

*Thursday,
31th August, 1893*

ABSTRACT OF THE PROCEEDINGS
OF THE
Council of the Governor General of India,

LAWS AND REGULATIONS

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ABSTRACT OF THE PROCEEDINGS
OF
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING
LAWS AND REGULATIONS,

1893

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Abstract of the Proceedings of the Council of the Governor-General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Acts of Parliament, 24 and 25 Vict., cap 67, and 55 and 56 Vict., cap. 14.

The Council met at Viceregal Lodge, Simla, on Thursday, the 31st August, 1893.

PRESENT :

His Excellency the Viceroy and Governor General of India, G.C.M.G., G.M.S.I., G.M.I.E., *presiding*.

His Honour the Lieutenant-Governor of the Punjab, K.C.S.I.

His Excellency the Commander-in-Chief, K.C.B., G.C.I.E., V.C.

The Hon'ble Sir P. P. Hutchins, K.C.S.I.

The Hon'ble Sir D. M. Barbour, K.C.S.I.

The Hon'ble Sir A. E. Miller, Kt., Q.C.

The Hon'ble Lieutenant-General H. Brackenbury, C.B., B.A.

The Hon'ble Sir C. B. Pritchard, K.C.I.E., C.S.I.

The Hon'ble J. L. Mackay, C.I.E.

QUESTION AND ANSWER.

The Hon'ble Mr. MACKAY asked :—

“Whether representations have been made to the Government of India by various public bodies during the past few weeks complaining of the action of the Secretary of State in not fixing some minimum for the sale of his Council drafts during the present dull season, so as to give a basis on which commercial transactions might be arranged. If so, and in view of the serious losses which have been incurred and the disorganisation to trade which has arisen through the violent fluctuations in exchange consequent upon the Secretary of State letting his Bills go as low as 1s. 3½d. in the middle of August, after having sold them for 1s. 4d. in the end of June, I would ask whether any action has been taken upon the representations received by Government, and whether the communications, if any, which have passed between the Government of India and the Secretary of State upon the subject will be published for general information, and, if so, when.”

[*Sir David Barbour.*]

[31st August,

The Hon'ble SIR DAVID BARBOUR replied :—

"It is the fact that representations have been made to the Government of India during the past few weeks regarding the action of the Secretary of State in not fixing some minimum for the sale of his Council drafts during the present dull season.

"These representations have been considered by the Government of India, and communications have passed by telegram between the Secretary of State and the Government of India. The correspondence is not yet closed, and could not properly be published at the present time.

"The Government of India wish to add that misapprehension appears to exist in some quarters regarding their recent action in connection with the Indian currency.

"The avowed object of the Government of India in closing the Indian mints to the free coinage of silver was to alter the Indian monetary standard from silver to gold; but it was expressly stated in this Council on 26th June last that it was not intended for the present to do more than stop the free coinage of silver, and, as a provisional arrangement, to provide for the issue of rupees at the mints in exchange for gold at the rate of 16*d.* per rupee.

"The object of providing for the issue of rupees in exchange for gold at 16*d.* the rupee was to prevent any great and sudden rise of exchange, and the Government did not undertake either to establish 16*d.* per rupee as the permanent ratio of exchange between gold and the rupee or to establish any other permanent ratio immediately or within any specified time.

"The words which I used in dealing with this matter were as follows :—

'The making of gold coins legal tender, the settlement of the permanent rate of exchange between gold and the silver rupee, and the other measures necessary for the final and effective establishment of a gold standard in India will be provided for by future legislation and in the light of future experience.'

"It would have been very satisfactory if exchange had risen to 16*d.* as soon as the mints were closed, and had remained permanently at that figure; and no doubt this expectation was entertained in some quarters, and business transactions were entered into in the hope that this would be the case. The Government of India regret that the sudden rise in exchange which took place after 26th June and the subsequent fall should have caused, so much loss and

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[*Sir David Barbour.*]

inconvenience to the mercantile public, and they deeply sympathise with those persons who find the anxieties which are inseparable from business greatly aggravated by the uncertainty which prevails as to the future course of exchange.

"At the same time the Government of India must point out that they gave no encouragement to the idea that, as the result of the preliminary measures taken on 26th June, the gold standard would be at once, and effectively, established in India either at the ratio of $\frac{1}{16}$ d. for the rupee or at any other ratio.

"The words which I used on 26th June were as follows:—

'It may be that the gold standard can be made effective from the first. . . . Or it may be that the making of the gold standard effective, and the establishment of it on a secure basis, will involve a long and arduous struggle and necessitate heavy sacrifices. Time alone can show which view is correct.'

"What has actually happened is that there was a large rise in exchange immediately after the closing of the Indian mints. This rise was speculative and not justified by any change in the conditions which regulate exchange; in point of fact the conditions were, and are still to a great extent, unfavourable to any immediate and serious rise in exchange of a permanent nature. The Indian mints were closed at the slack season of the year; there had been very heavy imports of silver immediately before, and large transfers of rupee paper to London which is believed to be now returning to India, while the drawings of the Secretary of State are exceptionally heavy for the current year.

"The Government of India regret the fluctuation and the evils to which it has given rise, but in their opinion nothing that has occurred since June last affords any ground for holding that the gold standard cannot be effectively established in India.

"On the contrary, it was from the first foreseen that difficulties might be encountered and would have to be overcome in carrying out the measure. The actual occurrence of these difficulties should not be a ground for discouragement, especially when it is remembered that the time and circumstances have been especially unfavourable, and have tended to retard the full operation of the measure.

"There is, therefore, reason to hope that the difficulties which have arisen will prove to be temporary and will in time disappear."

[Sir David Barbour.]

[31st AUGUST,

EXCISE ACT, 1881, AMENDMENTEN BILL.

The Hon'ble SIR DAVID BARBOUR moved that the Bill to amend the Excise Act, 1881, be taken into consideration. He said :—

“The Bill is a very simple one and merely provides for the equalising of the rates of duty where inequalities operate to the prejudice of any competing manufacturer in India. For instance, the duty on rum on removal from a distillery is four rupees a gallon in the North-Western Provinces and five rupees in Bengal. Much rum goes from the North-Western Provinces to Bengal for consumption, and it seems clear that, so far as the Government can help, no undue preference, by way of taxation, should be given to manufacturers in the former territory over those in the latter. Section 2 is intended to cover the case of the importation by land of liquors, and possibly of drugs not covered by the Opium Act, 1878, from places beyond the limits of India.”

The Motion was put and agreed to.

The Hon'ble SIR DAVID BARBOUR also moved that after section 3 of the Bill the following section be inserted, namely :—

Amendment of section 36, Act XXII, 1881.

“4. (1) To clause (c) of section 36 of the said Act the word ‘or’ shall be added,

(2) After the said clause the following clause shall be added, namely :—

“(d) without payment of such duty (if any) as may for the time being be payable in pursuance of a notification under section 23A, brings any spirit or fermented liquor or intoxicating drug into any territory to which this Act extends.”

(3) In the last paragraph of the said section 36, the words ‘or intoxicating drug’ shall be inserted between the words ‘fermented liquor’ and the words ‘together with’.”

He said :—“I may explain that the only object of this amendment is to make it a punishable offence to smuggle spirit, fermented liquor or intoxicating drugs brought by land from beyond the limits of India into territory in which the Act is in force. It was by an oversight that this provision was not made in the original Bill. The Bill now provides for the imposition of the duty on such articles, and the proposed amendment enacts that any violation of that provision shall be punishable by the usual penalty for smuggling under the Bill.”

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The amendment was put and agreed to.

The Hon'ble SIR DAVID BARBOUR also moved that the Bill, as amended, be passed. He explained that there had been no opposition raised by the public to the Bill and he now proposed that it be passed as amended.

The Motion was put and agreed to.

TRIBUTARY MAHALS OF CUTTACK BILL.

The Hon'ble SIR ALEXANDER MILLER moved that the Bill to make provision for certain matters connected with the Tributary Mahals of Cuttack be taken into consideration on the 21st September next. He said:—"The Bill is purely a formal one and I do not think it will be necessary to refer it to a Select Committee, but it has been circulated and the answers of the Bengal Government and the High Court at Calcutta are not due till the 21st September next, and it cannot be taken into consideration before that time."

The Motion was put and agreed to.

The Council adjourned to Thursday, the 21st September, 1893.

S. HARVEY JAMES,
*Secretary to the Government of India,
Legislative Department.*

SILMA ;
The 1st September, 1893. }