

6th February, 1924

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**THE  
LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

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**FIRST SESSION**

**OF THE**

**SECOND LEGISLATIVE ASSEMBLY, 1924**



**SIMLA  
GOVERNMENT OF INDIA PRESS  
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# LEGISLATIVE ASSEMBLY.

*Wednesday, 6th February, 1924.*

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

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## MEMBER SWORN:

Maung Kun, M.L.A. (Burma: Non-European).

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## ELECTION OF THE DEPUTY PRESIDENT.

**Mr. President:** I have to acquaint the Assembly that I have received His Excellency's approval of the election of Diwan Bahadur Rangachariar to be Deputy President of this Assembly.

Mr. Deputy President, may I once more offer you the congratulations of this House on your election to that office. We confidently expect you to maintain the high traditions of the Assembly which you have helped to establish.

**Diwan Bahadur T. Rangachariar** (Madras City: Non-Muhammadan Urban): Sir, I do not know how to thank the Assembly for the great honour they have done me. Under your able guidance I have no doubt I will be able to maintain the high traditions of this House. Sir, nobody values those traditions more than I do; whatever our political views may be, the traditions of this House have to be maintained for the great good of this country, as we are all yearning for an Assembly with larger powers. Therefore, Sir, it will be my duty, which I will most faithfully carry out, to maintain those traditions.

**The Honourable Sir Malcolm Hailey** (Home Member): Perhaps you will allow me, Sir, to add one word on behalf of the Government side—not perhaps entirely as a Government side but also as representing a party in this House which because it is a minority must always be interested in the identity of its presiding officer. Above all things, he is the guardian of the minority interests in the Assembly, and it is on this account that we desire to express our appreciation of the choice made by the House. We have had previous experience of Mr. Rangachariar in the presidential chair; we have every confidence that he will maintain the high traditions of the House on that high-level which you, Sir, have established, and which we shall always do our best to support and to advance.

## RECRUITMENT FOR THE TERRITORIAL FORCES IN THE PUNJAB AND THE UNITED PROVINCES.

**Mr. H. Calvert:** Sir, I beg permission to ask a question of which I have given private notice to the Secretary of the Army Department. The question is, Sir: "So far as the Punjab is concerned, is there any truth in the statement made by Dr. Gour yesterday that recruitment for the Territorial Forces is practically confined to the lowest of the low?"

**Dr. H. S. Gour:** Sir, I rise to a point of order. When did I make a statement, which the Honourable Member ascribes to me, that the recruitment to the Territorial Forces is confined to the lowest of the low? I deny that statement?

**The Honourable Sir Malcolm Hailey:** Perhaps you will quote your actual words to us.

**Dr. H. S. Gour:** It is not there.

**The Honourable Sir Malcolm Hailey:** What were they?

**Dr. H. S. Gour:** I cannot quote exactly the words I used yesterday, but I have since had the advantage of reading the official report which will confirm me to this extent that what I said was that the middle classes are recruited for the Auxiliary Forces and that the middle classes do not offer themselves for recruitment to the Territorial Forces, which is recruited from the lower classes.

**Mr. E. Burdon:** Even the latter statement which Dr. Gour has now made, and which he says he made yesterday, is entirely incorrect. Both in the Punjab and in other parts of India we have serving, both in the ranks of the Territorial Force and as officers, gentlemen of good social position and very good military material.

**Dr. H. S. Gour:** I am very glad to hear that.

**Mr. H. E. Holme:** I should like to know, Sir, whether the statement which the Army Secretary has just made applies specifically to the United Provinces?

**Mr. E. Burdon:** The statement that I made, Sir, was that both in the Punjab and in other parts of India men of good social position and excellent military material serve in the Territorial Force.

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THE INDIAN TARIFF (AMENDMENT) BILL.

**The Honourable Sir Charles Innes** (Commerce Member): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1894, for certain purposes.

I have very little, Sir, to add to what has already been said in the Statement of Objects and Reasons. The facts of the matter are very briefly these. Hitherto, we have not bothered much about the goods which have come across our land frontiers. Those imports are comparatively small, the frontiers are long and difficult to safeguard, and, consequently, we have never troubled to impose customs duties on these goods. But in the last year a change has come about. Owing no doubt to the fact that we

have raised our customs duties on certain articles, certain articles which are easily transported, such as matches, saccharine and cigarettes, in particular, are beginning to pour across at least one of our frontiers, I refer to the Burma-Siamese frontier. We estimate that in the current year we have lost a customs revenue of no less than Rs. 12 lakhs on one of these articles alone, namely, matches, and the matter is becoming so serious that we have to tackle it in earnest. There are certain treaties and agreements with the Siamese Government which we will have to consider, but even after that consideration, if we denounce those treaties, we shall still be helpless in regard to the imposition of customs duty, for the Tariff Act, as at present framed, does not allow us to impose customs duties on goods imported by land. Everyone, I think, will see that it is unfair to merchants who bring in these articles, matches and cigarettes in particular, through the ports, that they should be subjected to competition from similar articles which have come in over the land frontiers and which have paid no duty at all; and that is why we are asking the House to give us power to impose the same customs duties on such articles as we think necessary. We shall naturally impose only the customs duties which have been agreed to by this House. That is all, I think, I need say, Sir, and I hope that I shall get leave to introduce the Bill.

**Mr. N. M. Dumasia** (Bombay City: Non-Muhammadan Urban): Mr. President, I think it is a very delicate question,—the principle of an infringement of the rights of Native States is involved. I know from personal experience that goods are being brought into Bombay from several Native States by land, not only matches and cigarettes but even silk piece-goods from Japan and China; and Bombay merchants have suffered a great deal in competition with those who have been able to bring such goods into Bombay by land.

**Diwan Bahadur T. Rangachariar** (Madras City: Non-Muhammadan Urban): On a point of order, Sir, does the Honourable Member oppose the introduction?

**Mr. President:** The Honourable Member is perhaps aware that I was waiting to see whether he did so.

**Mr. N. M. Dumasia:** I think, Sir, it involves the principle of non-interference with Native States, and unless that question is satisfactorily solved, I only wish to state that I am against the principle of the Bill.

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

“That leave be given to introduce a Bill further to amend the Indian Tariff Act, 1894, for certain purposes.”

The motion was adopted.

**The Honourable Sir Charles Innes:** I now introduce the Bill, Sir.

## THE INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

**Mr. M. S. D. Butler** (Secretary, Department of Education, Health and Lands): Sir, I move for leave to introduce a Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes.

Sir, as the House is aware, the Indian Merchant Shipping Act of 1923 is a recently consolidated enactment containing the law relating to Indian

[Mr. M. S. D. Butler.]

merchant shipping. A portion of that Act, namely, sections 193 to 213, is devoted to the regulation of pilgrim vessels. These sections lay down the conditions under which vessels carrying pilgrims from Indian ports may proceed to their destination. The Bill, which I am moving for leave to introduce, proposes to amend these sections in four respects. The amendments are explained in detail in the Statement of Objects and Reasons. Three of them are purely technical in character, and are only being brought forward because the Bill is for the moment on the anvil. I need not waste the time of the House by going into them in detail. But the fourth amendment is of more importance. It embodies an attempt to meet the problem of the destitute pilgrim, which is so familiar to those of us who have to deal with the great Muhammadan pilgrimage. We are trying by this Bill to mitigate the evils which arise from the existence of the destitute pilgrim by making it compulsory for every pilgrim, before he starts, to provide in some form or another at least for his return journey. This amendment is therefore of considerable interest to the Muhammadan Members of this House and to the Muhammadan community in general; and, in order that there may be no misunderstanding about it, I shall venture upon the time of the House for a few minutes to explain the exact situation.

Sir, I do not know if the Members of this House generally are familiar with the details of the pilgrim question. We all know that every year at a fixed period from every quarter of the Islamic world pious Muhammadans go forth to the sacred city of Mecca to perform there the ceremonies prescribed by their religion. We do not know exactly how many pilgrims congregate there, because we have no figures about those who go by land, but we do know how many pilgrims go overseas, because practically all of them disembark at the port of Jeddah, where a careful check is kept of their arrival. I need not weary the House with the full details from year to year of the number of pilgrims. They vary, as is natural, and the numbers have been much disturbed in recent times owing to the fact that during the war the pilgrimage was stopped altogether, and immediately afterwards naturally larger numbers went. But, taking the figures for the last two years, I find that in 1922 some 56,000 pilgrims landed at Jeddah, whereas in 1923, the season which is just over, about 75,000 were disembarked there. Now, out of the pilgrims who went in 1922 and 1923, on an average about 20 per cent. came from small countries in detached bodies of which we have very little trace. Some came from Syria, from Nigeria or from other parts of Africa, and so on. They, as I say, account for about 20 per cent. of the volume of the pilgrim traffic. The remaining 80 per cent. came from four distinct centres, of which India is one. About 30 per cent. came from the Dutch East Indies, about 12 per cent. from Malaya, about 11 per cent. from Egypt, and some 27 per cent. from India. It will thus be seen, Sir, that out of the 80 per cent. of the traffic, which comes from the four main countries I have mentioned, India accounted for about one-third and the other three areas, the Dutch East Indies, Malaya and Egypt, for two-thirds. That is the extent of the problem.

Now, Sir, I turn to the conditions under which the pilgrimage is made. They vary of course from country to country. But there is one radical distinction between the conditions in force in India on the one hand and in the Dutch East Indies, Malaya and Egypt on the other. In the Dutch East Indies, Malaya and Egypt the pilgrimage is an organised affair. Banda-

of pilgrims set out in a settled order, in many cases they elect their own leaders, and in every case the Government of the country concerned enforces by law that no pilgrim shall start on his journey until he has made provision for his return. The Dutch East Indies and the Malayan Governments insist on return tickets. The Egyptian Government goes in for a system of compulsory deposits. The result in all these cases is much the same. The pilgrims who go are an orderly body of persons under good supervision. They travel in comparative comfort and get back to their homes without losing any large number by the way. I do not say that there are no destitutes amongst them, but under the system followed their numbers appear to be so slight that they are carried by the remaining pilgrims. It can readily be imagined that, if there are only a few who drop out, their charitably-minded fellow-countrymen are able to help them and to get them back to their homes. In any case there is no scandal or marked loss of life. But in the case of India the conditions are very different. Here we have never laid down any system of compulsory provision for repatriation. We have always allowed anybody who liked to buy his ticket to Jeddah and then let him go on his way. The result is that every year there is a large number of pilgrims who have not the money to carry out the pilgrimage as it ought to be carried out, and who arrive in Jeddah with no money in their pockets, who scramble through the rest of their time there and are finally cast upon the streets in Jeddah in a state of semi-starvation and with no money to pay for their return journey. Well, Sir, when that takes place, what usually happens is that telegrams begin to fly, and then in some way or other money is raised for repatriation. Usually it is the Government which puts up the money: sometimes it is the charitably-minded Muhammadans in India who raise subscriptions. In 1921 repatriation was carried out by the Government. In 1922 the Central Haj Committee in India raised a subscription and managed the repatriation. In 1923, Government again came forward. Well, Sir, if this method of dealing with the problem were efficacious, there would be something to be said for it, but it has been shown that, under such a system the situation grows not better but worse. The more it gets about that there will be some agency for repatriating indigent pilgrims the more indigent pilgrims are tempted to embark upon the enterprise. Now, Sir, I have gone into the figures and they bear out what I say in a very striking manner. In 1921, when 10,854 pilgrims went from India, only 500 destitute pilgrims had to be dealt with at Jeddah on the return journey; that is equivalent to about  $4\frac{1}{2}$  per cent. In 1922, out of 12,849 pilgrims 1,106 were left destitute, which is equivalent to about  $8\frac{1}{2}$  per cent. In 1923, which was a year which was very popular for the pilgrimage, 24,459 pilgrims roughly went and we had to help no less than 2,765 or between 11 and 12 per cent. to return to this country. Thus, Sir, there has been an increase in the last three years in the number of destitute pilgrims from  $4\frac{1}{2}$  to  $8\frac{1}{2}$  and from  $8\frac{1}{2}$  to  $11\frac{1}{2}$  per cent. of the total number of pilgrims. And each year we shall undoubtedly have, if we pursue our present system, more and more destitutes to handle than we had before. Why, Sir, this year the evil grew to such an extent that on one ship which went from Bombay the Captain reported on arriving at Jeddah that over one-third of the pilgrims on board had not the means to provide themselves with food during the journey. They existed only by begging on the remaining two-thirds of the passengers. It requires very little imagination to see what that leads to. A man with moderate means starting on the pilgrimage with just enough to provide for himself and his dependents gets on board a ship and then sees a fellow-pilgrim hungry. What will he do?

[Mr. M. S. D. Butler.]

He must help him and it means he goes short himself. Thus, the destitute pilgrim not only goes under himself, but he drags down with him the other pilgrims who, but for his presence, would be able to go through in safety. Thus the position now is that it is impossible to go on under the present system without much hardship and suffering on the part of the pilgrims. How many died this year we do not know, but it is a significant fact that whereas 24,459 pilgrims started from Bombay and Karachi only 21,724 had returned by the end of December last. This gives a shortage of 2,735 pilgrims. I do not suggest that all of them died in the Hedjaz or on the voyage back. There may be some who have settled down in the Hedjaz. There may be others who are coming back later. But still there is no doubt, and we have ample evidence to that effect, that an enormous number did die this year, and we have actual facts to show that so feeble were many of the pilgrims when they left Jeddah that no less than 400 did die this year on the voyage between Jeddah and Bombay.

Well, Sir, we are now being pressed on all sides to deal with this problem. The British Agent at Jeddah, to whose devoted efforts we are so much indebted, wrote to us this year strongly. He is strongly of the opinion that something must be done to save from themselves destitute and hungry pilgrims who collect at Jeddah at the end of the pilgrimage, and lie about on the streets clamouring for food and repatriation. We are being pressed by the International Sanitary authorities. India is now a nation amongst the nations and we are a party to the International Sanitary Convention. The Paris Sanitary Convention, which up till now has provided that every country must have a system of compulsory return tickets "if local circumstances permit," is about to be altered, in fact the alteration has been carried out in Committee, so as to omit the words "if local circumstances permit." The meaning of this is that the nations, which are parties to the Convention, are insisting that it shall be compulsory on all nations to see that the pilgrimage is so carried out that the conditions which have hitherto prevailed in Jeddah after the pilgrimage shall not continue. Our pilgrimage officer, whom we sent this year to help, tells us the same tale of need for action. The Bombay Government, which handles the traffic on our behalf, is strongly of opinion that something must be done. They say that all authorities are agreed in condemning the present system, whereby the destitute Indian pilgrim is a by-word among the Muhammadan people. The Central Haj Committee last year passed a Resolution to the following effect:

"That in view of the experience this Committee has had during the year and the report received from Jeddah with regard to repatriation of destitute pilgrims as well as the working of return ticket system, this Committee is of opinion that the only really satisfactory solution of the problem of repatriation of destitute pilgrims from the Hedjaz lies in instituting a system of compulsory return tickets."

The Haj Committee at Jeddah, which has done so much to help the pilgrims there, recorded an even more striking Resolution. That Committee consists of Muhammadans. They resolved:

"(a) That in our opinion the present system of almost unlimited repatriation encourages destitution and attracts to the Hedjaz a large number of destitute pilgrims. It has often been noticed to induce even well-to-do persons to show themselves as destitute. (b) That we feel humiliated when people make comparisons between the conditions of the pilgrims of India and other countries. No pilgrim of any other country save India is noticed begging and lying in the streets helpless from want of food, clothing and accommodation."



Finally, they recommend, as everybody does, that the only way in which to mitigate the evil and to save the pilgrims from further trouble is to have some compulsory system of repatriation either through return ticket or deposits.

It will thus be seen, Sir, that the Government are faced with a very difficult question. It is easy in these matters to do nothing. But we have felt it to be our duty to lay the facts before this Assembly, which represents the people of India, and to take its advice. There are several Members of this Assembly who have performed the Haj themselves, and who know the position from their own experience; and the Government feel that the only course which they can take is to get their advice and the advice of the House generally as to how to deal with this difficult problem. To get that advice and to crystallise the issue we have put in the form of a Bill the alternative systems at present in force in the other areas from which pilgrims come, namely, the Dutch East Indies, Malaya and Egypt. Under the provisions of the Bill it may be prescribed either that return tickets or deposits shall be made compulsory, and we have left it to the House to advise us on the matter. We are not, I should add, in any way wedded to any particular method of dealing with this evil. There may be those here who can suggest a better method. What we want is to collect opinion and to get a recognition of the fact that the evil does exist, for we know that once it is recognised that the evil does exist, some way out of it is sure to be found, if those who are interested in putting an end to it put their heads together. I may say also that we do not propose to rush the Bill. There will be an interval for friendly and informal discussion with those who are most interested in the matter, and then, when we have gathered the general sense, we shall decide what further motion to make on the subject. I move therefore, Sir, the motion which stands in my name.

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

"That leave be given to introduce a Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes."

The motion was adopted.

**Khan Bahadur Sarfaraz Hussain Khan** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I oppose the introduction of the Bill. I want to make some observations from a religious point of view.

**Mr. President:** I am afraid the Honourable Member is too late. I looked round the Chamber to see if any Member wanted to speak, but I did not see any. The Honourable Member will get plenty of opportunity later on to speak on the motion. He is aware that the introduction of a Bill commits nobody to anything.

**Mr. M. S. D. Butler:** Sir, I introduce the Bill. The Honourable Member may rest assured that we shall take his advice about it.

#### THE CENTRAL BOARD OF REVENUE BILL.

**The Honourable Sir Basil Blackett** (Finance Member): Sir, I beg to ask for leave to introduce a Bill to provide for the constitution of a Central Board of Revenue and to amend certain enactments for the purpose of conferring powers and imposing duties on the said Board.

[The purpose of this Bill is to give statutory form to an improvement in the machinery of administration recommended by the Inchcape Committee.]

[Sir Basil Blackett.]

The objects and reasons are stated in the Statement circulated with the Bill and there is no need, I think, to add anything but a very few words. Under the Income-tax Act there is already in existence a Board of Inland Revenue with statutory powers. For the last year the administration of all the main heads of revenue, that is, Customs, Income-tax, Super-tax, Stamps, Opium and Excise, so far as it affects the Central Government, has been concentrated in the Finance Department instead of being spread, as hitherto, over several Departments. A good deal of that administrative work is work which ought not to be done by a Secretariat. It ought to be done by administrative officers who do work in rather a different way than by the system of continuous noting which is common in Secretariats. It is proposed, therefore, to establish a single Central Board of Revenue containing two members who will concentrate in their own hands as much of the administrative work of the business of collecting revenue so far as it has to be done at headquarters and will leave the Secretariat free for its proper Secretarial duties. This Bill is designed to confer a statutory status upon the Central Board of Revenue. That will not alter the position of the Member of Inland Revenue who already has a statutory status, but it will enable the Board as a whole to take over duties which at present are performed either by the Central Government through its Secretariat, through the Finance Department, or by certain Local Governments. It will appoint the Board the Chief Customs Authority for the purposes of the Customs Act. I think that the experience that we have had already shows that this is a clear administrative improvement. We have not been able of course yet to give it a full trial because it is necessary that the statutory powers should be in the hands of the Board before it can fully exercise its functions. But it is an administrative report which I think will lead—and it has already led indeed—to improved efficiency in administration and will secure that efficiency at less cost to the tax-payer.

The motion was adopted.

**The Honourable Sir Basil Blackett:** Sir, I introduce the Bill.

### THE INDIAN COINAGE (AMENDMENT) BILL.

**The Honourable Sir Basil Blackett** (Finance Member): Sir, I beg to move that the Bill further to amend the Indian Coinage Act, 1906, for certain purposes, be taken into consideration.

I do not know that I need at this stage say anything more than I said at the introductory stage or add to what is printed in the Statement of Objects and Reasons.

**Dr. H. S. Gour** (Central Provinces Hindi Divisions: Non-Muhamadan): Sir, the Bill which the Honourable the Finance Member has moved for the consideration of this House looks at first sight a very innocent little Bill. But I would ask the House to consider its ultimate effect. If the Honourable Members will turn to the Indian Coinage Act, 1906, section 15, they will find:

"All silver coin of the weight and standard specified in certain Acts, and all copper coin of the weight specified in certain Acts, which may have been issued since the passing of those Acts respectively, and declared by those Acts respectively to be a legal tender, shall, notwithstanding anything contained in this Act or in any Act hereby repealed, but subject in the case of silver coin to the provisos contained in section 12 of this Act in so far as such provisos apply to like coins under this Act, continue to be a legal tender for the amounts for which the like silver and bronze coins are a legal tender under this Act respectively."

The short effect of section 15 of the Coinage Act is that all existing coins of silver and nickel and copper continue to be legal tenders under the provision of this section. Now the section that is intended to be enacted as a part of this Bill and which in fact is the only section which counts in this Bill runs as follows :

" 3. After section 15 of the said Act the following section shall be inserted, namely :—

' 15A. Notwithstanding anything contained in section 12, section 13, section 14 or section 15, the Governor General in Council may, by notification in the Gazette of India, call in, with effect from such date as may be specified in the notification, any coin, of whatever date or denomination, referred to in any of those sections, and on and from the date so specified such coin shall cease to be a legal tender save at a Government currency office :

Provided that the Governor General in Council may by the notification specify any later date up to which such coin shall continue to be a legal tender at any Government treasury.' "

Honourable Members are aware that, if this Bill becomes law, the Legislature will have empowered the Executive Government to call in all existing rupees, if they so desire, and they can replace them by paper money. There is absolutely nothing in this Act which prevents the Government of India from calling in any silver coin which is at present a legal tender and replacing it by, as I have said, paper money or nickel coin of 8 annas denomination. I want the Honourable the Finance Member to assure us how this contingency is met by the existing Statute. It is perfectly true that the primary object of this Bill is to call in certain rupees or coins which are suspected to be counterfeited on a wholesale scale. But, if the Bill were confined to that narrow compass, this House would not object to the passage of this measure. But worded as it is, it is liable to abuse. I do not say that that is a contingency which is likely to happen in the near future, but, nevertheless, in times of national crisis, a contingency like this may happen and the House, I think, must provide against such a contingency. I wish also to point out to the Honourable Members of this House that the counterfeiting of coin in this country on a wholesale scale is a possibility and by no means a remote possibility. It all depends upon the intrinsic value of silver in the rupee. As Honourable Members are aware, India is one of the three countries in which silver coin is probably the only coin, and it is not a real coin. India in fact is the one country where there is no real coin. We have the paper money and we have a currency note printed upon a disc of silver. For all international purposes that coin has the value which the silver contained therein represents. The other day a question was put in the other House as to why the Government of India did not circulate sovereigns in this country and the answer given was in the following terms :

" The Government cannot for obvious reasons issue sovereigns as long as gold in India stands at a premium as compared with the legal tender ratio of Rs. 10 to the sovereign."

**Mr. President:** Order, order. I understand that gold is explicitly excluded from the operation of this Act.

**Dr. H. S. Gour:** It is excluded from the operation of this Act, Sir, but I am going to point out how this Bill affects the whole question of general currency in this country.

**Mr. President:** The question of general currency is not in issue here. The only question in issue is that specific coins may be counterfeited.

**Dr. H. S. Gour:** I am confining myself strictly to the short issue raised in this Bill.

**Mr. President:** I have just pointed out to the Honourable Member that he is not.

**Dr. H. S. Gour:** Honourable Members will thus see that the issue of gold in this country is an impossibility because the Government have said that they will not issue sovereigns in exchange for silver unless sovereigns come down to Rs. 10 per sovereign which, as Honourable Members will see, is a very remote contingency.

This is the first proposition. The second proposition in this connection that the House should remember is this. I have said before that the value of the rupee may be anything like 9 As. or it may go up to one rupee or Rs. 1-2-0 or Rs. 1-3-0. It all depends upon the erratic rise and fall of silver in the market. Suppose, for the sake of argument, that the price of silver falls much below its par value. There is immediately a strong incentive for the counterfeiting of coin. When there is a counterfeiting of coin, the Government says "We will withdraw the rupees of 1872 or 1875 or 1885 coinage". All that money has to be paid into the Government Treasury. You get in return rupees of exactly similar denomination but not from the Treasury you paid the money into but from the Currency Offices in the Presidency towns. Even then, if the price of the rupee still falls below that value, you have got in return therefor a rupee of less value, because, so far as the Government is concerned, they can always call upon the people holding their wealth in silver to produce it, if they wish, for payment at the Treasury and cancel such coins as legal tender. Now, Sir, I wish to ask whether this House is prepared to give to the Honourable the Finance Member this large power of calling in silver coins in this country at any time that the Government of India choose to call them in. I submit that we must have an assurance from the Honourable the Finance Member that the power which this Bill confers upon the Executive Government will be used only in cases to which the Statement of Objects and Reasons appended to the Bill refer. We have no assurance in the Bill itself. I perfectly see what the Honourable the Finance Member will say. So far as the Bill is concerned, it gives us large powers but the primary object of the Bill is controlled by the Statement of Objects and Reasons. But I wish, Sir, an assurance from the Honourable Member that the Statement of Objects and Reasons appended to the Bill will be strictly adhered to in the application of the Bill itself.

I wish also, Sir, to make one or two observations. It is one of the questions which has been raised times out of number in this country that the remedy which the Government of India provides against the fluctuations of the rupee and of silver is more or less of an empiric character. The debasement of the Indian coin and the temptation it leads to the counterfeiting of Indian coins are all part and parcel of the currency policy to which the Government of India seems wedded.

**The Honourable Sir Basil Blackett:** On a point of order, Sir, may I ask the Honourable Member what is his basis for the statement that the policy of the Government of India is to counterfeit subsidiary coinage?

**Dr. H. S. Gour:** I never said anything of the kind.

**The Honourable Sir Basil Blackett:** It is a very dangerous statement to make. I would like to have it explained.

**Dr. H. S. Gour:** What I did say, Sir, and what I repeat, is that the Honourable the Finance Member could not be unaware of the fact that this Bill would be absolutely unnecessary if he were to take the necessary precaution which all civilised Governments have taken of reducing the silver rupee to a real token coin and introduce gold currency in this country. He knows fully well that that is the opinion held by economists all over the world. I refer to a well known book on Political Economy—Gide's Political Economy, page 308,—and I further refer the Honourable the Finance Member to Mr. Dalal's report appended to Sir Babington Smith's report on Indian Exchange and Currency, page 51. It is all very well for the Honourable the Finance Member to say that these are all heresies, but the Honourable the Finance Member will remember what foreign critics of the Indian currency system have to say on the subject. Charles Gide in his Political Economy says that, while England has done away with the silver coinage and is now wedded to the gold standard since 1816, (and he mentions the other European countries which have introduced gold coinage) the only three countries in the world which still follow the fallacious principle of bi-metallism are France, the United States and India.

**The Honourable Mr. A. C. Chatterjee** (Industries Member): What was the date of that?

**Dr. H. S. Gour:** Not many years back.

**The Honourable Sir Malcolm Hailey** (Home Member): 1872?

**Dr. H. S. Gour:** 1914. That is not very old. And he points out that, while certain checks exist in France and the United States, no such check exists in India.

Well, Sir, I have said that the question of the counterfeiting of coins  
 12 noon. would be reduced to a minimum if the Government of India were to revise their whole currency policy. It has been pointed out by an economist of note—I refer to Mr. Keynes—in his Indian Currency and Finance, that the solution to the question of Indian currency lies in introducing a gold standard in this country (Hear, hear). He points out that the annual output of gold in this country itself is three crores of rupees, and, if the Indian mints are open to the coinage of gold, a solution for the introduction of gold currency in this country would be found. That is not an old book. In another book on the Future of Exchange and Currency written by Professor Jevons, at page 149, we read the following passage. He says:

“On the other hand the price of silver would seem likely to go lower owing to the enlarged production and a slack demand in Europe and America. This would have a weakening tendency on the Indian exchange.”

Now, Sir, these are weighty words and I ask the Government of India that, if they really wish to rehabilitate their exchange and their currency, they must take the bull by the horns and introduce at once gold coinage which they can easily do by opening the Indian mints to the coinage of gold. Once they do that, not only this difficulty but the other difficulties from which the Government of India suffer will, I am sure, speedily vanish. (*The Honourable Sir Malcolm Hailey:* “No counterfeiting?”) The

[Dr. H. S. Gour.]

Honourable the Home Member interjects a remark, there will be no counterfeiting? No, Sir, there will be less counterfeiting, and so much reduction in counterfeiting that they would not require a special Act to provide against it. The wholesale counterfeiting of coins in this country is due to the fluctuations in the price of silver. The Honourable the Finance Member must be aware of it and these fluctuations can be put an end to if the Government of India introduce gold coinage instead of a mere gold standard and open the Indian mints to the coinage of gold. The answer has always been, they are short of gold. That, of course, is also a question which has been answered. . . .

**The Honourable Sir Basil Blackett:** I have listened with great interest to the very interesting but entirely irrelevant speech of my Honourable Friend. But I would ask in the interests of the House whether it is necessary. I would point out that this Bill deals with the question of granting to the Government of India a power to call in coinage other than gold. I should be delighted to follow the Honourable Member in a disquisition on exchange and currency, but it has nothing to do with the case.

**Mr. President:** The point taken by the Honourable the Finance Member is right. I have allowed Dr. Gour to proceed because his argument linked up with the proposal of the Bill, in the sense that, if the Government of India followed a different currency policy, counterfeiting might be avoided altogether. I have allowed him, as he is aware, considerable latitude but I hope he will come more closely to order and deal with the subject of the Bill itself.

**Dr. H. S. Gour:** I therefore ask this House to obtain an assurance from the Honourable the Finance Member, first on the question whether the coins that he withdraws from circulation will be replaced by similar silver coins and that they will not be replaced by paper money, or by nickel coins. That is the first assurance I want the Honourable the Finance Member to give. There is nothing in this section against the withdrawal of silver money and its replacement by (*An Honourable Member:* "Or gold?") paper or nickel, and we are told by Honourable Members interested in finance, by gold. No one will be more delighted than I am if it is replaced by gold. That is the first point. The second point I wish to ask is, when the notification is issued by the Government of India, will it be issued with the previous assent of the Indian Legislature or will it be issued without such assent? I demand that, before any notification is issued by the Government of India, this House must be consulted and the view of this House must be taken into consideration before the power taken by the Government of India under clause 3 is put into force. On these points I want an assurance from the Honourable the Finance Member.

**Mr. Narayandas** (Agra Division: Non-Muhammadan Rural): Sir, this piece of legislation, if looked at from other points of view, would appear to be quite a superfluity. I know full well, Sir, that the legal tender value of a particular coin will be retained under any circumstances so far as the currency offices are concerned. But how many currency offices are there in the country? And, so far as people living in the villages, in hamlets and small towns, to whom a notification in the *Gazette of India* is a far echo, are concerned, what will be the practical effect upon the coin, the genuine coin that they may retain? I can well imagine, Sir, that a class of brokers or dealers will rise up who will buy this sort of coin by representing them mostly to be suspicious or counterfeit, though in all probability

they may be genuine—they will buy these coins at a reduced and nominal price and pass them on to the currency office, perhaps located at a very great distance from the village. I understand, Sir, that this is a measure designed to put a check upon the counterfeiting of a certain coin, if counterfeiting assumes a grave proportion. I submit that if a close watch were kept on the nefarious activities of counterfeiters such a drastic piece of legislation would appear to be quite unnecessary. The fact is that if you do not re-issue a particular coin from the Treasury, it acts as a great check on the activity of the counterfeiters. The effect of the Bill, I submit, will be the throwing away of a large volume of our coin from time to time for no fault of those who possess the coin, and under these circumstances I think the Bill is superfluous. Another consideration that I would urge upon the attention of the House is that this counterfeiting has been coming more into evidence since the time that we introduced nickel into our coin making. So long as the coins were confined to copper and silver there was not so much of counterfeiting. It is not long ago that our four-anna nickel coins were not accepted in many towns, even at the headquarters of towns, and the post offices rejected them. Sometimes the treasuries and sub-treasuries would not take them. What is required is a close watch and a more proper supervision of the counterfeiting activities of certain persons and not such a drastic piece of legislation. Really, Sir, the Bill tries to introduce a very drastic provision, to which the Indian people are not accustomed. With these words I would oppose the Bill.

**Sir Purshotamdas Thakurdas** (Indian Merchants Chamber and Bureau: Indian Commerce): The Bill before the House seeks for the Executive the power to withdraw coins which may have been counterfeited beyond a certain point. The Government of India had not these powers till now and I can fully understand the apprehension of this House in giving this power practically *carte blanche* to the Government of India now. This apprehension, Sir, is particularly based on what happened during the war period. Immediately after the outbreak of war people raided currency offices for the gold mohur and the sovereign and, later on, the Government of India had even to regulate the issue of silver rupees from the currency offices. I, therefore, fully sympathise in the main with the apprehension reflected in this House by one of the previous speakers. But I also feel that this Bill hardly permits of any sort of going into the question of coinage and currency. I shall therefore restrict myself to the main underlying principle contained in the Bill, and, with reference to that, I would like to point out that the Honourable the Finance Member will take cognisance of the great nervousness on the part of this House, especially the non-official section, to give any power to the Executive which will enable the Executive (I dare say the contingency is very very remote and that they may not have at all to use it) under any circumstances whatever to withdraw the silver coins and especially the major silver coin, the rupee, from circulation. I think this House will be very jealous of giving that power even to the best intentioned Finance Member and I suggest to the Honourable the Finance Member that he agree to an amendment to this Bill to that effect. The question therefore is whether we should restrict this power to the Government of India, either to the bronze and the nickel coins or whether we should extend it to the smaller silver coins. That is a question on which I think Honourable Members coming from places other than cities and towns should have a very substantial say. I certainly feel myself that this Bill should not cover the major Indian silver coin, the silver rupee, and I hope I am reflecting the opinion of the whole House

[Sir Purshotamdas Thakurdas.]

when I say that. The speaker who preceded me said that he thought that what was wanted was vigilance to prevent counterfeiting. I am pretty sure that the Finance Department spare no pains or expense to exercise such vigilance and to see that no counterfeiting is possible, but, in spite of this vigilance, there has been a certain amount of counterfeiting and, as the Honourable Member himself knows, it will continue. I therefore think that it is very necessary for this House to give to the Government certain powers to call back such coins.

The Honourable Member who preceded me referred to the hardship that may be caused to the rural population by the recall of any coin, because the rural population are not accustomed to easy access to Government notifications. With this plea everybody will sympathise. But the only consideration in this matter should be whether the rural population will suffer more by allowing counterfeit coins to continue or by some restriction thereof. There is no doubt that the illiterate and the uninformed suffer in any case, and the only test would be under which of the two alternatives left open to Government would this class suffer less. It must be borne in mind that currency offices in India are much too few, but it is also necessary at the same time, that, when the Government notify the withdrawal of a coin, they can only make it legal tender at such places where the genuineness or otherwise of a coin can be correctly tested and gauged. I think the Council may well be satisfied that in this matter the Bill is on correct lines.

Regarding what I have said about this Bill affecting silver coins generally, or, the silver rupee in particular, I feel that I would not be satisfied with what Dr. Gour wants, namely, a mere assurance from the Honourable the Finance Member that it would not apply to the rupee. I think this House should insist upon a correct Bill. No assurance can prevent the Executive from doing what they like, once they can do something under the four corners of the Bill. I think it is wrong in principle for a legislative body to rely on any assurance, at the time of consideration of a Bill, when a slight amendment can ensure such assurance being embodied in a Bill.

I therefore suggest one of two courses:

- (1) Either that this Bill be referred to a Select Committee to decide the question whether it should apply to the rupee only, or to all silver coins; or
- (2) We may decide now whether it should apply to the rupee or the smaller coins;

and if the House approves of the latter course they may make the necessary amendment in section 3 of the Bill relating to the new section 15A by omitting the words "12" and "15" which would exclude, I think, the rupee. It is now for the House to decide. If the Honourable the Finance Member does not mind a little delay, I think the reference of the Bill to a Select Committee would secure the satisfaction of all the views expressed in this House, in the course of a week or ten days. I would therefore move, and I see that the general opinion is in favour of it, that the Bill be referred to a Select Committee.

**The Honourable Sir Basil Blackett:** I have no objection at all to the reference of this Bill to a Select Committee, if that meets the desire of the House. I rise therefore just to make one or two remarks in order that



the Select Committee, when it comes to consider the Bill, may not be led away by the irrelevance of a great deal of the discussion that has taken place to-day. This Bill is a small Bill to remedy a defect in the existing Indian Coinage Act under which a coin once issued remains legal tender for ever in the absence of special legislation by this House to take away that legal tender character. That is an omission which on occasion may prove very inconvenient in the interests of the people who use coin. It has proved inconvenient. We could have dealt last year conveniently with the particular question of the eight-anna nickel coin at once by the simple device of withdrawing its legal tender character if we had had this power. That would have been in the real interests of a very large number of small people in the bazars throughout India, who were continually being put into difficulties through coming into possession of a coin which the Government of India said was worth 8 annas, which the general opinion of the market was unwilling to give 8 annas for. That is a very unsatisfactory condition, a condition which no Government can comfortably tolerate and it brings discredit upon the coin or currency of any country. In order to remedy that, it is proposed in this Bill to make an alteration exactly in accordance with the powers which are possessed by the Government of the United Kingdom in regard to a similar matter. Section 11 of the Coinage Act, 1870, reads:

"It shall be lawful for Her Majesty with the advice of Her Privy Council (that is an Order in Council) from time to time by proclamation to do all or any of the following things, namely, to determine the denomination or design for any coin, to determine the denomination of coins to be coined at the mint,"

and so on, and

"(5) to call in coins of any date or denomination or any coins coined before the date of the proclamation mentioned."

That gives a power to deal with any case where, owing to counterfeiting or merely owing to lapse of time, it is desirable to withdraw the legal tender character from a particular denomination of coin. The suggestion has been made that it should be confined to coins other than the rupee and that suggestion I shall be very glad in the Select Committee to go into. I would however point out that it is probably undesirable to confine it because of the existence at present of rupees of 1835, for example, which are practically not legal tender. They occasionally turn up from hoards; I believe a hoard of Rs. 35,000 of absolutely new 1835 rupees turned up at a currency office the other day. It is inconvenient to the public; people see these old rupees and doubt whether they are really good. When you get to that stage, it is very convenient just to be able to declare that certain coins are no longer legal tender but that their full value may be obtained at a currency office. You must always maintain the right of people to get value for the coins issued by Government at any date however long after. It is convenient and therefore I think desirable to follow the English Statute in this matter and take the general power. As regards its abuse, I suppose it is possible for a Government to abuse any power but I cannot imagine any power which would be more difficult to abuse than this one. It is so very contrary to any possible interest of the Government to do so. In the first place, it would cost us a great deal of money and we could get nothing out of it. We should require a new Paper Currency Act before we could withdraw rupees and replace them by paper currency, if we are not to deal with rupees according to the mystic vision of the revelation of St. Gour. You cannot drive a coach and

[Sir Basil Blackett.]

four through an Act in that way and, if you did, it would do you no good. So I really think that the far-fetched suggestion that we might somehow or another do something under this Act which is entirely contrary to our own interest is a little bit unnecessary. However, that again is a matter which the Select Committee can no doubt look into.

I need not follow the Honourable Member in what he said regarding the currency system of India except in one particular. His argument I think was that counterfeiting would be reduced if India had a gold coinage in circulation. If that was not his argument, it is the only relevant connection that I can trace between it and this Bill. If that was his argument, it seems to me entirely untrue. If you reduced the silver rupee to the position of the shilling in England, that is, to the position of a subsidiary coin which is legal tender only for a limited amount, you would not alter its value. It would still remain a note printed on silver stating that it was worth so much in terms of gold, although as silver it would be worth a good deal less. Does that in any way reduce the interest of the counterfeiter in counterfeiting the rupee? And, if it does not, what is the relevance of the argument? On the contrary, it really increases it, because at present a man is able to take a piece of nickel and try and pass it as a silver rupee, but in the event suggested he will be able to take a piece of nickel or 10 or 15 such pieces and pass them as equivalent to a sovereign in gold and he would get even better value than he can at present. So the argument seems to me entirely irrelevant. This is a small piece of legislation. The world will not come to an end if it is not passed; the Government will not be in any worse position than they are now, that is to say, we will not be able to deal with a small trouble like that of the eight-anna nickel coin. It is a small piece of legislation designed to give the Government of India exactly the same power which the British Government has had for several generations in exactly similar circumstances. It is a power which I think in the interests of good administration it should have.

The other question raised was I think that the power should be always exercised only after consultation with the Legislature. That is an important suggestion but this Legislature sits for three or four months in the year. (*A Voice*: "It may meet oftener.") It would be expensive to call it for the purpose of issuing a proclamation to withdraw an eight-anna nickel coin, would it not? It really is one of those little cases in which, if you cannot trust the Executive Government to do a perfectly straightforward bit of executive work which is done in every country by the Executive, the Executive does not want the power. (*A Voice*: "Is the Executive in every country responsible to the Legislature?") The Executive in this country is responsible to a Legislature; at present it is not this Legislature. But I would remind you that it is not an irresponsible Executive; it is an Executive responsible to the British Parliament, and that is the present position. (*A Voice*: "Seven thousand miles away.") But I do not think the question of the responsibility of the Executive in this matter is particularly relevant to the question whether we ought to withdraw the legal tender character from coins like the eight-anna coin. (*Dr. H. S. Gour*: "It is as relevant as your reference to the English Executive.") I do not think that is so. However, that is a matter of opinion. It is the ordinary function of an Executive to deal with a case of this sort and, if the House is not willing to give that sort of power to the Executive,

the only result is that it is better to go on as we are and put up with the inconvenience that we know rather than run to evils that we do not know about yet.

I agree to the amendment proposed.

**Diwan Bahadur T. Rangachariar** (Madras City: Non-Muhammadan Urban): Sir, in supporting this motion for a Select Committee I wish to emphasise the position that we take up, as I am sure many Honourable Members of this House share that view. It is one of the indirect methods we are adopting to bring the Executive under the responsibility of this House. As the Executive Government of this country is not responsible to the Legislature of this country, we want any executive measures which they take to come before this Legislature for approval. I quite grant that it is not reasonable to expect the Executive to come to the Legislature in such matters, but we insist on it because the Executive is not responsible to the Legislature of this country. We want to emphasise that position and that is why we want a reference to the Select Committee.

**Mr. Jamnadas M. Mehta** (Bombay Northern Division: Non-Muhammadan Rural): Sir, I want to oppose this reference to a Select Committee because the principle of the Bill itself is very objectionable. Even if Government do not abuse the power which they might take to issue a notification of this kind, and even if they commit a mistake in issuing it, the dangers of giving them such a power are very wide indeed. The moment a notification withdrawing the silver rupee from circulation is issued, the rupee will be at a discount, and there are, Sir, as is well known, about 400 crores of rupees in circulation to-day. Imagine the panic that will follow the moment the rupee is declared no longer legal tender. It will go to a discount; poor people who have got small hoards will have to sell them for 50 or 60 per cent. of their value, and the consequent danger is that notes will become absolutely inconvertible. These two dangers are inseparable from any notification which withdraws the rupee from circulation. Therefore, Sir, I should even oppose this reference to a Select Committee, unless the rupee was excluded from the terms of reference. These two dangers are so serious that the Select Committee should not be free to invest Government with a power to issue a notification which will allow the rupee to be withdrawn from circulation. With these words, Sir, I oppose both the Bill and its reference to a Select Committee.

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): Sir, I entirely support the motion of Sir Purshotamdas Thakurdas that this Bill be referred to a Select Committee; and if there is any misapprehension in the mind of any Members of this House I would like to make it clear that that very question on which the last Honourable Member spoke will be considered by the Select Committee. It will be for the Select Committee to restrict the power of the Executive for the purpose of withdrawing coins only to the bronze or nickel and exclude the silver. Therefore, the Honourable Member will see that the only course open to this House is that we should refer this question to the Select Committee so that they will consider all these questions and make their report. I therefore do urge upon this House that this Bill should be referred to a Select Committee.

There is one more remark, Sir. The Honourable the Finance Member based his argument on the assumption that every Executive must be trusted by the Legislature and that, if you do not trust the Executive then it is

[Mr. M. A. Jinnah.]

not worth having this power at all. He is perfectly correct. The indignation is perfectly justifiable,—with this distinction that this Executive is not responsible to any Legislature except, as he said, Parliament 7,000 miles away, and Parliament has no time to keep an eye on the Honourable Member who represents the Finance Department. Therefore, really those are very misleading analogies altogether. Anyhow, Sir, we must take the facts as they are. I personally do not for a single moment suggest that this Government, although differently constituted, is likely to abuse its power, but there are moments when, without any intention, you may use your powers which may have a very disastrous effect, and, therefore, you can well understand that the Legislature, such as it is, is diffident to give you wide powers which may be utilized with consequences which may be very serious. Therefore, Sir, I support the amendment.

**The Honourable Sir Malcolm Hailey** (Home Member): Sir, we on our side have already accepted the amendment for a Select Committee. But the whole principle of the Bill has since we agreed again been attacked, and on one of those grounds which my Honourable Colleague has already described as almost unthinkable. It seems strange, strange indeed, that after all that has been said, it should be again suggested that the very moderate power which it is proposed to take in this Bill should be utilized for a purpose so detrimental to the interests of Government itself as suggested by the Honourable Member from Bombay. We, representatives of Government, are notoriously lacking in imagination. We are reactionary. We learn nothing. But I hope that there are still some of my friends here who would even then hesitate to suggest that we are all candidates for an Asylum (Mr. M. A. Jinnah: "Not yet"). Yet it is suggested that we might use this Bill for the purpose of calling in all rupees. What possible advantage would it be to call in all rupees? As our legislation now stands, we should immediately have to supply other rupees in their place. What is the advantage to us of coining a colossal quantity of new rupees at considerable expense and taking into our treasuries an equal number of old rupees, possibly slightly shorter in weight? (Dr. H. S. Gour: "Under what law are you bound to replace rupees withdrawn by fresh rupees coined?") The Honourable Member is a little hasty; he has, I know, some slight acquaintance with the law, but I venture even with my layman's knowledge to put him right on this particular point. We are bound, when we call in rupees, to replace them with legal tender. Legal tender may it is true take the form either of paper or of silver. But if we issue paper, we are equally bound under the Currency Law to replace that paper with rupees on demand. Our paper currency is not inconvertible. Therefore without breaking the law we could not possibly take the measure which Dr. Gour contemplated; and if we contemplated anything of the sort, putting aside any question of keeping the law, we should still have to face a heavy financial loss. The principle of the Bill, therefore, which the Honourable Member has attacked in those terms as being in itself undesirable, is I think not liable to the suggestion that he has made against it.

I come to a point which has twice been referred to, namely, the diffidence which the Legislature has, and must have, in giving any powers to an Executive which is not responsible to that Legislature itself. It is said that we are responsible only to a Parliament 7,000 miles away (Mr. M. A. Jinnah: "And which has no time"), and which has no time

to give to Indian questions (*Dr. H. S. Gour*: "Nor any inclination"). One of my difficulties in this House has been the necessity of dealing with two opposite suggestions in this connection. The House seems to pass much of its time in telling us that we are dangled at the end of a string by the Secretary of State, and passes the other half of its time in telling us that we are responsible to nobody and that the only body to which we are responsible takes no interest in us or in anything connected with India. Both those points of view cannot be correct. But I lay no great stress on the question whether in this particular connection we are responsible to the British Parliament or to any other Legislature. Neither the British Parliament nor our own Legislature would have any particular interest or should have any particular inclination to interfere with us if we did happen to call in the worn pice coins of 1874, or should we by any chance withdraw the legal tender from the few thousand rupees that are still remaining of the year 1831. But I return to the question of principle. It must be the endeavour, it always is the endeavour, of every Legislature, before it gives powers to the Executive, to make that Executive responsible to itself. That is an historical process of which nobody can complain. Nevertheless, Sir, there is a corollary to that; I would only warn the House that if it is not disposed to give us powers in matters in which the exercise of those powers is and can be only for the public interest, and cannot by any imagination be to the advantage of the Executive in any way whatever,—cannot add to its authority or influence or resources—if it is not prepared to give us authority in those matters, we on our side can develop very little interest in placing before the Legislature any proposals for the improvement of legislation, for the improvement of the administration or for the improvement of the relations between the Government and the public. I do not wish to suggest that we should ever fail in our duty to the House or to the public, but I would ask on the other side—and it is only reasonable that I should ask—that the House would abate some of that attitude of diffidence in dealing with matters in which we ask for powers, in matters which cannot in any way add to our own authority and can only be used in the interests of the public itself.

**Mr. R. K. Shanmukham Chetty** (*Salem and Coimbatore cum North Arcot: Non-Muhammadan Rural*): Sir, the Honourable the Home Member pointed out that this House has ventured to question the very elementary principle involved in this Bill. I beg to submit, Sir, that, with the exception of one of my Honourable friends, this House has not objected to the principle involved in this Bill, but what I do point out is that Government have stated a certain principle in the Statement of Objects and Reasons and have not adhered to it and have gone beyond that in the clauses of the Bill. In the Statement of Objects and Reasons appended to this Bill it is stated that, when on occasion it becomes necessary to prevent the circulation of counterfeit coin of any particular denomination, a certain power is required to be vested in Government, but I contend that clause 3 of the Bill goes far beyond this Statement of Objects and Reasons. If, Sir, Government would be more careful in making the clauses of the Bills which they frame in conformity with the Statement of Objects and Reasons, I am sure very many of the difficulties would be avoided in this House. The Honourable the Home Member asked us what motive on earth Government would have, for example, in withdrawing all the rupees from currency. Sir, when a Bill is presented for acceptance by a Legislature, it is not for the Legislature to question what motive the Executive can have in abusing the provisions of it (*Hear, hear*) but to find out whether

[Mr. R. K. Shanmukham Chetty.]

there is any loop-hole to abuse those provisions; and, after all, if we are to judge the actions of the Government of India on very many occasions, I for one wonder what motive on earth can the Government of India have for very many of their actions; and therefore, Sir, since clause 3 of the Bill purports to vest the Government of India with powers far beyond those necessary for the object in view, I hope that this Legislature, as the guardian of the interests of the public, is absolutely justified in saying to the Executive "You are going far beyond the power that you really want, and therefore, give us some time to consider." I hope, Sir, it is not an unreasonable request to make.

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

"That the Bill further to amend the Indian Coinage Act, 1906, for certain purposes be taken into consideration."

Since which an amendment has been moved :

"That the Bill be referred to a Select Committee."

The question is that that amendment be made.

The motion was adopted.

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### THE INDIAN PASSPORT (AMENDMENT) BILL.

**Mr. E. B. Howell** (Foreign Secretary): Sir, in the first instance I beg to apologise to yourself and to the Honourable Members of this House for not having been in my place when the Bill was first called.

I move for leave to introduce a Bill to amend the Indian Passport Act, 1920, for certain purposes. The existing Act provides that the Governor General in Council may make rules requiring that persons entering British India shall be in possession of passports and for all matters ancillary or incidental to that purpose. It has been held that this does not include power to make rules to deal with persons, who, having entered British India with a valid passport, on what is known as a transhipment *visa*, do not re-embark in accordance with their intention as declared in the *visa*. It is, therefore, considered necessary to amend the Act. *Visas* of course are only granted to aliens. The grant of transhipment *visas* is confined to certain classes of aliens and the amendment is only directed against aliens. If the amendment passes into law, it will give the Governor General in Council power to make rules to deal with breach of the conditions on which a transhipment *visa* is granted. I beg leave therefore to introduce the Bill.

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

"That leave be given to introduce a Bill to amend the Indian Passport Act, 1920, for certain purposes."

The motion was adopted.

**Mr. E. B. Howell:** The matter is a very minor one, Sir, and I have little to add to what I have already said. With your permission, Sir, I move that the Bill be taken into consideration.

**Dr. H. S. Gour:** It has not been introduced yet, Sir.

**Mr. President:** The Honourable Member has not introduced the Bill.

**Mr. E. B. Howell:** Sir, I introduce the Bill.

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### ELECTION OF THE PUBLIC ACCOUNTS COMMITTEE.

**Mr. President:** Non-official Members of the Assembly will now proceed to elect 8 members to serve on the Committee on Public Accounts. I have received the following nominations for election to this Committee:

Mr. N. M. Joshi.

Mr. K. C. Roy.

Mr. K. C. Neogy.

Diwan Bahadur M. Ramachandra Rao.

Mr. K. Rama Aiyangar.

Mr. B. Venkatapatiraju.

Mr. W. S. J. Willson.

Sardar V. N. Mutalik.

Sardar Gulab Singh.

Mr. K. Ahmed.

There are 10 candidates for 8 places, to be elected by non-official members, who will now be supplied with ballot papers.

**Mr. B. Venkatapatiraju:** I stand down to facilitate a unanimous vote.

**Diwan Bahadur M. Ramachandra Rao:** I beg to withdraw my name.

**Mr. President:** As two Honourable Members, namely, Diwan Bahadur Ramachandra Rao and Mr. Venkatapatiraju, have withdrawn their names and as only 8 members have to be elected, I declare the following 8 members duly elected:

1. Mr. N. M. Joshi.

2. Mr. K. C. Roy.

3. Mr. K. C. Neogy.

4. Mr. K. Rama Aiyangar.

5. Mr. W. S. J. Willson.

6. Sardar V. N. Mutalik.

7. Sardar Gulab Singh.

8. Mr. K. Ahmed.

## ELECTION OF THE STANDING FINANCE COMMITTEE.

**Mr. President:** The Assembly, both official and non-official, will now proceed to elect 14 members to serve on the Standing Finance Committee.

The following members have been nominated:

1. Sir Campbell Ward Rhodes.
2. Mr. Darcy Lindsay.
3. Mr. N. M. Joshi.
4. Mr. K. C. Roy.
5. Nawab Sir Sahibzada Abdul Qaiyum.
6. Raja Raghunandan Prasad Singh.
7. Mr. H. G. Cocke.
8. Mr. B. Venkatapatiraju.
9. Diwan Bahadur M. Ramachandra Rao.
10. Mr. K. Rama Aiyangar.
11. Mr. R. K. Shanmukham Chetty.
12. Haji Wajihuddin.
13. Mr. N. M. Samarth.
14. Mr. N. M. Dumasia.
15. Mr. K. C. Neogy.
16. Mr. Gaya Prasad Singh.
17. Dr. H. S. Gour.
18. Mr. Bhubanananda Das.
19. Sardar V. N. Mutalik.
20. Sardar Kartar Singh.
21. Mr. S. C. Ghose.
22. Maulvi Muhammad Yakub.
23. Mr. Ahmad Ali Khan.
24. Dr. L. K. Hyder.

Twenty-four Members have been nominated and there are 14 seats on the Committee. Honourable Members will now come to the table and receive ballot papers from the Secretary, and when these have been duly filled up and placed in the ballot box, the result will be announced at a subsequent sitting. I draw the particular attention of members to the instructions printed at the bottom of the ballot paper of which the most important is to record your preference by voting 1, 2, 3 in the order of your preference and that no figure may be repeated twice. If Members will read with care the instructions, I think the manner of voting will be perfectly clear.

(The Ballot was then taken.)

**Mr. President:** As the process of counting votes takes some little time, the result will be announced to-morrow or on a later date.



## MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

**Mr. President:** I have received a Message from His Excellency the Viceroy :

*" For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of Rules 43, 46 and 47 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Rufus Daniel, Earl of Reading, hereby appoint the following days for the presentation to the Council of State and to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council (in the said Rules and Standing Orders referred to as the Budget) and for the subsequent stages of the said Budget in the Council of State and in the Legislative Assembly, namely:—*

*Friday, February, the 29th . . . . . Presentation of the Budget in both Chambers.*

*Wednesday and Thursday, March, the 5th and 6th. General discussion in the Legislative Assembly.*

*Friday, March, the 7th . . . . . General discussion in the Council of State.*

*Monday to Saturday, March, the 10th to 15th. Voting of demands for grants in the Legislative Assembly.*

*(Sd.) READING,  
Governor General."*

The Assembly then adjourned till Eleven of the Clock on Thursday, the 7th February, 1924.