

*Friday,
24th March, 1911*

ABSTRACT OF THE PROCEEDINGS

OF THE

Council of the Governor General of India,

LAWS AND REGULATIONS

Vol. XLIX

April 1910 - March 1911

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OF

THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS,

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VOLUME XLIX



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GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 TO
1909 (24 & 25 VICT., c. 67, 55 & 56 VICT., c. 14, AND 9 EDW. VII, c. 4).

The Council met at Government House, Calcutta, on Friday, the 24th March
1911.

PRESENT :

His Excellency **BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.C.,**
G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*,
and 58 Members, of whom 51 were Additional Members.

STATISTICS OF CONTRIBUTIONS FROM BURMA TO IMPERIAL
REVENUES.

The Hon'ble **SIR GUY FLEETWOOD WILSON** : " My Lord, I beg to lay on
the table" the papers referred to in my reply to the Hon'ble Maung Ba Too's
question regarding the calculations on which Sir Hugh Barnes based his
statement that the year 1904-05 was the first in which Burma paid its way. "

QUESTIONS AND ANSWERS.

The Hon'ble **Raja of Dighapatia** asked :—

" Will the Government be pleased to lay on the table a complete return
showing the number of appointments, with salaries of Rs. 500 and over per
month, held at the present moment in every department of the public service
under the Imperial as well as the Provincial Governments, by Europeans,
Indians and members of the domiciled community, respectively ?"

The Hon'ble **Sir Guy Fleetwood Wilson** replied :—

" The information asked for by the Hon'ble Member would involve a
very great expenditure of time and labour and cannot be obtained during the
present session of the Legislative Council.

" A statement † showing the proportion of appointments on Rs. 1,000 and
upwards held by Europeans and Indians in 1910 as compared with 1903 and
1867 has recently been compiled for the information of the Government of
India and has to-day been laid upon the table.

* *Vide* Appendix A.

† *Vide* Appendix B.

[*Sir Guy Fleetwood Wilson*; *Mr. Sachchidananda Sinha*; *Mr. Jenkins*; *Mr. Mazharul Haque*; *Babu Bhupendranath Basu.*] [24TH MARCH 1911.]

"A similar statement showing the proportion of appointments on Rs. 500 basis and over will now be taken in hand and will eventually be laid upon the table."

The Hon'ble Mr. Sachchidananda Sinha asked :—

"With reference to the *ad interim* reply given by the Hon'ble the Home Member to a question asked by me on the 16th March on the subject of the enrolment of legal practitioners in the Courts of the North-West Frontier Province, will the Government be pleased to say whether they are now in a position to supply the information there requested?"

The Hon'ble Mr. Jenkins replied :—

"(a) All legal practitioners (including barristers) who wish to practise in the North-West Frontier Province are required to take out a license and to pay the following fees: for a first grade license, Rs. 50; and for a second grade license, Rs. 25.

"A license remains in force until the end of the calendar year for which it is granted. On applications for renewal a fee of Rs. 20, in the case of a first grade license, or of Rs. 10, in the case of a second grade license, has to be paid.

"(b) Since the formation of the Province on the 9th November 1901, 19 applications for authority to practise have been received from barristers. Of these 2 have been rejected.

"(c) During the same period, 325 applications have been made to the Judicial Commissioner for permission to appear in particular cases. Of these 20 have been rejected.

"(d) & (e) No maximum number of legal practitioners has been fixed by the Judicial Commissioner either for his own Court or for the Courts subordinate to him.

"(f) The Government of India are not aware that dissatisfaction has been caused, either among lawyers (except, perhaps, those whose applications have been refused) or the litigant public, by the rules regulating the enrolment of legal practitioners in the Courts of the North-West Frontier Province. The local Administration has received no complaints from the public that the number of legal practitioners is insufficient.

"(g) The rules in force in the Judicial Commissioner's Courts in other provinces vary considerably. The Hon'ble Member will gather, therefore, that it is not practicable to reply to this question in its present form."

The Hon'ble Mr. Mazharul Haque asked :—

"In reply to my question last year on the subject of the pay and prospects of Civil Assistant Surgeons in Bengal, the Hon'ble Sir Harvey Adamson, the then Home Member, was pleased to state that the Government of India had given full and sympathetic consideration to the memorials of the said Assistant Surgeons and to the proposals of the Government of Bengal and that they were about to address the Secretary of State on the subject. Will the Government be pleased to state whether the Secretary of State has been addressed and whether any communication has been received from him, and whether it will be published?"

The Hon'ble Babu Bhupendranath Basu asked :—

"In reply to a question regarding the improvement of prospects of Assistant Surgeons, in the Bengal Legislative Council, on the 18th February 1911, the Local Government was pleased to state that 'the question of the improvement of the prospects of the service of Civil Assistant Surgeons was awaiting the orders of the Government of India and the Secretary of State'. Will the Government be pleased to state what orders, if any, have been passed on the subject, and, if no orders have yet been passed, when the publication of such orders may be expected?"

[24TH MARCH 1911.] [*Mr. Jenkins ; Mr. Chitnavis ; Mr. Carlyle ; Mr. Sachchidananda Sinha.*]

The Hon'ble Mr. Jenkins replied :—

"The Government of India addressed the Secretary of State on the subject in May 1910 and again in January last. They have not received a reply to their last despatch and are unable to say at present whether any of the papers will be published."

The Hon'ble Mr. Chitnavis asked :—

"Is it a fact that the 'castes and occupations' of cultivators and 'the social condition of the landlords and tenants' are among the factors which form the bases of the rule of rent enhancement in the Central Provinces and that this rule has produced great dissatisfaction among the landholding classes? If the rule is as above stated,—

- (a) On what principle is the rule founded?
- (b) Has it not the result of taxing, in addition to increased production, profits from non-agricultural pursuits as also the virtues of frugality and thrift?
- (c) Will the Government be pleased to say whether it will, in consultation with the Hon'ble the Chief Commissioner, amend the rule so as to exclude from it the two factors referred to above?"

The Hon'ble Mr. Carlyle replied :—

"The social condition and circumstances of cultivators are relevant at three stages in the revision of a settlement. The first reference to these circumstances (article 196 of the Settlement Code) is in connection with the Tahsil Report, and is mainly of a general descriptive character. The second reference [article 203 (10) of the Code] requires the general circumstances, with the chief castes and occupations, of the tenants, and the extent to which they are indebted, to be stated in connection with the Rent Rate Report. The third reference (article 217 of the Code) relates, among other things, to the classification of tenants by their status which is made at attestation (article 170 of the Code), and is relevant to the extent of the margin, if any, to be relinquished in favour of the raiyat when his rent is being fixed in accordance with the deductions of the Settlement-officer. The social condition of landlords is mentioned in the Tahsil Report only.

"The general prosperity, or the reverse, of a tract or village has always an important bearing upon the settlement of rents and land-revenue, and the condition of each particular raiyat materially affects the question whether he individually should pay the full statistically deduced rent of his holding or something less.

"The statistically deduced rent is based on considerations of rise in prices, quality of land and prevailing rates, and the information furnished as to the caste, occupation and status of an individual tenant is freely used, not for raising his rent above the deduced rent, but, on the contrary, for determining whether any, and if so what, reduction from that rent should be granted to him.

"The best information at the disposal of the Government shows that these principles are entirely in accordance with village opinion, that they do not tax other sources of income, and that they in no way discourage frugality and thrift among tenants or landlords.

"The Government consider that any abandonment of the principles involved would cause much dissatisfaction among the cultivating classes themselves, and they do not propose to modify the practice followed, which cannot operate to the prejudice, but only in favour, of any one cultivator."

The Hon'ble Mr. Sachchidananda Sinha asked :—

"(a) Will the Government be pleased to state the principles on which Government advertisements are given to newspapers?"

"(b) Are the principles, if any, definitely embodied in rules or instructions? If so, are they published or otherwise accessible to the public?"

[*Mr. Sachchidananda Sinha ; Mr. Jenkins ; Raja of Dighapatia ; Mr. Subba Rao ; Sir Guy Fleetwood Wilson.*] [24TH MARCH 1911.]

"(c) Is it a fact that Government advertisements are given in larger quantities to some papers than to others? If so, on what grounds?"

"(d) Are the Government aware that a strong feeling exists and which has found expression in the Press that all newspapers are not treated equally in the matter of distribution of Government advertisements? Does any such inequality of treatment exist? If so, do the Government propose to so modify the procedure in force as to lead to an equal treatment?"

The Hon'ble Mr. Jenkins replied:—

"(a) The Government of India do not select the newspapers with which official advertisements are to be placed. Each Department or Court or Office is left to make its own arrangements so as to obtain the widest publication at the least cost in the localities in which and among the public for whom each advertisement is intended.

"(b) No rules or instructions have been issued on the subject.

"(c) It follows from the answer given to clause (a) of the question that certain papers will receive more advertisements than others and for the reasons there given.

"(d) Government are not aware that any inequality of treatment exists, and no specific instance of the kind suggested has been brought to their notice."

The Hon'ble Raja of Dighapatia asked:—

"With reference to the reply given by the Hon'ble Mr. Jenkins to my question of the 1st instant regarding Government advertisements in certain newspapers at special rates, is Government aware that there is a standing notice in the *Pioneer* of Allahabad which states that while the rate for a full column of casual advertisement is Rs. 30 for each insertion or at the rate of four annas per line only, its charges for Government advertisements are so much as eight annas per line?"

"Will the Government state the principles on which official advertisements are sent to some newspapers, and if newspapers with very large circulations only are selected for the purpose?"

The Hon'ble Mr. Jenkins replied:—

"The notice of Government has been drawn to the fact stated in the Hon'ble Member's question. The attention of the Local Government and of the principal advertising Departments concerned will be drawn to the matter.

"The Hon'ble Member is referred to the replies given to the questions put by the Hon'ble Mr. Sachchidananda Sinha on the same subject."

The Hon'ble Mr. Subba Rao asked:—

"With reference to the answer given at the meeting of this Council on the 1st instant by the Hon'ble Sir Guy Fleetwood Wilson that 'it is understood that the method of determining the profits (or assessment to income-tax of Life Assurance Companies) is not uniform in the different Provinces,' will the Government be pleased to state how the profits of Life Assurance Companies are assessed in the different Provinces?"

The Hon'ble Sir Guy Fleetwood Wilson replied:—

"The principles followed in different provinces in calculating the profits of Life Assurance Companies for the purposes of the Income-tax Act are as follows:—

"In Eastern Bengal and Assam, the United Provinces and the Central Provinces no such Companies are assessed to the tax.

"In Bombay, the Punjab and Bengal the calculations are based on the statements of the officers of the Companies themselves; subject to the usual inspection of accounts, if considered necessary by the Collectors.

"In Madras, where there is one Company only, net profits are deduced by subtracting from the receipts (including *premia*) of the year, all admissible charges (including claims paid).

[24TH MARCH 1911.] [*Sir Guy Fleetwood Wilson ; Mr. Subba Rao ; Mr. Carlyle ; Raja of Kurupam ; Babu Bhupendranath Basu ; Mr. Jenkins.*]

"In Burma two branch offices are assessed on the principle of dividing the total profits of the year between the Head Office and the local branch proportionately to the amount which they respectively receive in *premia*."

The Hon'ble Mr. Subba Rao :—

"May I ask, with Your Lordship's permission, whether the practice in any of the provinces conforms to the principles governing the assessment of income under the Income-tax Act in England?"

The Hon'ble Sir Guy Fleetwood Wilson :—

"I must ask for notice of the question ; it will require looking into."

The Hon'ble Mr. Subba Rao asked :—

"I. Will the Government be pleased to state what effect is proposed to be given to the recommendation of the Royal Commission on Decentralization that 'the general principles of land-revenue assessment should be embodied in provincial legislation?'

"II. Will the Government be pleased to state whether it will be pleased to lay down definite rules limiting the increase in assessment which may be imposed at any settlement, as was once proposed by Lord Ripon's Government?"

The Hon'ble Mr. Carlyle replied :—

"I. The Government of India have, with the approval of the Secretary of State, decided that it is not expedient to take any action on the recommendation in question.

"II. The proposals referred to by the Hon'ble Member have been already to a large extent adopted in Madras and Bombay. In the greater part of the temporarily settled area of India there are rules by which the assessment is limited to such figure as will prevent the resulting revenue from exceeding a certain share of the net assets or net produce, and the Government of India are considering whether any further limitations are required, but it is not intended to proscribe the adoption of the proposals referred to by the Hon'ble Member."

The Hon'ble the Raja of Kurupam asked :—

"Will the Government of India be pleased to say whether they will ask the Government of Madras not to extend the imposition of the Proprietary Village Service Cess to estates in which it is not already levied?"

The Hon'ble Sir Guy Fleetwood Wilson replied :—

"The Government of India do not consider it necessary to give the Madras Government any instructions in the matter."

The Hon'ble Babu Bhupendranath Basu asked :—

"The Government of Bengal was pleased to state, at a meeting of the Local Council held on the 30th August 1910, that the Local Government and the High Court had submitted to the Government of India for its approval a proposal for the creation of a new grade of Munsiffs at a monthly salary of Rs. 500, similar to what has been created since the partition in the province of Eastern Bengal and Assam, but that such proposal had not met with the approval of the Government of India, and that the Government of Bengal had re-submitted the question to the Hon'ble the Judges of the High Court for further consideration.

"Will the Government be pleased to state whether the proposal for the creation of this grade of Munsiffs has made any further progress?"

The Hon'ble Mr. Jenkins replied :—

"As far as the Government of India are aware, the matter rests precisely where it was when it was explained by the Hon'ble Mr. Gourlay at the meeting of the Bengal Legislative Council of the 30th August 1910. No further reference has been made by the Bengal Government to the Government of India on the subject."

[*Babu Bhupendranath Basu; the President; Sir* [24th MARCH 1911.]
Guy Fleetwood Wilson.]

EDUCATIONAL SERVICE.

The Hon'ble BABU BHUPENDRANATH BASU: "My Lord, with regard to the resolution* which stands in my name, having regard to what the Hon'ble Mr. Butler said in answer to the resolution moved by my friend the Hon'ble Mr. Subba Rao and to the assurance which he was pleased to convey to me that the whole matter was being considered by the Government of India, with Your Lordship's permission and with the permission of my friend the Hon'ble Mr. Gokhale, who has moved an amendment, I beg to withdraw this resolution for this year."

His Excellency THE PRESIDENT: "The Resolution is therefore withdrawn."

BUDGET.

The Hon'ble SIR GUY FLEETWOOD WILSON: "My Lord, I now present the Budget for 1911-1912. The Financial Statement which I laid before the Council on the 1st of March has run the gauntlet of criticism and discussion; and the result leads me to believe that our financial dispositions for the year have commended themselves, in all their main features, to the great majority of my colleagues. The figures have now been again examined, and such alterations have been made in them as our latest information suggests. They are shown in their final form in the statements which are in the hands of Hon'ble Members, and in the explanatory memorandum which has been revised and brought up to date. There will be no discussion on the Budget to-day; but on Monday next it will be open to Members to offer such observations upon it as they think proper, without moving resolutions or dividing the Council.

"The changes which have been made in the figures since they were last under our consideration are comparatively few and for the most part unimportant. They involve no question of principle, and I shall describe their general effect in as few words as possible.

"Our Imperial surplus for the year which is now closing is nearly £100,000 smaller than we had calculated a month ago. There are three main reasons for this. On the one hand our Bengal opium sales in March showed a fall in prices, due mainly to rumours of further taxation at Canton, which pulled our revenue down by £88,000; while a certain slackness in the cotton and wheat traffic suggested a reduction of £120,000 in our estimate of net Railway earnings. On the other hand our Military charges are lighter by £108,000 than I took them in the Financial Statement, mainly as a result of short purchases of stores in England. I need not trouble the Council with the few other and minor variations, which practically counterbalance each other.

"For the coming year the latest recession of our estimate shows our Imperial surplus at £819,200, of which £638,800 or 96 lakhs may be taken as derived from sources other than opium. The improvement since my estimate

*"I. That this Council recommends to the Governor General in Council that one-third of the posts reserved for the Indian Educational Service be filled up by appointments of distinguished Indian graduates of Indian or British Universities and also by promotion from the ranks of the Provincial Educational Service.

"II. That this Council recommends to the Governor General in Council that the Provincial Educational Service should be so remodelled that not more than ten years should elapse for an officer to rise from Rs. 200 to Rs. 400 grade."

The Hon'ble MR. GOKHALE'S proposed Amendment.

"That this Council recommends that the distinction between the Imperial and Provincial branches of the Educational Service should be abolished; that every appointment in that service should be equally open to Europeans and Indians alike, subject to the essential condition of equal qualifications; that the scale of salaries should be the same for both, an extra allowance being paid to European members of the service in consideration of their special requirements; and that the prospects in the service as regards pay and pension should be so improved as to attract to it the best men available both European and Indian."

[24TH MARCH 1911.] [Sir Guy Fleetwood Wilson; the President.]

of the 1st March is thus £75,400. Minor causes apart, this may be ascribed to the following reasons. In the first place, additional interest will accrue to us in consequence of the law which was passed in Council on the 16th instant for increasing the invested portion of the Paper Currency Reserve. Early next year we expect to be able to buy sterling securities at a cost of 2 crores, and three quarterly payments of the interest upon these (estimated at £30,000) will be credited in the Home Accounts. In the second place, the Punjab Government expects to receive 10 lakhs more than we took in the preliminary estimate from the sale of proprietary rights in its canal colonies; and half of this, or £33,300, goes to swell the Imperial surplus. In the third place, about £28,800 of the cost of the preparations for the Royal Darbar will be spent before the end of the current month, thus diminishing the provision which had been made in the Budget. And lastly, £11,300 have been added to the Military allotments, chiefly on account of the stores which it was meant, but found impracticable, to purchase in England during the current year. The net result of these four changes gives the improvement to which I alluded.

"Leaving our revenue figures and the outgoings against them, I note in conclusion certain changes in our general cash position. Our opening cash balance for next year will be better than we estimated by about £680,000. This is partly due to the advance instalments of the new sterling loan for £3½ millions, which was issued last week at 96; partly to an increase in our savings bank deposits; and partly to considerable further lapses in capital expenditure. Nearly half of the improvement, however, will be absorbed next year; chiefly as the result of increased provincial expenditure against the grants which Local Governments have received in the current year. When I announced these grants in the Financial Statement, we had not had time to consult Local Governments fully as to the time and manner of their expenditure. In the interval, the employment of the grants has been carefully considered by the provincial authorities in consultation with their Councils, and it has been decided to provide in next year's budget for a larger measure of expenditure than I had tentatively assumed in our preliminary estimates. Mainly owing to this cause, the combined cash balances at the end of 1911-1912 will be only £396,000 better than we calculated a month ago. In no other important respect have we altered our estimate of ways and means, except that provision is made for the remittances through our Currency Reserve which are necessary to finance the additional investments that are in contemplation. There are no other points with which I need occupy the time of the Council."

ADJOURNMENT OF COUNCIL.

His Excellency THE PRESIDENT: "I have to announce to Hon'ble Members that the Budget debate will be held on Monday next and, if necessary, will extend to Tuesday. The time limit of speeches on that occasion will be, as last year, twenty minutes, subject to exception in favour of Members in charge. The Council is now adjourned till 11 o'clock on Monday morning."

J. M. MACPHERSON,
Secretary to the Government of India,
Legislative Department.

CALCUTTA; }
The 3rd April 1911.)