

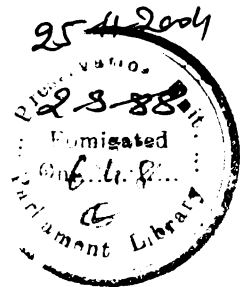
THE  
COUNCIL OF STATE DEBATES

VOLUME II, 1929

*(16th September to 28th September 1929)*

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SEVENTH SESSION  
OF THE  
SECOND COUNCIL OF STATE, 1929



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## COUNCIL OF STATE.

*Wednesday, 25th September, 1929.*

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

### QUESTIONS AND ANSWERS.

#### DELAYS IN TELEGRAPHIC COMMUNICATION BETWEEN INDIA AND BURMA.

76. THE HONOURABLE MR. K. B. HARPER : (a) Do serious delays occur every year, particularly during the monsoon, in telegraphic communication between India and Burma, in consequence of partial or complete breakdown of the two sets of land lines upon which such communication is predominantly dependent ?

(b) Is it the intention of Government to supersede or supplement the land lines by a more reliable means of telegraphic communication, and will Government be pleased to state what its intentions in this connection are ?

THE HONOURABLE MR. T. RYAN : (a) Yes.

(b) It is understood that the Director General, Posts and Telegraphs, is shortly submitting proposals for the adoption of a system of telegraphic communication between Calcutta and Rangoon which, it is hoped, will prove more reliable than the existing arrangements. The recommendations made by the Director General will receive the careful consideration of the Government of India.

#### ANNUAL GRANT TO THE TRUSTEES OF THE INDIAN MUSEUM, CALCUTTA, ETC.

77. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (a) Will Government be pleased to state the amount the Trustees of the Indian Museum have during the last three years received from the Central Government ?

(b) Is the annual grant a lump sum contribution or a grant made under specific heads ?

(c) If the grant be under specific heads, what are the heads under which the grant is made ?

(d) Will Government be pleased to state whether the details of establishment of the Indian Museum are shown in the Demand Budget and Estimates for grants for the Central Government ?

(e) Will Government be pleased to state whether, under Article 62 of the Civil Account Code, a detailed statement of the permanent establishment is included in the Annual Return of the Trustees of the Indian Museum ?

(f) If the answer be in the affirmative, will Government be pleased to state the names, if any, of the non-gazetted Government servants who had been omitted from the Annual Return for 1928-29 of the Trustees of the Indian Museum ?

(g) If so, for what reasons were their names omitted ?

(h) Has the attention of Government been drawn to the recent decision in a suit in the Original Side of the High Court at Calcutta brought against the Trustees of the Indian Museum ?

(i) What is the total amount spent by the Trustees to defend the suit ?

(j) Has the High Court ordered any cost to be paid by the Trustees to the plaintiff ?

(k) If so, what is the amount ?

(l) Did the Trustees apply to Government for an additional grant to meet the extraordinary expenditure ?

(m) Will Government be pleased to state whether the amount spent by the Trustees in the suit above mentioned has come out of the ordinary Government grant given to the Indian Museum ?

(n) Under which specific head has the ordinary expenditure been curtailed thereby ?

(o) Will Government be pleased to state whether any person has up till now been granted pension for services in the Indian Museum ?

(p) If so, was the pension sanctioned by Government and was the amount paid out of the grant to the Indian Museum or from any other source ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : (a) In 1926-27, 1927-28, and 1928-29, the Trustees of the Indian Museum received from the Central Government grants of Rs. 43,232, Rs. 43,433 and Rs. 43,232, respectively.

(b) and (c). The grant is a lump sum contribution, but for the sake of convenience it is distributed under the following major heads :

A. 1.—Grants-in-aid.

A. 2.—Other charges.

(d) Certain details are shown in the Budget Demands and Estimates, to which the Honourable Member is referred.

(e) Yes.

(f) and (g). The name of the Trustees' clerk was omitted in the annual return referred to, as the post had been vacant since the last incumbent was discharged on the 22nd August, 1927.

(h), (j), (l) and (m). Yes.

(i) Rs. 13,202-11-3, inclusive of all costs.

(k) Rs. 3,350-3-6.

(n) A. 1.—Grants-in-aid.

(o) and (p). The information asked for is being collected and will be supplied to the Honourable Member later.

UNEMPLOYMENT AMONG INDIANS BORN IN THE COLONIES WHO HAVE RECENTLY RETURNED TO INDIA.

78. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (a) Are Government aware that a large number of Indians born in the Colonies have recently returned to India and are without any work ?

(b) If so, have Government received any memorial from the returned emigrants ?

(c) If the answer be in the affirmative, will Government be pleased to state what steps have been taken to alleviate their grievances ?

(d) Do the Government of Demerara require a number of colonists ?

(e) If so, have Government in that connection considered the memorial of the returned emigrants ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : (a) Government believe that the facts are as stated.

(b) Yes.

(c) Government are considering whether anything can be done to help the repatriates.

(d) Government have no official information.

(e) Government will consider the matter, but I may inform the Honourable Member that no emigration to British Guiana under the scheme outlined in Notification No. 240-0s., dated the 23rd March, 1926, has yet taken place because the Colonial Administration have not been able to afford the expenditure in which the introduction of the scheme would have involved them.

ACCOUNTANTS IN THE POST OFFICE.

79. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (i) Have Government decided that senior passed accountants will get preference for promotion to selection grade appointments of accountants and assistant accountants in the Post Office ?

(ii) Are there three appointments in the selection grade of Rs. 160—250 in the accounts department of the Calcutta General Post Office, namely :—

(a) assistant accountants,

(b) supervisor accountants,

(c) head clerk accountants.

(iii) If the answers to (i) and (ii) be in the affirmative, will Government be pleased to state what steps have been taken to fill these appointments by passed accountants ?

(iv) Have passed accountants been given preference for promotion to selection grade appointments of accountants and assistant accountants in (a) Bombay, (b) Madras, (c) Punjab, (d) Sind and Baluchistan Circles ?

(v) Will Government be pleased to state whether the principle referred to above has been given effect to in the Calcutta General Post Office ?

If the answer be in the affirmative, will Government be pleased to state whether the claims of the passed accountants in the Calcutta General Post Office to the three appointments referred to in (ii) above have been considered by Government ?

THE HONOURABLE MR. T. RYAN : (i) Yes.

(ii) Yes.

(iii) The Postmaster General has been instructed to fill these appointments by passed candidates when such men are available.

(iv) and (v). Information is being collected, and will be communicated to the Honourable Member in due course.

#### RAISING THE POSTS OF ACCOUNTANTS IN FIRST CLASS HEAD POST OFFICES TO THE SELECTION GRADE OF RS. 160—250.

80. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (i) Have the Government of India under consideration a proposal to raise the posts of accountants in first class Head Post Offices to the selection grade of Rs. 160—250 ?

(ii) Have the posts of accountants in the Bangalore, Poona, Delhi and Simla Head Offices already been raised to the selection grade under the proposal mentioned in (i) ?

(iii) Are the Alipore, Howrah, Dacca and Chittagong Head Offices in the Bengal and Assam Circle treated as first class Head Offices ?

(iv) Are there any selection grade posts of accountants in any Head Office in the Bengal and Assam Circle other than the Calcutta General Post Office ?

(v) If the answers to (i), (ii) and (iii) are in the affirmative and the answer to (iv) is in the negative, will Government be pleased to state when the posts of the accountants in the Head Offices mentioned in (iii) will be raised to the selection grade ?

THE HONOURABLE MR. T. RYAN : (i) No. No such general proposal is under consideration.

(ii) No. The posts in question were raised to the selection grade on the merits of each case and independently of any general proposal of the kind referred to in (i).

(iii) Yes.

(iv) No.

(v) The posts of the accountants in the Head Offices referred to will be raised to the selection grade only if and when it is considered that the duties and responsibilities of these posts are, on the merits of each case, such as to justify the selection grade rate of pay.

**RENT PAID BY THE CALCUTTA TURF CLUB FOR THE USE OF THE MAIDAN.**

**81. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE :** (i) Will Government be pleased to state whether the Calcutta Fort area is under the jurisdiction of the military authorities ?

(ii) If the answer be in the affirmative, will Government be pleased to state :

- (a) whether the Calcutta Maidan is beyond the limits of the jurisdiction of the Calcutta Corporation and is included within the Fort William area ;
- (b) when and by whom was permission originally given to the Calcutta Turf Club to have a race course and to put up structures on a portion of the Calcutta Maidan ;
- (c) what are the conditions under which the permission was originally given, and have those conditions been altered at any later time, if so, when and by whom was such change made ;
- (d) is any rent paid by the Calcutta Turf Club to Government for the use of the Maidan ;
- (e) has any attempt been made by Government to levy a fair and reasonable rent from the said Club, if not, why not ;

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** The Fort is under the control of the military authorities, but I regret I am unable to give detailed information about the second part of the question without making local inquiries for which I have had no time as yet. Those inquiries have been instituted, and I will inform the Honourable Member of the result in due course.

**OPENING OF NEW POST OFFICES IN THE YEARS 1925 TO 1929.**

**82. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE :** (i) Will Government be pleased to state how many new Post Offices were opened in British India in each of the four years 1925-26, 1926-27, 1927-28 and 1928-29 ?

(ii) How many of the new Post Offices were in rural and how many in urban areas ?

(iii) During the same periods, how many Post Offices were converted into combined Post and Telegraph Offices ?

(iv) Will Government be pleased to state how many Post Offices were abolished during the periods mentioned in (i) ?

(v) How many of the Post Offices abolished were in rural areas ?

**THE HONOURABLE MR. T. RYAN :** The information desired by the Honourable Member is being collected and will be furnished to him in due course.

**NUMBER OF STANDING COMMITTEES, STANDING ADVISORY COMMITTEES AND CENTRAL ADVISORY COMMITTEES ATTACHED TO THE DIFFERENT DEPARTMENTS OF THE GOVERNMENT OF INDIA.**

**83. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE :** (i) Will Government be pleased to state how many Standing Committees, Standing



Advisory Committees, or Central Advisory Committees are there for the different Departments of Government ?

(ii) Will Government be pleased to place on the table the present constitution of each of the said Committees ?

(iii) Will Government be pleased to state the number of meetings held per year for each of those Committees from the year 1924 to date ?

(iv) Is there any Committee of which no meeting has been held during 1927-28 or 1928-29 ?

(v) If the answer be in the affirmative :

(a) why was no meeting called ;

(b) what are the Committees that have not met ?

THE HONOURABLE MR. C. W. GWYNNE : The information asked for is being obtained and will be supplied to the Honourable Member in due course.

EXTENSION OF THE DATE FOR THE SUBMISSION OF THE CLAIMS OF LASCAR SEAMEN TO THE CONTROLLER, LOCAL CLEARING OFFICE (ENEMY DEBTS).

84. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : Will Government be pleased to state whether the last date (31st March, 1928), within which lascar seamen were to submit their claims to the Controller, Local Clearing Office (Enemy Debts), has been extended ? If not, why not ?

THE HONOURABLE MR. L. GRAHAM : The reply is in the affirmative. A further extension of time has been granted till the 31st March, 1931, to enable lascar seamen to put in their claims for reparation awards.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : Has that information been sent to the Seamen's Union ?

THE HONOURABLE MR. L. GRAHAM : I think, Sir, the answer is in the affirmative. Instructions have been issued to make every sort of attempt to give due publicity to the extension.

### CATTLE PROTECTION BILL.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) : Sir, I move for leave to introduce a Bill to prohibit the export trade in cattle meat.

Originally this Bill was introduced in the Legislative Assembly in 1924 by Pandit Sham Lal Nehru, and as it does not deal with the religious aspect of the question, it also was supported by my Muhammadan brethren in many public meetings in different parts of the country. This Bill simply asks for the stoppage of the export of cattle meat. It does not ask my Muhammadan brethren not to slaughter cattle for their religious purposes or even for their own use. It is the misfortune of this country that cattle are slaughtered here not only for the people of this land, but also for foreigners. It is really an irony of fate that while the people of this land, both Hindus and Muhammadans, are

crying for sufficient milk and are in fact starving and dying for want of sufficient nutrition, the palates of foreigners are being satisfied with our cattle meat. At this stage of the Bill I do not want to place any figures before this House, but I shall only say that I have collected these figures and I find that two lakhs of hundred-weight of cattle meat are being exported from this country every year. I have also worked out the figures about the number of cattle which are slaughtered, and I find that about six lakhs of cattle are slaughtered for this purpose. Before I sit down I want the House not to be misled into thinking that only useless cattle are slaughtered for the purpose. I have proved it on the floor of this House on more than one occasion that amongst the cattle which are slaughtered are the best cattle of our country and in my support I have quoted a number of reliable authorities. This is a very undesirable state of affairs, and I hope that this Bill, if passed, will improve the situation to some extent.

Sir, I move.

The motion was adopted.

THE HONOURABLE SETH GOVIND DAS: Sir, I introduce the Bill. I also want to inform you that I am not going to move for consideration of the Bill in this Session.

#### RESOLUTION *RE* MESSAGE RATE SYSTEM OF CHARGES LEVIED BY THE BENGAL TELEPHONE CORPORATION, LTD.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE (West Bengal: Non-Muhammadan): Sir, the Resolution that stands in my name runs as follows:

"This Council recommends to the Governor General in Council that steps be taken to appoint a Committee consisting of Members of the Central Legislature and of representatives of local bodies in Bengal to enquire into the working of the message rate system of charges levied by the Bengal Telephone Corporation, Ltd., and to report whether any revision either of the rates or of the system is necessary and desirable".

Sir, the Bengal Telephone Company was registered in 1882, but the company has been working under the name of the Bengal Telephone Corporation, Ltd., from May 1922.

In 1903, a license was granted to the Company for 60 years by Government, fixing the maximum annual rental at Rs. 250 within a four mile radius of each of the different exchanges. In that agreement it was mentioned that the Government would have the option of purchasing the concern at the end of the 20th, 25th or 30th year. At that time the rate which was actually fixed by the Company was only Rs. 200 for all business telephone connections between Beadon Street on the north and Circular Road on the south. Outside that area it was Rs. 250; but for residential quarters the rate was Rs. 150 or Rs. 200 for the two areas. In 1921, Government decided not to exercise the option to purchase the whole. In 1922, there was another agreement arrived at between the Telephone Corporation and the Government of India. The maximum was then increased from Rs. 250 to Rs. 350, but new conditions were incorporated in the agreement about installation and other service rules, and, as soon as this agreement was arrived at, a notification was issued by the Company that the rate would be increased to Rs. 250 for residential houses

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and Rs. 300 for business quarters. There was thereafter a great agitation in Calcutta. After that a proposal was made by the Telephone Company to the Government of India that the message rate system might be introduced. When this proposal was made, the Government of India asked the Government of Bengal to appoint a Committee representing all the different interests in Calcutta to consider the proposal of the Telephone Company. That Committee, Sir, was appointed in December, 1923 ; it was presided over by the Honourable Mr. Donald, one of the Members of the Executive Council at that time, and there were on the Committee representatives of the different bodies, the Calcutta Corporation, the Bengal Telephone Corporation, the Bengal Chamber of Commerce, the European Association, the Marwari Chamber of Commerce, the Calcutta Trades Association, the Indian Association, the Bengal Mahajana Sabha, the Bengal National Chamber of Commerce, and the Government of India also was represented by the Deputy Chief Engineer in the Telegraph Department, Mr. MacGregor, and Mr. Gilchrist of the Commerce Department of the Government of Bengal acted as Secretary. This Committee went into the question thoroughly. There was some difference of opinion among the members of this Committee no doubt, but on one question the Committee was almost unanimous—that was about the introduction of the message rate system. The Committee finally recommended that the message rate system might be introduced provided the rate which had been suggested by the Company was reduced to a certain extent. Towards the end of the report it was further suggested as to when it would be the proper time for revising the message rate system which was being introduced here. Various proposals had been made by the different authorities represented on the Committee. But this is the recommendation of the Committee which appears at page 14 of the report :

“The Committee recommend that there should be no revision prior to the 1st of April, 1928, by which time the results of the new system will be evident. Some witnesses have told us that the introduction of the message rate at a reasonable figure will result in a much bigger demand for connections than the Telephone Corporation themselves expect. If this were so, it is possible that till the limits of the present accommodation are reached, the profits of the Corporation might be considerably increased.”

After the submission of the report the Government of India accepted the recommendation of the Committee and the message rate was introduced. My proposal now before this House is that as the date mentioned by the Committee—April 1928—has passed and the message rate system has been in vogue for a sufficiently long time, its working ought to be further inquired into. During the last two years this question has been taken up by some of the public bodies in Calcutta as also by an association started, namely, the Telephone Subscribers' Association. The Calcutta Corporation, of which I happen to be one of the councillors and one of the members of the Public Utilities Committee, have also taken this matter up. During the last 18 months the Public Utilities Committee has gone into the matter in minute detail and there have been various conferences between the representatives of the Telephone Corporation and the Public Utilities Committee. It came up before the Public Utilities Committee of the Corporation in this way. Although there is this agreement between the Government of India and the Telephone Corporation about their

right to have the monopoly of telephone service in Calcutta—not only in Calcutta, but for about 15 miles on both sides of Calcutta—still they have to take the permission of the Calcutta Corporation for laying their mains, either overhead wires or under the road, and also for other things to be done within the municipal limits of Calcutta. The period for which the contract between the Calcutta Corporation and the Bengal Telephone Company subsisted expired some time in 1925, and since then there has been correspondence between the Telephone Company and the Calcutta Corporation about the revision of the rates which are imposed by the Calcutta Corporation on the Bengal Telephone Corporation, Ltd. The Calcutta Corporation took that opportunity of insisting that the rates which were levied by the Telephone Company on the subscribers should be a somewhat lower rate. Before I go into the merits of the lower rate that might be introduced—a point which may be enquired into by the Committee—I would only place before the House one or two facts about the extension of the telephone service in Calcutta. As was expected by some of the witnesses before the Committee of 1923, the number of the subscribers had increased by leaps and bounds. The number of telephone connections in 1924 was 9,059; after the introduction of the message rate system, it has gone up to 13,925 at the end of the year 1927-28. The last report of the Board of Directors that we have is the report for the period ending the 30th June, 1928; in that report it appears that during the period 1st of July, 1928 and October, 1928, when the report was published, there were as many as 380 additional lines taken within those 3 or 3½ months. So the proposition that was put forward that the business would expand as soon as the message rate system was introduced has been justified by what has actually happened. It was pointed out by the Telephone Company before the Committee that, owing to the expansion of the telephone service, the Telephone Corporation would have to open new exchanges in different parts of the city. As a matter of fact during the last few years as many as five or six new exchanges have been opened: one at Barabazaar, another east of Circular Road, another at Howrah, another at Alipur, and another is also under construction, I understand. It was pointed out that, when these new exchanges would be opened, the Telephone Company would have to incur heavy capital expenditure to start these exchanges. During these five years, these exchanges have been started and the capital expenditure which they were bound to involve has been incurred. Therefore, this is the proper time when an inquiry may be instituted into the present condition of the Telephone Company and also to consider the question as to whether the message rate system should be continued, and, if so, what should be the rates. Sir, in this connection I would bring to the notice of the House that, when there was this correspondence between the Calcutta Corporation and the Telephone Corporation on the 21st January, 1929, the Secretary and General Manager of the Bengal Telephone Corporation wrote to the Chief Executive officer of the Calcutta Corporation on the subject of the reduction of rates in this way:

“Owing to the fact that in spite of the income-tax demand we were able last year to maintain the 7½ per cent. dividend of the previous year, there is an indication that the improvement in our financial position is gradually solidifying. We are alive to the fact that it is to our interest to sell telephone service as cheaply as possible and thus increase our business and there is in our accounts for last year an indication that if development continues

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we may in the course of a few years be in a position to approach the Government of India for permission to reduce our rates."

Thus the position has been accepted by the Telephone Corporation that in the near future there is the possibility of reduction of rates. I do not want to leave the matter entirely in the hands of the Telephone Corporation, but if an inquiry in the same way as the one that was held in 1923 on the initiative of the Government of India be conducted now, it will be done much more quickly and that will be to the best interests of the subscribers as also of the shareholders of the Telephone Corporation. There is the other fact which I wanted to bring to the notice of the House. I mentioned to the House that the present Company is not the original Company which started the telephone work in Bengal, but the present Bengal Telephone Corporation, Ltd., which took up the work in the year 1923. When the old Company was taken over by the new one, each shareholder of the old Company who had a share worth Rs. 100 was given 30 shares worth Rs. 10 each. That is, a shareholder who had Rs. 100 worth of shares got Rs. 300 worth of shares in the new Corporation. The result was that the capital was increased by twice the original amount, and, although the old Company was in a position to give a dividend at 8 per cent. during the last four or five years of their existence, as soon as the new Corporation came into existence they could give nothing in the first year. And then in the second year they could give only 3 per cent. and then they increased it to 6 and then increased to  $7\frac{1}{2}$ , and last year also, in spite of income-tax demands, they were able to give  $7\frac{1}{2}$  per cent. Now, as soon as the new Corporation came into existence, although the total capital was increased three times, the fluid-capital did not increase thereby and the Company was compelled to issue debentures to the extent of £350,000. This was issued in 1924. When this was issued, it was issued at 1s. 4d. and throughout the accounts up to the 30th of June, 1928, the accounts which I have got in my hands, that 7 per cent. mortgage bond is being shown on the liability side not at the ordinary exchange rate of 1s. 6d. but at the exchange rate of 1s. 4d. The result is that the Company is showing in their book liabilities, to put it very mildly, which are not the actual liabilities of the Company. I mention these facts for the purpose of showing that these are questions which would be gone into by the Committee and which should be gone into when the Government of India holds an inquiry as to how the accounts are being kept. Sir, these are the two principal points, apart from the many other questions of accounting, with which I do not think this House need be troubled at present, but which the Committee or any authority appointed could go into. Sir, owing to the introduction of the message rate system, the subscribers who do not use the telephone more than twice or thrice a day, are paying no doubt less than what they would have been paying under the old system. But many a householder in a residence where the telephone is used, uses it not twice or thrice but four or five times daily, and if the number goes up to 150 per mensem, then he has to pay much more than he would have to pay under the old system. But the new rate has touched the business people most of all. Sir, the business people who have to use the telephone constantly throughout the day are paying double or sometimes even treble what they would have had to pay previously. The Bengal Telephone Corporation, Limited, in their report for the year ending 1928, show the aver-

age figure of the residence and business concern and point out that the average payment by the owner of a residence or by the owner of a business concern is less than what it would have been under the old rate. We cannot always go by the average. There are certainly some persons who are paying less. But those who are paying more, compared with the small subscribers, are proportionately paying more than they paid previously, and the fallacy of striking an average in a case like this is quite apparent.

Sir, on these grounds I think that the time has come, and the Telephone Corporation have themselves acknowledged that the time will be coming in the near future, when an inquiry ought to be instituted. I move the Resolution that stands in my name.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, I beg to support this Resolution and I only want to add a few words about the system of accounting. The message rate system has involved the necessity of keeping an account as to how many messages you are sending. That, I submit, has been found to be impracticable in the actual working of the system. And then there is another point. Suppose I want a call but I do not get any response. I have to rely entirely upon the telephone people as to whether they have taken it into account as against me or not. All these matters also require careful investigation, and I think the scope of the Committee will be sufficiently wide enough to comprehend all these.

THE HONOURABLE MR. T. RYAN (Industries and Labour Secretary): Sir, I have listened with great attention to the observations made by the Mover of this Resolution and its supporter. I think it is very important, in considering a proposal of this kind, that it should be clearly understood what in fact the Government of India can do. I am sorry that the Honourable Member did not read a few words more from paragraph 16 of the report of the Bengal Government Telephone Committee because I think these few words will throw a slightly different light upon the case. I should like, Sir, just to read again what he has read, and a little more, on the question of the revision of charges :

“ The Committee have considered this point —”

regarding certain changes anticipated—

“ and recommend that there should be no revision prior to the 1st April, 1928, by which time the results of the new system will be evident. Some witnesses have told us that the introduction of the Message Rate, at a reasonable figure, will result in a much bigger demand for connections than the Telephone Corporation themselves expect. If this were so, it is possible that till the limits of the present accommodation are reached, the profits of the Corporation might be considerably increased. The possibility of revision from this point of view was also considered, but we have concluded that the present agreement which limits the dividend to 12½ per cent. and provides for the distribution of surplus profits, is sufficient to meet the circumstances.”

I draw special attention to the last few words of the Committee, the conclusion that the present agreement which limits the dividend to 12½ per cent. and provides for the distribution of surplus profits is sufficient to meet the circumstances. Now, when this Committee reported, the report was referred for opinion to representative bodies in Calcutta and all their recommendations

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were carefully considered, first by the Government of Bengal, and then by the Government of India. Although the Committee was, as the Honourable Member has mentioned, unanimous, or practically unanimous, the opinions expressed by those who were subsequently consulted were not unanimous, and there was, as might be expected, a considerable difference of opinion between the various parties. Anyhow, the Local Government and the Government of India, after considering all the opinions placed before them, decided that it would be proper to accept the report of the Committee and to enter into an agreement for the message rate charges on the basis of the Committee's recommendation. This was done in an agreement of the 8th September, 1924, which authorised the message rate system of charging, on the terms which the Honourable Member has briefly mentioned, as from the 1st of September, 1924. This agreement provides specifically in clause V :

"That the scale of charges hereby agreed shall be subject to revision upwards or downwards by arrangement between the two parties at any time not earlier than 1st April 1928, subject to the terms and conditions, except so far as expressly varied by this Agreement, set forth in Clause 3 of the Supplemental Agreement, in regard to revision of charges in excess of Rs. 300 per annum on the Flat Rate System thereby authorised."

This Committee, which was appointed in 1923 but which I think reported in 1924, recommended that there should be no revision of charges before 1st April, 1928. But it was also provided that any subsequent revision would be subject to the terms and conditions made in the previous Agreement; and I think it is necessary to mention those terms and conditions. They are that :

"The rates charged..... shall be subject to revision upwards or downwards after five years from the date hereof,—"

this is the earlier Agreement—

"it being understood however that the payment of a dividend on the paid-up capital of twelve and a half per cent., of which not more than eight per cent. shall be cumulative, shall be an essential factor of such revision and that in any year in which the net profits of the Company available for dividends shall exceed the above dividend on the paid-up capital such excess shall be applied as follows: namely, one-third thereof shall be credited to those telephone subscribers on the books at the date of the declaration of such dividend, etc."

That is to say, Sir, there is first to be a specified return on capital. I may say that a further provision specified the amount that might be set aside for depreciation and reserve. These were essential conditions on which the rates might be revised.

Now, Sir, there has, as the Honourable Member says, been considerable agitation in the last couple of years or so for a reduction of the telephone charges. Representations were received both by the Government of India and by the Local Government. So far as the Government of India were concerned, they felt that the proper course for dealing with the matter was to refer the complainants in the first instance to the Telephone Corporation against whom they were complaining, and if they were not satisfied by the reply of the Corporation, then to the Local Government. The Local Government inquired into the matter and their conclusions were summed up in a letter issued on the 19th December last to the Honorary Secretaries, Telephone

Subscribers' League, Calcutta. The letter is rather a long one, but I think I had better read it because it explains the case quite clearly. It runs as follows :

"With reference to your letter,"

dated, etc. :

"I am directed to make the following observations. As was explained to the members of the deputation on the 23rd July, the distribution among the subscribers of a portion of the profits of the Company can be considered only when the dividend paid to the shareholders exceeds  $12\frac{1}{2}$  per cent. on the paid-up capital. This is a specific provision in the existing Agreement between the Bengal Telephone Corporation and the Government of India. It was also pointed out to the deputation that the dividends paid by the Company had not exceeded  $7\frac{1}{2}$  per cent. in any year between 1922-23 and 1926-27.

I am to say that the position has now been further carefully examined by Government in the light of the latest balance-sheet of the Corporation. From this balance-sheet for the year ending the 30th June, 1928, it will be seen that out of a total profit of just above Rs. 7 lakhs *plus* the amount of Rs. 17,420 carried forward from the preceding year, after paying a dividend of  $7\frac{1}{2}$  per cent. on the preference shares and a dividend of  $7\frac{1}{2}$  per cent. on the ordinary shares, there remains a balance of Rs. 32,897 only to be carried forward to the next year. It is clear from the above figures that no revision of the rates is possible at the present moment.

Apart from the question of application of the profits of the Company towards the reduction of their charges, paragraph 5 of their Agreement of the 8th September, 1924, with the Government of India provides that the scale of charges is subject to revision upwards or downwards by arrangement between the two parties at any time not earlier than the 1st April, 1928, subject to the terms and conditions set forth in Clause 3 of the Agreement of the 11th April, 1922. That clause recites that the rates charged by the Company shall be subject to revision upwards or downwards after five years from the date thereof, it being understood, however, that the payment of a dividend on the paid-up capital of  $12\frac{1}{2}$  per cent. (of which not more than 8 per cent. shall be cumulative) shall be, an essential factor of such revision. The same clause lays down that the amount set aside annually for depreciation and reserve or otherwise, before the payment of a dividend, shall not exceed 8 per cent. on the paid-up capital of the Company, whether in the form of share capital or debentures. This 8 per cent. would amount to just under Rs. 11 lakhs. The amounts set aside annually during the periods from the 1st July, 1923 to 30th June, 1927 for depreciation and reserve or otherwise have at no time exceeded the 8 per cent. limit and during the year ending the 30th June, 1928, depreciation was only Rs. 7,22,206 which, being added to the contribution of Rs. 1,45,530 to the Sinking Fund, makes a total of Rs. 8,67,736 only, which is considerably below the limit of Rs. 11 lakhs mentioned above.

I am also to point out that the accounts for 1927-28 show a new item of expenditure amounting to Rs. 1,37,113 for income-tax and super-tax.

These accounts also show an item of Rs. 1,151 for transfer fees which represents nearly 600 transfers. An examination of the share registers of the Company has shown that in recent years many Indians have invested money in this Company ; indeed about half of the shareholders in the Company are now Indians. They, and others who have purchased the shares of the Corporation, have invested money at the market rates for the day, which depend not only on the prosperity of the Corporation, but also on the observance by both parties of the Agreement between them and the Government of India. It would be unfair to the Corporation itself and to shareholders in it were any action, unwarranted by the agreements on which the business of the Corporation is conducted, taken which would have a depreciating effect on the shares. I am therefore to say that, after careful consideration of the whole matter, Government do not consider that any compulsory reduction of the charges levied by the Bengal Telephone Corporation, Limited, is feasible."

Sir, I think it is clear from what I have said and from what is stated in that letter, that in view of the conditions in the Agreement as regards earning



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a specified dividend, the Government of India and the Bengal Government are not at present in a position to exercise any compulsion upon the Company at all in the matter of charges.

It is of course inevitable that in the case of an arrangement for fees payable according to the amount of business that the big consumers will pay very much more than the small consumers, and that the big consumers will pay very much more than they would have paid, or have in the past paid, at a flat rate. I think the Honourable Member is perhaps not quite accurately informed as to the extent to which even business firms benefit from the existing message rate system. I have not got up-to-date figures but I have a note here written by the Manager of the Bengal Telephone Corporation in August last year which indicates that of 6,826 business lines, 4,529 that is over 67 per cent., were paying less under the existing rate than under the old flat rate. Those 67 per cent. of business firms were getting a benefit, while the corresponding figure for residential lines was over 78 per cent. Now, as regards the point about the financial arrangements made when the new Corporation took over the concern from the old Company, I can only say that the arrangement to which the Honourable Member has alluded was specifically recognized in the same Agreement from which I have already read regarding the provision for modifying the charges. It was said definitely that if the Company should form and register (this was in the Agreement of 1922) a limited liability Company to acquire the property, and so on :

"It is agreed that the sale price of the business as a going concern, including all reserve and other assets shall be 30 fully paid Rs. 10 shares in the proposed new Company for one fully paid share of Rs. 100 in the existing Company."

I do not think it is relevant to the present proposal to discuss whether that was or was not a reasonable arrangement. It was fully discussed at the time and it was fully understood that that would be done in the event of the concern changing hands, and it was with that fact before them that the other clause which I read out about the revision of charges was entered into. I do not think the fact that what was contemplated at the time was afterwards done can be cited to show that the arrangement made as regards charges should now be upset. The Honourable Member who seconded the Resolution referred to certain complaints in respect of the system of accounting for calls and also for uncompleted connections. It certainly does not require a Committee of any kind to deal with complaints of that kind, and if the Honourable Member will furnish me with specific complaints, I think I can undertake that adequate action will be taken to ensure that everything possible is done to remove them....

**THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :** The system is not working properly. That was our complaint.

**THE HONOURABLE MR. T. RYAN :** Well, Sir, I should be glad if the Honourable Member will let me have some particulars, and I feel sure it will be possible to have any reasonable complaints rectified without the appointment of a special Committee for the purpose. Finally, Sir, I would refer to a letter from which the Honourable Member read, a letter from the Telephone Corporation which seems in one sentence at least to hold out some hope that

the Corporation themselves might move in the direction of securing the concurrence of Government in a reduction of rates. I think the existence of any such indication is a further indication of the lack of necessity for any compulsion upon the Company. I do not know how far that letter really commits the Corporation, but I should be very glad separately to discuss the matter personally with the Honourable Member if he will give me an opportunity of doing so.

I think I have said enough, Sir, to show that there is no real occasion, and indeed there is very grave doubt as to whether Government have any power to appoint a Committee, or to take steps for the appointment of a Committee by the Bengal Government, as proposed in the Resolution. I do not want to promise too much to the Honourable Member, because anything I say will be used in evidence against me, but I shall be glad to discuss the matter personally with the Honourable Member if he so wishes, and to see whether, having regard to what has been said this morning in this debate and having regard to the various documents which are rather complicated, the Government of India can usefully address the Government of Bengal or the Bengal Telephone Corporation. If there is any prospect of any advantage being secured by action of that kind on the Government of India's part, I am sure they will be glad to take it. But I will only promise to look into the matter with the Honourable Member personally and see what can be done in that way. I trust that in view of that expression of my readiness to meet him to some extent that the Honourable Member will not press the present Resolution.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: Sir, when I put this Resolution before the House, my purpose was that the attention of the Government of India ought to be drawn pointedly to the remarks that have been made by the different public bodies in Calcutta on this question. As regards the promise of the Honourable Member in Charge to look into the matter and see what Government can do, and if they can do anything that they will take steps, that satisfies me personally, because, as I read to this House just now, the Telephone Corporation themselves have agreed to look into the matter. I want to take early steps so that the enquiry may be held. The Telephone Corporation cannot be expected to do it of themselves quickly.

I would say only one or two words in reply to the other remarks which have fallen from the Honourable Member. He has said that it is not pertinent to the present discussion as to how the whole capital was increased 200 per cent. I mentioned it for the reason that although the capital of the last Company was increased by twice, still the present Company has been able to give a dividend of  $7\frac{1}{2}$  per cent.; or in other words, if the Company had continued to have the old capital then this Company would have paid a dividend of three times  $7\frac{1}{2}$  per cent.; that is, the limit put by the Government of India of  $12\frac{1}{2}$  per cent. would have been exceeded by nearly twice as much only if the capital had not been increased that way. I do not want the Government or this Council to go into that question whether that should have been done or how that is to be remedied, but certainly that question is pertinent when you are considering what profit the Company is making on the total undertaking. The profit in 1923 was Rs. 4,71,000; that has gone up to over Rs. 16 lakhs in 1928. That by itself shows how the Company is making profit. Take, for instance, the year just

[Srijut Rama Prasad Mookerjee.]

after the new Company came into existence. Although the profit increased from Rs. 4,71,000 in 1923 to Rs. 8,92,000 in 1924, the Company was not in a position to pay even a single farthing as dividend to the shareholders. That was owing to the artificial inflation of the capital. That is the point which I wanted to make in regard to this profit.

With regard to the point raised by my friend on the right about keeping accounts, that objection was raised before the Committee of 1923-24, and it was pointed out that when the system of message rate continues for some time it might be possible to go into the matter in further detail. The suggestion had been made by some witnesses then that the automatic system might be introduced so that no human agency might be responsible for the recording of completed calls. If an enquiry is instituted, that question might also be gone into, whether by a Committee or by conference between the Government and the Telephone Corporation. But something ought to be done. I may, in this connection, say that the telephone rate is being decreased in London and other places; and that revision is possible under the present circumstances is borne out by the fact that in London the rate was £8 per annum for a two-mile radius of the exchange. There are so many exchanges in London that this rate does not differ from the four-mile radius of the Bengal Telephone Corporation. The charge was 1½d. ....

THE HONOURABLE THE PRESIDENT: The Honourable Member is making a second speech in reply. Apart from the fact that it is irregular, it is quite unnecessary, in view of the fact that he indicated at the beginning of his remarks that he proposed to withdraw his Resolution.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: I did not want to make a second speech at all; that is far from my mind. I only draw the attention of the Government to one important fact, because I am not pressing the appointment of the Committee. This would be a fact which would be available to the Government, so that they might utilise it for determining whether an inquiry is to be made or not. I did not purposely mention it in the opening speech, because I left these matters to be gone into by the Committee. I shall not take more than two minutes more. In London the rate was decreased from 1½d. per call to 1¼d. in 1923, and last year it has been further decreased to 1d. per call. So, in spite of the heavy expenditure that is incurred in expensive places like London, it is possible to reduce the rates. There are certainly points of difference between London and Calcutta life; but those are questions which, I am sure, the Government will take into consideration when they discuss the matter further. On the assurance given, I do not press my Resolution.

The Resolution was, by leave of the Council, withdrawn.

## RESOLUTION *RE* ESTABLISHMENT OF A PRIVY COUNCIL IN INDIA.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council to take steps to have the Government of India Act so amended as to enable the Governor General in Council to establish a Privy Council in India composed of natural-born or naturalised Indians who—

(a) are or have been Ministers of the Central and Provincial Governments,

(b) are heads of various public, social, political, industrial, commercial, agricultural, professional, scientific and educational institutions in India to be included in a schedule from time to time by the Governor General in Council,

to be consulted by the Governor General and Governors of Provinces on matters of public importance and specially when exercising the right of veto or dissolution."

In most European countries and in the United States of America complaints are nowadays often being made by eminent men that the Legislatures are not attracting the best sorts of people in the country. Describing thus the state of affairs in the United States, Lord Bryce in his "Modern Democracies", Volume II, at page 69 says :

"In no country are there so many other careers which open so many doors to men of ambition, energy and practical capacity. The opportunities for power, as well as for winning wealth in the world of business are proportionate to the size and resources of the United States and are unequalled in the world. The Bar is another career in which the pecuniary prizes as well as the fame are immense . . . . . the large number of American Universities and the influence their leading figures can exert offer another attractive prospect. . . . . In America political life can hardly be called a career for it is liable to be interrupted by causes irrespective of personal merit. It is also a career the entrance to which is in most places neither easy nor agreeable, services are exacted, pledges are demanded which a man of high spirit does not like to render or to give."

J. A. Spender in his "Public Life", Volume II, at page 170 speaking generally of all countries says :

"Under our present system we are wasting a great deal of administrative ability and scientific knowledge which can at present find no outlet in the field of politics. Men of high capacity and long experience find themselves excluded from Parliament for long periods by the hazards of electioneering, other men of not less ability have neither the means nor the disposition to fight battles in the constituencies. We have got it into our minds that the duty of a Second Chamber must necessarily be to revise or veto the legislation of an elective House. Is it not possible to reverse conventional thought on this subject and think in future of a preparatory rather than a revising Chamber. . . . a Chamber in fact which would provide all that essential knowledge which is so apt to be obscured in the battles of parties and their electioneering cries? Recent experience in all countries suggest that what modern democracy most needs is some such authoritative organ of knowledge to see that political issues are shaped in intelligible terms and that electors are not driven to a choice between mischievous or impracticable alternatives. . . . . Incidentally we might also provide a new way into public life for men whose contributions might be of the highest value and a way back for others whom the present course of politics is driving into the wilderness."

Following the principles enunciated above by the learned author, I propose in my Resolution that a Privy Council should be established in India with similar functions. It should, in my opinion, serve various purposes. Firstly, it should give the head of the administration independent and efficient advice and the utility of such an advising body becomes all the greater if the Legislatures are established on a uni-cameral basis. Such a Privy Council exists in England but the party system of Government which prevails there has made it almost functionless, specially since the time, I believe, Queen Victoria or the late King was snubbed by the then Prime Minister for having consulted some Privy Councillors over his head.

A similar institution founded by Napoleon I also exists in the Council of State in France and Lord Bryce speaks of it as follows at page 312 of Volume I of his book :

"This Council has won the commendation of some English writers who think that some similar institution might usefully be formed out of the British Privy Council. In France

[Mr. Kumar Sankar Ray Chaudhury.]

itself there are those who hold that it could well be used more largely than it is, for the purpose of drafting or revising projects of legislation and regret that the ministry and the chambers are too jealous of their own powers to share them with a nominated body."

A similar institution has also recently been established in Greece where the uni-cameral system has been adopted.

To remove, Sir, the jealousy of the Legislatures to share their powers with such a body I have proposed that the Privy Council shall be constituted in India by a natural process of selection of men who through their ability in the various spheres of activities in society come to be the heads of important public, social, political, industrial and other institutions in the country without requiring them to come forth through the undesirable process of an open elective political competition. My further object in constituting the Privy Council in this way is to induce people to form themselves into such organisations in order to enable them to take a more active part in the civic administration of the country, and through them thereafter to help the people in sending proper representatives to the Legislatures of the country. These bodies on being consulted by the Governors will then be able to give them quickly an idea of what the popular verdict is likely to be upon any important point in controversy and enable the Governors to come to proper decisions on such matters.

So long as India does not get full Dominion status and her affairs are ultimately controlled by the British Parliament acting through the agency of the Governors vested with powers of veto and dissolution over the Legislatures, the exercise of such powers are likely to be more frequent. In order, therefore, to avoid the danger of an abuse of such powers, and to minimise the personal responsibility of the Governors themselves, I propose in my Resolution that it should be made compulsory for them to consult the Privy Council before exercising such powers.

With these words I commend my Resolution for the acceptance of the House.

THE HONOURABLE MR. C. W. GWYNNE (Home Department : Nominated Official): Sir, I regret that I must oppose the Honourable Member's latest dissertation on constitutional problems. I found it somewhat hard to gather what his proposal really is. From his numerous quotations he seemed to suggest that the Privy Council should be a natural adjunct of a uni-cameral system—a system which this House rejected only two days ago; secondly, that it should be appointed in order to provide careers for ambitious persons in this country, and, finally, that it would provide valuable instruction in civic duties. His Resolution is the successor of a series of Resolutions of which notice has been given from time to time during the last few years by Dr. Sir Hari Singh Gour, though the Honourable Mover's Resolution goes far beyond anything that has ever been proposed before. In 1922, when Dr. Gour moved his Resolution he withdrew it as the sense of the House was hostile, speaker after speaker speaking against it in no hesitating terms. The question of the creation of an Indian Privy Council has thus been brought from time to time before the Legislature and has been for a comparatively long time under discussion in this country. But it has never met with anything but a very frigid reception. The

Council will perhaps forgive me if I repeat what has now become a very trite remark—a remark which the Honourable Mover has heard a good many times in the course of this Session of the Council—that Resolutions are at present particularly inopportune which propose constitutional changes whether in the actual constitution of India or in its constitutional relationship with Great Britain, for the simple reason that the whole constitutional position is now under examination by the Statutory Commission. The Honourable Member would more appropriately have submitted his proposals to that body. I hope my Honourable friend will forgive me if, turning to the actual wording of his Resolution, I characterise its phraseology as somewhat vague and lacking the clarity and precision of its predecessors. What is the House to make of the suggested composition and functions of this Privy Council? The Honourable Member would limit its membership entirely to Indians of British India, thus excluding for example many persons distinguished in commerce and industry who one would expect would find a place in his category (b)—the industrial, commercial, and professional classes. Indian Members of Council would apparently be excluded, as the Honourable Member only refers to Ministers of the Central and Provincial Councils. Ministers and officials of Indian States would be excluded. Thus the Honourable Mover would unnecessarily deprive this Privy Council of a considerable wealth both of commercial and political experience. What does the Honourable Member mean by Ministers of the Central Government? There are no Ministers. In other respects too it is not easy to gauge his exact meaning from the terms of the Resolution. The Honourable Mover refers to a schedule. Presumably he means the Governor General would have to maintain a panel. But it is not easy to see how the Honourable Member proposes that this is to be done. What is meant by heads of social and political institutions? Does the Honourable Mover mean the heads of various political groups—the President of the Congress or the Muslim League and so forth? I do not for a moment suggest that these eminent citizens and statesmen should not be members of a Privy Council: I merely suggest that the meaning of the Honourable Mover is, to say the least, somewhat obscure.

Now, let me turn for a moment to the functions which my Honourable friend proposes for his Council. He suggests that the law should be so amended as to enable the Governor General in Council to establish a Privy Council, etc., to be consulted by the Governor General and Governors of Provinces on matters of public importance and specially when exercising the right of veto or dissolution. But how in practice would this advice be tendered to provincial Governors? Suppose the Government of Madras desires to consult the Government of India on a matter of public importance on which a decision is required without delay. The Privy Council, I presume, would sit at Delhi or Simla. When will it sit? Will it be in permanent session or will it on the English analogy meet very rarely. The English Privy Council, I believe, only meets actually as a whole Council on the occasion of a Sovereign's accession to the throne or at the marriage of a Sovereign. Will it be summoned urgently for any particular business that may be set before it? If the former, i.e., if it is in permanent session, it is really a sort of Executive Council. Normally of course a Governor when in difficulty would consult the Governor General in Council. If this Privy Council is to be summoned specifically, its members

[Mr. C. W. Gwynne.]

have to be called from the four corners of India. How can it in that event advise the Governor of a province on a matter of urgent importance? The crisis will have passed before the Council has assembled. If the Council is to sit permanently as a large and unwieldy body, it will be quite unsuitable for the adequate performance of the functions which the Honourable Mover would have it discharge.

It is really only an additional Cabinet. If it is to sit occasionally, how can Government consult it on points of urgent public importance? A matter, however, which is of much greater moment is that the Resolution enjoins consultation with this Privy Council before the Governor General exercises the power of veto. Now, the power of veto is a personal power conferred on the Governor General and Governors. It is specifically and designedly distinct from the powers of the Governor General in Council. Thus, the proposal is opposed to the fundamental principle of the present constitution, by which safeguards have been established whereby the Governor General and Governors may exercise a special personal power in cases of emergency and necessity. To lay down that these powers should only be exercised after consultation with the somewhat illusory and migratory body which the Honourable Member wishes to set up as the Privy Council, would not only deprive the Governor General and Governors of a salutary power, but would import anomalies and difficulties into the constitution which would gravely impair the successful progress of its working, and which might at times completely paralyse the administrative machinery.

I had expected that the Honourable Mover would expatiate on the analogy of the English Privy Council. He has not done so, and therefore it is unnecessary for me to explain how false any such analogy would be. The Honourable Mover has endeavoured to repair an omission which was emphasised in previous discussions; that the English Privy Council as now constituted has no specific functions, or rather performs only formal duties. He has endeavoured to make good that omission by conferring upon his Privy Council certain definite functions. But, as I have tried to show, these functions are functions which cannot and should not be imposed upon a Privy Council in this country with the constitution as it is at present. For these reasons I maintain that the Resolution is both unnecessary and impracticable, and I would ask the House to reject it.

**THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN**  
(North-West Frontier Province: Nominated Non-Official): Sir, I object to the Resolution on quite a different ground. Sir, to my mind, a huge expenditure is involved in the maintenance of the Privy Council, and I think the Honourable the Finance Secretary will support me in saying that the Government of India cannot have the means to make provision for same in the present condition of its finances. The reforms have already made the administration of the country top-heavy. Both the rich and the poor are grumbling against the present form of taxation, and it will be an extra source of excessive taxation again. The formation of a Privy Council, therefore, cannot in my opinion be given effect to without resorting to a considerable increase in every kind of taxation, and it would be highly advisable at the present moment to work

without a body which the Government of India cannot manage to finance without resorting to an increase in the existing rates of taxation. It would surely be adding to the miseries of the tax-payers in India, specially the agriculturists, who form 80 per cent. of the population, to ask them to support increased rates of taxation so that a Privy Council may be established in India. Leaving aside the question of cost and expenditure, I think India can have nothing to gain and everything to lose by the provision of a Privy Council here. There can be no denying the fact that in England there are the most eminent, the most cultured and the finest brains of the world. It is really impossible to hold a comparison of that with the knowledge and legal learning prevailing in this country, and that is why India will be more benefited by their advice and instruction in all important matters, judicial as well as political, instead of having a Privy Council here for their disposal. No doubt India can also boast of men of learning, but Englishmen on account of their being not in contact with Indian conditions of life and Indian state of affairs are more free from bias and prejudice. Their decisions on questions relating to Indian matters therefore can only be based on argument and the merits of the cases referred to them by the Government of India.

With these remarks, Sir, I oppose the Resolution.

**THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :** Sir I am glad to say that on this occasion the Honourable Member in Charge of the Department has given me some opportunity of discussing the merits of the Resolution itself instead of trying to throw it out on the ground that it is premature. His first objection, I think, was as regards confining my Resolution to natural born or naturalised Indians. My submission, with regard to that, is that if other people come here, who are not naturalised or natural born, and they come here simply for profit like birds of passage they have no right to take part in the political administration of the country. . .

**THE HONOURABLE MR. C. W. GWYNNE :** I did not take exception to natural born or naturalised Indians, but that his natural born or naturalised Indians are limited to those who come under categories (a) and (b) of the Honourable Member's Resolution.

**THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :** That I think disposes of that point.

Then I come to his contention that they are to be confined to Ministers of Central and Provincial Governments. My point was that my scheme, as embodied in the several Resolutions which I have already placed before this House, was a comprehensive scheme for a constitution for India, and as I wanted self-government for India, there is no scope for any Member of the Executive Council finding a place in that scheme. So I confined it only to Ministers.

The next point that was raised was whether this Council is to sit permanently. I never suggested that in any part of my Resolution. The Privy Council in England does not sit permanently. His Majesty can summon it at his pleasure and he can summon not the whole body but specific members only. I do not restrict the Governor's powers to summon the Privy Council in any way.



That disposes of the question of cost raised by my friend the Honourable Major Nawab Mahomed Akbar Khan.

Then it was asked: "What are the functions to be ascribed to this Privy Council?" They are merely to be consulted. That does not in any way fetter the powers of the Governors to exercise their discretion in any way.

Another point raised was: "Was the Governor of a province to summon the whole of the Privy Council"? To that I have already answered by saying that it is not incumbent upon him to summon the whole body. He can summon the Privy Councillors who happen to belong to his province and take their advice. That would, I submit, though he is not bound to follow it, strengthen his hands when he is acting on his personal responsibility.

Then, as regards the nature of the bodies which are to be given the power to elect their heads as Privy Councillors, I also leave that entirely to the discretion of the Governor General. He need not constitute Privy Councillors out of any and every organisation. The organisations have to be selected from time to time and placed in a schedule, and whoever occupies the post of head of that institution will be a Privy Councillor. The Governor General will take care to see what associations are important enough in the country for their heads to be made Privy Councillors. The Governor General and the Governors of Provinces retain their powers of veto and dissolution intact. I am only asking for a strengthening of their hands by getting public opinion to support them. That is all that my Resolution asks for, and I submit that the Honourable Member has not been able to assail me on that matter.

With these words, Sir, I commend my Resolution for the acceptance of the House.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council to take steps to have the Government of India Act so amended as to enable the Governor General in Council to establish a Privy Council in India composed of natural born or naturalised Indians who—

- (a) are or have been Ministers of the Central and Provincial Governments,
  - (b) are heads of various public, social, political, industrial, commercial, agricultural, professional, scientific and educational institutions in India to be included in a schedule from time to time by the Governor General in Council,
- to be consulted by the Governor General and Governors of Provinces on matters of public importance and specially when exercising the right of veto or dissolution.'

The motion was negatived.

## HINDU LAW OF INHERITANCE (SECOND AMENDMENT) BILL.

THE HONOURABLE MR. NARAYAN PRASAD ASTHANA (United Provinces Northern: Non-Muhammadian): Sir, I move for leave to introduce a Bill to alter the order in which certain heirs of a Hindu male dying intestate are entitled to succeed to his estate.

The object of the Bill is briefly explained in the Statement of Objects and Reasons which I have appended to the Bill itself. It is in fact a companion Bill to the Act which has already been passed by this Honourable Council, namely, wherein the daughter's daughter, sister and sister's son have been placed in the category of heirs to a deceased male under the Mitakshara law. In fact at the time when that Bill was on the legislative anvil I tried to put in amendments, but at the time it was thought proper that a separate Bill should be brought for such family relations as were related not by blood but by marriage. I have therefore ventured to introduce this Bill in this Honourable Council in the hope that the injustice which is now being done to the son's widow and the brother's widow will be remedied.

I move for leave.

The motion was adopted.

THE HONOURABLE MR. NARAYAN PRASAD ASTHANA : Sir, I introduce the Bill. I may further state that I will move for consideration or for reference to a Select Committee in the Delhi Session.

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#### ELECTION OF A MEMBER TO THE GOVERNING BODY OF THE INDIAN RESEARCH FUND ASSOCIATION.

THE HONOURABLE THE PRESIDENT : For the election of one Honourable Member to sit on the Governing Body of the Indian Research Fund Association, the following four Honourable Members have been nominated :

The Honourable Rao Sahib Dr. U. Rama Rau.

The Honourable Mr. P. C. Desika Chari.

The Honourable Mr. Mahmood Suhrawardy.

The Honourable Srijut Rama Prasad Mookerjee.

As I said yesterday, the election will take place at the meeting to-morrow.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : I beg to withdraw. When there are three other Honourable Members anxious to come in, I do not want to stand. .

THE HONOURABLE THE PRESIDENT : That will leave three candidates for the membership on the Association. The election will take place to-morrow.

The Council then adjourned till Eleven of the Clock on Thursday, the 26th September, 1929.