

24th January, 1922

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

SECOND SESSION

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OF THE  
LEGISLATIVE ASSEMBLY, 1922



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# LEGISLATIVE ASSEMBLY,

*Tuesday, 24th January, 1922.*

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The Assembly met in the Assembly Chamber at Eleven of the Clock. Mr. President was in the Chair.

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## QUESTIONS AND ANSWERS.

### CORRESPONDENCE BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS ON THE RECENT POLICY OF ENFORCEMENT OF LAW AND ORDER.

82. \* **Mr. K. C. Neogy** : Will Government be pleased to lay on the Table a copy of the correspondence between the Government of India and the Local Governments, relating to the new policy of enforcement of law and order which has led to the application of the Seditious Meetings Act and the Criminal Law Amendment Act, Part II, resulting in numerous arrests and convictions ?

**The Honourable Sir William Vincent** : Government are not prepared to lay the papers on the Table.

### DIFFERENCE IN APPLICATION OF REPRESSIVE MEASURES IN DIFFERENT PROVINCES.

83. \* **Mr. K. C. Neogy** : Has the attention of Government been drawn to the difference in the degree of severity of sentences passed on persons convicted under the Seditious Meetings Act as also the Criminal Law Amendment Act, Part II, in different provinces, in different districts of the same province, and in different Courts of the same district or town, for exactly similar offences ?

**The Honourable Sir William Vincent** : Yes ; the Government of India recently made certain suggestions to Local Governments with the object of securing some measure of uniformity in the sentences referred to. The Honourable Member will, however, understand that, as the law allows the Courts a large measure of discretion in deciding the amount of punishment to be inflicted, complete uniformity is hardly to be expected, nor, indeed, is it desirable in all cases.

**Mr. K. C. Neogy** : Will Government consider the desirability of publishing the instructions they have sent to the provincial Governments ?

**The Honourable Sir William Vincent** : I can read out to the Honourable Member a portion of the instructions now, but I should prefer to lay on the Table a more complete statement later if that would meet him. I cannot guarantee that we shall publish our instructions in full.

OCCASIONS WHEN FIREARMS WERE USED FOR QUELLING CIVIL DISTURBANCES  
SINCE OCTOBER, 1921.

84. \* **Mr. K. C. Neogy:** Will Government be pleased to make a statement giving brief particulars of the occasions on which firearms had to be used for quelling civil disturbances since October, 1921, specifying particularly, in each case, the name and status of the officer on whose authority fire was opened, the nature of the warning given to the rioters before fire was resorted to, the approximate number of rioters and how they were armed, the number of police or military force employed in stopping the disturbance, and the number of casualties on either side?

**The Honourable Sir William Vincent:** A statement is laid on the Table giving such information as is readily available. Government are not prepared, even where they have the information, to give the name of the officer who ordered firing in each case.

Province.	Date.	Place of Disturbance.	Brief description.	Casualties.
Madras	4-12-21	Cannanore	<p>On the 4th December, 1921, a number of Marilla convicts and undertrial prisoners in the Cannanore Central Jail, ultimately numbering about 150, began rioting and attempted to break out of the jail. Breaking open a tool shed they armed themselves with chisels, iron bars, etc., and attacked warders who attempted to obstruct their escape. As the prisoners disregarded warnings, firing had to be ordered to prevent their overpowering the guard by force of numbers.</p>	<p>Seven of the prisoners were killed outright and four wounded by the firing. Two of these subsequently died. One prisoner died of a fractured skull and nine were wounded otherwise than by firing.</p>
United Provinces.	20-12-21	Bareilly	<p>On the 29th December, 1921, inmates of Bareilly Juvenile Jail refused to work on the grounds that a certain political prisoner had been removed from their midst. (He had been sent to hospital in consequence of illness.) Owing to influence of political prisoners the youths, who numbered about 180, were completely out of hand. They broke open almirahs, took out tools, broke open locks and gates and attempted to scale walls. It was necessary to call up the armed guard and to order firing. Sixteen shots were fired, several of them in the air. None of the gunshot wounds are serious, and inquiry by District Magistrate shows that no unnecessary violence was used. (This account is taken from a communiqué published in the Press, as no official report has been received from the United Provinces Government.)</p>	<p>Eight of the prisoners were injured by gunshots, mostly in the legs, and nine with batons.</p>
Madras	13-1-22	Madras	<p>On the occasion of the arrival of His Royal Highness the Prince of Wales in Madras there were disturbances in Madras City. An official report has not yet been received, but from accounts in the Press it appears that the excesses of the mob were such that it was necessary to call out the military and to report to</p>	<p>According to Press accounts, five or six rioters were killed. Other casualties not known.</p>

Province.	Date.	Place of Disturbance.	Brief description.	Casualties.
Coorg	17-11-21	Bangalore	<p>Following on arrest of six Mahomedans on charge of unlawful assembly a mob numbering thousands surrounded Broadway Police Station, prevented removal of prisoners who had refused bail to judicial lock-up in Bangalore Central Jail. As Police Force was inadequate, military aid was requisitioned. As detachment of military reached Police Station, determined rush was made on rear. In the melee four or five shots were fired. Officer Commanding was individually attacked by man with a stick. There was heavy stone throwing.</p>	<p>Two rioters were killed and six injured; 16 men of the Dorset Regiment were injured.</p>
Punjab	23-12-21	Ferozepore Jhirka.	<p>A determined attempt was made by a mob to rescue 12 non-cooperators who were arrested for having recourse to violence. The police were forced to fire. On the 24th a large number assembled to renew the attack, but Alwar troops and Reserve Police dispersed them.</p>	<p>Three rioters were killed and several wounded.</p>
Bengal	28-12-21	Rangpur	<p>Owing to disturbed state of locality, thirty-two armed Police were sent to Nilphamari. A halt was made in the Bazar during a route march, and an altercation took place between a policeman and a servant of a local Gentleman. A crowd speedily collected and began throwing missiles. March was continued followed by crowd who became increasingly menacing and broke through ranks of police. Some shots were fired in the air.</p>	<p>Eight policemen were injured. Eight of public were also injured.</p>
Punjab	30-10-21	Lahore	<p>On the afternoon of the 30th October, 1921, a mob of between 150 and 200 convicts made a determined and evidently a preconcerted attempt to break out of the Lahore Central Jail. They overpowered the guard of the inner gate and forced their way to the outer gate, where they succeeded in breaking the lock of the wicket. The Jail officials had to fire at this point and succeeded in driving back the convicts.</p>	<p>Three of the convicts were killed and thirty-three wounded.</p>

Bengal	4-11-21	Howrah	Processions were formed at night after a Khilafat meeting had been held on the Howrah maidan. One of these attacked the police on duty and forced them to retire on the thana. Armed police were requisitioned from Sibpore and, though attacked <i>en route</i> , succeeded in relieving the thana. During the disturbances some shots were fired.
Burma	17-11-21	Rangoon	Serious riot occurred on 13th night due to attempt by large number of Burmese monks to obtain free entrance to the Pwes in Shweda-gon Pagoda during pagoda festival.
Bombay	17-11-21 to 20-11-21	Bombay	People returning from seeing the arrival of the Prince were molested. On 18th rioting became general. Europeans and Parsis were attacked and liquor shops, etc., were set on fire. Military aid was requisitioned.
Burma	15-1-22	Hokyo-bo Kwin, near Mada village, Thingangyan.	A party of police were despatched to prevent a buffalo fight. They were attacked on arrival by a crowd of between three hundred and five hundred. The police made six arrests but the crowd attacked them with sticks, stones and bottles and they had to let their prisoners go and to retreat towards the police station. Later the villagers again attacked the police and one villager cut a head constable with a <i>dak</i> on the forearm and attempted to seize his carbine. Another head constable came to the rescue and in the scuffle the carbine went off and the original assailant was shot in the abdomen. As villagers continued to attack, a head constable fired twice into the crowd. The police then made good their escape.
			One constable was killed and several wounded. Five rioters were killed.
			Not known. One unknown Burman killed. Among the police there were three serious and many minor casualties.
			Two Europeans, one American and two Parsis were killed. Three Europeans and an unknown number of Parsis were wounded. 83 police were wounded. Of the rioters 58 were killed and 298 wounded. Not all the deaths from gunshot wounds were due to the police and military, as several dead and wounded men were found in localities where the authorities had not opened fire.
			One villager killed, two severely wounded, seven slightly wounded; one head constable cut on forearm, one head constable incised wound on head, two constables slight cuts about arms and several hit by missiles.

## ORDER OF PRECEDENCE FOR MEMBERS OF THE LEGISLATURE AT PUBLIC DURBARS.

85. \* **Mr. Ali Buksh Mahomed Hussain:** (a) Will the Government be pleased to state on what occasions is the Order of Precedence laid down in His Majesty's Warrant of Precedence to be observed?

(b) Is a District Durbar, held by a Collector of a District, a function at which a Warrant of Precedence should be observed?

(c) Is the precedence to be accorded to officials and non-officials *inter se* according to the Warrant of Precedence in public functions, or is it left to the discretion of individual officials to arrange precedence according to his own caprices?

(d) Is it a fact that the authorities in Sind before the advent of the Reforms Councils accorded precedence to the Members of the Imperial and Provincial Legislative Councils according to the Warrant of Precedence at all public durbars?

(e) Is it true that since the advent of the Reforms Council the Sind authorities, especially in recent durbars held at Sukkur, bifurcated the Warrant of Precedence into two portions, one portion being made separately applicable to officials and the other portion being applicable to the Members of the Legislative Assembly and Council among themselves, that is, all the officials, however high or low, some of them not even being included in the Warrant of Precedence, were seated on the *dais* in the durbars above the members of the Assembly and Council, and the Members of the Assembly and Council were seated behind them, although according to the Order of Precedence the Members of the Assembly and Council rank higher in the Warrant of Precedence than several of the officers actually seated above them?

(f) Will the Government be pleased to state whether the procedure adopted by the Sind authorities in violating His Majesty's Warrant of Precedence is a correct one?

(g) If not, what was the justification for the Sind authorities to do so, and will the Government express their disapproval of the procedure followed by the Sind authorities and take steps to check its recurrence?

**The Honourable Sir William Vincent:** The whole of the long question appears to be based upon a misapprehension, as the Warrant of Precedence which regulates the rank and precedence of persons holding appointments in India contains no reference to Members of the Council of State or the Legislative Assembly.

## NEW CANAL PROJECTS IN THE PUNJAB AND THE INTERESTS OF SIND.

86. \* **Mr. Ali Buksh Mahomed Hussain:** (a) Has the attention of the Government of India been drawn to the reply of Lord Chelmsford to the address of the Sind Muhammadan Association presented to him at Karachi in November, 1917, promising that no new canal projects in the Punjab will be taken in hand without consulting the interests of the Province of Sind?

(b) Is it true that a large irrigational project has since been taken in hand in the Punjab?

(c) Is the Government aware that the zamindars of Sind are very seriously apprehensive of the adverse effect of this project on the irrigation of Sind?

(d) Will the Government be pleased to state whether the Government of Bombay was consulted before the Government of India sanctioned this project?

(e) If so, will the Government be pleased to state the gist of the opinion of the Government of Bombay and how far the Government of India accorded weight to it?

**Colonel Sir S. D'A. Crookshank:** (a) and (b). Yes.

(c) No.

(d) No, but the question was very carefully considered by the professional advisers of the Government of India and it was decided that there were no grounds for apprehension that the withdrawal of the water required for the Punjab project would affect adversely irrigation in Sind.

(e) Does not arise.

#### MANAGEMENT OF THE EAST INDIAN RAILWAY.

87. \* **Mr. K. Ahmed:** Is there any truth in the rumour that, instead of the East Indian Railway being transferred to the State for working, the idea is to amalgamate the Oudh and Rohilkhand State-worked Railway with the East Indian Railway, and to work the system thus combined as a Company-managed State line?

**Colonel W. D. Waghorn:** There is no truth in the rumour referred to.

#### INDIANS ON THE RAILWAY BOARD AND THE RATES TRIBUNAL.

88. \* **Mr. K. Ahmed:** (a) Will the Government be pleased to state whether they intend to associate Indians as members of the Railway Board or of the Railway Commission (whatever its designation may be in the future), and to have an experienced Indian member on the Rates Tribunal, in the event of such a Tribunal being created, as recommended by the Railway Committee?

**Colonel W. D. Waghorn:** As already stated in reply to question No. 134 put by Raja Kushalpal Singh on 16th January, 1922, the report of the Railway Committee has only been received comparatively recently and the many recommendations made by the Committee have yet to be considered in detail by the Government of India.

#### RAILWAY RATES PREFERENTIAL TO FOREIGN TRAFFIC.

89. \* **Mr. K. Ahmed:** (a) Has the attention of the Government been drawn to the reply given by the Indian Merchants' Chamber and Bureau, Bombay, to questions 30 and 31 of the Railway Committee, appearing on pages 171 and 172 of Volume IV of the Report of the said Committee, in the matter of railway rates being made preferential to foreign traffic and detrimental to India's local trade and industries?

(b) If so, will the Government be pleased to state what action they have taken regarding the specific instances of rates for hides, sugar, oilseeds,

oil, etc., which were referred to in those pages of Railway Board's "Monograph on Indian Railway Rates," 1918, which were quoted by the said Chamber and Bureau in answer to question 31 (*vide* pages 171 and 172 of Volume IV of the Report) of the Railway Committee?

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

(b) The question of assistance to be rendered by Railways in the development of Indian industries was brought to the notice of Indian Railways in 1915, and a Press Communiqué was issued at the same time suggesting that applications for concession rates should be addressed to the Railways concerned with the necessary particulars in support thereof. Government are aware that numerous concessions have been granted by Railways to various local industries from time to time as the result of such applications, and are confident that careful consideration will continue to be given by Railway Administrations to requests for similar concessions which are made to them.

Since the publication of Mr. Ghose's Monograph there have been considerable changes in the special rates quoted by Railways, and Government do not propose to take action in connection with the specific instances referred to. Individual cases of prohibitive rates or rates which are alleged to prejudice the development of local industries will be considered on their merits if represented by the industries concerned. Such questions, moreover, will be taken up by the proposed Rates Tribunal if it is appointed.

#### STATE MANAGEMENT OF INDIAN RAILWAYS.

90. \***Mr. K. Ahmed:** (a) Has the attention of the Government been drawn to the last paragraph on page 13 and to the first paragraph on page 14 of Mr. S. C. Ghose's recent pamphlet called 'Indian Railway Committee, State Management of Indian Railways' regarding wasteful railway competition?

(b) If the answer be in the negative, will the Government be pleased to accept a copy of the same from me?

(c) Will the Government be pleased to explain how they can entrust the management of the Indian State Railways to Companies in the face of such clear evidence of reckless and wasteful competition as shown in the pamphlet?

(d) If the answer be that the Indian Railways, in entering into competition with one another, did nothing unusual and did not go to the same extent as the American or the English Railway Companies did, will the Government be pleased to state whether it is a fact that, while by far the largest partners in Indian Railways are the Indian taxpayers, the Railways of England and America are the properties of private individuals, and that therefore any loss of revenue, due to wasteful competition in India, would mean loss of public revenue, whereas in the case of American or English Railways such competition would mean loss of money of private individuals only?

**Colonel W. D. Waghorn:** (a), (b), (c) and (d). The Government are in possession of the pamphlet referred to. The only other remark that they propose to make is that they must decline in an answer to this question

to enter into a discussion of the relative merits of State *versus* Company management.

UNDUE PREFERENCE FOR EUROPEANS ON RAILWAYS.

91. \* **Mr. K. Ahmed** : Has the Government of India got with them the information which the Bombay Indian Merchants' Chamber and Bureau furnished to the Railway Committee in the matter of undue preference being shown to the Europeans (*vide* "P. S." on page 187 of the Railway Committee's Report, Volume III), and will the Government be pleased to publish, for the benefit of the Assembly, this information ?

**Colonel W. D. Waghorn** : The information referred to is not in the possession of Government.

CONTRACTS BETWEEN SECRETARY OF STATE AND INDIAN RAILWAYS.

92. \* **Mr. K. Ahmed** : (a) Is it not a fact that the contracts between the Secretary of State and the Railway Companies provide that the Government are not liable to pay any compensation that may be due to any legislation in India ?

(b) Will the Government be pleased to lay on the Table a copy of each contract with the Bengal-Nagpur Railway, the Bombay, Baroda and Central India Railway and the South Indian Railway ?

**Colonel W. D. Waghorn** : (a) The contracts referred to contain a clause to the effect that no claim shall be made upon the Secretary of State by the Company for compensation in respect of the prejudicial effect upon the undertaking or the profits thereof of any Act of the Legislature or of any Act of the Legislature of general applicability for the time being in force.

(b) Copies of the contracts in question have been placed in the Library for reference by Honourable Members of the Legislature.

TRANSFER OF THE DACCA SECTION OF THE EASTERN BENGAL RAILWAY TO THE ASSAM BENGAL RAILWAY.

93. \* **Mr. K. Ahmed** : (a) Is it not a fact that Assam Bengal Railway is a losing concern and that the Government expended nearly 18 crores of rupees as capital outlay and had, in addition, to pay another 8 crores of rupees or more in the way of interest, from 1895 to March, 1920, not covered by the net earnings ?

(b) Is it not a fact that instead of taking over this line with a view to work it as a State concern, attempts have been made to make over the Dacca branch of the Eastern Bengal Railway to this non-paying Assam Bengal Railway Company ?

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

(b) The question of transferring the Dacca Section of the Eastern Bengal Railway is still under consideration, and no definite decision has so far been reached.

**MILEAGE, OFFICERS AND TRAFFIC ON STATE-OWNED RAILWAYS IN INDIA IN 1910-11 AND 1920-21.**

94. \* **Mr. K. Ahmed**: Will the Government be pleased to furnish the following particulars in the public interest :

- (a) total mileage of open lines of State-owned railways in 1910-11 and in 1920-21, giving particulars for each railway separately ;
- (b) total number of superior officers (Indians and Europeans) in the Engineering, Traffic, Locomotive and Audit Departments for the years 1910-11 and 1920-21 for each such railway ;
- (c) total ton-miles of traffic carried in 1910-11 and 1920-21 for each railway ?

**Colonel W. D. Waghorn**: With reference to (a) and (c), a statement showing the total open mileage, unit mileage of passengers and freight, ton mileage of goods of all State-owned Railways in India, including Branch lines worked by them, for the years 1910 (January to December) and 1920-21 (April 1920 to March, 1921) is being sent to the Honourable Member.

(b) The information may be obtained from the printed Classified List of Officers in the various Departments of all Railways in 1910-11 and 1920-21 issued by the Railway Board, copies of which are available in the library for reference by the Honourable Members of the Legislature.

**INDIANS IN COMPANY-WORKED STATE RAILWAY LOCOMOTIVE AND CARRIAGE DEPARTMENTS.**

95. \* **Mr. K. Ahmed**: (a) Will the Government be pleased to state what steps have been or are being taken by the Company-worked State Railway Locomotive and Carriage Departments to take in Indians who have passed the I. Sc. or B. Sc. examination of Indian Universities as apprentice mechanics, to eventually fill up the posts of Assistant Loco. Foremen, Loco. Foremen, Head or Assistant Locomotive and Carriage Fitters ?

(b) What training allowance is paid to Indians of such qualifications and to European, Anglo-Indian lads of lower or similar educational qualifications for the 1st, 2nd, 3rd, 4th, 5th year of their training, and on what pay and position the Indians start, after training is over, as compared with the pay and position given to Europeans and Anglo-Indians ?

**Colonel W. D. Waghorn**: (a) and (b). I would refer the Honourable Member to my reply† on the 15th September, 1921, to Question No. 184 put by Mr. K. C. Neogy. The whole question is still under the consideration of Government.

**Mr. K. Ahmed**: Will Government be pleased to decide one way or the other as soon as possible, as they have taken a long time to decide the same ?

**Colonel W. D. Waghorn**: The matter is one which cannot be decided rapidly. It is under consideration.

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† *Vide* Legislative Assembly Debates, Vol. II, pages 291-293.

**SALARIES OF INDIAN AND EUROPEAN PERMANENT-WAY INSPECTORS ON STATE AND OTHER RAILWAYS IN INDIA.**

96. \* **Mr. K. Ahmed** : Will the Government be pleased to state :

(a) how many Indians are employed as Permanent-Way Inspectors and Sub-Permanent-Way Inspectors on State Railways, and how many on the East Indian, Great Indian Peninsula, and the Bengal-Nagpur Railways, and how many Europeans are employed in such appointments on each of these railways ?

(b) Is there any difference in the salaries and travelling allowances paid to Indian Inspectors as compared with the European Inspectors ?

**Colonel W. D. Waghorn** : The information is being obtained from the several railway administrations and will be sent to the Honourable Member.

**PERSONS EXPELLED FROM CANTONMENTS IN INDIA DURING PAST FIVE YEARS.**

97. \* **Mr. W. M. Hussanally** : (a) Will the Government be pleased to state how many persons have been expelled from Cantonments in India during the past 5 years under section 216 of the Cantonment Code of 1916 ?

(b) What were the offences they had committed ?

(c) Were the offenders informed of the charges against them, and their explanations obtained before being expelled ?

(d) In how many cases were appeals preferred against the order of expulsion ?

(e) In how many cases was the order of expulsion upset and in how many upheld ?

**Sir Godfrey Fell** : (a) and (b). The Government of India regret that they cannot furnish this information in full, for the reasons stated in my reply† to Question No. 242 asked by Lala Girdharilal Agarwala on the 19th September last. If the Honourable Member so desires, a copy of the list of persons ordered to leave cantonments during the past two years under sections 215 and 216 of the Cantonment Code will be furnished to him.

(c) The Government have no information. As pointed out in the reply‡ to part (a) of Question No. 242 asked on the 19th September last, the Commanding Officer of a Cantonment can remove from the Cantonment, within a time to be specified in the notice, and prohibit from re-entering it, any person whom he thinks it expedient to exclude from the Cantonment, and need not assign any reason therefor, subject to the conditions stated. It is open to the persons excluded to appeal against their order of expulsion.

(d) and (e). The information asked for by the Honourable Member is not immediately available, but will be obtained and communicated to him in due course.

**REPEAL OF SECTION 216 OF CANTONMENT CODE, 1916.**

98. \* **Mr. W. M. Hussanally** : Have the Government or His Excellency the Commander-in-Chief received any representations to repeal section 216 of the Cantonment Code, 1916 ? If so, what action do Government intend to take in regard to this section ?

**Sir Godfrey Fell** : Yes. The question is now under consideration and Government hope shortly to announce the action which they propose to take with reference to this matter.

† *Vide* Legislative Assembly Debates, Vol. II, pages 395-96.

‡ *Vide* Legislative Assembly Debates, Vol. II, pages 395-93.

## RESOLUTIONS ADOPTED IN IMPERIAL COUNCILS AND ACTION TAKEN THEREON.

99. \* **Sardar Gulab Singh**: Will the Government be pleased to print all the Resolutions adopted in the Imperial Councils in a tabular form showing the action of the Government taken thereon?

**The Honourable Sir William Vincent**: The attention of the Honourable Member is drawn to the statements† laid on the table on the 16th instant in reply to a similar question asked by Mr. Agnihotri in September last, and to the reply‡ given to the unstarred question put by M. K. Reddi Garu to-day which will be published in the official reports of the Debates of the Legislative Assembly. Further information required in regard to the Resolutions adopted by the Council of State and the Official Resolutions adopted by the Legislative Assembly during the Simla Session is being collected and will be laid on the Table in due course.

## DISCONTINUANCE OF RESERVED ACCOMMODATION IN RAILWAY TRAINS FOR CERTAIN CLASSES OF PASSENGERS.

100. \* **Sardar Gulab Singh**: Is any action taken to discontinue the reserved accommodation in railway trains for certain classes of passengers in accordance with the assurances given last session by the President of the Railway Board?

**Colonel W. D. Waghorn**: Railway Administrations were addressed on the subject of limiting the reservation of Intermediate and third class compartments for Europeans and Anglo-Indians to mail and fast passenger trains only. Their views have been received and are now under consideration.

## DISTINCTION BETWEEN ENGLISH AND INDIAN TRAINED ARMY NURSES.

101. \* **Lieut.-Col. H. A. J. Gidney**: Will Government be pleased to state whether they make any distinction (a) in professional qualifications, (b) social recognition, and (c) salaries, between English and Indian trained Army nurses?

**Sir Godfrey Fell**: (a) No. The only professional qualification required of candidates for either service is that they should be fully qualified trained nurses.

(b) Government make no distinction in the manner suggested.

(c) Yes. The attention of the Honourable Member is invited to the statement laid on the table in reply to Question No. 254, asked on the 19th September last.

**Lieut.-Col. H. A. J. Gidney**: With reference to the replies given to (a) and (b) will Government be pleased to state why they do not act up to their principles?

(No reply was given.)

## SENIORITY OF LADY SUPERINTENDENT OF A BRITISH OVER THAT OF AN INDIAN STATION HOSPITAL.

102. \* **Lieut.-Col. H. A. J. Gidney**: Will Government be pleased to state whether the lady superintendent-in-charge of a British Station Hospital, no matter how junior she is, is officially recognised as senior to a

† *Vide* Legislative Assembly Debates, Vol. II, pages 1603-08.

‡ *Vide* Legislative Assembly Debates, Vol. II, pages 1830-31.

§ *Vide* Legislative Assembly Debates, Vol. II, pages 400.

lady superintendent-in-charge of an Indian Station Hospital, even though the latter be many years her senior?

**Sir Godfrey Fell:** The senior nursing sister of the British Station Hospital is responsible for the supervision of the nursing arrangements in all the hospitals in the station and is, consequently, the official senior of the matron of the Indian Station Hospital. It can rarely happen, however, that the matron of an Indian Station Hospital is senior in point of service to the senior nursing sister of the British Station Hospital.

DISCONTENT AMONG NURSES IN INDIAN TROOPS HOSPITALS.

103. \* **Lieut.-Col. H. A. J. Gidney:** Is Government aware that great discontent prevails amongst the nurses employed in the Indian Troops Hospitals on account of the inferior way in which they have been treated as compared with those nurses who have been trained and enlisted in England?

**Sir Godfrey Fell:** The Government of India are not aware that any discontent prevails amongst the nurses employed in Indian Troops Hospitals.

PROPORTION OF BEDS PER WORKING NURSE IN BRITISH AND INDIAN STATION HOSPITALS.

104. \* **Lieut.-Col. H. A. J. Gidney:** Will Government be pleased to state what is the proportion of beds per working nurse in (a) British station hospitals, (b) Indian station hospitals?

**Sir Godfrey Fell:** In British Station Hospitals, the proportion of beds per nurse is approximately 38 to 1; while in Indian Station Hospitals the proportion is approximately 100 to 1.

NUMBER OF NURSES IN BRITISH AND INDIAN STATION HOSPITALS, AND EXPENDITURE OF THEIR UPKEEP.

105. \* **Lieut.-Col. H. A. J. Gidney:** Will Government be pleased to state what is the total number of the nurses employed and annual expenditure of their upkeep (a) in British Station Hospitals and (b) Indian Station Hospitals?

**Sir Godfrey Fell:** The figures are as follows:

Total number of nurses employed in British Station Hospitals	. 233	.
Total number of nurses employed in Indian Station Hospitals	. 66	

The approximate expenditure incurred annually on their account is Rs. 7,80,000 and Rs. 1,80,000, respectively.

(Questions Nos. 106 to 110 were withdrawn.)

INSTRUCTIONS TO THE RIGHT HONOURABLE SRINIVASA SASTRI RE THE DISARMAMENT CONFERENCE.

111. \* **Mr. K. C. Neogy:** (a) Will Government be pleased to state whether any instructions were given to the Right Honourable Srinivasa

Sastri, on behalf of the Government of India, relating to the Disarmament Conference at Washington ?

(b) If so, will Government be pleased to lay the correspondence conveying the same on the Table, or in the Library of the House for private information of Members ?

**The Honourable Sir William Vincent :** (a) and (b). Mr. Sastri was not given any precise instructions as to the attitude which he should adopt on any question which might arise at the Conference.

It was intended that he should consult the Secretary of State for India before he committed India to any important decision, and the Secretary of State would have consulted the Government of India in such a case if he had thought this necessary.

#### COST OF MR. SASTRI'S DELEGATION TO AMERICA.

112. \* **Mr. K. C. Neogy :** (a) Will Government be pleased to state the total cost of Mr. Sastri's delegation to America, and whether any part thereof will be borne by the British Government ?

(b) Is Mr. Sastri's delegation to America a delegation on behalf of the British Empire or a separate delegation on behalf of India alone ?

**The Honourable Sir William Vincent :** (a) Government have as yet no definite information.

(b) Mr. Sastri was appointed to be the representative of India on the British Delegation to the Conference.

**Mr. K. C. Neogy :** May I know if India is one of the contracting parties to the Pacific Contract ?

**The Honourable Sir William Vincent :** I am afraid I must ask for notice of that question.

#### UNIFORMITY OF TREATMENT FOR POLITICAL PRISONERS.

113. \* **Rai G. C. Nag Bahadur :** (a) Are the Government of India aware of the Circular issued by the Government of Bihar and Orissa *re* the treatment of political prisoners, and of the Press Communiqué issued by the Government of Bengal under date 30th December, 1921, creating a new class of prisoners called, for the purpose of treatment in jails, Special Class Prisoners ?

(b) With a view to secure uniformity of treatment for this particular class of prisoners, do the Government of India propose to issue a general circular of instructions for observance by all the Provincial Governments ?

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

(b) The attention of the Honourable Member is invited to the answer given on the 10th instant to a similar question asked by Pandit Jawahar Lal Bhargava.

#### TRANSFER OF THE CANTONMENT OF HYDERABAD SIND.

114. \* **Mr. W. M. Hussanally :** (a) Is it a fact that in 1918 Major Fowler, then Commanding Karachi Brigade, in his No. 4738-I. R., dated 6th

June, while recommending the transfer of the Cantonment of Hyderabad Sind to Ganja Takar, said: 'The site on which the City of Hyderabad, the Sadar Bazar, and the Cantonment is situated is at present very congested and overcrowded, they all run into one another; there is no room for expansion for any of them and if any epidemic starts in one, it runs through all.'

Again:

'The state of affairs now must be much worse in the city. We know there is always some disease raging there: plague, cholera, smallpox or malaria owing to there being no open spaces between the City, Sadar Bazar and Cantonment, it is almost impossible to keep it from spreading throughout.'

(b) Do Government propose to remove the said Cantonment to a safer place for reasons stated by Major Fowler?

**Sir Godfrey Fell:** (a) The answer is in the affirmative.

(b) The attention of the Honourable Member is invited to the replies given on the 10th January last to part (c) of his Question No. 29 and Question No. 30.

INDIAN SENIOR GOVERNMENT INSPECTORS OF RAILWAYS TO WATCH DISTRIBUTION OF WAGONS.

115. \* **Mr. K. Ahmed:** (a) In view of the fact that serious complaints of undue preference in favour of Europeans and discrimination in the matter of wagon supply, were made before the Railway Committee, particularly by Indian merchants (*vide* "P.S." on page 187, Volume III of Railway Committee's Report), do Government propose to order that the Senior Government Inspectors of Railways should be asked to conduct inquiries in connection with registration of goods and distribution of wagons, unless this action has already been taken by the Railway Board?

(b) Do the Government propose to direct that one of the Senior Government Inspectors of Railways should be from amongst the qualified Indians, from the rank from which Government Inspectors are drawn, instead of all such Inspectors being Europeans?

**Colonel W. D. Waghorn:** (a) Government Inspectors have already been asked to inquire and report on the subject referred to, with a view to ascertaining whether the systems adopted provide satisfactory means for the equitable distribution of wagons available at stations to merchants generally.

(b) The duties and responsibilities of a Government Inspector of Railways necessitate his being a fully qualified Railway Engineer. There is no bar to the appointment of qualified Indians as Government Inspectors, but a reference to the Classified List of the State Railway Establishment—in the Library—will show that, while there is a large number of young Indian Engineers now in the Railway Department, who will qualify for advancement in due course, there are very few Indian Railway Engineers of sufficient experience and standing available at the present time for employment in the Inspection branch.

**Mr. K. Ahmed:** Am I to understand that Government cannot find any Indians available, qualified for the post of Senior Government Inspector?

**Colonel W. D. Waghorn:** There is one Indian, I believe, at the present moment, who is officiating as a Government Inspector.

DUTIES OF SENIOR NURSING SISTER IN A STATION.

116. \* **Lieut.-Col. H. A. J. Gidney:** Will Government be pleased to state whether the following section 4, paragraph 30-A, is a corrected reconstruction of paragraph 62, Army Regulations, Volume 6?

' Section IV, paragraph 30-A, is reconstructed as follows :

' The lady superintendent, or the senior nursing sister in a station, will supervise, and be responsible for the efficiency of the nursing of all patients and the general nursing arrangements in the British Station Hospital and families hospital. She will also visit the Indian Station Hospital and advise the Officer Commanding on all matters affecting the nursing of the patients. Where nurses have been allotted for duty in hospitals for Indian troops, she will be responsible for the manner in which they carry out their duties.'

Paragraph 62, Army Regulations, India, Volume VI

**Sir Godfrey Fell:** The answer is in the affirmative.

(Question No. 117 was withdrawn.)

UNSTARRED QUESTIONS AND ANSWERS.

NON-OFFICIAL RESOLUTIONS OF THE LEGISLATIVE ASSEMBLY THAT HAVE BEEN GIVEN EFFECT TO.

201. **M. K. Reddi Garu:** Will the Government be pleased to say how many non-official Resolutions passed by the Legislative Assembly have been given effect to by the Government?

**The Honourable Dr. T. B. Sapru:** The attention of the Honourable Member is drawn to the statement\* laid on the table on the 16th instant in reply to a similar question asked by Mr. Agnihotri in September last. A further statement in regard to the Resolutions adopted in Simla is laid on the Table.

\* *Vide* Legislative Assembly Debates, Vol. II, pages 16603-08.

*Statement showing non-official Resolutions adopted by the Legislative Assembly during the Simla Session in September, 1921, and action of Government taken thereon.*

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
1	5th September	Dr. H. S. Gour	Address of welcome to H. B. H. the Prince of Wales.	Home	His Royal Highness the Prince of Wales has signified his willingness to receive this address, and this has been communicated to the Secretaries of both Chambers of the Legislature. His Excellency's thanks were conveyed to the Legislative Assembly.
2	Do	Rai Sahib Lakshmi Narayan Lal.	Welcome to His Excellency Lord Reading.	Do.	
3	15th September	Mr. N. M. Samarth.	Removal of distinctions between Indians and non-Indians in their mode of trial.	Do.	A Committee of officials and non-officials has been appointed to consider the question.
4	20th September	Rai T. P. Mukerjee Bahadur.	Separation of Judicial and Executive functions.	Do.	The Government of India have issued a Resolution declining to accept the Resolution passed in the Assembly.
5	21st September	Sir P. S. Sivaswamy Aiyer	Judicial administration of the North-West Frontier Province.	Do.	The Chief Commissioner, North-West Frontier Province, and the Punjab Government are being addressed for their views.
6	23rd September	Sir V. Thackersey	Purchase of stores by the High Commissioner for India.	Industries	Instructions have been sent to the High Commissioner for India in the United Kingdom.
7	Do.	Mr. S. C. Shahani	Construction of the Sukkur Barrage.	Finance	The Resolution was accepted on the understanding that the Central Government could accept no financial liability for the project and that all that the Resolution implied—so far as the Government of India were concerned—was that they should do nothing to hamper the scheme but should as far as lies in the power of the various departments do everything to assist its early completion. This is being done.
8	27th September	Beohar Baghubir Sinha	Anti-drink movement in India.	Commerce	The views of the Assembly have been noted as recommended in the Resolution.
9	28th September	Rao Bahadur C. S. Subramanyam.	Non-recognition by the General Medical Council of Medical Diplomas of Indian Universities.	Education	The gist of the debate was telegraphed to the Secretary of State on 20th October, 1921, and a copy of the full proceedings of the Assembly was also sent to the India Office for the information of the Secretary of State.
10	29th September	Rai Jedu Nath Majumdar Bahadur.	Indian Antonomy	Home	A copy of the debates in the Legislative Assembly has been forwarded to the Secretary of State.

## APPOINTMENT OF COUNCIL SECRETARIES.

202. **Mr. Sambanda Mudaliar**: Will Government be pleased to state whether His Excellency the Governor General has any intention to appoint Council Secretaries under section 43-A of the Government of India Act? If not, why not?

**The Honourable Sir William Vincent**: The appointment of Council Secretaries is, under the provisions of section 43-A of the Government of India Act, left entirely to the discretion of the Governor General. The Government of India have no statement on the question to make at present.

## LATEST ANGLO-AFGHAN TREATY.

203. **Mr. Muhammad Faiyaz Khan**: Will the Government be pleased to lay on the table a copy of the latest Anglo-Afghan Treaty?

**Mr. Denys Bray**: A translation of the Anglo-Afghan Treaty is placed on the table. It is a more literal translation of the Persian original than that contained in the communiqué issued on the conclusion of the Treaty which was based in parts on telegraphic reports.

(Translation.)

## TREATY.

## PREAMBLE.

The British Government and the Government of Afghanistan with a view to the establishment of neighbourly relations between them have agreed to the Articles written hereunder whereto the undersigned duly authorised to that effect have set their seals :—

*Article I.*

The British Government and the Government of Afghanistan mutually certify and respect each with regard to the other all rights of internal and external independence.

*Article II.*

The two High Contracting Parties mutually accept the Indo-Afghan Frontier as accepted by the Afghan Government under Article V of the treaty concluded at Rawalpindi on the 8th August, 1919, corresponding to the 11th Ziqada, 1337 Hijra, and also the boundary west of the Khyber laid down by the British Commission in the months of August and September, 1919, pursuant to the said Article, and shown on the map attached to this treaty by a black chain line; subject only to the realignment set forth in Schedule I annexed which has been agreed upon in order to include within the boundaries of Afghanistan the place known as Tor Kham, and the whole bed of the Kabul river between Shilman Khwala Banda and Palosai and which is shown on the said map by a red chain line. The British Government agrees that the Afghan authorities shall be permitted to draw water in reasonable quantities through a pipe which shall be provided by the British Government from Landi Khana for the use of Afghan subjects at Tor Kham, and the Government of Afghanistan agrees that British officers and tribesmen living on the British side of the boundary shall be permitted without let or hindrance to use the aforesaid portion of the Kabul river for purposes of navigation and that all existing rights of irrigation from the aforesaid portion of the river shall be continued to British subjects.

*Article III.*

The British Government agrees that a Minister from His Majesty the Amir of Afghanistan shall be received at the Royal Court of London like the Envoys of all other Powers

and to permit the establishment of an Afghan Legation in London, and the Government of Afghanistan likewise agrees to receive in Kabul a Minister from His Britannic Majesty the Emperor of India and to permit the establishment of a British Legation at Kabul.

Each party shall have the right of appointing a Military Attaché to its Legation.

#### *Article IV.*

The Government of Afghanistan agrees to the establishment of British Consulates at Kandahar and Jalalabad, and the British Government agrees to the establishment of an Afghan Consul-General at the headquarters of the Government of India and three Afghan Consulates at Calcutta, Karachi and Bombay. In the event of the Afghan Government desiring at any time to appoint Consul officers in any British territories other than India, a separate agreement shall be drawn up to provide for such appointments, if they are approved by the British Government.

#### *Article V.*

The two High Contracting Parties mutually guarantee the personal safety and honourable treatment each of the representatives of the other, whether Minister, Consul-General or Consuls, within their own boundaries, and they agree that the said representatives shall be subject in the discharge of their duties to the provisions set forth in the second Schedule annexed to this treaty. The British Government further agrees that the Minister, Consul-General and Consuls of Afghanistan shall within the territorial limits within which they are permitted to reside or to exercise their functions, notwithstanding the provisions of the said Schedule, receive and enjoy any rights or privileges which are or may hereafter be granted to or enjoyed by the Minister, Consul-General or Consuls of any other Government in the countries in which the places of residence of the said Minister, Consul-General and Consuls of Afghanistan are fixed; and the Government of Afghanistan likewise agrees that the Minister and Consuls of Great Britain shall within the territorial limits within which they are permitted to reside or to exercise their functions, notwithstanding the provisions of the said Schedule, receive and enjoy any rights or privileges which are or may hereafter be granted to or enjoyed by the Minister or Consuls of any other Government in the countries in which the places of residence of the said Minister and Consuls of Great Britain are fixed.

#### *Article VI.*

As it is for the benefit of the British Government and the Government of Afghanistan that the Government of Afghanistan shall be strong and prosperous, the British Government agrees that whatever quantity of material is required for the strength and welfare of Afghanistan, such as all kinds of factory machinery, engines and materials and instruments for telegraph, telephones, &c., which Afghanistan may be able to buy from Britain or the British dominions or from other countries of the world, shall ordinarily be imported without let or hindrance by Afghanistan into its own territories from the ports of the British Isles and British India. Similarly the Government of Afghanistan agrees that every kind of goods, the export of which is not against the internal law of the Government of Afghanistan and which may in the judgment of the Government of Afghanistan be in excess of the internal needs and requirements of Afghanistan and is required by the British Government, can be purchased and exported to India with the permission of the Government of Afghanistan. With regard to arms and munitions, the British Government agrees that as long as it is assured that the intentions of the Government of Afghanistan are friendly and that there is no immediate danger to India from such importation in Afghanistan, permission shall be given without let or hindrance for such importation. If, however, the Arms Traffic Convention is hereafter ratified by the Great Powers of the world and comes into force, the right of importation of arms and munitions by the Afghan Government shall be subject to the proviso that the Afghan Government shall first have signed the Arms Traffic Convention and that such importation shall only be made in accordance with the provisions of that Convention. Should the Arms Traffic Convention not be ratified or lapse the Government of Afghanistan, subject to the foregoing assurance, can from time to time import into its own territory the arms and munitions mentioned above through the ports of the British Isles and British India.

*Article VII.*

No Customs duties shall be levied at British Indian ports on goods imported under the provisions of Article VI on behalf of the Government of Afghanistan for immediate transport to Afghanistan, provided that a certificate signed by such Afghan authority or representative as may from time to time be determined by the two Governments shall be presented at the time of importation to the Chief Customs Officer at the port of import setting forth that the goods in question are the property of the Government of Afghanistan and are being sent under its orders to Afghanistan and showing the description, number and value of the goods in respect of which exemption is claimed; provided, secondly, that the goods are required for the public services of Afghanistan and not for the purposes of any State monopoly or State trade, and provided, thirdly, that the goods are, unless of a clearly distinguishable nature, transported through India in sealed packages which shall not be opened or sub-divided before their export from India.

And also the British Government agrees to the grant in respect of all trade goods imported in India at British ports for re-export to Afghanistan and exported to Afghanistan by routes to be agreed upon between the two Governments of a rebate at the time and place of export of the full amount of Customs duty levied upon such goods, provided that such goods shall be transported through India in sealed packages which shall not be opened or sub-divided before their export from India.

And also the British Government declares that it has no present intention of levying Customs duty on goods or livestock of Afghan origin or manufacture, imported by land or by river into India or exported from Afghanistan to other countries of the world through India and the import of which into India is not prohibited by law. In the event, however, of the British Government deciding in the future to levy Customs duties on goods and livestock imported into India by land or river from neighbouring States it will, if necessary, levy such duties on imports from Afghanistan; but in that event it agrees that it will not levy higher duties on imports from Afghanistan than those levied on imports from such neighbouring States. Nothing in this Article shall prevent the levy on imports from Afghanistan of the present Khyber tolls and of octroi in any town of India in which octroi is or may be hereafter levied, provided that there shall be no enhancement over the present rate of the Khyber tolls.

*Article VIII.*

The British Government agrees to the establishment of trade agents by the Afghan Government at Peshawar, Quetta and Parachinar, provided that the personnel and the property of the said agencies shall be subject to the operations of all British laws and orders and to the jurisdiction of British Courts; and that they shall not be recognised by the British authorities as having any official or special privileged position.

*Article IX.*

The trade goods coming to (imported to) Afghanistan under the provisions of Article VII from Europe, etc., can be opened at the railway terminuses at Jamrud, in the Kurram and at Chaman for packing and arranging to suit the capacity of baggage animals without this being the cause of re-imposition of Customs duties; and the carrying out of this will be arranged by the trade representatives mentioned in Article XII.

*Article X.*

The two High Contracting Parties agree to afford facilities of every description for the exchange of postal matter between their two countries, provided that neither shall be authorised to establish Post Offices within the territory of the other. In order to give effect to this Article, a separate Postal Convention shall be concluded, for the preparation of which such number of special officers as the Afghan Government may appoint shall meet the officers of the British Government and consult with them.

*Article XI.*

The two High Contracting Parties having mutually satisfied themselves each regarding the goodwill of the other, and especially regarding their benevolent intentions towards the tribes residing close to their respective boundaries, hereby undertake each to inform the

other in future of any military operations of major importance which may appear necessary for the maintenance of order among the frontier tribes residing within their respective spheres, before the commencement of such operations.

*Article XII.*

The two High Contracting Parties agree that representatives of the Government of Afghanistan and of the British Government shall be appointed to discuss the conclusion of a Trade Convention and the convention shall in the first place be regarding the measures (necessary) for carrying out the purposes mentioned in Article IX of this treaty. Secondly, (they) shall arrange regarding commercial matters not now mentioned in this treaty which may appear desirable for the benefit of the two Governments. The trade relations between the two Governments shall continue until the Trade Convention mentioned above comes into force.

*Article XIII.*

The two High Contracting Parties agree that the first and second schedules attached to this treaty shall have the same binding force as the Articles contained in this treaty.

*Article XIV.*

The provisions of this treaty shall come into force from the date of its signature, and shall remain in force for three years from that date. In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said three years the intention to terminate it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. This treaty shall come into force after the signatures of the Missions of the two Parties and the two ratified copies of this shall be exchanged in Kabul within 2½ months after the signatures.

(Sd.) MAHMUD TARZI,

*Chief of the Delegation of the Afghan  
Government for the conclusion of  
the Treaty.*

*Tuesday, 30th Aqrab 1300 Hijra  
Shamsi (corresponding to 22nd  
November 1921).*

(Sd.) HENRY R. C. DOBBS,

*Envoy Extraordinary and Chief of  
the British Mission to Kabul.*

*This twenty-second day of November  
one thousand nine hundred and  
twenty-one.*

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SCHEDULE I.

(Referred to in Article II.)

In the nulla-bed running from Landi Khana to Painsa Khak Post, the Afghan frontier has been advanced approximately 700 yards, and the Tor Khan ridge, including Shamsa Kandao and Shamsa Kandao Sar, is comprised in Afghan territory. Further, the Afghan frontier has been advanced between the point where the present boundary joins the Kabul river and Palosai from the centre of the river to the right bank.

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SCHEDULE II.

*Legations and Consulates.*

(a) The Legations, Consulate-General and Consulates of the two High Contracting Parties shall at no time be used as places of refuge for political or ordinary offenders or as places of assembly for the furtherance of seditious or criminal movements or as magazines of arms.

(b) The Minister of His Britannic Majesty at the Court of Kabul shall, together with his family, Secretaries, Assistants, Attachés and any of his menial or domestic servants or his couriers who are British subjects, be exempt from the civil jurisdiction of the Afghan Government, provided that he shall furnish from time to time to the Afghan Government a list of persons in respect of whom such exemption is claimed, and, under a like proviso, the Minister of the Amir to the Royal Court of London to which all the Ambassadors of States are accredited shall, together with his family, Secretaries, Assistants, Attachés and any of his menial or domestic servants or his couriers who are Afghan subjects, be exempt from the civil jurisdiction of Great Britain. If an offence or crime is committed by an Afghan subject against the British Minister or the persons above-mentioned who are attached to the British Legation, the case shall be tried according to the local law by the Courts of Afghanistan within whose jurisdiction the offence is committed, and the same procedure shall be observed *vice versa* with regard to offences committed in England by British subjects against the Afghan Minister or other persons above-mentioned attached to the Afghan Legation.

(c) (i) A Consul-General, Consuls and members of their staffs and households who are subjects of the State in which they are employed, shall remain subject in all respect to the jurisdiction, laws and regulations of such State.

(ii) A Consul-General, Consuls and members of their staffs and households other than subjects of the State in which they are employed shall be subject to the jurisdiction of the Courts of such State in respect of any criminal offence committed against the Government or subjects of such State, provided that no Consul-General, Consul or member of their staff or household shall suffer any punishment other than fine; provided also that both Governments retain always the right to demand recall from their dominions of any Consul-General, Consul, or member of their staff or household.

(iii) A Consul-General, Consuls and members of their staffs and households other than subjects of the State in which they are employed shall be subject to the jurisdiction of the Courts of the said State in respect of any civil cause of action arising in the territory of the said State, provided that they shall enjoy the customary facilities for the performance of their duties.

(iv) The Consul-General of Afghanistan and Consuls shall have a right to defend the interests of themselves or any members of their staffs and households who are subjects of their own Governments in any Court through pleaders or by the presence of one of the Consulate officials, with due regard to local procedure and laws.

(d) The Ministers, Consul-General and Consuls of the two High Contracting Parties and the members of their staffs and households shall not take any steps or commit any acts injurious to the interests of the Government of the country to which they are accredited.

(e) The Ministers, Consul-General and Consuls of the two Governments in either country shall be permitted to purchase or hire on behalf of their Governments residences for themselves and their staff and servants, or sites sufficient and suitable for the erection of such residence and grounds of a convenient size attached, and the respective Governments shall give all possible assistance towards such purchase or hire; provided that the Government of the country to which the Ministers or Consuls are accredited shall, in the event of an Embassy or Consulate being permanently withdrawn, have the right to acquire such residences or lands at a price to be mutually agreed on; and provided that the site purchased or hired shall not exceed twenty *jaribs* in area.

*Note.*—Each *jarib* = 60 × 60 yards, English = 3,600 square yards.

(f) The Ministers, Consul-General and Consuls of the two Governments shall not acquire any immovable property in the country to which they are accredited without the permission of the Government of the said country.

(g) Neither of the two High Contracting Parties shall found a mosque, church or temple for the use of the public inside any of its Legations or Consulates, nor shall the Ministers, Consul-General or Consuls of either Government or their Secretaries or members of their staffs and households engage, in any political agitation or movement within the country to which they are accredited or in which they are residing.

(h) The Ministers, Consul-General and Consuls of the two High Contracting Parties shall not grant naturalisation or passports or certificates of nationality or other documents of identity to the subjects of the country in which they are employed in such capacity.

(i) The Ministers of the two High Contracting Parties besides their own wives and children, may have with them not more than 35 persons, and a Consul-General and Consuls,

besides their own wives and children, not more than 20 persons. If it becomes necessary to employ in addition subjects of the Government of the country to which they are accredited, Ministers can employ not more than ten persons and Consul-General and Consuls not more than five persons.

(j) The Ministers, Consul-General and Consuls of the two High Contracting Parties shall be at liberty to communicate freely with their own Government and with other official representatives of their Government in other countries by post, by telegraph and by wireless telegraphy in cypher or *en clair*, and to receive and despatch sealed bags by courier or post, subject to a limitation in the case of Ministers of six pounds per week, and in the case of a Consul-General and Consuls of four pounds per week, which shall be exempt from postal charges and examination and the safe transmission of which shall, in the case of bags sent by post, be guaranteed by the Postal Departments of the two Governments.

(k) Each of the two Governments shall exempt from the payment of Customs or other duties all articles imported within its boundaries in reasonable quantities for the personal use of the Minister of the other Government or of his family, provided that a certificate is furnished by the Minister at the time of importation that the articles are intended for such personal use.

#### ANGLO-JAPANESE TREATY RELATING TO INDIA.

204. **Mr. Muhammad Faiyaz Khan** : Will the Government be pleased to lay on the table that part of the Anglo-Japanese Treaty which relates to India ?

**Mr. Denys Bray** : The Agreement is a public document having been published in 1911 by His Majesty's Stationery Office as Treaty Series No. 18. I will, however, send a copy to the Honourable Member if he so desires. He is no doubt aware that the Agreement terminates on the ratification of the Quadruple Pacific Treaty.

#### REVISED ARMS ACT RULES.

205. **Mr. Muhammad Faiyaz Khan** : Will the Government be pleased to lay on the table old and revised Arms Act Rules, with copies of revised Arms Act Rules by different Provincial Governments since January, 1920 ?

**The Honourable Sir William Vincent** : The Indian Arms Rules, 1909, and issues prior to that year are out of print, and Government are not prepared to have them re-printed in order to lay copies on the table. If the Honourable Member so desires, a copy of the Rules of 1909 can be supplied to him on application to the Home Department.

Copies of the Indian Arms Rules, 1920, have been supplied to the Library of the Chamber for the use of Members, and Government see no necessity for laying further copies on the table.

It is presumed that by 'revised Arms Act Rules by different Provincial Governments' the Honourable Member means subsidiary rules and instructions issued by Local Governments. The Government of India do not possess these and cannot, therefore, lay them on the table.

#### REDUCTION OF SENTENCE OF PANDIT K. K. MALAVIYA AND PANDIT G. A. MALAVIYA.

206. **Mr. Muhammad Faiyaz Khan** : (a) Will the Government be pleased to state if it is true that the punishment of Pandit K. K. Malaviya and Pandit G. A. Malaviya has been reduced to six months' simple imprisonment from 18 months' rigorous imprisonment? If it is true, will the

Government be pleased to state if these two are sons or relatives of Pandit Madan Mohan Malaviya?

(b) Will the Government be pleased to state if any other prisoner or prisoners' punishments have been reduced? If so, what is their number, and the amount of punishments reduced? Under what section and for what act have these two Pandits been tried and punished, and under what section and for what act has Mr. Nisar Ahmud Khan Sherwani of Aligarh been tried, and for how many months or years has Mr. N. A. K. Sherwani of Aligarh been sent to jail; and what is the difference between the offences of Mr. N. A. K. Sherwani of Aligarh and Pandit K. K. Malaviya and Pandit G. A. Malaviya of Allahabad?

**The Honourable Sir William Vincent:** (a) Yes. These two gentlemen are understood to be closely related to Pandit Madan Mohan Malaviya.

(b) Government have no precise information as to the number of sentences which have been reduced. They have, however, seen statements in the newspapers to the effect that a number of reductions have been given. The two Pandits were sentenced under section 17 of the Criminal Law Amendment Act, 1908. Mr. N. A. K. Sherwani was convicted under section 153-A of the Indian Penal Code and sentenced to one year's rigorous imprisonment.

#### TREATIES BETWEEN THE BRITISH GOVERNMENT AND THE INDIAN STATES.

207. **Mr. Muhammad Faiyaz Khan:** Will the Government be pleased to lay on the table copies of only that part of the treaties between the British Government and the Indian States which relates to India or Indian affairs?

**Mr. Denys Bray:** The treaties with the States are published in Aitchison's Treaties, Engagements and Sanads, a copy of the latest edition of which will be found in the Library of the Assembly.

#### DEPUTATION OF MUSSALMANS OF DELHI TO THE VICEROY IN DECEMBER, 1921.

208. **Mr. Muhammad Faiyaz Khan:** Will the Government be pleased to state if it is true that in the month of December, 1921, His Excellency the Viceroy received a deputation with an address, consisting of some of the Mussalmans of Delhi? If it is true, will the Government be pleased to state their numbers, and how many of them were title-holders, holders of any honorary offices, such as Honorary Magistrate, Honorary Munsif, etc.?

**The Honourable Sir William Vincent:** Yes. According to Press reports, the deputation consisted of 23 Muhammadans, two of whom were title-holders. It is not known how many hold honorary offices.

#### HIGH CLASS INSTITUTE FOR GEOLOGY AND MINERALOGY AND TRAINING AND RESEARCH WORKS IN TANNING FOR INDIA.

209. **Sir Deva Prasad Sarvadhikary:** Will the Government be pleased to state what (if any) steps are likely to be taken, and when, for the establishment for all India of:

(a) an up-to-date high class central institute for teaching of geology and mineralogy?

(b) central up-to-date scientific training and research works in tanning ?

**Mr. A. C. Chatterjee :** (a) Steps are being taken to establish an up-to-date high class school of Mining and Geology at Dhanbad. A Principal and a Governing Body for the school were appointed last year. Proposals regarding the buildings; equipment, staff and curriculum of the school have been framed by the Governing Body and the Principal, and are now being examined by the Government of India. Owing to the present financial stringency, it is not possible to proceed with the scheme as quickly as was originally contemplated, but it is proposed to make a provision of Rs. 1,00,000 in the next year's budget for the collection of materials for the building of the school.

(b) The Honourable Member is referred to the answer given on the 17th March, 1921, to a question on the same subject put by the Honourable Mr. Sambanda Mudaliar. It has been decided that owing to the financial position it is not possible to ask for a grant for this purpose during the next financial year.

**PRESENT GOVERNMENT EXPENDITURE ON COMMUNICATION BETWEEN DELHI AND RAISINA, AND COST OF ELECTRIC RAILWAY OR TRAMWAY COMMUNICATION.**

210. **Sir Deva Prasad Sarvadhikary :** Will the Government be pleased to lay on the table a detailed statement, year by year, showing :

(a) The amount spent on and allowed for conveyance and travelling allowance to Government servants, Members of Council, Assembly and Council of State, from Delhi to Raisina and back, and for transport of stores and materials from Delhi to Raisina, since the erection of quarters in Raisina ?

(b) The amount spent on and paid to Bus and other companies and individuals for similar purposes ?

(c) Will the Government also please state what would be the cost of electric railway or tramway communication between Delhi and Raisina ?

(d) Will the Government also please state what, if any, are the objections to and difficulties in the way of such a connexion being established ?

**Colonel Sir S. D'A. Crookshank :** (a) Information is being collected regarding the amount spent on, and allowed for, conveyance and travelling allowance to Government servants, Members of the Legislative Assembly and Council of State from Delhi to Raisina and back, and will be laid on the table as soon as it has been compiled. As all Members of the Governor General's Executive Council have residential accommodation in old Delhi during the cold weather season, the question does not affect them. It is regretted that it is not possible to supply similar information regarding the amount spent on transport of stores and materials.

(b) The only expenditure incurred is on the bus service and is shown below :

	Rs.
1919-20 . . . . .	46,649
1920-21 . . . . .	53,697

There is a claim for additional payment which has not yet been settled.

(c) No regular estimate has been prepared, but the cost of a six-mile single track electric tramway with six tramcars is roughly estimated at Rs. 12,60,000.

(d) There are no engineering difficulties in the way of such a connection, but the number of passengers carried would be so small that such a tramway could not be worked profitably. Moreover, until the reconstruction of the roads through Pahar Gunj in connection with the railway lay-out has been completed, it would not be possible to contemplate the provision of any such means of communication.

#### ANNUAL INCREASED EXPENDITURE ON REFORMS.

211. **Sardar Gulab Singh**: Will the Government be pleased to state the annual expenditure increased by introducing the present Reforms in the country?

**The Honourable Sir William Vincent**: The Honourable Member is referred to the answer given on the 10th January, 1922, to Beohar Raghbir Singh's question on the subject. A copy of the statement giving the full information will be furnished to him in due course.

#### RELIEF TO CENTRAL GOVERNMENT THROUGH SUBJECTS TRANSFERRED TO PROVINCES.

212. **Sardar Gulab Singh**: To what extent is the Central Government relieved of work on account of the subjects and authorities transferred to the Provincial Councils and the Ministers, Councillors and Governors?

**The Honourable Sir William Vincent**: Certain subjects have been transferred and certain powers have been delegated to provincial authorities, and to that extent the Central Government have been relieved of definite classes of work. On the other hand, the introduction of the Reforms has considerably increased the work of the Central Government in certain branches of administration. It is too early as yet to say what the permanent net effect of the Reforms will be on the volume of work to be done by the Central Government, but, up to the present, the result would appear to be a very great net increase in the work of some Departments. I cite my own Department, the Home Department, as a case in point.

#### GROUPING OF INTERMEDIATE CLASS COMPARTMENTS.

213. **Sardar Gulab Singh**: Is it not practicable that Intermediate class compartments in one train be placed together to save inconveniences to children and ladies in securing their seats?

**Colonel W. D. Waghorn**: It is believed that Intermediate class compartments are placed together on trains whenever practicable. Difficulty arises, however, when Intermediate class compartments form part of the accommodation in two or more composite carriages on the same train, when it is not always possible to keep them together.

#### POSITION OF ASSISTANT SURGEONS WITH TEMPORARY COMMISSIONS.

214. **Dr. Nand Lal**: (i) Will the Government be pleased to state:

(a) What is the exact interpretation of letter No. 018151-4 (A. G.-9), dated Simla, 29th September, 1921, from the Deputy Secretary

to the Government of India, Army Department, to the Chief Secretary to the Government, Punjab, as, under this letter, the Inspector-General of Civil Hospitals, Punjab, has issued orders that the Assistant Surgeons who held temporary commissions in the Indian Medical Service and who have reverted to civil employ will not, in future, use, or be addressed by, their military rank in official correspondence?

- (b) As to whether the construction put by the Inspector-General of Hospitals, Punjab, is correct?
- (c) Can such Assistant Surgeons use their military rank; and, if so, in what manner?
- (d) On what grounds the aforesaid letter was issued?
- (ii) Will the Government be pleased to state as to whether letter No. 018151-4 (A. G.-9), dated Simla, 29th September, 1921, alluded to in part 1, clause (a), is meant to be applicable to the Punjab alone?
- (iii) Will the Government be pleased to state the rights and privileges attached to the rank which demobilized officers of the Indian Army and the Indian Medical Service have been permitted to retain by His Majesty the King under Army Instruction (India) No. 104 of 1920 with regard to the wearing of uniforms, attendance on the ceremonial occasions, precedence, exemptions from the provisions of the Arms Act, and Travelling Allowance when attending Government duty?

**Sir Godfrey Fell:** (i) (a) The interpretation of the letter referred to by the Honourable Member is that, while the Government of India consider that a record of the military service rendered by civil officers should be maintained in the Civil Lists, they are of opinion that the use of their military rank by civil officers, while acting in their civil capacity, is undesirable, as the military rank will frequently have no relation to the civil status of the officers concerned.

(b) Yes.

(c) Yes, unofficially or socially.

(d) The attention of the Honourable Member is invited to the reply given to part (a) of his question.

(ii) No. The letter, as stated therein, refers to *all* civil officers of the Indian Services and was addressed to all Local Governments.

(iii) The Honourable Member will be furnished with a statement which answers this part of his question.

#### INDIANS IN SUPERIOR ESTABLISHMENT OF STORES DEPARTMENT OF STATE RAILWAYS.

215. **Dr. Nand Lal:** Will the Government of India be pleased to state as to:

- (a) What is the percentage of the Indians (excluding the officiating) in the Superior Establishment of the Stores Department of the State Railways?

(b) How many officers there are in all and how many of them are Indians and on what Railways they are working ?

(c) If there are only 2 or 3 Indian officers, why it is so, and when their number is going to be increased ?

**Colonel W. D. Waghorn:** (a) 8 per cent.

(b) There are 25 officers in all and 2 of them are Indians. Both are employed on the North-Western Railway. They joined the Department in 1919 and 1920, respectively, and the second is still completing his training.

(c) It has been decided ordinarily to fill future vacancies in the Stores Department from Indian Engineering Colleges, but, as the establishment is a small one and as vacancies are not frequent, it will be some time before the effects of this decision fully declare themselves.

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### MESSAGES FROM THE COUNCIL OF STATE.

**Mr. President:** A Message has been received from the Council of State respecting the Bills which have been passed in that Chamber. Secretary will read it.

**Secretary of the Assembly:** A Message has been received from the Secretary of the Council of State which reads as follows :

*' Sir, I am directed to inform you that the Council of State has, at its meeting of the 23rd January, agreed without amendments to the following Bills which were passed by the Legislative Assembly :*

(1) *A Bill further to amend the Indian Electricity Act, 1910.*

(2) *A Bill further to amend the Indian Factories Act, 1911.'*

**Mr. President:** The Secretary will lay on the table the Message informing the Assembly of the Bill which has been passed by the Council of State.

**Secretary of the Assembly:** Sir, in accordance with rule 25 of the Indian Legislative Rules, I lay on the table the Bill to amend the Benares Hindu University Act, 1915, which was passed by the Council of State on the 23rd January 1922.

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### RESOLUTION RE: COMMITTEE ON CURRENCY AND EXCHANGE.

**Sir Vithaldas D. Thackersey** (Bombay Millowners' Association : Indian Commerce) : Mr. President, I beg to move :

'That this Assembly recommends to the Governor General in Council that a Committee, with a majority of Indian members, be appointed to consider the whole question of:

(1) the present policy of Currency and Exchange ;

(2) the opening of the Indian Mints to the free coinage of gold ; and

(3) the location of the Gold Standard Reserve in India ;

and to report with its recommendations at an early date'.

Mr. President, this House will remember that about two years ago, the Secretary of State appointed a Committee known as the Babington-Smith

Committee, and that Committee reported that the exchange ratio of 1s. 4d. be raised to 2s. per rupee. Unfortunately, the Committee sat at a time when the conditions were abnormal and the price of silver, on which our Rupee exchange mainly depends, rose to 80d., while, before the war, it was somewhere near 24 or 25d. So, the Committee's report was mainly based on the assumption that silver would continue to keep high and that it would be impossible, under those circumstances, to maintain the rate of 1s. 4d. which was current for well nigh 25 years previously. Sir, I do not wish to discuss, at this juncture, whether the Committee was right in setting aside the views laid before it by the representatives of the commercial community of India. All the members except one were non-Indians, and that solitary gentleman was our friend, Mr. Dadiba Dalal, who is now, I am very glad to see, a Member of the Council of the Secretary of State. He appended a masterly Minute of Dissent and his prognostications have nearly all come true. I have no doubt, Sir, that the majority was actuated by the best of motives, but if Indian views had been more taken into consideration and if more Indian representatives had been on the Committee, India's interests would not have been overlooked as they have been done by that Committee. Sir, I take it that it is India's misfortune that, when questions of currency and exchange, questions of life and death to the trade and industries, were being considered, Indian representatives on the Committee should not have been in sufficient numbers to make their influence felt. I was in London in 1919 and I gave evidence before the Committee on behalf of the Bombay Millowners' Association and I was able to see, as I was the last witness, in what direction the Committee was leading, and I warned the Committee of the danger of deciding questions of this character when the silver prices were abnormally high. The main assumption of the Committee was that, owing to the short supply of silver and the Pittman Act, silver would continue to be high. The other argument they used was the prevalence of high prices in India. Now, the amelioration of the evil of high prices was not one of the terms of reference to this Committee, but the arguments were dragged in, in order to support their contention of 2s. to the rupee. In the first place, I may point out to this House that it is very dangerous to play with the settled ratio of exchange in order to ameliorate the evils of high prices. If one Government raises exchange in order to cure high prices, after a few years another Government may reduce exchange in order to cure trade depression. We have seen that in England, and in other countries also, high prices were prevailing last year, but no body suggested in England as a solution the manipulation of the gold value of pound sterling. I must, however, give credit to the Committee for clearly indicating the circumstances which would necessitate a reconsideration of this question or its recommendations. In paragraph 51, the Committee said :

'There is one qualification which it is necessary to add to the above statement. It seems probable that prices generally will remain at a high level for a considerable time, and that any return to lower levels will be gradual; but if, contrary to this expectation, a great and rapid fall in world prices were to take place, a new element of disturbance would be introduced. The costs of production in India might fail to adjust themselves with equal rapidity to the lower level of prices, and Indian exports might suffer to an extent which would endanger the maintenance of exchange at the level which we propose. In that case it would be necessary to consider the problem afresh, and take the measures which might be required by the altered circumstances.'

Sir, its anticipations of future prices have not been justified. In fact, as everybody knows, prices have fallen, not only of silver, which has come down

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from 80*d.* or 78*d.* to nearly 35*d.* to-day, but prices of iron and steel, cotton, tea, jute and indeed of everything, has fallen during the last two years. Particularly, our leading income crops, tea, cotton, jute, etc., are now practically at the pre-war level. What would have happened if the 2*s.* exchange was successful, and the prices of all these income crops would have gone down by a third? I leave it to this House to imagine. I maintain, therefore, Mr. President, that the contingency contemplated by the Babington-Smith Committee has arisen, and it is therefore necessary that we should re-examine the whole question. The only practical way of re-examining such an important question is through the appointment of an expert Committee, and, as I said, India's views must be properly heard, and Indians should have a majority on that Committee. Sir, it may be argued that the position is still abnormal, and that things all over the world have not settled down, and that, therefore, it is inopportune to re-examine the question at present. But those who thus argue forget that we are not writing on a clean slate. Government, on the recommendations of the Babington-Smith Committee, have already altered our ratio from 1*s.* 4*d.* to the rupee to 2*s.* and, if any one argues that 2*s.* must be maintained in the books although it is untenable, I think that is not a very good argument for not re-examining the question. I may further say that this statutory 2*s.* to the rupee in our books is doing the greatest amount of mischief. In the first place, nobody believes that the 2*s.* a rupee is attainable and I am sure by this time, after the trial of last year, Government themselves must have been convinced that it is hopeless now to expect to raise our exchange to 2*s.* I have said, Mr. President, that the statutory 2*s.* is doing the greatest mischief to the commercial community, and I will show to this House how. One thing more than any other which disturbs the regular trade is the uncertainty of exchange. In September or October last, the trade looked up a little and the exchange began to rise to 1*s.* 5½*d.*, and the merchants were uncertain of the Government attitude, whether they would force up the exchange to 2*s.* or would leave things to themselves. No statement from Government came as to their attitude. One set of merchants took one view and another set took another view, and in their anxiety as to the uncertainty of exchange people did not cover their purchases and there was again a drop and people lost an opportunity. I maintain, Sir, therefore, that it is desirable that the statutory standard should be brought down to such a level as to create the minimum disturbance in trade. I am not at present proposing any concrete ratio. It is for the Committee of experts and non-official members that may be upon it to examine the question and say what will be that standard. It may be that the Committee, after looking to all the circumstances of the case, may decide that it is not desirable to permanently fix the ratio just at present, and may, in the meantime, recommend an *interim* policy of say 1*s.* 6*d.* I am not suggesting any definite figure—or any other figure which may minimize the risk to the mercantile community. The Committee may further consider and clearly lay down whether, and to what extent, Government should interfere in the natural course of exchange. At present, the policy of Government in regard to that is not fixed. It is within the power of the Secretary of State at present, if the balance of trade goes in our favour, to try to raise exchange, by artificial means, to as high a figure as he can. He can use our Gold resources in England, he may refuse to sell Council Bills, and there are a number of other ways which the people in the trade know, by which the Secretary of State can

manipulate exchange if he likes. And when we know that the advisers of the Secretary of State are wedded to 2s. a rupee, I do not find fault with the merchants if they have no confidence, in the absence of any definite policy, that the Secretary of State will not use that power if occasion arises.

There is no doubt, Mr. President, that an unduly manipulated exchange will do great harm to all kinds of interests in India. Take, for instance, agriculture. With an artificial 2s. to the rupee they will get 40 per cent. less for their produce than what they would otherwise receive. The Government will continue to collect revenue in the appreciated rupee and this raises automatically the land-tax by fifty per cent., for no fault of the agriculturist. Then, again, take, for instance, the industrial development. An artificial exchange will retard the development of industries, because foreign competition will come in, and by this artificial method Government would be practically giving a bounty of 50 per cent. to the foreign manufacturers. As regards merchants, I have already said that they would prefer a ratio which is more likely to be maintained than an artificial high one.

As regards the second part of my Resolution, about the opening of mints to the free coinage of gold, I have not much to say. The Government of India have accepted the policy of opening mints to the free coinage of gold; in fact, they had arranged with the Royal Mint to open a branch in India, but it was because of the war that the scheme had to be dropped. The Babington-Smith Committee has recommended that as soon as possible a branch of the Royal Mint should be opened; but, if the Royal Mint refuses to open this branch on some technical ground, I think the Committee might consider whether it would not be desirable to mint gold mohurs or some other kind of gold coin of equal fineness and weight to the English sovereign, but that must be the last resort. Sir, I believe that until we have a proper gold currency, we will never be free from the anxiety of currency problems off and on. India will not stand any further the policy that has been followed in the past of pouring in as much silver as possible into India and preventing gold from entering into India. I may only read a few lines from the Minority Report of Mr. Dalal. He says in paragraph 68:

'The fact that the maintenance of exchange was so readily abandoned and the sale of rupee bills continued, combined with the persistent flooding of India with silver token money, gives ground for the theory that fixity of exchange was only the ostensible object of the policy and that the real object was to compel India to take silver in place of gold money. Further, it is a policy which is settled and managed in London, and which necessarily operates in the markets of London and India. That the interests of the London market have not been without influence in shaping the policy may be gathered from the enormous sums, of money or investments belonging to the Indian currency which have been accumulated there.'

At that time there were about 87 or 88 million pounds accumulated there:

'The profits on silver coinage were steadily collected into the Gold Standard Reserve in London, and now that the coinage of silver has ceased to be profitable, a new departure has been made in the issue of currency notes in India on the security of investments in London which has had the effect of rapidly accumulating an enormously increased store of Indian currency money in London.'

Now, as regards the third part of my motion, the location of the Gold Standard Reserve in India, it has a long history behind it. It was in 1912 that I moved a Resolution in the Imperial Legislative Council at Calcutta recommending that all gold of the Gold Standard Reserve should be located

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in India. At that time, all the Chambers of Commerce, both Indian opinion and European opinion, were unanimous that the gold must remain in India because, in time of war or panic, the gold could not be secured from England. Well, at that time the country fought but the gold remained in London and what was the effect?

It was not only kept in England, but was invested in long-term securities. The war came in and there came down the value of securities and a large amount of our Gold Standard Reserve had to be written down. Even now, the Babington-Smith's Committee has recommended that half of it should be brought to India.

It says :

' There is, however, a strong sentiment in India in favour of the location of the whole or, at any rate, a large part of the Reserve in India. In currency matters the possession of public confidence is an asset of great value and we therefore think it advisable to comply with the Indian demand, so far as this can be done without detracting from the utility of the fund for the purposes for which it exists. Gold in India can be made available for the purpose of foreign remittance either by export or by transfer to the Paper Currency Reserve in India against a corresponding release of Paper Currency assets in the United Kingdom or in circumstances of urgency by arranging to earmark it for the Bank of England. We consider, therefore, that a portion of the gold in the Gold Standard Reserve should be held in India ; but the gold so held should not exceed one-half of the total '.

and so on.

Well, even the Babington-Smith Committee said : ' Take half. ' What is the present position ? We have in India not a single ounce of gold of our Gold Standard Reserve. In spite of the passing of 2½ years since the report was made, all gold is to-day in England. I think the time has now come when we must insist that all our gold be kept in India. If gold had been kept in India, it would have been very useful during the silver crisis. Instead of waiting and waiting and raising the exchange and at one time bringing our paper currency to the verge of inconvertibility, we would have given gold to the people and the currency difficulties would have been avoided. What did we do ? We prevented silver coins from going out into the country and allowed our currency notes to go down to discount up to 19 per cent. All that would have been avoided if our gold had remained in India and this House must insist that India's gold should remain in India. I hope, Mr. President, Government, on whom the great responsibility lies for seeing that the commercial communities are not inconvenienced and that the people are not put to unnecessary loss, will see their way to accept this Resolution.

**Mr. C. W. Rhodes** (Bengal : European) : I have deserted my duties on the Fiscal Commission in order to take part in this discussion. Like Dives of old, I have been in torment on one Commission and I desire to prevent my friends in this Council from sharing a like fate on another. Fiscal statistics we have in plenty, but statistics of the pre-war period are of very little use, of the war period of still less use, and since then trade has been like the troubled sea that cannot rest. We are, therefore, endeavouring to make bricks without straw. The Committee now suggested by my Honourable friend is going to a worse fate. He tells us that the Babington-Smith Committee was appointed at an abnormal time. I do not think any of us would dispute that fact. But, Sir, are the times normal now ? If this House decides to appoint it, I can prophesy an unhappy life and a discredited end. My Honourable

friend has hinted that it will not be the first Currency Committee to have this unhappy experience, but this will make me none the less sorry for those Members who have the temerity to embark on such a troubled sea without compass or helm. On what facts will this Committee build? India is not in a ring fence. Indian exchange is not a matter like the village tank which can be left to a district board. The causes which are upsetting our currency and exchange are not national but international and the cleverest brains in Europe and America are at present seeking a solution in vain. Does my Honourable friend think that we can anchor our frail bark on a quicksand, or that we can stabilise the rupee for all the currencies of the world to revolve round it? As a matter of fact, we all seem to be revolving round the American dollar and that, itself, is by no means a fixed star. I would suggest in all seriousness that, if this Committee is appointed, it should start a tour of the world, and, having solved the financial problems of Europe, it should return to settle the rupee.

I do not intend to weary the House by dealing separately with the three points of the Resolution with which the Honourable Mover has dealt in a way that suggests that he thinks the Committee is already appointed. I have no doubt that in regard to them the experts will have much to say in times to come, though I honestly believe that in such matters, as the opening of a mint and the transfer of the Gold Standard Reserve to India, the question will not lie with the Government or this House, but with the force of circumstances which may compel certain changes. In regard to the first item, namely, the present policy of currency and exchange, the policy (if policy it may be called) is admittedly one of drift and masterly inactivity. During 1921, when Government allowed the rupee to find its own restless level, the American cross rate swung like a pendulum, and the Indian balance of trade, which gave hope of re-adjustment in July and August, again went heavily against India. And yet, the rupee only varied three pence three-eighths during 1921; a serious variation, I admit, judged by pre-war standards but a dead level comparative to the fluctuations of the previous year. It would be futile to suggest that the improvement is due entirely to the absence of Government control or, to borrow a word which the Honourable Mover has used, of Government interference. We have, however, discovered that, left to themselves, there are forces at work which put the brake both on a rise and a fall in exchange and we have been trading with some slight sense of security without living in daily dread of some new communiqué which will upset the present insecure balance. It is a trying time of reconstruction and I earnestly beg this House to do nothing to add to the difficulties under which commerce and industry are labouring to-day. The evils of the last upset have not yet disappeared, but commonsense and goodwill, which are slowly re-appearing both in India and England, are leading to an adjustment of conflicting interests. We are not yet out of the wood and we still require time before the situation is sufficiently well in hand to justify fresh experiments. My Honourable friend will doubtless tell me in reply that he is only proposing an inquiry and not immediate action. There I entirely disagree with him. The very appointment of a Committee will constitute a definite action which will have a definite effect on the trade of the country. I quite agree that an inquiry will eventually be required but surely that time will come when the question becomes a national, rather than an international one. In the meantime, matters cannot stand still. A Committee would mainly deal with the theoretical aspects of the question.

[Mr. C. W. Rhodes.]

But I can assure my Honourable friend that plain, practical facts will force the issue, probably long before any Committee could report. If the Secretary of State requires funds in London, beyond his sterling borrowing powers, funds he must have and the hard logic of facts will drive the Government to place those funds there, quite irrespective of any theories as to whether the rupee is to be fixed eventually at 1s. 4d., 1s. 8d. or 2s. Now, my Honourable friend has stipulated for a majority of Indian members and he certainly did not give his reasons. The Honourable Member told us that Government altered the ratio from 1s. 4d. to 2s. In the same breath, he told us they would never be able to reach 2s. Surely these statements are mutually destructive. My only stipulation would be for the best brains in the country and I care not whether they are Indian or European. In this matter, as in all others, our interests are one, and I gladly support the Honourable Member as a fellow member of Commerce in expressing the view that what we want, if our trade and industry are to develop, is the fullest possible help from a stable exchange and a sound currency. Last January, the Associated Chambers of Commerce unanimously decided in favour of a policy of suspended animation and I see nothing in the history of the past twelve months to convince me they were wrong. I see nothing in the present position to indicate that the time is opportune or the data available for an inquiry now. May I invite the attention of my friends to the Resolution accepted by the Brussels Financial Conference which we must recognise as a competent authority. The Resolution was that :

'Public attention should be especially drawn to the fact that the reduction of prices and the restoration of prosperity are dependent on the increase of production and that the continual excess of Government expenditure over revenue represented by budget deficits is one of the most serious obstacles to such increase of production, as it must, sooner or later, involve the following consequences :

- (a) A further inflation of credit and currency,
- (b) A further depreciation in the purchasing power of the domestic currency and a still greater instability of the foreign exchanges,
- (c) A further rise in prices and the cost of living.

The country which accepts the policy of budget deficits is treading the slippery path which leads to general ruin and to escape from that path no sacrifice is too great.'

These, Sir, are weighty words, and I commend them to the attention of Honourable Members at this particular juncture. Is our own House in order? Does the position in England, France, Italy, Germany and Russia supply conditions under which a new currency scheme can be elaborated? I think not. I do not deprecate discussion, but, for that, no Committee is necessary. The facts are before us and as the situation develops, I hope we shall have the fullest discussion in public and in the press and elsewhere, so that, if possible, we can discover another Lindsay to point the way when the situation becomes clearer. But, in the meantime, I dread the nightmare of fresh Government action. If I may be permitted, I will quote my own words addressed to the Associated Chambers of Commerce just a year ago :

'One thing I would urge upon the Government and that is, not to attempt to dam up the flow of economic forces unless next time they are absolutely certain that they have the resources to keep the dam intact. Far better let the currents ebb and flow than risk again a bursting dam.'

I think, Sir, that the experiences of the last twelve months have justified those words, and I am confident the Honourable the Finance Member will not be able to give us any assurance whatever that he has the power at present to put into force any decision at which a Committee now appointed might arrive.

But I would quote a greater authority. The present Financial Secretary said in another place last March :

‘ Could a Committee enable the starving population of Austria to buy India’s goods ? Could a Committee put Italy on her feet again financially ? Could a Committee solve the problem of Germany’s reparations payments ? Could a Committee evolve order out of chaos in Russia ? ’

The answer was ‘ No ’ last March, and the answer is ‘ No ’ to-day.

I therefore ask the Honourable Mover not to press his Resolution, and I trust the House will not accept it. But I welcome the debate if only to give the Government the opportunity of repeating what the Financial Secretary said last March, namely :

‘ If there is going to be any fundamental change, any new rate to be settled or any attempt at a permanent solution, neither the Government of India nor the Secretary of State will do this off his own bat. ’

I think, Sir, the whole House will be unanimous in asking the Government to repeat and adhere strictly to this pledge.

**Mr. Manmohandas Ramji** (Indian Merchants’ Chamber and Bureau : Indian Commerce) : Sir, without going into the merits of the question raised by this Resolution, I urge that we have not yet had sufficient time to think and to adjust our exchange policy. Last February, I mean in February, 1920, a change in the currency policy was effected, and we have not yet passed through the disastrous effects of that change and it is too early now to attempt any further change by the appointment of such a Committee. I therefore suggest that we should wait and see the effects of the present policy, and also see that the world conditions are more stable and more suitable before there is another change at all.

**Mr. T. V. Seshagiri Ayyar** (Madras : Nominated Non-Official) : Sir, I, like my friend, Mr. Rhodes, have been a truant from the Fiscal Commission, and, if I remain here to-day I do so for the purpose of learning in this debate something about this problem which has not a little bearing upon the questions we have to decide as members of the Fiscal Commission. Sir, Mr. Manmohandas Ramji has told us that it was only very recently that a Committee sat and came to a conclusion upon this question, and that it is too early to summon a new Committee because that would have the effect of upsetting the trade conditions. I greatly sympathise with what has been said by him. At the same time, it is desirable that there should be a pronouncement by Government, by the Honourable the Finance Member, as to whether it is possible to bring about a condition of soundness in exchange, which Mr. Rhodes also pleaded for. Sir, Mr. Rhodes said that the time is not opportune for the appointment of a Committee at present, and he asked : ‘ While conditions are international and not national, can a Committee do any good ? ’ But is there any chance, during the next fifty years to come, of conditions becoming national and not international ? With the position of the mark in Germany, and with the

[ Mr. T. V. Seshagiri Ayyar. ]

chaotic conditions in Russia and Austria, is there any chance, during the next fifty years to come, of the condition of affairs being national and not international, and of Indian exchange and currency being not dependent upon international considerations ?

I do not think, Sir, that the reasons given by Mr. Rhodes really lead to the conclusion that we should hold our hands. If we are to wait  
 12 Noon. for an atmosphere where the conditions would be national, it will take a very long time.

There are one or two points which I should like to place before the House, so that the Honourable the Finance Member may give us a reply. It is true, Sir, that, until 1920-21, India had a trade balance: that is to say, our exports were larger than our imports as a result of which we had a trade balance, which enabled us to pay the interest upon the heavy debt of 1,78 millions due from this country and also to pay the services and persons who have retired and settled in England. In 1920-21 there was an adverse balance against India to the extent of 79½ crores of rupees, as a result of which there has been great unsteadiness in the matter of exchange, and so on. Also, the Secretary of State has been issuing Council Bills and the Government of India Reverse Council Bills, and, as a result of these operations, there has been a further complication in the exchange problem. Now, the question which I beg to ask the Finance Member is this: 'What has become of the Gold Reserve which was, as Sir Vithaldas Thackersey has pointed out, due to India: and how have the operations of the Secretary of State affected the sending out and bringing in of gold into this country?' I believe the Finance Member and the whole House will agree that some attempt should be made to re-open the mint for gold coinage in this country. That is absolutely necessary. But, it may be asked, where is the gold to come from, for the purpose of coining, and is not that dependent upon the answer which the Finance Member can give as to the result of the operations of the Secretary of State in issuing Council Bills? Sir, so far as this country is concerned, the larger proportion of its imports are from England, while it exports very largely to foreign countries. The result is that a large quantity of gold which should, in the natural course of events, come into India from foreign countries is, to a certain extent, prevented from coming in by the operations carried on by the Secretary of State. That, really, is the cause of all the troubles from which India has been suffering for so many years: and, if I intervene in this debate, it is for the purpose of eliciting an answer from the Finance Member as to what steps he proposes taking in order to prevent the Secretary of State carrying on his operations, so that gold may flow into this country as it ought to. It may be said by the Honourable the Finance Member that, at the present moment, normal conditions have not set in and our trade balance would continue to remain adverse, mainly because Germany has not been rehabilitated in world trade as much as we should desire. But, supposing that normal conditions do come in, is there any chance of the Secretary of State not operating in the way in which he has been doing to prevent gold coming into India? That is the question to which I should like an answer.

**Mr. J. Chaudhuri** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I rise to speak with great diffidence. I was trying to study the subject, but my attention was drawn to the forewords of a learned and recent monograph on the subject. It is an expression of opinion by an

Honourable Member in the British Parliament. The Member said—I am reading from an extract from Hansard, dated 21st December, 1920—he said :

‘Indeed, I have read that only one person knows the real arcana of foreign exchanges, and he is in a lunatic asylum’.

So, my enthusiasm has considerably cooled down as I do not wish to follow him to that interesting place. But, all the same, it might clear the air if we tried to discuss the subject from a commonsense point of view. One fact is patent, that not very long ago the rupee value rose to 2s. 10d. and to-day it is 1s. 4d. It is, of course, varying daily, telegraphic transfers at the moment being quoted at a little above 1s. 3d.; a few months ago, it rose to 1s. 5d. and so the average of this year may be put down at 1s. 4d. I am not going to discuss the reasons for these fine fluctuations or the causes which promote daily fluctuations. There is the outstanding fact that the rupee has rapidly fallen from 2s. 10d. and to-day it is 1s. 3d. or a little more. A variation of this kind is bad for trade and commerce, bad for people who have to meet liabilities in the London market and bad for the whole country generally as it re-acts on the prices. In order that prices may assume a normal level, it is necessary that the exchange should not so fluctuate and be normal. The question is: what policy of currency and exchange should be pursued? The present policy, I understand, is one of inaction. I do not see what other policy can be pursued at the present moment. But one thing stands out; that is, that our currency policy was based on what is called the Gold Exchange Standard. It was the Gold Exchange Standard that helped to preserve the stability of our exchange in pre-war times. The position was that we had a Gold Reserve in England, and, whenever there was a fluctuation in exchange, that is, when the exchange showed a downward tendency, Reverse Council Bills were sold in this country and the Secretary of State paid therein gold from the Reserve, in the London market. That was how he regulated the exchange; whenever there was any marked tendency of rise or fall in the exchange, he sold Council Bills there at 1s. 4d. or a little above, and Reverse Council Bills were sold in this country at a rate slightly below but seldom below 1s. 3<sup>3</sup>/<sub>4</sub>d. Now the great blunder that was made was the selling of Reverse Council Bills on a large scale during the time that the rupee value rapidly rose to 2s. 9d. or thereabouts. There is no justification in economics for selling Reverse Council Bills when the exchange is in favour of India. By so doing we know what losses we have incurred. I am speaking from memory and I think the net loss of India would be something like Rs. 60 crores.

**The Honourable Sir Malcolm Hailey** (Finance Member) : No.

**Mr. J. Chaudhuri** : It was stated to be 35 crores last year. I am not in possession of the exact figures, but I believe the loss, we have incurred, would exceed Rs. 50 crores.

**The Honourable Sir Malcolm Hailey** : No.

**Mr. J. Chaudhuri** : I am speaking subject to correction. It was not less than Rs. 35 crores last year, but I recollect that there were certain items which remained to be adjusted last year, and, before the adjustments are placed before us during the Budget statement, I am not in a position to definitely say whether the net loss has exceeded Rs. 35 crores or it is very much where it is. But one thing is certain that our Gold Reserve in London has got depleted,

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and, now that it has got depleted, my view is that the Gold Exchange Standard, upon which the stability of our currency depended, has now broken down. So long as we cannot build up a sufficient and mobile Gold Reserve, we cannot possibly regulate the exchange with the same certainty as we were capable of doing before the war. Of course, I do not share the views of my Honourable friend, Sir Vithaldas Thackersey, that we should never try to raise the rupee to the basis of 2 shillings, but, with regard to that, there is difference of opinion. The view of the average man in the street, of the consumers generally, which may not be the view of the commercial community or the manufacturers and exporters generally, is that a 2 shilling rupee will ease down the prices. Anyhow, we want a stability of exchange. May I not ask : ' So long as we have to pay a large amount of Indian revenue in the shape of Home charges, how shall we be prejudiced if we had the rupee fixed at 2 shillings ? ' Now, a further reason for fixing the rupee at 2 shillings is that it would be the preliminary stage for the establishment in India of a gold currency. I do not see any way out of our present difficulties except the pursuance of a policy gradually working up to the gold currency. Then, the other proposition which my friend, Sir Vithaldas Thackersey, has advanced will be possible, *viz.*, the opening of Indian mints to the free coinage of gold and the location of a Gold Standard Reserve in India. Therefore, my submission is, that there is a good deal of scope for inquiry with regard to the matter. The system, that formerly existed, *viz.*, the Gold Exchange Standard system, since the depletion of our Gold Reserve Balances in England, has, in my opinion, absolutely broken down, and, therefore, there is at present a necessity for inquiry, and I do not say that immediately a Committee should be appointed, but discussion on this question will clear peoples' ideas rather than the reverse. Therefore, I beg to support my friend, Sir Vithaldas Thackersey's Resolution. Although his premises and my premises do not agree, the conclusions agree. This reminds me of a judge who was a little eccentric, but had a strong sense of justice ; and whenever he delivered judgments, though his premises were sometimes wrong, yet his conclusions were generally right. I commenced by saying that the man who professes to be an infallible judge on the question of currency exchange is, perhaps, in the lunatic asylum, but, having said that, I would not labour this question any longer. I am prepared to make allowances for individual views. With regard to the Resolution, I do say that there can be no harm done by a free discussion of this very momentous question by a Committee.

**Mr. R. A. Spence** (Bombay : European) : Mr. President, Mr. Seshagiri Ayyar led his points by asking for information from the Finance Member, as that was one of the reasons which he had come up from the Fiscal Commission for I also, Sir, would like to have a little information from the Finance Member in regard to the opening of the Indian mints for the coinage of gold. Might we know what happened to the gold coins that were coined in the Indian mints ? It certainly took a certain amount of money to coin those gold mohurs. I do not know whether any Members of the House have ever seen a mohur. (*Voices—'I have seen.'*) A few Members have seen. I believe a very large quantity of gold, in the form of sovereigns, used to come out regularly to this country. What happened to it ? What will happen to that gold if it comes out to this country in the future ? It will simply go into the form of gold ornaments. What is the use, under such circumstances, of going to the

expense of opening a branch of the Royal Mint in India for the coinage of gold coins which are probably going to be melted down and used as ornaments? It is a waste of money.

**The Honourable Sir Malcolm Hailey :** I recognise, Sir, the importance which the Assembly has attached to this question, for I notice that no less than seven Members have tabled the same Resolution in identical words. For my part, however, I rejoice that the chance of the ballot fell to my Honourable friend, Sir Vithaldas Thackersey, for we remember from the days of the old Council which used to assemble in Calcutta in the free Morley-Minto days how valiant a protagonist Sir Vithaldas has been on behalf of certain claims of India in regard to our exchange and currency operations. I rejoice moreover because he is a practical man, because he knows at first hand the problems of the money market and he has not sought to confuse issues to-day by any considerations of a purely doctrinaire nature. He has not, for instance, developed a *post-mortem* examination into the Report of the Babington-Smith Committee, and I shall not in following him dwell at any great length on the history of the Report of that Committee and the operations with which we were concerned in attempting to give effect to its recommendations. There is very little value in the gruesome process of an autopsy and to-day I hope we shall be able to give our attention purely to the practical problems of the present and of the future.

Now, Sir, I recognise that the demand for a further Committee of inquiry into our exchange position is widespread and extends far beyond this Assembly. I will, if Sir Vithaldas Thackersey will allow me, re-state in my own words the position as it has been put forward to us at different times. We are told that the retention on our Statute Book of a rate which is divorced from actual circumstances is detrimental in two ways. In the first place, it distorts the national accounts; in the second place, it vitiates the course of trade, because, as Sir Vithaldas himself remarked, both importers and exporters are doubtful whether Government does not intend at some time or another to take steps to make that rate effective. Let me add another point to which he has not called attention, namely, that there are also a considerable number of importers who refuse to implement contracts into which they entered in the past, on the ground that Government is under the responsibility of taking steps to raise the level of exchange to the two shilling figure. We are told; therefore, that India, having by the force of circumstances lost the advantage of a stabilised exchange, we, so far from assisting India in her difficulty, have increased the complexity of the case, for we keep on our Statute Book a figure which leaves trade in doubt as to the measure of Government interference in the future, with a view to making our statutory figure effective. Indeed, Sir Vithaldas went so far as to say that, when exchange rose last September, traders were doubtful whether we were not going to take some steps to manipulate exchange, and, therefore, did not cover their transactions. In parenthesis I will remark that, if they did so, it was surely their own fault, for we made it very clear during the course of the past year that we did not intend to take any such steps.

That is the problem as it has been presented to us, and the supporters of the proposed Committee suggest that we should remove from the horizon of trade this distorting figure of our two-shilling exchange and give them something which would clear their mental vision in regard to their future operations. Now, Sir, when we go somewhat further and ask not what we might

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desire the Committee to consider but what we might expect it to effect, I think that its supporters fall into two classes. The first, which I might without any disrespect describe as the more theoretical, hopes that the Committee could, as the result of inquiry, actually stabilise exchange or, at all events, lay down for us a new rate of exchange which, by the exhibition of the proper administrative methods, might be maintained for some considerable period of time to come. The second class of thinker, whom I will describe as the more practical of the two, merely asks that in the interval, pending the time when, owing to the improvement of trade conditions, it will be possible to reconsider the problem, in that interval, the operations of Government shall be guided by advice of the Committee as to what it should do and what it should avoid in the interests of trade.

Now, Sir, I will consider to begin with the first class, which I have described as the rather more theoretical of the two. Now, I wish to make it clear that I do not now intend to take up the attitude that the report of the Babington-Smith Committee was the last and final word on the subject; I think also that the House knows me well enough to accept my assurance that I do not in what I shall say to-day in any way discount the value of eliciting the best Indian opinion on this difficult question. That the Home authorities do not discount the value of such opinion is, I think, shown amply by the recent appointment of Mr. Dalal to the India Council, an appointment which I may say I welcome as heartily as Sir Vitthaldas Thackersey himself. But, nevertheless, I say with great confidence and without the slightest hesitation that if any one here or outside this Assembly thinks that any Committee appointed now could either stabilise exchange or lay down a new rate at which exchange might be expected to be maintained either by the movement of trade or by the manipulations of Government, then his hopes are entirely illusory. I follow my Honourable friend, Mr. Rhodes, in what he has said on this subject; the problem is an international one, and is not confined to India alone. The question was raised in another place last March. Every commercial man there expressed the same opinion as Mr. Rhodes has placed before you to-day. Why, Sir, even the Proposer of the Resolution in that other place had to admit that not even a Committee of Archangels could be expected to find a solution to the exchange rate at the present time. Let me give briefly to the House my reasons for the confident statement I have made. The level of our exchange depends of course on the external demand for the rupee, and the demand for the rupee in turn depends on the foreign demand for India's products. Now, when the trade of the whole continent of Europe is weltering in a chaos of depression, is it possible that any Committee would be able to predicate when that demand is likely to revive in such strength as to affect our rupee and to what extent it is likely to affect our rupee? Then, Sir, there is another problem, secondary if you like, but still important, namely, the position of gold. We know that, as the rupee rises, the price of gold must fall, and it is an interesting problem, but a problem which I think it would be difficult to explore with any certainty, as to how far the demand for gold in India would extend if the price were to fall materially, say to twenty rupees per *tola*. We know that when the price does fall, India is apt to use all her resources to obtain cheap gold. The import of gold in itself has the effect of

liquidating a favourable trade balance, and to that extent lowering the rupee. Here, then, is a second indefinite factor of the very greatest difficulty, and taking these two indeterminate factors together, *viz.*, the difficulty of prophesying the extent of the revival of the balance of trade on the continent and the difficulty of prophesying what would be the demand for gold in India when gold became cheap, the elements of uncertainty are so great that I believe that no Committee could at present—I say advisedly at present—safely make any recommendation to this House. Assume that a Committee had been appointed last March in reply to the demand then made, I know of no better illustration of the difficulties which would have confronted it than the course of subsequent events in this country. During the autumn it looked as though we might expect a revival of the balance of trade; there was of course no definite saving of the pendulum, but exports were gaining on imports and the rupee was rising; yet, at the very moment, that the rupee stood at its highest, there occurred a cataclysmal fall of the German mark,—a fall due, perhaps not even to economic conditions but to political conditions. However that may be, the mark fell heavily, the demand for our exports suddenly dropped and the rupee dropped also. Now, Sir, I put it to the House whether it is advisable or reasonable to ask a Committee to consider the future of exchange at a time when our exchange itself is but a flickering flame, blown about by every breath of the continental exchanges—I say, Sir, let trade stabilise itself before we begin to predicate conditions which are necessary for stabilising exchange. The Committee might condemn our 2 shillings gold rate—they condemn it whole-heartedly, but even so we should advance no further unless they can propose a stable substitute. Here, I think, comes in the danger of the proposal which Sir Vithaldas puts forward. He commenced by suggesting only an inquiry and an investigation; but I think he himself recognised fully that this was not enough, for he committed himself to the suggestion that the Committee might put forward some definite rate less destructive of the interests of the country than our 2 shillings gold figure. He did not, it is true, commit himself to a figure; it might be 1s. 4d. or 1s. 6d. or 1s. 8d., but it had to be some definite rate. Sir, what would be the use of suggesting any rate to us for insertion on the Statute Book unless we were prepared to support it with administrative measures, that is, that when exchange fell below that rate, we should be prepared to sell Reverse Councils to maintain it? Would the Honourable Member honestly advise us in present circumstances to take such steps to support what he describes as an intermediate rate? Would any commercial member here suggest that we should now attempt to substitute on our Statute Book a rate which looked as if it would be operative for a few years to come, and attempt to support it by administrative measures? Why, Sir, I believe that the attempt to do so would in itself be more detrimental to trade—I follow my friend, Mr. Rhodes, in this respect—more detrimental to trade than our present ‘policy of masterly inaction.’ In short, Sir, Sir Vithaldas’ suggestion begins with a Committee of inquiry, it ends inevitably in a suggestion that we fix a new rate amid abnormal conditions and maintain this rate artificially.

Now, Sir, for the second class of persons, those whom I have described as those who would have the Committee address itself only to the immediate problems before us. Let me state the nature of these problems as I myself see them when we saw that we could not maintain a rate of 2 shillings gold and that our attempt to do so was doomed to failure, we declined to throw into

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the battle our few remaining battalions, the Gold Standard Reserve and the Sterling Investments remaining in the Paper Currency Reserve; those of course we still hold. Now, it may be that there are those who fear that we may still intend to take steps directly to support exchange by the utilisation of those reserves. I think, however, that we were supported by commercial opinion in this country in our refusal to dissipate the whole of our resources, and, in our present determination to keep these as far as possible intact. But it may nevertheless still be some who fear that we may be intending to use these reserves artificially to raise exchange. Now the method by which we could utilise those reserves would, of course be only that of re-opening the sale of Reverse Councils: and I can give the Assembly this much guarantee, at all events, that we should not re-open the sale of Reverse Councils in order to maintain exchange or to raise exchange in the manner suggested, without first coming to this Assembly. (Hear, hear.) But, Sir, I think that the practical man is really not himself afraid of our attempting artificially to raise exchange by direct methods of this nature. His apprehension may be voiced in somewhat different terms; he realises that, in the present state of depression, anything that we could do by utilising our sterling reserves would be probably doomed to failure, and he gives us sufficient credit for common sense to assume that we shall not make that attempt. What he fears is, that as trade revives, as India regains her lost balance of trade and a rising demand for rupees at home, then the Secretary of State will deliberately stand out of the market in order to let that demand force the rupee up to the 2s. gold standard. That, I think, is his real apprehension. Let me give the House in as few words as possible the exact bearing of this; the matter is of course a little technical. The Secretary of State has to make payments on behalf of India in the ordinary course of affairs of about £20 or 30 millions a year, added to which of course is the expenditure on account of capital outlay on railways and the like. Ordinarily, he would keep himself in funds by selling Councils. But, if he can manage either by utilising any resources of his own, or by raising fresh loans, to stand out of the market, then, if there is a strong demand for rupees, it is clear that he will be assisting the rupee to climb the ascending scale. And the practical man now asks, whether I can tell him whether when trade re-establishes itself, when the former balance in favour of India is revived and the demand for rupees again becomes active, the Secretary of State will deliberately stand out, using every device to keep himself in funds rather than selling Councils, or whether he will sell Councils at any rate which the market may give him? That, I think, is really the question which the practical man is asking me to answer to-day. Now, Sir, on that point, I think, I can remove some of his apprehensions. There are two substantial grounds on which he is entitled to feel some confidence in the matter. In the first place, it is clear that there must be some considerable delay before a state of affairs arises in which the abstention of the Secretary of State becomes effective, that is to say, before there is such a strong demand for the rupee that his abstention from the market will have the effect of raising the rupee level. There must be a solid balance of trade in favour of India, a balance of trade so solid that it will counter-balance that flood of remittance which some people tell us is waiting in order to swamp down exchange as it has once done before. I do not myself pretend to estimate the amount of remittance that is waiting. It is a difficult problem, but I mention it only

because we are frequently told that there is a large quantity of remittance that is only waiting for a favourable rate of exchange to go Home. But my point is that there must be a solid balance of trade in favour of India, sufficiently solid to counter-balance any demand for remittance from this side. That is one point. The second is even more important, namely, that the Secretary of State's ability to stand out of the market for any length of time, as Mr. Rhodes pointed out, is very limited. We know the amount of his resources. Last year he financed himself largely for his current needs by drawing on the War Office against payments that we had made out here on account of the employment of Indian troops overseas; that source of supply is now failing him as has of course the Gold Standard Reserve, and the small remainder of our investments in the Paper Currency Reserve to draw against. But his power to utilise those reserves depends upon our power to deflate our paper currency out here. I know the apprehensions felt in some of our money markets regarding the possibility of a rapid deflation of our paper currency; I confine myself here to saying that events have shown that our power of rapid deflation is by no means considerable. Since it is our power to deflate which in its turn decides the power of the Secretary of State to draw against the Gold Standard and Paper Currency Reserves at Home, since his power to finance himself by starting loans is also not unlimited, it is inevitable, as Mr. Rhodes pointed out, that the force of circumstances will before long drive him to the market to keep himself in funds, and when the Secretary of State sells Council Bills, he ceases to have any power to raise exchange. I hope, Sir, that I have succeeded in removing some of the apprehensions which the practical man has felt regarding the steps which we can take, or are likely to take in the immediate present, and, I think, therefore, that I may put it to the House with confidence that there will be very little value in appointing a Committee to examine this section of our problems.

Now, Sir, let me turn to the second part of the Resolution. It proposes that the suggested Committee should consider the question of opening the Indian Mints to the free coinage of gold. Now, I must really assume that my Honourable friend, Sir Vithaldas Thackersey, expert as he is in these questions, has really included this in his Resolution to satisfy the feelings of some of his friends, rather than because he himself supposes that this question does actually need the further investigation of an expert Committee. He is well aware, Sir, that it was a cardinal feature in the policy of the Babington-Smith Committee that the Indian Mints should be opened to the free coinage of gold. Indeed, one of the intentions of the Committee in fixing the rupee on a gold basis was to permit of the free use of gold currency in India, and the opening of the Mints to the free coinage of gold is an aid to such a process, though of course it is not in itself an essential condition of it. We, Sir, are prepared out here to coin gold as soon as the need for gold currency arises. Sir Vithaldas Thackersey suggested that the Royal Mint might on technical grounds refuse to allow us to do so. He need have no fear on that score. I can give him a guarantee that as soon as the demand for gold currency arises, the Mint will be ready for it. It is clear, however, Sir, that so long as the present premium on gold as compared with its statutory parity exists, no such demand can arise. It could not indeed arise, as the Honourable Member himself knows quite well, even if we reduced our statutory rate to Rs. 15 to the £ or Rs. 16 or even Rs. 17 to the £, for, I think, that gold is

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selling to-day at about Rs. 28 a tola, which means the value of gold in the sovereign is over Rs. 17½. No coin could circulate for a minute if its gold value was above its face value. That would be exactly the same with the Indian coin to which Sir Vithaldas Thackersey referred. The bullion value will fluctuate from day to day, and when it fell below its face value, it would circulate; the minute it rose above its face value, it would go into the melting pot. In these circumstances, Sir, the question of opening the Indian Mints to the coinage of gold is not one of practical politics, nor will be until we can hit, on such a Mint par as we can be sure that the bullion value will not go above it. On that point, then, I think, Sir Vithaldas will probably be prepared to accept my answer as sufficient.

Now, Sir, I come to the third part of that Resolution. I can give him here, I fancy, the assurance which he requires. At present, the Gold Standard Reserve is not, as I think, perhaps the House might have inferred from the words used by the Honourable Member, held in long-term securities. It is held mainly in British Treasury Bills which are easily realisable. Now it is obvious that if it should be necessary for the Secretary of State to place himself in funds—and I have already described to the House the circumstances in which he may have to do so—by drawing on the Gold Standard Reserve, we should have to earmark out here a corresponding amount of money, for the Gold Standard Reserve is of course a self-contained fund. What is withdrawn from London we have to replace here. The net result will then of course be a transfer of the Gold Standard Reserve from London to India. The Secretary of State has agreed that if and when such transfers are made, the Gold Standard Reserve out here should, to the extent of the gold we possess, be held in the form of gold. Mr. Seshagiri Ayyar asked us what the Secretary of State had done with our gold—or at least I understood his question to be to this effect. I think Sir Vithaldas Thackersey also suggested that the whole of India's gold was being held in London. That, Sir, is not of course the case,—far from it. We have 24½ million pounds of India's gold in India. We hold this in the Paper Currency Reserve, and the process I have described will involve the transfer of the gold from the Paper Currency Reserve to the Gold Standard Reserve. It is more than probable that the Secretary of State will, in the course of the following year, have to draw upon the Gold Standard Reserve. The process of transfer will then of course begin and one of Sir Vithaldas Thackersey's ambitions will be in course of satisfaction.

Sir, I have no desire to meet the general case which has been put before us by purely negative arguments. I recognise that there is general anxiety felt on this subject, but I think that the House will agree with me after what I have said that there is really no need at all for any expert investigation on the second and third points mentioned in the Resolution. The policy has been laid down in a manner which, I am sure, will commend itself to the House, and only awaits for the march of events to become operative. As regards the first part of the Resolution, Sir, I have put my case not on any opposition to further investigation by technical experts or men of affairs, but merely on the ground that, in the present state of international trade, such an investigation would be of no avail whatever. The instability of conditions is such that I fear with Mr. Rhodes that if a Committee were to inquire into the case now, it would only end in failure, a failure which might be more damaging to India than the present policy and inaction. But, Sir, if the march of events should

be quicker than we anticipate, should developments occur which would seem to make further expert investigation necessary, then I should not have the slightest hesitation in proposing the appointment of such a Committee, and a committee moreover on which Indian opinion will be fully represented.

**Sir Deva Prasad Sarvadhikary** (Calcutta : Non-Muhammadan Urban) : Sir, remembering what Sir Malcolm Hailey told the Imperial Legislative Assembly in September before last, when the question came up in connection with the consideration of Mr. Dalal's dissent, I am not surprised — indeed I am re-assured — that he adheres to the undertaking he had given then, that the question shall be subjected to revision as soon as circumstances are favourable. From what we have heard from the business men to-day, both European and Indian, I am afraid the lay Members of this Assembly, who have no desire to qualify for the lunatic asylum, will have no difficulty in coming to the conclusion that, although Sir Vithaldas Thackersey has made himself responsible for this Resolution, it ought not to command support in this Assembly. The European point of view may, by some, be considered to be different from the Indian. But we have here acute differences of opinion amongst Indian business men also. That, I think, ought to be enough to dispose of the position for the present, so far as lay Members are concerned.

To my mind, Sir, there are two other considerations other than those already urged, why we ought to stay action for the present and wait for further developments which are coming on apace. I have great faith in Mr. Dalal, and join with Sir Vithaldas Thackersey and Sir Malcolm Hailey in welcoming his appointment to the Council of the Secretary of State. For the first time in the annals of that Council, Indian financial public opinion will be accurately and fearlessly represented. I think we ought to see what his advice is able to achieve in the matter of the bogey man of 'solid facts' about the Secretary of State's demand that is always being brought forward in aid of unmasterly activity. We are told that we should await the return of normal conditions, and, I think, we await Mr. Dalal and his appointment to see how far they will assist in making masterly inactivity rational.

In the second place, Sir, I hope, though members of the Fiscal Commission are behaving in the truant-like fashion, twice confessed to-day, they ought to be able to give us something tangible and soon, otherwise I shall begin to dread Mr. Rhodes' fears about Committees and Commissions. If upon the trade balance in favour of India depends, as it must, largely, the solution of the question, I think we must wait and see what trade balance will be assured under the recommendations, that some expect, will be made by the Fiscal Commission. What is the amount of protection they are going to recommend? How is the question of Imperial Preference going to be dealt with? These and corresponding retaliation are some of the considerations upon which the future trade balance of India will depend, and the sooner those recommendations come or are given effect to, the better will be the chances for India's financial and exchange adjustments. Sir, those who have followed the deliberations of the Fiscal Commission know that, in their greed for work, they are turning themselves into an Industrial Commission, into a Railway Commission, and I believe also into an Education Commission. Probably they will turn themselves into an Exchange and Currency Commission also and will have a great deal to say with regard to those questions. Even if we do not get a helpful lead from them, their deliberations about their own

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legitimate topic regarding Protection and Imperial Preference and allied subjects will certainly open out new vistas, of which we cannot refuse to take note particularly with regard to what may be the trade balance of India. For these considerations, Sir, I think we ought to adhere to the policy of 'wait and see' for a little longer. There will be nothing to prevent Sir Vithaldas Thackersey from bringing up a demand for inquiry as soon as the necessity arises and materials are ready. Probably in connection with the next Budget, when a big deficit may be Sir Malcolm Hailey's misfortune to have to announce to the House, there will be such an occasion. But I should not allow the artificially manipulated German mark, or for the matter of that, the fabulous German gold chemical, or otherwise, to interfere with the straight-forward and business-like solution of a question which we ought to make national as soon as we possibly can. We have been told that we should wait till it ceases to be international and becomes national. How is it going to be so unless, we, here in this Assembly, take a firm stand and an attitude about which there can be no mistaking in the business world of Europe or anywhere else? With it, is largely connected the question of unrest which is largely economic. We have to work out our own salvation, and must do so early in our own way but, I am afraid, the materials before us are not all that real experts would like to have.

Undoubtedly when a practical financier speaks of current events, he has to give the go-by to the theoretical and the academic economist and we have to depend upon every day and current practical facts, which I believe ought to be collected and focussed by such a Committee as Sir Vithaldas Thackersey demands and to which Sir Malcolm Hailey and the European business-men have and can have no objection. But we are not satisfied—those who cannot go deep into the matter—that the materials that would now be available would be far different from those which the Babington-Smith Committee had before it or any of those people who have been working since on the question. The result may therefore be equally disastrous or worse. I quite agree with Sir Malcolm Hailey that no great gain

1 P. M. would follow from a gruesome *post mortem* examination of the kind that he has referred to, particularly after the handsome manner in which he told the Assembly how the Government had erred in the matter in connection with the last Budget. It ought to be the last word on the subject. So far, I do not think that except by way of warning, we can usefully go into matters that have gone before. Otherwise I would quote Sir David Barber, whom I met in London and with whom I had a short discussion about this matter. He had to say much in the way of a grievance that he was not listened to many years ago and may yet have to be. After many years he feels that, if his advice had been followed, the difficulty that India is in now, even in spite of the war, would not have arisen. We cannot with advantage go into pre-historic matters in acutely live and changing subjects like this. And we shall have to depend for current facts upon people who understand them and collect them honestly and assiduously. Such a Committee will have to come soon, but not immediately.

**M. K. Reddi Garu** (South Arcot *cum* Chingleput: Non-Muhammadan Rural): I beg to move the following amendment:

'In place of the words 'be appointed' substitute the words 'be elected by the non-official Members of the Legislature'.

I should not be on my legs to-day with my amendment when a most complicated question is being discussed. But, Sir, while attending to the course of discussion, I felt as if I heard a note of warning, coming from afar, whispering in my ears, a truly Biblical warning :

'If these be thy gods, O, Israel ! woe be indeed unto thee, the land of vain regrets.'

I evidently think it is a note of warning against the *personnel* of this would-be Committee now under discussion. It is no doubt, known to you all, that we have had enough sorrows as the result of the composition and the recommendations of the Babington-Smith Committee. It seems to me that we should be over-careful at least in the selection of this Committee. In this Committee we shall not want men who ever worship at the altar of the Olympian gods, nor those who are ever ready to dance to the tune of the Government. On the other hand, we want men, who will not sell their birth-right and their country for a handful of silver or for a ribbon to stick in their coat. Sir, we want men true to their conscience and true to their country, men with mature wisdom and ripe experience, men who have made a life-long study of those most seducing, most deceiving and most dangerous of all problems, the problems of exchange and currency. We do not want men who cannot understand the very rudimentary principles of economics, that prices are the functions of three variables, namely, the volume of currency, the demand and supply of commodities. We do want men who would discuss and thresh out these problems from the different aspects in the true light impartially, and favour the establishment of a *currency on a self-adjusting, automatic bases, conducted with the widest possible measure of publicity.*

Sir, our country is not in dearth of such eminent men and we have enough and to spare. If necessary, I can give you the names of three score and ten, not in any way inferior to the men who occupy the Treasury Benches, either here or in England, worthy to serve in such Committees. So, let it not be said of us at any future date that our Committee is not truly representative of the people, and that the Committee is a *packed one, packed with broken horses*, who would dance to the whip of the vested interests. I would request the House to think twice, nay a hundred times, if necessary, before rejecting my amendment, because we are dealing with a problem which touches the pockets of every man in the country.

Sir, whatever may be the personnel of this Committee, whether elected or nominated, allow me to place a few facts which are very likely to be overlooked by the members of this Committee. First, with regard to the Home Charges, the Indian tax-payer's liability to pay in sterling is the root cause of his perpetual handicap, and the critics demand that liability should practically cease. The right remedy for this is to substitute an Indian agency, as far as may be possible, and leave the trade conditions to adjust themselves according to the prevailing relative values of silver and gold.

There is another question, the less said about it the better, the question of *the purchase of silver in England* by the Secretary of State. Instead of purchasing it in the open market by a public tender, our proverbially charitably disposed Secretary of State persists in the continuity of the old policy of purchasing silver in his own country and through only one or two interested brokers, at a price much higher than that paid by the Royal Mint of His Majesty. What private motives the Secretary of State's Council has, we

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know not, but they are all honourable men. I know not what reasons actuate them in the continuance of this disastrous policy—it is better understood than stated. I leave it to you to judge for yourselves.

Again, the Royal Mint of England is stoutly opposed to the establishment of a branch at Bombay; if that is true, what motives prompt them, I am at a loss to understand.

As regards the *Gold Standard Reserve*, its location in England cannot but be misunderstood here; because, if I remember aright, it has not been used more than twice to maintain the stability of exchange since its establishment in 1901. Its location in England has been of immense benefit to the British merchants and the public and even to the Dominion Governments at all times. In this connection, let me read out to you a passage in one of the memoranda submitted to the Babington-Smith Committee on this subject of holding the Reserve in England:

‘There is no use in ignoring the heart-burning caused in India at the investment of a major portion of this Reserve in securities among a rich population who can certainly manage without this loan, while the trade in India suffer at times from a Bank rate of 8 per cent. to whom two or even three crores during the busy season would be a welcome shower’.

Sir, I do not think that those who talk glibly about tinkering with the Currency realise the gravity and seriousness of the political issues involved; the sullen discontent prevailing all over the country has only an economic background—the problem of poverty.

To sum up, India now wants not gold, nor a Gold Exchange Standard which is neither fish, flesh, nor good red herring, but a standard which can be relied upon for deferred payments, which will not increase the burden of the debtor at the expense of the creditor, and which would not fluctuate in value according to the Government here, or a Minister there, and which will, in short, perform the function of *money* as satisfactorily as any standard can.

With these few words, I move my amendment.

**The Honourable Sir Malcolm Hailey:** I am afraid that I have not had time to accept the invitation of Mr. Reddi and consider his amendment two hundred or three hundred times before opposing it; for I feel myself obliged to oppose it forthwith. It has been supported by such unusual arguments and accompanied by such insinuations, that I cannot feel that it is one which can possibly commend itself to the House. Sir, in the first place, the Honourable Member suggested that previous Committees were composed of gentlemen who joined them ‘for the sake of a handful of gold.’ Does he mean to cast on the illustrious members of such Committees, as the Fowler, Chamberlain or Babington-Smith Committees, the insinuation that they sought to line their pockets by the advice which they pretended to give in the interests of India? Again, does he suggest that it is only the Members of this House who can be trusted not to enter into a Committee with similar motives? There are on the Fiscal Commission at present many members who are not Members of this House. Does the Honourable Member mean to convey an imputation that they are likely to give advice to the Legislature based on their own private and personal interests? I repudiate at once any such suggestion and I am sure that the House will join with me in feeling that if the only thing which the Honourable Member can urge in favour of restricting the members of the Committee to elected Members of this House, is that other Committees have been swayed by personal motives, then his case is

indeed a weak one. He has again, going beyond the definite proposition that the Committee, if appointed, should be elected in the manner suggested in his amendment, going beyond that, he has suggested that if such Committees were appointed and in such manner, they and no other Committee would be able to put an end to the scandal of the purchase of silver by the Secretary of State.

Sir, the fact that the purchase of silver by the Secretary of State is made in London has been criticised and attacked in the past. It has been said that buying in London is contrary to the interests of India. That is as it may be; it is a controversial point on which I do not wish to enter into now. The point I wish to make is that the Honourable Member, if I understand him aright, has here brought a definite accusation against the India Office of so arranging these purchases of silver as to conduce to their personal benefit. Again, Sir, I can do nothing but repudiate so extraordinary a suggestion against an honourable body. Now let me come to the substance of the amendment. I will not refer again to the unusual grounds on which Mr. Reddi has thought fit to support his amendment, nor will treat the proposal on its merits. What he suggests is that the Committee, if appointed, should be elected by the non-official Members of this Legislature. Well, I am sorry, Sir, that I should be thought unfit to cast a vote in a matter of this nature. I am sorry that my other official friends here are thought to be men of such low mental or perhaps moral capacity that their assistance in the selection of the Committee would not be welcomed. But leaving that aside, my major objection is this. If you want a Committee which will give you the best advice on this subject, it must be taken from men who have a large, a wide and a liberal education in financial matters. The House would not be well advised to confine a Committee on so highly controversial, complicated and expert a subject to its own Members. That is a point of substance on which I hope the House will agree with me. When I look round the benches before me, I ask whether in this Assembly, for it must be from the Assembly alone that if this amendment is accepted, the Members will be drawn, you will be able to obtain all the expert advice that you require on a question of this nature. I do not in any way seek to depreciate the merits and the attainments of the Members of this Assembly, but on a subject of this nature, so vital to the interest of Indian trade and commerce and consequently so vital to the future of India's political development, you should not seek to obtain a Committee purely from among your own Members. You should so range far and wide and so enlarge the field of selection as to get the very best advisers you can find in India.

**Mr. President:** The question is that the following amendment be made :

'In place of the words 'be appointed' substitute the words 'be elected by the non-official Members of the Legislature.'

The motion was negatived.

**Sir Vithaldas D. Thackersey:** Before I reply to the details of the debate, I must convey my gratitude to the Honourable Member for the compliment he has paid me. At the same time, I am sorry to say, that I differ from him on several points pertaining to my Resolution. My Honourable friend, Sir Malcolm Hailey, is one of our cleverest debaters, and he has, in his reply, avoided altogether the main issue that brings forward this Resolution. If I were to go into details and to reply to all his arguments, I am afraid my speech would go on after lunch, but, as I should like to finish my reply before we adjourn, I shall confine myself only to two or three main

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issues raised by him. The main issue is the statutory standard of 2s. With regard to the power of the Secretary of State to artificially raise that exchange to 2s. if he likes, the reply of my Honourable friend is that the Secretary of State is too poor to carry out that power. Most of our gold has been squandered away. The Honourable Member did not use the word 'squandered', but I say it has been squandered away in selling Reverse Council Bills. Then, again, he says that the Secretary of State is living, owing to certain circumstances, upon the amount which Government is to receive in England for Military Expenditure in India on behalf of the Home Government, and, therefore, he is too poor and we need not fear that he will carry out his power. I want Government to make a declaration that the Secretary of State will not use his power. Unless we are assured that he will give up that power, this House should insist that that power be taken away from him. That is the main issue. If the Honourable Member is prepared to declare to-day that that power will not be used, I am perfectly satisfied. But that kind of undertaking has not been forthcoming from the Honourable Member and the only conclusion that this House can arrive at is, that, whenever an opportunity occurs, the Secretary of State may carry out that power. Now, I warn Government against any such action. The Secretary of State did utilise his powers in 1920 and in the early part of 1921. With what result? Imports were encouraged and exports were discouraged. Merchants ordered large quantities of goods on the assumption that they could buy them at a fair value, and Government's action landed them in heavy losses. What consolation is it to these merchants that, when the Budget time comes, you say: 'We made a mistake. Forgive us. We will not do it again'.

This House should insist that Government should declare that they will not use this power and, in the absence of such undertaking, this House should appoint a Committee so that it may be in possession of certain facts and figures on which the House may be able to pass legislation taking away that power from the Secretary of State. After the merchants lost heavily, the astonishing statement was made in this House (I had not the honour of being a Member of the House then) that Government never gave any undertaking that they would maintain exchange at 2s. I do admit that Government never gave an undertaking but what was the meaning of passing legislation fixing 2s. as a standard, making accounts on that basis and selling Reverse Council Bills. We maintain that your action has been worse than your assurances and, on the top of this, we are told that Indian merchants broke their contract.

They say: 'You are all dishonest merchants, you do not honour your drafts'. I do not say that Government are directly responsible, but I put these facts before you in order to prove to this House that it is dangerous to allow this power to remain in the hands of the Secretary of State. It may be that the Secretary of State or his advisers have now changed their view, and been convinced that Mr. Dadiba Dalal was right in his minority report. That is, perhaps, why he has been nominated to the Secretary of State's Council—perhaps, as my Honourable friend, Sir Deva Prasad Sarvadhikary, has said, the question is being seriously considered. All these assumptions may be true. But that is not a sufficient guarantee that the Secretary of State will not manipulate exchange when the opportunity occurs. On the contrary, what does my Honourable friend, Sir Malcolm Hailey, say? He says, opportunities may

occur. Trade may revive, and, then, the Secretary of State may be justified in raising exchange. Well, it comes to the same thing. Not only does Government not give us an assurance that it will not use this power, but it gives a clear indication to us that the power may be used.

Then, with regard to the reply of my Honourable friend about the temporary policy. Well, my object in moving this Resolution for the appointment of a Committee was clearly this: no action or no decision of the character that one can contemplate in a large policy, like that on Currency and Exchange, can be moved in this Council in a direct way, that is, in the nature of a proposal 'do so and so.' Many Members, not knowing the facts, might then say: 'what right has the Mover to definitely say: 'do this, or do that'? Therefore, the best way of dealing with an important question is through the appointment of a Committee. If a Committee is appointed, and if it comes to the conclusion that a change in the policy is necessary, well, this House will then insist on its being carried out. I do not think, at that time this House will be afraid to carry out and insist upon the policy recommended by the Committee because my Honourable friend, Mr. Rhodes, had said: 'Well, the Honourable Member cannot give a reply and we should not expect it'. I think, when the time comes, he *shall* give a reply, and the House shall dictate its policy.

Then, with regard to Reverse Councils, my Honourable friend said: 'We do not intend to sell Reverse Councils; we shall not sell Reverse Councils unless we come to this House'. My Honourable friend knows perfectly well that he need not sell Reverse Councils in order to raise exchange. When the trade demand arises, he may refuse to sell Council Bills—he will use the gold resources and not sell Reverse Councils; he will raise loans in England and artificially raise exchange, and not sell Reverse Councils. What is the use of arguing before this House that Government will not sell Reverse Councils, as if the selling of Reverse Councils would raise the rate artificially? All these things can be done so long as the power of the Secretary of State remains.

Then, we have been told that, all over the world, the exchanges are disorganized, trade is disorganized, they have no money to buy our goods: therefore, exchange is weak. But who is complaining about the weak exchange? What we are complaining of is the artificial raising of the exchange. And, then, if you follow the natural course, what will be the natural exchange? Perhaps 1s. 6d. If you allow things to go on on their natural level, it will be 1s. 6d. and not 2 shillings. We have often heard from various sources including the Associated Chambers of Commerce, and several Members here have also said: 'Do not interfere with exchange'. I exactly repeat the same sentence: 'Do not interfere with exchange'. Allow it to go on its natural level. But Government do not say that they will give up the power to interfere. That power, I again repeat, must be taken away by supporting this Resolution.

There is only one point, Mr. President, that I should like to refer to, *viz.*, about the opening of the Gold Mint. We have been told that Government were quite ready to open it. Well, in order that the Committee may consider the question in all its aspects, I have included it in my Resolution; and, of course, if Government are prepared to open the mints to the coinage of gold, I will be perfectly satisfied. With regard to the Gold Standard Reserve, I think I do not agree with everything that has fallen from my Honourable friend. It has been a long complaint, a complaint nearly

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as old as the time when the Gold Standard Reserve was formed, that it was wrong to leave our gold in London. I will give you the old history in a few words: First, the Gold Standard Reserve was kept in England, not kept in Treasury Bills, as has been said to-day to the great credit of Government, but lent to the English Banks at a low rate of interest. When India protested against this policy, the Secretary of State invested it in long-term securities. We again protested that, if we required it at a moment's notice, it could not be available. Then, the Chamberlain Committee, I believe, condemned the policy. Now, our funds are invested in Treasury Bills. But that is also dangerous and I will explain why it is so. We had 30 million pounds in London before the War broke out. Did we get a single ounce of gold when the time came? Well, the Bank of England's total metallic reserve was about 30 or 40 million pounds. When war broke out, instead of getting our gold back, we had to go on accumulating our gold. We had to keep our gold payable to us for our exports. I think our funds went up—I am speaking from memory to somewhere between 150 and 180 million pounds. At that time we had a currency crisis in India. We had no silver. We had no gold. We wanted to bring out gold here to avoid a currency crisis. If gold had been brought out, people would have been very pleased to take gold instead of rupees. But London did not return us our gold: and we had to buy silver at 50 or 60*d*. Was it not a wrong policy to keep our Gold Reserve there? It is all very well to say: 'We can sell the Treasury Bills and bring the gold whenever you want'. But it is when panic arises, when war breaks out, when we badly want out gold, that it can never be available. Therefore, the right policy is that gold must be kept in India for the purposes for which it was intended.

I think, Mr. President, I have done. I only appeal to this House not to be carried away by the very able arguments of my friend, Sir Malcolm Hailey. The question is too serious to be left over. We must bring our gold back; we must take away the power of the Secretary of State to manipulate exchange. If I do not carry this Resolution, the only satisfaction I will have will be that it is not my fault that the House has not accepted it.

**The Honourable Sir Malcolm Hailey:** Sir, my reply will be very brief, for I fear that the House may already be weary of this discussion. I perceive now the inwardness of Sir Vithaldas Thackersey's Resolution: an inwardness which I may say was somewhat concealed by the form of the Resolution which he put forward. He asks for a Committee, but that is not that he wants. What he wants is a definite declaration from me which will bind the action of the Secretary of State; failing that, he wants to have a Committee that will put such pressure upon the Secretary of State that he will be unable to take any further action; failing his compliance with the requirements of that Committee, Sir Vithaldas requires this House to legislate in order to amend the Government of India Act. That is what he wants. What he asked for, and what we met to debate—was a Committee. Sir Vithaldas Thackersey says: 'That is a small point. I do not really care whether you have a Committee or not. What I want is a declaration and legislation.' Well, Sir, I came here to discuss the subject of a Committee; Sir Vithaldas puts that on one side.....

**Sir Vithaldas D. Thackersey:** May I explain to the House that the only way in which a Member can force his view on a Resolution of this character is through a Committee.

**The Honourable Sir Malcolm Hailey :** Sir, I put the case as it seems to me. I put the case that in asking for a Committee Sir Vithaldas has really been asking for something quite different ; and he has been asking the House, as he himself admits, to assume a power of control which it does not possess, and which a Committee could not give it.

Now, Sir, as to the declaration, I will only say one word. He requires from me a definite declaration that the Secretary of State will take no artificial steps to raise exchange. I, Sir, took another course in dealing with the Resolution ; I gave a very practical and conclusive reply, namely, that the Secretary of State in present circumstances had practically no power to take such steps, not of course on account of any legislative disability, but, as Mr. Rhodes said, owing to the force of circumstances. He has not resources and cannot raise resources sufficient for the purpose. Sir Vithaldas suggested that the reason was that all our resources had already been squandered. He told us of the disabilities of India owing to previous financial mismanagement ; he said that our case would be far different if we had been allowed to import gold during the war. He harked as far back as 1920 in his condemnation of our policy. But, Sir, he did not meet my definite point that the Secretary of State's power at present to influence exchange is very small indeed. What, Sir, could a Committee do in the circumstances? The Committee could only say : ' In our opinion it is undesirable that the Secretary of State should now take any artificial means to raise exchange ' ; and the Secretary of State could only reply : ' Where do I possess such means? If you will show me where I possess the means, I may be able to give you an answer. ' But, in truth, Sir, he has not those means ; he has no indefinite power of standing out of the market ; he has no indefinite power of raising loans ; and as I told the House, all the probability lies in the direction of his having to come on the market for Councils himself ; and if he does come on the market for Councils, then infallibly he has lost the power of raising exchange. That is a point which Sir Vithaldas did not care to meet.

Then, Sir, Sir Vithaldas was apparently willing to recognize that there was no need for a Committee on the subject of the opening of the Indian Mints to the free coinage of gold. He has handsomely, I think, admitted that. But he has not accepted the point which I put to him and to the House in regard to the Gold Standard Reserve. He is still unsatisfied. And why, Sir, is he unsatisfied? Because he holds that the Gold Standard Reserve was mismanaged in the past. He can not meet the point I have made to-day, that the Gold Standard Reserve is on the point of being transferred to India at present. I definitely pointed out to the House that as soon as the Secretary of State had to draw against the Gold Standard Reserve, then we should have to transfer the gold now in our Paper Currency Reserve to the Gold Standard Reserve, and that would have the effect of transferring the Gold Standard Reserve to India. Sir Vithaldas, I think, in his anxiety not to let the Secretary of State or the India Office or ourselves off too lightly in regard to what he regards as the errors of the past, somewhat obscured the immediate points of the present. I gather that he attaches value to the appointment of a Committee in order that that Committee might support him in his criticisms of what he regards as the mistakes of old times. If that is his view of the appointment of a Committee, then, Sir, I say for once he is deserting his character as a practical man. What a Committee is needed for—if it is needed at all—is to advise us as to the future and not to endorse his recriminations about the past.

Finally, Sir, he still holds that a Committee would be of some value as it would enable us to establish some interim rate of exchange. I honestly do

[ Sir Malcolm Hailey. ]

not believe that there is a single commercial man in this country who would support him in asking that an interim rate of exchange should be established, or that it should be supported by Government, by those very means which Sir Vithaldas Thackersey has so often repudiated. I do not believe that he would find in the commercial community any genuine support for such measures in the present instability of the world's exchanges. May I remind the House of the old gibe regarding the mental activities of the metaphysician. I do not wish to see that gibe applied to a Committee of this House; I do not wish it to be said that, like the metaphysician, it resembled a blind man groping in a dark room for a black cat which was not there.

**Mr. President:** The question is :

'That this Assembly recommends to the Governor General in Council that a Committee with a majority of Indian members, be appointed to consider the whole question of :

- (1) the present policy of currency and exchange;
- (2) the opening of the Indian Mints to the free coinage of gold; and
- (3) the location of the Gold Standard Reserve in India;

and to report with its recommendations at an early date.'

The Assembly then divided as follows :

AYES—37.

Abdul Majid, Shaikh.  
Abdul Quadir, Maulvi.  
Agarwala, Lala G. L.  
Ahmed, Mr. K.  
Ahmed Baksh Khan, Mr.  
Asjad-ul-lah, Maulvi Miyan.  
Ayyar, Mr. T. V. Seshagiri.  
Bagde, Mr. K. G.  
Bajpai, Mr. S. P.  
Barua, Mr. D. C.  
Bhargava, Pandit J. L.  
Bishambhar Nath, Mr.  
Chaudhuri, Mr. J.  
Faiyaz Khan, Mr. M.  
Ginwala, Mr. P. P.  
Gulab Singh, Sardar.  
Hussanally, Mr. W. M.  
Iswar Sarau, Munshi.  
Jatkar, Mr. B. H. R.

Joshi, Mr. N. M.  
Mahadeo-Prasad, Munshi.  
Man Singh, Bhai.  
Misra, Mr. P. L.  
Mudaliar, Mr. S.  
Nag, Mr. G. C.  
Neogy, Mr. K. C.  
Pyari Lal, Mr.  
Rangachariar, Mr. T.  
Reddi, Mr. M. K.  
Shahani, Mr. S. C.  
Singh, Babu B. P.  
Singh, Raja K. P.  
Sinha, Babu L. P.  
Srinivasa Rao, Mr. P. V.  
Subrahmanayam, Mr. C. S.  
Thackersey, Sir Vithaldas D.  
Yamin Khan, Mr. M.

NOES—41.

Abdul Rahim Khan, Mr.  
Abul Kasem, Maulvi.  
Aiyer, Sir P. S. Sivaswamy.  
Bradley-Birt, Mr. F. B.  
Bryant, Mr. J. F.  
Carter, Sir Frank.  
Clarke, Mr. G. R.  
Cotelingam, Mr. J. P.  
Crookshank, Sir Sydney.  
Dentith, Mr. A. W.  
Faridoonji, Mr. R.  
Fell, Sir Godfrey.  
Gidney, Lieutenant-Colonel H. A. J.  
Habibullah, Mr. Muhammad.  
Hailey, the Honourable Sir Malcolm.  
Hullah, Mr. J.  
Ikramullah Khan, Raja M. M.  
Innes, the Honourable Mr. C. A.  
Jejeebhoy, Sir Jamsetjee.  
Kabraji, Mr. J. K. N.  
Keith, Mr. W. J.

Lindsay, Mr. Darcy.  
Maung Maung Sin.  
McCarthy, Mr. F.  
Mitter, Mr. K. N.  
Muhammad Hussain, Mr. T.  
Percival, Mr. P. E.  
Rao, Mr. C. Krishnaswami  
Renouf, Mr. W. C.  
Rhodes, Mr. C. W.  
Samarth, Mr. N. M.  
Sarfaraz Hussain Khan, Mr.  
Sarvadhikary, Sir Deva Prasad.  
Sharp, Mr. H.  
Sim, Mr. G. G.  
Singh, Rana U. B.  
Spence, Mr. R. A.  
Vincent, the Honourable Sir William.  
Waghorn, Colonel W. D.  
Way, Mr. T. A. H.  
Zahiruddin Ahmed, Mr.

The motion was negatived.

The Assembly then adjourned till Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at Quarter to Three of the Clock.  
Mr. President was in the Chair.

RESOLUTION *RE*: THE ABOLITION OF IMPRESSED LABOUR,  
CONVEYANCE AND PROVISION.

**Mr. N. M. Joshi** (Nominated : Labour Interests) : Sir, I beg to move the following Resolution which stands in my name :

' This Assembly recommends to the Governor General in Council to take immediate steps for the abolition of impressed labour, conveyance and provision, wherever it obtains in India either under Local or Imperial statute or under local custom.'

Sir, whilst speaking on this Resolution I do not propose to trace in detail the origin of this custom from its very beginning. It is sufficient for my purpose to say that this practice of impressed labour is as old as the British rule in India. (*A voice* : ' Older '), Sir, this practice is also prevalent in all parts of India in one form or another. In spite of the variations that we see in the different parts, there are many common features which we find in every part of the country. The system may be described in short in the following way :

A Government officer goes on tour. He has to fix his tents ; he wants labour. He sends for the headman of the village who gets hold of the people in that village, brings them to the camp and makes them do the work for the officer. This practice is also extended to making the people do several other things. In the hill districts of the United Provinces, in the division of Kumaon, coolies are pressed into service to take the baggage of the officers and the tourist friends of the officers. In Sind, people are impressed to repair the roads for the motor car of the officer to travel smoothly on. Then, when the officer is on tour, he also requires certain provisions. He requires earthen pots for his water, so the village *kumbhar* or potter is pressed into service and asked to supply these earthen pots. Sometimes he is fully paid, many times inadequately paid, and in a number of cases not paid at all. The *banya* also is asked to take his shop to the tent of the officer. The officer, who is an exalted person, unlike most people, will not go to the *banya's* shop nor will he agree to send his servant there. The *banya* must take his shop to the officer's tent. I do not intend to say that the *banya* is not paid. He is in many cases paid, but the rates are fixed by Government, without having regard to the current prices, and the *banya* must suffer the loss if the latter are higher than the former. This practice also varies in some other provinces. In Sind, for instance, they have got a system of *rasai*. There are some small officers who collect funds from the villagers called *rasai* funds, and out of these funds the expenses of the touring officers, high and low, but many times low, I admit, are met. In order to collect this fund, the village officer also collects a cess—the provincial Government knows that it is collected and it is called *lappo*, a handful, and every one must contribute a handful, to entertain the officers who visit the village. Then, the touring officer requires carts. He is paid a good travelling allowance, but he is not expected to keep carts in his service. Whenever he goes to a village and he wants to transfer his camp, he again goes to the headman of the village and asks him to provide him with carts. Sometimes the villagers require the carts for their own use. The crop is waiting to be transported from the fields to the depôt, but the need of the officer is greater ;

[ Mr. N. M. Joshi. ]

he is a privileged person and the villagers' crops must remain in the fields; the carts are pressed into service. These are the ways in which labour, provisions and carts are pressed into service by the Government officers.

All this is not sanctioned by law, as far as I know. I could hardly trace any legislation either in the provincial statute books or in the Imperial statute book by which people could be compelled to work for officers, people could be compelled to take their shops to the officer's tents or to give their carts for the use of the officers. Government officers know that there is no law by which this practice is sanctioned, but they are doing it. But there are some laws which give power to Government to compel people to work on certain occasions. These laws are generally connected with irrigation. There is the Bombay Irrigation Act, the Northern India Irrigation Act, the Burma Irrigation Act and several other Irrigation Acts by which the Irrigation officers are empowered to compel the labouring classes to work on irrigation works under certain emergencies. In these Acts there is some difference, I admit. For instance, in the Bombay Act, every able-bodied man is compelled to work during a time of emergency. In the other Acts it is not that every man is compelled to work. They make a discrimination. It is the men of the labouring classes only who are compelled to work and not the people of the higher classes. If the land-holder happens to be a Brahmin or an educated man, or a merchant, he is not compelled to work, but it is the men of the labouring classes who are compelled to work. Then there is the Indian Forest Act under which people can also be compelled to help the forest officers in certain circumstances. Even the lofty heights of the Simla hills are not free from the evil of impressed labour. Mr. Stokes and Mr. Andrews have revealed to the world certain shocking incidents that took place on those hills. This system is a kind of oppression and also gives rise to petty tyrannies. On this point I do not propose to trust to my own opinion. I should like to read, from a report of the Committee which the United Provinces Government appointed to consider this question, a passage which will show how the matter stands. This is what the report says :

' The district reports show that the complaints regarding the present system are well-founded and that there is practical unanimity as to their nature. They need only to be briefly stated. The *banyas* complains that he is very frequently compelled to attend camp or to pay for exemption from attendance; that he does not ordinarily receive payment for supplies at current rates, that he has invariably to give free food to the *tahsil chaprassis* attached to the camp and, finally, that he receives no compensation for the trouble and expense involved in carrying supplies to the camp at some distance from his shop .....

' The village people are not vocal, and their complaints are not so loudly proclaimed; but the *Chamar* is seldom paid for his labour or the *Kumbhar* for his earthen pots, while the tenant is not infrequently called upon to supply the straw which, according to the custom of the country, the landlord should provide, and to place his carts at the disposal of officers at inconvenient seasons, and those who supply eggs and milk seldom receive the prices which the touring officer actually pays for them.

' The grievance of cart-owners is that their carts are often impressed, that their only means of avoiding impressment when it is inconvenient is by buying off the *tahsil chaprasi*, while the rates paid to them are ordinarily considerably below those current in the open market at the time.'

Sir, this is from the report of a Committee appointed by the United Provinces Government and is signed by Mr. L. Porter and a number of Government officers, as well as other Members of the United Provinces Council. This will make it clear to the Members of this Assembly that this practice is not free from oppression and petty tyranny. I cannot understand what the defence of Government is in allowing this practice to continue in

existence in this twentieth century. Sir, it may be admitted that in old times say 100 or 200 years ago, the people of India did not understand the value of money. But, now, even the people in the jungles understand the value of money. If the Government officers want labour and if they offer fair wages, I am quite sure there will not be any difficulty in getting labour at any place in the country. When it is possible for labourers to be transported hundreds of miles away from their homes, to places like Assam, why should it be difficult for people, if they offer fair wages, to get labourers in the district itself? The other argument that is sometimes used is that the roads are not good and sometimes, in hilly country, it becomes necessary to compel people to take the baggages of officers. Sir, the British rule in India has been continuing for more than a hundred years, and I do not think it is to the credit of the British Government if they have to bring forward the argument that there are no roads in the country and so people must be compelled into service. Then it is sometimes said that the officers do not pay for the provisions because people in India are so hospitable that they are willing to give provisions to the officers free. Sir, the people in India are hospitable. But they are hospitable to guests whom they invite or whom they choose to entertain. I do not think the people in India are so hospitable that they would entertain that guests who force themselves upon them. Then, Sir, in some places it is said, this labour is a contract of the land settlement. Reference to this is made in the literature connected with this subject. Sir, as regards this, what I feel is that if there is a condition in the land settlement that people can be pressed into service, I would say, the sooner the conditions of land settlement are changed, the better.

This practice at the present day has no justification on any ground. If  
 3 P.M. the Government Officers want labour, if they want carts, or if they want provisions, they can easily get them if they are prepared to pay a fair wage, if they are prepared to pay fair price and if they are prepared to pay fair rates for transport. Let them go into the world as ordinary people, not as privileged people, and pay what private people pay. When I had to move in villages—and I can assure the Members of this Assembly that I have moved in villages for months together—I have found no difficulty in getting carts or provisions whenever I wanted them: the only thing is, you must pay the fair price; Government officers are paid for all that they require by the Government. I therefore feel that to-day there is no justification whatsoever for this practice. As regards the several Irrigation Acts that exist, I admit at once that, under certain circumstances, conscription or compulsion is necessary. Even in European countries, in an emergency of war, conscription is used. But the Governments of those countries do not make a difference between the people belonging to the higher classes and the labouring classes. We hardly hear of that in England or France or Germany. Whenever they wanted soldiers, they made no difference between a young boy belonging to an aristocratic family and a young boy belonging to the labouring class, but unfortunately the Government of India does make that difference. In order to convince, the Assembly of the truth of my statement, I will only read one section from one of the Acts. It is the Madras Compulsory Labour Act, 1858, section 1. I shall not read the whole section, but only a few words bearing on the point.

‘Whenever it shall appear to the officer in charge of any tank, river or canal or of any ancient or other like work that there is imminent danger of the embankment of such tank, river or canal being breached,’

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as I said I shall not read the whole section but only the important words :

' such officer shall require the head or heads of the village or villages in the vicinity to call upon all able-bodied male persons of the labouring classes in such village or villages to co-operate in the work necessary for preventing or repairing the breach '.

It is the able-bodied people of the labouring classes only who are to be compelled, and not the other classes. Sir, although I see that, under certain circumstances of grave emergency, it is necessary to compel people to do a certain kind of work, I can hardly see the need for this distinction in such an emergency, between a labouring class man and a man belonging to the higher class. The fields belong to all sorts of people. They belong to Brahmins, they belong to educated people, they belong to merchants, they belong also to labouring classes, and if a breakdown of the embankment will cause damage to the community, it causes damage to all classes of people, and not to one class of people only, and, if people are to be compelled to serve, why only restrict that conscription, as I call it, to the labouring classes? I do not think Government will be able to justify their position in this matter in any way. In this connection, I must confess that the Bombay Irrigation Act is much fairer in this respect. It says :

' And thereupon every able-bodied person who resides or holds land in the vicinity or the locality '.

Now, Sir, I have described what the existing system of forced labour is, and how it harasses the people in various ways ; how, also, there is no sanction in law for this custom and how there is hardly any justification for its existence. The whole practice or custom of forced labour is against the modern spirit of individual freedom. No man should be compelled to do work for a master against his will. I need not remind the Members of this Assembly that this principle has been laid down in section 374 of the Indian Penal Code. As many of the Members of this Assembly are lawyers, I need not read the section. It makes it penal for anyone to compel any other person to render him service against his will.

Then, I would also like Government to consider this question from another point of view. This harassing of the people in the villages leads to a great discontent in the country. Unfortunately, as the United Provinces report has said, the village people are not vocal. They do not hold meetings. They do not hold processions. They do not pass Resolutions and send them to Government. But let Government remember that every kind of oppression, every kind of small tyranny, creates discontent all the same in the hearts of the people in the villages, and that discontent, although it may not be expressed in words, will be expressed in one form or another at some time or other. I have heard it said several times, even from the Government Benches, that the political agitators and the non-co-operators take advantage of the small complaints of the people that exist, and that they thus gather strength to their movement. Is it the fault of the non-co-operators or the political agitators that they take advantage of the real grounds of discontent that exist among the people? If the non-co-operators or the political agitators know the art of agitation, they ought to take advantage of every such circumstance of discontent.

It is the fault of the Government that allows this discontent to exist and to continue. If I were a non-co-operator, I am quite sure I would take advantage

of every real ground of discontent that exists among the people and that is allowed to remain by the Government in spite of knowing that it exists. I would, therefore, like the Government to take note of this fact very clearly that there is discontent in the country, and that that discontent will be utilised—and I may say very fairly utilised if it exists—by political agitators or the non-co-operators for their own purposes. I shall not blame them if they do it.

Now, Sir, let us see what Government has done to remove these real grounds of complaint and discontent. Several times these questions have been brought forward before Local Governments. Last year, in the United Provinces Council, a Resolution was moved, and the United Provinces Government appointed a Committee. That Committee has made some recommendations to improve the system and to mitigate the evils. Then, as regards Sind, complaints were heard about this practice in Sind. Two years back, my friend, the Honourable Mr. G. M. Bhurgri, moved a Resolution and Government appointed a Committee and that Committee reported two years back. But the Government of Bombay is so solicitous about the welfare of the people in the villages that it is only last week, after two years, it has reviewed that report and published its Resolution.

This clearly shows the anxiety of the Government to remove the real grounds of discontent of the people. I would like the Government of India now to take the matter into their own hands and not to trust to the Local Governments to do justice to people in this matter. It may be said by the Government of India that they trust to the Local Governments to do it. I would ask the Government of India whether this is not a question of law and order. It is their own officers who, against the law, without being sanctioned by the law, compel people to do service for them in various ways. People do not make complaints, but is it not the duty of Government to take cognisance? Only recently I heard in this Assembly that the non-co-operators intimidate people. People did not come forward with complaints and still Government found out a way to stop the intimidation. The village people do not come forward with complaints. Is it not the duty of the Government, in the same way, to take action, without complaints being made to them, and stop this evil practice? (Hear, hear.) Sir, if the matter is left to the Local Governments, I do not hope that this system will be ended. The Local Governments will try to mend it to some extent, mitigate its evils as the recommendations of the United Provinces and Sind Committees show. But the time has come when no mitigation, no mending will do. We insist upon the individual's right of freedom and the Government of India must come forward to end the system, without waiting for its being mended by the Local Governments. Local Governments will not end it, because the local committees of Local Governments include the officers who at one time or another have made use of this system and benefited from it, and do you trust to these officers to do justice to people? I, at least, do not, and it is not fair to expect justice from those who at one time or another have benefited from this system. I therefore appeal to the Government of India to take this matter into their own hands as a matter of law and order. To-day it does not appear to be a matter of order, it is a matter of law no doubt; but I want to ask the Government whether they want to wait till this matter becomes a matter of order, peace and good government. But I do not think they want to wait till this matter becomes a matter of

[ Mr. N. M. Joshi. ]

peace and order. I therefore appeal to them to take up this matter into their hands and remove this real ground of complaint, which exists, without doubt, in almost all the provinces of the country. Sir, the representatives of the Government of India in this Assembly have several times expressed profusely their sympathy for the masses, the labouring classes and the working classes. But, if I were to speak frankly my opinion, I would tell them that they care more for the grievances of the classes, the educated classes, the politically minded classes, than they care for the grievances of the people, the masses, the labouring classes and the working classes. No doubt, as I said, the labouring classes are mute and not vocal, but a Government, that professes to make it their special interest to protect and safeguard the interests of the masses, cannot and must not wait till the masses begin to speak and express their grievances. I, therefore, hope and hope strongly that the Government of India will take up this matter into their hands as an urgent matter, as a matter of law and order and arrive at a very satisfactory solution at an early date.

**Khan Bahadur Sarfaraz Hussain Khan** (Tirhut Division : Muhammadan) : There is no doubt that I do not know much about impressed labour ; but, as a Zamindar, I have some experience of what takes place in a zamindari. Just a few days ago, I received here from my village servant a copy of a notice which was served on me by the Magistrate regarding the *paltan* or the troops that had come there, stating that they should be supplied with fuel, so much of this and that, and so on. I did not know what to do. I simply wrote to them saying that they should act legally. I do not know whether the villagers are properly paid for the things supplied. But so far as my knowledge goes, and I do not blame Government, they are not paid adequately. Any way, what I would impress upon Government is this, that they may at least take this fact into very serious consideration. I quite agree with my Honourable colleague, that these small causes of discontent are taken advantage of by non-co-operators. The village men do not understand anything. They do not understand the law. They do not understand whether there is any difference between the Viceroy and the District Magistrate or the police. They simply take into consideration that there is *zulum*. The discontent spreads from one place to another until it becomes a very big thing. It is therefore in the interest both of Government and of individual liberty that I should impress upon Government the desirability of accepting this Resolution.

**Rai Bahadur Pandit J. L. Bhargava** (Ambala Division : Non-Muhammadan) : Sir, the system of impressing labour, conveyance or provisions is, at this hour of the day, an anachronism and deserves to be abolished as soon as possible. Its basis is the old old story of the necessity of the hour, and its sole justification is to secure some convenience and facility for the officers and officials who have to go on tour and to enable them to save some of their valuable time. No doubt these are advantages which should be taken into consideration, but to my mind they are quite incommensurate with the burdens which they impose on the persons who have to bear them. It might be said that the principle that no person can be unlawfully compelled to labour against his will is well recognised under section 374 of the Indian Penal Code and any person who violates that principle may be proceeded against under that section, but, in practice, that section is more

honoured in the breach than the observance. The mischief does not consist in compulsion alone but, as sometimes happens, the non-payment of wages, hire and prices and oftentimes inadequate payments are its concomitant evils. It is the business of the State to see that every person is secure in the fruits of his labour and gets full price for what he sells and full remuneration for the work which he does. In this connection, be it said to the credit of the Government of the province to which I have the honour to belong, that recently serious attempts have been made to tackle this important and difficult problem. Instructions have been issued by the Punjab Government to all the heads of districts to fix the places where officers going on tour should halt in every tahsil; contractors have been appointed to supply provisions, and officers have been enjoined to see that these instructions are strictly followed, and that payments are made in their presence. But, Sir, it is not one province alone that matters. The question concerns the whole of India, and what is wanted is not the improvement of the system, but the eradication of the evil practice altogether, which is objectionable on more grounds than one. A great deal of discontent and heart-burning is caused amongst Zamindars by this system, which generally goes by the name of *Begar*, and it is a matter of common knowledge that the subordinate officials and menial staff work great havoc among them while accompanying the officers going on tour. I think, therefore, that the time has come when this system should be abolished altogether, and officers and officials who have to go on tour should make their own arrangements for provisions and labour and conveyance just as when they are at their headquarters, and strenuous efforts should be made to put a stop to this evil practice.

**Khan Bahadur Zahiruddin Ahmed** (Dacca Division: Muhammadan Rural): Sir, I support the Resolution with reservations. This impressment of labour, conveyance and provision leads only to oppression. I must say, it is a pernicious system. If Government finds that the system cannot be abolished in all the provinces all at once, I think, there ought to be exceptions. At the same time, I must say we have created our own difficulties in this respect. The country has been overrun by the non-co-operators whose chief aim is to make the Government of the country a total failure. I have come to know cases—and they are not a few—in my province where boatmen point-blank refused to ferry across the river Government servants simply because they are in the service of Government. This is due to the teaching of the non-co-operators. Such cases cannot be tolerated and any Government, in its own defence, cannot but keep such a system in practice until the time when the activities of the non-co-operators do cool down. I do not know when such time will come and I shall be thankful to my Honourable friend, the Mover, to enlighten me on the subject. The whole trouble is that there is co-operation among the non-co-operators, but there is no co-operation among the co-operators. This lethargy on the part of the co-operators has brought the country on the verge of a catastrophe. Such is, after all, the case, and this is most deplorable. It is no use ignoring facts and mincing matters. Under such circumstances, how can loyal citizens all at once advise Government to let go all the weapons in its armoury lest the good government of the country becomes an impossible task? The country has been brought to such a pass that even we cannot get rid of a pernicious system, this being due to those unreasonable non-co-operators. My Honourable friend complains why

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only the labouring class men are impressed, to the exclusion of zamindars or the mercantile class. May I ask my friend who represents labour, will he be pleased to say how he would like it if he was impressed for service? May I ask how many land-owning people or mercantile men would like to go for impressment in the place of labour?

**Mr. J. Hullah** (Revenue Secretary) : Sir, Mr. Joshi's counsel of perfection aims, I think, at grievances that arise out of an old custom, rather than, as I hope to show, out of any recognition by Government of that custom. And here let us get rid at once of the confusion that often exists in the public mind between impressed labour with payment and impressed labour without payment. Impressed labour without payment is *begar*. That is and should be the meaning of the word *begar*. But it is loosely used; I have seen it used even in a Local Government's communiqué for paid labour; and owing to this confusion there has arisen an idea that unpaid labour is recognized by Government on a large scale. That is not so at all. Mr. Joshi himself has admitted that his researches have not revealed any cases in which, under law or rule or executive order, unpaid labour, conveyance or provision is recognized. There are, as he has told us, certain cases where impressed labour on payment is recognized, and he mentioned straightaway the first great class of cases, sanction in which is given under the Irrigation Acts, to the power of impressing labourers in times of grave emergency, when there is fear of a canal or a reservoir being breached, or something of that kind. He mentioned the Acts which allow it, the Northern Canals Act, the Bombay Irrigation Act, the Madras Compulsory Labour Act, the Burma Canals Act, and the Burma Embankments Act. I gather from Mr. Joshi that he does not object to that provision in itself. What he objects to is that only labourers can be conscripted; why should not the merchant be conscripted? Mr. Joshi has forgotten to tell us that the Acts also lay down that payment must be made: what is more, they lay down that payment must be made at the highest market rate; indeed in the Northern Canals Act it is said that payment must be made at a rate higher than the highest market rate. Now, I suppose that a Canal Officer, even when he impresses labour, wants value for money received. Would he get value from the efforts of a merchant with a spade? I do not suppose that anybody will really object to the power of impressment for the purpose of repairing a canal in emergency. As a matter of fact, I believe that this power is very seldom, if ever used. Two Irrigation officers of great experience, one from the Punjab and one from the United Provinces, have told me that never in their experience has this power been used. The people of the countryside naturally know what damage will occur to their own crops, to their own lands, if the canal breaches and they are ready enough to come forward and work. But, seeing the immense loss of revenue, the great expenditure that will be necessary in repairing the canal, to say nothing of the risk of destruction of crops, of cattle and of loss of human life, surely this is a power—but only as a reserve—that we should keep in our hands. We should keep this resource in our hands so that if we cannot get our canals repaired in time of emergency by voluntary labour, we should get compulsory labour and well-paid labour at that. But Mr. Joshi's Resolution is so sweeping, so all-embracing, that if we accepted it, we should have to wipe out these provisions of those Acts.

The subject is also important in its military aspect. I need not dwell in detail on the practice of conscription which prevails in many countries. I

need not touch on billeting. I need not mention the great interference, not only with personal liberty, but also with trade and commerce, that was effected by the Defence of India Rules during the war, and I need not say how readily that interference was accepted. We have to deal not with times of war, but with normal times, times, we hope, of peace. The Army Regulations lay down that, when troops are about to march, requisitions may be made on the civil officers. They do not, of course, say how the civil officers are to set about complying with those requisitions. Certain statutes allow the power of impressment. There are two old Regulations in Bengal, No. 2 of 1806 and No. 6 of 1825, where obligation is laid on landholders to provide for transport of troops on the march. Bombay also has an old Regulation of 1827, which empowers the district magistrate, in certain circumstances, to impress transport, guides and supplies. I do not know whether those Regulations are ever used. Similarly, there is the Punjab Military Transport Act, which, when a notification is published by the Local Government, allows the impressment on hire or the compulsory purchase of boats, carts and other means of transport. I do not know whether that Act, although it was passed during the war, has ever been utilised. But here, again, I submit, that it is right to reserve, for military purposes at any rate, the power of impressment. What is the alternative? If you are not satisfied that you can get your carts immediately in any emergency, the Army, I imagine, will have to maintain transport on a much greater scale than at present, and I am not authorized by the Finance Department to commit the Government to the heavy expenditure that would be necessary to maintain standing transport, which will be idle for a great part of the year or perhaps for the whole year, simply in order that there may be no difficulty in emergency, and I do not suppose that the Assembly would wish me to do so.

There is a third class of cases, which is hardly impressment at all, but since a power is given to call on a man for his services at any time, it should be mentioned. I refer to service-tenures where a man, by reason of a favoured tenure is liable to be called upon to render service. The most notable instance of this which I have come across is in Coorg, where persons, called Jamma Coorgs, hold lands on half revenue, and, in consideration of this favoured tenure, are bound to render escort duty and to do other services for Government officers. We are told by the Chief Commissioner of Coorg that this obligation is practically never exacted, and I imagine that if we offered Jamma Coorgs the option of being relieved of this obligation or paying for their land at full rates, they would prefer to continue as at present.

The impressed labour that I have mentioned up to the present does not, I think, cause in the aggregate any very great inconvenience or hardship. Now, I come to what is really the gravamen of the charge, the hardships that are caused on the country side by Government officials and their tours. These hardships, so far as they exist, are inflicted in two ways, first by the subordinate Government officials who reside in the villages, and, secondly, by officers who tour and take subordinates with them. To take the first class first, we have the *patwari*, I think, in Madras, he is called the *karnam*, the forest guard, and the head constable or the constable. The *patwari* needs a man to carry his plane-table and his survey chain or to carry his voluminous records on the numerous occasions when he is summoned as a witness in the civil courts; the forest guard takes a man with him into the lonelier parts of the jungle; the head constable or the constable, perhaps when he is on beat duty in the

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country, gets a man to carry his kit and his great coat. As a rule, all these subordinate officials employ for these purposes some village servant who is in receipt of regular emoluments and whose duty it is to render these services. It may be admitted that occasionally this village servant is not available and some casual villager is impressed. That practice is absolutely discountenanced and, in my experience, whenever it comes to light, it is severely punished.

Now, as regards the tours of officers. Touring is necessary—I think that is admitted by everybody. Touring, it is widely said, causes considerable inconvenience to the people. I believe all officers do their best to make their touring as little inconvenient as possible to the people, and I believe that all officers do their best to see that supplies are paid for, and, what is much more difficult, that the payment reaches the persons for whom it is intended. The whole question of the touring of officers and their subordinates—and it is generally admitted that it is the subordinates and not the officers who give the most trouble—has been gone into already by several Local Governments. An Honourable Member has already referred to the inquiry which has been made in the Punjab and the orders that have been passed. The United Provinces Government, as we have been told, appointed a Committee; that Committee has reported and the Local Government, I see, has just got out its orders. The report of the Committee is a very interesting one, not only on account of the thoroughness which which it goes into the whole question, but also on account of its ready admission of the difficulties that are to be encountered. I note that, in order to meet the inconvenience that is caused by the pitching of officers' tents, the Committee has recommended that every officer shall take on tour with him a gang of paid labourers for this purpose, 4 or 6 men. Some of us may think that the remedy is worse than the disease. If it is a fact that the retinues of officers cause so much hardship and inconvenience, surely it is unwise to increase their size. However, that is the only recommendation that the Committee can make to meet the inconvenience which they think exists. Mr. Joshi has also mentioned the orders of the Bombay Government in Sind. One particular point which he mentioned, namely, that compulsory labour was used for the repair of roads, is specifically mentioned in these orders and the practice is absolutely forbidden.

Now, the fact is that no law, not even the most Draconian law, will ever bring an end to these practices, so far as they exist owing to oppression by subordinates. The only remedy lies in the spread of education, the growth of a spirit of self-reliance and the knowledge that unlawful demands can be successfully resisted. And here do not let us go away with the idea that the oppression such as exists is carried on only by Government officials. An immense amount of oppression is carried on by the landlords themselves. I do not wish to speak against them as a class; but it is a fact that many of the landlords do exact conveyance, services and supplies on an altogether unauthorised scale. As a rule it is the non-resident landlords who are the greatest offenders. When a villager falls into the hands of a money-lender, who does not reside in the village, he sends in his place a *kamdar* or a *mukhtiar* or some disreputable underling of any kind, who, in the name of his master and purporting to be acting under the authority of his master, exercises oppression of the grossest kind. Here, again, the only remedy is the spread of education and the growth of a spirit of self-reliance. But let those who accuse Government officials of harassment and

oppression, look to the extent where on the countryside this oppression is practised by private persons, not even under guise of the public interest.

I have mentioned what Local Governments have done, how they have taken the matter up, how their Committees have reported; and I may say that they have accepted the recommendations of their Committees practically in full. In a reply to Mr. Joshi given about a year ago, I said that the Government of India did not propose to take the initiative in so far as Governor's provinces were concerned, but we undertook to investigate the subject with regard to other territories. That, I think, is the correct attitude, the only correct constitutional attitude. Mr. Joshi says that the Government of India should take the initiative, because the Local Governments, being composed of officers who are interested, are not likely to do justice to the people. Now, first let me mention that the Committees appointed by the Local Governments had majorities of non-officials on them, and, secondly, are there not in the Governor's provinces representative Assemblies? Mr. Joshi has not mentioned them at all. What is the use of Devolution, what is the use of giving provinces representative Assemblies if we are going to interfere in all their domestic concerns? The Local Governments and their Assemblies know the local conditions, they know the local customs, they know how far these customs are justifiable, how far they are acceptable to the people; they know how much touring is necessary in the interests of efficiency and good administration; they know whether any abuses exist and what should be done to remedy those abuses. The people can make their voices heard through their own representatives in their local Assemblies. Why should we interfere? Any interference on our part, any dictation on our part, would be resented, and, I think, justifiably resented. But we have, in regard to the territories directly under our own control, namely, the North-West Frontier Province, Baluchistan, Coorg, Delhi and Ajmer-Merwara, made inquiries as to how far impressment, paid or unpaid, is allowed or recognised, and the replies received show that there is practically no official recognition of anything of the kind. In Coorg, there is the case of the Jumma Coorgs, with which I have already dealt. In Baluchistan, there is no official recognition. In Delhi, the only provision is that regarding impressment of canal labour which, as I have already mentioned, is allowed under the Northern India Canals Act. In Ajmer, there exists an old order which allows earthen cooking pots to be borrowed and used without payment. That practice we are now suppressing. Also in Ajmer, to a certain extent where Government fuel reserves are not available, fuel is allowed to be taken without payment. That practice also we are going to stop. But in our reference to the Local Governments we only asked how far these practices were recognised. We did not ask to what extent unrecognised practices which cause hardship or inconvenience to the people exist. That we shall now do, and we undertake to do our very best to remove any hardship or inconvenience which is caused not only by recognised practices, if any exist, but also by unrecognised practices through the misbehaviour of officials of any rank.

I have shown now that so far as the Canal Acts are concerned, we cannot surrender our reserve power of impressment. I have shown that we cannot surrender it for military purposes. I have also shown that in cases where there are service-tenures, there is no need to surrender the practice if the practice in those cases be impressment at all. Lastly, I have submitted, and I repeat that, so far as Governor's provinces are concerned, this is

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not a matter for the Government of India, and we do not propose to take action in regard to those territories. As regards our own territories, we are doing our best and we shall continue to do so.

**Munshi Iswar Saran** (Cities of the United Provinces : Non-Muhamadan Urban) : Sir, I have listened with considerable interest to the speech of Mr. Hullah, but I deeply regret I remain unconvinced. Mr. Hullah is perfectly right in referring to the oppression of tenants by some Zamindars and I say most clearly that those Zamindars should hold down their heads with shame that they should oppress their own countrymen. But, I submit, Sir, that two wrongs do not make one right. If there is oppression by Zamindars, that is no reason why there should be oppression by Government servants either high or low. Moreover, is Government to follow their evil example? Mr. Hullah has told us that in answer to a question put by Mr. Joshi last year, he made certain inquiries, and what he says to our amazement is that he only made inquiries about—I will use his own words—the recognised practices, and now he undertakes to make inquiries about the effect of unrecognised practices. I am feeling rather surprised, Sir, that Government should not have known that the effects of unrecognised practices are perhaps worse than the effects of recognised practices.

**Mr. J. Hullah** : May I explain, Sir? Mr. Joshi's question was only in respect of recognised practices.

**Munshi Iswar Saran** : Sir, we are told that, in cases of emergency, Government wishes to retain this power and that Government is equally anxious to retain this power in the case of troops marching from one place to another and to these two has been added the power that has to be exercised in the case of service tenures. Now, Sir, I submit that on the statement made by Mr. Hullah himself we find that there is no reason or justification at all for the continuance of this system. Mr. Hullah says that so far as the repair of canals is concerned, never has this power been used, because people on the country-side are themselves anxious to come forward and voluntarily work in order to repair the canals. They feel that if they do not come forward to repair the canals, the injury will be theirs. I ask, then: 'Why, then, retain this power? If people have the good sense of always coming forward to work voluntarily, why reserve this power in your hands?'

Then, Sir, Mr. Hullah has told us that, as far as service tenures in Coorg are concerned, the Chief Commissioner says that this obligation is never enforced. If the report of the Chief Commissioner be right, that is a reason for the non retention of this power in the hands of Government.

The third case is when troops are marching. We have been told about conscription and billeting. I do not pretend to know much about the condition of affairs in England or in other countries. But I am inclined to think—I speak subject to correction—that it is only during the time of the war that you billet soldiers in private families. I do not know—I shall be very grateful if some Honourable Member will enlighten me—that in times of peace you can go over to a man's house and say: 'Now, my good man, look here, half a dozen soldiers are going to put up at your house.' If that be so, Sir, then, I say, in all humility, that we shall not follow the English model.

As regards conscription, there too, I venture to think, that it applies only to war times. If war breaks out, if India is at war with some other country, most certainly, not only take our carts, not only impress our labourers, not only take provisions, but take something more, take our very lives. But in normal times and times of peace, I do submit that this system is wrong. Mr. Hullah will pardon me if I say that he has really missed the whole object of this debate. He talks about inconveniences. It is not the inconvenience of the system so much that hurts us. It is because we want freedom for human beings that we have brought forward this Resolution before this Assembly. What I say is this, I am speaking for myself, if you impressed a cooly, if you took him away from his plough against his wishes and if you paid him Rs. 500 a day, even then I would protest against it. I deny your right of taking labour from a man against his wishes. I deny your right of taking away his cart against his wishes, and I deny your right of taking his provisions against his wishes. If he is willing, take it by all means. You may induce him, you may persuade him, but do not, I say, take anything by force. If you do so, you degrade human nature. I know it, and it is a matter of my own personal experience, poor people, artisans, have come and told me: 'Sir, winter time is coming. We cannot be sure. The *tahsil chaprasi* might take us away and we might not be able to keep our promise and come and work for you.' Is it imagined that this sort of dread raises the dignity of man in the eyes of these people? I submit, it does not.

Sir, Mr. Joshi has spoken rather strongly because he feels strongly. There is no doubt that various Local Governments and happily, the Local Government of my own province, have moved in the matter, but, I submit, they have not gone far enough. They have these Committees. This is how generally the machinery of Government moves, if I am wrong I hope I shall be corrected. First they wait to see if there is some agitation or some sort of protest loud and strong. Then they start thinking. After that they say: 'Let us appoint a Committee'. These Committees are the panaceas of all human ills! After that, the Committee is appointed, there is an inquiry by the Committee and then it sends up its report. A long time is then taken over the consideration of that report and then comes out the result. The result is that the Government is prepared to go a little way. Now, I ask this Assembly to say, in clear terms, if it wants that labour, conveyance or provision should be taken from Indians against their wishes. 'If not, we shall say to these various Local Governments: 'You have done a great deal'—and speaking for myself I am much obliged to them for what they have done,—but we shall say to them: 'You have not done all that you should have done. You have not done full justice in the case.'

It may be that there are certain emergencies, during the time of war and so on when exceptional measures have to be resorted to. I do say that Mr. Joshi will be the first man to agree that his Resolution does not refer to those abnormal conditions. Mr. Joshi's Resolution relates to normal conditions of peace, when every day transaction takes place. I fail to understand why in such times, Government should find it difficult to get provisions, carts, labourers. Take private individuals. They have huge wedding parties, shooting parties, etc., and sometimes they require hundreds of labourers, hundreds of carts, and, if they are able to manage them, I ask, in all seriousness, how is it that Government is not able to

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manage them? I do not wish to refer to petty tyranny, and for once I am in entire agreement with Mr. Hullah when he says: 'You may have a perfect law, but you cannot prevent these little tyrannies.' That is perfectly true. Mr. Hullah has very rightly told us that the real remedy is the education of the masses and their development of the spirit of self-reliance. I agree with him. What I say is this. If the masses were self-reliant, they would simply make it impossible for any *chaprasi* or head constable or *patwari* to take labour from them against their wishes. They would simply say: 'No, we won't submit to your orders.' But as they are not able to do it, it is for us who are in charge of their interests here to invite Government to do justice which is long overdue.

**Rai Bahadur Bishambhar Nath** (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, I beg to support the Resolution moved by my friend, Mr. Joshi. My objection to the system of *begar* 4 P.M. or impressed labour is based, first of all, on the fact that it encroaches upon the liberty of the people. Secondly, it brings a great hardship to them, and unfortunately the victims are not the rich and powerful but the illiterate and the poor. Imagine a person going on some urgent business with his cart, a Tehsil *chaprasi* or policeman comes in his way and forcibly takes possession of the cart and the poor villager has to follow him to the Tehsil. Then, perhaps, the order is only for 10 carts. But the Tehsil *chaprasis* would go and impress 50, take tips, bring only 10 and release others from whom the illegal toll has been exacted. This is only one case, which illustrates my point, of how the system is worked. It is open to horrible corruption and is a constant source of harassment to our simple and illiterate countrymen.

Thirdly, Sir, I would insist on the abolition of this relic of slavery in the interest of the Government itself. There is nothing which makes it so unpopular as the *begar* system. It is associated with the Government and naturally the feelings of the people who are harassed get embittered. It is true, the Government work has got to be done. But certainly the mighty Government ought to be resourceful enough to devise means for the execution of their work without interfering with the liberty of the people and subjecting them to unnecessary hardship and suffering.

With these few words I commend the Resolution to your acceptance.

**Mr. Abdur Rahim** (North-West Frontier Province : Nominated Non-Official) : When I listened to the speeches of my Honourable friends, I thought that, as a Zamindar, it was my sacred duty to offer some observations and place my personal experience before the House. I have much pleasure in supporting this Resolution on a good many grounds. My first ground is this. When reforms were begun, I think we started from the wrong side. First, we must have the liberty of the individual or what I should call personal liberty; then liberty of speech and liberty of the press. Well, Sir, some Honourable gentleman said something about Zamindars. Well, fortunately I am one of the Zamindars in the North-West Frontier Province and I say that no Zamindar can possibly take money which is to be paid to other people, because when the officer who made the payment says that he has paid the money, the Zamindar will have to face the unpopularity of his own people. There is

another reason why this *begar* system is bad. It is because the labourer never gets what is his due. I think it is the sacred duty of every one here, whether official or non-official, to stop this *begar* system. These poor people have been fighting for the cause of His Majesty, for the cause of the country and, if this *begar* system is not stopped, it will be a disgrace. The Honourable Member said that they impressed labour on payment. Why should it be impressed if it is on payment. When the war was going on, in our own province the Honourable Chief Commissioner gave orders that no cart and no labour should be given either to the military people or anybody else unless those people were paid whatever wages they required. The result was that cartmen from different districts were coming because the military people were liberally paying.

But what I say is this. If officers have to go on tour, they get travelling allowance. It is, therefore, not right to find comfort at the expense of poor Zamindars. I think, in conscience, they should make their own arrangements instead of giving trouble to the Zamindars: and I say that it is the duty of the official Members and the non-official Members and every Indian to see that we do away with the *begar* system, so that the Zamindars may not be inconvenienced. As I said, when any officer comes, he is welcome. I say from my own experience, and this must be so in the Punjab and other provinces, that wherever the *begar* system is utilised by Patwaris and other petty officers, when officers come on tour, people run away whenever they come to know that the *begar* system will be enforced. So I say that the arrival of the officers is welcome, but I again request the Honourable Members that they may with one voice support this Resolution.

**The Honourable Mr. B. N. Sarma** (Revenue and Agriculture Member): Sir, there does not seem to be much difference between the Government point of view and that expressed by Honourable Members on the main issue before the Council. But, unfortunately, there seems to be a confusion of thought and misunderstanding owing to several points being mixed up in this Resolution and the wide prevalent feeling of dissatisfaction, as viewed in this Council, with the way in which, possibly, the administration is carried on in some parts regarding the questions to which this Resolution relates. Government do not want any power to impress labour or conveyance or provisions for the purpose of enabling their officers to tour conveniently. Mr. Joshi has not quoted any executive order, law or statute under which,—except in the cases to which allusion has been made at length both by him as well as by Mr. Hullah—he has not quoted any executive orders or rules under which this power is sanctioned by the Government, and, therefore, there is nothing for the Government of India to do by way of sending out instructions to Local Governments with regard to impressed labour, conveyance and provisions in respect of touring on which great stress has been laid. That is where my difficulty comes in. We are perfectly at one in condemning these practices where these abuses have crept in, in spite of precautions which the Government have been taking for a considerable time past: and, as Mr. Hullah said, if, unfortunately, in any places, carts are forcibly impressed, people are compelled to labour, provisions are forcibly taken, for the convenience of officers, that is a practice not sanctioned by law,—and no Government officer can enforce such practices by any penalties attached under any statute. Therefore, the question is really one of administration: and if, in any individual case, an officer offends against good morals and sound administrative methods, it is for the people of the tract concerned to bring to the notice

[Mr. B. N. Sarma.]

of the higher authorities those malpractices, and I am sure that these malpractices will be condemned readily by the authorities concerned.

The only practices which are sanctioned by law are where power is given to the Executive to impress labour in grave emergencies in which it would be disastrous to allow a canal or a river bank to be breached, washing away, it may be, hundreds of miles of fertile land and silting it up with sand, or washing away villages and towns. It is only in such emergencies that power is taken by the Executive, under existing laws, to impress labour, and that only in respect of villages adjoining the works which have to be undertaken during those perilous times. Wherein does the freedom of the subject come in here? I thought it was a social duty, a moral duty on the part of every villager, whether he belongs to the labouring classes or not, to co-operate with the officers of Government, to go to the spot where there is danger and to work in restoring the canal or embankment, as the case may be. It is not therefore a question of freedom, but a question of the duty resting upon every person to give his aid in time of emergency for the public weal so long as he is a member of society. And if there are recalcitrant persons who refuse to recognize this social duty, which they ought in reality to undertake without any payment, then the law steps in and says that the executive officers should and must be in a position to take labour from them and pay them at the highest rate possible. There is no question of individual liberty being infringed in a case of that description at all. The point does not arise and I think that, even in the most socialistic state, the Government must compel its lazy citizens, the citizens who have no conception of their moral duty, to do work for the State, at any rate in times of emergency.

Then, again, take the case of the military. There may be no question of war, but suppose there is a dangerous riot and troops have to pass through the country to reach the locality, or have to be moved from one place to another. What does the law say? The law says that the military officer in charge has to ask the civil officer of the district to furnish him with supplies *en route* according to his requisition. The civil officer will have to arrange as best he can, and he will most probably ask the officers subordinate to him to make the necessary arrangements. The law, the Bengal Regulation, the Bombay Regulation and the other Regulations, all enjoin upon the civil authorities that specific classes of persons, artisans, labourers and others, are to help in making the passage of the troops easier. There is absolutely nothing in that illegal or immoral, or which infringes the liberty of the subject. It merely asks the civil authorities to make provision for the passage of troops through the country. Supposing that no such arrangements were made, the military, as you know, would take the law into their own hands. They would obtain all the labour they required and the position would probably be worse than when the existing precautions are taken in the manner laid down by the civil statutes. It must be remembered also that it is only in exceptional cases, in cases of emergency, in cases where labour would not otherwise be forthcoming, and for the safeguarding of the general convenience, that this power of impressing labour or supplies on payment is given. All that the Government says is that it is impossible for it to surrender these powers, which it has to utilize in emergencies of the description I have given.

The reason why the Government are not in a position to accept the Resolution, as it stands, is not because it wishes, somehow or other, to retain

the power under which these abuses can continue, so long as the people can wink at them or are not yet sufficiently vociferous as to make it impossible for the Government to keep it, but because it asks us to take immediate steps for the abolition of impressed labour, conveyance and provision, wherever it obtains in India, either under local or Imperial statute or under local custom. It is impossible for us to undertake to repeal local laws, Imperial laws and customary laws in cases which I have mentioned, and I think in a way Mr. Joshi himself admitted, when he spoke on his proposition, that there are exceptions which must be met. Therefore, Sir, I would submit to the House that, inasmuch as Government have undertaken to do all that they can in respect of provinces directly under their administration, they cannot be asked to do more. Mr. Hullah has gone into the constitutional position at great length. If any Honourable Member of this House would bring to the notice of the Government of India that any Local Government, notwithstanding a Resolution of the Legislative Assembly, notwithstanding a Bill having been passed to modify any local law in that House, refuses to give effect thereto, then it would be for the Government of India, in the exercise of their supervising power under section 30 of the Government of India Act, to take the necessary steps, if any. But, for goodness' sake, let not the Members of this House ask the Government of India to abrogate completely the machinery which has been set up under the Reform Scheme, whereby vast powers have been granted to the Local Governments and to the Local Legislatures, whereby law and order are the first concern of Local Governments and not of the Government of India. Let us not tinker with that machinery, simply because we think that in a particular place Government or the Legislature is not able to come up to the mark. Let us not tinker with that machinery, but watch it sympathetically and carefully, and it is only when provincial Governments refuse blindly or wilfully and perversely to obey the mandates of their Legislatures, in this respect or in any other, that the Members of this House would be perfectly justified in coming up to the Government of India and making out a case for the exercise of their powers, and I, therefore, hope that this House would not press for Government taking any steps whatever in respect of provincial Governments and Administrations in what are known as Governor's provinces. We have told you that, under the law, there is nothing offending against good sense or taste or conducive to any ill-will, and that, if any Honourable Member would bring to our notice that in any province such laws are being wrongly administered, then surely it would be for us to see that these abuses are rectified. There seems to be a misunderstanding with regard to one of the remarks which fell from Mr. Hullah. No statement has been made on behalf of the Government that Zamindars, in general or on the whole, exercise their powers unlawfully or do not give the ryot what is his due or what is given to him for the purpose of its transmission. What he stated was that it is not individual officers of Government alone that perhaps are offenders, but the subordinates of the Zamindars also or it may be individual Zamindars. Nothing has been said on behalf of the Government to wound the susceptibilities of any class, and it was never meant to be the case. I hope, therefore, Sir, that, in making these reservations, Mr. Joshi will be able to see his way to accept the position of Government.

**Mr. S. C. Shahani** (Sind Jagirdars and Zamindars : Landholders) : Sir, I beg to make a few observations on the Resolution that has been put before

[ Mr. S. C. Shahani. ]

the House to-day. No one, I think, objects to labour or conveyance or provision being impressed whenever there is an emergency. No one would, for instance, object that works such as bunds, whenever they are in danger of being breached, should not be quickly repaired with impressed labour or that the military, in their campaigns, should not be so aided. What is wanted is that the Government should assume a very stern attitude in the matter of unpaid impressed labour for normal purposes. Supposing an official is habitually guilty of such impressment of labour or conveyance or provision, and there is no doubt with regard to it, my own idea is that the Government should at once send him away, and not in any measure seek to whitewash his guilt. A few examples made thus will, no doubt, apply the requisite corrective to the evil. The evil is a great one and no one can rightly seek to make out that it is only the subordinate officials who are guilty of this misdemeanour. The officers too, so far as I can see, would be open to the charge. To say that their bills are being regularly paid by officers is, I think, an incorrect statement. If it is true that there is a grievance, let there be no attempt to belittle it. If the Government of India only make up their mind to give effect to their professed intention in their own jurisdiction, I think a very wholesome example will be set to the rest of the country. No interference is desirable and I think the Honourable Mr. Joshi will be the last man to suggest that the Government of India should unduly interfere in the concerns of the Local Governments. All that he wants to urge is that this evil, which is oftentimes wrongly represented as naturally springing from Indian hospitality, should be done away with. Except on occasions of emergency it should not be tolerated. If the Government propose to redress people's grievances and to conciliate them, and if they are desirous that there should be no alienation of hearts, really a very firm attitude should be taken in the matter by Government. It should be made very clear both to subordinates and to officers who draw allowances that they are in no circumstances to go in for impressment of labour or conveyance or provisions.

With these remarks, I resume my seat.

**Rao Bahadur T. Rangachariar** (Madras City : Non-Muhammadan Urban) : Sir, I beg to move an amendment in the light of the remarks made by the Honourable the Member in charge of this Department. I beg to propose an amendment which will be acceptable, I take it, to the Government. It runs as follows :

'This Assembly recommends to the Governor General in Council to undertake the examination of the question of the abolition of impressed labour, conveyance and provisions wherever it obtains in India either under local or Imperial statute or under local custom.'

I think, Sir, that the Resolution, as it runs, is a counsel of perfection, but, human nature being what it is, I realise the practical difficulties which Government officers and other people feel. This has been the custom of the country where great works have been carried out by means of labour, willingly given sometimes and sometimes enforced. Great temples have been constructed, great historical monuments have been constructed in this way and the custom of the country does recognise this sort of labour. It is mildly forced, it is not really forced in the sense in which civilised beings should be ashamed of. But oftentimes man requires some sort of force to do even the right thing. We are not so ideally perfect and the people are not sufficiently educated

enough to advance voluntarily, and, therefore, I do think in such cases some sort of impressed labour is necessary so long as it does not offend against the laws of humanity. Take, for instance, Sir, where I live in the Tanjore district. There we have got a huge river; sometimes the stream bursts in the middle of the night and, unless you secure the stream and secure the water there, the whole village perhaps would be flooded and the whole village may have to starve, including those unfortunate labourers who have to labour in the fields. And, therefore, I do think that, in such cases you have to have some power under the law in order to get enforced labour. You cannot allow the flood to take its course and let the village lands and the village itself be submerged. There are cases of forced labour and forced labour, and it is, therefore, I think, inadvisable to pass this Resolution as it stands: 'To take immediate steps for the abolition of impressed labour, etc.'

I know it is very often abused. Although I am a landlord myself, I do plead guilty to the soft impeachment made by Mr. Hullah. I know that my tenants feel that they ought to carry my baggage, when I go to the village and have to return to the station; and I do not know where I would be without them in covering the distance of three or four miles between the village and the station. Of course, it may not be what you will have in an ideal society; but it is not impressed labour, and to go and say that you must abolish all these things seems to me to be a counsel of perfection. I do not think any society will ever reach that stage. No doubt my friend, Mr. Joshi, is a great lover of the labourer; but I do not know whether, if he had lands to manage, villages to manage, and property to manage, he would advocate such a state of things. I know, Sir, it was recently published in the papers, as reference was made to military requirements, that one regiment was marched in the Northern Sircars and Tahsildars were told that they should supply cows in calf. Now, that was most humiliating, most annoying to the people, to the Tahsildars and Deputy Collectors. It was stated in the 'Swarajya' of Madras, I do not know whether it is true, that one Tahsildar actually died of heart failure on hearing of this order. Such sort of things ought not to be. Therefore, I say there is a good deal of evil to be examined and I hope it will be thoroughly examined. No doubt it is a matter affecting the Local Governments, but it is really a subject which affects also the Central Government; and I do appeal to the Central Government to seriously examine it, so as to impress upon all Local Governments that these old customs will not do. I myself should be very willing indeed if I had all the old customs in my village enforced. I would benefit by it; but my own people do not like it and I quite sympathise with the growing sentiments of the people. We should respect humanity and, therefore, Sir, I ask the Government to undertake the examination of this question at an early date. That is my amendment.

**Mr. N. M. Joshi:** Sir, I consider myself to be a very fortunate being in not possessing an inch of land and also the other encumbrances which would have compelled me to make use of impressed labour. Sir, my Honourable friend said that India is a country where by custom impressed labour has been sanctioned and considered necessary, and he indicated that it had been used in old times also and he said that we all want great works of utility as well as of beauty to be erected in our country to beautify our country and to make it rich, and he justified, on that ground, the use of impressed

[ Mr. N. M. Joshi. ]

labour for such a purpose. I assure him that I am not one of those people who would feel proud of even the Taj Mahal, if it had been built with forced labour; I would not feel proud of a country overflowing with the water of canals, if they had been dug with forced labour. Sir, after all, there is some value to be attached to human freedom. I am sorry, my Honourable friend does not attach any importance to that freedom. There is no doubt in my mind, Sir, that impressed labour cannot be tolerated in this country. It was said, on the side of Government, that on certain occasions, impressed labour becomes necessary, such as during times of war. I again repeat that I am not against the use of certain forms of compulsion during times of war. I am in favour of conscription, if in that conscription no discrimination is made. My Honourable friend, Mr. Rangachariar, drew a picture of an over-flooded river destroying a whole village. I appeal to him to say whether, at such a time, he would not himself come forward and offer his labour. Would he make any discrimination between a labourer and a great pleader like himself? Sir, my Honourable friend, Mr. Sarma, will say: 'You are lacking in the sense of social duty.' That is what he said only a few minutes back. I do not really want to say more on this subject, because I have already spoken for a long time, as I anticipated most of the arguments that would be brought forward from the Government Benches and gave my replies to them. I do not think that the Members representing Government have added anything new. But, Sir, there is only one point on which I should like to say a few words, and it is this. My Honourable friend, Mr. Hullah admitted that the evil practice exists, but he said that these practices cannot be removed except by the panacea of education. Sir, I am one of those people who believe that education is the real panacea, but I ask my Honourable friend to say who it is that kept this country in ignorance after 150 years of British rule. Is it the people of India who kept themselves in ignorance or is it the British Government? Whose duty was it to educate the people

**The Honourable Mr. B. N. Sarma:** It is poverty and three hundred millions.

**Mr. N. M. Joshi:** If the Government had done its duty, I am quite sure that, by this time, the people of India would have been not only educated but self-reliant, but the Government did not discharge their duty in this matter. Moreover, if people had been educated and self-reliant, where would have been the need for the Government which calls itself the special friend of the masses? It is the duty of the Government to protect the masses as long as they are not educated and self-reliant. My friend, Mr. Ahmed, from Bengal, asked, when people would be free from the tyranny of the non-co-operators? You cannot expect people to be free from the tyranny of the non-co-operators as long as the non-co-operators know there are Government officials whose tyrannies are tolerated. Do you think that Government will be able to suppress the tyranny of the non-co-operators as long as there are causes of real discontent for the non-co-operators to work upon? If you want to free the people from the tyrannies of the non-co-operators, remove all causes of discontent, and then only the power of the non-co-operators will be reduced. I do not want to dwell any longer on this subject. I am not willing to accept the amendment of Mr. Rangachariar.

**The Honourable Mr. B. N. Sarma:** Sir, I may state that the Government are perfectly willing to accept Mr. Rangachariar's amendment and to undertake an examination of the kind suggested.

**Mr. President:** The original question was :

'This Assembly recommends to the Governor General in Council to take immediate steps for the abolition of impressed labour, conveyance and provision, wherever it obtains in India either under local or Imperial statute or under local custom.'

Since which an amendment has been moved in the following terms :

'For the words 'take immediate steps for' substitute the words' 'undertake the examination of the question of.'

The question is that that amendment be made.

The motion was adopted.

**Mr. President:** The question is that the following Resolution, as amended, be accepted :

'This Assembly recommends to the Governor General in Council to *undertake the examination of the question of* the abolition of impressed labour, conveyance and provisions wherever it obtains in India either under local or Imperial statute or under local custom.'

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 25th January, 1922.