

Monday, 23rd August, 1926

THE  
COUNCIL OF STATE DEBATES

VOLUME VIII

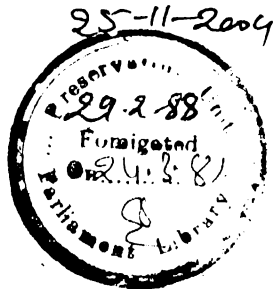
*(17th August 1926 to 31st August 1926)*

---

SECOND SESSION

OF THE

SECOND COUNCIL OF STATE, 1926



**THE  
COUNCIL OF STATE DEBATES**

**(Official Report)**

**VOLUME VIII**

---

**SECOND SESSION**

**OF THE**

**SECOND COUNCIL OF STATE, 1926.**



**SIMLA  
GOVERNMENT OF INDIA PRESS  
1926**

## CONTENTS.

### PAGES.

#### TUESDAY, 17TH AUGUST, 1926—

Inauguration of the Second Session of the Second Council of State and the Fifth Session of the Second Legislative Assembly.	1—8
---	-----

#### WEDNESDAY, 18TH AUGUST, 1926—

Members sworn .. .. .	9
Questions and Answers .. .. .	9—19
Statement laid on the Table .. .. .	19—22
Message from H. E. the Governor General—Panel of Chairmen	23
Committee on Petitions .. .. .	23
Congratulations to Members on Honours conferred on them ..	23—25
Death of Raja Prasnada Nath Roy of Dighapatia .. .. .	25
Governor General's assent to Bills .. .. .	25—26
Resolution <i>re</i> Pay of the Ministerial Establishment of the Madras Customs House—Negatived.	26—38
Resolution <i>re</i> The Co-operative Movement in India—Withdrawn by leave of the Council.	38—48

#### THURSDAY, 19TH AUGUST, 1926—

Indian Evidence (Amendment) Bill—Introduced .. .. .	49
Administrator General's (Amendment) Bill—Introduced .. .. .	49
Indian Companies (Amendment) Bill—Introduced .. .. .	50
Sind Courts (Supplementary) Bill—Introduced .. .. .	50
Cantonments (Amendment) Bill—Introduced .. .. .	50
Indian Limitation (Amendment) Bill—Introduced .. .. .	50—51
Hindu Family Transactions Bill—Introduced .. .. .	51
Statement of Business .. .. .	52

#### MONDAY, 23RD AUGUST, 1926—

Member sworn .. .. .	53
Questions and Answers .. .. .	53—70
Statement laid on the Table .. .. .	71—72
Resolution <i>re</i> Abolition of the Piece-work system in the Government of India Presses—Negatived.	72—87
Resolution <i>re</i> Indian Banking—Adopted	88—93

## TUESDAY, 24TH AUGUST, 1926—

Question and Answer .. .. .	95
Bills passed by the Legislative Assembly—Laid on the Table	95
Indian Delegation to the League of Nations .. ..	96—97
Indian Evidence (Amendment) Bill—Passed .. ..	97—98
Administrator General's (Amendment) Bill—Passed ..	98—106
Indian Companies (Amendment) Bill—Passed .. ..	106—108
Sind Courts (Supplementary) Bill—Passed as amended ..	108—109
Cantonments (Amendment) Bill—Passed .. ..	109—112
Indian Limitation (Amendment) Bill—Passed .. ..	112—113
Hindu Family Transactions Bill—Motion to circulate adopted	113—118

## WEDNESDAY, 25TH AUGUST, 1926.

Resolution <i>re</i> Report of the Taxation Enquiry Committee—	
Motion to adjourn discussion adopted .. ..	119—135
Statement of Business .. .. .	136

## SATURDAY, 28TH AUGUST, 1926—

Bills passed by the Legislative Assembly—Laid on the Table ..	137
Message from the Legislative Assembly .. .. .	137
Usurious Loans (Amendment) Bill—Passed .. ..	138—139
Workmen's Compensation (Amendment) Bill—Passed ..	139
Negotiable Instruments (Interest) Bill—Passed .. ..	139—140

## TUESDAY, 31ST AUGUST, 1926—

Member sworn .. .. .	141
Questions and Answers .. .. .	141—155
Indian Bar Councils Bill—Passed as amended .. ..	155—179
Indian Forest Bill—Introduced .. .. .	179—180
Provincial Insolvency (Amendment) Bill—Passed .. ..	180—181
Code of Criminal Procedure (Third Amendment) Bill—Passed	181—209
Indian Succession (Amendment) Bill—(Amendment of section 57)—Passed.	210
Indian Succession (Amendment) Bill—(Amendment of section 33)—Amendments made by the Legislative Assembly agreed to.	210—211
Message from the Legislative Assembly .. .. .	211

## COUNCIL OF STATE.

*Monday, the 23rd August, 1926.*

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

### MEMBER SWORN :

The Honourable Mr. Kumar Sankar Roy Choudhuri (East Bengal: Non-Muhammadan).

### QUESTIONS AND ANSWERS.

ARTICLE ENTITLED " INDIANISATION WITH A VENGEANCE " PUBLISHED IN THE MODERN REVIEW.

35. THE HONOURABLE RAI NALININATH SETT BAHADUR: Has the attention of the Government of India been drawn to an article published at page 499 of the April number of the *Modern Review* under the caption "Indianisation with a vengeance" ?

THE HONOURABLE MR. J. CRERAR: Government have seen the article.

RESERVATION OF APPOINTMENTS FOR EUROPEAN OFFICERS ON THE CIVIL SIDE OF THE INDIAN MEDICAL SERVICE.

36. THE HONOURABLE RAI NALININATH SETT BAHADUR: (a) Is it a fact that a decision has been finally taken to reserve for Europeans 236 out of 292 appointments in the Indian Medical Service on the civil side ?

(b) If the answer to (a) be in the affirmative, will the Government be pleased to state the reasons for such decision ?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: (a) No. The matter is under consideration.

(b) Does not arise.

RECRUITMENT OF INDIANS AS ASSISTANT EXECUTIVE ENGINEERS.

37. THE HONOURABLE RAI NALININATH SETT BAHADUR: (a) Is it a fact that of the nine proposed recruits to the cadre of Assistant Executive Engineers, save and except one Burman, no Indian is to be selected ?

(b) If the answer to (a) be in the affirmative, will the Government be pleased to state the reasons for such decision ?

THE HONOURABLE MR. A. H. LEY: (a) The answer is in the negative. The anticipated recruitment for the Indian Service of Engineers this year is 6 European Assistant Executive Engineers in England and 12 Indian Assistant Executive Engineers in India.

(b) Does not arise.

OMISSION OF THE MEMBERS OF THE CENTRAL AND PROVINCIAL LEGISLATURES  
FROM THE WARRANT OF PRECEDENCE.

38. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that before 1921 the members of different Legislative Councils had a position in the King's Warrant of Precedence and that, in the revised Warrant of Precedence brought up to date to 1st July 1921, the members of the Indian Legislature and the other Legislative Councillors do not re-appear in the revised list issued on 1st July 1921 ? Will Government kindly state what has led to this change ?

THE HONOURABLE MR. J. CRERAR : Yes. The reason is that it was desired to treat Members of the Central and Provincial Legislatures in India in exactly the same way as Members of the House of Commons in England who have as such no precedence. The Warrant is primarily intended to regulate the position of officials holding appointments in India, and the inclusion in it of Members of the pre-reform Councils was a relic of the position under which such Members were persons added to the Executive Council when it met for legislative purposes.

RESOLUTION OF THE GOVERNMENT OF BENGAL REGARDING THE PLAYING OF  
MUSIC ON PUBLIC ROADS.

39. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state whether, before issuing its Resolution of 5th June 1926 on the playing of music on public roads, the Bengal Government obtained the previous approval of the Government of India ?

THE HONOURABLE MR. J. CRERAR : Yes.

RELIGIOUS PROCESSIONS WITH THE ACCOMPANIMENT OF MUSIC ON THE PUBLIC  
HIGHWAYS.

40. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Has any correspondence passed between the Government of India and the Bengal Government on the question of taking processions on public roads with the accompaniment of music ? If so, will they place that correspondence on the table of this Council ?

THE HONOURABLE MR. J. CRERAR : No such correspondence has taken place between the Government of Bengal and the Government of India.

RELIGIOUS PROCESSIONS WITH THE ACCOMPANIMENT OF MUSIC ON THE PUBLIC  
HIGHWAYS.

41. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that the practice of taking processions with the accompaniment of music on the public roads of Indian cities exists in this country from times immemorial and that all communities exercise this right without any obstruction from other communities ?

THE HONOURABLE MR. J. CRERAR : Government are aware that the practice of taking processions with the accompaniment of music on the public highways is an ancient one and recognise the right of every citizen to use the public highways for such processions in the manner established by custom and tradition, but the exercise of this right is subject to the exercise of similar rights by others and to any orders passed in the public interest by competent authority.

**RELIGIOUS PROCESSIONS WITH THE ACCOMPANIMENT OF MUSIC ON THE PUBLIC HIGHWAYS.**

42. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state whether they have arrived at any decision regarding the future policy of Government in connection with processions with accompaniment of music on the public roads ?

THE HONOURABLE MR. J. CRERAR : I would invite the Honourable Member's attention to the speech recently delivered by His Excellency the Viceroy at the Chelmsford Club, and his address to the Indian Legislature on the 17th instant, in which the attitude and policy of Government are explained.

**SUPPLY OF ARTIFICIAL GHEE OR COCOGEM TO THE INDIAN ARMY.**

43. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that the military authorities do not allow the supply of artificial ghee, vegetable compounds or Cocogem to the Indian Army ? If so, will they state the reasons ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The answer is in the affirmative.

As a result of exhaustive experiments it has been found that metabolism is affected by the presence, or absence, not only of the normal protein carbohydrate, and fat content of a diet, but also by accessory food factors,—popularly known as vitamins.

Vitamin A contains the anti-rachitic element, which is essential to physical growth. Ghee contains this vitamin in considerable quantities. Vegetable oils, such as Cocogem, do not contain it, except perhaps in traces negligible for practical purposes.

It is not thought desirable to deprive the Indian soldier of an article which contains substances essential to his growth and physical fitness, in favour of one which does not, and which would probably be much less acceptable to him than the article to which he has been accustomed from childhood.

**ACTION TAKEN ON THE RESOLUTION REGARDING AN IMPORT DUTY ON ARTIFICIAL GHEE.**

44. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state what action they have taken on my Ghee Resolution moved in this Council in the last Session ? Has any correspondence passed between the Central Government and the various Provincial Governments and administrations on this subject ? If so, will they kindly place a copy of that correspondence on the table of this Council ?

THE HONOURABLE MR. G. L. CORBETT : In accordance with the undertaking given in this House by the Honourable the Commerce Member, a copy of the debate was duly forwarded to all Local Governments. There has been no correspondence with the Local Governments and Administrations on the subject.

**CHEMICAL COMPOSITION AND NUTRITIVE VALUE OF ARTIFICIAL GHEE AND COCOGEM.**

45. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that artificial ghee, vegetable compounds and Cocogem have been chemically examined ? If so, will the Government state the chemical

composition of these products? Will they also explain what is the nutritive value of these artificial ghee products? How does this nutritive value compare with the nutritive value of natural ghee?

THE HONOURABLE SIR MUHAMMAD HABIBULLAH: As the Honourable Member is aware, Public Health is a provincial transferred subject, and the chemical analysis, from the health point of view, of the articles mentioned by him is not primarily the concern of the Government of India. I am, however, having enquiries made as to what has been done to ascertain the chemical contents and nutritive qualities of vegetable compounds like Cocogem.

#### CONSTRUCTION OF THE HAVELI IRRIGATION PROJECT IN THE PUNJAB.

46. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether they have given sanction to the construction of the Havelian Irrigation Project in the Punjab? Will they kindly state in what stage the project is at present and what time will it take to mature?

THE HONOURABLE MR. A. H. LEY: Presumably the Honourable Member refers to the Haveli Project—a scheme for a weir on the Chenab, below its junction with the Jhelum, with canals on either side. The Government of the Punjab submitted this project to the Government of India in 1915, but the latter were unable to accept it as then put forward, and the Local Government were informed of the lines on which the project should be revised. The revised project has not yet been submitted to the Government of India, but it is understood that it is under preparation by the Local Government. Government are not, therefore, in a position to say when the project is likely to mature.

#### THE THAL IRRIGATION PROJECT, ETC.

47. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what stage the Thal Irrigation Project in the Punjab has at present reached? Has any decision been arrived at in the dispute between the Punjab and Bombay Governments regarding the sharing of the waters of the river Indus? Has the discharge of the Indus taken by the Punjab Irrigation engineers at various times of the year during the last five years been found to be correct? If not, what are the correct figures of discharge?

THE HONOURABLE MR. A. H. LEY: For the answers to the first and second parts of the question, the Honourable Member is referred to the reply given on the 18th August to question No. 9 by the Honourable Nawab Sahabzada Sayad Muhammad Mehr Shah. Government are not at present in a position to give definite replies to the remaining parts of the question. The data collected by the local engineers in the Punjab and Sind regarding the supplies of the Indus have recently been submitted to the Consulting Engineer to the Government of India, and will shortly be considered by a committee of technical experts.



NEW RAILWAY PROJECTS.

48. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state what new railway projects have been sanctioned for construction since the close of the last Session of the Indian Legislature ? Will the Government kindly give the mileage of each construction, its gauge and estimated cost ?

THE HONOURABLE MR. G. L. CORBETT : A statement giving the information asked for is being sent to the Honourable Member.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : May I know in what stage is the proposal to extend the railway line from Mangalore along the West Coast ?

THE HONOURABLE MR. G. L. CORBETT : I am afraid I must ask for notice of that question.

DELAY IN THE DISPOSAL OF LEAVE APPLICATIONS OF VILLAGE POSTAL PEONS.

49. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that the leave applications of village postal peons are not sanctioned for months together ? Will the Government kindly state what proposals they have under consideration to expedite the disposal of these applications ?

THE HONOURABLE MR. A. H. LEY : Government are not aware of the fact alleged. I would ask the Honourable Member to inform the Director-General what particular Circles he has in mind where the alleged delay is general.

The second part of the question does not arise.

INSUFFICIENT NUMBER OF SORTERS IN THE LAHORE POST OFFICE.

50. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that in big stations like Lahore insufficient sorters are employed in the Sorting Office, with the result that the delivery of mails is delayed very much ? Have the Government under consideration any proposals to increase the staff of sorters where necessary ?

THE HONOURABLE MR. A. H. LEY : The answer to both parts of the question is in the negative.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : Are the Government aware that in the city of Madras there are only two deliveries, whereas a few months ago there were six to eight deliveries. This is causing great inconvenience to the public ?

THE HONOURABLE MR. A. H. LEY : I fail to understand how that arises from the question under reply.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : The question relates to big stations like Lahore, and Madras is also a big station.

THE HONOURABLE MR. A. H. LEY : If the Honourable Member will put the question down, I will have it examined by the Director General, Posts and Telegraphs. But I understand that the sorters are sufficient.

### LATEST HOUR FOR POSTING LETTERS IN THE LAHORE POST OFFICE.

51. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that, in the Lahore Post Office, at one time the latest time for posting letters was 8 P.M., then it was fixed at 7-30 P.M., later on at 7 P.M., and now it is 6-30 P.M. ? Is this continuous curtailment in the time for posting letters due to shortage in the number of sorters in the Lahore Post Office ? Are the Government aware that this procedure causes grave inconvenience to the public ? Will Government do something to remove the complaint of the public in this matter ?

THE HONOURABLE MR. A. H. LEY: The reply to the first part of the question is in the affirmative. 6-30 P.M. has been the time of last clearance since 1924 ; for ten years prior to that year, it was 7 P.M. Letters can be posted after 6-30 P.M. in the train letter box with a late fee of half an anna. The changes in the latest time of posting were not due to shortage in the number of sorters.

Government have received no complaint on the subject and are not aware that the existing arrangements cause any inconvenience to the public.

### DELIVERY STAMPS ON POSTCARDS.

52. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Are the Government aware that the postal authorities very often place the post-mark on the writing half of postcards and thereby render the writing unreadable ? Will Government consider the advisability of kindly issuing instructions to the effect that postcards should be stamped only on the portion not reserved for writing purposes ?

THE HONOURABLE MR. A. H. LEY: From tests made it has been found that the delivery stamp is sometimes, but not often, impressed on the left half of a postcard.

The matter is being brought to the notice of the Director-General who is being asked to take the action suggested by the Honourable Member.

### RECOMMENDATIONS OF THE STATE RAILWAYS WORKSHOPS COMMITTEE.

53. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what decision has been arrived at on the recommendations of the State Railways Workshops Committee ?

THE HONOURABLE MR. G. L. CORBETT: The recommendations of the Committee, relating to improvements in the internal organisation of all mechanical workshops, such as, scheduling of repair operations and the introduction of planning and progress departments in the more important workshops, have been accepted by the Railway Board, and the State-worked Railways have been instructed to give effect to them. Certain other specific recommendations relating to the extension or reduction of workshops, are also being given effect to. The remaining recommendations are still under consideration as many of them require further examination.

### RULES FOR RECRUITMENT TO THE RAILWAY SENIOR SUBORDINATE SERVICES.

54. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that so far no rules have been framed for recruitment to the Railway

senior subordinate services? Will Government kindly state when they propose to frame rules for these services? If such rules have been framed, will they kindly lay them on the table of this Council?

THE HONOURABLE MR. G. L. CORBETT : No rules have yet been formed. The matter is under the consideration of Government.

# LEAVE RESERVE POSTS IN THE OFFICER GRADES OF THE STATE RAILWAYS ESTABLISHMENTS.

55. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state what is at present the number of leave reserve posts in the officer grades of each of the State Railways in India? Is it a fact that these leave reserve posts in the different State Railways are not all filled up? Will the Government kindly state how many out of these leave reserve posts are actually filled up in each railway system? Have the Government under consideration any proposal to fill up all these posts?

THE HONOURABLE MR. G. L. CORBETT : The present leave reserves in the officer grades of State Railways establishment are as follows :

North Western Railway ..	..	..	25
Eastern Bengal Railway ..	..	..	12
East Indian Railway ..	..	..	12
Great Indian Peninsula Railway ..	..	..	18

These posts are not left unfilled.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it not a fact that on the North Western Railway all the posts in the leave reserve are not filled up?

THE HONOURABLE MR. G. L. CORBETT : I am informed that they are filled.

# REDUCTION OF THE RAILWAY FREIGHT ON LIQUID FUEL.

56. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Are the Government aware that the railway freight on liquid fuel is very heavy? Are the Government reducing this rate of freight?

THE HONOURABLE MR. G. L. CORBETT : Government are not aware that the railway freight on liquid fuel is very heavy, but Railways are being asked to examine the existing rates and to consider whether any reduction is necessary or advisable.

# NUMBER OF INDIAN AND ANGLO-INDIAN TRAFFIC INSPECTORS (TRANSPORTATION) ON THE NORTH WESTERN RAILWAY, THE OUDH AND ROHILKHAND SECTION OF THE EAST INDIAN RAILWAY AND THE EASTERN BENGAL RAILWAY.

57. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly place on the table of this Council a statement showing the number (a) of Indian, and (b) of Anglo-Indian Traffic Inspectors (Transportation), employed on the North Western Railway, the Oudh and Rohilkhand section of the East Indian Railway and the Eastern Bengal Railway, respectively, in April 1923, April 1924, April 1925, and April 1926?

**THE HONOURABLE MR. G. L. CORBETT :** The Railway Board's Classified Lists of Establishment for 1923, 1924 and 1925, copies of which are in the Members' Library, show the names of Traffic Inspectors on each State Railway. Government have no information beyond what is contained in those lists. Classified Lists of subordinates of the various State Railways for 1926 are under preparation and copies will be placed in the Library in due course.

**RESERVATION OF LAND IN THE SUTLEJ VALLEY COLONY FOR GRANTS TO SOLDIERS.**

**58. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** (a) Will the Government kindly state whether it is a fact that the Punjab Government has reserved 75,000 acres of land in the proposed Sutlej Valley Colony for grants to those who have performed distinguished military service ?

(b) If the answer to (a) be in the affirmative, will Government kindly state whether the military authorities propose to allot a portion of this land to soldiers of other provinces than the Punjab as well ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** (a) The answer is in the affirmative.

(b) No, Sir. The Punjab Government have decided that the colonists must be inhabitants of the Punjab and Delhi provinces.

**RESERVATION OF CROWN WASTE LANDS IN THE PROVINCES FOR ALLOTMENT TO SOLDIERS.**

**59. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Will Government kindly state whether other Provinces have also reserved some of their Crown waste lands for allotment to soldiers ? If the answer be in the affirmative, what areas of such lands have been reserved in each province ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** So far as the Government of India are aware, no other province has reserved land in the same manner for allotment to soldiers.

**GRANT OF CROWN WASTE LANDS TO SOLDIERS.**

**60. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Have soldiers whose homes are in provinces other than the Punjab ever been rewarded with a grant of Crown waste lands in newly irrigated colonies ? If so, a statement showing areas granted in each province to soldiers of different provinces may kindly be laid on the table of this Council for their information ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** With the exception of Gurkhas and Pathans who have permanently settled in the Punjab, soldiers of other provinces have not, so far as I am aware, been granted land in newly irrigated colonies.

**ALLOTMENT TO SOLDIERS OF THE UNITED PROVINCES, BIHAR, THE MAHARASHTRA AND RAJPUTANA OF CROWN WASTE LANDS IN SIND AND THE PUNJAB.**

**61. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Have the military authorities ever considered the desirability of allotting to soldiers of the United Provinces, Bihar, the Maharashtra and Rajputana the Crown waste lands reserved for soldiers in Sind and the Punjab ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** The reply is in the negative so far as the Punjab is concerned. The conditions under which land grants are made in this Province are laid down by the Local Government. So far as the Government of India are aware, no land has been reserved in Sind for distribution to soldiers.

**NUMBER OF CADETS IN THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.**

**62. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Will Government kindly give a statement showing the number of students reading in the Prince of Wales' Military College, Dehra Dun, by communities and by Provinces ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** A statement furnishing the information desired by the Honourable Member is laid on the table.

*Statement showing the number of cadets at the Prince of Wales' Royal Indian Military College, Dehra Dun, by communities and by provinces.*

	Muham- medans.	Sikhs and Jats.	Hindus.	Indian Christians.
Madras .. ..	1	..	..	..
Bombay .. ..	..	..	1	..
Central Provinces ..	1	..	..	1
Bengal .. ..	..	..	2	..
United Provinces ..	4	2	4	..
Punjab .. ..	8	22	3	..
North-West Frontier Pro- vince .. ..	5	..	..	1
Baluchistan .. ..	2	..	..	..
Delhi .. ..	..	..	1	..
Bihar and Orissa ..	..	1	1	..
Indian States ..	3	6	8	..
Total .. ..	24	31	20	2

**THE HONOURABLE SIR PHIROZE SETHNA :** Will His Excellency inform the House if any student has been denied admission on the ground of belonging to a particular community, although otherwise fully qualified ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** So far as I am aware, no.

**PURCHASE OF BRITISH MADE CEMENT BY THE KARACHI POST TRUST.**

**63. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Is it a fact that the Karachi Port Trust authorities have called for tenders for British-made cement ? Will the Government kindly state what are the Government rules at present for the purchase of stores of a kind manufactured in India ? Has the attention of the Karachi Port Trust authorities been invited to these rules ?

**THE HONOURABLE MR. A. H. LEY :** Government have no information regarding the tenders called for by the Karachi Port Trust authorities for cement. Purchase of stores by Departments and officers of the Central Government and of the Local Governments and Administrations other than those

of the Governors' Provinces, is regulated by the rules published with the Resolution of the Government of India in the Department of Industries and Labour, No. S.-217, dated the 6th May 1924. These rules do not govern purchases made by Port Trusts and have not therefore been brought to their notice specifically.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Is it not a fact that in the *Indian Trades Journal* of the 29th July a notice has appeared inviting tenders for something like 2,700 tons of British-made cement ?

**THE HONOURABLE MR. A. H. LEY :** Quite possibly, but it has nothing to do with the Government of India.

#### RECRUITMENT OF INDIANS TO THE DAIRY FARMS BRANCH OF THE MILITARY FARMS DEPARTMENT.

**64. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Is it a fact that Government recruited a few graduates for training in the Military Dairy Farms a few years back ? If so, what is their number now and has the experiment proved a success ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** I presume the Honourable Member is referring to the scheme for the recruitment of Indians to the Dairy Farms Branch of the Military Farms Department. Recruitment to this Branch of the Department was not confined to graduates. Candidates who had passed the Matriculation examination, or who were in possession of a school leaving certificate, were also considered.

Since 1922, however, 19 graduates who were candidates were offered appointments. Of these, 15 failed to join the department and one who had accepted the post of an apprentice, subsequently resigned after having served for a few months ; another, who held the appointment of a Supervisor was discharged from the service for misconduct. The remaining two are still serving in the department.

There are now 52 Indians and 3 Anglo-Indians employed as Supervisors and Assistant Supervisors, and 54 Indians and 2 Anglo-Indians as apprentices. These figures include the two graduates mentioned above.

The Government of India are not yet in a position to say whether the scheme, in so far as it includes graduates, has proved a success or not.

#### ARTICLE IN THE AMRITA BAZAR PATRIKA ENTITLED "STORY OF STAMPS WHICH VANISH."

**65. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE :** (a) Has the attention of the Government been drawn to the "Story of stamps which vanish", which appeared in the *Amrita Bazar Patrika* (Town Edition), dated Sunday, the 21st March, 1926 ?

(b) Have the Government made an enquiry into the allegations made therein ?

(c) If so, will the Government be pleased to place the results of its enquiry on the table ?

THE HONOURABLE MR. A. H. LEY : (a) Yes.

(b) Yes.

(c) Government do not propose to do so.

CASE OF BABU TRILOCHAN CHOWDHURY, LATE CASHIER, OF THE GOVERNMENT OF INDIA PRESS, CALCUTTA.

66. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Is it not a fact that Babu Trilochan Chowdhury, Cashier, Government of India Press, Calcutta, was tried by Mr. T. J. Y. Roxburgh, the Chief Presidency Magistrate of Calcutta, for criminal breach of trust and was acquitted by him on the 19th November 1925 ?

(b) Is it a fact that the said Babu Trilochan Chowdhury was dismissed on 11th February 1926, after a departmental enquiry held on the 7th, 8th and 9th February ?

(c) Is it a fact that the enquiry revealed a shortage of Government stamps amounting approximately to Rs. 66,000 ?

(d) Is it a fact that the enquiry was made into accounts which spread over eight years ?

(e) Is it not a fact that it was deposed to by prosecution witnesses before the Chief Presidency Magistrate, in the case of Trilochan Chowdhury, that the office of the Controller of Printing, Stationery and Stamps kept only "Current records for two years" ?

(f) Is it not a fact that the departmental enquiry was conducted without any reference to the account books of the years between 1918 and 1923, which were not in existence and could not be produced before the Magistrate ?

(g) Is it not a fact that, as a result of this enquiry, the said Trilochan Chowdhury was not only dismissed but his security deposit of Rs. 10,000 was ordered to be forfeited ?

THE HONOURABLE MR. A. H. LEY : (a) Yes.

(b) Yes.

(c) Yes.

(d) The enquiry related to accounts for a period of seven years.

(e) Yes ; from the evidence it appears that the witness referred to despatch books only.

(f) The departmental enquiry was conducted by reference to the Cashier's account books and challans between 1918 and 1925 which were in existence.

(g) Yes.

IMPERFECT SYSTEM OF MANAGEMENT IN THE GOVERNMENT OF INDIA PRESS, CALCUTTA.

67. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Is it not a fact that, in the course of the trial of the said Trilochan Chowdhury, it transpired that the system of management in the Government of India Press was extremely inefficient and gave much scope for dishonesty ?

(b) Is it not a fact that the Chief Presidency Magistrate, in the course of his judgment wrote : " It is unnecessary to discuss the other evidence in detail which goes to show how imperfect the system was ; Mr. Letton (the Manager) wrote that it ' shrieked for trouble ' and it did. But it does not follow that the Cashier was necessarily the man who caused the trouble " ?

THE HONOURABLE MR. A. H. LEY : (a) No. The remarks made by the Magistrate related to the system in force for checking the accounts of stamps received by the Cashier and not to the general management of the Press.

(b) Yes.

SYSTEM OF TRANSIT OF STAMPS BETWEEN THE OFFICE OF THE CONTROLLER OF PRINTING, STATIONERY AND STAMPS AND THE GOVERNMENT OF INDIA PRESS, CALCUTTA.

68. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Has the Government's attention been drawn to the evidence given by Mr. Letton, the Manager, and other employees of the Government of India Press, Calcutta, and of the Controller of Printing, Stationery and Stamps, with regard to the system of transit of stamps to and from the Controller's Office and the Press ?

(b) Have the Government taken any step for the reorganisation of the department in the light of the Magistrate's remarks on the then prevailing system ?

(c) Have the Government made an enquiry into the system of management in the different sections of this department ?

THE HONOURABLE MR. A. H. LEY : (a) The Controller of Printing Stationery and Stamps did not appear as a witness in the case. The attention of Government has been drawn to the evidence given.

(b) and (c). Most of the branches of the Stationery and Printing Department have been reorganised in the last few years, but this reorganisation had no reference to the remarks made by any magistrate. In the course of the reorganisation the question of the management of the different branches has received due attention.

EARNINGS OF COMPOSITORS IN THE GOVERNMENT OF INDIA PRESSES IN CALCUTTA AND DELHI.

69. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Is it not a fact that the Government of India Resolution No. A.-31, dated the 15th July 1920, stated that the compositors of the Government of India Press used to earn from Rs. 35 to Rs. 90 according to old class rates ?

(b) Is it not a fact that by the said Resolution an increment of 40 per cent. was given to all the workers in the Government of India Press ?

(c) Is it not a fact that, according to the rates of increment given by the Government, the earnings of the compositors work out at from Rs. 49 to Rs. 126 ?

(d) Will the Government be pleased to lay on the table a statement showing the minimum and maximum earnings of the compositors in the Government of India Presses in Calcutta and Delhi per month in the years 1923, 1924 and 1925 ?



THE HONOURABLE MR. A. H. LEY : (a) Yes.

(b) Piece rates were raised by 40 per cent. in the Government of India Presses at Calcutta and Delhi and by 50 per cent. in the Government of India Press, Simla.

(c) Provided that their output had remained unaltered, piece-workers who were receiving between Rs. 35 and Rs. 90 would have drawn, on getting a 40 per cent. increase in rates, wages varying within the limits mentioned by the Honourable Member.

(d) The information is being collected and will be supplied to the Honourable Member when available.

AMOUNT REALISED BY FINES DURING THE LAST FOUR YEARS IN THE GOVERNMENT OF INDIA PRESSES AT CALCUTTA, SIMLA AND DELHI.

70. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : Will the Government be pleased to lay on the table a statement showing the amount of fines realised under the respective headings of late fine, pie sorting fine, breakfast fine, absence fine, special fine and average fine in the years 1920, 1921, 1922, 1923, 1924 and 1925 ?

THE HONOURABLE MR. A. H. LEY : Separate accounts are not maintained for the different classes of fine, nor are all the fines mentioned by the Honourable Member now levied. The total amounts realized by fines during the last four years in the Government of India presses at Calcutta, Simla and Delhi, were as follows :

						Rs.	a.	p.
1922-23	..	..	..	..	..	3,493	6	0
1923-24	..	..	..	..	..	2,252	14	11
1924-25	..	..	..	..	..	1,850	6	2
1925-26	..	..	..	..	..	1,952	0	2

I regret that I cannot give the Honourable Member figures for the years before 1922.

GRANT OF BENEFITS FROM THE FINE FUNDS TO THE DEPENDENTS OF EMPLOYEES OF THE GOVERNMENT OF INDIA PRESSES.

71. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : Will the Government be pleased to state when the Compassionate Fund was started, by whom it has been administered since then, and the names of those who have received benefits under this fund, with the amounts received by each ?

THE HONOURABLE MR. A. H. LEY : I presume the Honourable Member refers to the Fine Funds in the Government Presses, which are used for the benefit of press employees and their families, and not to the general Compassionate Fund maintained by the Government of India for the relief of the families of Government servants left in indigent circumstances. The Fine Funds were started on 1st April 1922. They are administered by the Managers of the Government of India Presses. Payments are made on the recommendation of the Employees Works Committees and the Managers, subject

to the approval of the Controller of Printing, Stationery and Stamps. The dependants of 15 Press employees have received benefits from the Funds up to 1st April 1926, the total amount disbursed up to that date being Rs. 1,135. I am informed that further payments have been made since that date, but I have not yet received particulars of these payments. I do not think that any useful purpose would be served by giving the Council the names of those who received benefits, but if the Honourable Member cares to call at my office, I shall be glad to show him the list.

#### AMOUNTS SPENT ON PRINTING WORK DONE BY PRIVATE PRESSES.

72. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Will the Government be pleased to lay on the table a statement showing the amounts paid for work done under contract by private presses in the years 1920 to 1925 respectively ?

(b) Is it not a fact that about five hundred men working in the Government of India Presses in Calcutta and Delhi were thrown out of employment in 1922 and 1923 in consequence of this system of placing contracts with outside presses ?

(c) Will the Government be pleased to state the reason why work is given out to private presses on contract ?

THE HONOURABLE MR. A. H. LEY : (a) The amounts paid to contractors for printing work in the years stated in the question were as follows :

	Rs.
In 1920-21 .. .. .	6,23,564
In 1921-22 .. .. .	8,03,672
In 1922-23 .. .. .	5,64,241
In 1923-24 .. .. .	2,58,868
In 1924-25 .. .. .	2,48,886

(b) The answer is in the negative. As the figures which I have just given will indicate, the amount of work given to contractors in 1922 and 1923 was appreciably less than in the preceding years.

(c) As I have informed the Council in reply to question No. 8 on the 18th August last, the Government Presses are not equal to doing all the printing work required by Government, and it is precisely for this reason that work is given out on contract.

#### THE PRINTING CLEARING OFFICE.

73. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : Will the Government be pleased to state (a) when the Printing Clearing Office was started ; (b) what is its function ; (c) what is the number of men working in it ; and (d) the number of officials which compose the management, their respective designations and salaries ?

THE HONOURABLE MR. A. H. LEY : (a) 9th June 1922. Since the 1st November 1924 the designation of the Printing Clearing Office has been changed to Central Printing Office.

(b) Its principal functions are as follows :

- (i) to ensure an even flow of work to the various presses ;
- (ii) to regulate the printing and binding work of the Central Departments and offices, with a view to the prevention of unnecessary charges on this account ;
- (iii) to scrutinize the charges for printing work done in private presses ;
- (iv) to deal with questions relating to the administration of the Government of India Presses ; and
- (v) to reproduce the duplicating work required by Central Departments and offices at the headquarters of the Government of India.

(c) The total number of men employed including gazetted officers, non-gazetted establishment and inferior servants is 34.

(d) One Deputy Controller of Printing—

Rs. 750—50—1,000 *plus* special pay Rs. 150—10—200 per mensem.

Two Assistant Controllers of Printing—

One on Rs. 500—25—700 per mensem and

One on Rs. 250—25—550 per mensem with free quarters.

DEPARTMENT, WHICH PREVIOUSLY UNDERTOOK THE WORK NOW DONE BY THE  
PRINTING CLEARING OFFICE.

74. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : Will the Government be pleased to state how and by whom the work now done by the Printing Clearing Office was managed before its creation ?

THE HONOURABLE MR. A. H. LEY : Part of it was done in the office of the Controller of Printing, Stationery and Stamps and part in the Government of India Press at Calcutta : but the greater part was left undone.

ANNUAL EXPENDITURE ON THE PRINTING CLEARING OFFICE.

75. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : Will the Government be pleased to state the total annual cost for the maintenance of the Printing Clearing Office ?

THE HONOURABLE MR. A. H. LEY : The cost during 1925-26 was Rs. 71,836.

DEDUCTIONS FROM THE ACTUAL HOURS OF WORK DONE BY THE COMPOSITORS  
OF THE GOVERNMENT OF INDIA PRESS, CALCUTTA.

76. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Will the Government be pleased to state if it is a fact that the checkers of the Government of India Press, Calcutta, deduct, almost daily, something from the actual hours of work done by the compositors in spite of certificates from section holders ?

(b) Is it a fact that the " Lino " and " Mono " correctors, who are paid by hour rates, have also to submit to these deductions ?

THE HONOURABLE MR. A. H. LEY : (a) Yes, where necessary.

(b) Yes.

**ALLOWANCES FOR IDLE HOURS TO THE PIECE-WORKERS IN THE GOVERNMENT OF INDIA PRESSES.**

77. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Is it a fact that, by a Government order in 1920, the piece-workers in the Government of India Press are entitled to receive allowances for "idle hours"?

(b) Is it the case that this order is not carried out, and the workers do not receive the allowances?

THE HONOURABLE MR. A. H. LEY : (a) Yes.

(b) No. All piece-workers except those recruited after the 16th July 1925 are paid for idle time.

**PAYMENTS FOR WORK DONE IN CONNECTION WITH THE PREPARATION OF MAPS, PLANS AND DIAGRAMS.**

78. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : (a) Is it a fact that, previous to July 1924, the work for preparing maps, plans and diagrams was paid by the hour?

(b) Is it a fact that, subsequent to July 1924, payment by rates was introduced?

(c) Is it a fact that the Hand-book lays down rules regulating payment by hours and not by rates?

(d) If the answer to (b) is in the affirmative, will the Government be pleased to state why this departure from the previous system of payment was made?

THE HONOURABLE MR. A. H. LEY : (a) and (b). Yes.

(c) Yes, as a general rule.

(d) I would refer the Honourable Member to the reply given to the Honourable Mr. Khaparde's question No. 40 on 25th August 1925.

**PROVISION OF LIGHT WORK FOR ELDERLY PIECE-WORKERS IN THE GOVERNMENT OF INDIA PRESSES.**

79. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE : Have Government taken steps to give effect to the recommendation made in 1922 in paragraph 19 of the Piece-Workers' Committee's report that "a real effort should be made to place the older hands on light work"?

THE HONOURABLE MR. A. H. LEY : Yes.

**ARREST OF ELEVEN RESPECTABLE HINDUS AT DERA ISMAIL KHAN.**

80. THE HONOURABLE RAJA MOTI CHAND : Will the Government be pleased to state if it is a fact :

- (a) that, on or about the 27th of June, 1926, eleven respectable Hindus were arrested at Dera Ismail Khan ;
- (b) that they were placed in political custody without any charge or crime imputed to them ;
- (c) that no charge or imputation of crime was ever explained either to them or to their relations ;

- (d) that the Deputy Commissioner, Major D. M. Fraser, refused their relations a copy of the order and warrant of arrest or charge against these eleven Hindus and their petition for release on bail ;
- (e) that the request of the relations of these eleven under-trial Hindus to provide them with meals from their own homes and bedding and clothing for their use was summarily rejected by the Deputy Commissioner ;
- (f) that these Hindus were confined in solitary cells of the local jail ; and
- (g) that the relations then applied to the Superintendent of the Jail for a power of attorney to seek legal remedy, but were told that these eleven Hindus were neither convicted nor had any warrant for their arrest been issued and consequently he could not sanction the power of attorney sought for ?

THE HONOURABLE SIR JOHN THOMPSON : Enquiry is being made from the local Administration and a reply will be furnished to the Honourable Member in due course.

#### EXPENDITURE ON THE INDIAN TERRITORIAL FORCE AND UNIVERSITY TRAINING CORPS.

81. THE HONOURABLE RAJA MOTI CHAND : (a) Will the Government be pleased to state the amount of money spent on the Territorial Forces, province by province, and on the University Training Corps, University by University ?

(b) Is the amount of money that is spent on the above separately earmarked in the District Budget, or does it lie with the General Officer Commanding the District to allot the money according to his own notions ?

(c) Have the recommendations of the Advisory Committee of the United Provinces Territorial Forces, such as holding the camp of exercise at some hill station, ever been considered by the military authorities ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) I am afraid the Army accounts do not show separately the amounts spent on each provincial battalion and University Training Corps company. The information desired by the Honourable Member could not be obtained without an expenditure of labour and time which, in the opinion of the Government, would not be justified by the result.

(b) The amounts for each District are annually allotted in the Budget, due regard being paid to the probable requirements of both the provincial battalions and the University Training Corps companies located in that area. Such amounts can only be spent on the general objects for which they are intended, and may not be diverted for any other purpose. The General Officers Commanding, Districts, are merely empowered to re-appropriate savings from one minor head to another within the major head "Territorial Force" in their respective commands.

(c) Under the Indian Territorial Force Rules, the recommendations of Advisory Committees are usually considered and disposed of by the General.

Officer Commanding the district concerned. They are not, as a rule, forwarded to Army Headquarters.

#### STATE MANAGEMENT OF THE BENGAL AND NORTH WESTERN RAILWAY.

82. THE HONOURABLE RAJA MOTI CHAND : Do the Government propose to take over the management of the Bengal and North Western Railway when the contract expires in 1933 or do they propose to renew the said contract ?

THE HONOURABLE MR. G. L. CORBETT : Government have not considered the matter and do not propose to do so till much nearer the time when notice of determination of the contract can be given.

#### NUMBER OF EUROPEANS, ANGLO-INDIANS AND INDIANS EMPLOYED ON THE BENGAL AND NORTH WESTERN RAILWAY ON RS. 400 AND OVER.

83. THE HONOURABLE RAJA MOTI CHAND : What is the proportion of Europeans, pure Indians and Anglo-Indians employed in the Bengal and North Western Railway drawing a salary of Rs. 400 and over ?

THE HONOURABLE MR. G. L. CORBETT : Government have no detailed information than that given in the Administration Report.

#### APPOINTMENT OF HINDU BARRISTERS AS JUDGES OF THE ALLAHABAD HIGH COURT.

84. THE HONOURABLE RAJA MOTI CHAND : (a) Is it a fact that no Hindu barrister has ever been appointed to an officiating, additional or permanent High Court Judgeship at Allahabad since the establishment of the High Court of Judicature there ?

(b) If so, will the Government be pleased to state if there is any special or other reason for such non-appointment of Hindu Barristers ?

THE HONOURABLE MR. J. CRERAR : Government would not be able, without considerable research, to answer part (a) of this question, and they think it unnecessary to embark on such research as there are no special reasons why Hindu barristers should not be appointed.

#### VAKIL JUDGES OF THE ALLAHABAD HIGH COURT AND THE COURT OF THE JUDICIAL COMMISSIONER, OUDH.

85. THE HONOURABLE RAJA MOTI CHAND : Will the Government be pleased to state how many Vakils have been appointed to Judgeships in the Allahabad High Court, and in the Judicial Commissioner's Court at Lucknow from the Vakil Bar at these places, and whether there are Vakil Judges now upon the Bench in both the said courts ?

THE HONOURABLE MR. J. CRERAR : There is one Vakil Judge now in the Allahabad High Court and two in the Chief Court of Oudh. It would involve much labour to ascertain how many Vakils have been appointed to the Allahabad High Court and the Judicial Commissioner's Court at Lucknow from the date of institution of these Courts and the Government do not think the labour would be justified.

•

**STATEMENT LAID ON THE TABLE.**

**THE HONOURABLE MR. G. L. CORBETT :** I beg to lay on the table the Agreement between the United Kingdom and Portugal in regard to Tonnage Measurement of Merchant Ships, together with Notes exchanged, which affects India.

---

**AGREEMENT BETWEEN THE UNITED KINGDOM AND PORTUGAL IN REGARD TO TONNAGE MEASUREMENT OF MERCHANT SHIPS, TOGETHER WITH NOTES EXCHANGED.**

*London, May 20, 1926.*

His Britannic Majesty's Government and the Portuguese Government have agreed as follows :—

In view of the fact that the existing laws and regulations of Great Britain in regard to measurement of tonnage of merchant ships are in substantial agreement with those of Portugal, British ships furnished with certificates of registry and other national papers, duly issued by the competent British authorities shall be deemed by the Portuguese authorities to be of the tonnage denoted in the said documents and shall be exempted from being remeasured in any port or place within Portuguese territory or in localities under the control of Portugal, on condition that similar terms shall be accorded to Portuguese ships equipped with certificates of registry or other national papers duly issued by the competent Portuguese authorities on or after the 5th July, 1924, and that such ships shall be exempted from being remeasured in any place within His Britannic Majesty's Dominions or under His Britannic Majesty's protection or control.

Either of the contracting parties may, on giving to the other twelve months' notice to that effect, terminate this Agreement either as a whole or separately in respect of any of the following parts of His Britannic Majesty's Dominions, viz., the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State, Newfoundland, and His Majesty's Indian Empire.

In the event of the Agreement being terminated in respect of any such part of His Britannic Majesty's Dominions, the Agreement shall cease to apply to British ships registered therein.

In witness thereof the undersigned have signed the present Agreement and have affixed thereto their seals.

Done in duplicate at London, the 20th day of May, 1926.

(L. S.) AUSTEN CHAMBERLAIN.

(L. S.) NORTON DE MATTOS.

---

No. 1.

*Sir Austen Chamberlain to the Portuguese Ambassador.*

*Foreign Office, May 20, 1926.*

Your Excellency,

WITH reference to the Agreement which is being signed this day on behalf of the British and Portuguese Governments in regard to the measurement of tonnage of merchant ships, I desire to place on record the fact that this Agreement is made with the consent of the self-governing Dominions and India.

[Mr. G. L. Corbett.]

2. I have the honour to add that it would be understood that the stipulations of the Agreement shall not be applicable to Irak unless notice shall have been given of the desire of the Irak Government that they shall be so applicable.

I have, etc.,

AUSTEN CHAMBERLAIN.

No. 2.

*The Portuguese Ambassador to Sir Austen Chamberlain.*

*Portuguese Embassy, London,*

*May 20, 1926.*

SIR,

I HAVE the honour to acknowledge the receipt of your Excellency's note of to-day informing me of your desire to place on record the fact that the Agreement which is being signed this day on behalf of the Portuguese and British Governments in regard to the measurement of tonnage of merchant ships is made with the consent of the self-governing Dominions and India.

It would be understood that the stipulations of the Agreement shall not be applicable to Irak unless notice shall have been given of the desire of the Irak Government that they shall be so applicable.

I have, etc.,

NORTON DE MATTOS.

## RESOLUTION *RE* ABOLITION OF THE PIECE-WORK SYSTEM IN THE GOVERNMENT OF INDIA PRESSES.

THE HONOURABLE SRIJUT LOKENATH MUKHERJEE (WEST BENGAL : NON-MUHAMMADAN): Sir, I beg to move the following Resolution which stands in my name :

"This Council recommends to the Governor General in Council that the piece-work system in the Government of India Presses may be abolished at an early date or, in the alternative, that a Committee of officials and non-officials be appointed to enquire into the grievances of the Press employees of the Government of India Presses and suggest remedies."

My Resolution is capable of being split up into two parts. I have intentionally worded it so. My intention is to seek to convince the House no less than the Government that the piece-work system as obtains in the Government Press has certain inherent defects which cannot be removed unless the system itself is abolished. But in case the House holds a different view from mine and considers that the piece-system can be so reformed as to improve the working conditions of the Press employees, I have proposed in the alternative the appointment of a mixed Committee to go thoroughly into the system under which the Government of India Presses work and suggest the lines on which the necessary reforms may be carried out.

Sir, the question is not a new one. It has a history dating as far back as the 14th September, 1920, when my friend the Honourable Mr. Khaparde raised it. It was subsequently raised in 1921 by my indefatigable friend who was able to secure a Committee. Some men might have given up the cause of the poor workers after this achievement, but my Honourable friend was determined not to rest till the legitimate grievances of these poor workers



were wholly removed and so in August, 1925, he again moved another Resolution for a mixed committee which was very narrowly defeated in this House.

• Sir, my first indictment against the piece-system is that it is very intricate. I have talked with the workers and have tried to inform myself as to how the system actually works. I cannot say that I have mastered the intricacies of this system as thoroughly as the Honourable Member in charge of Industries and Labour or as his colleague the head of the department. But from what I have gathered I find that the term piece-system as prevailing in the Government Presses is a misnomer. It is a mixed system which is worked with the help of those who are paid by the piece-rate as well as of those who are called salaried hands. The piece-workers are neither contractors nor servants. They are something between the two. They have all the disadvantages and disabilities of the two but few of their advantages. They are, to quote the very expressive language of my Honourable friend Mr. Khaparde, neither fish nor flesh nor fowl, but something in the nature of each. I need not tire you out by an elaborate description of the piece-system actually at work. The intricacy of the system would be manifest from the fact that a compositor before he has completed the piece of work entrusted to him has to pass through nine salaried hands, namely, the section-holder, the store-keeper, the case-supplier, the porter, the type-supplier, the gally-proof pressman, the first proof reader, the second proof-reader, and finally the reviser. But the completion of work does not necessarily mean that he has any definite idea about his earnings on that particular piece of work. There is the compositor, a salaried hand, who is the final authority who will decide the amount of his earnings on the basis of the certificate issued by the section-holder stating the amount of work done by the compositor. How uncertain a factor is the compositor's calculation of an earning can be judged by the evidence of the Examiner of Press Accounts who admitted before the Piece-Workers' Committee of 1922 that "no two compositors would arrive at identical calculations of a specific piece of work". But apart from the fallibility of the compositors there are the checkers who have very large discretion to decide as to what they consider to be the normal period that should be taken in doing any particular work. Naturally, therefore, there is grave discontent amongst the workers, who consider, rightly or wrongly, that the compositors and the checkers arbitrarily reduce their earnings with a view to earn the approval of their superiors by managing the work at comparatively less expense.

I have said enough to give an idea as to how complex is the system at work. I shall just say a word as to how the system admits of a clash of interests besides leaving the door open to favouritism of the worst type. The salaried hands are entitled to overtime allowances. Naturally, therefore, there may be a tendency, I do not say conscious, of delaying the work to enable them to earn these allowances. The interests of the piece-worker is to put in as much work in a given time as possible. But he is helpless, because he has to depend on those whose interest is the other way about. With regard to the possibility of favouritism I may say that there are various kinds of work—some are paid at a higher rate than the others. It may very conceivably be that the section-holder will naturally give the better-paid work to those whom he likes rather than to those with regard to whom the

[Srijut Lokenath Mukherjee.]

attitude of his mind is neutral. There cannot, under this system, be any man who will have the temerity to say a single word in protest against the section-holder however much he might be in the wrong. It has been said that the piece-work system is economical inasmuch as less supervision is required because the men themselves are their own supervisors who know that the more they would work the more would they earn. I need not refer to the almost unanimous opinion of the private press owners against the piece-system which they have abandoned as "unwieldy, expensive" and involving "an additional accounting establishment." I would simply give some official figures and leave it to the House to judge how far the contention is based on practical experience. An official statement given on the 14th January, 1921, gives the following figures :

Workmen and overtime	..	..	..	6,72,448
Supervision and auxiliaries	..	..	..	4,37,035

In other words, supervision costs practically two-thirds of the wages received by the workmen, working all overtime. Is this system conducted economically? Is this system capable of being conducted economically? These are questions I leave the House to judge.

If, as is said, the piece-system by regulating the wages according to the quantity and quality of a man's work is an incentive to industry and efficiency, why should there be a huge variety of fines arranged against them? There is the late fine, the absence fine, pye-sorting fine, average fine, breakfast fine and special fines. What with the uncertainty of work, the enforced idleness during the time when the proofs are corrected or when proofs are delayed in being given to the proof reader and for such other causes which are inevitable under a system composed of piece and salaried hands, what with the fallibility of computers and arbitrary reduction made by checkers added to the reductions by way of fine, the actual earnings of the worker are certainly far less than what he would have been otherwise entitled to. In short, the piece-system as it is in force in the Government Presses is, as would be evident from what I have said, not quite a system of wages according to work. It is a system under which one set of men is forced to sit idle so that another set of men, the salaried hands, may get a chance of earning handsome overtime allowances. It is a system under which the loss of one set of men is the gain of another set.

Further, one result of the piece-system is the early breakdown in health of the workmen. Long hours, no holiday, punishment for absence without medical certificate, besides loss of remuneration, lead to an over strenuous life which results in the breakdown of health.

I have already shown the complex nature of the piece-system as it is in force in the Government Presses. I have also shown how this system admits of one set of workers profiting at the loss of earnings of another section. I have also referred to the causes which lead to an early breakdown of health of the workers. There is another very important point which it is necessary to mention to give an idea of its inequitable character. Whereas under the system of salary, the older and the more experienced the man, the higher is the salary, under the piece-system the young man earns more than what he will be able to earn when he grows old. In practice it has been found that the older the man, the less is his earning under the piece-system. This conflict of interest,

this degrading and over-rigorous discipline maintained by fines and other similar devices, the utter helplessness of the piece-system men against the section-holder, the falling-off of income in old age, the inadequate rates, the unconscionably long hour of work which undermine health, the vagaries of the checker, the overseer and the computer, work without rest even during the holidays enjoyed by all other Government servants—these are but some of the defects inherent in the piece-system.

I do not believe in wages for idlers : I do not want indiscipline in the office. Nor do I want a system which shatters the health, self-respect and sense of responsibility of young men and offers to the men in their old age nothing but poverty and all the evils attendant on it. There have been instances in which a man has been found to have been entitled to Rs. 3 only as monthly pension after completing 30 years of service, while he in his younger days used to earn some 50 or 60 rupees a month.

But apart from the defects inherent in the system some of which are capable of being only partially removed, there are other grievances of the workers which are capable of being removed even if the Government are resolved to maintain the piece-system. From 1920-23, reduction was effected in the Delhi, Simla and Calcutta Presses under the Government, driving about 500 men out of employment, men who had put in a service of 9 years or less, while during the same period contracts worth many lakhs of rupees were placed with private presses. If, as is contended, the piece-work system combines efficiency with economy one finds it difficult to explain the issue of these orders to private presses simultaneously with the reduction in the establishment. As for the fine system, I understand from a report published in the papers that the Honourable Member in charge has taken this up with a view to its abolition and I have no doubt, knowing as I do his sympathy for the working classes, that his efforts in this direction will be fruitful. There are various other grievances of the press workers the removal of which was urged by the Piece-Workers' Committee in 1922 which have not been fully given effect to or those of which that were given effect to have been done in such a manner as to take away with the left hand what was given with the right. The distinction between the permanent and the temporary establishment has not been completely abolished. Older men have not been put to light work. Distributors have not been permitted to choose between a salary and piece-work system. Closer supervision is seldom exercised over both section-holders and checkers. The wishes of the piece-workers are not consulted in regard to the time of attendance. Appointments to the post of section-holders, as a rule, are not made alternately from assistant section-holders and compositors. Lastly, the provident fund as promised in the Resolution of the Government of India, dated the 15th July 1920, has not been inaugurated. It is a pity that it has taken the Government five long years to frame the rules for the fund, which have yet to receive final approval. When reductions have been effected it has affected only the piece-workers. Whenever the piece-workers have made complaints or have applied for being put on light work in consideration of advanced age they have been threatened that they would be placed on the reduction list. But whilst there has been a good deal of delay in giving effect to some of the recommendations of the Piece-Workers' Committee, the Government were very prompt in carrying one recommendation, namely, the establishment of a Central Printing

[Srijut Lokenath Mukherjee.]

and Clearing Office, the expensive character of which is more manifest than its usefulness.

Sir, I have given only a general outline of the disabilities under which the employees of the Government presses work. Sir, I think that when the Government run such huge industrial establishments as the Government Presses are, affecting the well-being of about 3,000 workers, the working conditions should be such as to be a model to the private presses, and I am sure that none would dispute the proposition that a contented workman, who is sure of receiving justice, makes far greater efficiency than one who is driven to work simply to avoid starvation and is kept to his duties by means of fines and other penal measures while he can look to no future prospects nor to a comfortable old age when he would be living on the industry and efficiency of his youthful and vigorous days. A Committee consisting of officials and non-officials would be able to go into the question with a thoroughly open mind, and the recommendations they make after due enquiry into the working of the system are likely to contribute to the greater efficiency and economy of management while improving the sad lot of the workers I described. A workman is not a machine nor ought he to be classed with cattle. He must have adequate food, sanitary housing conditions and must have leisure to improve himself morally and intellectually. He must be able to afford the expense of educating his children. I can never persuade myself to believe that the interest of the tax-payer is opposed to those of the workers. If it is the duty of the State to safeguard the interests of the tax-payers by combining efficiency with economy, the highest economy that can be effected is by improving the condition of the workers who will find a new interest in life, an added interest in the work they do and will be furnished with an incentive to do more and to do better the work they are entrusted with. With these few words, Sir, I commend my Resolution to the acceptance of the House.

THE HONOURABLE MR. A. H. LEY: (Industries and Labour Secretary): Sir, as my Honourable friend has explained in his speech, this is an old question, and I do not wish to repeat the previous history, which he has already mentioned. I recognise the force and at the same time the moderation with which he has voiced his views. There are only two points with regard to the previous history of the case which I should like to mention just for the information of the Council. The recommendations of the Piece-Workers' Committee in 1922 have, as I explained in answer to a question the other day, all been accepted and carried out, with two small exceptions relating to quite minor matters. Otherwise all the recommendations have been carried out, with the exception of one recommendation which is an important one and to which my Honourable friend referred, namely, the institution of the Provident Fund. The position with regard to the Provident Fund is that, while it has been accepted by Government, there has been, and will be, delay in giving effect to it. This delay has been due to the fact that it is merged in the general question of a State Provident Fund which is now under discussion with the Secretary of State. The framing of rules for such a fund is a very elaborate matter, and I am afraid there will be some delay before the Provident Fund is introduced. I may, however, say that as far as the piece-workers in the Presses are concerned, they need not worry their heads very much about that,

# ABOLITION OF PIECE-WORK SYSTEM IN GOVERNMENT PRESSES.

because it has been accepted that the rules when introduced will be applied to piece-workers in the Government of India Presses with retrospective effect from the 15th July 1920, which is the date on which the Government of India Resolution revising the piece-rates was issued.

Before I pass from the history of the matter, there is one other aspect of that history to which my Honourable friend did not refer, which I should like to mention, because it will strengthen my case, I think, in asking this Council not to accept the Resolution moved by my Honourable friend. The Resolution falls into two parts. The first deals with the system as a whole, which he wants to see abolished. Well, that part of the history of the matter, which he did not mention, was that this question has only recently been examined by a committee in another sphere but in exactly analogous conditions, namely, by the Bengal Government. The Bengal Government have exactly the same problem to face as the Government of India in this matter, and as my Honourable friend probably knows, a Resolution was passed in the local Council in Bengal at the end of last year recommending the appointment of a committee to go into the question. A committee was formed by the Bengal Government and I have just received by the courtesy of the Government of Bengal a copy of their report, which is now I understand under the consideration of the Bengal Government. I am not sure whether the report has actually been published yet, but I am in a position to say that that committee have endorsed in their entirety all the conclusions of the committee appointed by the Government of India in 1922 on the question of the piece-work system as a system. They have endorsed those conclusions in their entirety. They have found that the piece-work system is a system which is not only most suitable in the present industrial development of the country at the stage which the industry has reached, but that it is best, not merely for Government but for the employees themselves.

In dealing with the first part of the Resolution I do not think I need say very much more. After all what is the system? The system is a little complicated I admit, but fundamentally it is merely a system of payment of wages according to outturn of work. That, after all, is a system which is universal in most industries in this country. It is universal in the jute mills, it is universal in the coal mines, it is practically universal among the weavers and spinners in cotton mills. It is the normal form of payment of wages in this country, and, as the Bengal Piece-Workers Committee have pointed out, it has the sanction of the printing industry in the United Kingdom, where it must be admitted that the industry is in a more advance stage of development than in India. After all the basis of the system is that the worker gets the full benefit of his work and the employer gets the best value for his money, and I wish the House to take the view that I take, that on the whole that system is best in the interests of the worker and the employer.

I did not catch what my Honourable friend said, but I think he referred to the more or less inadequate earnings of the worker under the piece-work system. Let me give him some figures which will convince the House that piece-workers are extraordinarily well-off. I asked the Controller to let me see the pay bills for the last month which he had readily available showing the pay of all the establishments of the Government of India Presses, and he has given me the

[Mr. A. H. Ley.]

figures. I should like to compare the figures of the piece-workers with the figures of the men on a salaried basis.

The majority of the press hands are now on a salary basis, but there are certain kinds of work which cannot very well be done by men on a salaried basis without a good deal of loss on both sides. The comparison is not very easy to make, because you have to compare earnings in Simla with earnings in Delhi and Calcutta; for the reason that the compositors, who are the principal people concerned, are all on a salaried basis in Simla, while the compositors in Delhi and Calcutta are nearly all on a piece-work basis. Now the compositors in Simla who are on a salaried basis, start on a salary of Rs. 55, which is the lowest salary, and they go up in grades of Rs. 5 to the highest salary, which is Rs. 90, on which grade there are only two men.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Do they get any pension ?

THE HONOURABLE MR. A. H. LEY : Yes the salaried worker does. What are the figures for Calcutta and Delhi ? The highest rate in Simla is Rs. 90. A compositor in Calcutta in the month I examined, got Rs. 122 in the month, and a compositor in Delhi got as much as Rs. 148. Further, I have just managed to get figures which were being compiled with reference to a question I answered this morning, showing the maximum and minimum earnings in the Delhi Press for the year 1924-25. In no month in 1924-25 did the maximum earnings go below Rs. 98, and they went up to as much as Rs. 199 and Rs. 196, and Rs. 177, figures of that kind. Who can say that the piece-workers are unable to earn a very large wage under the system as it is at present ? I would ask the Honourable Member, when he reads the Piece-Workers Committee's Report, to note how these earnings compare with salaries paid in private presses.

THE HONOURABLE SIR MANECKJI BYRAMJI DADABHOY : When was that Report published ?

THE HONOURABLE MR. A. H. LEY : The Bengal Report ? That is now under consideration by the Bengal Government. The Government of India Committee reported in 1922. As the Piece-Workers Committee of 1922 pointed out, the earnings of salaried hands in private presses come to between Rs. 30 and Rs. 40 on the average. That is about the same as the lowest possible wage, under the piece-work system in Government Presses. According to the figures which I have just got, in practically all the months of 1924-25 the lowest earnings were between Rs. 30 and Rs. 40, and those lowest earnings, it must be remembered, are earned either by the slackers and bad workers, or, more generally, by the beginners and the men who have just begun to learn their trade. They get just as good a wage as the salaries paid in a private press. So that under the system as it stands, the piece-workers are extremely well-off and able to earn, if they work properly, very good wages. To come back to the point whether the system should be abolished or not, I say it is both to the interests of the worker and the interests of the Government. I have dealt with the side of the worker. As far as the side of the Government is concerned, I think the position is obvious. That was dealt with in the Piece-Workers Committee's Report. They pointed out that if

the piece-work system was abolished to-morrow, it would obviously be necessary very largely to increase the supervising establishment in the Government Presses in order to see that the men worked and did not slack. That is only after all common sense : it is human nature. It is perfectly obvious that that would be the first result. In other words the cost of printing would go up very largely, and it would then be a matter for Government to consider to what extent they should carry on. Government would really be forced into one of two alternatives ; they would have to give up their printing work as far as possible, (except for confidential work which of course they must continue to do), reduce staff and hand over the maximum amount of work possible to private presses, which is exactly what these workers do not want. That would be one alternative. The other alternative would be to reduce salaries. Salaries would have to be brought down obviously to a lower basis than the actual earnings of the better piece-workers. After all, the system is based, as I say, on the normal practice of industrial labour in this country, and as I think I have shown, it is to the advantage of the piece-workers themselves and obviously to the advantage of Government.

Now I would like to come to the second part of the Resolution. I may be asked, if the picture is as rosy as I have pointed out, what is all this agitation about ? Well, I must confess that I have been a little puzzled to understand precisely what the grievances are and what real feeling of discontent there is. I say I am a little puzzled by it, because Government have received from the actual workers themselves practically no complaints on the subject at all, and as far as I know, the men are perfectly contented. I do not know whether I caught all the particular grievances that my Honourable friend mentioned. I took down one or two as he was going along, and if I omit any, I must apologise to him, but I think I managed to hear the main ones. He talked about a certain amount of favouritism exhibited by the section-holders. That is a matter which has practically disappeared. I believe he was thinking of the position in 1921, as he quoted from an answer given to a question in 1921. The position is entirely changed as a result of the Piece-Workers Committee's Report. Moreover, the possibility of favouritism has been largely dissipated by the mere fact of the introduction of machinery in the Presses. Practically all the solid work is now done on machines, and most of the hand composing work, in which compositors are paid by the piece, is work of a kind in which there is very little opportunity for favouritism of any kind. Moreover, I have had no complaint from the workers themselves. The Government have received no complaints as far as I recollect, and the same applies with regard to the checkers. The remedy for any favouritism of that kind, as the Piece-Workers Committee pointed out, is increased supervision, but, as I say, I believe the position now to be that there is no complaint in the matter at all. Certainly we have had none on that particular score. Indeed in the last year I can only remember one complaint coming up, and that was quite recently, and I mention it because it is rather a curious incident—a complaint not from a piece-worker, but from a salaried hand in the Government Press here in Simla. The gist of the complaint was that owing to the fact that he had now been put on a salaried basis (this was done two years ago when the Government Central Press was amalgamated with the Monotype Press), he could not advance, and the suggestion was that he had been much better

[Mr. A. H. Ley.]

off on the piece-work basis. That, as far as I recollect, is the only case that has been mentioned to me in the last year, or at any rate since I came out from leave last December. There may have been some other cases that I have not seen, but I am quite sure they were minor ones. My Honourable friend I think also made a certain amount of grievance of the fact that a certain number of workers were forced to sit idle while other workers were working.

As a matter of fact, that also I think refers very probably to conditions before the Piece-Workers Committee's Report was issued. Idle time has now practically disappeared. I gave figures, I think this morning, of the payments for idle time, which are very much smaller than they ever were before. They have decreased from about Rs. 19,000 in 1922 to a little over Rs. 1,000 now; so that idle time has almost disappeared. The reason of course is mainly the establishment of the Printing Clearing Office, or the Central Printing Office as it is now called, which my Honourable friend suggested was a useless institution. It is nothing of the kind. It is one of the most useful features of the reorganization of the Presses effected in the last two or three years by Mr. Ascoli.

Then the Honourable Member referred to long hours. He did not give us any figures, but the most recent figures that I have got are those which were given in reply to a question in this Council this time last year, and which gave the average number of hours per month worked by piece-workers in each Press. That was a year ago, and it showed that only in one case did the average exceed 200 hours a month—that is, 8 hours a day for 25 working days. That was in Calcutta in the case of the Press and Machinemmen where the average was 205 hours; all the rest were under 200 hours a month; so I do not think it can be said that the hours are extraordinarily long. No doubt the hours are sometimes long, when work has to be got out in a hurry, for instance Budget work, and the men probably work pretty hard on those occasions; but on the whole and taking the average they do not work very long hours, certainly not any longer hours than other forms of industrial labour.

Then he referred to the fact—which I know is felt as a grievance by the piece-workers—that, as a man gets older, his capacity goes down and his earnings consequently decrease. That is, I confess, an aspect of the matter with which I have some sympathy. Of course it is a factor which is common to every kind of system in which payment is made by outturn—the older a man gets the less sometimes he earns; but considering the amounts that a man doing piece-work can earn in his prime, I think that he has to take the rough with the smooth. But I quite appreciate that this is a disability which is really felt by some of these men. I may say that I understand the Controller is making a proposal to Government in connection with the reclassification of hour rates which is designed to remedy this disability—if it may be so called—to a small extent by putting hour rates more or less on an incremental basis. But that is a proposal which has not yet reached Government. I understand it will come up shortly, and all I can say is that when it does come up, it will be carefully and sympathetically considered.



Then I think he mentioned the subject of pensions. Now as a result of the Piece-Workers Committee's Report, temporary hands after 25 years' service get a pension in the same way as permanent hands, so there is not very much difference in that way. There is a certain amount of difference as long as they are temporary that until they have done their 25 years, they cannot get an invalid or superannuation pension. That is a matter which possibly may be thought to be a grievance. Of course the real remedy to these disabilities is the institution of a Provident Fund. As I have already mentioned, I am afraid there has been some delay in instituting a Provident Fund, but when it is brought into effect these grievances will disappear.

I cannot lay my hand on any other particular grievance which my Honourable friend mentioned, and if I have omitted anything of importance, I must apologise to him. But I would make one last and final appeal to this Council, and that is this: I do not want to be understood to suggest that there are no grievances. Far from it. I have no doubt there must be grievances among a body of men like these piece-workers; and all I am going to say now is this,—if there are any grievances and if they are put before Government in the ordinary way by the workers themselves, I will undertake that they will be very carefully and very sympathetically considered. There is a proper channel through which such grievances should come before Government, and that is through the Works Committee. I do not think my Honourable friend mentioned it, but there are committees which we have established recently, more or less on the lines of what they call Whitley Councils in England. They are committees of the workers and the management, and they are a means of bringing the workers themselves in direct touch with the management, so that the management may know their little grievances and all their troubles from the workers themselves. There was a little difficulty when the Works Committees were first established in getting the workers really to understand what they were about, and it was some time before these committees got working; but I understand from the Controller that they are working extremely satisfactorily now and that the workers themselves are thoroughly content to bring their grievances before their Works Committees, where they are thoroughly considered and, if necessary, passed on to Government. I would suggest, therefore, that if there are any real grievances, as my Honourable friend tries to make out, the men should come up to the Government in the ordinary way. They have not done so yet, and I venture to think that, until they do so, it is hardly a case for the appointment of a committee of officials and non-officials to examine supposed grievances. I would ask the Council to do what the late Council did only a year ago, and not agree to the appointment of such a committee.

\* THE HONOURABLE SAIYED MOHAMED PADSHA SAHIB BAHADUR (Madras: Muhammadan): Sir, I have just had the pleasure of going into the case of the piece-workers, and I regret to say that, in spite of the recommendations of the Sarma Committee, and also in spite of the fact that some attempt was made to give effect to those recommendations, the lot of the piece-worker remains as it was. He is still ill-provided for, with no certainty of work or wages. Sir, if I understood the Government Member aright, he said that the earnings of these piece-workers were in no way smaller than those of the

---

\* Speech not corrected by the Honourable Member.

[Saiyed Mohamed Padshah Sahib Bahadur.]

hands in the Government of India Presses who are in receipt of salaries. He said, Sir, that the starting pay the salaried hand got in these Presses was Rs. 55. I do not know if I have got it right. (*The Honourable Mr. A. H. Ley* : "Yes"). In that case, Sir, the minimum earnings of the piece-worker will also come up to about Rs. 50. But, Sir, what do we find? I have a few figures which have just been sent to me by some people interested in the piece-workers, which go to show that more often than not many of these piece-workers get no more than Rs. 20 to Rs. 35. I think I have got the pay slip with me—I mean the pay slip of the Calcutta Government Press.....

**THE HONOURABLE MR. A. H. LEY** (Industries and Labour Secretary) : May I ask, Sir, how long have these piece-workers been in service?

**THE HONOURABLE SAIYED MOHAMED PADSHA SAHIB BAHADUR** : I am not in a position to say that. That slip, however, shows that the piece-workers draw no more than Rs. 20 to Rs. 30 per month.

Again, Sir, this piece-work system was attempted to be defended on the ground that in other parts of the country there are a large number of press organizations which are run on this system. This contention, Sir, cannot hold water for a moment in the face of the evidence that was adduced before the Piece-Workers' Committee. Only a couple of years ago, the representatives of three of the largest presses in Calcutta, I mean the Caledonian Press and Messrs. Thacker, Spink and Co., stated before the Piece-Workers' Committee that, though they had adopted the piece-work system formerly, they had ultimately to give it up inasmuch as it was found to be extremely unwieldy and expensive. Now, Sir, it is an open secret that these private concerns are always run on the most economical lines, because the owners of these presses want to make the utmost amount of profit from their presses, and if even these private presses found this system, after all their honest and strenuous efforts to work it economically, to be unwieldy, complex and expensive, I do not understand how we can expect the present system which obtains in the Government of India Presses to be more economical or efficient.

Again, Sir, the House was asked not to accept this Resolution. I need not say that only in 1922 an investigation on the same lines was made by the Piece-Workers' Committee. May I ask, Sir, how far the recommendations of that Committee have been properly given effect to? I see from the reply given the other day to some of the questions asked by my friend the Honourable Mr. Khaparde that, with the exception of a few recommendations, most of them have been given effect to, but I am afraid, Sir, that in giving effect to those recommendations, much has been done to militate against the very purpose for which the Committee had been appointed. I may, for instance, refer to the recommendation made for the abolition of the distinction between permanent and temporary establishment. From the reply that was given by Government it will be seen that this distinction has been done away with only in respect of persons who have put in the full 25 years' service, and it is therefore quite clear that if the concession has been extended at all, it has been extended only to a select few of the piece-workers. Only people who had 25 years' service could take advantage of this concession, and those who had put in 20 or even 24 years'

service or a little short of the minimum period of service, or who on account of any sudden illness, which is very common among people who are engaged in this class of work, had to retire earlier than the minimum period, have been precluded from taking advantage of this concession, because it is a *sine qua non* that everybody should put in 25 years' service so as to entitle them to the pension.

Again, Sir, while on this point, I may just refer to the two replies that have been given by the Government of India. As an excuse for not doing away with the distinction between temporary and permanent service, it has been said that there has not been enough work for the Presses. That is what we could gather from the replies. But on page 12, in reply to a question, the Government say that, owing to the want of sufficient staff, among other reasons, the Government are forced to give contracts to private presses.

THE HONOURABLE MR. A. H. LEY: May I correct the Honourable Member? It is not only a question of staff but of machinery.

THE HONOURABLE SAIYED MOHAMED PADSHA SAHIB BAHADUR: The Government Presses are doing all the work. My submission is that, though Government have all these people at their disposal, they are still giving out work to private presses.

Then again, Sir, it has been said that, in view of the recommendations of the Piece-Workers' Committee, arrangements have been made to see that people of an advanced age are given lighter work. I should like to know, Sir, what precisely those arrangements are, and whether any rule has been framed fixing the age of the workers so that the supervisors may deal fairly with the piece-workers. We often hear complaints that the younger people get lighter work while the older people are given heavier work. Unless there is some definite rule which will go to make this quite clear, so that this sort of favouritism may not be exercised, I think the recommendations of the Piece-Workers' Committee will not be observed.

Then again, Sir, they did not find it possible to adhere to the distinction between a regular paid man and an irregular one. This means hardship to the workers. Although the spirit is willing, sometimes the flesh is weak, and a man is unable to put in a proper attendance. The rule, as you will see, hits him in two ways, not only in depriving him of his wages for the days he has been ill, but for the period during which he might otherwise have received his wages if he had made himself eligible.

THE HONOURABLE THE PRESIDENT: The Honourable Member's time is up and he must bring his remarks to a close.

THE HONOURABLE SAIYED MOHAMED PADSHA SAHIB BAHADUR: I would like to point out that the Committee which reported in 1922 did not have the whole matter before it. It concerned itself with only one section, the piece-workers. There were other grievances, and I will refer to only one point in this connection.

THE HONOURABLE THE PRESIDENT: I am afraid the Honourable Member must content himself with general remarks. I cannot allow him to go into details.

**THE HONOURABLE SAIYED MOHAMED PADSHA SAHIB BAHADUR:** Some of the scales of pay recommended by them were mutilated by the officers. For instance, the scale of pay ranged from Rs. 60 to Rs. 110 by annual increments of Rs. 5. This was cut down to Rs. 45.

**THE HONOURABLE THE PRESIDENT:** The Honourable Member is doing now what I asked him not to do. Order, order.

**THE HONOURABLE RAI BAHADUR NALININATH SETT** (West Bèngal : Non-Muhammadan) : Sir, I rise to support the motion moved by my friend, the Honourable Mr. Lokenath Mukherjee. The subject concerns a large number of Government employees. My friend has shewn how these men suffer in various directions. The piece-workers are entirely in the hands of salaried men whose interest is to delay matters in order to get overtime allowances. They have to indent types from salaried men who are not in a hurry to supply them. Then they are dependent on the proof readers for the completion of a particular job. Lastly, their earnings are assessed on a basis in which they have no faith. It is the opinion of people who are acquainted with the intricacies of the working of this system that no two computers would arrive at the same figure in assessing a particular job. The interest of the piece-worker is to put in as much work in a day as possible, but he is entirely in the hands of salaried men who have no interest in doing a particular thing quickly. The distribution of work is in the hands of the section-holders who not unoften shew favouritism in selecting a particular man for a particular job. In addition to this iniquitous treatment, to which they have to submit, these men are subject to the imposition of a variety of fines for the slightest infringement of rules and procedure. In the result they can with the greatest difficulty and with the hardest labour make two ends meet. There is another very important point which it is the duty of this House to consider, namely, the fact that a piece-worker's earning decreases with his age. A man, as he grows old, cannot put in the same quantity of work as he could do when he was younger. His pension is computed on the basis of the work he can do during the last stage of his service. This is certainly opposed to all principles of justice. These men get very little holiday and the necessity for earning a decent living keeps them at work without any regard for their health. While Government are trying to control private employment of labour with a view to compel the employers to see to the comforts, conveniences and health of the employees, they ought, I submit, to see that their own employees do not suffer from the same defects.

I therefore urge that the system of piece-work ought to be abolished. If, however, Government think that they cannot do so in the near future, I think they ought to agree to appoint a Committee to go into the details of the working of the system and to suggest ways for ameliorating the condition of these workers. No doubt a Committee was appointed before, but these poor employees suffer from certain arrangements in the department which I am informed were not taken into consideration by the said Committee. After all these men should be made to feel that the Government are trying to improve their condition, and that can only be done by the appointment of a Committee as suggested by my friend.

**THE HONOURABLE SIR MANECKJI BYRAMJI DADABHOY :** (Central Provinces : Nominated Non-official) : Sir, if I intervene in this debate at this stage, it is not because I do not sympathise with the Honourable Mover of this Resolution in the object which he has in view, but because I feel that after the statement made by the Honourable the Government Member it will be unprofitable and useless to prolong this discussion any further.

My friend, the Honourable Srijut Lokenath Mukherjee was perfectly justified in bringing forward for the second time this Resolution for the consideration of this Council, and the reasons which he assigned in favour of his motion are entitled to our serious consideration. But at the same time I feel that the problem is not free from enormous difficulties. In some businesses piece-workers make more money than salaried men. I am also an employer of piece-work labour and the general complaint which has to be faced in some of the departments under me is that the salaried men have always rebelled at not being placed on the piece-work system so that they may be in a position to earn better wages than the salaried men. It is difficult, as I say, to express any positive opinion on this matter. In one department, in one avenue of business, piece-workers may thrive better than salaried men ; in another business the position may be entirely reversed. However, we have got the assurance from the Government Member that these piece-workers are receiving larger salaries by piece-work as compared with salaried men. I am prepared so far to accept the accuracy of that statement. This Resolution suggests an inquiry. But it has been pointed out to us that that inquiry has been already made by the Bengal Government, and the report has been presented and is now under the consideration of the Government of Bengal. That report has not been published.

**THE HONOURABLE SRIJUT LOKENATH MUKHERJEE :** That inquiry was made for the employees of the Bengal Press.

**THE HONOURABLE SIR MANECKJI BYRAMJI DADABHOY :** But it will be admitted that a large class of these compositors work in the Bengal Press, and I understand in Simla already the men are on a salaried system. The Resolution asks for an inquiry. That inquiry has been made, I understand, by another Government, and the report is under consideration. Is it expedient, is it wise then that this Council should sanction the expenditure for another committee to go and traverse the very matter which has been considered by one committee ? I do not know what the recommendations of that Committee are. I understand that that report at present is a confidential document, and I have no right to ask our friend the Honourable Mr. Ley to tell us the purport of those recommendations till the Government of Bengal have fully and adequately considered the matter. However, as this Resolution involves a second inquiry, in my humble judgment such an inquiry is both unnecessary and superfluous, and I therefore appeal to the Honourable the Mover of this Resolution at present to withdraw his motion. If after the report of the Bengal Committee is published, he finds that the grievance still continues and that there are legitimate grounds for the redress of those grievances, he will have ample opportunity of moving another Resolution later on in this Council, and I have no doubt it will receive the most serious and sympathetic consideration of this Council.

**THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN:** (Punjab : Nominated Non-official) : Sir, as I took part in the debate on the last occasion when my friend Mr. Khaparde brought forward a Resolution on this subject, representatives of the Press approached me to take part in this debate to-day, and I think it may be interesting to the House if I say something about it. I argued and was able to prove that throughout the country the piece-work system was the best, in which the best man earned the best wages and where a man who did not work suffered. And I was told that they liked piece-work and it was by some fluke or mistake that the Resolution which was sent in was so worded. They did not want that particular portion in it which concerned the abolition of the piece-work system. Of course the very men who were concerned with this Resolution did not want it as such, but their advocates, who had brought forward their case in this House, have very kindly done so.

Then comes the other side of the question of appointing a Committee of Enquiry. We are having committees always to go into various matters. No doubt some of these have done very good work, but after all committees that are appointed spend public money and sometimes the outturn of their work is not what one would wish for, and one has to object to such, because public money is wasted. In the arguments that I had put forward I was able to point out that various organisations of employees are generally not good for themselves. India is a young country and we still want to progress. We should take our cue from the countries which are more industrialised than we are, and we might first take England. Now there the workers have organised themselves, and what has happened ? The present trouble which is occurring there is entirely due to that. These workers would like to work as many hours as they wish and demand the salary they desire. I was able to point out that we who employ workers do not want such organisations because they are not in the interests of the country. I told them of one case, where one of the villages combined for a particular purpose and I came to know of it, and the four ring-leaders, of course, did not stay any longer in that village. They told me that there are lots of Government departments and it is a very good thing that there should be such organisations. I was again able to say that if there was such an organisation in the Army and the men got together to put their grievances before their officers, they would all be put under arrest. So that we have to take the good things from the Western countries, but not the bad ones, and if our workers begin to get their grievances redressed in this way, they will want Rs. 20 to-day, and if we give them Rs. 20, they will want Rs. 25 to-morrow. Nobody can satisfy human nature; there should be a line drawn somewhere. So I think, if the grievances are real, there is no harm if they come up in the ordinary way, and every individual case should be treated on its merits, but it is impossible to have organisations like this and to go on satisfying them; I think no department can do this. It is for this reason that I think this Resolution should not be accepted.

**THE HONOURABLE THE PRESIDENT :** The question is that the following Resolution be adopted :—

“This Council recommends to the Governor-General in Council that the piece-work system in Government of India Presses may be abolished at an early date or, in the alter-

native, that a committee of officials and non-officials be appointed to enquire into the grievances of the employees of the Government of India Presses and suggest remedies."

The Council divided :

AYES—18.

Desika Chari, The Honourable Mr. P. C.  
Jaffer, The Honourable Sir Ebrahim  
Haroon.  
Mahendra Prasad, The Honourable Mr.  
Mehr Shah, The Honourable Nawab  
Sahibzada Sayad Mohammad.  
Morarji, The Honourable Mr. R. D.  
Muhammad Hussain, The Honourable  
Mian Ali Baksh.  
Mukherji, The Honourable Sriji Lokenath  
Oberoi, The Honourable Sardar Shivdev  
Singh.  
Padeha Sahib Bahadur, The Honourable  
Saiyid Mohamed.

Ram Saran Das, The Honourable Rai  
Bahadur Lala.  
Rama Rau, The Honourable Rao Sahib  
Dr. U.  
Raza Ali, The Honourable Saiyid.  
Roy Choudhuri, The Honourable Mr. K. S.  
Sankaran Nair, The Honourable Sir  
Chettur.  
Sett, The Honourable Rai Bahadur Nalini-  
nath.  
Sinha, The Honourable Mr. Anugraha  
Narayan.  
Subrawardy, The Honourable Mr. M.  
Zuhair, The Honourable Shah Mohammad.

NOES—28.

Bell, The Honourable Mr. J. W. A.  
Bijay Chand Mahtab, The Honourable  
Maharajadhiraja Sir, of Burdwan.  
Charanjit Singh, The Honourable Sardar.  
Commander-in-Chief, His Excellency the.  
Corbett, The Honourable Mr. G. L.  
Creger, The Honourable Mr. J.  
Dadabhai, The Honourable Sir Maneckji  
Byramji,  
Das, The Honourable Mr. S. R.  
Emerson, The Honourable Mr. T.  
Froom, The Honourable Sir Arthur.  
Gray, The Honourable Mr. W. A.  
Habibullah, The Honourable Sir Muham-  
mad.  
Jukes, The Honourable Mr. J. E. C.  
Langley, The Honourable Mr. A.  
Ley, The Honourable Mr. A. H.  
Manmohandas Ramji, The Honourable  
Mr.

Misra, The Honourable Pandit Shyam  
Bihari.  
Nawab Ali Khan, The Honourable Raja.  
Sethna, The Honourable Sir Phiroze.  
Singh, The Honourable Maharajadhiraja  
Sir Rameshwara, of Darbhanga.  
Smyth, The Honourable Mr. J. W.  
Stow, The Honourable Mr. A. M.  
Symons, The Honourable Major-General  
T. H.  
Thompson, The Honourable Sir John  
Perronet.  
Tireman, The Honourable Mr. H.  
Umar Hayat Khan, The Honourable  
Colonel Nawab Sir.  
Wacha, The Honourable Sir Dingshaw  
Eduji.  
Weston, The Honourable Mr. D.

The motion was negatived.

RESOLUTION *RE*. INDIAN BANKING.

**THE HONOURABLE THE PRESIDENT:** The Council will now resume discussion of the Resolution\* on the paper which was moved by the Honourable Sir Ebrahim Haroon Jaffer on the 10th March last.

**THE HONOURABLE SIR PHIROZE SETHNA** (Bombay: Non-Muham-madan): Mr. President, I was absent from India for some months and returned to Simla yesterday. It was only late in the afternoon that I discovered that this Resolution, moved on March 10th during the Delhi Session, was adjourned and that the discussion on it was to take place to-day. I mention this because I had some notes and other facts and figures with me which, unfortunately, are not available at the moment of speaking, and which if I had with me would perhaps have enabled me to convince the House still more in favour of the Resolution. My Honourable friend's Resolution asks for an enquiry into the question of the desirability of legislation with a view to placing Indian banking on a sound footing. This might imply that perhaps Indian banking at present is not on a sound footing and requires to be put on a sound footing; or perhaps the Honourable Mover means that it is on a sound footing but requires to be put on a sounder footing. I am sure every Member of this House will agree with him in that desire of his.

No one will dispute the point that it is the bounden duty of every Government to see that investors of monies in banking institutions and such banking institutions themselves are protected by law as best possible by those Governments; and I venture to submit that nowhere throughout the British Empire is more attention paid to this subject than in the Dominion of Canada. In Canada they regard investments made in banks, as well as insurance premiums paid to insurance companies, as monies which belong very largely to the middle classes, and that consequently Government should take the greatest possible care in regard to such funds. In fact, they boast in Canada that since the introduction of the insurance legislation not a dollar has been lost in insurance business, and in the new insurance legislation that this Government will soon adopt, as also in any new banking legislation which we may hereafter propose to adopt, I think the Government of India will do well to follow the lines of the legislations adopted in that Dominion.

Honourable Members of this House must remember the fate which befell several indigenous banks in the year 1913. Previous to that there were several provident funds which grew up like mushrooms and Government introduced legislation whereby all these have been removed and insurance business is carried on on better lines. If similar legislation had been introduced in regard to banking, I hold that those Indian banks which failed in 1913 would not have failed; but perhaps if the legislation was stricter several of them would not even have come into existence at all.

The failures of 1913 have given Indian banking such a terrible setback that it will be no exaggeration to say that we have not yet recovered from it. It is no use now crying over spilt milk, and the best course to adopt is to see that Indian banking does progress and progress on right lines with the help of right legislation.

Banking on Western lines in this country is certainly in its infancy, but I will not say that banking generally is in its infancy in this country,

\* *Vide* pp. 458-466 of Council of State Debates, Vol. VII, Nos. 1-23.



and I quite agree with the remarks which were made by my Honourable friend Mr. Manmohandas Ramji, when this Resolution was discussed on the floor of this House on the 10th of March last, that perhaps India and Indians knew more about banking and long before any other country in the world. While we say of Englishmen that they are the most conventional of European peoples, it may be urged in regard to Indians that they are more conventional than even the English in regard to their system of banking known as the 'Shroff' system. This system as practised to-day is perhaps the system which was in vogue in this country not decades ago but centuries ago, and it is high time that we improved upon it to suit modern conditions. In this matter I find an analogy as to what has happened in regard to Western medicine and the Unani system of medicine in this country. With the growth of Western education in this land, we take more kindly to Western medicine, and yet the Unani system progresses side by side. We recognise, for example, that while the Unani system has next to no surgery, and surgery has made such rapid strides in the West, that, because of our present system of education, we take more and more to Western medicines. Similarly, now that India is advancing faster in her commercial relations with other progressive countries in the world, it is necessary to follow the banking systems which are practised in Europe and America and which have made them the great countries that they are. Consequently, the Government of India should do everything possible in their power to push forward any legislation which will enhance and further the cause of banking in this country.

In spite of the help it receives from Government, the Imperial Bank of India has at the present moment not more than 150 to 160 branches, and that too because of the stipulation laid down by Government a few years ago that within a space of five years they should establish a certain number of branches. The number of branches of the other indigenous banks is insignificant. Compare this not only with the large number of banks in Europe and America but also their numerous branches. In some cases the number of these branches runs not into three but into four figures.

I will admit I am more than gratified to read the speech made in March last by the Honourable Member who represented Government in this House, I mean the then Finance Secretary, Mr. McWatters. Mr. McWatters in a most eloquent and a very excellent speech went much further than even the Honourable Mover of the Resolution himself. Speaking for Government, Mr. McWatters recognised the importance of the Resolution and he also promised every possible help, and the Council desired nothing further. Because of the distance of time since this Resolution was first discussed and to-day, I may recapitulate briefly what then fell from the Honourable Mr. McWatters. He pointed out that after the disastrous bank failures in 1913, Government recognised the necessity of legislation, and that with that view they consulted not only the Provincial Governments, but also various commercial bodies. The consensus of opinion of these different bodies was entirely in favour of legislation which the Government of the day would have undertaken were it not for the Great War that intervened then. Some years elapsed, and the question was re-opened at the instance of the Bengal Chamber of Commerce, when Government appointed a Committee. That Committee made certain suggestions.

[Sir Phiroze Sethna.]

These suggestions were in turn submitted by the Central Government again to the Provincial Governments. The Provincial Governments improved upon those suggestions and made some more recommendations. The Government evidently approved of them all, but just then they were discussing in the United Kingdom some legislation in regard to banking, and unfortunately some of the leading banks there could not arrive at definite conclusions on very important points, and the question was again shelved in this country.

Now, Sir, in the course of the discussion on this subject some months back, it was pointed out by different speakers that one of the reasons why this Resolution was brought forward was because a particular bank suffered to some extent at the hands of perhaps a few interested people. Ordinarily I would not have referred to that bank or any bank by name, but as mention was made of the name of the Central Bank of India very freely on that occasion, I may be pardoned for referring to it to-day. I should like to mention, however, that I am not the only person in this House who is connected with the Central Bank of India, for besides myself there is my revered and respected friend Sir Dinshaw Wacha, and also my friend Rai Bahadur Lala Ram Saran Das, who are also on the Board of that institution. But what I want to impress upon this House is that not one of us had requested the Honourable Mover to bring forward this Resolution, nor am I aware that any one connected with the Central Bank of India, directly or indirectly, requested him to do so....

THE HONOURABLE SIR EBRAHIM HAROON JAFFER : I have made that point clear in my speech.

THE HONOURABLE SIR PHIROZE SETHNA ; I am sorry, I did not know that. I give my friend credit for it. I say that he has brought forward his Resolution purely in the interests of Indian banking.

In the course of the previous discussion, it was also pointed out that the Managing Director of the Central Bank made recommendations to the Government putting forward certain suggestions which would benefit banks and those who invest in banks. In regard to this, I should like to point out that banks stand on a different footing to other limited Companies. We may start false rumours with regard to any private company without doing it much damage. We may be shareholders of such a company to-day, and on the strength of such rumours we may dispose of our shares at a large or small loss, but the business of the company will continue to go on. Not so with a bank. Banks live on credit. The business of the banks is to borrow money at cheap rates and lend out at the best rate available, and the difference in such rates, less the cost of running the business, is the banks profit. If a false rumour is spread and the depositors make a run on the bank and the bank has to pay out money which it does not possess liquid, then naturally a crash follows. In that way, the doors of a perfectly sound banking institution might require to be closed, for absolutely no fault of its own, and it is against this that the Managing Director of the Central Bank of India requested the Bombay Government to safeguard banking institutions. Again one of the points I should like the House to remember in regard to banks is this, that the majority of the banks have an unpaid liability on their shares, and, therefore, if there is a run on a bank, and if the bank goes into liquidation, the position becomes serious not only for the shareholders but for the general community.

It is for this reason that the Managing Director of the Central Bank of India, not only for the benefit of his own institution, but for banking institutions generally in this country, advocated that legislation should be undertaken. He proposed three courses. First of all, he said that if people spread malicious reports, proceedings might be taken against them.

In regard to this the Government of Bombay explained quite rightly that the present legislation does enable a bank to proceed against any person who makes such malicious reports, because according to the terms of the section a "person" includes a "company."

The next point made was that undesirable shareholders might be excluded. That perhaps was considered a drastic step by the Government of Bombay. No good bank would try to exercise it unless forced to do so. The reply of the Government of Bombay was that the remedy was in the hands of the bank itself, that is to say, they may add an article to their articles of association whereby any undesirable shareholder might be removed on getting a three-fourths majority of the remaining shareholders to agree, and the shareholder so removed might be paid the value of the shares he holds according to the market value. Therefore, the Government of Bombay turned down that proposal as well.

The third proposal was in regard to preventing vexatious proceedings, and such vexatious proceedings might be either in a Civil or a Criminal Court. The Government of Bombay did not seem to encourage the Managing Director in his reply in regard to any legislation being introduced to prevent vexatious proceedings in civil suits, but so far as criminal suits were concerned, they were somewhat in favour of the suggestion made by the Managing Director. The suggestion was that nobody could rush into a police Court as he does to-day against a bank on some frivolous excuse without his facts and figures and take out proceedings against it. The suggestion was that in such a case the party should first obtain permission from a Judge in Chambers, so that it would only be possible to institute proceedings criminally if permission were granted by a High Court or a District Judge. Now, the Government of Bombay favoured this view, but the Government of India did not. The Government of India have three objections to the proposal of the Government of Bombay. First of all the Government of India say that this remedy does not touch that form of activity, namely, the spread of false rumours referred to in the letter of the Managing Director. The second objection of the Government of India is that if any legislation were introduced it might put obstacles in the way of perfectly *bona fide* complaints. Some *bona fide* shareholders may have certain legitimate grievances and there ought to be no hardship on such men, and they should not be required to go to the High Court for permission to take proceedings. Their last objection was that it would lead to many concerns which are not banks taking advantage of such legislation and claiming the benefit of coming under this legislation by saying they were banking institutions, and it is so difficult to define banks. In consequence of this the Government of India did not accept the suggestions of the Government of Bombay. As these are very important points and points on which the two Governments have differed, I am sure that if an enquiry

[Sir Phiroze Sethna.]

were made they would go into this question and afford protection not only to banking institutions but also to all those who invest in banks.

Mr. MacWatters made it very clear that during the last two years there have been sitting, and there will be sitting altogether, three committees. He particularly referred to the External Capital Committee's Report. The External Capital Committee was presided over by our present Finance Member.....

THE HONOURABLE THE PRESIDENT: The Honourable Member has exhausted his time. He might omit details of the Committee, of which I am sure the Council is perfectly aware.

THE HONOURABLE SIR PHIROZE SETHNA: Mr. MacWatters observed that what was necessary was the question of co-ordination, the law relating to negotiable instruments, the opening of an Institution of Indian Bankers, clearing out facilities, lowering of stamp fees on cheques, etc. If all these three points are disposed of satisfactorily by these Committees there is nothing more to be said; but if any of these points are not disposed of, I trust the Government will, in the near future, take up these points and settle them to the satisfaction of the Indian public and to the advantage of Indian banking.

THE HONOURABLE SIR EBRAHIM HAROON JAFFER: (Bombay Presidency: Muhammadan) Sir, I have no desire to take up the time of this Council unnecessarily, as it is more than one o'clock now, by repeating the arguments which I made in March last in this House.

I thank my Honourable friend, Sir Phiroze Sethna, who has just returned after performing an arduous public duty for which his countrymen are highly grateful to him, for the powerful speech he has just made in support of my Resolution. I may inform him and the Members of this House that I had a discussion about the subject-matter of my Resolution with my Honourable friend, Mr. Jukes, who is in charge of this Resolution on behalf of Government. I find from him that the Report of the Committee mentioned by his predecessor in this Council on 10th March last is at present under the consideration of the Government of India. It is therefore now no use in postponing the discussion of this Resolution again.

Sir, my Honourable friend opposite is willing to accept it on these conditions that, if the enquiries now in progress and about to be undertaken do not provide sufficient material for a decision as to the desirability of banking legislation, Government will be prepared to institute further enquiries. In any case, if the result of the enquiries made is to indicate the need for legislation, Government will certainly take legislation in hand.

Sir, I accept these conditions mentioned above, and I hope the House will now pass my Resolution unanimously.

THE HONOURABLE MR. J. E. C. JUKES (Finance Secretary): Sir, I rise to confirm what the Honourable Mover has said that Government are prepared to accept this Resolution on the conditions which he has stated.

**THE HONOURABLE THE PRESIDENT:** The question is that the following Resolution be adopted.

“That this Council recommends to the Governor General in Council that he may be pleased to order an inquiry into the question of the desirability of legislating with a view to place Indian banking on a sound footing”.

The motion was adopted.

**THE HONOURABLE THE PRESIDENT:** I see that the Honourable Mr. Chari, in whose name the next business\* stands, is not in his place.

The Council then adjourned till Eleven of the Clock on Tuesday, the 24th August 1926.

---

\* **THE HONOURABLE MR. P. C. D. CHARI** to move the following Resolution :—

“This Council recommends to the Governor General in Council to constitute committee of officials and non-officials with a view to constitute Burma into a province with complete Self-government”.