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**PROCEEDINGS
OF
*THE INDIAN LEGISLATIVE COUNCIL***

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS

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GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER
THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1916.
(5 & 6 Geo. V, Ch. 81.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Wednesday, the 19th February, 1919.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., G.C.B.E.,
Viceroy and Governor General, *presiding*, and 47 Members, of whom
40 were Additional Members.

STATEMENT LAID ON THE TABLE.

The Hon'ble Sir Claude Hill :—“In pursuance of your Excellency's promise in your opening speech, I now lay on the table a statement^{11 A.M.} reviewing the Foodstuffs position up to date, giving details of the steps taken by the Government of India in respect of the control of foodstuffs up to date, estimating the present position and forecasting the results of the measures that we have adopted.”

QUESTIONS AND ANSWERS.

The Hon'ble Rai Bahadur B. D. Shukul asked :—

1. “Has the feasibility of adopting Indian vernaculars as the media of instruction for Indian pupils in Agricultural Schools and Colleges as a means of popularising agricultural education amongst agricultural classes been considered? If so, with what result?”

Adoption of
Indian
vernaculars
in Agricul-
tural
Schools.

* *Vide* Appendix A.

[*Sir Claude Hill* ; *Rai Bahadur B. D. Shukul*.] [19TH FEBRUARY, 1919.]

The Hon'ble Sir Claude Hill replied :—

" At the instance of the Board of Agriculture in India which met at Poona in December, 1917, a scheme for the establishment of Agricultural Middle Schools in the various provinces has been commended to Local Governments and Administrations, but the question whether the schools should be vernacular or Anglo-vernacular has been left to their decision in accordance with local conditions. I may add that in the Bombay Presidency and Sind vernacular Agricultural Schools have been established, and it is proposed to open similar schools in the Central Provinces.

It would not be feasible to adopt Indian vernaculars as the media of instruction in the advanced course of study at Agricultural Colleges, but the Colleges at Lyallpur and Cawnpore have vernacular classes or courses for the sons of agriculturists."

The Hon'ble Rai Bahadur B. D. Shukul asked :—

2. " Will Government please furnish information as regards each province relating to the following heads for the current financial year up to 31st December 1918 :—

Information regarding certain heads for the current financial year.

- (a) Areas affected by famine and scarcity.
- (b) Total amount of suspensions and remissions of the land-revenue.
- (c) Number of persons in receipt of gratuitous relief.
- (d) Number of persons working on relief works and the amount spent thereon.
- (e) Amount of taccavi advances—
 - (i) for seed and bullocks ;
 - (ii) for land improvement.
- (f) Other measures of relief adopted to relieve distress ?"

The Hon'ble Sir Claude Hill replied :—

" The scarcity situation in India had not sufficiently developed by the end of the year 1918 for information to be collated on some of the points dealt with in the Hon'ble Member's question. So far as the information asked for is available, it is given below :—

- (a) No famine had been declared in any part of India on 31st December last. Scarcity had been declared in—
 - (1) a portion of the Garhwal district of the United Provinces ;
 - (2) Sironcha tahsil of the Chanda district, Sihora and Murwara tahsils of the Jubbulpore district, Banda tahsil of the Saugor district and the whole of the Damoh district in the Central Provinces ; and
 - (3) the districts of Ahmedabad, Kaira, Panch Mahals, Ahmednagar, Nasik, Poona and West Khandesh and in the Kathiawar Agency in the Bombay Presidency.

In certain other areas, as I shall show, preliminary measures had been taken, although it had not then been found necessary to declare the existence of famine or scarcity.

- (b) The information is not yet available.
- (c) The numbers in receipt of gratuitous relief in the week ending 28th December last were—

(1) United Provinces, Garhwal	511
(2) Bihar and Orissa, Angul	971
(3) Central Provinces, { Jubbulpore	1,479
{ Damoh	654
{ Chanda	1,636
(4) Central India, { Lugasi	117
{ Bijna	57

[19TH FEBRUARY, 1919.] [*Sir Claude Hill ; Rai Bahadur B. D. Shukul ; Sir William Vincent.*]

(d) No regular relief works had then been opened ; but the numbers of persons on test works for the same week were—

(1) United Provinces,	{ Etawah	1,702
	{ Allahabad	155
	{ Jalaun	839
(2) Central Provinces,	{ Damoh	309
	{ Chanda	261

The amount spent on these works during 1918 is not known, but must clearly have been very small.

(e) Statistics of the actual distribution of taccavi before the end of the year are not available ; but the following additional grants had by then been sanctioned by the Government of India for distribution as taccavi, mainly with a view to stimulate the sowing of rabi crops, including land improvement and the purchase of seed and fodder :—

	R
United Provinces	1,94,60,000
Punjab	5,00,000
Central Provinces	11,50,000
Ajmer-Merwara	55,000
North-West Frontier Province	1,80,000

(f) Other measures of relief include a grant of R2 lakhs to the Central Provinces for the relief of weavers ; and the Madras Government allotted R4,000 for the same purpose in the Anantapur District. Concession rates were introduced for the carriage of fodder by rail to affected areas in the Punjab, the United Provinces and Rajputana ; and a grant of R2,58,000 was made for the importation by Government agency of fodder to Ajmer-Merwara. Fodder Controllers were appointed in the Bombay Presidency and the Punjab."

The Hon'ble Rai Bahadur B. D. Shukul asked :—

3. "(a) Do the Government of India possess any knowledge of the formation of an association in the Province of Bihar and Orissa known as the 'Bihar and Orissa Civil Service Association,' and, if so, will Government please state the aims and objects of the association and the scope of its activities, and whether the organisers of the association had obtained any previous sanction from Government ?

(b) Are the members of the Indian Civil Service, as Government servants, not precluded from organising themselves into a political body ?"

The Hon'ble Sir William Vincent replied :—

"The Government of India are aware that there is in the Province of Bihar and Orissa as well as in other provinces an Indian Civil Service Association which exists for the purpose, amongst others, of enabling the members of the Service to discuss matters which affect them as a body. A copy of the Government Servants' Conduct Rules on the question of Government servants taking part in political movements is laid on the table."

So far as the Government of India are aware the Bihar and Orissa Indian Civil Service Association has not taken part in any political movement, nor has it contravened this rule."

The Hon'ble Rai Bahadur B. D. Shukul asked :—

4. "(a) Will Government please lay upon the table a statement giving figures for the last ten years ending March 1918, showing the proportion borne

* Not included in these Proceedings.

[*Rai Bahadur B. D. Shukul; Mr. A. H. Ley; [19TH FEBRUARY, 1919.]*
Mr. Kamini Kumar Chanda; Sir Claude Hill.]

by salt produced under each of the following three systems separately to the total production of salt and the normal price thereof prevailing in each year:—

- (i) The Exoise license system.
- (ii) The monopoly system.
- (iii) Government factories.

(b) Is it a fact that Government had not under their control a sufficient quantity of salt to meet the balance between supply and demand at the normal price, and that this fact partly contributed to the abnormal rise in prices of late?

(c) If so, will Government state what action they have taken or propose to take with a view to ensure a continuous flow of supply of a reasonably good quantity of salt at a reasonable price in future?"

The Hon'ble Mr. A. H. Ley replied:—

"(a) As the terms 'Exoise License System' and 'Monopoly System' are only used in the Madras Presidency, and as an important proportion of that Presidency's salt is now produced under a combination of these two systems, it is impossible to follow the Hon'ble Member's classification. On the assumption that the Hon'ble Member desires to know what proportion of the annual production of salt is initially in Government's hand, a statement* is laid on the table showing the production—

- (i) of Government and Exoise Salt in Madras;
- (ii) of Baragra and Sea Salt in Bombay; and
- (iii) by the Northern India Salt Revenue Department.

No figures are available to show the normal price of each kind of salt for the last ten years. But a statement* is laid on the table showing the average annual retail price of salt in each Province.

(b) Deficiencies in supply, due to bad seasons, partly contributed to the recent rise in prices; but the primary causes were the heavy falling off in imports and reckless speculation.

(c) As regards measures to increase production which, it is hoped, will ensure a continuous supply of salt at a reasonable price in future, the Hon'ble Member is referred to the answer given to the Hon'ble Mr. Sarma in the Council of 23rd September, 1918, of which, if he so desires, I shall be very glad to send him a copy."

The Hon'ble Mr. Kamini Kumar Chanda asked:—

5. "(a) Is it a fact that there is scarcity in several parts of the country and the situation threatens to be acute in several provinces?

(b) Is it a fact that the freight on rice from Burma has now been increased from R6 to R55 per ton?

(c) If so, do Government propose to consider the necessity of reducing the freight to the pre-war rate?"

The Hon'ble Sir Claude Hill replied:—

"(a) It is a fact that there is scarcity in several parts of the country, but it is only in comparatively small areas that it threatens at present to be acute.

(b) and (c) The freight on rice from Rangoon to Bombay was, until the 15th January, 1919, at R55 per ton, the pre-war rate varying from R7 to R10. The Hon'ble Member is referred to the Press Note issued on the 10th January by the Foodstuffs Commissioner, announcing that the Agent in India to the Shipping Controller had agreed to a reduction in the rate from Rangoon to Bombay to R40 per ton, proportionate reductions being made of freight rates to other Indian ports. On the 30th January a further reduction to R30 per ton in the case of freight to Bombay was announced by the Foodstuffs Commissioner

* Vide Appendix B to these Proceedings.

[10TH FEBRUARY, 1919.] [Sir Claude Hill; Mr. V. J. Patel; Sir Arthur Anderson; Sir William Vincent.]

after consultation with the Agent in India to the Shipping Controller and the Shipping Companies concerned. This rate as also the reduced rates to other ports then announced will remain in force for a minimum period of three months."

The Hon'ble Mr. V. J. Patel asked :—

6. "(a) Is it a fact that a special officer was appointed to the Railway Board a year and a half ago? If so, what are his duties and what is the work entrusted to him at present?"

Appoint-
ment of a
Special
officer to the
Railway
Board.

(b) Has any report been prepared by him, or is there any brochure concerning his work? If so, is the said report or brochure to be published?"

The Hon'ble Sir Arthur Anderson replied :—

"It is a fact that a temporary officer was employed by the Railway Board to write a Monograph on Indian Railway rates and connected subjects. He has produced a work of some 600 pages which will shortly be on sale by the Superintendent, Government Printing. His connection with Government terminated on 31st January, 1919."

The Hon'ble Mr. V. J. Patel asked :—

7. "Do Government propose to accept the view contained in paragraph 317 of the Montagu-Chelmsford Report on Indian Constitutional Reforms that there should be in all services that are now recruited in England a fixed percentage of recruitment in India increasing annually?"

Paragraph
317 of the
Indian Con-
stitutional
Reforms
Report.

(b) If the answer to part (a) be in the affirmative, will Government give the public an opportunity to express themselves on their proposals before the same are laid before the Secretary of State for India in Council?"

The Hon'ble Sir William Vincent replied :—

"(a) The matter is at present under the consideration of the Government of India.

(b) It is open to any member of the public or any association to avail themselves of the invitation extended in paragraph 354 of the Report to express an opinion upon it."

The Hon'ble Mr. V. J. Patel asked :—

8. "In giving effect to the various recommendations of the Public Services Commission in the direction of Indianising some of the Imperial Services which would involve reduced terms of employment, do Government propose to take steps to guard, if necessary, the existing vested interests of the present members of the lower Services who are eligible for promotion to the Imperial Services on the higher terms now in force?"

Guarding of
interests of
members
eligible for
promotion
to Imperial
Services.

The Hon'ble Sir William Vincent replied :—

"Generally speaking the Government of India have every desire to protect the vested interests of existing members of the various services, but the recommendations of the Commission are still under discussion and consideration, and the conclusions reached will have to be submitted for the final approval of the Secretary of State. While, therefore, it is impossible to make any more definite statement in reply to a question couched in such general terms, it would be helpful if the Hon'ble Member would supply a list of the recommendations of the Commission to which he refers as involving reduced terms of employment."

The Hon'ble Mr. V. J. Patel asked :—

9. "(a) Has the attention of Government been drawn to a letter purporting to come from 'Indian Clerks' which appeared in the *Bombay Chronicle* of the 30th December, 1918?"

Residential
accommoda-
tion of
Indian and
Anglo-Indian
clerks in
New Delhi.

[Mr. V. J. Patel; Sir Claude Hill; Sir William Vincent.] [19TH FEBRUARY, 1919.]

(b) Will Government be pleased to state the respective residential accommodation provided for Indian and Anglo-Indian clerks at New Delhi?"

The Hon'ble Sir Claude Hill replied :—

"The answer to (a) is in the affirmative. With reference to (b) statements* are placed on the table showing in detail the accommodation which is provided for in the designs approved for European and Indian clerks' quarters in New Delhi. It may be remarked that representatives of the Indian clerks were consulted by me before the designs were approved, and that suggestions made by them were carried out as far as practicable. Generally speaking the designs for the Indian clerks' quarters have been made so as to ensure that privacy in home life which it has been ascertained the very large majority of clerks desire. It has also been arranged that a few quarters similar to those built for European clerks will be set apart for the use of senior Indian clerks who may prefer to adopt a European style of living. During the present season only two classes of quarters intended for Indian clerks have been available, *vis.*, Class D intended for clerks drawing salaries of ₹101 to ₹200, and Class E intended for clerks drawing salaries of less than ₹100. On the other hand, the classes of European clerks' quarters available have been :—

Class II intended for clerks drawing salaries of ₹201 to 300 and chumeries intended for bachelors. New Delhi accommodation has been resorted to this year on account of congestion, and in the case both of European and of Indian clerks the allotment of accommodation has been made without regard to the seniority of the occupants, and it may thus have happened that some Indian clerks are housed in houses of a class inferior and that some European clerks are housed in houses of a class superior to what they were entitled to. With the construction of houses of the remaining classes in both categories this will be remedied.

As regards the other matters complained of by the writer to the *Bombay Chronicle* the provision of furniture free of charge is a temporary arrangement. If furniture is provided at all hereafter as a permanent measure, the question of the payment of rent on the basis of value supplied will be considered. With regard to the provision of electric light it has been decided in the first instance not to provide electric light for either European or Indian clerks on pay of less than ₹200 per mensem as it is considered that few clerks on this rate of pay will wish to pay for an electric installation. If a demand arises, it will be met.

It is not the case, as stated by the writer, that the floors of the Indians' quarters are *kutchas*. They are *pucka*, though, owing to the impossibility of securing cement, it was not possible to carry out, in the case of all quarters, the full specification, and on some of them the *pucka* flooring is composed of lime concrete, which has proved not quite satisfactory. This will be put right as soon as possible. The complaint about the kitchens will be investigated but, as every kitchen is provided with its own cooking place and flue, there is no reason why smoke should penetrate into other rooms."

The Hon'ble Mr. V. J. Patel asked :—

Views of
Indian Civil
Servants
regarding
the Reforms
Report.

10. "Will Government be pleased to state whether they have called upon the Indian Civil Servants to express their views on any of the recommendations of the Reforms Report?"

The Hon'ble Sir William Vincent replied :—

"The Government of India suggested to the Provincial Governments that, before submitting their views to the Government of India, they should consult selected officials. Individual officers belonging to the Indian Civil Service and other services were thus given an opportunity to express their views."

[19TH FEBRUARY, 1919.] [Mr. V. J. Patel; Sir William Vincent;
Mr. A. H. Ley; Sir Dinshaw Wacha;
Sir Claude Hill.]

The Hon'ble Mr. V. J. Patel asked :—

11. "Will Government be pleased to lay on the table in due course a statement embodying the rules followed in dealing with applications made by Indians to the India Office authorities in England for appointments in their gift, and showing year by year since 1900 (a) the number of such applications received, (b) the appointment applied for in each case, and (c) the reply given to each applicant?"

Applications made by Indians in England for appointments.

The Hon'ble Sir William Vincent replied :—

"The Government of India regret that they have no information in the matter."

The Hon'ble Mr. V. J. Patel asked :

12. "Has any report been received from the Trade Commissioner for India in London regarding his work since his appointment? If so, will Government consider the advisability of publishing it?"

Publication of report of the Trade Commissioner for India in London.

The Hon'ble Mr. A. H. Ley replied :—

"As promised in reply to a question by the Hon'ble Mr. Khaparde in this Council on the 4th September, 1918, the Indian Trade Commissioner was asked for a formal report on the working of his office. This has not yet been received, but will be published as soon as it is received."

The Hon'ble Sir Dinshaw Wacha asked :—

13. "Will Government be pleased to lay on the table a statement regarding the operation of the Cotton Cloth Act, 1918, since it came into force?"

The Cotton Cloth Act.

The Hon'ble Mr. A. H. Ley replied :—

"Owing to the marked fall in the price of cotton cloth which occurred throughout the country immediately after the Cotton Cloth Act, 1918, came into force, it proved unnecessary to put the provisions of the Act into operation at once. The Controller of Cotton Cloth and the Advisory Committee appointed under the Act have, however, met at regular intervals and have kept a close watch on the situation. The Controller has also visited several of the Provinces. As the price of cloth has again risen considerably, it has been decided to commence the manufacture of standard cloth to meet the requirements of the United Provinces, Bihar and Orissa and the Punjab. Five per cent. only of the monthly output of the looms will be taken up in the first instance. Further details of the work which has been done by the Controller of Cotton Cloth will be found in the Press Communiqué recently issued by that officer, a copy* of which is placed on the table."

The Hon'ble Sir Dinshaw Wacha asked :—

14. "Have any substantial efforts been made in India by the State or by private enterprise or both within recent years to obtain increased agricultural products, specially food-grains, by the use of well-known agricultural chemicals? If so, to what extent and in what places?"

Use of chemicals for agricultural purposes.

The Hon'ble Sir Claude Hill replied :—

"All the Agricultural Departments in India have experimented and are experimenting with chemical fertilizers as will be seen from the reports of the Departmental Farms.

Chemical fertilizers are extensively used by planters and to some extent it is believed by large Indian land-holders.

[*Sir Claude Hill; Sir Dinshaw Wacha; [19TH FEBRUARY, 1919.]*
Mr. A. H. Ley.]

The use of chemical manures by small cultivators is restricted by the price and the small increase in output relatively to the cost. There are also difficulties in the way of the small cultivator obtaining such manures on account of the lack of selling agencies. A beginning has, however, been made by one Co-operative Society in the Tanjore District of Madras, which manufactures bone phosphate and sells it to its members."

The Hon'ble Sir Dinshaw Wacha asked :—

The Cotton
Clearing
House at
Bombay.

15. "Do Government propose to obtain a report from the Chairman of the Cotton Clearing House on the working of the house from its commencement to 31st December last, and to publish the report for general information?"

The Hon'ble Mr. A. H. Ley replied :—

"I will ask the Government of Bombay for a report as suggested by the Hon'ble Member."

The Hon'ble Sir Dinshaw Wacha asked :—

Indian
indentured
coolies in
Fiji.

16. "(a) Has the attention of Government been drawn to the following suggestions made by Mr. C. F. Andrews in an article appearing under his signature in the 'Modern Review' of December, 1918, on Indian indentured coolies in Fiji, namely :—

- (i) The immediate closing down of the last years of service in the coolie lines of those under indenture.
- (ii) Inducements to be given to unmarried men in Fiji to return to India to get wives.
- (iii) The present coolie lines to be entirely reconstructed on a different model allowing for separate detached dwellings for married people.
- (iv) Matrons to be provided in all the larger Indian hospitals.
- (v) The provision of shipping for repatriation and communication with India as early as possible.

(b) Do Government intend to take steps to bring about the adoption of these suggestions or any of them?"

The Hon'ble Mr. A. H. Ley replied :—

"(a) The answer is in the affirmative.

(b) I would refer the Hon'ble Member to the remarks made by Sir George Barnes in the debate on the Resolution moved by the Hon'ble Pandit Madan Mohan Malaviya on the subject at the meeting of the Council held in Simla on the 11th September, 1918. The Government of India are in correspondence with His Majesty's Government in regard to these matters. We have asked that representations should be made to secure reforms with regard to housing and hospital accommodation for free as well as for indentured labourers in Fiji. The Hon'ble Member will no doubt realise that the mere cancellation of indentures unaccompanied by such reforms, will only aggravate the present situation. With regard to the provision of shipping, I am afraid that the position is not materially different from what it was when the Council was addressed by Sir George Barnes in September."

The Hon'ble Sir Dinshaw Wacha asked :—

Colleges for
instruction
in Agricul-
tural che-
mistry.

17. "At what institutions in India is agricultural chemistry taught for the purposes of practical agriculture?"

The Hon'ble Sir Claude Hill replied :—

"Agricultural chemistry is taught for the purposes of practical agriculture in the Agricultural Colleges at Coimbatore, Poona, Cawnpore, Lyallpur, Sabour, Nazpur and Pusa."

[19TH FEBRUARY, 1919.] [*Sir Dinshaw Wacha; Sir James Meston; Pandit Madan Mohan Malaviya; Mr. A. H. Ley; Sir William Vincent; Mr. G. S. Khaparde.*]

The Hon'ble Sir Dinshaw Wacha asked :—

18. "Are Government aware of the popular cry prevailing in the more distant towns and villages in parts of the country, touching the difficulty of encashing notes for rupees and small silver coins? If so, when do Government propose to afford reasonable facilities so as to allay the existing complaint?"

Encashment of notes for rupees and small silver coins.

The Hon'ble Sir James Meston replied :—

"As was more fully explained in replying to a recent question on the same subject by the Hon'ble Rai Bahadur B. D. Shukul at the last meeting of this Council, the Government are fully aware of the inconvenience, and are doing all that lies in their power to ameliorate it; but the problem, as the Hon'ble Member knows, is far from an easy one."

The Hon'ble Pandit Madan Mohan Malaviya asked :—

19. "Has the recommendation of the Indian Industrial Commission that an expert Committee should be appointed to consider what additional banking facilities are necessary whether for the initial or for the current finance of industries been accepted by Government, and if so, when do they propose to appoint the Committee?"

Appointment of an expert Committee to consider additional banking facilities.

The Hon'ble Mr. A. H. Ley replied :—

"As the Hon'ble Member has already been informed the various recommendations contained in the Indian Industrial Commission's report are receiving the consideration of Government, and he cannot expect that an immediate decision should be arrived at on all these questions. He will remember that the report was not received until the very end of October, and consultation with Local Governments is obviously necessary before definite conclusions can be reached. No decision has yet been arrived at with regard to the setting up of a banking committee."

The Hon'ble Pandit Madan Mohan Malaviya asked :—

20. "(a) On what date was the recommendation of Mr. Montagu and Lord Chelmsford, contained in paragraph 272 of their Report, that another Indian member should be appointed to the Executive Council of the Government of India 'as soon as may be' submitted to His Majesty's Government?"

Appointment of a second Indian member to the Executive Council.

(b) Is it a fact that no exception has been taken to this recommendation either by the Government of India or by His Majesty's Government?

(c) If the answer to part (b) be in the affirmative, what is the reason for the delay in giving effect to the said recommendation?

(d) When do Government intend to appoint a second Indian member to the Executive Council?"

The Hon'ble Sir William Vincent replied :—

"The report by His Excellency the Viceroy and the Secretary of State on Indian Constitutional reforms is at present being considered by the Government of India, who hope to be able to submit their recommendations thereon to the Secretary of State in the near future. The Government of India have no information as to the views of His Majesty's Government, nor is it possible for them yet to state when any of the proposals will be given effect to. The Hon'ble Member is no doubt aware that any increase of the Executive Council would require an amendment of the Statute."

The Hon'ble Mr. G. S. Khaparde asked :—

21. "(a) Has the attention of Government been drawn to the facts stated and comments made in a Calcutta paper called 'Railways' in its issues of the 1st and 16th January, 1919, regarding the appointment of Mr. B. C. Scott as Agent of the South Indian Railway?"

Appointment of Mr. B. C. Scott as Agent of the South Indian Railway.

[*Mr. G. S. Khaparde; Sir Arthur Anderson; [19TH FEBRUARY, 1919.]*
Mr. A. H. Ley; Mir Asad Ali, Khan
Bahadur; Sir William Vincent.]

(b) Will Government be pleased to make a statement showing the incorrectness or otherwise of the said facts?"

The Hon'ble Sir Arthur Anderson replied :—

"(a) The answer to the first question is in the affirmative.

(b) Government are not aware of the intentions of the Board of Directors of the South Indian Railway Company, or whether they propose to select Mr. Scott as Agent when Mr. Muirhead retires. Mr. Muirhead is at present temporarily absent from duty, and intimation has been received by the Railway Board that Mr. LeMesurier acts during the present vacancy. Government are not in a position to give any further information at present."

The Hon'ble Mr. G. S. Khaparde asked :—

Formation of an Imperial Department of Industries and an Imperial Board of Industries.

22. "(a) Has any correspondence passed between Government and the Secretary of State on the subject of the formation of an Imperial Department of Industries and an Imperial Board of Industries, as recommended by the Industries Commission?"

(b) If the answer to (a) be in the affirmative, will Government be pleased to place the correspondence on the table?"

The Hon'ble Mr. A. H. Ley replied :—

(a) "Yes.

(b) The Government of India are still in correspondence with the Secretary of State on the subject, and I am unable at present to lay any papers on the table."

The Hon'ble Mir Asad Ali, Khan Bahadur, asked :—

Publication of the reports of the Franchise and Subjects Committees.

23. "Will Government be pleased to state—

(a) whether the reports of the Franchise and Subjects Committees will be published and made available for the public;

(b) whether an opportunity will be given to the members of this Council to discuss at length the Reform proposals soon after the introduction into Parliament of the Bill on the subject?"

The Hon'ble Sir William Vincent replied :—

"(a) The reports will not be published before submission to the Secretary of State, and it will rest with the Secretary of State to determine what papers shall be made public; but the Government of India are confident that all important official correspondence and reports in connection with the Reform proposals since the date of the publication of the Report by the Viceroy and the Secretary of State will be published.

(b) The Government of India are not prepared to give any undertaking upon this point."

The Hon'ble Mir Asad Ali, Khan Bahadur, asked :—

Investigation of the indigenous systems of medicine.

24. "With reference to the reply given on the 26th September, 1918, to my question on the subject, will Government be pleased to state :—

(a) whether the opinion of the Committee of the All-India Ayurvedic and Unani Tibbi Conference on the indigenous systems of medicine has been received, and, if so, will they be pleased to lay it on the table along with the opinions, if any, received from other non-official bodies?

(b) whether they propose to invite further the opinion of independent non-official medical practitioners on the subject before the matter under consideration is finally disposed of?"

[19TH FEBRUARY, 1919.] [Mir Asad Ali, Khan Bahadur; Sir William Vincent; Sir Fazulbhoj Currimbhoj; Sir James Meston; Sir George Lowndes.]

(c) what measures have already been considered by the various Local Governments for conducting the scientific investigations of the properties of indigenous drugs, and whether these measures, if postponed during the war, will be resumed early?"

The Hon'ble Sir William Vincent replied :—

"(a) The opinion of the Committee of the All-India Ayurvedic and Unani Tibbi Conference has not yet been received; no other non-official body has addressed the Government of India on the subject.

(b) Some of the principal Local Governments consulted independent non-official medical practitioners before submitting their reports, and it is not proposed to invite further opinions.

(c) The Government of India notice that on the 30th of July last the Government of Bombay accepted a resolution moved in their Legislative Council for the appointment of a Committee which will recommend what steps should be taken to start a pharmacological laboratory or research institute in medicine at a suitable centre in the Presidency for scientific experiment with and research into indigenous drugs. They have however received no report on this subject from the Government of Bombay or from any other Government, and they would suggest that information, if required, as to what each Government is doing should be elicited by questions in the local Legislative Councils."

The Hon'ble Sir Fazulbhoj Currimbhoj asked :—

25. "Will Government be pleased to state whether they proposed to give effect to the recommendations of the Decentralisation Commission on financial decentralisation?" Financial
Decentral-
isation.

The Hon'ble Sir James Meston replied :—

"Effect has already been given to a number of the proposals of the Royal Commission. The whole question of financial decentralisation is now once more under careful consideration in connection with the question of Constitutional Reforms."

TERMINATION OF THE PRESENT WAR (DEFINITION) BILL.

The Hon'ble Sir George Lowndes :—“My Lord, I move for leave to introduce a Bill to make provision to determine the date of the termination of the present war and for purposes connected therewith. The Bill hardly needs explanation. It is obviously necessary that the same date should be adopted throughout the Empire for the formal termination of the war. Parliament has legislated in order to allow His Majesty to declare by Order in Council what date should be fixed for the formal termination of the war, and we are proposing in India to follow the same procedure. I move for leave to introduce the Bill.” 11-21 A.M.

The motion was put and agreed to.

The Hon'ble Sir George Lowndes :—“My Lord, I beg to introduce the Bill, and move that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the ‘Gazette of India’ in English.”

The motion was put and agreed to.

EXCESS PROFITS DUTY BILL.

11-24 A.M.

The Hon'ble Sir James Meston :—“ My Lord, when the armistices were signed three months ago, men's minds naturally turned with gratitude to picture a world from which war with all its attendant evils had at last been removed ; and it came to many of us as an unpleasant surprise when this document was published a few weeks after the noise of battle had ceased. It reminded us that, although the war was over, the price of victory had yet to be paid. In human lives and suffering that price has been paid in full measure. But on those of us who remain the duty rests of trying to help in some degree to liquidate the incalculable material loss which has fallen upon the world during these last four years. In some countries that task will occupy the attention of the present generation and of generations yet unborn ; but in more fortunate India the pecuniary burden of war will relatively be a trivial and transient embarrassment. India, under your Excellency's guidance, however, has not been ungrateful for the shelter and security that she has enjoyed during these anxious years, and most Members of this Council took part in the enthusiasm with which India bestowed her first magnificent gift of £100 millions towards the cost of the war. Then, again, in September last this Council with virtual unanimity decided upon a further gift by taking over from His Majesty's Government the charges of a large Indian fighting force which had previously been met out of British funds. The value of that second donation was estimated by my predecessor at £45 millions, or in the neighbourhood thereof. He assumed that the forces for which we were providing would be at war for two years and would be demobilized in the third year, while there would be a running accompaniment of pension charges dwindling until that part of the burden finally disappeared. Well, the war happily ended long before the period of Sir William Meyer's estimate, and our total payments are not likely now to be more than £30 millions. For the current year our bill is being honoured partly out of our current revenues and partly by an overdraft upon our balances. But for the next year we have to find £8½, and it is to help in providing that sum that we are now asking the approval of Council to the measure which I introduce to-day. Our need for this extra taxation may be very briefly explained. When Sir William Meyer described his proposals in September last, he told the Council that the military expenditure which we were then accepting would amount to about £12·7 millions in the current year, to £14·7 millions in the next year, and if the war then terminated to £7·7 millions in the third year or the period of demobilization with, of course, pension charges added in each case. For the current year he expressed the hope that he would be able to provide the required funds out of the large surplus which he then anticipated. I have heard him sharply criticized for the expression of this hope, but I think, my Lord, most Members of this Council will agree that criticism on that point is a little unreasonable. At that time Sir William Meyer had before him only the figures of the first quarter of the current year ; and as we all know a sudden rapid change for the worse came over our financial position almost immediately after he had spoken. Famine raised its head with all its attendant re-action upon our revenues. Exports, especially of food, were curtailed in a very large measure, and the sale of Council drafts stopped from October, while all the time we had to go on merrily coining rupees to a very large extent, and enduring the loss in which they involved us on account of our compulsory purchases of silver. As Hon'ble Members are aware, we had, recently on two occasions, to reverse the ordinary procedure of exchange and sell what are ordinarily known as reverse Councils in India. All these forces combined to defeat Sir William Meyer's hope of a large surplus, and in actual fact we shall probably have to admit a heavy deficit, a deficit of about £4 millions in the current year. We have thus not been able to meet anything like the first instalment of our obligations out of the current year's revenues. For next year Sir William Meyer was under no delusions. To pay the second instalment he warned the Council that extra taxation would be necessary, and he made it perfectly clear that in the forefront of that taxation there would be a duty on excess profits. With the advent

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of peace it is true that that second instalment has disappeared, and all that we have now to face, apart from the running pension charges, is the £8½ millions of the last instalment. But the tightness which Sir William Moyer foresaw is now upon us, and it is my duty to-day to attempt to convince the Council that we cannot find this amount without some of the additional taxation which he warned us would be inevitable. For it will be remembered that Sir William Meyer in speaking last September held out no hope that the excess profits duty would be the only measure necessary to fill the gap.

“Our Budget estimates unfortunately are not ready; it will be ten days before they are. I wish they were, for Hon'ble Members would then be able to study the position for themselves and find a justification for what is now proposed. But briefly it comes to this. We have pitched our revenue estimates as high as we dare without imprudence. We have of course had to allow very large grants for railway renewals which had fallen to a point of danger during the war; but in all other matters of expenditure we have counted every rupee. His Excellency the Commander-in-Chief, in particular, has accepted for the current expenses of the Army a grant which has been cut so fine that only his resolute insistence on economy will enable it to suffice. And yet with all this our revenues we expect will be barely £3½ millions ahead of our normal outlay. It is obvious that a fraction of this, say a crore or £½ of a million, must be kept as a surplus, or margin—and it is not a very extravagant margin—against the vicissitudes of the year. So that we are left with £3 millions out of our normal revenues to meet our liabilities under your September Resolution for £8½ millions. There is a shortage of £5½ millions, and it is approximately that sum of £5½ to £6 millions which we aim, if Council passes the measure which I now introduce, at recovering from the excess profits duty on a 50 per cent. basis.

“The Bill, my Lord, is a very simple measure and endeavours to be as elastic as the peculiar circumstances require. It applies, with certain large exceptions, to all businesses in India which during the current year have returned profits exceeding Rs. 30,000. The first of these exceptions is Agriculture or, as it is called in the United Kingdom, Husbandry, which we do not propose to tax. The second is salaried employments, which have not participated in the special profits of the war. Then come professional incomes which depend upon the personal skill of the earner; and, lastly, we propose to exempt concerns which are already paying excess profits duty in England very much higher than it is proposed to levy in India. With these exceptions it is proposed to take every business in British India and ascertain the profits upon which it paid income-tax in the two years before the year in which war was declared and in the two years after that event. The average of these four years is struck and set up as the standard of profits. Any sum by which the ascertained profits of the current year exceed that standard is treated as excess profits, and the Government asks for half that sum. If any business, either because it has just started or for any other good reason, did not pay income-tax in the four earlier years, its excess profits are assumed to be the amount by which its actual profits in the current year exceed 10 per cent. on its present capital. My Lord, this is the kernel of the Bill, but there will of course be many exceptional cases. There are concerns with plant which has been running night and day for war work and which will shortly need heavy renewals. These are concerns which have installed machinery for war work, which they will be unable to use for other purposes. There are others which have brought out equipment at possibly three or four times its normal price; others again where renewals and repairs have been impossible in the last four years. The list, which is virtually given in clause 8 of the Bill, is one which might be largely extended; but it is sufficient to say that the Bill recognises such cases as deserving generous treatment, and gives the Collector a wide liberty to modify the assessment. There are probably other cases which have not been referred to in the Bill, and which I have no doubt the Select Committee will be glad to consider. Among these I may incidentally mention, without committing the Government to any decision, the case of controlled trades in

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which owing to the operation of Government control the profits, which would otherwise have accrued to the business, have not been allowed to pass into their pockets. Still another case is that of a new, or a struggling, industry which was set on its feet by the war and which has now again to face the full blast of the foreign competition which had formerly deterred it from making profits. These and any other matters like these will have to be considered on their merits, and will be considered in a generous and sympathetic spirit. The Bill also allows every assessee an appeal. The Bill sets up—and this is perhaps the most important of all—under clause 9 of the Bill, special tribunals for dealing with questions of general importance which would be outside the experience of the ordinary income-tax establishment. The tribunal is a Board of Referees which will always include at least one non-official with special knowledge of the business which is the subject of reference. If Hon'ble Members would like this body strengthened in any way, so as to secure adequate attention to technical business considerations to which they attach importance, I hope it will be possible to meet their wishes in Select Committee. There are many other matters, not included in the Bill, which it is necessary to touch upon in order to give the Council the complete outline of our taxation proposals. First of all, it is recognised that the super-tax was a rough and ready substitute for a tax on war profits, and that it would be inequitable to levy both these duties from the same individual or firm. The necessary steps will accordingly be taken to secure the relief from one tax of every assessee who pays the other. The Finance Department is often twitted with its partiality for the maxim 'Whichever is less.' On the present occasion we are prepared magnanimously to reverse that motto and take whichever is greater. If the super-tax which would be payable in the absence of an excess profits duty is higher than what we should get by assessing the excess profits and taking no super-tax, we should ask for the former, and *vice versa*. In the second place, it is not proposed to assess income-tax upon the share of excess profits which is taken by Government. In the third place, we are doing all that is possible to overhaul and strengthen the machinery of assessment. To assist us in this work we have been singularly fortunate in obtaining, through the good offices of the Secretary of State and by the courtesy of the Board of Inland Revenue, the services of a distinguished expert from Whitehall, Mr. W. S. Watkins, who is expected to leave London at the end of this month and will bring out to us the valuable experience which the British authorities have acquired in this kind of work. We hope that Mr. Watkins will be able to sit on Boards of Referees which have to deal with questions of peculiar difficulty or importance; that he will assist us in framing the rules and regulations under the Act; and that Local Governments will permit him to advise and guide their income-tax authorities in matters where weight is naturally attached to English experience.

"Having explained the proposed relations between the excess profits duty, the super-tax and the income-tax, I would naturally be expected to put forward some kind of estimate of the amount to be expected from the operation of this Bill when it becomes law. It is naturally very difficult and a little invidious to define the profits which we expect to realise from each individual industry. Consequently—and I think Hon'ble Members will accept this proposal,—I shall lump the figures together, and simply say that according to the best of our estimates we believe that the excess profits which will be assessable after all allowances for depreciation and the like, will aggregate, for the whole of British India, about 22½ crores. When we get half of that, it is equivalent to £7½ millions gross; from which we have to deduct the super-tax which will be remitted under the provisions which I have just described, that remission we calculate roughly at about a million sterling. Then, again, we have to deduct the income-tax which will be payable on the Government share of the excess profits, and that by an easy calculation works out to about £400,000. So altogether we expect to realise about £6 millions net as our share of the excess profits duty. Making some remission for unavoidable contingencies or miscalculations, we thus just succeed in covering the figure which we set out to try to obtain.

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" Now, my Lord, I do not propose to take the Council through all the technical provisions of the Bill. They have been thoroughly canvassed by competent critics from whom we are already receiving most useful criticisms. Mr. Howard and I have had the advantage of informal discussions with the members of several of the leading commercial communities; and I should like to express our indebtedness for the courtesy and frankness with which we have uniformly met. The criticisms furnished to us both at these informal conversations and in the written opinions which are now arriving will be closely examined in Select Committee, and it would be useless to weary the patience of the Council by discussing them to-day

" But what the Council will no doubt prefer is that I should attempt to answer very briefly the main objections that have been taken to the principles of the Bill and the necessity for it at all. Now those objections, my Lord, divide themselves naturally into several different categories.

" With one set of critics I need not occupy much time. They are those who argue that India has already done enough, and that the further contribution which this Council decided to offer last September should now be withdrawn. I leave those critics to the judgment of the Council whose decision they challenge. But I think, my Lord, we can leave them also to the judgment of another tribunal. If those critics, looking round upon the millions of lives that have been sacrificed, on the long-drawn misery of the millions maimed and disabled, on the sufferings of the invaded lands, on the loss which whole nations have endured of their homes and everything that is dear to them, and of the universal hardships which have been cheerfully borne by every class, every creed in the British Empire—if, I say, on looking round upon this world of strain and privation, they still can be content to hug their wealth, their comforts and their luxuries—then, my Lord, I think we may leave them to the tribunal of their own conscience.

" There is, however, another class of critics who urge that our proposals are ill-timed; that war is over, and that war levies ought to cease. Some of my friends who hold this view emphasise the agricultural difficulties in which parts of India are now plunged and argue, with much plausibility, that India's first duty is to look after herself. Others describe the depression in the markets, the reaction which must follow the recent prosperity, the unwisdom of adding to all this unsettlement by an unpopular tax. Well, the Government of India may confidently assure those who hold such language that, in combating agricultural distress, the full energies of our resources will be as ever available, and that this tax will not by one jot or tittle interfere with the financing of whatever measures are required to avert the results of scarcity. If it were the case that this new tax fell upon an industrial community weakened by the collapse of its markets, we ought certainly to think twice before going on with it. But, my Lord, is this the case except to a very narrow and limited extent? No signs of collapse, I believe, are yet apparent in the jute trade or in the many subsidiary industries to which the war has given a fillip. The position of the cotton trade undoubtedly is different. It has passed through a bad time, partly owing to labour difficulties, but also, I am surely right in saying, to unwise speculation. The fanciful heights to which the cloth market and the Bombay share market had soared last year could not possibly have been maintained in permanency; and the fact that they are now approaching a lower, and we may hope, a saner level, is surely no valid argument against our proposals. And is this Bill so untimely as I am told? I am frequently assured that the excess profits duty would have been an excellent idea three years ago, but that is all wrong now. Well, unfortunately it is impossible to accept the implied offer and to lay hands on the profits of three years ago. But what is wrong with the tax now? It is no reply to say that the war is over. War is not like a game of chess which you can finish, put away the chessmen and fold up the board and walk off. War is an evil of which the consequences remain, and those consequences have got to be paid for by whatever name we call the requisite taxation.

" The plain fact, my Lord, is that in September last we undertook to pay for an extra force of 200,000 Indian troops. That force is still in being; it is

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rendering valuable service in garrisoning conquered countries and in enabling peace to be secured and the benefits of peace to be established. We are in honour bound to pay for those men until they are returned to civil life. We are in honour bound to pay the pensions and allowances to those who are disabled, to those who are superannuated, and to the families of those who have died. That is the clear duty of the Government, and it is for that purpose that we are to-day asking for the necessary money.

"I pass now, my Lord, to another class of critics. Soon after arriving in Delhi, I was visited by a number of my old friends from Cawnpore, gentlemen in charge of large industrial concerns which had been continuously engaged in war work. What they said was this: 'We know that the money is wanted; we know that you have got to raise it; the money is here and you shall have it; but you are going about the wrong way to take it.' Well, similar things afterwards were said to me by representatives of commercial communities in other parts of India, and I invariably found that this criticism came from those who had taken a large and patriotic share in our war effort and invested largely in our war loans, and consequently it is our bounden duty in all courtesy to give very special consideration to their objections. Accordingly, my Lord, all possible alternatives were thoroughly examined. First of these alternatives was a loan. Many varied and ingenious forms for raising the money by loan were pressed upon us, particularly in Bombay; but we have had finally to reject the idea. As Hon'ble Members will have recognised, our difficulties in the current year compel us to borrow indirectly about £4 million towards the first instalment of our new obligation. If to this we add the £3½ millions which still have to be paid, and the capitalised value of pension obligations which will remain for the future, we should be placing a very substantial addition upon our temporary debt. That debt is already higher than any of us like. We have to get rid of it before we can launch out into the programme of remunerative borrowing for the development of India which all of us look forward to. Another alternative which we found considerably favoured, in certain though not in all commercial circles, was an amendment of the super-tax system which would allow that tax to be assessed on the whole profits of companies, and not only on the undistributed profits. Personally, although I have no authority from the Government of India to announce a policy in this matter, I confess to being much in sympathy with the desire for the amendment of our existing system of taxation on incomes. But I feel that the whole subject requires more ventilation and discussion, in order to get at an equitable graded scale which will carry us over the period of recovery from the consequences of war. To frame a scale which would have produced the extra revenue required by us this year, would have entailed a higher range of assessment than should be necessary in more normal circumstances; and having got such a range, the Finance Member, being only a fallible mortal, would probably find himself sorely tempted to stick to it after the necessity for it had passed. Moreover, as a prominent feature on the fiscal side of the Reforms Scheme is the appropriation of income-tax wholly for Imperial purposes, I confess I should look with some misgiving upon a situation in which the various provinces could point to a high return from the taxation of incomes as an argument for the immediate reduction of their contributions to the Central Exchequer. It seemed therefore inexpedient on all grounds to revise the income-tax and the super-tax just at present, although I trust that such a revision will be taken in hand as soon as the excess profits duty ceases to operate. Another, and really the only other, suggestion of any value was that while standing by our proposals, we should be content with a smaller share of the current year's profits, say one-third instead of one-half. I can assure the Council that this proposal was very carefully examined, and that at one time we had hopes of being able to accept it, but since that time there has come upon us a large additional liability for the maintenance of our Army, which will add over £2 millions, probably £2½ millions, to next year's expenditure. A third of the assessable profits, if Hon'ble Members followed the brief calculation I tried to place before them a few minutes ago, would have given us £4 millions and that would not have been enough with a gap of very nearly £6 millions to

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fill; and I am afraid we have been driven by force of circumstances to fall back upon the full 50 per cent. So that we come, almost by a process of exhaustion, back to the proposals embodied in this Bill, and we have not been able to find any other sound economic method of raising the necessary funds which would be either advisable or indeed in consonance with the general wishes of those affected.

"There is only one other important class of critics, and with them I will close. They are the numerous well-wishers who warn us that a tax on profits is economically bad and mischievous to industry. If their arguments were accepted in full, there would, of course, be no taxation at all. It would be foolish to contend, and I do not for a moment profess to contend, that there are not some taxes which are less felt by the ordinary man than others; and probably a direct tax on profits is a form of levy which economists would gladly avoid at normal times. But are the times normal, or are the profits which we are taxing sound? Have not these huge profits of recent years been responsible, in some measure at least, for an orgy of harmful speculation, for much of the labour trouble that has since visited us, for an inflated standard of values which is entirely hostile to the healthy financial development of the country? It is this scale of profits which is unsound much more than the tax; and I am sure many a business man will agree with me in his heart of hearts, if not to-day, certainly in later years, when he looks back upon an artificial prosperity which has left him nothing but a legacy of trouble.

"My Lord, this then is the position. We have undertaken an obligation to pay a share of the cost of our own fighting forces. It is an infinitely small sum as compared with the burden which lies on the rest of the Empire; it is not a large sum relatively to our own resources. From that obligation we cannot in honour recede. To meet it we have to find £8½ millions next year. We have pinched and saved, and postponed all avoidable expenditure; and have thus been able to provide only a fraction of this (about £3 millions) out of our current revenues. For the remainder we must have extra taxation. We have searched for any form of tax which would furnish the necessary sum without adding to the burdens of the poorer classes. We have accordingly determined to appeal to the wealthy, and more particularly to that class whose incomes have been largely increased as a result, directly or indirectly, of the war. There are reasons at the moment why we should not take the money by an enhancement of the rates of the ordinary income-tax. We have, therefore, had recourse to what seems as fair in India as it has been acknowledged to be in the United Kingdom, a tax on the profits made by industries in excess of a normal standard. We have taken the normal standard, however, not as in England on a pre-war basis, but, in order to show all consideration for those who have to pay a somewhat belated duty, at an average between a lean period before the war and a fat period after the outbreak of hostilities. We are prepared to make all possible allowance for hard cases, and to correct our own valuations, wherever possible, by the skilled knowledge of business men.

"This, my Lord, is the case for the Bill which I now introduce. Firstly, secondly and lastly, the Bill is a war measure; it is a measure for paying fighting men who are actually at the present moment in the field. It is thus a measure which will help to secure, we hope, for the world a lasting peace; and I would appeal to all those who place a higher value on that achievement than on the mere amassing of wealth to lend it their support.

"My Lord, I introduce the Bill and beg to move that it be referred to a Select Committee consisting of the Hon'ble Sir George Lowndes, the Hon'ble Mr. Kesteven, the Hon'ble Sir Fazulbhoj Currimbhoj, the Hon'ble Rai Sita Nath Ray Bahadur, the Hon'ble Mr. Howard, the Hon'ble Mr. Hogg, the Hon'ble Sir Gangadhar Chitnavis, the Hon'ble Mr. Ironside, the Hon'ble Mr. Rice, the Hon'ble Mr. Mounieroff Smith and myself, with instructions to report on or before the 12th March, 1919."

The Hon'ble Mr. Malcolm N. Hogg :—"My Lord, this is a Bill 11 on the merits of which I had some difficulty in making up my mind, and when

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I had made it up, I arrived at a conclusion which is in some respects contrary to the very large majority of commercial opinion, both European and Indian, in Bombay. My only course, therefore, is to lay my personal views before the Council for what they are worth, and then to point out how very little they are worth for practical purposes inasmuch as they are entirely unrepresentative on this matter. Few, I think, will deny the inherent justice of the underlying principle of this Bill, namely, that those to whom circumstances arising out of the war have brought exceptional profits should contribute a portion of those profits to the cost of the war. It is when we come to try and apply this principle in legislation that difficulties arise. In England, the principle was applied at a very early stage of the war; that is to say at the most favourable moment. But even in England the excess profits duty has proved in some respects unsatisfactory; it has been difficult and troublesome to assess, and often inequitable in its incidence. But it has been accepted in England as a necessary war evil, and I think that it would have been accepted in India as a necessary war evil if it had been introduced at an earlier stage. For various reasons, but principally on account of the difficulties of assessment and collection, it was not introduced, and the delay far from lessening the difficulties has increased them. The delay has also prejudiced the reception of the Bill, and a measure which, I think, would have been generally accepted a year or two ago, has now met with very general opposition and condemnation. It is not necessary for me to recapitulate the grounds on which this opposition is based, for I think that they are sufficiently well known; but I am bound to admit that there is considerable force in some of the arguments advanced. I share the general objection to retrospective taxation. I am aware that the present economic situation in certain important trades and industries, particularly in Bombay, is very unfavourable for the introduction of such a duty, and I realise—and this to my mind is the most important objection to the Bill—the very great difficulties which exist in this country in the way of its equitable assessment and successful collection, difficulties which are far greater than those of a like nature existing in England. I have endeavoured to weigh carefully these theoretical and practical objections to the Bill, but I have come to the conclusion that, in spite of them all, the inherent soundness of the underlying principle justifies an attempt being made to apply it even at this late stage. It cannot be denied that very considerable profits have been made by certain trades and industries in India through circumstances arising out of the war, and I feel that it is still worth while making an attempt to secure a portion of those profits for expenditure arising out of the war.

“ But there is another reason which has impelled me to the same conclusion. Assuming that this money is required for war expenditure, how else is it to be raised? I have said, assuming it is required for war expenditure, because that, I think, is an essential condition, and until the presentation of the Financial Statement we are to some extent in the dark on this matter, although the speech of the Hon'ble the Finance Member in introducing the Bill has done much to enlighten us. On this assumption, however, how else is the money to be raised? One suggestion has been a loan. Well, in the first place, my Lord, I am personally not very sanguine about the prospects of raising any large sum of money by loan in India this year. But, secondly, I feel that we have already raised as much of our exceptional war expenditure by short term loans in this country as is advisable. Next year, the first of these short term loans will be falling due for repayment, and I feel that Government will have their work cut out to meet this and the succeeding loans as they fall due without pursuing the policy of financing exceptional war expenditure by short term loans any further.

“ A second expedient which has been suggested is an increase in one or other of the existing sources of taxation. Well, I feel that all possible permanent increases of taxation will be required and more than required in this country during the next few years to meet the repayment of existing short term loans and the very heavy increases in permanent recurring expenditure which are ahead of us. I do not think that it is sufficiently recognised what a very great strain will be placed upon both the loan and the taxation resources of

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India to meet the urgent demands of education, sanitation, housing, railways and other needs of a like nature. It seems to me, therefore, that we are forced back upon the necessity of attempting to meet the remainder of our exceptional war expenditure by exceptional war taxation.

"I do not propose, to-day, to enter into any detailed criticism of the Bill because the proper time for that is the Select Committee and the subsequent stages; but I do wish just to say this, that I think that the Bill as drafted requires considerable amendment with a view to ensuring that it falls, as far as possible, only on those who are in a position to bear the burden, and with a view to seeing that its total yield does not exceed the requirements of urgent war expenditure.

"Such, my Lord, are my personal views, but I feel it my duty to place another aspect of this question before the Council with considerable emphasis. I have stated that my views do not coincide with general commercial opinion, which is strongly opposed to the passage of this measure. That opposition is shared by the Bombay Chamber of Commerce whom I have the honour to represent upon this Council. My absence from Bombay during the last three months with the Franchise Committee has prevented my having any recent opportunity of a discussion of the Bill in detail with the members or Committee of my Chamber; but their views have been recently fully communicated to Government in writing, and will no doubt be circulated to Hon'ble Members as one of the papers on this Bill. I feel bound to advise your Excellency's Government to attach far more weight to this expression of opinion from a body such as the Bombay Chamber of Commerce than to my own personal views; and it is a matter for the very serious consideration of Government whether it is expedient to persevere with a measure which has provoked such a large measure of opposition and resentment among those whom it will affect, particularly in view of the fact that it is to these same classes of the community that Government must look for the bulk of any loan which they may desire to raise. In this connection, I should like to make it clear that my Chamber do not share my opinion as to the prospects of a loan this year. I received from them last Monday a telegram in which they state, firstly, that they adhere to their opinion that the sum required should be raised by other methods; secondly, that, if Government persist with this measure, the sum to be raised by it should be strictly limited to the rough amount of 6 crores of rupees which had previously been stated to be approximately required, and also that the Bill should be amended so as to remove some inequalities which they consider exist in the present draft, bearing in mind that a tax which may be suited to conditions in one province, say Bengal, may operate very unfairly in other provinces; thirdly, they state—and this is particularly important—that in their opinion the prospects of a loan this year are good, and that they see no reason why 20 or 25 crores should not be raised, but that they consider that the Bill in its present form is calculated seriously to prejudice the prospects of raising even a smaller amount. I invite the very serious consideration of your Excellency's Government and of this Council to this considered expression of an opinion which is, I believe, very generally held.

"I do not think that there are any serious differences of opinion between my Chamber and myself on the details of the Bill, and I hope in the course of the Select Committee proceedings to secure some important amendments. It is only on the question whether the Bill should be proceeded with and amended or whether it should be entirely withdrawn, that I differ from my Chamber. I feel that, under the circumstances, the only proper course for me to pursue is to refrain from voting. I cannot reconcile it with the views which I hold, and hold with conviction, to vote against this Bill. At the same time I feel that it would not be right for me to record a vote in its favour, knowing that that vote is directly contrary to the wishes and opinions of those whom I am here to represent. In conclusion, I desire to repeat that it is the duty of your Excellency's Government to attach very great weight to the opinion expressed

[*Mr. Malcolm N. Hogg; Sir Fazulbhoj Currimbhoj* [10TH FEBRUARY, 1919.]

by the Bombay Chamber of Commerce and by so many other commercial associations and bodies throughout India."

The Hon'ble Sir Fazulbhoj Currimbhoj :—My Lord, I rise to oppose the Excess Profits Bill. I am doing so with the full consciousness of my responsibility as a Member of this Council notwithstanding the fact that I gave my cordial support, in last September to the Resolution, moved by Sir William Meyer, for India's taking a larger share, in respect of the cost of military forces raised in the country. I supported the Resolution because we had not, then, seen the successful termination of the war. At the War Conference held in April last, your Lordship had indicated the grave military danger across the borders, and it was made clear to the country that a further contribution from India meant not only the performance of Imperial obligations that fell to the share of India, but as a sort of self-defence to ward-off the threatened invasion of the country. Successful operations in Mesopotamia and elsewhere would, it was expected, create diversions which would make it impossible for the enemy to succeed in his nefarious plans across our borders. Whatever my views were with regard to the poverty of the country and with regard to the enormous burden that a further contribution will lay upon the people of this country, I was one of those who cheerfully and boldly supported that Resolution anticipating at the same time considerable criticism outside this Council, where the issues were not so clearly understood.

" My Lord, the situation has changed since then, and it is no longer possible to impose the taxation outlined in the speech of the Finance Member at that time, except by 'violating the conditions and safeguards' which were specifically mentioned in the Resolution. Sir William Meyer had assured this Council that the matter was liable to reconsideration 'if we were faced with grave financial burdens in other respects, such as a worse agricultural situation or a grave currency crisis.' I urge that the matter should be reconsidered because the rainfall this year has been deficient in certain areas and there is actual famine calling forth for famine relief from Imperial funds. While one part of the country is suffering from actual famine and the shortage of food materials, the rest of the country is in the grip of high prices which were not known even in some of the worst famine times from which the people have suffered. Nothing but the extraordinary confidence, which the people of this country have, in the Government of India could have sustained our currency system from reaching a crisis, and even now business-men everywhere are feeling—though they are loyal enough not to complain—the restraints on exports that had been exercised in the interest of our artificial currency for preventing the exchange from rising still further. Added to all this, the sudden termination of the war has brought about a depression in trade, a dislocation of ordinary business activities; a situation that can fittingly be described as an incipient financial crisis. The present depression of trade and uncertainty has ruined a good many merchants and has robbed many more of the profits they made during the war. The high prices have brought on an epidemic of strike which have imposed additional and excessive burden on industries everywhere, and to complete this tale of woe we had epidemics, one after the other, more serious than the plague, that has taken its victims from this country for many years. These epidemics have interfered with industry everywhere in a very real and material manner. I submit, my Lord, that the situation that has now arisen was not foreseen by anyone of us when we gave our support to the Resolution in September last.

" There are other reasons for not pushing on this Bill which I shall briefly state with your permission. Now that the war is over, there is not the same need for India's assistance, nor is there the need to raise such large sums as it was proposed to raise at the time. Far be it from me to suggest that India should not do her duty with regard to the Empire, but I now think this should be attempted in a more suitable manner and on a better occasion. I am led to this opinion not in the spirit of shirking our just obligations, but because it would be a very unwise policy to push on with the Bill at the

[19TH FEBRUARY, 1919.] [Sir Fazulbhoy Currimbhoy.]

present moment. Many of those that have made profits in the war have also made serious losses at the termination of the war. The promise of the Finance Minister that the Government would avoid placing the burden on the poorer classes could not be carried out if this Bill was pushed on, because all transactions have taken place on the profits and on values that have been fixed on the old basis. The joint-stock companies have already divided out their profits, and the investing public the last holder, in many cases the *bond fide* holders, would be penalised. The mere announcement of the excess profits tax has made so much harm and I honestly believe that the Government could not push through the Bill without causing further serious dislocation in the activities of business all over the country. As an industrialist and as one who as a member of the Industrial Commission recommended assistance to industries in different ways in exceptional circumstances, even to the extent of assistance from the finance of the State, I cannot countenance, without raising my humble protest, a proposal that involves such a levy on Capital and that reverses the process withdrawing the Capital from the most enterprising section of the community. The most serious objection that I have to the passing of this Bill is not one of a sentimental character, but one dictated by weighty reasons of financial policy. I am aware that at the time of the floating of the second war loan in India, no assurance was given by the then Finance Member that new taxation would not be imposed, and yet human nature being what it is, it was the general hope in the business community that if the loan was made successful they would escape further taxation. This was one of the causes of the magnificent response which had been given last year to the call for subscriptions to the War Loan, War bonds and Treasury bills. The section which takes up Government script immediately is just the section which is going to be crippled by this levy under the Excess Profits Bill, and I am positive that if this Bill is passed, then the prospects of a new loan if the Government of India would want to raise it in the country would be altogether ruined. The Government have several obligations in connection with the treasury bills and in connection with the war bonds maturing in the coming year, and they have also to provide for the accumulated demands of capital expenditure on Railways and in other ways. I submit that the Government would be paying too high a price for the revenue which they propose to raise by this Bill, if they emasculate the business community thereby and if they have to face the failure of their loan policy in the coming year, besides the levy as excess profits was in the first instance going to be a temporary war levy. The war having now ended, perhaps such a heroic measure involving much interference with business is not needed. The burden which was proposed to be borne by this country should not be levied under the present conditions of agricultural distress and trade depression and financial anxiety. I would urge upon the Government of India, with all the emphasis I am capable of, the reconsideration of the whole matter, and at all events the dropping of the Bill at this stage.

My Lord, the Council is no doubt aware that the opinion in the Bombay Presidency is opposed to the Bill, and this has been very ably voiced by the Bombay Government in their letter to your Lordship's Government, dated the 4th February, 1919. My Lord, with your permission I will read one paragraph. In paragraph four of the above mentioned letter Mr. J. L. Rieu, the Secretary to the Government of Bombay, says: 'I am to state that after further consideration the Governor in Council is still unable to recommend that the proposal to levy a duty on excess profits should be proceeded with, in view of the difficulty of the assessment of the duty, the inequality of its incidence, the likelihood of evasion and avoidance and the political effect of the general resentment which the imposition of this tax, after the virtuous conclusion of war and at a time when the Indian Industry requires every encouragement, is calculated to arouse.' My Lord, the above truly reflects the general feelings prevailing among the commercial community of Bombay.

My Lord, of the apparent justice of taxing those who have made profits in the war, I think too much can be made and it would be unwise to consider any tax isolated in this manner without reference to the direct and indirect

[*Sir Fazulbhoy Currimbhoy; Mr. W. A. Ironside.*] [19TH FEBRUARY, 1919.]

reactions of the tax on all sections of the community. Personally I feel that the whole matter of this burden should be reconsidered, but if that cannot be done, then this obligation should be met by means of a long period loan with sinking fund, distributed over a number of years. Other proposals which are suggested are for raising the rate of customs duty and for screwing up the income-tax. The adoption of either of these would place a burden on the country, which the country at this time can ill afford owing to famine conditions and depression in the trade. But any of these would cause less disturbance and would on the whole be less objectionable in principle and in the actual working of the tax, than the proposed levy under the Bill.

"My Lord, I find the Bill as has been drafted requires substantial changes, and on the details of the Bill I do not propose to offer at this stage any criticism. Should the Government still wish to carry through this Bill, then I shall take an opportunity at a later stage in the Select Committee to make suggestions for the modification of this Bill so as to minimise the injustice of the levy in several directions.

"With these few remarks, my Lord, I oppose the Bill."

12-20 P.M.

The Hon'ble Mr. W. A. Ironside:—"My Lord, representing the Bengal Chamber of Commerce and the interests of that great body, I feel it necessary to state at once that my instructions are to oppose and to vote against this Bill. I find myself in very much the same position as my colleague, the Hon'ble Mr. Hogg, in that my personal views and those that I represent are not in accord. As representing those views I feel I must give them every possible assistance, and place before Government opinions that should carry great weight. I feel that my personal views must not take precedence of those that I represent, particularly as they are so largely in the majority. The delay in giving a final pronouncement on the provisions of the Bill by the Select Committee has, I feel, caused a great deal of unnecessary difficulty. The Bill was one essentially for a prompt decision. In business promptitude is the soul of our work, and in the matter of this Bill people—and there are a great number seriously affected by it—have been prevented from taking a final and complete survey of their position and if need be cut their losses before it was possible to commence work again. The criticism which I offered in September last could well be repeated again to-day, and we have heard and read criticism galore against the Bill. I do not think it necessary to weary the Council with any further criticism of at any rate a destructive character, but would rather try and place a reasonable view before you; and I trust that opportunities will arise in the Select Committee whereby we can eliminate what are obvious cases of hardship. No one of course can view a Bill of this description with pleasure; no taxation is exactly a gift; but I think that this Bill is largely due to a very wrong financial policy in the past; a financial policy for which the non-official Members of this Council have been directly responsible. I notice that a number of them are not here to-day; but the financial policy of the past has been to pledge the country's credit gaily in times of prosperity, forgetting that debts are birds which come home to roost. We borrowed from Peter to pay Paul, and now the time is coming when Peter will change his name. After listening with considerable interest to Sir James Meston's very masterly exposition of the Bill, I feel less averse, and I think that the financial and commercial public will view with less alarm the Bill as a whole; but I do feel, after listening to the figures cited by Sir James Meston, that there still is a great opening for leniency. I think that the maximum percentage may yet be materially reduced, and I think that those industries which have been started during the period of the war can be absolved from all taxation; and for all that they will bring into the Exchequer I confidently believe they could well be left out. I am glad to hear Sir James Meston mention the fact of those industries which are now faced with severe or the prospect of severe foreign competition, and I trust that that policy will be followed through the Select Committee; and if so, I believe that much of the danger and risk will thereby be eliminated. I trust that very effective taxation will be provided

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[Mr. W. A. Ironside; Sir James Meston.]

for the foreign firms who have made use of India for obtaining large profits during the period of the war; and even now as a consequence of easier financial conditions and special freight facilities they are, I assure you, having it all their own way.

"I have heard certain suggestions made for alternative measures of taxation. An additional loan at this stage I personally reject; but I think there are more practical measures. I refer to income-tax. I think the machinery of collection might easily be tightened. At the present time the individual with the fixed income, the man of moderate means and the firm and the company with published accounts, they are easily got at and they have to pay. But, my Lord, there are thousands of people who shirk their responsibility, who evade their duty, and as long as the present system is allowed to go on, the shirkers will go on shirking.

"My Lord, I trust that the benefits of citizenship will not be reserved to commerce and industry, and that those people who are not ready or willing will in future take their share of the taxation of the country. I also trust that hidden away in the figures which the Hon'ble the Finance Member has provided there may not be some balances to be made available for other than war purposes. I also trust, my Lord, that thoughtless expenditure may be avoided. I refer to this in no carping or hypercritical spirit, but I am tempted to mention it because in the last 48 hours I saw a consignment of iron which had travelled, or would eventually travel, more than half way round India by passenger train in order to reach Basrah. Now this is thoughtless expenditure. I do hope that very rigorous economy will be exercised in the spending departments, for I feel that with the tightening of the machinery for the collection of income-tax, together with economy in expenditure, it would be possible to provide a considerable portion of the sum of money which is required under the present tax."

The Hon'ble Sir James Meston :—"My Lord, the Council may 12-38 P.M.
be congratulated on the speedy conclusion of what I feared was going to be a somewhat acrimonious debate. I personally am grateful for the extremely courteous manner in which these proposals have been received. I am particularly indebted to the Hon'ble Mr. Hogg for the courageous and friendly speech in which he opened the discussion. I fully realise that he spoke his own personal feelings at some sacrifice, and that he had considerable difficulty in differentiating between the convictions that he holds himself and the views that his constituency have directed him to impress on this Council. I value all the more the frank expression of his own views with which he has favoured us. The same applies in a large measure to what has been said by the Hon'ble Mr. Ironside. I see the difficulties of his position and value the expression of opinion that he has given upon our proposals. We have had outside blessings upon this Bill, but they are generally blessings from that class of the community who like most of ourselves will never be called upon to pay excess profits. On this occasion we have had most encouraging advice and helpful speeches from two leading captains of industry from each of the great commercial centres of India. The other speech, that of the Hon'ble Sir Fazulbhoj Currimbhoj, reminded me somewhat of a passage from the Epistle of my patron Saint. In the 5th chapter of St. James, when no doubt an Excess Profits Duty or something similar was to befall Judea, he says to the leading men :—"Go to now, ye rich men, weep and howl, for the miseries that have come upon you."

"Coming to the detailed suggestions that have been made for the improvement of the Bill that is now before the Council, I have, my Lord, nothing to add to what I said in my opening remarks. I do most heartily agree with what Mr. Ironside said as to the importance of tightening up our income-tax assessments and of catching the shirkers in our net. I do fully concur with him in what he said about the necessity of the closest economy at a time when we are raising taxes to meet our war debts. I can assure him that, so far as we know, there are no hidden reserves in our Budget; as Mr. Howard has suggested to me just now, there are really no more rabbits in the hat.

[*Sir James Mcston; Sir William Vincent.*] [19TH FEBRUARY, 1910.]

"Well, my Lord, this is a business proposition and it is a business proposition which has been received in a business-like manner. I trust that when it emerges from Select Committee, Hon'ble Members will find the Bill pruned of any of its defects and still more elastic and more capable of dealing with the hard cases which they have enumerated or have in mind; and I trust that the great business communities, who naturally feel a little sore at this curtailment of their gains—gains for which they have laboured hard and with a large element of genuine patriotism—will lend their influence to make the best of what after all is a temporary and very exceptional measure."

The motion was put and agreed to.

POISONS BILL.

12-40 P.M.

The Hon'ble Sir William Vincent :—“My Lord, I move for leave to introduce a Bill to consolidate and amend the law regulating the importation, possession and sale of poisons throughout British India. The present law is contained in the Poisons Act of 1904, which was, I think, the first all-India measure for dealing with this subject. Under that Act the Local Government has power to regulate the sale, or possession for sale, of any poison in any municipality or cantonment. In regard to white arsenic the powers are more extensive, and Local Governments can regulate the sale or possession for sale of that poison throughout any part of the province; the Government of India has also power to control the importation into British India of this poison. Under section 6 of the Act, the Government of India can, however, notify that all the provisions of the Act which apply to white arsenic also apply to any other specified poison. Under section 10 of the Act, medical and veterinary practitioners, chemists with European qualifications, and chemists not so qualified when dispensing medicines in accordance with a prescription of a medical practitioner, are exempted from the provisions of the Act. The changes which it is proposed now to make in the law are very simple. In the first place, it is proposed to allow Local Governments to regulate sale or possession for sale of any specified poison throughout the province, and not to confine this provision to white arsenic. This power can now be exercised by a Local Government once a notification is issued by the Government of India under section 6. Similarly, we propose to allow the Government of India to control the import into British India of any specified poison. Both these results can be attained at present by the somewhat cumbrous procedure of double notifications under the Act. What we really are proposing is to devolve a power on Local Governments which is vested in the Government of India, and in the case of imports avoiding the clumsy procedure to which I have adverted.

“There is, however, one clause of the Bill to which I ought to draw special attention, clause 10. I have explained that under the present Act amongst others certain chemists and druggists with English qualifications and those dispensing medicines are exempted from the provisions of the Act. I should also have mentioned tanners and hide merchants as they are also exempted. It is now proposed to withdraw those exemptions and subject these classes of persons to control by the Local Governments in their dealing with poisons. It is believed that chemists with English qualifications at present keep registers of poisons and that no inconvenience will be caused by authorising the Local Governments to make the keeping of such registers a legal requirement. The Government have made inquiries regarding tanners and hide merchants, and they believe that their legitimate trade will not be hampered by reasonable restrictions such as those which Local Governments will impose. At present there is reason to believe that in some cases poison is obtained for criminal purposes, such as murder and cattle poisoning from these tanners and hide dealers.

“There is perhaps only one other clause to which I need refer, and that is clause 9 (3) of the Bill, which authorises the Government to exclude from

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Mr. G. S. Khaparde.]

the benefit of the exemption now enjoyed any particular medical practitioner or class of practitioners should they find it necessary to do so. The remainder of the Bill is a consolidating measure, and the only changes of importance are those to which I have already drawn attention.

"At present I only ask for leave to introduce the Bill, I shall subsequently move that the Bill be published in the Gazette of India. I understand that notice of an amendment has been received suggesting that the Bill should be published also in the Provincial Gazettes, and I wish to take the opportunity of saying now that if that amendment is supported by any considerable body of opinion in this Council, and if it is thought desirable to postpone the further consideration of this measure until it has been published in the local official Gazettes, the Government are perfectly ready to meet Hon'ble Members in this matter."

The motion was put and agreed to.

The Hon'ble Sir William Vincent:—"My Lord, I introduce the Bill, and move that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English."

The Hon'ble Mr. V. J. Patel:—"My Lord, I beg to move the following amendment, that for the motion for publishing the Bill in the Gazette of India in English, the following words be added at the end:— 12-15 P.M.

'and in the local official Gazettes in English and in such other languages as the Local Governments think fit.'

"My Lord, I have compared the provisions of the Poisons Act of 1904 with those of this Bill, and I find that four important modifications are proposed to be introduced. In the first place, the old Act applies to the Municipal and Cantonment areas. By this Bill it is proposed to apply the provisions of the Poisons Act to all areas. Secondly, the old Act gives power to the Governor General in Council to regulate the possession and sale of the importation of white arsenic. It is now proposed to take powers to regulate the importation of any specified poisons. Thirdly, under the old Act certain exemptions were provided, firstly, in favour of medical and veterinary practitioners; secondly, in favour of certain chemists and druggists; thirdly, in favour of compounders dispensing medicines under prescriptions; and fourthly, in favour of tanners and hide merchants. It is now proposed by this Bill to take away the exemptions in respect of the last three classes, and to retain them only in respect of medical and veterinary practitioners. There too, that is, in the case of medical and veterinary practitioners, it is proposed by this measure to empower the Local Governments to exclude any medical or veterinary practitioner from the benefit of the exemption. The scope of the Poisons Act of 1904 was particularly limited in order that its provisions might not interfere with legitimate industries. Now, when it is proposed to take away the exemption in favour of tanners and hide merchants, it is a question as to how far this new measure would interfere with the tanning and hide industries in the country. The Bill has not been before the public, and I respectfully submit that due time should be allowed to the people concerned to express their opinion. I believe that changes of far-reaching importance are proposed to be introduced by this Bill, and a great number of people, more especially the tanning and hide merchants, are likely to be affected by it, and therefore, I trust the Council will favour this amendment and pass it."

The Hon'ble Mr. G. S. Khaparde:—"I am in favour of the publication of this Bill in the local official Gazettes, because, I think, it has not reached those classes which will be chiefly affected by it. In addition to these tanners and other people, there are a number of small industries which may use these poisons, and if they never get any idea of the provisions of this Bill they will not be able to put forward the particular exemptions that they might 12-15 P.M.

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sack. For these reasons, my Lord, I submit that this Bill should be re-published in the vernaculars as far as possible."

12-50 P.M.

The Hon'ble Sir William Vincent:—"My Lord, there does not appear to be any particular enthusiasm about this amendment, but I am perfectly prepared to defer to the wishes of the two Hon'ble Members who press for publication in the local Gazettes. The measure is not one of any urgency, and I am always glad, though not always able, to meet Hon'ble Members of this Council. I must at the same time take exception to the statement made by the Hon'ble Mr. Patel that the first part of the Bill makes material changes in the law. It is quite true that the present Act applies specifically to white arsenic only for areas outside municipalities and cantonments, but I think the Hon'ble Member omitted to take into account section 6, which says, 'The Governor General in Council may, by notification in the Gazette of India, apply to any specified poison other than white arsenic all or any of the provisions of this Act relating exclusively to white arsenic.' So that the Government of India is taking no additional powers now. It merely is proposed to specify in the law powers which the Government of India can now exercise indirectly by double notifications. There is really no other substantial change in the law in this matter except that power is now decentralised from the Government of India to Local Governments. It is however true that in regard to tanners and hide merchants, we do propose a material change. We have ascertained to the best of our ability that that change will not hamper trade, and it seems to the Government of India *prima facie* reasonable that a man who is dealing with poisons that may be used for murder and for causing mischief to cattle should be, at any rate, under a requirement to keep registers showing what his stocks are and how they are dealt with. However, my Lord, I am quite prepared, as I said, to accept the amendment of the Hon'ble Member."

The motion, as amended, was put and agreed to.

The Council then adjourned to Wednesday, the 26th of February, 1919, at 11 A.M.

A. P. MUDDIMAN,

Secretary to the Government of India.

DELHI :

The 26th February 1919.