is not influenced by considerations of nationality or colour.

(e) The Government of India were not consulted about these changes. A deputation from East Africa, which waited on His Excellency the Viceroy on July 23rd, 1920, brought to notice their grievances in connection with the alteration in the currency, but as stated in the Press Communiqué, dated July 27th, 1920, His Excellency did not consider that the Government of India would be justified in interfering in a domestic problem of this kind. There is no reason to suppose that the alteration in the value of the smallest local coins will affect the exchange rate.

(d) and (e). It is stated in the 'East African Chronicle' dated June 25, 1921, that two years ago, the Government of East Africa proposed to raise the hut-tax on natives, but the Colonial Office refused to sanction this unless an income-tax was imposed on Europeans. The income-tax was introduced and the hut-tax raised. But when the income-tax fell due in March this year, the Legislative Council, with the help of the Governor's casting vote, sanctioned its remission. Indians do not pay the hut-tax and they are therefore not affected by its enhancement.

#### VIZAGAPATAM HARBOUR.

135. **Mr. P. Venkatapatiraju:** Will the Government be pleased to state—

- (a) Whether any extra amount is sanctioned this year out of the Railway loan for the Vizagapatam Harbour?
- (b) Whether it is possible to lay the foundation stone for Vizagapatam Harbour in January, 1922, in view of the approaching visit of His Royal Highness the Prince of Wales to India?

**Colonel W. D. Waghorn:** (a) It has not been found possible to spare any funds this year for starting the Vizagapatam Harbour, as all funds available have been devoted to the needs of existing lines. Means for financing this work outside the ordinary programme are, however, under consideration.

(b) In view of the position described in reply to the first part of the question, it is premature to consider the question of laying the foundation stone at present.

**Mr. J. Chaudhuri:** I wish to ask a supplementary question. Is it a fact that the Bengal Nagpur Railway at one time offered to construct this out of their own funds?

**Colonel W. D. Waghorn:** I am not aware of the offer of the Bengal Nagpur Railway.

#### NON-CO-OPERATORS AND THE GOVERNMENT.

136. **Mr. B. Venkatapatiraju:** Will the Government be pleased to state—

- (a) Whether any and what steps have been taken by the Government to bring about reconciliation between the non-co-operators and the Government?
- (b) Whether there is any prospect of introducing dyarchy in the Central Government and of making a further transference of subjects in the provinces for popular control as boons to be announced by the Prince of Wales?

**The Honourable Sir William Vincent:** (a) The policy adopted by Government towards the Non-co-operation movement has been detailed in the Resolution which issued on the 6th November 1920. The attention of the

Honourable Member is also invited to my\* speech in the Assembly on the 5th March last on Mr. Muhammad Yamin Khan's Resolution.

(b) The Government of India have no information to lead them to think that this is the case. The object of the visit of His Royal Highness has been fully explained in the speech of His Excellency the Viceroy on the 3rd September.

**Mr. B. Venkatapatiraju:** May I ask a supplementary question? Has any attempt been made to bring about a reconciliation between the Government and the Non-co-operation leaders, like Mr. Gandhi and Mahomed Ali?

**The Honourable Sir William Vincent:** By whom?

**Mr. B. Venkatapatiraju:** By both parties.

**The Honourable Sir William Vincent:** No such attempt has been made by the Government of India.

#### RACIAL DISTINCTIONS IN INDIA.

137. **Mr. P. Venkatapatiraju:** With reference to the statement of His Excellency the Viceroy regarding the removal of all racial inequality in India, do the Government propose to take steps for the removal of racial distinctions—

- (a) In the matter of special provisions in the Criminal Procedure Code, the Penal Servitude Act, 1855, the European Vagrancy Act, 1874, and scale of allowances to witnesses in British Courts differentiating natives from Europeans and Anglo-Indians?
- (b) In the matter of accommodation in Railway trains, waiting rooms and refreshment rooms at Railway Stations?
- (c) In the matter of appointment, salary, travelling allowances, quarters in the Railway Department, Telegraph Department and various other departments, of the Government?
- (d) In the matter of providing churches but not contributions to temples and mosques?
- (e) In the matter of military training and appointment to the commissioned ranks?
- (f) In the matter of treatment accorded to the Colonials in India when those Colonies refused equal treatment to Indians without resorting to the laws of reciprocity or retaliation?

**The Honourable Sir William Vincent:** (a) The question of amending the provisions of the Criminal Procedure Code which involve racial distinctions is under the consideration of the Government of India, but no amendment of the European Vagrancy Act, 1874 is contemplated at present. The question of amending the Penal Servitude Act of 1855 is also being considered in connection with the proposal to abolish judicial sentences of transportation. As regards the last part of the Question, the Government of India are primarily concerned only with the rules framed by the Calcutta High Court regarding the

expenses of witnesses attending Civil Courts. Those rules make no distinction between Europeans and Indians. For information regarding the similar rules applicable to Criminal Courts in Bengal and to Civil and Criminal Courts in other provinces the Honourable Member might, it is suggested, approach the Local Governments concerned.

(b) With reference to (b), the Honourable Member is referred to the answer given to Question No. 94 by Colonel Waghorn.

(c) Information on this matter is being collected and will be laid on the table during this Session.

(d) Certain expenditure is annually incurred by Government on the provision of non-Christian religious instructions for Indian regiments, and grants of land and alienations of revenue are made from time to time for the support of temples, mosques, etc. Government do not propose to take any action in this respect.

(e) With regard to military training, as the Assembly is aware, the Government of India are affording equal facilities for military training to Indians and Europeans alike through the medium of the Territorial Force and the Auxiliary Force.

As regards appointment to the commissioned ranks, King's Commissions in the Indian Army are now open to Indian gentlemen possessing the requisite qualifications. The Government of India are in correspondence with the Secretary of State for India on the subject of making Indians eligible for the King's Commission in other arms and departments and in the R. A. F. in India.

(f) The policy of the Government of India towards colonials residing in India was fully explained in the speech of the Honourable Sir George Barnes delivered on the occasion of the introduction of the Indian Emigration Bill in the Legislative Assembly on the 21st March 1921.

#### LABOUR IN THE GARDENS OF ASSAM AND BENGAL.

138. **Mr. K. C. Neogy:** (a) What concessions in the coaching rates, and other special facilities, if any, are allowed by the different railway and inland steam vessels companies, for the transport of labour to the gardens in Assam and Bengal respectively?

(b) Are the Government in a position to estimate the approximate saving in money to the tea trade, in Bengal and Assam respectively, on account of these concessions and facilities, during the last five years?

(c) Are such concessions and facilities granted to the labourers while coming back from the gardens; if so, to what extent and on what conditions?

**Colonel W. D. Waghorn:** A statement giving the information so far as Railways are concerned, and it is available, is laid on the table.

The rates charged by inland steam vessels companies are not controlled by Government and the Government of India have no information as to the concessions allowed by them to garden coolies.

*Statement showing concessions in coaching rates and other facilities allowed on different Railways for the transport of labour to the Tea gardens in Assam and Bengal.*

Name of Railway.	Concessions and special facilities granted.	Approximate saving in money to the Tea Trade during the last 5 years.	Whether the concessions and facilities are granted to labourers returning from the Tea gardens.	Remarks.
Bengal Dooms	On production of an order signed by the Manager of a Tea garden reduced fares are granted to Tea garden coolies proceeding to a garden. The concession represents a saving of about 1½ annas per head. These reduced fares are also granted to Tea garden sardars sent by gardens to their homes for recruiting purposes both on the outward and inward journeys.	Rs. 13,849 ...	Yes.	
Bengal and North-Western.	Have no concession or special facilities specifically for the transport of labour to the Tea gardens in Assam and Bengal. In through booking with the Eastern Bengal Railway a concession rate of 2 pies per mile for distances over 300 miles is granted in either direction. This is a public concession enjoyed by all third class passengers.	Figures not available.	Yes.	
Bengal Nagpur.	Labourers proceeding to Tea gardens in Assam and Bengal are carried over the Bengal Nagpur Railway at a concession rate of 2 pies per head per mile. Fares are paid by credit note only by the labour agency despatching coolies to Tea gardens.	Figures not available.	Yes.	
Eastern Bengal.	Tea garden coolies, on production of a certificate from the garden manager, are carried at a concession rate of 2 pies per mile per coolie. The concession is also applicable to coolies generally, that is whether for the gardens or for other concerns. Through carriages are run for the coolies when booked in sufficient numbers to occupy whole carriages.  Medical attendance is arranged at Naihati, Goalundo, Santahar, Sorbhag and Amingaon.  Assistance is afforded to labour contractors to feed the coolies at certain points and drinking water is arranged as required.	Figures not available.	Yes.	

Name of Rail-way.	Concessions and special facilities granted.	Approximate saving in money to the Tea Trade during the last 5 years.	Whether the concessions and facilities are granted to labourers returning from the Tea gardens.	Remarks.
East Indian...	Grant a concession rate of 2 pies per mile for Tea garden coolies. This concession is also applicable to all third class passengers travelling between the same stations.	Figures not available.	Yes.	
Assam Bengal	On production of a credit note signed by the Manager of a Tea Estate, a concession rate of 2 pies per mile is granted to all coolies proceeding to Tea gardens.  Coolies are conveyed in charge of cooly conductors in carriages set apart for their exclusive use while on the journey. They are fed by the Railway Company at stations en route at the expense of the Tea Estates.	The estimated saving to the Tea Estates in the Province of Assam are as under :—  Year.      Rs. 1918-19    1,71,771 1919-20    2,44,377 1920-21    1,75,920  Figures for previous years are not available.	Yes	... Prior to the year 1918-19, recruiting for the Tea Estates was practically suspended.

#### IMMIGRATION TO FIJI ISLAND.

139. **Mr. M. K. Reddi Garu:** (a) Will the Government be pleased to state the principles which guided them in the selection of the committee appointed to investigate the question of immigration to Fiji Island?

(b) Is it a fact that the Right Honourable Mr. V. S. Srinivasa Sastri and Mr. Hirday Nath Kunzru are members of the said Committee?

(c) Are the Government aware that both the members are members of the Servants of India Society, the former being the President thereof and the latter his subordinate?

(d) Are the Government aware that almost all the immigrants are from the Presidency of Madras and United Provinces, and that so far as the Presidency of Madras is concerned, they are all non-Brahmins?

(e) Are the Government aware that grave dissatisfaction exists among the non-Brahmins of the Presidency at the selection of a Brahmin, the Right Honourable Mr. V. S. Srinivasa Sastri, to go into the question affecting the non-Brahmins of this Presidency?

(f) Has the attention of the Government been drawn to the editorial notes in *Justice*, dated 6th July, 1921, on this question?

(g) Do the Government propose to consider the advisability of appointing a non-Brahmin of the Southern Presidency in place of, or in addition to, the Right Honourable Mr. V. S. Srinivasa Sastri on the Committee?

**Mr. J. Hullah:** (a) The principles which guided the Government of India in the selection of the Indian members of the Committee were

that they should be persons who would command public confidence, and who were both residents of the province or provinces from which the bulk of Indian immigrants in Fiji have been recruited, and connected with social work among the poorer classes in this country. The official member was chosen for his special knowledge and experience of all questions connected with Indian emigration. It may be added that the personnel of the Committee was selected after consultation with various members of the Indian Legislature.

(b) Yes, but Mr. Kunzru has now said he cannot go.

(c) Yes.

(d) The Government of India are aware that the majority of the Indian labourers in Fiji are drawn from the Presidency of Madras and from the United Provinces, and have no doubt that the majority of those derived from Madras are non-Brahmins.

(e) No.

(f) Yes.

(g) The Government of India regret that they are unable to make any changes in the constitution of the Committee.

#### MEDICAL STORES PURCHASED IN INDIA.

140. **Mr. M. K. Reddi Garu :** (a) Will the Government be pleased to lay on the table a statement showing the quantities and value of medical stores purchased in India and elsewhere since the year 1914 up to 31st March, 1921?

(b) Will the Government be pleased to state in detail the stock of medical stores that was available on the 31st March, 1921, in each of the medical stores of the Government of India?

(c) Will the Government be pleased to state—

(i) if it is a fact that all the available stores at present in these centres were asked to be sent to Calcutta or elsewhere in order to be sold by auction through an agency of a European firm;

(ii) if so, what was the necessity for this action on the part of the Government;

(iii) if it is also a fact that fresh indents have been sent for the purchase of similar articles;

(iv) if it is a fact that even large stocks of cotton in these stores are to be sold by auction and fresh stock purchased again?

(d) Will the Government please explain the reasons for this procedure mentioned in (c), and also state if it is not a loss to the finances of India at present?

**Sir Godfrey Fell :** (a) The compilation of the information required by the Honourable Member would involve considerable labour and would necessitate the engagement of additional staff. The Government consider that the utility of the statements would not be commensurate with the labour and expense entailed in their preparation.

Figures showing the total annual expenditure on medical stores purchased in India and elsewhere for the years 1914 to 1919 are, however, available, and

are given in the statement I am laying on the table. The Government trust that this information will be sufficient for the Honourable Member's purpose.

(b) It is not possible to furnish the information required by the Honourable Member for the same reason as that given in reply to part (a). The stock lists consist of 14 volumes varying in size; one volume alone, and that not the largest, runs to 500 pages of foolscap.

(c) (i) and (ii). The stocks at Medical Store Depôts are intended to supply both civil and military requirements. During the war, large stocks were held to meet war requirements. A certain proportion of these stores, chargeable to His Majesty's Government, was, after the war, declared surplus to ordinary requirements and handed over for disposal to the Disposals Commissioner. These surplus stores were sent to the Controllers of Sales at Calcutta, Bombay and Lahore. As the stores are the property of His Majesty's Government, the method of disposal adopted is a matter for the Disposals Commissioner.

(iii) The ordinary stocks held at Medical Store Depôts are replenished from time to time by local purchase or on Home indents. When the Depôts require any articles which are known to be held by the Disposals Commissioner, they are obtained from him. This arrangement is obviously to the benefit of both the Indian and the Home Governments.

(iv) No.

(d) The answer to this part of the question will be found in the reply I have just given to part (c), (i) and (ii).

The operation involves no loss to the finances of India.

*Statement showing the total expenditure incurred on medical stores purchased in India and elsewhere for the years 1914-15 to 1918-19.*

Year.			Value of stores purchased in India.	Value of stores purchased elsewhere.
			Rs.	£
1914-15	...	...	9,63,819	94,500
1915-16	...	...	11,76,406	128,327
1916-17	...	...	42,86,982	401,061
1917-18	...	...	48,31,208	443,681
1918-19	...	...	47,79,786	336,399

ROYAL COMMISSION ON PUBLIC SERVICES.

141. Mr. M. K. Reddi Garu: Will the Government of India be pleased to state—

(i) the total amount of cost incurred on account of the Royal Commission on Public Services;

(ii) and what share of it has been debited to the Government of Madras?

**The Honourable Sir William Vincent:** (i) The expenditure as shown in the India books was Rs. 5,91,874.

(ii) The cost debited to the Government of Madras was about Rs. 1,200.

**INCREASE OF PASSENGER FARES BY THE SOUTH INDIAN RAILWAY COMPANY:**

142. **Rao Bahadur C. S. Subrahmanayam:** (a) Is the Government aware that the South Indian Railway Company has raised the passenger fares of all classes on the mail and ordinary trains?

(b) Was the enhancement made with the sanction of Government, and will the Government be pleased to state the reasons for the said enhancement if Government sanction has been accorded?

**Colonel W. D. Waghorn:** (a) The reply is in the affirmative.

(b) The enhanced fares being within the authorised maxima, Government's sanction to their introduction was not necessary.

**INTER-CLASS CARRIAGES ON THE SOUTH INDIAN RAILWAY.**

143. **Rao Bahadur C. S. Subrahmanayam:** Is the Government aware that on the narrow gauge section of the South Indian Railway no Intermediate class carriages are provided, and do Government propose to direct the Railway Company to introduce Intermediate class carriages on the section?

**Colonel W. D. Waghorn:** The Honourable Member is referred to the answers given to questions\* Nos. 465 and 606 in this Assembly on the 14th and 28th March 1921 on this subject.

The matter has not been lost sight of and the Agent, South Indian Railway, has already been asked that provision for Inter-class compartments be made in the new stock which is arriving and will shortly be erected, in order that this class of accommodation may be provided, in the first instance, on mail and through connecting passenger trains on the line.

**OVERCROWDING THIRD CLASS CARRIAGES IN THE SOUTH INDIAN RAILWAY.**

144. **Rao Bahadur C. S. Subrahmanayam:** Has it come to the notice of Government that the third class carriages on the South Indian Railway trains are overcrowded even in normal seasons of traffic?

**Colonel W. D. Waghorn:** Overcrowding on the South Indian Railway is not general but confined to certain trains. It may be stated that this is due to reduction in train services which had to be curtailed on account of shortage of engine power. Additional engines have been received and are being utilised as available.

The South Indian Railway Administration are using their existing stock and facilities to the fullest possible extent. Government is most anxious to remove difficulties of travel and everything possible is being done to increase the supply of rolling-stock and to provide additional facilities, but the Honourable Member will realise that this is necessarily a question of time and money.

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\*Vide Legislative Assembly Debates, Vol. I, pp. 988 and 1021.

## LIMIT OF PASSENGERS IN RAILWAY COMPARTMENTS.

145. **Rao Bahadur C. S. Subrahmanayam:** (a) Is it not obligatory on the Railway Companies to prohibit the entry or occupation of more passengers than are notified on the doors of carriages to seats in compartments or carriages?

(b) If it is not obligatory, do Government propose to direct the Railway Companies to strictly observe such a rule?

**Colonel W. D. Waghorn:** (a) The Indian Railways Act does not impose on railways the duty of prohibiting the entry or occupation of carriages or compartments by more passengers than they are marked to carry.

(b) Section 109 of the Indian Railways Act authorizes a railway servant to require excess passengers in a carriage or compartment to vacate it. Railways have in their own interests issued rules for the guidance of their staff in accordance with this section, and they endeavour to ensure, as far as possible, that these rules are strictly observed.

## TREATMENT OF THIRD CLASS RAILWAY PASSENGERS.

146. **Rao Bahadur C. S. Subrahmanayam:** Has it come to the notice of Government that there is widespread discontent among the people in regard to the harsh and unsympathetic treatment meted out to passengers on railways especially those travelling third class, and do Government propose to take some effective measures to abate this cause of discontent?

**Colonel W. D. Waghorn:** I would refer the Honourable Member to the reply to Question No. 123 asked by Haji Wajih-ud-din in this Assembly, but as I have not yet answered that question, I shall, with the permission of the Chair, answer it now.....

**The Honourable the President:** Order, order. That answer must necessarily have been laid on the table already.

## CONSTRUCTION OF THE MAYAVARAM-TRANQUEBAR LINE.

147. **Rao Bahadur C. S. Subrahmanayam:** (a) Will the Government be pleased to state whether the Mayavaram-Tranquebar line to be constructed at the cost of the District Board of Tanjore was approved and sanctioned by the Railway Board and Government and when was such sanction accorded?

(b) Did the South Indian Railway Company agree to construct and work the line and were surveys made and route plans prepared?

(c) Did the Government of Madras appoint an officer to acquire the land required under the Land Acquisition Act who started work and carried it on for some weeks in May and June of this year?

(d) Has the officer been recalled and was the work of acquisition stopped early in July?

(e) If so, will the Government be pleased to state why it has been stopped?

**Colonel W. D. Waghorn:** (a) Yes; on the 15th December 1915.

(b) The reply is in the affirmative.

(c) Yes; the work was carried on from the 11th May to the 10th July 1921.

(d) Yes; the work was stopped on the 10th July.

(e) The work was started on the 11th May in anticipation of an allotment of funds, but, owing to the financial stringency, no funds could be allotted for the acquisition of land for the railway during the current financial year, and the work had consequently to be stopped on the 10th July.

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**Rai Bahadur Bakshi Sohan Lal:** Sir, I simply rise for a ruling on the interpretation of Rule 21 (2) .....

**The Honourable the President:** I will take the Honourable Member's point of order in one moment.

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MESSAGE FROM THE COUNCIL OF STATE.

**The Honourable the President:** A message has been received from the Council of State and the Secretary will read it.

**Secretary of the Assembly:** The Message, which I have received from the Council of State through the Secretary of that Council, runs as follows:

'With reference to the Message of the Legislative Assembly on the 5th September inviting the co-operation of the Council of State in constituting a committee of the Indian Legislature for the purpose of drafting an Address of Welcome to His Royal Highness the Prince of Wales, I am directed to inform you that on the motion of the Honourable Sir Manekjee Byramjee Dadabhoj, the following Members of the Council of State have been nominated for the purpose:

- The Honourable Sir Dinshaw Wacha,
- The Honourable Mr. Arthur Henry Froom,
- The Honourable Mr. Ghulam Mohamed Khan Bhurgri,
- The Honourable Sir Alexander Robertson Murray,
- The Honourable Sir Benode Chandra Mitter,
- The Honourable Mr. Egbert Laurie Lucas Hammond,
- The Honourable Sir Zulfiqar Ali Khan,
- The Honourable Mr. James Alexander Richey,
- The Honourable Mr. Vaman Govind Kale,
- The Honourable Mr. Ernest Sampson Llyod,
- The Honourable Sardar Jogendra Singh,
- The Honourable Mr. Ganesh Srikrishna Khaparde,
- The Honourable Saiyid Raza Ali,
- The Honourable Mahamahopadhyaya Dr. Ganganath Jha.'

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POINT OF PROCEDURE.

**Rai Bahadur Bakshi Sohan Lal:** I simply rise for a ruling on the interpretation of Rule 21 (2) of the Assembly rules .....

**The Honourable the President :** Will the Honourable Member kindly say which ?

**Rai Bahadur Bakshi Sohan Lal :** Of the Manual of Business and Procedure, page 9. I assume that to-day is a day for official work in which non-official business has also been allowed to be taken, but my question is, whether in taking non-official business on an official day, the Honourable the President can allow any business to be taken without determining its precedence by ballot in accordance with the procedure set out in Schedule I or by any other procedure to be adopted by the President for the ballot under the proviso. From Rule 21, it appears that to determine the relative precedence of non-official business, a ballot is absolutely necessary whether such business is taken on an official or non-official day and that no non-official business can be taken without determining its relative precedence by ballot. It appears that for every non-official business a ballot is necessary. Unless there be a clear rule on the point or a ruling of the Chair on the matter, I respectfully submit, that the question requires to be cleared up before proceeding with the non-official business on to-day's list. On an official day when non-official business is allowed to be taken up, there ought to be a ballot for determining its precedence, and I do not think, we ought to take up without ballot any non-official business which may suit the convenience of any Honourable Members or of the Honourable the President in preference to other non-official business.

**The Honourable the President :** The Honourable Member has no doubt found what is technically a flaw in the rule ; but to-day, as he is aware, is a day devoted to official business. Government has waived its right to put down official business for transaction at this sitting and has met what was a widespread demand on the part of the Assembly for an additional day for the transaction of non-official business. The ruling, which I propose to give provisionally in reply to the Honourable Member, is that for days set apart by His Excellency the Governor General for the transaction of non-official business, the ballot provided by the Standing Orders is necessary to establish the precedence of that business, whether the business be Resolutions or Bills, but that a ballot is not necessary in cases where Government, having taken a sitting as an official day, waives its right to put down official business and substitutes the business of non-official Members. In that event, the Government may exercise its own discretion in taking what non-official business it chooses.

**Rao Bahadur T. Bangachariar :** May I be permitted to point out, Sir, a matter on which I have already addressed you, that important Bills are laid on the table just before the meeting assembles and we are not able to read them, so that, although the stage of introduction may be a formal stage, still it is likely that Bills may be thrown out without a perfect understanding of them. I would suggest, Sir, that longer notice be given of Bills.

**The Honourable the President :** The request made by the Honourable Member seems to me to be eminently reasonable and, in the interests of the satisfactory transaction of business in the Assembly. One Member of Government has already had experience of the misfortune that may befall his business by, what I can imagine to be, a perfectly innocent failure to give sufficient notice. I think perhaps Government will take warning by that incident. As far as the Chair is concerned, the point taken by the Honourable Member from Madras is well taken.

## BILL *re* AMENDMENT OF HINDU LAW RELATING TO EXCLUSION FROM INHERITANCE.

**Mr. T. V. Seshagiri Ayyar :** Sir, in rising to speak on the motion\* which stands in my name, I must thank the Government for giving me this early opportunity for introducing this Bill in which I am very much interested. Sir, I hope to have the indulgence of the House for a few minutes when I make a general statement regarding the principles which have guided me in introducing the Bill which is on the agenda to-day and for claiming to introduce the other Bills later on in the course of this Session ; because I am anxious that the widest possible publicity should be given to the reasons given by me and others in this Chamber, so that the public may be in a position to judge whether the move that I am making is warranted or not. Sir, very few people in this country would deny that it is necessary to revise portions of Hindu Law. Some portions of it have become obsolete and it is absolutely necessary that some attempt should be made to revise them. There has been an arrest in the development of Hindu Law, as I mentioned on the last occasion when the question of codification was being discussed, and it is necessary that some attempt should be made to carry on the work which was once done by *Rishis* and Commentators. Sir, I may state here some of the reasons which have induced me to think that changes in the Hindu Law, in certain parts of it, are necessary. In the first place, upon the same text of Hindu Law, there have been different commentaries. In the second place, one part of India attaches more importance to a certain class of writers than other parts of India. In the third place, various Judges have given different interpretations upon the same text of Hindu Law ; and, fourthly, a large number of customary precedents have grown up ; and as a result rules which obtain in one province differ from the rules which obtain in other provinces. Again, Sir, certain ideas which no doubt were perfectly legitimate in the days they were indulged in have now become out of date and it is necessary to revise them. For example, as regards women's rights, their order of succession, etc., contact with other nations, and our growing ideas of justice and fairness render it necessary that we should revise them in the light of the experience since gained ; as I said before, it is necessary, although it may not be possible altogether to have complete consistency and uniformity, that there should be some attempt at consistency and uniformity. These are the reasons, Sir, which have induced me to take up the task of asking this House to consider modifications in certain topics of Hindu Law.

Now, Sir, I shall very shortly refer to some of the objections raised to such alterations and modifications being introduced. The most formidable objection is that we would be undermining the ancient fabric of civilization and of religion in this country if we attempt to alter any portion of Hindu Law. The other day when I was travelling with a friend of mine, a Member of this Assembly, from Allahabad to this place, he very seriously put forward that objection and said, that our civilization and our religion have enabled us to survive much longer than other nations, and if we make any attempt to change the Hindu Law, we would be undermining our civilization and our religion. Sir, I have the greatest regard for the civilization in which I have been brought up, and I do not believe the Honourable Member who mentioned these apprehensions to me has any greater regard than myself for the ancient civilization of this country. But, Sir, I deny that by re-adjusting the details of Hindu

\* That leave be given to introduce a Bill to amend the Hindu Law relating to exclusion from inheritance of certain classes of heirs and to remove certain doubts.

[Mr. T. V. Seshagiri Ayyar.]

Law in certain particulars, we would in any way be undermining our ancient civilization or our religion. As regards religion, if I may say so with respect, it seems absurd to say that because I say that a sister should come in before somebody else, and that a man of unsound mind should have his right, therefore by these changes I put the Hindu religion in jeopardy. Sir, I take the liberty of saying that there is absolutely no justification for this objection that by introducing changes in the Hindu Law we would in any way be affecting either the ancient fabric of our civilization or undermining the basis of our religion.

•Sir, another objection which has been raised is this, that it is a sacrilege to attempt to alter anything that *Manu* and the *Rishis* have enjoined. Now, objectors of this class forget that what we have to deal with to-day is not exactly what *Manu* laid down. There have been considerable changes, and I think it has been recognised that some of the rules which have been introduced in *Manusmriti* are obsolete and unsuited to the present times. Moreover, as a matter of fact, by commentators, who came after *Manu*, changes have been introduced into the law as enunciated in his Code. And, again, as regards the Criminal Law, as regards contracts, and so forth, the British Indian Legislatures have been allowed to enact laws for us. There are laws regarding crime and punishment in the ancient Code of *Manu*, and they have been completely ignored by the British Legislature. Why should there be any difficulty in altering portions of Hindu Law similarly?

Then, Sir, it was said that this Chamber is not the proper place for discussing alterations in Hindu Law, and it was seriously mentioned to me that this Assembly composed as it is of Christians, Parsis and Muhammadans, is not the body which should be entrusted with the duty of making changes in the Hindu Law. Sir, these critics again forget that our laws are administered by Muhammadan, Christian and Parsi Judges . . . . .

**The Honourable Sir William Vincent:** May I rise to a point of order, Sir? I have always understood from your previous rulings, that when a Bill is introduced, we are to have a very short speech only from the Member introducing the Bill as a formal matter, and not a long though very interesting discussion on the details of the Bill which should be discussed later. If I interpret the rule correctly, Sir, the present speech might rightly be postponed.

**The Honourable the President:** The principle governing the practice of the House in a matter of the introduction of Bills is, that the Member introducing the Bill is entitled to deliver a short speech explaining the principle on which the Bill is founded. I am not sufficiently proficient in Hindu Law to know where a line between principle and details should be drawn. But, so far, the Honourable Member moving for leave to introduce the Bill has hardly yet reached that length objected to by the Honourable the Home Member. In the House of Commons, there is what is known as the Ten Minutes rule, which is virtually the same here, under which an Honourable Member who moves for leave to introduce a Bill has himself ten minutes or thereabouts in which to make his speech and any one other Member, if he chooses to object, about the same period in which to state his objection on principle. The reason for that is, that before a Bill is introduced, no one except its introducer can know what is in it; and, therefore, all that the Assembly is entitled to ask from him is an explanation of the chief reasons in principle why he wishes to introduce it. As far as I can see, the Honourable

Member from Madras has not transgressed those principles in spite of the opinion of the Honourable the Home Member.

**Mr T. V. Seshagiri Ayyar :** I thank you, Sir, for the courtesy which you have shown me, but I will cut short my remarks having regard to your latter observations that I should finish my speech within ten minutes .....

**The Honourable the President :** The Honourable the Home Member has already taken one of your ten minutes.

**Mr. T. V. Seshagiri Ayyar :** I shall proceed now to the particular Bill before the House. Now, Sir, the point is, that a certain portion of Hindu Law debars certain classes of persons from inheriting on the ground that their present condition is due to sins in the former birth. I think this is an unworkable principle and a reasonable rule should be substituted in its place.

*Manu* says :

'An impotent person and an outcast are excluded from a share of the heritage and so are those deaf and dumb from birth.'

This has been amplified by *Yagnvalkya* by including in the prohibition persons suffering from incurable diseases or from similar disqualifications. This text has given rise to numerous difficulties and numerous uncertainties. In the first place, it has been argued whether the word 'born' governs not only the blind, the deaf and the dumb, but also those that follow.

**The Honourable the President :** I think that is a matter of detail.

**Mr. T. V. Seshagiri Ayyar :** I do not wish to go into matters of detail ; I only mention the fact, that there are difficulties and differences and I think it necessary that they should be remedied.

As regards an outcast, the British Legislature by passing Act XXI of 1850 was enacted, that civil rights would not be forfeited because a person has changed his religion. Mine is not the first attempt, therefore, in this direction and as already inadequate attempts have been made to remedy the defects which these rules have entailed, I think, I am justified in asking this Council, to go a little further. Persons who are born deaf and dumb require greater assistance than persons who are more favoured and who are in a position to earn their own living. I do not think they should be deprived of their share in the patrimony on the ground of sins that they are supposed to have committed in their previous birth. I heard my Honourable friend on my right say, that it is not the true reason but if he looks into the law he will find that it is so. Various reasons have been put forward for the existence of this rule. In my opinion, none of them justifies their continuance.

Sir, I think I have said enough to show that the rule is very uncertain in its operation ; in these circumstances I ask this House for leave to introduce the Bill which would have the effect of removing the mischief I complain against. Just one word more, Sir, and I will close and that is, that in regard to the exclusion of Bengal.....

**The Honourable the President :** I think, that also is a matter of detail which can only come up when we take the Bill into consideration.

**Mr. T. V. Seshagiri Ayyar :** Then, Sir, I ask that leave be given me to introduce the Bill.

**The Honourable Dr. T. B. Sapru :** Sir, I think it necessary that I must intervene at the very outset so as to indicate clearly the attitude of Government in regard to this matter. The Government have decided not to oppose the motion for leave to introduce this Bill. But beyond that; on behalf of Government, I am not prepared to give any other undertaking, either to the Honourable Mover or to the House. We consider it absolutely necessary, that in a matter of this character which affects the personal law of the entire Hindu community, we should seek the enlightened assistance of the legal profession, of the High Courts and of the Local Governments before we decide either to accept this Bill or to reject it. Personally speaking, as one who does not claim in the slightest degree to be associated with any orthodox school of thought, it is a matter of encouragement to me to find my Honourable friend, a retired Judge of the Madras High Court, exhibiting such laudable zeal in the cause of reform, and speaking at his time of life as an uncompromising radical.

Although I have always claimed in these matters to be a radical, yet I think it is necessary in the interests of the community to sound a note of warning. The Hindu Law is an inheritance from the past, and I speak with the experience of 25 years in the profession, when I say that it would be a great mistake for any lawyer, however eminent and however ambitious he may be, to pick out a particular portion of Hindu Law and to deal with it as if it had no relation with the rest of Hindu Law. There is in such attempts a lurking danger and it has always got to be guarded against. Personally speaking, I feel the real test of radicalism will be not this Bill, but when another Bill which is connected with the name of my Honourable friend, Dr. Gour, comes before the House.

Therefore, what I would say to my Honourable colleagues here is 'by all means proceed to reform your Hindu Law, but do not be in a hurry to do it. Do not think that you can, in the course of half an hour, or 15 minutes, reform the Hindu Law which requires very careful consideration and which requires a much more comprehensive view than you can give when you are dealing with an isolated Bill of this character.'

Again, I do not propose to enter into the religious or the philosophical reasons which have been assigned this morning by my Honourable friend, Mr. Seshagiri Ayyar. It may not be out of place for me to remind the House that even Hindu lawyers differ in regard to the reasons underlying this rule. My Honourable friend cannot be unaware that there is a school of Hindu lawyers who defend this rule of exclusion on the ground that persons who are unsound in body or unsound in mind—to use a convenient expression—are not qualified to render certain religious duties which are the determining factors of succession and inheritance in the Hindu Law. That is a point which cannot be forgotten by Hindu lawyers or the Hindu community. I will beg the House not to assume from the remarks that I have made that I am opposed to or in favour of the Bill that has been moved by my Honourable colleague, Mr. Seshagiri Ayyar. Speaking for myself, I can say, as a lawyer, and as a Hindu, that I want more light than this Bill throws upon the subject, and it is in that hope and in that belief, that I have decided to make the statement on behalf of Government, that so far as they are concerned, they will, for the time being at any rate, preserve an attitude of benevolent neutrality in regard to this matter until they have collected the opinions of the High Courts and the legal profession.

**The Honourable the President :** The question is :—

'That leave be given to introduce a Bill to amend the Hindu Law relating to exclusion from inheritance of certain classes of heirs and to remove certain doubts.'

The House divided as follows :

AYES—56.

Abdulla, Mr. Saiyed Muhammad.  
 Agarwala, Lala G. I.  
 Agnihotri, Mr. K. B. L.  
 Ahmed, Mr. K.  
 Aiyer, Sir P. S. Sivaswamy.  
 Ayyangar, Mr. M. G. M.  
 Ayyar, Mr. T. V. Seshagiri.  
 Bajpai, Mr. S. P.  
 Bhargava, Pandit J. L.  
 Bishambhar Nath, Mr.  
 Bradley-Birt, Mr. F. B.  
 Chatterjee, Mr. A. C.  
 Chaudhuri, Mr. J.  
 Cotelingam, Mr. J. P.  
 Crookshank, Sir Sydney.  
 Dalal, Sardar B. A.  
 Das, Babu B. S.  
 Dentith, Mr. A. W.  
 Faridoonji, Mr. R.  
 Fell, Sir Godfrey.  
 Gajjan Singh, Sardar Bahadur.  
 Ghulam Sarwar Khan, Chaudhari.  
 Gidney, Lieutenant-Colonel H. A. J.  
 Ginwala, Mr. P. P.  
 Gour, Dr. H. S.  
 Hajeebhoy, Mr. Mahomed.  
 Iswar Saran, Munshi.  
 Jannadas Dwarkadas, Mr.

Jatkar, Mr. B. H. R.  
 Jejeebhoy, Sir Jamssetjee.  
 Joshi, Mr. N. M.  
 Kabraji, Mr. J. K. N.  
 Latthe, Mr. A. B.  
 Lyle, Mr. D. R.  
 Mahadeo Prasad, Munshi.  
 Mista, Mr. P. L.  
 Nag, Mr. G. C.  
 Percival, Mr. P. E.  
 Price, Mr. E. L.  
 Rao, Mr. C. Krishnaswami.  
 Rhodes, Mr. C. W.  
 Sapru, the Honourable Dr. T. B.  
 Shahab-ud-Din, Chaudhri.  
 Shahani, Mr. S. C.  
 Sharp, Mr. H.  
 Sim, Mr. G. G.  
 Singh, Babu Ambika Prasad.  
 Sohan Lall, Bakshi.  
 Spence, Mr. R. A.  
 Subrahmanayam, Mr. C. S.  
 Subzposh, Mr. S. M. Z. A.  
 Thackersey, Sir Vithaldas D.  
 Ujagar Singh, Baba Bedi.  
 Vincent, the Honourable Sir William.  
 Vishindas, Mr. H.  
 Yamin Khan, Mr. M.

NOES—21.

Abul Kasem, Maulvi.  
 Barua, Mr. D. C.  
 Kamat, Mr. B. S.  
 Lakshmi Narayan Lal, Mr.  
 Majumdar, Mr. J. N.  
 Manmohandas Ramji, Mr.  
 Mitter, Mr. D. K.  
 Mudaliar, Mr. S.  
 Mukherjee, Mr. J. N.  
 Mukherjee, Mr. T. P.  
 Pyari Lal, Mr.

Bamayya Pantulu, Mr. J.  
 Reddi, Mr. M. K.  
 Samarth, Mr. N. M.  
 Singh, Raja S. P.  
 Sinha, Babu Adit Prashad.  
 Sinha, Babu I. P.  
 Sinha, Beohar Raghurib.  
 Sircar, Mr. N. C.  
 Srinivasa Rao, Mr. P. V.  
 Venkatapatiraju, Mr. B.

The motion was adopted.

**Mr. T. V. Seshagiri Ayyar:** Sir, I beg to introduce the Bill.

THE ADOPTION (REGISTRATION) BILL.

**Dr. H. S. Gour :** Sir, I hope my Bill\* will not evoke the criticism which the Bill of my learned predecessor evoked, because my Bill is not intended to affect in the slightest measure or degree the substantive Hindu Law of adoption. The Bill that I have the honour to ask for leave to introduce is intended merely to change the law of evidence relating to adoption. As Honourable Members will see, the substantive portion of the law of adoption remains as it is

\* Bill to prescribe a registered instrument as necessary for a valid adoption

[Dr. H. S. Gour.]

directed in the personal law of the parties, but once an adoption is made, my Bill requires that there must be a registered instrument to evidence it. In drafting this Bill, I have been greatly reinforced by the view of their Lordships of the Privy Council enunciated as far back as 1834, and reiterated in 1916 in a case to which I shall presently refer. In the earlier case of the Privy Council, their Lordships pointed out, that the law of adoption in India was singularly peculiar and unsatisfactory. They pointed out, that under the law of adoption, both in the civil law of Rome and under the Code Napoleon of France, registration before a Magistrate was necessary and that the law was circumscribed by other conditions which were intended to preserve and safeguard the rights of the heirs. Under the Roman law as well as under the Code Napoleon, no man below the age of 50 was competent to make an adoption, and in both the laws it appears that the adoptor making the adoption had to appear before a Magistrate and register his adoption before him, and it was competent to the Magistrate or to the court to disallow the adoption if it found it capricious and unfair to the heir. Their Lordships of the Privy Council in this case of *Satrughan* reported in 5 Weekly Reporter, page 109.....

**The Honourable the President:** Order, Order. The pile of books beside the Honourable Member is, I am afraid, evidence that he means to transgress the spirit of Standing Order 37.

**Dr. H. S. Gour:** I shall certainly endeavour not to do so. I am only explaining the Privy Council decision which has impelled me to draft this measure.

Their Lordships of the Privy Council in 5 Weekly Reporter 109 point out:

'In our own country, although wills are revocable, we do not allow the favoured title of heir to be set aside but by a will in writing, attested in the presence of three witnesses; and according to the Hindu Law, neither registration of the act of adoption, nor any written evidence of that act having been completed, is essential to its validity.'

'It is to be lamented that an irrevocable act, which defeats the just expectations of the relations of deceased persons, may, at any distance of time after it is supposed to have been done, be proved by verbal testimony. It would contribute much to the security of property and the happiness of Hindu families, if in a country where the religious obligation of an oath is unfortunately so little felt, and documents so readily fabricated, adoptions and all other important acts were required to be performed in the presence of some Magistrate, and to be recorded in some Court. But although neither written acknowledgment, nor the performance of any religious ceremonies, are essential to the validity of adoption, such acknowledgments are usually given

**The Honourable the President:** Order, Order. I must point out to the Honourable Member that the reading of long quotations at this stage is utterly out of order.

**Dr. H. S. Gour:** Now, their Lordships of the Privy Council have very clearly pointed out, that it is highly desirable that an adoption should be registered, that is to say, it should be in writing and then presented before a Magistrate. In 1834, when their Lordships of the Privy Council gave that decision, we had no universal law of registration which was enacted for the first time in, I think, 1843. I have already pointed out to the Honourable Members, that this case has been very recently followed by their Lordships of the Privy Council in I. L. R. 44 Cal. p. 201, at page 210, where the passage which I have been reading is cited with approval. I am, therefore, fortified

in asking leave of this House for the introduction of my measure by two leading decisions of their Lordships of the Privy Council.

Now, an objection has been raised by some of my Hindu friends who have come and told me that while they approve of the measure they desire that some latitude must be given to the adoptor to register the instrument within a reasonable time and that I should insert in the Bill a provision to that effect. I beg to point out that once the measure is passed, it will be subject to the law of registration, and under Section 23 of the Indian Registration Act, a document may be presented for registration within four months and in case of an unavoidable absence, accident, or urgent necessity, within a period of eight months. Consequently that provision need not be introduced in this measure.

I therefore feel that this Honourable House will give me leave to introduce this measure and I ask for such leave.

The motion\* was adopted.

**Dr. H. S. Gour :** Sir, I now introduce the Bill.

**RESOLUTION *re* : REPEAL OF WORKMEN'S BREACH OF CONTRACT ACT AND CERTAIN SECTIONS OF THE INDIAN PENAL CODE.**

**Mr. N. M. Joshi :** Sir, I beg to move :

'This Assembly recommends to the Governor General in Council that he should take steps to introduce, at an early date, in the Indian Legislature, legislation for the repeal of :

(a) The Workmen's Breach of Contract Act No. 13 of 1859 ; and

(b) Sections 490 and 492 of the Indian Penal Code.'

My object in introducing this Resolution is to request the Government to remove criminal liability for breach of contract of service, in a large number of cases accompanied by advances of money. It is a strange coincidence that on to-day's agenda there should be two Resolutions making a demand, in principle the same, namely, to make all people in the eyes of law equal. I hope this coincidence will enable Members of this Assembly to see the principle underlying my Resolution in a clearer perspective, and I, therefore, hope, that this coincidence will turn out to be a happy augury.

Sir, the Workmen's Breach of Contract Act was introduced in the year 1859 at the request of the Calcutta Trades Association. The Calcutta Trades Association sent a petition to the Government of India that they had to bring labourers from outside by giving them advances, and sometimes these labourers before fulfilling their contract of service left their service and consequently put them to a loss of money. Government at that time sympathised with their request and passed a legislation in the year 1859 called the 'Workmen's Breach of Contract Act.' The main provision of this Act is, that when a workman joins service and receives advance, and after receiving the advance does not fulfil his contract, the Magistrate has power, on the complaint made by the employer, to order the man, as the employer requires, either to pay back the money or to fulfil the contract of service, and in default the Magistrate has power to impose rigorous or simple imprisonment upon the offender. This is the main provision of the Act. There are other provisions also. The Act, it must be remembered, does not even exclude women and minors from this provision. When the original Act was passed, it was intended to

\* That leave be given to introduce a Bill to prescribe a registered instrument as necessary for a valid adoption.'

[Mr. N. M. Joshi.]

apply only to the Presidency Towns, but the Government at that time was kind enough to insert a Section enabling the Local Governments as well as themselves to extend the operation of the Act to all the places in the country, with the result that the Act is being applied since that time to most parts of the country. The operation of the Act went on merrily till the year 1917 for nearly sixty years. In the year 1917, Pandit Madan Mohan Malaviya asked a question on this matter and in the same year gave notice of introducing a legislation to repeal this Act and of introducing a Bill called the Workmen's Emancipation Bill. Unfortunately he, being a very busy man, did not introduce that legislation, but the result of his question and notice was, that the conscience of Government was roused after sixty years and they, in the year 1918 or 1919, introduced an amending Bill and made certain amendments to the Act. The first amendment was, that the Act should not apply to all those contracts where an amount of money exceeding Rs. 300 was involved. This provision was intended to exclude the higher classes of artisans and contractors. Government is always kind to the higher classes and not to the lower classes. Sir, there was another amendment introduced and that was the discretion to compel the payment of an advance or specific performance of a contract was transferred from the employer to the Magistrate. Perhaps this was due to the fact, that when the original Act was passed, all the employers were Europeans. But recently many Indians have become employers and have taken advantage of this Act. Then the Magistrate was also empowered to vary the punishment and given the discretion to impose either simple or rigorous imprisonment. These are some of the main amendments introduced by the Act of 1920. Sir, this is, in short, the history and the provisions of the Workmen's Breach of Contract Act. This kind of legislation, namely, criminal liability for a civil breach of contract is, in my opinion, an inheritance from England. In England, from the time of Queen Elizabeth, there have been legislation putting all sorts of liabilities upon the poorer classes. And, unfortunately, when the English Government and European merchants came here, they brought that inheritance into India. I believe, this kind of legislation is alien to the Indian sentiment, but unfortunately such a legislation has come. But, Sir, in England, the conscience of the people was roused very soon and all the legislation attaching criminal liability to civil contracts in the case of the working classes has now been repealed. Some portion of this legislation was repealed in the year 1867 and the rest in the year 1875. But, unfortunately, the Indian Act continues in force. Sir, the main object for which this Act was introduced is said to be to enable employers to recover the money advanced, but, in my opinion, this was not the main object and I can make it quite clear to the Assembly, that I am correct. Sir, when the original Act was discussed in the Council in the year 1859, there was a Member from Bombay, Mr. Legeyt, and he told Government, that it was of no use to pass legislation only in the cases where advances were made. He asked Government to pass legislation to make breaches of contract criminal even in cases where no advances were made. I will also make it quite clear to the Assembly, that if the object of the legislators at that time had been to recover the money, the question of paying the money or specifically performing the contract would have been left to the employee and not to the employer. The fact that discretion is given to the employer to enforce either provision shows that the employee is answerable not only for the payment of money but also for the specific performance of the contract,

Sir, the object with which these advances have been given are these. I will read some quotations in order to show why these advances have been given. The first quotation is from Mr. Kincaid who is a Bombay Civilian of long standing. He says :

'The cases that have come before me were always cases where the employer had given an advance with the object of reducing him to a state of slavery.'

There is another quotation from Mr. Allen, a Calcutta gentleman, which shows clearly why the advances were made :

'The advance is more in the nature of a bonus than an advance is ordinarily understood.'

He explains that this advance is a kind of higher payment to those workers who choose to come under the Workmen's Breach of Contract Act voluntarily. Those workmen who do not see that the Act puts them in a state of slavery come under this Act by accepting this bonus or advance.

Then, Sir, I would request the Members to remember that this advance is given sometimes to a father who promises that his child and his wife will work for the master and if the father does not return the advance, the child and the wife must go to prison or render service. This is the kind of law we have to deal with to-day. From this, it is quite clear, that the main object of this legislation was not that the advance given should be repaid, but the main object was that, the employers should have a hold upon the workmen, that the workers should not be able to leave their masters. That was the main object of this legislation. I give a quotation. This is from the Secretary of the United Provinces Chamber of Commerce :

'The real advantage of the Act lies not so much in its being enforced as in the 'moral effect' which its existence on the statute book has on the coolies.'

Sir, I do not know whether this moral effect is the same as the moral effect of General Dyer at Amritsar or of Commissioner De at Chandpur. I hope it is different.

Sir, it was also said, that this Bill was also necessary in order that the tedious process of civil law may be avoided. If the tedious process of civil law is to be avoided in the interests of the rich employers, is it not also necessary for the poor workmen who sometimes have to file civil suits for their pay against their masters, and if it is necessary for both, why is it that only the workmen are made liable for this legislation? It is therefore quite clear that the main object with which this legislation was introduced was that the employer should have a hold upon his workmen and that the servants should not be allowed to change their masters.

My main objection to this Bill is, that it makes a civil offence, a criminal offence and this is done only in the case of the working classes. It is a piece of class legislation which is as objectionable as racial legislation. Now, in the case of the richer people, people like you and me, if we break our contract of service, we shall not be sent to jail. But the ordinary workman is considered to belong to a different class of people and, therefore, if he breaks the contract of service, he must be sent to jail.

This distinction is not justified by any reasons. Then, Sir, I object to this Bill because of another reason. This Bill shows, that a man can be sent to jail for the non-payment of debt. A man like you and me will not be sent to jail even if a debt amounting to lakhs and crores of rupees is not paid, but a poor man, if he does not pay a rupee, will be sent to jail under this Act. Of course the Honourable the Home Member may say, that that is not true and that

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a man is sent to jail only in the case of fraud. I shall deal with this point later on. But it is quite clear, that in the case of the working classes the non-payment of debt is punished with imprisonment. Sir, there is another thing. This kind of legislation is a kind of indentured labour system which everyone of us abhors from the bottom of our heart. To get rid of it, we have tried our very best. What is the basic principle of indentured labour? It is this, that where a man breaks his contract of service, he is to be punished criminally and not civilly. That is the principle of indentured labour, and this principle has been allowed to remain on the Statute Book of India for such a long time. We have been doing our very very best to have it removed in the case of Indians in other countries, but we have allowed it in our own country. Sir, in my opinion, this is not only indentured labour, but it is nothing short of slavery. I am using a strong word, I know. But I shall give a few quotations which will show, that this is not only my view, but this is the view of some officers of Government also. This is from Mr. Hallifax, the Commissioner of Rawalpindi :

'This Workmen's Breach of Contract Act is really a form of slavery and should be discouraged.'

Mr Harrison, the Legal Remembrancer, Punjab, says :

'I am strongly of opinion that the Bill should be repealed altogether. The Indian of the artisan class is only too ready to sell his son into what practically amounts to slavery.'

Thus, my main objections are that this legislation is a class legislation, discriminating between class and class ; it is an indentured system ; it is slavery. Therefore, I hope that the Members of this Assembly will support me. Sir, I should like to say a few words as to what is said in justification of this Act. The first thing said is, that the workman is a poor man, and if he is unable to pay his debts, and if he does not pay his debts, he must be punished somehow ; we cannot claim damages from him. This is the main argument upon which this Workmen's Breach of Contract Act is based. But I should like Members of this Assembly to remember this. If debts are not paid by some members of the working class, are there no men of the other classes who do not pay their debts? Should that Act apply to the working classes, and the ordinary civil law to others? I have seen instances of hundreds of men being ruined by the richer classes not fulfilling their contracts, but nobody punishes them with imprisonment. As regards this, Sir, I would like to read a small quotation from Mr. Fawcett when this subject was under discussion in Parliament :

'It seemed to him a fallacy to urge that a heavier scale of penalties should attach to offences committed by the men, on the ground that more serious losses were thereby entailed. No doubt the pecuniary loss was great ; but consequences as severe frequently devolved upon the men through the acts of the masters. Men who were brought from distant parts of the country, say from the North to the South, on a promise of twelve months' regular work and at the end of three months were discarded, owing to fluctuations in the trade, suffered hardships as great as any capable of being entailed upon the masters.'

Then, Sir, there is another justification. A breach of a promise involves a fraud. I should like to say, Sir, whether frauds are committed only by the poorer people,—and the richer classes, the employers, and people like you and me, also sometimes commit fraud, but we are punished for fraud under a different Section, and that Section is Section 415 of the Penal Code and not

under this Act, as was pointed out by the Honourable Mr. Sarma in his speech in the Council when he was a non-official Member. I hope he will now support me. Sir, I cannot understand why an ordinary man like you and me should come under Section 415, and workmen not come under that. Is it that this Section is reserved for some people, the Brahmins of the economic world? Why should not this Section apply to the poorer classes for offences of fraud involved in the breach of contract of service?

I feel that the repeal of this Act is an absolute necessity, if we are to show to the world that we do not want class distinctions in the law. It may be said, that if we repeal this legislation, the employers will suffer loss and that our industries will suffer. Supposing this is true, which I don't believe to be true, I ask the Members of this Assembly whether they will not prefer a little loss for their industry and a little less prosperity, to the loss of freedom for the working classes? Would they like the working classes to remain in a condition of slavery in order to prevent the loss which the richer people of this country would otherwise suffer? Let them make their choice. Sir, when I ask for the repeal of the Act, I am not alone. There are several officers of Government who have been asking for the repeal. I have quoted the opinions of some of them, and I will also venture to quote a few more. This is from the Honourable Mr. Piggott, of the United Provinces:

'I am not sure that the employers of labour will not find the Act thus emasculated of so little practical value that they will rarely if ever invoke its provisions. The real question to my mind is whether it is worthwhile to continue to impose upon Magistrates the duty of interfering in matters which under modern conditions might well be left to the adjudication of ordinary civil courts.'

The Bombay Burma Trading Company say:

'As it is supposed to be amended it will be absolutely useless to anybody and no good purpose will be served by its retention.'

Then Mr. King, Punjab, says:

'It is better to repeal the Act instead of amending it.'

Sir Benjamin Robertson practically says the same thing. I have already quoted Mr. Kincaid of Bombay. Sir, there are some employers who are very generous and want to repeal this Act. The Indian Merchants Chamber and Bureau say this:

'They feel it is high time that the Government of India considered the advisability of repealing the Act altogether.'

Mr. Justice Sadasiva Aiyar of Madras says, that it is wholly unsuited to modern conditions and ought to be repealed altogether.

Sir, I have said enough about the necessity of repealing this Workmen's Breach of Contract Act. In my Resolution, I also ask the Government to repeal Sections 490 and 492 of the Indian Penal Code. Section 490 is this:

'Whoever, being bound by a lawful contract to render his personal service in conveying or conducting any person, or any property from the place, or to act as servant to any person during a voyage, or journey, or to guard any person or property during a voyage or journey, voluntarily omits so to do, except in the case of illness or ill-treatment, shall be punished with imprisonment of either description for a term which may extend to one month, or with fine which may extend to one hundred rupees, or with both.'

Sir, this is another instance of punishing a poor man with imprisonment for a breach of contract. Sir, this Section was introduced into the Penal Code on the ground that in those old days roads in India were not good, there were no conveniences for travelling. That is what the Law Commissioners say.

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Now, that was many years ago, about 60 or 70 years ago. But the times have changed since then. We have got very good roads now, we have got railways, we have got steamers; and, therefore, there is no reason why should it continue now. I admit, Sir, there are some cases in which, if a man breaks his contract of service without notice, he may be punished criminally, namely, where a man by his breach of contract of service causes danger to human life. I admit that is the only occasion when a man could be punished criminally for breach of contract of service. If Government wants to legislate for that purpose, I shall have no objection, I shall vote for it; but I cannot allow this Section to remain in the Penal Code.

Sir, Section 492 is this :

'Whoever, being bound by lawful contract in writing to work for another person as an artificer, workman or labourer, for a period not more than three years, at any place within British India to which by virtue of the contract he has been or is to be conveyed at the expense of such other, voluntarily deserts the service of that other during the continuance of his contract, or without reasonable cause refuses to perform the service which he has contracted to perform, such service being reasonable and proper service, shall be punished with imprisonment of either description for a term not exceeding one month, or with fine not exceeding double the amount of such expense, or with both; unless the employer has threatened him, or neglected to perform the contract on his part.'

This Section is nothing but a repetition of the Workmen's Breach of Contract Act, and this Section provides for nothing but an indenture labour system. Where is the difference if a man from India goes to South Africa with the money of his employer and deserts his service and is punished with imprisonment, and if a man receives his railway fare or steamer fare in India, goes to another province, leaves his service and is punished with imprisonment. I fail to understand the difference between the two cases. If we are angry with the South African Government for allowing this indenture system, and if we forced our Government to abolish the indenture system, I do not know why we with open eyes allow this system to remain in existence in our country? It is like preaching a homily to others and doing the same thing ourselves. I hope Members of this Assembly will rise above selfish feelings, in the name of the country and in the name of humanity.

Sir, there is only one other point about which I want to speak for a minute or two and then close. When Pandit Madan Mohan Malaviya moved his Resolution, Government asked him to introduce legislation for the repeal of the Act. Government may say the same thing to me to-day, but I must frankly tell Government, that I shall not undertake the responsibility of introducing that legislation. Who introduced the first legislation of 1859? Government, and not a private Member. And, if Government introduced that legislation, it is the clear duty of Government to repeal it when it is found unsuited to the present times. Government may also say, that they have not consulted the Local Governments. But Government of India had very recently consulted the Local Governments, in the year 1920, and they need not consult the Local Governments again. Moreover, Government have consulted the Local Governments on the indenture system and Government is introducing a Bill in this very Session to make provision for the repeal of the law which provided for the indenture system, and, in the case of that legislation, they introduced the Bill, and afterwards they consulted the Local Governments. I ask Government to do the same now. Let them introduce the legislation, and if they

want to consult the Local Governments again, let them do so. Sir, I therefore feel, that I am justified in asking Government to introduce this legislation, and I hope Government will respond to my appeal. I also appeal to those Members of this Assembly who are employers of labour. Let them not be shortsighted. Their industry will prosper even with free labour, and prosper, I think, much better. I appeal to the Members of this Assembly also, that they are here representatives of the masses of this country who are voiceless. Let them show by their vote to-day that they care for the masses and they look after the interests of the masses even if the masses are not represented in this Assembly.

With these words, Sir, I commend my Resolution for the support of this Assembly.

**Mr. B. S. Kamat :** Mr. President, I have listened to the speech of my Honourable friend, Mr. Joshi, with a great deal of attention and sympathy. I have often admired the indefatigable industry which he always shows in studying his questions, and I also claim that in very many of his activities I have often joined him with the same amount of sympathy and the same outlook. But, Sir, if on the present occasion I differ from him, so far at any rate, as the first part of his Resolution is concerned, namely, the repeal of the Workmen's Breach of Contract Act, I would regard that as my misfortune. I would venture to place before this Assembly a few observations as the result of my experience, of something like 20 years as a humble employer of labour in certain branches.

Mr. Joshi has characterised this Act, XIII of 1859, as a most iniquitous piece of legislation on the part of the Government of India, and giving the history of this piece of legislation he told us, that the Government of India were led, or rather misled, into passing this Act at the instance of the Calcutta Trades Union in 1859. He has also characterised this piece of legislation as a class legislation, which he says is practically nothing but salvery—an Indian edition of the South African Indenture system. I regard these words as an overdrawn picture, which is practically nothing but a travesty of the actual state of affairs. It might have been very different if Mr. Joshi, instead of studying the problem on paper and from books, had seen very many officials and other people in the Public Works Department either in Calcutta or in other parts of India, and actually studied the problem on the spot, and had gone into the practical difficulties of those who have to organise labour and handle labour.

I believe the second fallacy into which my friend, Mr. Joshi, has fallen is this. He has visualised from his office room only one set of circumstances, only one set of labourers, in Assam or any other part of India and generalised from this. I would ask him to study the problem from the point of view of different industries and different kinds of labour which are necessary for carrying out large works of public utility. He referred, Sir, to the employers' profits. I am afraid I must say that he has been obsessed, as a student of labour questions, with only one idea, and that is, that every employer employs labourers with a view to exploiting them, with a view to profits and nothing else. As one who has taken part in the life of labourers, in their education and their social welfare, I can claim that I have done something for their amelioration; but, Sir, I think it my duty to place the other side of the picture before this House. Before coming to any conclusion, let me ask the House to take a typical case and then judge of all the charges which

[Mr. B. S. Kamat.]

Mr. Joshi has thought fit to level at the employers of labour and also judge the picture he has drawn of the labourers. Just take the case, for instance, of the building of this Chamber for the Indian Legislature. It is obvious that labourers had to be brought up here perhaps from different points of the compass. The contractors must have employed, for instance, plasterers from Delhi, brick-layers from Agra, perhaps blacksmiths from other parts of the country, and painters, decorators, carpenters and other classes of workers from elsewhere. The contractors had to complete the work by a certain date. It was to the interest of the public—it was not merely a question of profits—but it was a matter of public utility that the whole of this large job should be finished in time. Now, before the builder can bring up all these different kinds of labourers from different parts of the country to Simla, if Mr. Joshi goes and actually makes inquiries from contractors and builders, he will find, it is absolutely hopeless and impossible for any one to bring up a single workman up to Simla unless he makes cash advances to him. Those advances, let me assure him, are not made as a bonus in order that they may come here at cheaper rates, but those advances are made, and are demanded almost at the point of the bayonet by workmen, simply because the men want money in advance for their families which are left behind. It is common knowledge, and I think my Honourable friend, Sir Sydney Crookshank, will corroborate me, that it is absolutely impossible for some of these contractors and employers of labour to bring up men to a distant place unless an advance in money is made, not because they want to induce the labourers to accept their terms but because, as I say, provision has to be made for their families for a time.

Now, having come up here, having received advances in cash, as well as having their other expenses paid, supposing all these men, plasterers, smiths, bricklayers, carpenters, etc., on some pretext, on some excuse or other, try to give the slip next morning, what remedy is there that the building for which they were brought up will be carried out at a particular date by the particular contractor? My friend, Mr. Joshi, suggests, that the only remedy ought to be a civil suit, and that there should be no class legislation for non-payment of labourer's debts.

But probably he does not know that most of these labourers come up here, not on any indenture, as he calls it, but under a simple agreement. They have nothing but their pots and pans with them. If you have to institute civil suits against 500 of these men, who want to run away after getting hard cash, I am afraid, you will have to file one civil suit for, say, Rs. 10 at Agra, a second for Rs. 5 at Delhi, a third at Calcutta, and so forth. And, in the meanwhile, the contractor has to leave this building unfinished which he has to complete by a certain date, and to run after 500 people, scattered in different parts of the country, in order to get the remedy of a civil suit, which again may take 12 months or more to get a decree and even then he will perhaps get no satisfaction, because the men who have run away have probably nothing but their pots and pans. Well, Sir, that is the real practical difficulty of the question. It is not a question of making profits, but a question of carrying out public works, railway works, railway embankments, canals by certain dates. If, therefore, this question is viewed from this point of view, I believe, it is inevitable we should have some sort of hold on

the labourers, who have no tangible property to lose, and who must be made amenable to some speedy law other than the ordinary Civil Law. I don't think the Government of India either when passing this legislation or in the year 1920, when after reconsidering the question they re-affirmed the principle of this legislation, overlooked the rights of the labourer. No, Sir, I go further. Mr. Joshi led the House to believe, that this piece of legislation is absolutely inhuman and iniquitous. Now those who have carefully gone over the various Sections of this Act will realise that the Government of India in passing this Act have put in sufficient safeguards of a very real character in order to protect the labourers. They are not entirely left to the mercy of the employer. The employer has to file a complaint before a Magistrate. The Magistrate after going into the facts of the case, if he finds that there is a wilful and a negligent non-performance of the contract after actually receiving an advance of money from the employer on the part of the labourer, — if he is convinced about the fraudulent breach of contract he can give two options to the workman. He does not send him to jail forthwith in the first instance, but in exercise of the discretion and power under Section 2 (1), he directs the workman first to do the work for which he was paid, whatever it may be. If the workman fails to do that, there is a further Section which empowers the Magistrate to give a further protection to the labourer, namely, security for the money which he has already saved. I do not think that any man who has paid an advance of money should be a loser simply because he wants theoretically every labourer exempted from all criminal liability. In ancient times, we were told that a Brahmin, even when he committed a murder, was no murderer. In a similar way, Mr. Joshi is asking us to pass legislation which will exempt a labourer from punishment even when he commits a fraud. (Mr. Joshi was understood to protest.) At any rate, that was the tenor of his remarks. I therefore think that the principle which Mr. Joshi has at heart is not right. Those who have to organise labour must have a remedy, a remedy which is at once handy and humane, and one which is surrounded with all necessary safeguards. Now this Act has all these safeguards. Further, there is a Section, Section 2-A, which empowers the Magistrate to find out if the employer has brought a vexatious or frivolous suit against the labourer, and if he finds that the whole claim is fraudulent on the part of the employer, then the Magistrate can fine the employer to the extent of Rs. 50. That sufficiently safeguards the interests of the labourer. I do not think therefore that Mr. Joshi is justified in characterising the whole of this Act of 1859, as outrageous, preposterous and leading to a species of slavery similar to the indenture system.

Under this Act, these workmen who are engaged are not certainly treated in the same manner as we have been told they are treated in South Africa. There is absolutely no question of coercing or torturing them; there is no question of compelling them to do any work of a particular kind in the same sense as indentured labourers are treated in South Africa and elsewhere. They are absolutely free to go anywhere they like; it is only if they attempt fraudulently to evade performance of a contract for which they have received money and if they cannot give security, if they try, in other words, to cheat their employer, then only they are brought under the scope of this Act. Considering all these points, Sir, I do think that a repeal of this Act is not desirable and that the Assembly should not accept Mr. Joshi's proposition.

**The Honourable Sir William Vincent :** Sir, it is getting late, and I think it will suit the convenience of this Assembly if I intervene at this stage of the debate as such a course will save time ; but, before I address the Assembly on the subject of the Resolution, may I offer a word of explanation as to the reasons why Government put these Resolutions down on an official day. I do not think many Members will complain of this practice, because the Resolutions down for to-day both relate to matters of great importance in which I think we are all interested. If Honourable Members think, that the present practice is not a reasonable one, then the rules may have to be altered. But, I believe, it is convenient for Government and for Members of the Assembly, in that it enables matters of great public importance to be brought forward before this Assembly at an early date, which otherwise might not be discussed at all. Further, if when non-official business is entered for discussion on official dates, Honourable Members are to have the option of balloting as to what Resolutions are to be brought forward, a possible result might be that Government would not give any official dates at all for non-official Resolutions.

I will now try to explain as shortly as I can the attitude of Government towards the Resolution before the Assembly. The Honourable Member is quite right when he says, that for years this Act was not revised, although we had frequent reports on its working. But, in 1918 or 1919, we invited opinions generally as to the necessity of amending or repealing it. I myself was rather keen on the question because I had come up against some cases of misuse of the Act. On an examination of the opinions, we found that they were very divided on the question of repeal, but the majority of opinions, I can safely say, including those of Local Governments, were opposed to this course. The arguments used by those who favoured repeal were largely those advanced to-day ; it was said that the Act was an insult to the dignity of labour, incompatible with modern ideas, that it gave the employers an undue advantage and would not be tolerated in Europe and so forth. Now these are all arguments of principle and theory of an irreproachable character. But there were, on the other hand, many who alleged, for reasons very similar to those given by Mr. Kamat, that the Act was necessary in the interests of the public, that it was essential for the carrying out of large engineering and industrial concerns, that it was not an Act penalising labour at all, but was merely intended to prevent rather than penalise and then only to prevent fraudulent breaches of contract. Another argument brought forward was that a measure of this kind was necessary particularly on large engineering works to prevent enticement of labourers by one employer from another and I believe, that on many large works this difficulty does arise ; again, it was argued, as was suggested by Mr. Kamat, that a system of advances was in the present condition of things inevitable in this country, whatever be its merits or demerits, and that it was impossible to have a system of advances or to secure their recovery without some summary procedure such as is provided by the Act. In other words, to give a right of recovery by civil process of money advances from labourers of a certain class, was a remedy of no value at all, because the men have nothing from which the dues could be realised. I noticed the Honourable Mover suggested in one or two places, and I want to get rid of this point very early in the debate, that a racial question was involved in this discussion ; I do not know whether this was done merely to create prejudice or not, but I can assure Members of this Assembly, that the question is in no sense a racial one. It is simply and solely a question between employer and employed ; it affects Indian

and European employers equally ; nor is there any clear cut division between official and non-official opinion. If the opinions are examined, it will be found that while many officials are in favour of repeal, many are against it and the same remark applies to non-officials. The Honourable Member has cited opinions to support his case ; I do not want to cite many, but I will cite a few out of many on the other side. He has chosen to cite European opinion, I will cite Indian. Here is an opinion from a gentleman, Mr. Chandra Dhan Barua from Assam : he says :

' I cannot support the Bill (*i.e.*, the Bill which only amended the old Act) ; it will greatly slacken the tie of the employee to the employer. The labourer is already better off under the existing Act and it is difficult to understand how it can be abused ;'

he opposed, therefore, even the amendment of the original Act. Then, again, I find that the Dev Samaj of Lahore, who, I am told, are a very religious body and presumably strict in advocating what is in principle right, support the view that the Act is necessary. Then, here is another gentleman who really knows a great deal about the matter, Rai Bahadur Ganga Ram, a retired Executive Engineer in the Punjab. He says, that the Act serves a most useful purpose inasmuch as it acts as a deterrent and has a wholesome effect and does not generally lead to many prosecutions, that the workmen generally kept to their contracts and there was smooth feeling. These opinions are only a few out of many : Indeed, I think, that the Honourable Member must have had some difficulty in selecting opinions in his favour, as most of the opinions on record go exactly the other way.

Be that as it may, on receipt of these opinions, Government decided that it was not advisable or right at that moment to repeal the Act, and they amended it in material particulars, every amendment being made in the interests of labour and in order to prevent any kind of misuse or abuse of the Act. The application of the Act was restricted, discretion was given to the Magistrate to refuse to issue process in any case in which he thought this necessary ; discretion was given to him to refuse to enforce any contract which he thought was unfair ; he was authorised to award compensation in cases of vexatious or frivolous complaints, he was given discretion (the matter is not left to the employer as was suggested by the Mover) to decide whether the advance should be refunded or whether the contract should be fulfilled and he was also given power to order repayment of advances by instalments ; in fact, in every possible way that we could think of, the interest of the labourer was safeguarded and so far as we know, the Act is now worked very fairly at present. We have had no complaints of its being unfair in its application, and I noticed the Honourable Member, while he talked about slavery and the demoralising effects of the Act, did not cite to this Assembly a single case in which the Act, since its amendment, has been improperly used. This is a practical point of great importance.

In these circumstances, the Government are in some difficulty. It is realised, that there is a great deal of sympathy with the principle of complete repeal. Such an idea is in accordance with modern feeling. It is in accordance with the practice in European countries. Indeed, I may say, that I am personally aware that many Members of Government feel very strongly on this point. On the other hand, we have the practical objections to repeal what I have explained and the fact that the last time when public opinion was consulted, we found that the majority of authorities were opposed to the course. It is only fair, in those circumstances, that the Government, before taking any such action as the Honourable Member desires, should, in the first place, consult

[Sir William Vincent.]

those whose interests are likely to be prejudiced by the proposal. The Honourable Mover is of course a great champion of the working man. But, I think indeed his zeal though very commendable has to some extent carried him away in this debate. I know that he has spent a great part of his life in struggling to ameliorate the conditions of labour, and in that great work he has the support and sympathy of Government, and, I am sure, of the whole of this Assembly. But, when he says that this Act results in something akin to slavery and talks of indentured labour, when he says that it penalises all breach of contract, then he is really letting his zeal run away with him. Members have only to read the preamble of the Act to see that it is not intended and cannot be used to punish ordinary breaches of contract in the country but only to prevent fraudulent breach of contracts, and it cannot be said with any reason that it results in slavery or anything like it.

There was another matter in the Honourable Mover's speech to which I think this Assembly will not assent. And that was a remark from him; it was more a suggestion than as a definite allegation that Government was already on the side of the capitalist employer and that it had no sympathy with labour. I want to dispel that idea at once; I cannot really allow such a statement to go unchallenged for one moment, and I hope too I shall secure the support of this Assembly. What person who heard His Excellency's speech the other day on the welfare of labour can doubt for one moment that the Government have given this matter their very careful consideration, that they are taking every possible step to ameliorate the condition of labour generally in this country? I may refer to various legislative proposals now under consideration to illustrate this. For instance, the Factories Amendment Bill and the Mines Amendment Bill; then, again, proposals for Trades Union legislation and a measure for compensation to workmen in cases of accident, are under examination. Are not these facts some indication of the Government's solicitude for labour? Do the proposals indicate their sympathy for the richman and that they have no regard at all for labour? Further, let us consider the activities of Local Governments. Is it not well known that His Excellency the Governor of Bombay and his Council are at this moment taking measures to improve the housing of labour? Is it not also well known that they have already expended a great amount of time, thought and money on that project? Is it not a fact that all the Local Governments at this moment are engaged in doing what is possible to promote the formation of Conciliation Boards? Having regard to all these facts, I put it to this Assembly, that it seems to me a little unjust to accuse Government of indifference to the welfare of labour. The danger really is of our going a little too fast in some directions, for instance, in the matter of this Act. For what is applicable in one part of India is also not at all suitable in another part, and different parts of India may require different legislation. Further, while we are making all these efforts to improve the condition of labour, there are many who think that unless we simultaneously make successful efforts to increase the capacity of the workers and create a higher standard of comfort which will lead to a desire to earn better wages by better work, we may very materially prejudice the whole industrial progress of this country. I should like the Assembly to examine this aspect of the case for one moment, and from that aspect to consider what the practical effect of the repeal of this Act would be. Again, Honourable Members are aware, that Industries is now a transferred subject in charge of Ministers, and it seems to me, therefore,

that they are entitled to be consulted before the Government take any action on the lines now proposed. I have already said that many officials are opposed to the Act, but, at the same time, an official Government must in a case of this kind tend to be somewhat conservative. A responsible Minister may be more liberal and progressive in his ideas, and in any case a responsible Government is entitled to be consulted before the Government of India gives such an undertaking as the Honourable Member wants. The position then really comes to this. There are arguments—largely arguments based on principle and theory for the repeal of this Act. On the other hand, there are practical objections to such a course which cannot be overlooked and there are points which those affected ought to be given an opportunity of weighing before the Government give any undertaking in this Assembly to repeal this law. Further, in any event, employers of labour ought to be given a reasonable opportunity to adjust themselves to new conditions. The attitude of Government and their conclusions are, therefore, these, that if the Resolution commends itself to the majority of this Assembly, or if the Honourable Member will accept what I say, the Government are prepared to adopt the view that the repeal of this law is desirable on general grounds of principle and if after consulting Local Governments and public opinion, it is found that there is a fairly general consensus of opinion in the country in favour of repeal, they will introduce a Bill to give effect to the principle in this Assembly. We will inquire how the law has worked, whether it is unfair, whether its retention is necessary, whether its repeal will materially affect the industrial progress of this country, and if the replies to these questions are reasonably favourable to repeal,—I shall be glad to place them before any Member of the House who likes to see them, then the Government will, within a reasonable time—say within eighteen months,—undertake legislation for the repeal of this law. Further than this, the Government cannot go to meet the Honourable Member.

**Rai Bahadur Debi Charan Barua** : I beg to oppose the adoption of this Resolution on the following among other grounds :

*Firstly* : The Workmen's Breach of Contract Act No. XIII of 1859 has been rather giving more benefit to the labourer than to the employer. The chief ingredient of a contract is that the employer should give and the employee receive a certain amount in advance in consideration of the latter's having entered into the contract to perform a certain work. Without such an advance paid in cash the contract will be null and void. Not only in ordinary times but at this juncture of economic difficulties the availability of amounts by labourers in need counts for a good deal. And this advance, in the eye of civil law, is nothing but a loan ; and the labourer gets it without any interest. If the labourer should go to a money lender of his locality, the money lender would naturally refuse it, as the labourer lacks credit. Even if the labourer should succeed in securing the loan from the *dania* or money lender by pledging some utensils, cattle or ornaments, interests at the rate of anna one to two per rupee per month is invariably charged, with the result that the things pledged are rarely redeemed. On the other hand, in the case of advances received in a contract under Act XIII of 1859 the labourer is never required to concern himself with any thought of paying interest, but the principal, *viz.*, the advance itself, is automatically repaid if the labourer is an honest person and performs the contract as stipulated originally. Then, even if the labourer should prove to be dishonest—and dishonesty is a thing which I hope the Honourable Members will not support—and the labourer fails to or does not deliberately

[Mr. Debi Charan Barua.]

perform the contract he is not punished at once. The remedy open to the employer is to lodge a complaint before a Magistrate of Police specially empowered in this behalf, and the points necessary to be established before him are, (1) that the contract was voluntarily entered into, (2) that the labourer received an advance in cash (it may be noted here that old debts would not do), and (3) that the labourer failed to perform the contract without reasonable cause. Then if all these points are proved to the hilt, what does the Magistrate do? Does he send the labourer to jail to perform still harder labour? No. The labourer is ordered by the Magistrate to fulfil the term or task of his contract, and according to the Act his liability in the Criminal Court ends there except for the fact that even then if the labourer fails to fulfil the contract, he is liable to imprisonment extending up to three months, not for the breach of contract but for disobedience to the order of the Court, or, in other words, contempt of Court.

Now, Sir, this is the long and short of the whole thing. And these facts I have stated from my experience of tea gardens in Assam, where coolies—whether imported or local, but mainly imported from some other provinces of India—would always press their employers for renewal of their contracts after expiry of their old contracts, chiefly in consideration of the advances which ordinarily vary from Rs. 8 to Rs. 36. Then, if the employer, for some reason or other, refuses to put them under contracts (and there are many a refusal to be seen), the course such labourers would take is to go to another tea garden where the employer or the manager would put them under contracts by paying advances.

It may be asked with what object these coolies take the advances. The objects are manifold. Repayment of old debts with a view to redeem movables pledged, buying cattle for agricultural purposes, buying ornaments (which serves saving or hoarding of money for difficult times, for these labourers do not know banking), performing marriage ceremonies are the principal objects that may be mentioned.

I may here be permitted to state that fraud is very often practised by labourers in Assam tea gardens, for many of them run away from the garden after they have received the advances. These coolies, having had almost no properties except which they carry about them, the employers have no protection beyond the indirect punishment that may be awarded as stated above. If the Act is repealed, no employer will give advances, and the labourers themselves will be at a disadvantage.

Now, Sir, my humble submission in the aforesaid circumstances is, that the House, before coming to any decision on the Resolution put in by the Honourable Mover, may be pleased to ascertain by an inquiry or commission if the statement made by me above are correct or not, or whether the labourers themselves would like to have the Act repealed.

*Secondly* : As regards Sections 490 and 492 of the Indian Penal Code, there can be no justification to repeal them either. Naturally, the employers who spend so much money, in hundreds per head in the case of Assam garden coolies, should have some protection whenever the imported labour desert their services without just or reasonable cause.

Sir, at any rate, the Honourable the Mover has made out no case affecting the whole of India. No case of hardship on the score of this Act affecting the labourers of the tea gardens of Assam and Bengal can be shown authoritatively, and my submission is, that the Resolution is quite unwarranted as far as the tea gardens of Assam and Bengal are concerned. If some other parts of India are really affected by the Act and the provisions of Sections 490 and 492, let the local extent of the provisions of these laws be modified, leaving these tea gardens alone.

**Mr. Muhammad Yamin Khan :** Sir, I move that the question be now put.

**Mr. N. M. Joshi :** Sir, in view of the statement made by the Honourable the Home Member as regards the intentions of Government to the effect that they accept the principle of the repeal in the case of the Workmen's Breach of Contract Act, which may be done within 18 months, if possible within a shorter period, I do not wish to press my Resolution. As regards the second part of my Resolution, if Government are prepared to accept the general principle of the repeal, and take public opinion and introduce legislation within 18 months, I do not mind withdrawing my Resolution.

**Mr. E. L. Price :** Sir, I rise to a point of order. Do I understand that Mr. Joshi is striking a bargain with Sir William Vincent, and can we have no say in the matter ?

**The Honourable the President :** The Honourable Member (Mr. Joshi) quite properly rose to answer the appeal of the Home Member. If I understood him aright he desires leave to withdraw : and, in the circumstances, I do not think that the Honourable Member from Karachi is entitled to complain.

**The Honourable Sir William Vincent :** Sir, I have already explained what the views of the Government are on this matter. I must make it clear, however, that we have not given a definite undertaking to repeal these Acts within 18 months unless there is a general consensus of opinion that this is the proper course and I should have thought that Mr. Price could have had no objection to this proposal which involves consulting all those interested and which I put before the Assembly for the convenience of Members. The Honourable Mover has referred to Sections 490 and 492 of the Indian Penal Code. I am afraid, I omitted by an oversight to deal with them. I am not prepared to give any such undertaking regarding these two Sections which stand on a very different footing from Act XIII, but Government are prepared to invite public opinion on these enactments in order to ascertain whether their repeal is necessary or advisable. I am personally glad that Mr. Joshi proposes to withdraw his Resolution because it is getting very late and I think that this course will avoid a great waste of time.

**The Honourable the President :** Does the Honourable Member ask leave to withdraw ?

**Mr. N. M. Joshi :** Yes, Sir, I ask leave to withdraw (Cries of 'No, No') unconditionally.

**The Honourable the President :** Order, order. The question is, that leave be given to the Honourable Member to withdraw his Resolution.

The Resolution was, by leave of the Assembly, withdrawn.

## POSTPONEMENT OF THE DISCUSSION ON MR. SAMARTH'S RESOLUTION.

**The Honourable Sir William Vincent :** There is another difficult Resolution\* before the Chamber, Sir. I do not know if it will be convenient to you to postpone the discussion on it until some other occasion, instead of beginning it to-day. I have ascertained from the Mover that he is quite willing that the debate should be adjourned if I can guarantee him another Government date. In spite of the protest made to-day by Mr. Sohan Lal, I am quite prepared to give this undertaking. And, I hope, that on the date to be fixed, the Assembly will be given an opportunity of debating this important subject at greater length.

**The Honourable the President :** I understand that the proposal made by the Honourable the Home Member meets with the satisfaction of the Chamber and that on that account the Resolution No. 2\* in the list of to-day's business will be postponed till a further occasion.

### PROCEDURE FOR TAKING DIVISIONS.

**The Honourable the President :** I may say, in reference to the taking of a division, that a circular has already been issued to Members, drawing their attention to the fact that their names on the Division List are numbered exactly as are their names on the seating list, so that, if they will take the trouble to acquaint themselves with the numbers of their seats, they will see whether they pass through the Division Lobby early or late amongst those voting. That will save time. I observed to-day the division took sixteen minutes which I think is rather too long.

**Mr. B. A. Spence :** With reference to that, Sir, might I ask that seating cards be placed on our seats, so that the various numbers may be noted. It is very difficult to pick them out.

**The Honourable the President :** I understand that on the opening of the Session a card was placed on the desk in front of every Member's seat and in a corner of the card there was a number. If the number has been omitted by oversight, I shall make arrangements to see that the point raised by the Honourable Member from Bombay is met.

### LEGISLATIVE BUSINESS.

**The Honourable Sir William Vincent :** May I say a word, Sir. For the convenience of the Assembly and in order to avoid the criticism of my Honourable friend opposite, I want to make a statement of the legislative business which is likely to be introduced on the 15th of September.

The following Bills will probably be introduced, if they are ready by that time :

- (i) A Bill to provide for the levy of customs duty on lac exported from British India ;
- (ii) A Bill to consolidate and amend the law relating to income-tax and super-tax.

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\* Mr. Samarth's Resolution re the distinctions between Indians and non-Indians and their mode of trial.

The following Bills will probably be taken into consideration :

- (i) The Bill further to amend the Negotiable Instruments Act, 1881 ;
- (ii) The Bill further to amend the Indian Post Office Act, 1898 ;
- (iii) The Bill further to amend the Indian Marine Act, 1887 ;
- (iv) The Bill further to amend the Indian Works of Defence Act, 1903.

The Reports of Select Committees on the Maintenance Orders Enforcement Bill, and the Indian Penal Code (Amendment) Bill will be presented, if ready, and there may be a motion to introduce the Bill to repeal the Indian Press Act if we can get it ready in time.

The Bill further to amend the Land Acquisition Act, 1894, which was passed by the Council of State during the last Delhi Session and laid on the table in the Assembly, will be taken into consideration.

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**Mr. Harchandrai Vishindas :** Might I inquire, Sir, whether Mr. Samarth's Resolution will be given an opportunity very early ?

**The Honourable Sir William Vincent :** As early as I can possibly manage it.

**The Honourable the President :** With reference to the statement just made by the Honourable the Home Member I may perhaps ask him to speak to those of his Colleagues who are not present and who are in charge of legislation on the point raised by Mr. Rangachariar because there was a similar appeal two or three days ago.

This House now stands adjourned to the 15th September at 10-30 A.M.

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