

Monday, March 22, 1920

***THE INDIAN LEGISLATIVE COUNCIL***

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**P L**

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

***ASSEMBLED FOR THE PURPOSE OF MAKING***

**LAWS AND REGULATIONS**

**VOL. LVIII**

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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, 1915,  
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on  
Monday, the 22nd March, 1920.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.O.M.G., G.O.B.E.,  
Viceroy and Governor General, *presiding*, and 60 Members, of whom 52  
were Additional Members.

### STATEMENTS LAID ON THE TABLE.

**The Hon'ble Sir William Vincent:**—"My Lord, I beg to lay on the table\* a statement showing the action taken against presses and newspapers under the Defence of India Act since its enactment, which was promised in reply to a question asked by the Hon'ble Mr. Sachchidananda Sinha on the 25th September, 1919." 11 A.M.

**The Hon'ble Sir William Vincent:**—"My Lord, I beg to lay on the Table a statement showing the number of Europeans, Anglo-Indians and Indians employed in the Government of India Secretariats on salaries of not less than Rs. 25 per mensem, which was promised in reply to a question asked by the Hon'ble Mr. Sachchidananda Sinha on the 11th February, 1920."

### QUESTIONS AND ANSWERS.

**The Hon'ble Rai Sita Nath Ray Bahadur** asked:—

11-3 A.M.

1. "(a) Will Government lay on the table a copy of Mr. Doran's Minute of Evidence before the Public Services Commission?"

Mr. Doran's  
evidence  
before the  
Public  
Services  
Commission.

"(b) Did Mr. Doran hold the appointments of Superintendent, Assistant Director General, Postmaster General and Director General, and did he express the opinion that the duties and responsibilities of a Superintendent of Post Offices are more difficult and onerous than those of an officer in charge of a Telegraph Division?"

**The Hon'ble Sir George Barnes** replied:—

"(a) A copy of Mr. Doran's written evidence furnished to the Royal Commission is laid on the table. Mr. Doran was not orally examined by the Public Services Commission.

"(b) Yes."

\* Vide Appendix A.  
† Not included in these Proceedings.  
‡ Vide Appendix B.

[ Rai Sita Nath Ray Bahadur; Sir George Barnes; [ 22ND MARCH, 1920. ]  
Sir William Vincent; Khan Sahib Shah  
Nawaz Bhutto. ]

**The Hon'ble Rai Sita Nath Ray Bahadur asked :—**

2. " Will Government state—

- (i) the average pay of the officers of the Telegraph Service (a) Imperial,  
(b) Provincial, on 1st January, 1919 ;  
(ii) the average pay of these officers after the recent increase in their pay ;  
(iii) the additional annual increase in expenditure on this account ;  
(iv) the average pay of Superintendents of Post Offices on 1st January 1919 ;  
(v) the average pay of Superintendents of Post Offices proposed by the  
Government in their despatch to the Secretary of State on the  
subject; and  
(vi) the additional annual expenditure on this account ? "

**The Hon'ble Sir George Barnes replied :—**

" I lay upon the table\* a statement giving the information asked for by  
Hon'ble Member."

**The Hon'ble Rai Sita Nath Ray Bahadur asked :—**

Provincial  
Executive  
and Judicial  
Services.

3. "(a) What recommendations have Government made in connection  
with the report of the Public Services Commission to improve the prospects of  
the members of the Provincial Executive and Judicial Services ?

(b) Are Government aware that great inconvenience is felt by members of  
those Services by the fact of their being classed as members of a 'second class  
service' to whom travelling allowance at the rate of four annas a mile is allow-  
ed ?

(c) Is it a fact that even as Sub-divisional officers, Deputy Collectors do not  
get full first class halting allowance ?

(d) Is it a fact that Sub-divisional officers are not the only officers in the  
Provincial Service who have to go on tour, and that Deputy Collectors in the  
Khasmechala, in the Income Tax, Land Acquisition, Court of Wards and various  
other Departments have to go out on tour ?

(e) Are Government aware that there is growing discontent in the Pro-  
vincial Executive and Judicial Services on the question of status, and do  
Government propose to consider the question of raising the Services to the  
status of a first class service ? "

**The Hon'ble Sir William Vincent replied :—**

" (a) The Hon'ble Member is referred to the answer given to the question  
asked on the 8th March by the Hon'ble Rai Sahib Seth Nathmal on the subject  
of the pay of the Provincial Executive and Judicial Services.

(b) Government are not aware of any inconvenience caused by the appli-  
cation of Articles 1002 and 1031, Civil Service Regulations, which regulate the  
classification of officers for purposes of travelling allowances, and the rates of  
mileage allowances admissible.

(c) The answer is in the affirmative. Halting allowance is regulated by  
Article 1063, Civil Service Regulations, with certain exceptions, a list of which  
is given in Appendix 25 to the same Regulations.

(d) The answer is in the affirmative.

(e) Government have no information. Provincial Governments have now  
full powers to change the classification for purposes of travelling allowances  
of individuals and classes of officers paid wholly or in part from Provincial  
revenues. The question therefore is one for decision by Local Governments."

**The Hon'ble Khan Sahib Shah Nawaz Bhutto asked :—**

1st and 2nd  
class accom-  
modation  
on the Up-  
Punjab  
Mail from  
Karachi.

4. " Are Government aware of the fact that great inconvenience is felt by  
1st and 2nd class passengers for want of accommodation by the Up-Punjab  
Mail which leaves Karachi at 7-53 P.M.? If so, do Government propose

\* Not included in these Proceedings.

[ 22ND MARCH, 1920. ] [ *Khan Sahib Shah Nawaz Bhutto; Sir Arthur Anderson; Mr. W. M. Hailey; Mr. G. S. Khaparde; Sir William Vincent.* ]

to arrange that a sufficient number of 1st and 2nd class carriages are attached to the Punjab Mail ? ”

**The Hon'ble Sir Arthur Anderson** replied :—

“ Government have received no complaint, but they have brought the matter to the notice of the Railway Administration, who propose, as an experimental measure, to supplement the accommodation on the Punjab Mail by running the Delhi-Samasata through service carriage which now terminates at Samasata to and from Karachi. If the traffic is found to warrant the running of this extra carriage, it will be continued permanently.”

**The Hon'ble Khan Sahib Shah Nawaz Bhutto** asked :—

5. “ With reference to the recent statement by Government giving the figures for the approximate cost per annum for increases of pay recently sanctioned for the I. C. S., the Public Works Department, the Medical, Provincial Civil, Police, Education and Forest Services, will Government state the approximate cost of each of those services prior to the increase sanctioned for it ? ”

*Cost of various services prior to the recent increases sanctioned.*

**The Hon'ble Mr. W. M. Hailey** replied :—

“ The approximate cost per annum of the several services before the increases of pay recently sanctioned was as follows :—

	R
Indian Civil Service . . . . .	2,45,00,000
Public Works Department, Provincial and Imperial . . . . .	97,00,000
Indian Medical Service . . . . .	48,00,000
Provincial Civil Service . . . . .	1,15,00,000
Indian Police Service . . . . .	58,00,000
Provincial Police Service . . . . .	12,00,000
Indian Educational Service . . . . .	27,00,000
Provincial Educational Service . . . . .	21,00,000
Indian Forest Service . . . . .	24,00,000 ”

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

6. “ (a) With reference to the question put by the Hon'ble Mr. Chanda and answered by the Hon'ble the Home Member regarding Mr. Shankarlal on 30th January, 1920; will Government be pleased to state whether the period of quarantine in the case of Mr. Shankarlal extended all the time from 20th April, 1919 to 30th May, 1919, i.e., 40 days ? ”

*Confinement of Mr. Shankarlal of Delhi.*

(b) Is not the usual period of quarantine a week or ten days ? If so, what were the circumstances which necessitated the extension of the period to 40 days ?

(c) Is it a fact that during this period of 40 days Mr. Shankarlal was called four times a night, i.e., at 9 P.M., 12 P.M., 3 A.M. and 6 A.M., by warders, thereby depriving him of even a single night's continuous rest ?

(d) Is it a fact that a convict warder, by name Purdil, was specially deputed to see that Mr. Shankarlal did not speak with any other prisoner during the time he was in jail except the last fortnight when another man, name unknown, was deputed to carry on the work of the above named Purdil ?

(e) Is it a fact that not permitting a prisoner to speak with any other of his fellow prisoners, combined with solitary confinement, is the hardest form of punishment which it is within the powers of the jail authorities to inflict ? ”

**The Hon'ble Sir William Vincent** replied :—

“ (a) The answer is in the affirmative.

(b) There is no fixed limit of time for quarantine. The period is left to the discretion of the Superintendent of the Jail acting on the advice of the medical officer. The Government of India have, however, addressed the Chief Commissioner of Delhi with a view to ensure that the period of quarantine shall not be unduly prolonged in future cases.

(c) Under paragraph 604 of the Punjab Jail Manual the presence of every prisoner in his cell must be ascertained at each change of guard. This process doubtless occasionally wakens restless sleepers.

[*Sir William Vincent; Mr. G. S. Khaparde.*] [22ND MARCH, 1920.]

(d) The under-trial ward is always, under paragraph 302 of the Manual, in the charge of a warden or trustworthy convict-officer. As Shanker Lal was accommodated separately a separate convict-officer, whose name is correctly given as Purdil in the question, was detailed for this duty in his case.

(e) The answer is in the negative."

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

The Savarkar brothers.

7. "(a) Is it a fact that Mr. Savarkar and his brother have not been given the benefit of the Royal amnesty ?

(b) Is it not a fact that Mr. Savarkar and his brother had once in 1915 and at another time in 1919 submitted petitions to Government stating that they would, during the continuance of war, serve the Empire by enlisting in the Army, if released, and would, after the passing of the Reforms Bill, try to make the Act a success and would stand by law and order ?

(c) If answers to (a) and (b) be in the affirmative, will Government be pleased to state the circumstances by reason of which they were not released according to the terms of the amnesty ?

(d) Is it a fact that under the treatment in the Andamans, these Savarkar brothers have been broken in health and reduced in weight ?

(e) Do Government propose to direct the Superintendent of the Andamans jail to transfer the brothers to an Indian jail for the benefit of their health ?"

**The Hon'ble Sir William Vincent** replied :—

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

(b) Two petitions were received from Vinayak Damodar Savarkar—one in 1915 and another in 1917, through the Superintendent, Port Blair. In the former he offered his services to Government during the war in any capacity and prayed that a general amnesty be granted to all political prisoners. The second petition was confined to the latter proposal. No petitions on either of these subjects have been received from Ganesh Damodar Savarkar; nor have any been received from either of the brothers to the effect that if released, they would help towards the successful application of the Reforms Act.

(c) Because their release was not considered to be compatible with the public safety. Their cases are however being re-examined.

(d) Vinayak Damodar Savarkar was first attacked with dysentery in June 1917 and during the succeeding twelve months he had relapses from time to time. He has, however, been free from symptoms of the disease for the last five months—though a certain amount of debility remains and he has lost weight.

No representations have been received as regards the health of Ganesh.

(e) The answer is in the negative."

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

Number of political offenders.

8. "Will the Government be pleased to state in tabular form—

(a) the number of all the political offenders, including the detenus, internees, State prisoners, and persons convicted under the Indian Penal Code or otherwise and confined in jails or kept under restriction in each province in India and in the Andamans on the 23rd December, 1919 ;

(b) their original sentences or periods of restriction ordered by the executive ;

(c) the period undergone by each ;

(d) the number and names of those who were released after amnesty was proclaimed ; and

(e) the nature of concessions, if any, granted to those who were not given the benefit of the Royal amnesty ?"

**The Hon'ble Sir William Vincent** replied :—

"Government have not been able to collect all the information asked for by the Hon'ble Member, but a statement\* is laid on the table giving the total

[22ND MARCH, 1920.]

[*Sir William Vincent; Mr. W. E. Crum; His Excellency the Commander-in-Chief; Sir Arthur Anderson.*]

figures by provinces as last ascertained. The further information required will be collected from local Governments and embodied in a statement which will be laid on the table at a future meeting of Council."

**The Hon'ble Mr. W. E. Crum asked :—**

9. "Would the Government be pleased to furnish any information regarding the proposals relating to the future of the Indian Defence Force?"

The Indian  
Defence  
Force.

**His Excellency the Commander-in-Chief replied :—**

"Proposals regarding the future of the Indian Defence Force have been submitted to the Secretary of State, and his instructions are awaited.

Draft Bills have been prepared in accordance with these proposals. In the case of the European Branch of the Indian Defence Force, the recommendations of the Government of India involve modifications which are considered essential, as war-time requirements in the matter of training and terms of service must necessarily differ from those which apply to an auxiliary force in times of peace. In order to ascertain the nature of the requisite changes demanded by local conditions and the interests of Commerce and Industry, Chambers of Commerce, Planters and Trades Associations and other representative bodies have been consulted, with the result that a scheme has been evolved which, it is believed, will meet with general approval.

As regards the Indian Branch, the possibility of future improvement and development are less certain. The Army in India Committee have had under consideration the question of an Indian Territorial Force, and the draft Bill relating to the Indian Branch has been designed as a frame-work on which this portion of the Indian Defence Force could be built up into such a Territorial Force, to be expanded on a voluntary basis to the extent warranted by progress in recruitment and military training."

**The Hon'ble Mr. W. E. Crum asked :—**

10. "(a) Are Government aware that Indian commercial opinion is unanimous in favour of construction of railways by private enterprise, and claims that immediate opportunity should be given to private enterprise for the construction of railways upon which Government are not willing or able to embark forthwith?"

Railway  
construction  
in  
India  
by  
private  
enterprise.

(b) Is it a fact that His Excellency the Viceroy made a pronouncement to the Conference of Chambers of Commerce in Calcutta to the effect that it will probably be impossible for some time to come for India to build the railways she requires out of Budget allotments or the proceeds of direct borrowing?

(c) Is it a fact that the Railway Board are not in favour of construction of railways by private enterprise?

(d) If the answer to part (c) is in the affirmative, will Government state the reasons for the views of the Railway Board and what alternative they propose?

(e) If the answer to part (c) is in the negative, will Government state on what terms they are willing to grant concessions for the purpose of encouraging construction of railways by private enterprise?

(f) If no policy regarding the future is yet settled, do Government propose to consult public opinion through the usual channels before any proposals are put forward to the Secretary of State?"

**The Hon'ble Sir Arthur Anderson replied :—**

"(a) Government have no particular information which would lead them to suppose that there is any exceptional demand at present of the nature referred to on the part of the Indian commercial community though they have in

[ Sir Arthur Anderson; Mr. W. E. Crum; Mr. W. M. Hailey. ] [22ND MARCH, 1920.]

the ordinary course received applications for concessions from firms interested in the promotion of several projects. Apart from any other consideration, the commercial community must be fully aware that owing to shortage of materials and the high price of money, the present is an unfavourable time for starting new construction. The principal demand of the commercial community at present appears to be for facilities to relieve the congestion of existing lines which, as explained by me in the statement I made in Council on the 10th instant, is considered by Government as a matter of the first importance.

(b) The reply is in the affirmative.

(c) I am not quite sure that I understand what the Hon'ble Member intends to convey by the term private enterprise, but if he means the financing and construction of Railways by means of capital raised for the purpose by public subscription in India, as distinguished from capital supplied by Government from its own resources, the reply to his question is certainly in the negative.

(d) In view of the answer just given this does not arise.

(e) The arrangements necessary to meet the altered conditions now obtaining and the terms of assistance to be granted are still under consideration and require the approval of the Secretary of State. No announcement can therefore be made.

(f) In view of what has been said above and as no departure from the principle of directly associating private enterprise in the work of Railway construction is contemplated, Government see no reason to believe that any public purpose would be served by the suggestion of the Hon'ble Member."

**The Hon'ble Mr. W. E. Crum asked :—**

Horse Allowance.

11. "(a) Is it a fact that officers who are obliged by regulation to keep one or more horses only draw horse allowance at the rate of Rs. 30 per horse per month ?

(b) If the answer to (a) is in the affirmative, are Government prepared to increase the allowance and, if so, to what extent ?

(c) Will any increase granted have any retrospective effect ?"

**The Hon'ble Mr. W. M. Hailey replied :—**

"(a) It is not clear to what class of officers the question refers. Civil Officers on comparatively low pay whose duties involve a large amount of moving about within a short distance are frequently given horse allowances. Certain scales were prescribed in a Resolution of 1888, but these are no longer binding, and Provincial Governments are at present empowered to grant horse allowances at such rates as they think fit.

(b) The matter is one for decision in accordance with local circumstances.

(c) Government are opposed on principle to the grant of concessions with retrospective effect."

**The Hon'ble Mr. W. E. Crum :—**"I beg to ask a supplementary question, my Lord. Can the Hon'ble Member give me any information regarding military officers ?"

**The Hon'ble Mr. W. M. Hailey :—**"The question of future arrangements to be made for mounted military officers and the amount of horse allowance required in cases where it is drawn as a separate item is one which we hope will receive consideration from the Army in India Commission."

**The Hon'ble Mr. W. E. Crum asked :—**

Pay and allowances of the Imperial Police

12. "(a) Did Government by a letter, dated 17th February 1919, to local Governments communicate the decision of the Secretary of State regarding the pay of the Imperial Police ?



[ 22ND MARCH, 1920. ] [ *Mr. W. E. Cram; Sir William Vincent; Mr. V. J. Patel.* ]

(b) In the same communication did Government state that the question of overseas allowances affected other services and could not be determined for the Police independently?

(c) Has a new scale of pay, including overseas allowance, been lately issued for the Police, by which this overseas allowance has been practically merged in, and not added to, the pay sanctioned in February 1919?

(d) Are Government aware that the public and the Police themselves consider that the Police have a very genuine grievance in this matter?

(e) If the answers to the above questions are in the affirmative, what steps are Government prepared to take to satisfy the grievance, and to put the Police service on the same footing as other Imperial services as regards overseas allowances?"

**The Hon'ble Sir William Vincent** replied:—

"(a), (b) and (c). The answer is in the affirmative.

(d) Government have just received memorials on the subject from certain officers. They were already aware from articles in the press that some dissatisfaction existed.

(e) This dissatisfaction seems to be largely based on a misunderstanding of the position. The rates of pay announced in the letter of 17th February, 1919, were rates fixed by the Secretary of State for India, after consideration of the views of the Government of India and Local Governments, as suitable for officers recruited in the United Kingdom. Up to that date the Secretary of State had not definitely accepted the principle that the pay of the Imperial Services should be fixed on an Indian basis, and that the additional amount required to obtain recruits of a suitable type from the United Kingdom should take the shape of overseas allowance. The Local Governments and the Police committees convened by many of them to consider the question had, however, been asked to consider the principle of the expatriation or overseas allowance set forth in paragraph 322 of the Joint Report, and while in all cases the rates of pay recommended by them were the rates required to attract candidates recruited in the United Kingdom, in certain cases these amounts were specifically arrived at by the addition of expatriation allowances to rates fixed on an Indian basis. The rates announced in February followed the higher rates proposed by the Local Governments and therefore included the overseas allowances. The reference in the letter of 17th February, 1919, to overseas allowance was merely intended to convey that if the principle of the overseas allowance should be accepted for other Imperial Services, the rates fixed for the Indian Police on the European basis above described would be re-adjusted so as to accord with that principle. In the circumstances the Government of India cannot admit that officers of the Indian Police have any legitimate grievance on this ground. This will, of course, not preclude Local Governments from considering on the merits the representations already received and any that may be received."

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

13. "Will Government lay on the table a statement showing what action they have already taken or propose to take hereafter in connection with the Resolutions of the Imperial War Conference, 1917, regarding the following subjects:—

Resolutions  
of the  
Imperial  
War  
Conference,  
1917.

- (i) Naval Defence of the Empire.
- (ii) Trade Commissioner Service.
- (iii) Representation of India in future Imperial Conferences.
- (iv) Care of the graves of Indian soldiers.
- (v) Constitution of the Empire.
- (vi) Imperial Mineral Resources Bureau.
- (vii) Imperial Preference.
- (viii) Reciprocity between India and the Empire."

[His Excellency the Commander-in-Chief; Mr. P. J. Patel; Sir William Marris.] [22ND MARCH, 1920.]

**His Excellency the Commander-in-Chief** replied :—

"I lay upon the table a statement\* giving the information asked for by the Hon'ble Member."

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

Composition  
of the Vice-  
roy's Execu-  
tive Council  
under the  
new Act.

14. "(a) Has the attention of Government been drawn to the speech of Lord Selborne on the Government of India Bill to the effect that there may possibly be four Indian gentlemen on the Viceroy's Executive Council if the Law Member is also an Indian ?

(b) Is it a fact that Lord Sydenham, in his speech on the Government of India Bill, observed that there may be four Indians at once on the Executive Council of the Viceroy ?

(c) Is it a fact that Lord Sinha expressed a similar view in one of his speeches in Bombay ?

(d) If the answer to (a), (b) or (c) be in the affirmative, do Government propose to reconsider the answer given on the 23rd February last to my question regarding the composition of the Executive Council ?"

**The Hon'ble Sir William Marris** replied :—

"(a), (b) and (c). Yes.

(d) The Government of India see no reason to re-consider the interpretation placed on the recommendation of the Joint Committee in the reply referred to.

"They adhere to the view that if the Joint Committee had intended to arouse the expectation that four Indian Members would be appointed, that intention would have been explicitly stated."

**The Hon'ble Mr. V. J. Patel** :—"I beg to ask a supplementary question, my Lord. Am I to understand that the Government do not accept the interpretation of Lord Selborne, Lord Sinha and Lord Sydenham on the recommendations of the Joint Committee in this respect ?"

**The Hon'ble Sir William Marris** :—"The Government of India, my Lord, do not know what was in Lord Selborne's mind, and they have no authority to interpret or expound his thoughts or those of the other gentlemen to whom the question refers. They think it obvious that no member of the Committee, even the Chairman, has authority, without the concurrence of his colleagues, to bind the Committee as a whole to any authoritative statement, especially in a remark made in the course of the debate. The Government of India can only take their stand upon the formal utterance of the Committee as a whole."

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

Prisoners  
still under  
confinement  
in connec-  
tion with the  
Gujarat dis-  
turbances.

15. "(a) Is it true that of the 123 persons sentenced by Commissioners appointed under the Defence of India Act to try offences in connection with the disturbances in Gujarat, as many as 51 are still in jail? Were there any previous convictions against any of these 51? (b) On what principle is the question of granting amnesty determined? (c) Is it true that the Police report was called for before the order of release was passed in favour of the persons already released? If so, what is the Police report in the case of the 51 persons not yet released? (d) Are their cases still under consideration or have they been finally decided? (e) Is it a fact that all persons sentenced to a term not exceeding seven years only have been released?"

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**The Hon'ble Sir William Vincent** replied :—

"(a) Of the 123 persons convicted by the Gujarat tribunals, 72 persons have been released under the amnesty under the orders of His Excellency the Governor General. The remaining 51 are undergoing terms of imprisonment, but in 17 cases the sentences have been reduced from seven years to three years' imprisonment and in two cases from ten years to five years. Six of these 51 persons had been previously convicted : but previous convictions were not taken into consideration.

(b) Release has been ordered by His Excellency the Governor-General wherever it has been found compatible with the public safety. The benefit of the amnesty has not been extended to persons who committed or promoted serious crimes of violence.

(c) Police reports were not called for, but the Commissioner, Northern Division, and the Inspector General of Police were consulted.

(d) Their cases are not now under consideration.

(e) All the persons sentenced to a period of less than seven years' imprisonment have been released."

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

16. "(a) Are Indian clerks recruited at some centres such as Ambala, Rawalpindi, Lahore, etc, for services in Mesopotamia in the Supply and Transport Corps, granted 150 per cent. of their substantive pay as overseas allowance, while such clerks recruited for the Combined Labour Depot, Dadar, are getting only 50 per cent. of their substantive pay as overseas allowance. Overseas allowances granted to Indian recruits.

(b) If the answer is in the affirmative do Government propose to take necessary action to remedy this inequality ? "

**His Excellency the Commander-in-Chief** replied :—

" Clerks of the Supply and Transport Corps, serving in Mesopotamia, receive consolidated rates of pay on the scale shown in the statement\* which is laid upon the table. Clerks for the Combined Labour Corps, Dadar, are engaged on local rates and are not sent overseas."

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

17. "What conclusions, if any, have been arrived at on the question of observing absolute equality between European and Indian members of the Imperial Services who have received their training abroad, whether they have reached that service by direct recruitment or by promotion ? " Equality of treatment between European and Indian members of the Imperial services.

**The Hon'ble Sir William Vincent** replied :—

" In those Imperial Services in which decisions have been arrived at, absolute equality has been observed between European and Indian members, who have received their training abroad, except in the following cases :—

(1) In the Imperial Customs Service different scales of pay exist for the first two years.

(2) Officers of non-Indian domicile employed in the Indian Civil Service, Indian Police Service, Indian Educational Service (men), Public Works Department, and European Assistant Superintendents and Chemists in the Indian Geological Survey will draw overseas allowances when holding posts in the time-scale. In the case of the higher posts above the time-scale the pay will be the same for all incumbents. All Indian officers, however, now in the Indian Civil Service, as well as those selected at the next five open competitive examinations in England, will be eligible for overseas allowances, subject to reconsideration at the end of the period."

\* Not included in these Proceedings.

[Mr. V. J. Patel; His Excellency the Commander-in-Chief; Sir William Vincent.] [22ND MARCH, 1920.]

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

Improvement in position of high paid Indian clerks on active service.

18. "(a) Is it a fact that high paid Indian clerks are compelled to work under British non-commissioned officers and warrant officers?"

(b) Do Government propose to see that Supply and Transport clerks in Mesopotamia, holding the relative ranks of Jemadars and Subadars, are made to work under British or Indian commissioned officers?"

**His Excellency the Commander-in-Chief replied :—**

"The answer to (a) is in the affirmative. All civilian clerks attached to a force on active service have to serve under the British or Indian warrant or non-commissioned officers who are either the head clerks, or their superiors in grading, in the offices in which they are employed.

As regards (b) the departmental superiors of the civilian Supply and Transport clerks, serving in Mesopotamia, are commissioned officers. I may explain that relative rank is conferred on clerks and other civilians attached to an army in the field in order to determine their status in regard to quarters, passages, rations, messing, honours, rewards, etc. It is not conferred for the purpose of determining under whose orders they should work. This is a departmental matter and has nothing to do with command and rank.

For the general rules regarding the grading of civilians with an Army I would refer the Hon'ble Member to Chapter XVII, Field Service Regulations, Part II, and to Appendix XIII of the Indian Supplement thereto."

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

Maulana Mahmood Hasan of Deoband.

19. "(a) How long has Maulana Mahmood Hasan of Deoband, United Provinces, been in jail and where and for what reasons? What is his age at present?

(b) Will Government consider the desirability of extending the general amnesty clause of the Royal Proclamation to his case?"

**The Hon'ble Sir William Vincent replied :—**

"(a) Maulana Mahmood Hasan was interned in Malta in January, 1917, as a prisoner of war, because he was guilty of assisting the King's enemies. His present age, as far as can be ascertained, is about 72 years.

(b) He has recently been sent back from Malta, and is now on his way to India. The question of extending the benefit of the amnesty to him is now under consideration."

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

Political offenders and the Royal Proclamation of clemency.

20. "Will Government lay on the table—

(1) a list of political offenders, in whose favour the Royal Proclamation of clemency has been extended;

(2) a list of such offenders whose cases are still under consideration, and

(3) a list of such offenders whose cases have been already adversely decided?"

**The Hon'ble Sir William Vincent replied :—**

"The Hon'ble Member is referred to the answer given to the Hon'ble Mr. Khaparde on the same subject."

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

Savarkar brothers.

21. "Have Government considered the desirability of extending the amnesty clause of the Royal Proclamation to the Savarkar brothers of the Bombay Presidency?"

[22ND MARCH, 1920.]

[*Sir William Vincent; Mr. V. J. Patel; Sir William Marris.*]

**The Hon'ble Sir William Vincent** replied :—

"The Hon'ble Member is referred to the reply given to the Hon'ble Mr. Khaparde."

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

22. "(a) What progress has been made in the matter of adopting a fixed percentage of recruitment in India in all services that are now recruited in England?"

Recruitment in India for services now recruited in England.

(b) Is such percentage to be increased annually?"

**The Hon'ble Sir William Vincent** replied :—

"(a) A fixed percentage of recruitment in India has been adopted in the following services :—

Indian Police Service.

Indian Educational Service (men).

Indian Agricultural Service.

Imperial Customs Service.

Telegraph Engineering Branch of the Posts and Telegraphs Department.

Engineer Establishment of the Public Works Department.

As regards the Bengal Pilot Service, Geological Survey of India, Indian Mine Department, Factory and Boiler Inspection Departments and Mint and Assay Department, it is not possible to fix a definite percentage until scientific and technical education has made further progress. The case of the other services recruited in England is still under consideration.

(b) The answer is in the negative so far as the services enumerated above are concerned. The case of the Indian Civil Service is still under consideration."

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

23. "(a) Is it a fact that Presidents of some Provincial Legislative Councils have ruled that publication of a disallowed question or resolution is a breach of etiquette?"

Rules under the new Act with regard to publication of disallowed questions or resolutions.

(b) Are Government aware that the ruling has caused much dissatisfaction among the non-official members of the Councils concerned?"

(c) Is it proposed to clear up the matter in the rules to be made under the new Government of India Act?"

**The Hon'ble Sir William Marris** replied :—

"(a) & (b) The Government of India have no information.

(c) It is not proposed to include in the Rules or the first Standing Orders any provision dealing with such disclosure; but that will not prevent the local Councils from marking their own sense of the irregularity of such a procedure by a suitable amendment of the Standing Orders, if they consider such disclosure an impropriety."

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

24. "(a) Is it the custom that when men belonging to British regiments are taken into the Supply and Transport Corps as clerks, they are given substantive military rank according to their pay?"

Grant of Military rank to Indian clerks.

(b) If the answer is in the affirmative, do Government propose to grant such substantive military rank (Indian) to those Indian clerks in the Supply and Transport Corps who belong to Indian regiments?"

[His Excellency the Commander-in-Chief; Mr. V. J. Patel; Sir William Marris; Sir William Vincent.] [22ND MARCH, 1920.]

**His Excellency the Commander-in-Chief** replied :—

"(a) Men belonging to British regiments are not ordinarily employed in the Supply and Transport Corps as clerks. There are, however, a few British soldiers in the office of the Officer in charge, Supply and Transport Corps Records, but their rank is not governed by their pay.

(b) Men belonging to Indian regiments are not taken into the Supply and Transport Corps as clerks."

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

25. "What steps do Government propose to take to secure due representation by election of the wage-earning classes of British India on the Legislative Assembly and the Council of State?"

Representation of the wage-earning classes on the Legislative Assembly, etc.

**The Hon'ble Sir William Marris** replied :—

"As the Hon'ble Member is probably aware, it is intended in the case of both chambers of the Indian Legislature, and more particularly in the case of the Council of State, which is a revising chamber, to prescribe franchise qualifications which will be higher than those which are being adopted for the provincial Legislative Councils. It is not possible, therefore, to include wage-earners in the electoral rolls of either chamber. The interests of this class will be provided for, so far as may be necessary and possible, by nomination."

**The Hon'ble Mr. V. J. Patel** :—"Do not the recommendations of the Joint Committee suggest that provision should be made for the representation of wage-earning classes in the Legislative Assembly and the Council of State?"

**The Hon'ble Sir William Marris** :—"To the best of my recollection, my Lord, there is no such specific recommendation with reference to the Legislative Assembly or the Council of State."

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

26. Will Government be pleased to obtain and lay on the table the statement asked for by me on the 19th February, 1919, 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 1910 (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 to the India Office authorities for appointments.

**The Hon'ble Sir William Vincent** replied :—

"As stated in my reply to the Hon'ble Member's question on the 19th February, 1919, the Government of India have no information, but they propose to address the India Office on the subject. If the information is supplied to the Government of India, it will be laid on the table."

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

27. "Is it the intention of Government to defer asking the Secretary of State (except in the most urgent cases) for any fresh recruits from England for the public services till the reformed Governments are established?"

Recruitment from England.

**The Hon'ble Sir William Vincent** replied :—

"The answer is no."

[22ND MARCH, 1920.] [Mr. V. J. Patel; Sir William Vincent, His Excellency the Commander-in-Chief.]

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

28. "Do Government propose to consider the desirability—

- (a) of increasing the period of their stay at Delhi,
- (b) of establishing at Delhi—
  - (1) a teaching and residential University,
  - (2) an institute of technology, and
  - (3) an all-India Court of Revision or Appeal?"

Headquarters of the Government of India.

**The Hon'ble Sir William Vincent** replied :—

"(a) Government are prepared to consider the desirability of increasing the period of their stay in Delhi.

(b) (1) The question of establishing a teaching and residential University at Delhi has for some time been under consideration by a Committee. After the Committee has reported, its recommendations will be considered by the Government of India.

(2) There is already a small technical school at Delhi which the Government of India have recently assisted financially. The question of enlarging its scope is one for future consideration.

(3) The answer is in the negative."

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

29. "Do Government propose to grant British rank, such as that of non-commissioned and warrant officers, to selected highly paid Indian clerks in the Supply and Transport Corps in Mesopotamia?"

Grant of British rank to Indian clerks in the Supply and Transport Corps.

**His Excellency the Commander-in-Chief** replied :—

"There is no such proposal under consideration. A copy\* of the existing orders regarding the relative rank of civil officials and subordinates in military offices, when employed in the field, is laid on the table."

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

30. "(a) Is it a fact that since April last all promotions for temporary Indian clerks in the Supply and Transport Corps in Mesopotamia have been prohibited for the period of their agreement?"

Temporary Indian clerks in the Supply and Transport Corps.

(b) If the answer is in the affirmative, will Government state if recruiting officers had not invariably held out hopes of rapid promotion to men before they signed their agreements?"

**His Excellency the Commander-in-Chief** replied :—

"The Government of India have no information on the subject and no orders on the matter have been issued. Promotions of temporary clerks in the field are not made by Army Headquarters, India."

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

31. "Will Government lay on the table a statement showing :—

- (a) The Select Committees on Government Bills appointed during this session?
- (b) Committees appointed by virtue of resolutions passed by the Council during the session?
- (c) Committees appointed by Government of their own accord during the session with the names of non-official members put on each such Committee?"

Committees appointed by Government during this session.

\* Not included in these Proceedings.

[*Sir George Lowndes; Mr. V. J. Patel; Sir William Marris.*] [22ND MARCH, 1920.]

**The Hon'ble Sir George Lowndes** replied :—

"(a) and (b) The Hon'ble Member will find all the information he asks for in the proceedings of the meetings of Council, of which he receives copies as they are published.

(c) A statement\* is laid on the table showing the constitution of other Committees which have been appointed during the present session."

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

Questions  
and Resolutions  
disallowed  
in Provincial  
Councils.

32. "(a) Are Government aware that there is a widespread complaint that one of the causes of the failure of the Minto-Morley Reforms is the misuse of the power of the Presidents of Provincial Legislative Councils to disallow questions and resolutions under the "public interest" formula?

(b) Do Government propose in the rules to be framed under the new Government of India Act to make provision limiting or curtailing the power of the President in this behalf?"

**The Hon'ble Sir William Marris** replied :—

"(a) The Government of India are aware that the disallowance of questions and resolutions has occasionally been the subject of adverse criticism, but they have no information which leads them to suppose that any considerable section of the public attributes to the action in this matter of the Presidents of provincial Legislative Councils the far-reaching effects which the Hon'ble Member apparently would assign to it.

(b) As the Hon'ble Member is aware from the copy supplied to him, the draft rules under section 11 (5) of the Government of India Act include provisions empowering the Governor to disallow any question or resolution on the ground that it cannot be put or moved consistently with the public interest. The Government of India, however, have under consideration a proposal that the Governor should have this power only in regard to resolutions, but they must await the views of local Governments upon the point."

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

Disallow-  
ance of  
questions.

33. "(a) Is it not a fact that questions *including quotations* have never in the past been disallowed by His Excellency the President on the ground that the quotations are of excessive length or that they contain arguments? (b) Is it true that several such questions have been recently disallowed? (c) Is it proposed to provide in the rules to be made under the new Government of India Act that questions shall not be disallowed on the ground that quotations are of excessive length or that they contain arguments?"

**The Hon'ble Sir William Marris** replied :—

"(a) The facts are not as suggested by the Hon'ble Member. Questions are not disallowed because they contain quotations; questions of excessive length are disallowed or returned for amendment, and it is the practice to deal in the same way with questions which contain arguments, whether the arguments are embodied in the form of quotations or not.

(b) Yes.

(c) The answer is in the negative. It is proposed to provide in the standing orders for the Legislative Assembly and the Council of State, which will be framed under the Government of India Act, that a question in order to be admissible, must not contain arguments nor be of excessive length."

\* Not included in these Proceedings.



[22ND MARCH, 1920.]

[*Mr. Surendra Nath Banerjee; Sir George Barnes; Mr. Kamini Kumar Chanda; Sir John Wood.*]

**The Hon'ble Mr. Surendra Nath Banerjee** asked:—

34. "(a) Has the attention of Government been drawn to a memorial submitted to the Secretary of State for India by the Superintendents of Post Offices, asking for a revision of their pay from 1st October 1919, and fixing it at Rs. 300 to Rs. 900 a month? Revision of the pay of Superintendents of Post Offices.

(b) When were the present rates of minimum and maximum pay for Postal Superintendents fixed?

(c) Do Government propose to consider favourably the memorial of the Postal Superintendents?"

**The Hon'ble Sir George Barnes** replied:—

"(a) Yes.

(b) The present minimum was fixed in 1871 and the present maximum in 1904.

(c) The memorial of the Superintendents will receive the full consideration of Government."

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

35. "(a) Has any effect been given so far in the Scheduled District of Ajmer-Merwara to the Circular of the Government of India on local self-government of May 1918? Government of India Circular on local self-government.

(b) Is it a fact that the Ajmer Municipalities Regulation, 1886, is being revised?"

(c) If the answer be in the affirmative, will Government state whether in the revised Regulation full effect will be given to the above-mentioned Circular and whether full opportunity will be afforded to the people of that district to criticise its provisions before their enactment?"

**The Hon'ble Sir John Wood** replied:—

"(a) The answer is in the negative.

(b) The answer is in the affirmative.

(c) It is proposed to give effect to the circular so far as the circumstances of the Municipalities in Ajmer-Merwara permit. The Chief Commissioner will give a reasonable opportunity for public criticism before the revised Regulation is brought into force."

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

36. "(a) Have any memorials been recently received from the members of the Subordinate Account Service of the Military Accounts Department praying for increase of pay? If so, has any action been taken on such memorials? Memorials from the members of the Subordinate Account Service of the Military Accounts Department for increase of pay.

(b) Is the question of increase of pay of employees in the Military Accounts Department under consideration? If so, when is it likely to be decided? Is it under contemplation to make the increase, if any, with retrospective effect?

(c) Is it a fact that the revised list showing the standing of each member of the Subordinate Account Service of the Department has not been issued for the last 27 months? If so, will Government state the reason? When is it proposed to issue the revised list?

(d) Did any persons holding posts in the Military Accounts Department proceed for field work during the recent North-Western Frontier disturbance? If so, how many? Were the posts of such persons filled up *sub. pro tem.* during their absence?"

[*Mr. W. M. Hailey; Mr. Kamini Kumar Chanda; [22ND MARCH, 1920.]*  
*Sir William Vincent; Maharaja Sir*  
*Manindra Chandra Nandi.]*

**The Hon'ble Mr. W. M. Hailey** replied:—

"(a) and (b). The attention of the Hon'ble Member is invited to the answer given to the Hon'ble Mr. Khaparde's question on the same subject on the 26th February, 1919. Since then certain memorials have been received which have either been rejected or are under consideration. Measures of improvement are contemplated, and as a first instalment of relief a re-arrangement of the proportion of the establishment in the higher and lower grades has been decided upon which has given the department 65 additional appointments in the grades of accountants from 1st April, 1919, reducing a similar number of the clerical grades. The further steps to be taken, including the possible application to the Military Accounts Department of a time-scale of pay similar to that which has been recently sanctioned for the Civil Accounts Department, are still under consideration along with other questions regarding the post-war organisation of the Department. It cannot be stated at present whether any retrospective effect will be given or not to the concessions which are ultimately decided upon.

In the meanwhile, owing to the demobilization of Army officers who had been temporarily attached to the Military Accounts Department, members of the Subordinate Account Service have for the past year, been freely promoted on a temporary basis to the grade of Deputy Examiner. During the past 10 months about 52 Deputy Examiners have been appointed in this manner. This arrangement has entailed a chain of vacancies in the lower grades and the emoluments of the men in such grades have accordingly been considerably increased. War allowances have of course been granted to junior clerks, on the scale adopted by the various Local Governments and Administrations.

(c) The issue of the gradation list is a departmental matter and does not affect the promotions of the staff. Promotions have been notified to the end of December, 1919. The printing of the list was suspended during the war owing to pressure of work, but a list has just been issued.

(d) Yes. About 40 permanent accountants and clerks have been detailed for field work in connection with the North-West Frontier Force, and *sub. pro tem.* promotions have been allowed in their places."

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

37. "(a) Is it a fact that public meetings are not allowed to be held in any public place in Delhi except under a license obtained from the police or a Magistrate?"

(b) Will the Government be pleased to consider the question of revoking this order?"

**The Hon'ble Sir William Vincent** replied:—

"Since the Delhi riots of 1886 a general order has been in force under Sections 30 to 32 of the Police Act requiring persons who wish to convene public meetings in public places or to take processions through the public streets to obtain a license beforehand. A license is seldom if ever refused, and then only in very exceptional circumstances. No applications for public meetings have been refused since 5th May, 1919. Government do not propose to interfere with the discretion of the District Magistrate in this matter."

**The Hon'ble Maharaja Sir Manindra Chandra Nandi** asked:—

38. "(a) Is it a fact that the clerks of the Currency Office of Calcutta have submitted several representations to His Excellency the Viceroy, the Hon'ble the Finance Member and the Controller of Currency since 1917 for an increase of their pay and that no definite reply has been given to them so far by any of these authorities?"

License for  
public  
meetings  
in Delhi.

Increase in  
the pay of  
the clerical  
staff of  
the Calcutta  
Currency  
Office.

[22ND MARCH, 1920.]

[*Sir Maharaja Manindra Chandra Nandi; Mr. W. M. Hailey; Sir William Vincent.*]

(b) Is it a fact that some promise was held out to the clerks of the Calcutta Currency Office in regard to the increase of their pay by Mr. Gubbay in June 1919, and that no effect has yet been given to redeem that promise?

(c) Have Government given, or are they prepared to give, any consideration to the said representations and, if so, when?"

**The Hon'ble Mr. W. M. Hailey** replied:—

"(a) The Currency Office clerks memorialised in December 1917, and as a result the pay of the lower appointments was increased. In September 1918, the Government of India sanctioned the extension, to the clerks in all Mint, Assay and Currency Offices of the measures of temporary relief, on account of the rise in prices due to the war, which had already been or would, thereafter, be sanctioned for Provincial establishments serving in the same locality as themselves. They again memorialised in October 1918, and were informed that the Government of India did not see any reason to sanction any special measures of relief other than those just mentioned. Further memorials, praying for an increase of pay, were received during the last year, and in August 1919 they were informed that their memorials were under consideration.

(b) Nothing is known by the Government of India of any promise for an increase of pay held out by Mr. Gubbay in June 1919, to the clerks of the Calcutta Currency Office.

(c) The general question regarding the revision of the pay of all Currency Office establishments throughout India is still under consideration, but is expected to be settled very shortly."

**The Hon'ble Maharaja Sir Manindra Chandra Nandi** asked:—

39. (a) Has a Publicity Bureau been established in connection with the Home Department of the Government of India? If so, when and with what objects and what are its usual methods of propaganda? The Publicity Bureau.

(b) Will Government lay on the table the names, pay and qualifications of all the men employed in this branch of the Home Department?

(c) Were the men appointed to this branch recruited through newspaper advertisements? If not, how were they recruited?"

**The Hon'ble Sir William Vincent** replied:—

"(a) There is no regular Publicity Bureau attached to the Home Department, but an officer has been placed on special duty to advise on questions of publicity and to prepare the Moral and Material Progress Report. The necessity of publicity work was demonstrated by the war and the Officer on Special Duty is the successor of the Central Publicity Board. His publicity work is largely, though not entirely, confined to advising provincial publicity organizations and supplying useful information.

(b) I place a statement\* on the table giving as far as it is available the information asked for by the Hon'ble Member.

(c) The answer is in the negative. The Officers were selected for these appointments."

**The Hon'ble Maharaja Sir Manindra Chandra Nandi** asked:—

40. "What buildings are contemplated in connection with the Dacca University Scheme and the partition of the Mymensingh and Midnapur districts in Bengal for which provision has been made in the Budget for 1921-21 (under head XXXI and 45) and what is the estimated cost of each of them?" Buildings in connection with Dacca University Scheme.

[*Mr. Shafi; Sir Maharaja Manindra Chandra Nandi; Sir William Vincent; His Excellency the Commander-in-Chief.*] [22ND MARCH, 1920.]

**The Hon'ble Mr. Shafi** replied :—

"The Government of India are not aware what additional buildings will be required in order to complete the Dacca University scheme in its present form although there has been considerable correspondence with the Government of Bengal in previous years on this subject.

A statement\* of the buildings contemplated in connection with the partition of the Mymensing district together with estimates of cost is placed on the table.

As regards Midnapore, the total estimated cost of buildings is Rs. 16,98,315. No detailed information is available.

In the two latter cases the expenditure will be spread over a number of years. It is not known what particular buildings it is proposed to commence in 1920-21."

**The Hon'ble Maharaja Sir Manindra Chandra Nandi** asked :—

Persons detained under Regulation III of 1915, and the Defence of India Act.

41. "Will Government be pleased to state (1) the total number of persons detained in the various provinces of India under (a) Bengal Regulation III of 1915 and similar Regulations and (b) the Defence of India Act since 1916, up to September 1919, and (2) how many of these have been released in each province since the general amnesty announced in the King-Emperor's Proclamation of December 23rd last?"

**The Hon'ble Sir William Vincent** replied :—

"The Hon'ble Member is referred to the statement already placed on the table. Further information is not available."

**The Hon'ble Sir Maharaja Manindra Chandra Nandi** asked :—

Petition by the clerks of Kidderpore dockyard for a revision of their rates of pay.

42. "(a) Is it a fact that some of the clerks of the Kidderpore dockyard submitted a petition to His Excellency the Viceroy through the Director of the Royal Indian Marine of Bombay, in April 1918, praying for a revision of their pay on the ground, among others, of high prices and that, while the scale of pay of the similar class of employees in the Bombay dockyard was raised in September of the same year, the claims of the Kidderpore men were completely ignored?"

(b) Is it a fact that temporary increase of pay was sanctioned to the clerical staff of the Kidderpore docks in April 1919 and was withdrawn suddenly on the 15th of December last?

If so, what is the reason for the withdrawal of this concession?

(c) Do Government propose to consider the advisability of revising the scale of pay of or restoring the concession rates granted to the said clerical staff?"

**His Excellency the Commander-in-Chief** replied :—

"(a) It is a fact that some of the clerks of the Kidderpore dockyard submitted a petition to His Excellency the Viceroy through the Director, Royal Indian Marine, Bombay, in April 1918, praying for a revision of their pay on the ground, among others, of high prices. This petition was not forwarded to the Government of India, as the Director, Royal Indian Marine, on his own authority, sanctioned a temporary re-organization of the clerical establishment of the dockyard, with increased rates of pay for both the permanent and temporary establishments with effect from the 1st April 1919.

The answer to (b) is in the affirmative, but only as regards the permanent clerical establishment. The reason for this decision was that the Director,

\* Not included in these proceedings.

[22ND MARCH, 1920.] [His Excellency the Commander-in-Chief; Sir Maharaja Manindra Chandra Nandi.]

Royal Indian Marine, had no authority to increase the pay of this class. Consequently, on the matter being reported to the Government of India, orders were issued for the withdrawal of the unauthorised increase, but at the same time the Director was called upon to submit his recommendations for enhanced pay on behalf of any particular members of the permanent establishment which could be justified either on the grounds of increased responsibility or the rise in the cost of living. These recommendations are now awaited, and on receipt, will be considered sympathetically. This answers also clause (c) of the question."

**The Hon'ble Maharaja Sir Manindra Chandra Nandi asked :—**

43. "(a) Are the Government aware of the grievances of the Indian guards in the Traffic Department of the Eastern Bengal Railway in regard to quarters, scale of pay, uniform, holidays and the question of leave? Quarters, pay, leave, etc. for Indian guards.

(b) Is it a fact that out of 129 Indian guards in the six districts of the Eastern Bengal Railway, as many as 82 are without any quarters, while as many as 105 European and Anglo-Indian guards out of 111 only in the same number of districts are provided with quarters?

(c) Is it a fact that while the quarters of nearly all the European and Anglo-Indian guards are of what is technically known as the "D" type and have generally two bedrooms, two bathrooms, one living room, one kitchen, one pantry and one verandah, the quarters of the Indian guards consist of the "G" type and have in most cases only one bedroom with a small kitchen attached to them?

(d) Are the Government aware of the fact that in most of the places where Indian guards are stationed, it is difficult and sometimes impossible to secure house accommodation of any kind even for high rent?

(e) Is it a fact that the Indian guards are taken into the service of the Eastern Bengal Railway on Rs. 28 a month in grade A for the same work and the same responsibility for which European and Anglo-Indian guards are taken for Rs. 95 a month in grade C, and while the latter guards generally get Rs. 160 a month after 5 years' service, the Indian guards, after service for the same period, seldom get into grade B, the salary of which commences from Rs. 55 a month?

(f) Is it also a fact that while Indian Christians bearing European names are taken at once in grade C, Indian Hindus and Musalmanas are never admitted into this class except by very slow promotion?

(g) Is it a fact that the admission into the service of this Railway of a number of ex-soldiers has practically blocked the prospects of all senior Indian guards in grade B and that selections for such officers as Claims Inspector, Train Controller, Platform Inspector and Traffic Inspector are practically made from Anglo-Indian guards, and that Indian guards, with the same qualifications, are hardly given even a chance to prove their merit in these capacities?

(h) Is it a fact that the Indian railway guards find great difficulty in getting leave when they want it badly, and also that, as a practice, medical leave is not commuted to privilege when privilege leave happens to fall due to any such officer?

(i) Is there any difference in the uniforms and head-gear given to European and Anglo-Indian railway guards and to Indian guards?

(j) Is it a fact that while double allowances are granted to railway guards for working during the Christmas and other Christian holidays, no such extra allowance is provided for the Hindu or Mahomedan holidays, including the Durga Pujas?"

[*Sir Arthur Anderson; Rao Bahadur B. N. Sarma; [22ND MARCH, 1920.]*  
*Sir William Vincent; Haji Chaudhuri Mu-*  
*hammad Ismail Khan.*]

**The Hon'ble Sir Arthur Anderson** replied :—

(a) Government are advised that Indian guards in the Traffic Department of the Eastern Bengal Railway submitted memorials last year regarding quarters and scale of pay to the Eastern Bengal Railway administration.

(b) As there are 8 Districts on the Eastern Bengal Railway and the Hon'ble Member has not specified the 8 districts to which he refers I am unable to state if the numbers given by the Hon'ble Member are in accordance with actuals.

(c) The normal type of quarters sanctioned for European and Anglo-Indian guards is 'G' type and for Indians 'W' type. As it is difficult to give a full description of these quarters in reply to a question I will be glad to show the Hon'ble Member the plans of the types should he desire further information.

(d) Government are aware that the difficulty exists, and they are doing what they can to remedy it.

(e) The scales of pay sanctioned for guards on the Eastern Bengal Railway, with effect from 1st April 1919, are given in the statement\* laid on the table.

As a rule Indian guards are appointed in 'A' class and European and Anglo-Indian guards in 'O' class. Promotion from class to class depends on vacancies occurring in the next higher class and selected Indian guards in 'B' class are eligible for promotion and are promoted to 'C' class.

(f) The reply is in the negative.

(g) The reply to the first part of this question is in the negative.

The promotion of guards to Claims Inspector, Train Controller, etc., is made by selection and the cases of suitable Indians are considered along with cases of suitable Europeans or Anglo-Indians.

(h) Indian guards are treated in precisely the same manner as all other staff in the matter of leave, which is granted if due and if relief be available.

Medical leave is, as a rule, commuted to privilege leave, if due, and if the absence is supported by a proper medical certificate.

(i) The difference in the uniforms and head-gear of European and Anglo-Indian guards and Indian guards is described in the statement laid on the table.

(j) All Railway guards, irrespective of nationality, working trains on Christmas Day, New Year's Day, King-Emperor's Birthday, and Good Friday are allowed half-a-day's extra pay. No extra allowance is granted for working trains on any other holidays, Christian, Hindu or Muhammadan."

**The Hon'ble Rao Bahadur B. N. Sarma** asked :—

The Royal  
Proclamation  
and  
political  
offences.

44. "(a) What is the number of persons released as a result of the Royal Proclamation in the several provinces of India? (b) How many persons are still under confinement or interned for political offences? (c) How many such cases are still under consideration?"

**The Hon'ble Sir William Vincent** replied :—

"The Hon'ble Member is referred to the answer given to the Hon'ble Mr. Khaparde on the subject."

**The Hon'ble Haji Chaudhuri Muhammad Ismail Khan** asked :—

Report of  
the Lowell  
Smith  
Committee.

45. "Will Government lay on the table a copy of the Report of the Lowell Smith Committee?"

[22ND MARCH, 1920.]

[*Sir William Vincent; Haji Chaudhuri Ismail Khan; His Excellency the Commander-in-Chief.*]

**The Hon'ble Sir William Vincent** replied :—

“Government are not prepared to lay a copy of the report on the table at present, but they will be prepared to re-consider this question when they have decided what action to take upon the report.”

**The Hon'ble Haji Chaudhuri Muhammad Ismail Khan** asked :—

46. “Is it a fact that there have been cases in which vacancies in the Upper Division of the clerical establishment of Departments of the Government of India Secretariat have been filled up by importing Anglo-Indians from outside or from other departments or from Provincial Secretariats, though Indians with higher or equal qualifications were available in the Department in which vacancies occurred?”

The Government of India Secretariat Clerical Establishment (Upper Division).

**The Hon'ble Sir William Vincent** replied :—

“The answer is in the negative. It has been found necessary from time to time to introduce both Anglo-Indians and Indians from outside into various departments of the Government of India Secretariat in order to maintain the efficiency of the office, but in no case has any one been imported from outside to supersede men with higher or equal qualifications already in the Department.”

**The Hon'ble Haji Chaudhuri Muhammad Ismail Khan** asked :—

47. “(a) Will Government be pleased to lay on the table a statement of Upper Division appointments held—

The clerical establishment of Army Headquarters.

- (i) by Indians,
- (ii) by Anglo-Indians,
- (iii) by British soldiers,
- (iv) by European or Anglo-Indian women

in the different branches of the Army Headquarters?

(b) Is it a fact that in the offices of the Army Headquarters almost all the Upper Division appointments are held by soldiers, Anglo-Indians and European or Anglo-Indian women?

(c) Are the doors of these appointments closed against Indians?”

**His Excellency the Commander-in-Chief** replied :—

“(a) I place on the table a statement\* showing the Upper Division appointments in the several branches of Army Headquarters which are held by Indians, Anglo-Indians, British soldiers, and European or Anglo-Indian women.

(b) It will be observed from the Statement that 22 per cent. of the appointments are held by Indians; 15·2 per cent. by Anglo-Indians; 59·2 per cent. by British soldiers and 3·6 per cent. by European or Anglo-Indian women.

(c) The doors of these appointments are not closed against Indians.”

**The Hon'ble Haji Chaudhuri Muhammad Ismail Khan** asked :—

48. “Do Government propose to consider the advisability of running a fast train from Calcutta to Goalundo in addition to the Dacca Mail?”

An additional fast train from Calcutta to Goalundo.

\* Not included in these Proceedings.

[*Sir Arthur Anderson; Rai Sahib Seth Nathmal; [22ND MARCH, 1920.]*  
*Sir William Marris.*]

**The Hon'ble Sir Arthur Anderson** replied :—

"In addition to the ordinary passenger trains, there are already two fast mail trains running each way between Calcutta and Goalundo, and Government do not consider the addition of another fast train justified."

**The Hon'ble Rai Sahib Seth Nathmal** asked :—

Enquiring of  
the status  
of the  
Central  
Provinces  
and Berar.

49. "(a) How do the Central Provinces and Berar stand as compared with Bihar and Orissa with respect to area, number of districts, revenue and expenditure ?

(b) Did Government, in reply to a question put by Rai Bahadur B. D. Shukul in this Council on the 12th September 1917, promise to consider the questions of raising the status of the Central Provinces and Berar in case popular opinion manifest itself in that direction ?

(c) Will Government state why the Central Provinces and Berar in the second schedule to the Government of India Act of 1919 have been relegated to an inferior status to Bihar and Orissa ?

(d) Are Government aware that such relegation of the Central Provinces and Berar to a lower status has caused great disappointment and irritation in those provinces ?

(e) Do Government propose to reconsider the question and take steps with a view to have the schedule amended so as to raise the status of the Central Provinces to that of Bihar and Orissa."

**The Hon'ble Sir William Marris** replied :—

"(a) The figures are as follows :—

*Area—*

	Square miles.
Central Provinces and Berar . . . . .	99,652
Bihar and Orissa . . . . .	83,252

*Number of Districts—*

Central Provinces and Berar . . . . .	22
Bihar and Orissa . . . . .	21

*Provincial Revenue—*

	Rs.
Central Provinces and Berar . . . . .	3,12,55,008
Bihar and Orissa . . . . .	3,51,26,052

*Provincial Expenditure—*

	Rs.
Central Provinces and Berar . . . . .	3,22,27,362
Bihar and Orissa . . . . .	3,39,40,722

(b) The Government of India stated in reply to the question referred to that they were willing to examine the question of appointing a Lieutenant-Governor with an Executive Council for the Central Provinces if any strong public opinion manifested itself on the subject.

(c) The salaries prescribed in the second schedule of the Government of India Act of 1919 were fixed in accordance with the estimated relative importance of the duties which will fall to the Governors and Members of Executive Councils in the different provinces. Opinions may differ as to the weight which should be assigned to each of the factors which ought to be taken into account in determining the comparative importance of the various provincial charges. But it is presumed that in the opinion of Parliament, Bihar and Orissa, which has a population nearly two and a half times greater than that of the Central Provinces and Berar and has enjoyed for a number of years a more advanced



[22ND MARCH, 1920.]

[*Sir William Morris; Sir Gangadhar Chitnavis; Sir William Vincent; Nawab Syed Ali Chaudhuri Khan Bahadur; Rai Bahadur K. V. Reddi; Mr. Shafi.*]

form of Government, is a heavier and more important charge than the Central Provinces and Berar.

(d) The Government of India have no information to this effect.

(e) The Government of India consider that no sufficient reasons exist for asking Parliament to reconsider a decision arrived at so recently after full examination of all the relevant data."

**The Hon'ble Sir Gangadhar Chitnavis** asked :—

50. "(a) Is it a fact that, in view of altered economic conditions as also in pursuance of the recommendations of the Public Services Commission, Government contemplate a general revision of the salaries and the service rules of the subordinate establishments of all offices under this Government, whether located at headquarters or at provincial centres or elsewhere? Revision of the salaries and the service rules of subordinate establishments.

(b) Is it likewise a fact that a general increase with a system of time-scale pay has been so far sanctioned in some offices only? If so, why?

(c) Do Government propose to order the introduction at an early date of uniform conditions of service as regards pay, promotion, leave, pension, etc., into all offices under this Government, whether located at headquarters or at provincial centres or elsewhere?"

**The Hon'ble Sir William Vincent** replied :—

"(a) The Hon'ble Member is referred to the answer given on the 25th February to a question asked by the Hon'ble Khan Bahadur Ibrahim Haroon Jaffer regarding the enhancement of salaries of public servants.

(b) A statement\* is laid on the table giving the information desired by the Hon'ble Member so far as available.

(c) Government do not control the offices under provincial Governments, and do not propose to lay down uniform conditions of service in all offices under them as regards pay and promotion, because the circumstances and the nature of the duties to be performed are not the same in all cases. The rules regarding leave and pension are the same for all, according to the Service rules under which they serve."

**The Hon'ble Nawab Syed Nawab Ali Chaudhury, Khan Bahadur** asked :—

51. "Will Government lay on the table a statement showing separately the number of appointments given to the members of different communities, in the Provincial Branch of the Judicial Service by the High Court of Calcutta during the last 8 years from 1912?" Appointments made to the Provincial Branch of Judicial Service by the Calcutta High Court.

**The Hon'ble Sir William Vincent** replied :—

"The local Government concerned has been asked to supply the necessary information, and on receipt a statement will be laid on the table."

**The Hon'ble Rai Bahadur K. V. Reddi** asked :—

52. "What is the proportion of death rate among the depressed classes compared to that of other classes of Indians?" Death rate among the depressed classes.

**The Hon'ble Mr. Shafi** replied :—

"The information is not available, and is impossible to collect under existing conditions of registration. The whole system of registration will be

\* Not included in these Proceedings.

[*Mr. Sheft; Rai Bahadur K. V. Reddi; His Excellency the Commander-in-Chief; Mir Asad Ali Khan Bahadur; Sir Arthur Anderson.*] [22ND MARCH, 1920.]

closely considered at the next informal conference of Sanitary Commissioners and the possibility of compiling vital statistics by classes or castes will receive attention."

**The Hon'ble Rai Bahadur K. V. Reddi asked :—**

Recruits enlisted during the war in the Madras Province as combatants and non-combatants.

53. "(a) What is the total number of recruits for the army enlisted during the war from the Madras Presidency for service outside India as combatants and as non-combatants ?

(b) How many of them were Brahmans and how many are non-Brahmans ?

(c) How many of them have been demobilised ?

(d) How many of those demobilised have been re-employed in the Government (Civil) service."

**His Excellency the Commander-in-Chief replied :—**

"(a) 51,223 combatants and 57,117 non-combatants were recruited from the Madras Presidency for the Army during the war.

(b) It is not known how many were Brahmans and how many were non-Brahmans, but the proportion among combatants may be taken approximately, at one Brahman to every 500 non-Brahmans.

(c) Since the armistice a grand total of 250,000 combatants and 107,587 non-combatants have been demobilized in India.

Separate figures as to the numbers recruited in the Madras Presidency who have been demobilized are however not available, except in the case of non-combatants demobilized from the Pallavaram Depot, which total 7,746 and are presumably Madrascers.

Other non-combatants from the Madras Presidency have been discharged at other depôts, but the figures by provinces are not available.

(d) The attention of the Hon'ble Member is drawn to Home Department Resolution No. 1099, dated the 8th August, 1919, published in the supplement to the Gazette of India of the 23rd August, 1919, in which the concessions granted in the matter of civil appointments under Government to those persons who have rendered service in the prosecution of the recent war were announced. Copies of the Resolution were communicated to all Local Governments and Administrations. No figures showing the numbers of demobilized men re-employed in Government service are available."

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

Separate waiting room for pardah ladies at Bangalore station.

54. "Has any representation been made to the Madras and Southern Mahratta Railway authorities as regards the provision of a separate waiting room for pardah ladies at Bangalore station, and, if so, what action was taken by the authorities in the matter ?

**The Hon'ble Sir Arthur Anderson replied :—**

"The Agent, Madras and Southern Mahratta Railway, reports that no such representation has been made, but that separate waiting rooms exist for first and second class lady passengers and may be used by pardah ladies travelling first and second class."

[22ND MARCH, 1920.]

[Mr. W. M. Hailey.]

### THE BUDGET FOR 1920-21.

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I rise to present <sup>11-18 L.S.</sup> the Budget of the Government of India for 1920-21. Certain changes have been made in the estimates presented to Council on March 1st, and I shall briefly refer to the more important of those. The Financial Secretary's Explanatory Memorandum has also been revised in the light of our latest information. The final figures for the Revised and Budget Estimates are embodied in the usual formal statements which are laid on the table.

"I will take first of all the revised figures for the current year. The net result of the changes made since March 1st is that the revised estimate for Imperial revenue in the current year now amounts to £96,05,000, and the expenditure to £106,124,000, giving a deficit of £10,074,000 as against the £14,368,000 estimated on March 1st. The reduction in the deficit is due almost entirely to the effect of the Resolution passed by the Council on March the 9th regarding the special contribution towards the cost of the war. As I explained in the Appendix to my Financial Statement, India will have to bear certain charges, amounting in all to £1 million, which, if the full contribution were paid, would have been taken against that. On the other hand, the amount of the contribution still to be paid is, as I explained to Council when Mr. Patel's Resolution was under discussion, reduced to a figure of £800,000. Deducting from this the provision of £547,000 previously included in the estimates for the contribution, the net liability falling on us amounts to £1,263,000. We shall of course not be liable to any payment on account of the extraordinary pensions of Indian troops and their British officers arising from the war, although, as these pensions fall due, they will be paid from Indian revenues; what we shall do therefore is to recover from His Majesty's Government a lump sum representing the capitalized value of these pensions, and for the purpose of the present estimates, I am assuming that this recovery will be made in the current year, the amount involved being roughly £5 million. The net result therefore is that there is a betterness in the revised estimates on this account of slightly above £4 million. As regards our ordinary revenues, the only item which I need mention is an improvement of 27 lakhs, which occurs mainly in income tax and super-tax collections in Bombay.

"I now turn to the Budget figures relating to the coming year. As regard these, we now anticipate an Imperial revenue of £92,926,000 and an expenditure of £90,411,000 resulting in surplus of £2,515,000 as against £2,004,000 anticipated by me on March 1st, the difference being due partly to an increase in interest receipts in England of about 45 lakhs owing to smaller withdrawals from the Paper Currency Reserve than previously anticipated, and partly to a rise in the Imperial share of land and excise revenue in certain provinces. I desire, however, to repeat and emphasise the warning which I gave in my speech introducing the Financial Statement regarding the reality of this surplus. The Council will remember that I pointed out the great difficulty of framing a budget in view of the predominance in our revenue estimates of that indeterminate figure, the gain by exchange. The portion of the total gains by exchange during the next year which we expected to take to revenue amounted to 6 crores, this amount being a residuum left after crediting the capital accounts of railways, irrigation and Delhi, and after earmarking 12 crores to make up the deficiency in the Paper Currency Reserve. I think it must be clear to all Hon'ble Members who have followed our discussions that, in view of the obscurity of the exchange position, the extent, if any, to which our revenue account will be the residuary legatee in the matter of these gains is highly uncertain. When the Financial Statement was framed, I took what I thought was a reasonable figure for the gross amount of the gains. The situation is so uncertain that I am not prepared to substitute with any confidence a different figure. Nevertheless, I must emphasise the precariousness of this surplus and must warn the Council that, in the event of the gross gains being smaller than we had anticipated, it may be turned into a deficit.

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"As regards the provincial estimates, I need not trouble the Council with the small changes which have been made. The provincial drawings during the next year are expected to be about £300,000 more than previously anticipated mainly on account of extra provision inserted for further revisions of the pay of subordinate establishments.

"In our ways and means estimates we expect to end the year with a cash balance of £27½ million, in England and India together, against £21½ million shown in the Financial Statement. The increase arises mainly from the recovery of about £5 million from the Home Government to which I have already referred. In the coming year we anticipate a combined closing balance of about £16½ million as against the £18½ million mentioned by me on March 1st. I propose to refer briefly to the changes which we have now made. In the first place, the probable state of our balances during the course of the year combined with the highly uncertain course of the sterling exchange, points to the desirability of our strengthening our ways and means position by every possible method. We have decided, therefore, that it would be safer not to budget for the disbursement of 9 crores from the amount held in suspense to meet the deficiency in the Paper Currency Reserve, but to apply this instead in reduction of our Treasury Bill outstanding, the amount of which, as the Council knows, is a matter for serious anxiety. Further the improvement in our cash balances which I have mentioned will enable us to devote a further sum of 9 crores towards the discharge of Treasury Bills, making up a total of 18 crores, or £12 million, to be discharged during the year. I must again remind the Council that our large Treasury Bill outstanding really represent an over-spending in previous years, i.e., instead of making up our revenue deficits by additional taxation, these have been financed in the main by incurring floating debt. During the war we managed to keep our floating debt at a high figure, but at any moment the time may come when a substantial portion of our Treasury Bills may run off without being replaced; and, save in so far as we can fund our floating debt in our long term loans, we must be prepared to reduce it from our cash balances. All this, I need hardly say, points to the need for caution. I know that hopes have been raised that, with the conclusion of the war, India would be able to embark on schemes of development which are now overdue but whose initiation has been postponed by the enforced economy of the war. As the Council knows, we have allowed the Provincial Governments to budget for deficits unprecedentedly large. This was partly because some amount of additional outlay could no longer be postponed, and also because of the urgent need for wholesale revisions of pay of establishments from top to bottom in view of the greatly changed conditions in respect of the cost of living. These revisions of pay are, I think the Council will agree, obligatory; but as regards other expenditure, I must once more repeat the warning I gave on March 1st as to the need for economy and caution. That caution must be maintained until the public finances, in respect of our large floating debt, are in a sounder position, and until our troubles in the north-west can be regarded as definitely over. We shall ourselves watch the position carefully; and if it deteriorates, especially in connection with expenditure on the latter account, we shall probably find it necessary to curtail or defer some items of the expenditure provided for in the Financial Statement. It is with this word of warning, my Lord, that I now present the Budget to the Council."

### INCOME-TAX (AMENDMENT) BILL.

11-56 A.M.

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I beg to move that the Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1918, be taken into consideration.

"It will be observed that the Select Committee has made two changes only in the Bill as drafted. The first refers to the definition of registered firms. As I have already intimated to the Council some doubt has been felt, particularly among firms registered elsewhere than in India, regarding our original definition, and I think the Council will agree that the revised definition, which

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merely requires that the shares of the partners shall have been definitely registered with the Collector, will remove these doubts. A second modification is in connection with the provision which we made in the Bill to give relief to a person who pays income-tax at a higher rate because his total income just exceeds a certain limit and is, therefore, worse off than the person whose total income is just below that limit. We have now added a provision to give relief in the parallel case of a person who is liable to income-tax because his taxable income just reaches Rs. 2,000.

"The changes are so small, that I think I may commend the Bill, as it now stands, to the consideration of the Council without further remarks."

The motion was put and agreed to.

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I beg to move that the Bill, as amended, be passed."

The motion was put and agreed to.

### SUPER-TAX BILL.

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I beg to move 11-50 A.M. that the Report of the Select Committee on the Bill to amend the law relating to super-tax be taken into consideration. I have in the first place two remarks to make dealing with the substance rather than with the details of the Bill. We have in the first place been asked whether companies and persons paying the English excess profits duty would receive the same measure of protection in regard to the new super-tax as they enjoyed in regard to the existing super-tax. This protection is not, of course, expressly given in our existing Act, but in a speech delivered by Sir William Meyer on the 7th March 1917, an undertaking was given by the Government of India that the excess profits duty levied in England in respect of India profits liable to Indian super-tax would be treated for super-tax purposes as working expenses and not taken into account in calculating taxable income. Executive instructions were given to Collectors in that sense, and I consider that, in view of that undertaking, similar instructions should now issue in regard to the new super-tax. Secondly, a suggestion has been made to us, with the view of protecting the interests of large companies paying small dividends and also with the view of protecting the interests of new companies. It has been proposed that our super-tax on companies should be so arranged as to provide that taxation, instead of beginning after the first Rs. 50,000 of income, should be based on the taxable income of a company in excess of such sum as would enable it to pay a fair dividend, say  $7\frac{1}{2}$  per cent. In discussing the matter, however, some of us felt that the protection given to small companies by our present proposal was likely to be more favourable than the protection which would be given under the proposal I have referred to; in the case of a really small company the exemption of Rs. 50,000 would probably mean total exemption. It was also felt that the proposal would have the disadvantage of basing taxation on a somewhat arbitrary figure, namely, what I may call a dividendible income exceeding  $7\frac{1}{2}$  per cent. It would be liable to argument by those who are interested in securing the maximum of revenue that the figure should be taken at less than  $7\frac{1}{2}$  per cent.; it would be equally liable to argument, by those who wish to see their particular interests protected, that the figure should be taken above  $7\frac{1}{2}$  per cent.; I may mention for the information of Council that in countries where corporation taxation is in force, such as Prussia and Switzerland, the figure taken is usually only  $3\frac{1}{2}$  per cent. But, in any case, the objection on the part of Government to accepting the proposal is that it is not possible to say what its effect would be. I am quite prepared to have enquiries made with a view to ascertaining whether a proposal somewhat on these lines could be introduced without loss, but the position must, I think, depend on the results of those enquiries and it is not possible at the present stage to adopt a definite suggestion of this nature.

[ Mr. W. M. Hailey ; Rao Bahadur B. N. Sarma. ] [ 22ND MARCH, 1920. ]

" I now turn to the details of the Bill. As I foresaw introducing the Bill, our proposal regarding the Hindu joint family has aroused a good deal of discussion. The Bill proposes to treat the joint family in every way as an individual (which is of course its legal status in law), that is to say it would pay super-tax as an individual; it would not enjoy that deduction of maintenance expenses or sums definitely allotted to its members which it enjoys under the present Act. As I have mentioned before, we believe that the privilege of deducting expenses is liable to abuse; and again we do not see how the definite allocation of sums to members of a family is consistent with its legal position as an undivided family. The matter will, however, form the subject of two amendments, and it will perhaps be convenient if we deal with it more fully in connection with those amendments.

" A further question, not entirely one of detail, remains. I alluded to it in my speech introducing the Bill, but it may not be out of place to refer briefly again to it here. The Bill as drafted does definitely imply that some individuals will have to pay super-tax in some form or another twice over, that is to say, after that portion of their income which is represented by dividends in companies has paid one anna flat rate, their income as a whole will also pay the ordinary super-tax rate to the extent by which it exceeds Rs. 50,000 per annum. We are unable to calculate with any exactitude what would be the cost of giving relief in this respect, but it would probably be considerable, and as I have explained above, it is a relief which would be needed only in case of those drawing a very considerable income from the dividends of companies. After all the total super-tax in the most extreme cases will be below four annas in the rupee, and had we proceeded in a different way, designed to secure us the same revenue without the apparent anomaly of double taxation, we should not, I think, have been held to have inflicted undue hardship if we had raised the super-tax on incomes of this magnitude to four annas. This point, however, will also form the subject of an amendment, and I shall have the opportunity of dealing with it at greater length in that connection.

" I now move that the Bill be taken into consideration."

The motion was put and agreed to.

12.6 P.M.

**The Hon'ble Rao Bahadur B. N. Sarma:**—" My Lord, I beg to move as an amendment that for the Schedule the following Schedule be substituted :—

#### SCHEDULE.

(See section 4.)

I. Where the taxable income does not exceed one lakh of rupees :—	
(a) in the case of the Hindu undivided family—	
(1) in respect of the first seventy-five thousand rupees of taxable income.	Nil.
(2) in respect of the next twenty-five thousand rupees of taxable income.	One anna in the rupee.
(b) in all other cases—	
(1) in respect of the first fifty thousand rupees of taxable income.	Nil.
(2) in respect of the next fifty thousand rupees of taxable income.	One anna in the rupee.
II in respect of the first fifty thousand rupees of taxable income over one lakh of rupees.	One and-a-half annas in the rupee.
III in respect of the next fifty thousand rupees of taxable income.	Two annas in the rupee.
IV in respect of the next fifty thousand rupees of taxable income.	Two and-a-half annas in the rupee.
V in respect of all taxable income over two and-a-half lakhs of rupees.	Three annas in the rupee.

The object of this amendment is to give relief in the case of Hindu undivided families by raising the minimum of exemption from Rs. 50,000 to Rs. 75,000. Hon'ble Members are aware that ever since the introduction of super-tax

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[ *Rao Bahadur B. N. Sarma; Sir Gangadhar Chitnavis.* ]

Bills into this Council there has been a lively controversy going on as to whether Hindu undivided families have not unnecessarily suffered by reason of the theory that for legal purposes the Hindu undivided family should be treated as a unit, and that some relief should be given to the Hindu families so that the hardship which has been caused may not be so great as it is at present. I shall not repeat the arguments that have been urged on previous occasions. It is sufficient to say that there is a basis for differentiation in the case of undivided Hindu families. Take the case of two brothers with an income of Rs. 1,50,000. Under the law 50,000 is to be exempted if the brothers divide the property, if they divide the income each will get Rs. 75,000. Each would be liable to pay on the sum of Rs. 25,000, whereas by reason of living together they would pay on a lakh of rupees. In some cases by division the members may be exempted altogether, but they would be liable to super-tax during a state of union. Then again some allowances which were deducted under the old Super-tax Act have been removed under the present Bill as the privilege that has been given has been abused in various cases. The question was discussed at full length in the Select Committee, and it was felt that some relief should be given though not to the extent that was contended for, and I hope that the amendment that I have put forward will be accepted by the Government. There need not be any great financial loss because the total super-tax of all these undivided Hindu families does not run to more than 12 lakhs. By removing the deduction that we provided in the law we shall considerably increase the taxation. That is apart from the natural growth therefrom. I think, my Lord, that if we raise the minimum of exemption from Rs. 50,000 to Rs. 75,000 we shall be giving relief in the case of comparatively poor families and we shall not be sacrificing revenue, nor would the extremely rich families get relief to any appreciable extent. The number of cases in which relief is needed by reason of the removal of the exemption would, I think, be large specially in the case of the comparatively modest Hindu undivided families whose incomes range between fifty and seventy five thousand rupees, and this amendment, if accepted, would be appreciated by that class. Of course, in the case of large Hindu families whose income ranges between 5 and 6 lakhs of rupees, the relief would not be considerable. But at the same time they must be thankful that some relief has been given. Rupees 25,000 would, after all, I think, provide a fairly good income in the case of these families for sundry expenses which they would get deducted from the aggregate. I hope therefore, as a matter of compromise that the Government would be able to accept the amendment which I have put forward for their consideration."

**The Hon'ble Sir Gangadhar Chitnavis:**—"My Lord, I <sup>12-11 a.m.</sup> beg to support Mr. Sarma's amendment. I am sure this slightly changed raising of the minimum of exemption will be most equitable and will have beneficial effect in the case of many Hindu families. Hindu families suffer under many disabilities by reason of the theory that they are a corporation or unit for legal purposes. Besides, the privileges which they have been enjoying under the existing law have been removed, and it is but fair that the minimum of exemption should be raised. The Hon'ble Mr. Sarma has been extremely modest in his proposal to raise the minimum to such a small extent. It will give some relief to people who will be in need of such relief by reason of the fact that these men will have to pay this tax in addition to the income-tax which they have to pay in the ordinary run. It is matter of common knowledge that those whose incomes are small are much less able to bear the risks and losses due to uncertainties of trade and business than people whose incomes are large, and when to this is added the strain due to increased and increasing expenditure on establishments and salaries in these times of high prices, improved mode of living and increased standard of comfort, I beg to say that the relief sought for is most equitable and reasonable. I therefore beg to support the amendment."

12-13 P.M.

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I find it difficult to discuss this amendment adequately without referring, however briefly, to the subsequent amendment of the Hon'ble Rai Sita Nath Ray Bahadur, since that really refers to the same question. I do not wish to argue against the latter amendment in advance; I merely wish to point out to the Council that the two proposals involve alternative methods of dealing with the same problem, and that if we take a more benevolent attitude to the one, we should have to take a less benevolent attitude to the other. The Hon'ble Mr. Sarma has pointed out that the undivided Hindu family did enjoy certain privileges in the past, which were granted, I think, as a matter of compromise. The exact privileges were, if I may remind the Council, that the undivided family was allowed to deduct from its taxable income so much of the joint revenue from the family as had been actually expended or paid for the maintenance or other expenses of every member of such family or paid or finally allotted to any such member. Now we ourselves came to the conclusion that whatever was the logical basis for such a deduction, it was liable to great abuse. When I mention to the Council that in the whole of Bengal the taxation on the super-tax on the Hindu undivided families amounts only to Rs. 21,000, I think it must be clear that claims for deductions have been put forward and admitted on a scale which was never contemplated when the concession was first given. That is one point.

"A second point is one of principle. There is, in our view, no particular reason, and there never was any really cogent reason, why the undivided family should be allowed to claim a deduction for expenditure on marriage and funeral ceremonies, which other people are not allowed to deduct from their income when placing their accounts before the Income-tax Collector. Again, there was no good reason why it should have been possible for them to purchase (to take one example) large quantities of gold and silver, and enter those as part of their ceremonial expenses. Finally, the original privilege as conceded by our existing Act allowed a deduction on account of any such sums of money as were finally allotted to any of the members. We held a consultation, as I have already told the Council, with certain learned Hindu friends on the subject, and I think I am right in saying that the conclusion we drew, after a very thorough discussion of the question, was that in the case at all events of certain types of Hindu undivided families, the making of such an allotment definitely destroyed the character of the family as an undivided family. Both in principle and in practice therefore these two deductions were, in our opinion, such as should not be repeated in the Act. At the same time we are aware, and we have for some time been aware, that the Hindu joint family is represented as having been treated rather hardly in our super-tax taxation. It has of course certain definite privileges under the civil law as an undivided family; these privileges have a distinct value; yet it has been very frequently represented to us that these privileges are somewhat heavily paid for. We are told, that the mere fact that a man belongs to a Hindu joint family, a corporation which for religious or social purposes he desires to maintain, does actually commit him to paying super-tax at a higher rate than he would otherwise do as an individual. That, I think, is the basis for most of the complaints on the subject. Well, since the Hindu joint family has enjoyed a position of some privilege in the past, and since there is a strong feeling in the country on the subject of our taxation as applied to such families, I gave an undertaking when we introduced this Bill that if any proposal could be put forward which would not cost us much money, and which at the same time would not add to the existing complexities and temptation to manipulation of accounts which our present law offers, I would be willing to accept it. I am satisfied that the Hon'ble Mr. Sarma's proposal is of such a type. We are accordingly prepared to accept it. But I must point out to the Council that if we do this, it will not be possible for us to accept any of those major concessions which will subsequently be placed before the Council in this respect."

The motion was put and agreed to.



[ 22ND MARCH, 1920. ] [ *The President; Rai Sita Nath Ray Bahadur; Mr. W. M. Hailey.* ]

**The President:**—"I do not know whether the Hon'ble Member is inclined to withdraw his amendments now that the concession has been made by Government in accepting Mr. Sarma's amendment."

**The Hon'ble Rai Sita Nath Ray Bahadur:**—"I am not prepared to do so, my Lord. Of course, I know that I will be defeated by the official majority, but I think it is due to the Hindu undivided families in Bengal that I should move my amendments. But if the official majority is determined, and the Hon'ble Member in charge is determined not to accept my amendments, then it is useless to waste my breath over them. If the Hon'ble Member is not prepared to accept my amendment, then it is useless to discuss it. I want to hear on the point from the Hon'ble Mr. Hailey." 12-10 p.m.

**The President:**—"Mr. Hailey, Mr. Sita Nath Ray is inquiring if you are prepared to accept his amendment."

**The Hon'ble Mr. Sita Nath Ray Bahadur:**—"In any shape or form."

**The Hon'ble Mr. W. M. Hailey:**—"This present amendment refers to a somewhat different subject. The effect of this amendment would be not that the deductions which we propose to cancel would be restored, but that every Hindu joint family would be classed as a company and would pay the flat rate of one anna in the rupee instead of a rate which goes up to as much as three annas. That, my Lord, is a very different question; and it would involve a loss of such importance, that I could not accept it on behalf of Government." 12-20 p.m.

**The Hon'ble Rai Sita Nath Ray Bahadur:**—"To that my reply is that if my firm is registered I would pay at a flat rate of one anna in the rupee. We know that by registering a joint Hindu family can have this privilege as in the case of a company. And I beg also to point out in this connection that you are going to make a very large concession in the case of companies which are making large profits. For instance, jute mills which are making from Rs. 200 to Rs. 300 per cent. profit. But Hindu undivided families can hardly make 5 to 6 per cent. on their capital. Is it fair that companies which are making 200 to 300 per cent. profit should be liable to pay only one anna in the rupee, whereas undivided families or unregistered firms which can hardly make 5 to 6 per cent. on their capital, should be liable to pay at a graduated scale going up to 3 annas in the rupee? I put it to the Council, I appeal to your Excellency's innate sense of justice and I implore this Council to do us justice. Where is the justice? As I pointed out just now, numerous companies have been making very large profits for some years past and have not been satisfied with distributing dividends at the rate of 100 per cent. and keeping large reserves, but have gone out of their way to grant bonuses to their shareholders as well as to their officers. Such was the plethora of profits made by these companies, whereas in our case the profits hardly come up to 5 or 6 per cent. Is it therefore fair that we should be charged at a much higher rate than these companies? I also beg to point out in regard to what Mr. Hailey said that the Hindu undivided family would not be liable to pay on the drawings that are taken away from the funds of the joint family. That it is not so. I take the case of my own family. I got some allotment from the joint fund, and as soon as the income-tax people found out that I had drawn some money, they immediately served me with a notice to pay the super-tax or income tax, as the case may be, on the amount I had drawn from the joint fund. It is not the fact that I escape taxation altogether by separate allotment." 12-31 p.m.

"It was also urged that the money spent on marriages and on the maintenance of the family used to be deducted. It is not so. Because a private circular was issued by the Finance Department to the effect that the money spent on the maintenance of the family should not be deducted from the undivided

[*Rai Sita Nath Ray Bahadur; The President; [22ND MARCH, 1920.]*  
*Mr. W. M. Hailey.*]

income but from the zemindari income. Where is the equity of this? Supposing I spent 25,000 or 26,000 rupees on the maintenance of my family or incur any other necessary expenses, when my income from zemindari is Rs. 5,000? In some cases zemindari is held by gentlemen only as a matter of glory; it gives them a status in society. Therefore a man's income from zemindari may be nominal; suppose it is Rs. 5,000. Where is the equity in this that the money spent, 25,000 or 50,000 rupees should be deducted from the profit of Rs. 5,000 made from the zemindari which is not at all likely to pay the tax? How is it possible? We see that by a private circular the income-tax authorities everywhere are practically not to allow any deduction to be made, and if any deduction is urged, to tell them it should be deducted from their zemindari income! I made an appeal to the Commissioner of the Presidency Division and on the strength of that circular my appeal was rejected. So where is the equity? However, I beg to urge that it would not be fair in the case of unregistered firms and undivided Hindu families, who know they can easily get themselves registered at any time, to saddle them with a higher liability than would be paid by companies.

"And if these two amendments are not accepted, I at least urge that the deduction which was allowed under the former Act should be allowed in this one, namely—

"(a) in the case of a Hindu undivided family so much of the joint income of such family as has been actually expended or paid for the maintenance or other expenses of any member of such family or paid or finally allotted to any such member;

"(b) in the case of a firm so much of the income of the firm as has been paid or finally allotted to any of the members of the firm.

"These two exceptions should be retained in the present Bill. This is all that I urge."

**The President:**—"I understand the Hon'ble Member has moved all three of his amendments. I will therefore put all three amendments together when the Hon'ble Member has replied."

**The Hon'ble Rai Sita Nath Ray Bahadur:**—"Yes, my Lord."

12-23 P. M.

**The Hon'ble Mr. W. M. Hailey:**—"I think it is already clear to the Council, my Lord, that the Hon'ble Mr. Sita Nath Ray has suggested to us two alternative methods of dealing with the undivided Hindu family. The first is the restoration to it of the existing deductions; the second is, that it should be treated for all purposes as a company and pay only the one anna flat rate. I have already argued to the Council the case of the deductions, and I do not think that I need reply at any great length to what I said on that subject; but I would add this. The Hon'ble Member complained that full effect was not given to these deductions in practice and he cites his own case in particular. My Lord, we are dealing here with the question of legislation. If the procedure of a local Government or of a local Government's officer in carrying out the Act, bears hardly on an individual that I think is not a point for this Council, except in so far as any legislation should be proposed which would do away with such hardship."

**The Hon'ble Rai Sita Nath Ray Bahadur:**—"May I rise to a point of order? I beg to point out that it was not done under instructions of any local Government, but on the strength of a circular issued by the Government of India, Finance Department?"

**The Hon'ble Mr. W. M. Hailey:**—"If so, my Lord, it must have happened at some era at which I was not in the Department; nor is my Hon'ble friend here (Hon'ble Mr. Cook) aware of any such circular. I will be perfectly willing to examine the records of my Department and see if any such circular

[ 22ND MARCH, 1920. ] [ Mr. W. M. Healey; Mr. Kamini Kumar Chanda. ]

was issued; but I do not think I would be justified in arguing that case at length before the Council, because we are now engaged in the matter, not of redressing individual hardships, which must always be left to in the last resort to appellate or judicial decision, but in a matter of legislation. I therefore do not propose to detain the Council any longer with this question of deductions.

"We have indeed in answer to the Hon'ble Mr. Sarma's amendment made as much concession in the matter of deduction as I think it is possible to make. Hindu undivided families will for the future, instead of being allowed to deduct the various sums allowed in the present Act—deductions which, as I said before, led in some cases to a manipulation of the accounts—start with an advantage of Rs. 25,000; and that, I think, is a sufficiently handsome concession to them.

"The second part of the Hon'ble Sri Sita Nath Ray's case referred to the question whether such families should or should not receive the same treatment as companies. He desires that they should be assessed to the flat rate of one anna. He drew a comparison, and a very invidious comparison, between the profits made by companies and the profits made by undivided Hindu families. Now, even if we are prepared to admit that all companies do make 200 per cent. and that all Hindu undivided families only make 6 per cent. on their investments, his argument nevertheless does not hold good. We tax companies at the flat rate; that is, their dividends pay one anna; but now mark the difference between them and undivided families. The shareholder will also, if the proposals in our Bill are carried out, pay on his individual income including those dividends, and that is the essential difference between the shareholder in a company and between the member of an undivided Hindu family. We cannot in practice decide, and as a strict matter of law we should not be justified in attempting to decide, what should be regarded as the 'share' of a member of an undivided family. Were we able to decide that share, were there such a thing as an instrument of division, were there no doubt whatever what each member of the family was entitled to receive, and did receive, then we should of course have no reason for treating the undivided family as a whole; we should tax its individual members as individuals. It is simply because in the nature of things there can be no share and no definite apportionment of earnings to individuals, that we have treated undivided families as single persons for income-tax assessment. Therefore, the comparison between the company and the undivided family in my opinion breaks down completely. For the rest, the Hon'ble Member's appeal is one simply for consideration and for compassion. In my opinion, we have given to the undivided family the maximum of concessions possible. I can see in fact that we are liable to attack in some quarters for having given so much. I do not think it would be justifiable—I will not say on behalf of the Government—but on behalf of the general tax-payer, whose interests are of course at stake, that we should make any further concession to the Hindu undivided family."

**The Hon'ble Mr. Kamini Kumar Chanda:**—"My Lord, may I make a remark in this connection? I get up simply because I freely confess that the lawyer in me is forcing me to speak. I find one passage in the Report of the Select Committee upon this Bill which, I confess, I did not follow. It is stated there:

"The Committee considered that the difficulty of ascertaining the shares of individual members of a joint Mitakshara family would be almost insuperable."

"Now, granting this, what about the Dayabhaga family. I think, my Lord, it is well known to every student of Hindu law that, so far as the Dayabhaga family is concerned, that in the case of the Hindu family governed by the Bengali school of law there is no difficulty in finding out the share of each individual member; it is as well known as if there was a partition. That being so, I do not think that the Dayabhaga family should be penalised owing to the difficulty of finding out the shares of the members of a joint Mitakshara family. That is my difficulty, my Lord."

[*Mr. A. P. Muddiman; The President; [22ND MARCH, 1920.]*  
*Mr. Kamini Kumar Chanda; Sir George*  
*Lowndes; Rai Sita Nath Ray Bahadur;*  
*Sir Fazulbhoy Currimbhoy.]*

**The Hon'ble Mr. A. P. Muddiman** :—“I must apologise for interrupting the Hon'ble Member, but might I know as a point of order on which amendment he is speaking?”

**The President** :—“I have told the Council that I propose to take all these three amendments together and put them to the Council as one. If the Hon'ble Member can bring his speech in on any one of these three amendments, he is in order. To which amendment is he speaking now?”

**The Hon'ble Mr. Kamini Kumar Chanda** :—“My suggestion is with regard to the joint undivided Hindu family.”

**The President** :—“Which particular portion?”

**The Hon'ble Mr. Kamini Kumar Chanda** :—“I support the Hon'ble Rai Sita Nath Ray's amendment on these grounds.”

**The President** :—“But which amendment?”

**The Hon'ble Mr. Kamini Kumar Chanda** :—“That it should be a flat rate as in the case of a company.”

**The Hon'ble Sir George Lowndes** :—“I rise to a point of order again. That could not possibly apply to the Dayabhaga family apart from the Mitakshara. There is no one of these amendments which distinguishes between the members of a Dayabhaga and a Mitakshara family. There is no one of these amendments under which the Hon'ble Mr. Chanda can possibly bring his suggestion.

“It is really a new amendment.”

**The Hon'ble Mr. Kamini Kumar Chanda** :—“My submission is this that my Hon'ble friend is asking that the case of an undivided Hindu family should be considered in the same light as that of a company. Now why this is not done is, as I gather from the Report of the Select Committee, that there are difficulties in the case of a joint Mitakshara family to find out what the share of each member is. Therefore it is proposed to tax the family as a unit. In support of that position I want to bring out this difficulty. The reason seems to be that, as Government are unable to find out the shares of individual members, therefore it would be safer to tax the family as a unit. I point out that this is not correct in the case of members of a Dayabhaga family. That is the only point I wish to bring to the notice of the Hon'ble the Finance Member and the Hon'ble the Law Member.”

**The Hon'ble Rai Sita Nath Ray Bahadur** :—“I have nothing further to say.”

**His Excellency The President** :—“You have nothing further to add?”

**The Hon'ble Rai Sita Nath Ray Bahadur** :—“No, my Lord.”

The amendments were put and negatived.

**The Hon'ble Sir Fazulbhoy Currimbhoy** :—“My Lord, I beg to move that the following be added at the end of clause 4 :—

‘Where the income of an individual or a company assessed to super-tax under this Act includes a dividend paid by a company assessed during the year, the said assessment shall be reduced by the amount of tax payable on the dividend at the rate of one anna in the rupee.’

[20 MARCH, 1920.]

[*Sir Fazulbhoy Currimbhoy; Mr. W. E. Crum;  
Mr. W. M. Hailey.*]

"My Lord, my amendment is quite clear and needs very few words of explanation. The individual, when the income on which the company has paid super-tax reaches him, has to pay super-tax again on the same income. Thus, in certain cases, an individual has to pay twice and three times over super-tax on the very same income. In this country industries are run by joint stock companies and if an individual who has put his money into industries, when he receives his dividend has to pay super-tax on a dividend which has already paid super-tax, the result is to discourage people from putting money into industries instead of trade.

"My Lord, the argument brought forward by the Hon'ble the Finance Member was that the individual who will have to suffer in this way will be the man whose income is more than Rs50,000 and also he has said just now that he does not know what will be the amount he will have to refund. My answer to his argument is that if he wishes to charge the rich man, he can easily raise the super-tax to a rate larger than one anna instead of dealing with it so unfairly. In the second place, we can see from the Budget that by this new method of a flat rate he is making 14 lakhs of rupees, and if he has to refund 10 or 15 lakhs of rupees that will amount to very little.

"Therefore, my Lord, I think my amendment is quite fair, and I appeal to the Hon'ble the Finance Member to treat my amendment favourably as he has treated the Hon'ble Mr. Sarma's."

**The Hon'ble Mr. W. E. Crum:**—"My Lord, I beg to support the amendment of the Hon'ble Sir Fazulbhoy Currimbhoy. I do so on a question of principle. I think the time has come when endeavour should be made throughout the British Empire to avoid double taxation as far as possible. It is very wrong that in this country we should not only have to pay double taxation but actually pay the same tax twice over, because that is what this proposal comes to. The individual will pay income-tax on his income; he will also pay super-tax on his income; the company will pay super-tax on the same income, and therefore he will be paying super-tax twice over. In the case of income-tax he can recover, but in the case of super-tax he cannot recover.

"There is one other reason why I support this amendment and that is this. An individual whose income is derived largely from companies is in a worse position than an individual whose income is not derived from the dividends of companies. I do not think it right that whatever the incomes of an individual may be, whether it is 5 lakhs or 10 lakhs or 20 lakhs, the mere fact that an individual derives his income from companies should put him in a worse position than an individual who derives his income from other sources."

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I take it that the Hon'ble Sir Fazulbhoy Currimbhoy's objection to our taxation is based not so much on the amount of the tax as to the method of levying it. I give him all credit for not protesting against the amount he has to pay; I shall bring against him none of those charges we sometimes hear that men of wealth do not like to pay their taxes. I have not that feeling in my mind at all; indeed Sir Fazulbhoy himself has done his best to disabuse us of any such feeling, since he has stated that he would be quite prepared to pay a higher super-tax, if necessary, but that he does not like the particular method adopted by us, which involves the payment of super-tax twice over.

"It seems to me then, my Lord, that it is an offence against the delicacy of his feelings rather than against his pocket. But I think the position has been, I will not say exaggerated, but exhibited in somewhat too gloomy a light. Are we really and effectually taxing twice over? What we are putting on now is a form of taxation well known in many countries of Europe—a corporation tax. It is considered justifiable to tax a corporation partly because it enjoys the use of what may be called public capital, but even

[*Mr. W. M. Hailey; Sir Fazulbhoj Currimbhoj.*] [22ND MARCH, 1920.]

more because its shareholders enjoy protection against liabilities incurred, up to the amount of their shares. The company is therefore taxed definitely as a corporation, and that taxation may very justifiably be regarded almost as one of the working expenses of the company. The super-tax we place on the shareholder afterwards is really an individual tax. We call both these taxes super-tax, but as a matter of fact we are really imposing on the company a well recognized form of taxation—the corporation tax—while maintaining the super-tax on the individual.

“Perhaps, however, the Council may regard this as an unduly philosophical explanation; perhaps they will be inclined rather to lay stress on the fact that we call it a super-tax, and that it actually has the effect, as Sir Fazulbhoj Currimbhoj says, of imposing a double super-tax on the people.

“Well, I have already explained to the Council, that in the case of our very worse victim, the total super-tax does not amount to more than four annas in the rupee; an amount which is very low indeed compared to the taxation in some other countries. I think in one further point the Hon'ble Sir Fazulbhoj Currimbhoj, and to some extent the Hon'ble Mr. Crum, have rather over-stated their case. They have urged that it is wrong that we should at a time when men are professing to encourage industry, introduce a tax which constitutes a heavy burden on industry pure and simple. Now if this charge were correct I am sure that nobody would be more willing to withdraw or to modify it than your Excellency's Government. But is it correct? Last year we had a super-tax which brought in 176 lakhs of rupees. We are told that the method of taxation was undesirable, that it was imposed in a form which was detrimental to industry. Yet in spite of that fact, in the first eight months of the year 535 new companies, nearly all industrial, were started with an authorised capital of 166 crores of rupees. Now if industry was afraid of our taxation, I maintain that there would not have been that great boom in company flotation. Then again our present taxation was announced on the 1st March this year. What has happened since the 1st March? Has there been any indication that the industrial share market has been injured in any way by our taxation? If I am correct, shares generally have risen since then. The Hon'ble Sir Fazulbhoj Currimbhoj, happily for him, has a far better acquaintance with the facts regarding the rise in the price of shares than I am ever likely to have; and I am sure he will correct me if I am wrong in my statement. But if I am correct, what proof is there of the charge that our taxation is injurious or detrimental to industry?

“My Lord, I do not, as I have already said, like the argument which is based on a scoff at the rich man because he does not like to pay his taxes. I do not like setting up Lazarus against Dives. I am not sure that Lazarus is always a better citizen than Dives. But I claim this, that if anybody objects to taxation on the ground that it is likely to be injurious either to industry or to any other interest, they should provide some solid ground for that assertion. I maintain that such grounds are wanting in this case, and I claim that the Council should support this Bill, as one which is in no sense likely to be detrimental to Indian industries or to Indian interests.”

**The Hon'ble Sir Fazulbhoj Currimbhoj:**—“My Lord, the Hon'ble the Finance Member does not seem inclined to accede to my request, which is as fair and just as it should be.

“As regards what I have said about super-tax being detrimental to industry, people will not put their money into industrial concerns, but looking to the new companies which have started it shows that people do not mind taxation. My Lord, I will give an example. Last year after the Excess Profits Tax Bill was passed, the Share and Stock Market in Bombay went up.

“The general trend of the market depends upon the speculation and the attitude taken up by the bears or bulls. That is the proper indication and it is quite clear that people who put their money in industries will have to pay

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[*Sir Fazulbhoj Currimbhoy; Mr. W. M. Hailey;  
Mr. W. E. Crum.*]

double super-tax than the people who put their money in other sorts of trades. So I do not agree with his argument on that ground. Of course it will not be very injurious to trade, but at the same time they will be very unfairly treated. As I said in my speech, I think he is getting 14 lakhs more, and if he has to refund a little, I think he ought to have agreed to it. With these words, my Lord, I would ask that the amendment be put to the Council."

The amendment was put and negatived.

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I beg to move that <sup>12-52 P.M.</sup> the Bill to amend the law relating to super-tax, as amended, be passed. There has been an amendment to-day the effect of which, I think, might be that Hon'ble Members might possibly call for a further postponement of the passing of this Bill, but as that amendment has been in the nature of a concession, I hope that that point will not be pressed."

**The Hon'ble Mr. W. E. Crum:**—"My Lord, though I am <sup>12-53 P.M.</sup> perfectly prepared to vote in favour of the Bill as it now stands, I would not like that to be taken as meaning that I entirely support the provisions of the Bill. To my mind, at its best it is an improvement on the Act which it supersedes, but it still has many objectionable features, and I have already referred to one in the principle of taxing companies with super-tax. It is perfectly true, as the Hon'ble Mr. Hailey has pointed out, that corporation tax is levied in certain other countries; but I do not think a tax of this nature has ever been levied in the British Empire, and as such I do not think that we ought to set the example. But, my Lord, I would like to plead the case of certain companies which are particularly hardly treated by this Bill. I refer to companies trading in India and registered in the United Kingdom. I do not know if Hon'ble Members of the Council understand the position of the income-tax and super-tax as regards companies registered in the United Kingdom and trading in the colonies. The position is that most of these companies have to pay an income-tax of 6s. in the £ and they are allowed a deduction in the case of income-tax paid in the colonies up to 2s. 6d. in the £ provided that that deduction is on the same income on which they have actually paid their income-tax in Great Britain. In the case of India a deduction is allowed of the Indian income-tax; this amounts to 1s. 3d. in the £, but it is very doubtful indeed whether the British Exchequer will allow the Indian super-tax to be treated in the same way. In fact I think it is almost certain that they will not allow it. It comes to this, therefore, that if this tax had been an ordinary addition to income-tax the British companies registered in the United Kingdom would have been able to take advantage of the law in the United Kingdom. As it is super-tax, it is probable that they will not be able to do so. Now, my Lord, I think that members of this Council will generally agree with me that at a time when the discussion of double taxation within the Empire is so much before us it is a very hard thing on companies registered in the United Kingdom that they should be forced to pay this double taxation; and I would have appealed with more confidence to members of Council if it had not been for a remark of the Hon'ble Mr. Sarma's the other day when speaking on Mr. Patel's Electricity Bill. He referred several times to foreign companies—I hope he will correct me if I am wrong—but I understood and I think a great many other members of the Council got the impression that in referring to foreign companies he included in the term both German companies and Austrian companies and companies registered in the United Kingdom; and I do think that at a time such as the present when we are all trying to do our best to work together for the future government of India and the Government of India as a part of the British Empire, it is a great pity that British companies should be referred to as foreign companies; and I hope that Mr. Sarma will be able to say later that that was not his intention. The reason why I refer to this is because I would ask the Council and the Hon'ble the Finance Member to treat British companies trading in India on generous terms.

[*Mr. W. E. Crum; Rao Bahadur B. N. Sarma.*] [22ND MARCH, 1920.]

"Now, my Lord, what have these companies been paying during the war? They have been paying first of all Indian income-tax on their whole profits. That is to say, they have paid Indian income-tax on profits which have never come into their pockets, because they also paid Indian income-tax on excess profits tax which had been deducted in Great Britain. They have paid the British income-tax of 6s; individuals in these companies have also paid the British super-tax varying from 1s. in the £ to 4s. 6d. in the case of very high incomes, and the only relief that they have been able to get is in respect of Indian income-tax on that part of their income on which they have paid British income-tax. I do think, my Lord, that looking to the fact that Great Britain allows a deduction of income-tax in the case of income-tax charged in the colonies, it is not too much to ask the Government of India to allow a similar concession in the case of super-tax charged in India. It is probable, I suppose, that the Hon'ble Member will not be able to give me a definite answer to my request to-day; but at any rate I hope that he will consider the matter and take up the question with the home authorities and with the Secretary of State.

"The Hon'ble Member referred to when he was recommending that the Bill should be considered, to the question of an alteration in the method of assessing this super-tax, that is to say, as to whether the tax should not be graded according to the capital of the company, rather than on a fixed exemption amount of half a lakh; and he told the Council that the reason why the half-lakh exemption was decided on was because that would only exempt the small companies and would tax the bigger companies who are generally more in a position to pay. I quite agree with that idea; but at the same time I would point out that this Bill as it stands is going to hit very hard a certain number of companies which have big capital, but which from their nature are not able to pay big dividends and that it does not at all follow that because a company pays a dividend amounting to less than half a lakh the individuals who receive that dividend are people of small means. I may instance a very good case in that of the Sara-Serajganj Railway; that is a company with a very large capital. The shares are held, I think I am right in saying, mostly by small shareholders with holdings of somewhere about a thousand rupees each.

"It is held very largely by the population of the district through which it runs. It seems to me that the company from its nature can never pay big dividends. It seems to me that it is very hard indeed on small individuals of that kind who have invested money in railways because they believed it to be a good thing for their country that the railway should come in, that they should come under a super-tax of this kind. If an alteration could be made in the exemption to be granted in another year, then this anomaly would disappear. I am very glad that the Hon'ble Member has told us that he will take that question into consideration. With these remarks, my Lord, I vote in favour of the Bill, and I hope the Hon'ble Member will be able to give consideration to my requests."

1-2 P.M.

**The Hon'ble Rao Bahadur B. N. Sarma:**—"My Lord, I have a very few remarks to make on the super-tax itself. Of course all taxation cases will come up for revision from time to time; they are not like the laws of the Medes and Persians. I feel sure that the remarks of the Hon'ble Mr. Crum that we should deal tenderly with companies whose dividends may be extremely small and who will be hard hit by this taxation, will be taken into favourable consideration.

"I am thankful to the Government for having accepted my amendment with regard to undivided Hindu families. I hope the matter may be further investigated should occasion arise.

"With regard to what I meant by a foreign company, I do not think the matter has a direct bearing on the point at issue, except in so far as it has a bearing on our attitude in regard to the suggestion for favourable terms in the case of the super-tax on British firms. Certainly I am at one with Mr. Crum in thinking that it would be extremely undesirable that the same



SUPER-TAX BILL; INDIAN ARMY (SUSPENSION OF SENTENCES) BILL; INDIAN PAPER CURRENCY (TEMPORARY AMENDMENT) BILL. 1545

[ 22ND MARCH, 1929 ] [ *Rao Bahadur B. N. Sarma; Mr. W. M. Hailey; His Excellency the Commander-in-Chief.* ]

firm, British or Indian, should be taxed twice in respect of the same income in India and elsewhere in the British Empire. The use of the term foreign is one of terminology and would connote different things with reference to the context in which the term is used. Of course if British firms are registered under the Indian Companies Act, they would be Indian in the strict sense of the term. I do not think any one would draw any distinction between Indian firms whose capital is all subscribed by Indians in India and British firms who may settle down here. Nor do I for a moment contend that the same favourable terms where possible should not be shown to firms in other parts of the British Empire. I would certainly draw a distinction between German and Japanese and other firms located in the British Empire. In one sense I think we may call ourselves British, because we are within the British Empire and the questions of Indian and British would not arise. I hope I have made my meaning quite clear. When I use the term foreign as opposed to Indian, I do not draw any distinction British *versus* Indian. The term foreign trade in our statistics includes British trade."

**The Hon'ble Mr. W. M. Hailey:**—"There are, my Lord, two <sup>1.5 P.M.</sup> general points calling for notice. In the first place there is the point raised by Mr. Crum in connection with the possibility of giving the British Company relief from the payment of this super-tax in respect of its payment of British taxation. We cannot, as he himself realized, offer him a definite answer at the present moment. We understand that a Committee has been appointed at home to report on the subject of taxation within the Empire and made definite recommendations to the Treasury on the subject. We expect to receive those recommendations before long, and the fact that English Companies have to pay the super-tax here will be taken into consideration by us in any negotiations which we may have on the subject with the British Treasury. I have already told the Hon'ble Mr. Crum and the Council that the proposal made for the substitution of a graded company tax instead of a flat rate will be made the subject of investigation by us. If we find that a more equitable form of taxation can be suggested, we shall come to the Council again on the subject. I have no other observations on the Bill, my Lord, and would only ask that it be passed by the Council."

The motion was put and agreed to.

**INDIAN ARMY (SUSPENSION OF SENTENCES) BILL.**

**His Excellency the Commander-in-Chief:**—"My Lord, I beg <sup>1.7 P.M.</sup> to move that the Bill to consolidate and amend the law relating to the suspension of sentences passed by Courts-martial under the Indian Army Act, 1911, be taken into consideration."

The motion was put and agreed to.

**His Excellency the Commander-in-Chief:**—"My Lord, I beg to move that the Bill be passed."

The motion was put and agreed to.

**INDIAN PAPER CURRENCY (TEMPORARY AMENDMENT) BILL.**

**The Hon'ble Mr. W. M. Hailey:**—"My Lord, I beg to move <sup>1.8 P.M.</sup> that the Bill to consolidate and amend the enactments amending temporarily the Indian Paper Currency Act, 1910, be taken with consideration."

1516 INDIAN PAPER CURRENCY (TEMPORARY AMENDMENT)  
BILL.

[*Mr. W. M. Hailey; Mr. W. E. Crum; Pandit. [22ND MARCH, 1920.]*  
*Madan Mohan Malaviya; The President.*]

"When this Bill was first introduced to Council it was somewhat fully debated. As I explained on that occasion it is not the class of Bill which we should care to put before the Council for acceptance as a permanent measure, and I rely upon the support of the Council mainly on the fact that the measure is a temporary one to meet a passing need and to avoid what might otherwise be a distinct measure of inconvenience to Indian trade, namely, an undue stringency of the money market. I can only repeat here the guarantee which I previously gave the Council that its powers will be utilized only as a last resort. We shall endeavour, we are indeed endeavouring, to take notes off the market rather than use powers of creating *ad hoc* securities. We wish to continue to do so so long as conditions permit. We have no desire, however, to incur the danger of hasty deflation, since this is capable of bringing as much injury to trade and industry, and consequently the public generally, as a hasty inflation of our note issue. With this assurance of our intentions in the matter, I beg to move that the Bill be taken into consideration by Council."

1-10 P.M.

**The Hon'ble Mr. W. E. Crum:**—"My Lord, I supported this Bill when it was before the Council.

"There is one point, my Lord, that I would like to make, and I hope I shall be in order. The more I think over the question of these Reverse Councils the more I am impressed with the idea that the present procedure is not right. I consider that it is perfectly right for Government to continue issuing Reverse Councils as long as the need for them exists. But I am exceedingly doubtful whether it is correct to go on issuing them at the present rate. The difference between the Reverse Council rate and the rate which is quoted by the Banks is now something like 4d. The position is that this increases speculation all over the country, and indeed it is more than a speculation, it is betting on a certainty. Any individual can now go to Government and deposit a certain amount and make a request for a very large allotment of Councils. He gets Reverse Councils. He gets a certain allotment, and he goes straight to the Bank and brings the money out from Home, and after taking it from the Bank he sends it Home again and makes 4d. I therefore suggest to the Government that they should again consider the question of putting up Reverse Councils to tender. I believe that the effect of Reverse Councils being put up to tender would be just as great as far as steadying the market is concerned as the present procedure, and that it would do away with what undoubtedly has called for a very great deal of comment."

1-12 P.M.

**The Hon'ble Pandit Madan Mohan Malaviya:**—"My Lord, I know that this Bill is under consideration and perhaps for the last time, I should like to support the protest which has been made by the last speaker in regard to Reverse Councils. . . ."

**The President:**—"The Hon'ble Member cannot enter into that at any length. The Hon'ble Mr. Crum was entirely out of order when he introduced that subject on this motion, and I cannot allow other members to go in any detail into it. It will be quite sufficient if the Hon'ble Member says, he supports the Hon'ble Member who has already spoken."

**The Hon'ble Pandit Madan Mohan Malaviya:**—"I will bow to your Excellency's ruling on this as on any other matter relating to the procedure in this Council, but I do not think that the rules contemplate any restriction on the score of lengthy arguments being addressed. . . ."

**The President:**—"No, no. That is not the point. The point is that I ought strictly to have ruled Mr. Crum out of order, but this being the last occasion when the Council is sitting, I thought, perhaps, I might let him go on

[22ND MARCH, 1920.] [*The President; Pandit Madan Mohan Malaviya.*]

out of grace. I would warn Hon'ble Members that I cannot allow every Hon'ble Member to go on as a matter of grace and that strictly speaking, the discussion is out of order."

**The Hon'ble Pandit Madan Mohan Malaviya:**—"I will confine myself to the Bill, my Lord, without concerning myself with Mr. Crum's remarks."

**The President:**—"Thank you."

**The Hon'ble Pandit Madan Mohan Malaviya:**—"In doing so, I will first of all deal with the motion that is before the Council, namely, that the Bill to consolidate and amend the enactments amending temporarily the Indian Paper Currency Act, 1910, be taken into consideration. I find, my Lord, that the reason for the proposed enactment is thus stated in the Statement of Objects and Reasons.

'After stating what the previous position was, and after pointing out that the maximum limit up to which the currency reserve can be invested in securities was raised to Rs. 120 crores, of which Rs 100 crores must be in British Treasury Bills, though it has been possible so far to avoid the actual utilisation of the additional investment power of Rs. 20 crores obtained in September last.'

The Statement of Objects and Reasons goes on to say:—

'The present Bill goes further and proposes to abolish the existing limitations as to the nature of the securities in which the investments may be made; as was pointed out the other day by the Hon'ble Mr. Sarina and as was also pointed out in the Statement of Objects and Reasons, those investments must be to the extent of Rs. 100 crores in British securities. Now the object of the present Bill is to abolish this limitation. The statement says, the present Bill goes further and proposes to abolish the existing limitations as to nature of the securities in which the investments may be made. This proposal is necessitated by the present demand for remittances to London and the impossibility of meeting these from the Secretary of State's Treasury resources. If the demand for remittances continues, they will have to be met by the disposal of sterling securities held in the Paper Currency Reserve, and this involves the withdrawal and cancellation of currency notes in India to the extent of the rupee value at which the securities are held in the reserve.'

"Now, my Lord, I submit that this does not justify the statement, but on the other hand it gives strong reasons for opposing the motion that is now before the Council. As has been pointed out, there is a limitation prescribed for keeping the securities in the Indian Paper Currency Reserve in British securities. This is a proposal now to abolish that limitation. One of the grounds upon which it is justified is not a ground pertinent to the Paper Currency Reserve or to the transaction of the Government, but is a ground which is entirely beyond it as stated in the Statement of Objects and Reasons, and I submit, unless it is made clear that it is necessary for the purposes of Government, for the purposes for which the Indian Paper Currency Reserve is created, that is the limitations imposed should be altered or removed, I submit a case has not been made out for passing this Bill. My Lord, the history of it is well known, and the Currency Committee's Report have laid down a very strong and simple rule, and that was that Reserve Councils were to be sold only during periods of adverse balance of trade. We have asked again and again, members of this Council have tried again and again to ask whether at any period during these three months the balance of trade has been against us. We have not been told that it has been so. Your Lordship may have noticed a resolution passed at a meeting held in Bombay on the 20th instant, in which the merchants of Bombay have protested strongly against the attitude of Government. In their resolution, a copy of which they have been good enough to send me, they say:—

'This meeting strongly condemns the action taken up by the Government of India on certain suggestions of the Majority Report of the Currency Committee and in particular the suggestions relating to the sale of Reserve Council Bills at a time when the balance of trade is so highly in favour of India, and in a manner which involves serious loss to the

1548 INDIAN PAPER CURRENCY (TEMPORARY AMENDMENT)  
BILL.

[*Pandit Madan Mohan Malaviya; Sir Fazulbhoy* [22ND MARCH, 1920.]  
*Currimbhoy.*]

currency reserves in England belonging to the country and other consequences disastrous to the money market and the trades and industries of the country, and urges the immediate discontinuance of such sales'.

" Now, my Lord, a resolution coming from such a body as the merchants of Bombay ought to receive consideration at the hands of the Government, and I find that up to this time, though the Hon'ble the Finance Member has made many statements on the subject, he has not yet told the Council and the country through the Council that at any time during the last three months at any time during which Reverse Councils have been sold to the extent that they have been sold, the balance of trade was against India, and I submit, my Lord, if the balance of trade has not been against India during these three months, then the sacrifice of revenue which has been involved by the sale of Reverse Councils is utterly unjustified. The Bombay papers contain articles which have been written by merchants and business men in which they complain that a most unjustifiable sacrifice has been made of the resources of the poor people of India. And, my Lord, at this stage when the Bill is once more before the Council, I do hope that the Hon'ble the Finance Member will give some substantial reason for making this huge sacrifice of the resources of the people of India. In the absence of such an explanation, I consider it my duty to enter my strong protest against the policy which has been pursued by the Government of India. The policy is unfortunate—I do not blame the Government of India for it merely; I know that the Government of India must be acting under the directions of the Secretary of State. I do not know whether the Secretary of State is acting entirely on his own initiative or whether he is not also under the thumb of the British Treasury and the London Exchanges have a hand in this matter. But whatever that may be, there is a very uncomfortable feeling in the minds of the Indian public that the interests of India have been sacrificed in this matter, and are being sacrificed in spite of the protests of Indians both inside the Council and outside it, and I hope that the Government will pay heed to this consideration. It is bad for Government to allow this feeling to grow. If there is any explanation for this, it must be placed before the Council. If there is no explanation, then the policy which has been pursued should be abandoned.

" We are on the eve of reforms. It has been pointed out; it was pointed out in the report which your Lordship and Mr. Montagu wrote on the question of reforms that in the matter of fiscal policy Indians ought to have a greater voice. Here is an opportunity just on the eve of the introduction of these reforms. Here are measures of very great importance involving crores and crores of money being pushed through the Council by the help of an official majority of this Council, which the Indian public are strongly condemning. My Lord, the matter is now not merely confined to this Council and to India. India has entered the League of Nations. Every transaction which takes place in India now is subjected to the criticism not only of the Indian public, not only of the British public, not only of the public of the British Commonwealth, but also of the nations which form members of the League of Nations. I think the Government ought to be more than ever careful that its transactions are not open to such criticism as the Indian merchants are levelling at the present proposals of the Government. I think the Government owe it to this Council and the people of this country that they should pay every heed to the opinions of business men in this country, and ought to resist from pursuing a course which is opposed to such criticism, unless they can defend it on reasonably strong grounds. I hope to hear something from the Hon'ble Finance Member before this motion is passed."

122 P.S.

**The Hon'ble Sir Fazulbhoy Currimbhoy** :—" My Lord, I do not wish to take the time of this Council. I have already opposed the Bill on principle and I still hold to my position."

[22ND MARCH, 1920.] [*Mr. W. M. Hailey; Pandit Madan Mohan Malaviya.*]

**The Hon'ble Mr. W. M. Hailey** :—“My Lord, the Hon'ble Pandit has asked me to justify once more to this Council what I have already tried to justify, our policy of selling Reverse Councils. Well, if I cannot satisfy the Hon'ble Pandit, let me at all events congratulate him; for the Hon'ble Pandit has I think at length found the passage in the report of the Exchange and Currency Committee which refers to Reverse Councils. He asks me to state definitely, and I think he expresses himself as satisfied if I will state definitely and to the country, the answer to one question. Is the balance of trade against India at the present minute . . . .”

**The Hon'ble Pandit Madan Mohan Malaviya** :—“Not at present only; I said during these three months.”

**The Hon'ble Mr. W. M. Hailey** :—“Now, my Lord, that is a question which we are and have been studying with the greatest and most anxious care. We have made inquiries from a large number of bodies and of individuals who are conversant with the question. We are making inquiries from our own Collectors of Customs; in fact from every source which we think can afford us information on this rather difficult question. Now when I say it is a difficult question, I think I can explain myself most clearly by saying that it is emphatically not a question of freightage. You cannot say where the balance of trade is by looking into the holds of ships. Goods come and goods go, but they do not come to book at the moment they are carried across the seas. What we have to look at in these matters, is not the balance of the movement of goods, but the balance of remittance. We know that the balance of remittance at present is against India. We are trying to analyse it; we are endeavouring to determine accurately not only what are the component factors of that demand, but also, by anticipating the course of trade, to find out where the true balance is likely to lie for the next three or four months. I said we are engaged in studying that problem, and I can give no definite and clear answer to the Hon'ble Pandit's query at the present moment. I have seen two statements made in the Bombay newspapers, one that by our execrable exchange policy we have killed the balance of trade in favour of India; and the other that the balance of trade is still running strongly in favour of India. I am unable to reconcile those two statements. I am unable to reconcile also the attitude of papers in different parts of India on this very subject. I read papers from Karachi, from Calcutta and from Bombay; and I find diametrically opposite statements in them as regards the question of the effect of our exchange policy on the balance of trade. I regret that I can give no more definite reply to the Hon'ble Pandit in this respect. I am unable at the moment to do anything more than to refer the Council to the justification I have previously attempted of our policy. But I must protest here against any suggestions that our policy is different from the policy of the Secretary of State, and against any attempt to drive a wedge between us on this subject. I must protest even more emphatically at the suggestion that the policy of the Secretary of State can be or is dictated by the British Treasury or the British merchants. I do not wish to repeat the elaborate statement which I had to make to Council on that subject the other day; I can only protest here, as I am in duty bound to protest against insinuations of that nature. As regards this Bill I can only once more offer the plea that we regard it as a temporary measure. I admit that it is an essential corollary of a policy which some of our friends dislike; but for that policy they have offered us no reasonable alternative, and therefore in our opinion it must be persisted in.”

The motion was put and agreed to.

**The Hon'ble Mr. W. M. Hailey** :—“I beg now to move that the Bill be passed.”

The motion was put and agreed to.

1550 HINDU MARRIAGES VALIDITY BILL; HIS EXCELLENCY  
THE VICEROY'S CLOSING SPEECH.

[ Mr. V. J. Patel; The President. ]

[ 22ND MARCH, 1920. ]

HINDU MARRIAGES VALIDITY BILL.

1-28 P.M.

**The Hon'ble Mr. V. J. Patel:**—" My Lord, I beg to present the Report of the Select Committee on the Bill to provide that marriages between Hindus of different castes are valid."

HIS EXCELLENCY THE VICEROY'S CLOSING SPEECH.

1-29 P.M.

**His Excellency the Viceroy:**—" It only remains now for me to bid farewell to the Council at the close of another session, and in bidding farewell to you, it may be of interest to know that this is the last occasion in Delhi on which a Viceroy will preside over a Legislative Assembly. It is true that there is still the Simla session at which I shall preside over this Council, but this time next year when the Reforms have been inaugurated by His Royal Highness the Prince of Wales, the Viceroy will no longer be ex-officio the President of the Legislative Assembly, and his attendance at that body will be confined to certain formal occasions when he comes to deliver a speech to the Assembly. I think the Joint Committee, when they came to the conclusion that it was desirable that the Viceroy should not preside over this Assembly, probably came down on the side of the balance of advantages in favour of his not presiding. But for myself, though in the course of another year there will be another Viceroy in my place, I think it is to be regretted that the Viceroy will lose that opportunity of seeing Members in debate, of seeing the tone and temper of Members, of getting in some way into personal touch with Members, which his ex-officio Presidency enables him to do. And from that point of view I do regret for my successors that they will be deprived of that opportunity, which I have regarded as a privilege during my tenure of office as Viceroy.

"But I will pass away from that because it is *res judicata*.

"There are as many things to be said in favour of the change as against it, and I have only to express this morning what is a personal regret on my part that there will be a certain deprivation of that personal touch between the Viceroy as President of this Legislative Council and the Members, which has subsisted heretofore.

"Now, you have had a strenuous session and some of you, I believe, would say that you had been worked harder than you had ever been worked in your lives before. It has not only been a long and continuous session in this Council—I do not think you have sat later than 8 o'clock though in certain circumstances you might have sat later—but it has also been a strenuous session in Committee, and I feel sure in looking back upon this session Hon'ble Members will say that it has been a session which has been marked by a spirit of good-will and co-operation (Hear, hear, and applause). I know that I can say that from the Government point of view because all my Hon'ble colleagues have told me that in working with Hon'ble Members during this session they have found to their great delight that there was that spirit of good-will and co-operation, which I have just mentioned (Hear, hear, and applause). Now I trust Hon'ble Members, when they leave this capital city, will carry away with them to their homes that same spirit of good-will and co-operation, because we have still much work to do. We ourselves, as a Government, have still a great deal of spade work to do in connection with the Reforms. We shall have still to call upon many of our non-official friends for assistance in that respect. And so, if that work is to be done, as I hope it will be done, efficiently and well, we must rely on the spirit of good-will and co-operation. But that spirit must exist not only amongst non-official members, it must exist in the districts and throughout India. So I hope, when Hon'ble Members return to their homes that they will go out in a spirit of apostleship, a spirit of good-will and co-operation, in order that they may prepare the way for the advent of His Royal Highness the Prince of Wales when he

[ 22ND MARCH, 1920. ] [ *The President.* ]

comes to us at the end of this year (Hear, hear, and applause). Let nothing be done or said during these few months that are to come which will in any way jeopardise the spirit of harmony which, I hope, will prevail at that time. You must remember that His Royal Highness will come not in any sense as a politician or statesman to complete the work which has been put through by statesmen, but as representing His Majesty the King-Emperor himself, and that His Majesty the King-Emperor stands above and aloof from all party differences or all party questions or party disputes. So, I hope, that when His Royal Highness comes to set the seal upon the policy which has been carried through, he will find such an atmosphere of harmony and good-will prevailing that no jarring note will in any way spoil his visit during his stay in India (Hear, hear, and applause).

"So I bid you farewell and I hope that you will now not only be able still to do some work for India with regard to Reforms and that, if you are called upon, you will explain what is meant by those Reforms in the parts of India where you may happen to dwell, but that you will have that rest from your labours which I am sure each non-official member who has been present during this session feels is his due.

"And now may I bid you a very cordial farewell."

The Council was adjourned *sine die*.

A. P. MUDDIMAN,

*Secretary to the Government of India,*

*Legislative Department.*

DELHI :

*The 29th March, 1920.* }

## APPENDIX A.

Statement showing the action taken against Presses and Newspapers under the Defence of India Act since its enactment.

Serial Number	Name of Press or Newspaper.	Nature of action taken.	Reason for the action.	Date of order.	Place in which Press is kept and language and place of publication of Newspaper.	Name of keeper of press and publisher of paper.	Name of Editor.	Whether in existence prior to 1910.	Whether in existence or defunct now.	Remarks.
1	"The Bombay Chronicle."	Bombay Pre-censorship.	There was reasonable ground for believing that it had been conducted, was being conducted in a manner prejudicial to the public safety.	26th April 1919	PRESS. 3 Meadows Street, Bombay.	The Indian Newspaper Company, Limited (through Mr. B. G. Horniman, the then registered keeper).	...	No.	No.	
2	Ditto	An order under rule 3 of the Defence of India Rules was served on Mr. Horniman, then Editor of that Newspaper, prohibiting him from commencing further on the correspondence which appeared in the issue of the paper, dated the 12th July 1917, under the heading "Alleged reign of terror at Dagar."	The correspondence published was considered to be prejudicial to public safety.	14th July 1917	English, Bombay.	...	D. G. Eorniman	No	In existence.	
3	Ditto	Pre-censorship.	There was reasonable ground for believing that it had been conducted, was being conducted in a manner prejudicial to the public safety.	26th July 1919	Ditto	...	Ditto	No	The terms of the order did not entail discontinuance of the newspaper.	
4	"The Bikaner"	An order was served on Mr. B. N. Bakkar, proprietor and publisher of the paper prohibiting him from publishing any further matter relating to certain correspondence which appeared in the issue of the paper of the 13th July 1917, under the heading "From Day to-day."	The correspondence published was considered to be prejudicial to the public safety.	14th July 1917	Ditto	...	Achut Kolhakar.	No	In existence.	



## Statement showing the action taken against Presses and Newspapers under the Defence of India Act since its enactment—contd.

Serial number.	Name of Press or Newspaper.	Nature of action taken.	Reason for the action.	Date of order.	Place in which Press is kept and language and place of publication of Newspaper.	Name of keeper of Press and publisher or paper.	Name of Editor.	Whether in existence prior to 1910.	Whether in existence or defunct now.	Remarks.
NEWSPAPERS— <i>contd.</i>										
6	North-West Frontier Province.	Their entry into the Punjab had been forbidden by the Punjab Government and similar action was therefore taken by the North-West Frontier Province.	23rd February 1918.	Urdu; Calcutta	Saiyid Ali Qanuni	...	...	...		
7	Ditto	Ditto	Ditto	Ditto	Ghulam Hussain	...	...	...		
8	Ditto	Ditto	Ditto	Ditto	Nazim-ud-din Ahmad	...	...	...		
9	Bengal.	Directed to abstain from publishing any part of the said newspaper without first submitting the manuscript of the same to the Muhammadan Press Censor, Bengal, for censorship.	The newspapers were publishing articles prejudicial to the public safety.	14th September 1918.	English; Calcutta.	Maulvi Azizur-Rahman.	Maulvi Mazibbur-Rahman.	Yes	Suspended publication up to the date of withdrawal of the order.	
9	Ditto	Ditto	Ditto	Ditto	Bengali; Calcutta	Maulvi Muhammad Akram Khan (the order was issued against him as Editor and Publisher).	Maulvi Muhammad Akram Khan.	No	Ditto.	
10	Ditto	Ditto	Ditto	14th September 1918.	Urdu; Calcutta	Maulvi Masood Ahmad.	† Kazi Abdul Gafar	No	Ditto.	Continued to publish until the Editor was expelled from Bengal. When suspended publication.
				14th September 1918.						

No.	Name of Newspaper	Place	Date	Particulars	Name of Person	Defendant
11	"Naqsh"	Uda; Calcutta	19th August 1918	Directed to abstain from publishing any part of the said newspaper without first submitting the manuscripts of the same to the Muttanagian Press Censor, Bengali, for control.	Maulvi Srod Muhammad Habib Shah.	Maulvi Srod Muhammad Habib Shah. (The order was issued against Maulvi Syed Muhammad Habib Shah as Editor only.)
12	"Rabbar"	Uda; Calcutta	23rd August 1918	Ditto	Ditto	Maulvi Srod Muhammad Habib Shah. (The order was issued against him as Editor only.)
13	"Milit"	Uda; Calcutta	17th August 1918	Ditto	Maulvi Abdu Qasim Rafiqo.	Maulvi Makwood Ahmad (2nd Editor) (The order was issued against him as Editor only. The subsequent order was not served as the 2nd Editor was not traceable.)
14	"Zamin dar" (daily).	Punjab	17th August 1918	For taking a prominent part in the movement of sympathy with Turkey and publishing persistently malevolent and alarming war articles and reports.	Maulvi Abdu Qasim Rafiqo.	Maulvi Abdu Qasim Rafiqo. (The order was issued against Maulvi Abdu Qasim Rafiqo as Editor only.)
15	Ditto	Uda; Lahore	January 1919	On account of an infringement of the original order.	Ghulam Qadir	Ghulam Qadir Khan. 2. M. Abdulla Imam. 3. M. Wajabat Hussain. Ditto
			February 1919		Ditto	Ditto

Continued publication after the order of prohibition was served on Maulvi Syed Habib Shah.  
The paper ceased publication after 19th September 1918.

Ceased publication in the middle of September 1918.

A weekly edition existed prior to 1910.

Ditto

No.

Ditto

No.

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

Ditto

## Statement showing the action taken against Presses and Newspapers under the Defence of India Act since its enactment—contd.

Serial number.	Name of Press or Newspaper.	Nature of action taken.	Reasons for the action.	Date of order.	Place in which Press is kept and language and place of publication of Newspaper.	Name of keeper of press and publisher of paper.	Name of Editor.	Whether in existence prior to 1910.	Whether in existence or defunct now.	REMARKS.
16	"Zamindar" (daily)—contd.	Punjab—contd. Prohibited from publishing any article or other writing, or any picture, cartoon or illustration relating to the conduct of the war or containing or conveying any criticism or attack upon the administration of the internal or external affairs of British India or any part of the British Empire; or concerning any political, religious or racial question; until the same had been passed by the Press Adviser to the Local Government.	Owing to its persistently malevolent tone.	April 1916	NEWSPAPERS—contd. Urdu; Lahore	Ghulam Qadir	1. Ghulam Haider Khan. 2. M. A. Bulla Inandi. 3. M. Vajabhat Hussain.	No	Defunct.	
17	"Lamnat"	Ditto	Being only a re-issue of the "Zamindar" under a new name.	Ditto	Ditto	Ditto	Akhtar Ali, son of Zafar Ali, proprietor of the "Zamindar."	No	Ditto.	
18	"Nirbal Sewak"	Ordered to abstain from printing or publishing any article, news, comments, etc., whatever relating to the war other than news received through Reuters' Agency or the Secretary of State.	For persistently misrepresenting the general war situation.	July 1915	Ditto	Shivanand	Shivanand	No	Ditto.	
19	"P. Nighan-i-Sudai"	Ditto	Ditto	August 1915	Ditto	Khaifa	Doct. Muhammad	No	In existence.	
20	"Abhar-i-Am" (weekly and daily).	Ditto	Ditto	October 1915	Ditto	Pandit Hari Kishan	Pandit Bal Kishan	Yes	Ditto.	

21	"Sitarasat Subah" (daily).	Mas'ud Zafar Ali Khan, the editor and proprietor, was required to publish this paper after pre-censorship and to abstain from all comments on current political topics.	Owing to his objectionable writings in the past.	August 1917	Ditto	Nur-ul-Haq	L. Zafer Ali Khan Z. M. Abdulla S. M. Imadi S. M. Wajabat Hussain.	No	Ditto.
22	"Front"	Order of complete pre-censorship.	For its violent political writings.	31st March 1919	Urdu; Amritsar	Durga Dass	Pandit/Dina Nath	No	Defunct.
22	"Leader"	Ditto	For contemning the order forbidding any Punjab newspaper from publishing accounts or criticisms of the April disturbances except after censorship. It is no longer under pre-censorship.	11th April 1919	Urdu; Lahore	Amar Nath Shad	Sham Lal	No	In existence.
24	"Partap"	Ditto	For objectionable writings on the Delhi riots and the then existing situation.	12th April 1919	Ditto	Karn Singh	Rudra Kishan	No	Defunct.
25	"New Herald"	Ditto	For its violent political writings.	16th April 1919	English; Lahore	Chanda Singh	Sardul Singh	No	Ditto.
23	"Altaf"	Ditto	For objectionable writings on the Punjab affairs and the Howlat legislation. It is no longer under censorship.	16th April 1919	Urdu; Lahore	Mahammed Alam Khan.	Wajabat Hussain	No	In existence.
27	"Arya Gazette"	Ditto	For the publication of objectionable political articles and an offensive article on "Unmarried Mothers" in England	22nd April 1919	Ditto	Amin Chand	Kinshah Chand	Yes	Ditto.
28	"Siyasat"	Ditto	For its objectionable writings on Turkey and the paper's generally bad tone. It is still under pre-censorship.	25th April 1919	Ditto	Inayat Ullah Khan, who was expelled from Bengal in connection with the Hindu-Muslim riots of 1919.	Ghulam Haider	No	Ditto.

## Statement showing the action taken against Presses and Newspapers under the Defence of India Act since its enactment—contd.

Serial Number	Name of Press or Newspaper.	Nature of action taken.	Reasons for the action.	Date of order.	Place in which Press is kept and language and place of publication of Newspaper.	Name of keeper of press and publisher of paper.	Name of Editor.	Whether in existence prior to 1910.	Whether in existence or defunct now.	Remarks.	
(b) EXTRA-PROVINCIAL NEWSPAPERS.											
29	"Idam"	Entry into the Punjab prohibited.	Re-use of the reproduction in these newspapers of alarming rumours and accounts culled from enemy and pro-enemy sources.	7th February 1918	Urdu; Calcutta	Nazim-u-Din Ahmad.	Not known	No	Defunct		
30	"Risalat"			Ditto	Ditto	Ditto	Abdul Qasim Rafiq	Sajjat Husain	No	Ditto	
31	"Tarjuman"			Ditto	Ditto	Ditto	Ditto	Sayyid Ali Qasmi	Not known	No	Ditto
32	"Sadrul" (License of No. 3).	Ditto	Owing to its attempts to stir up a religious, semi-fanatical excitement against Government which were calculated to inflame the Muhammadans and adversely affect recruiting.	25th February 1918	Ditto	Ghulam Haider Khan.	As in column 7	No	Ditto		
33	"Naqqash"	Ditto	Owing to its pessimistic and disloyal writings on the military situation, which had an increasingly bad effect on the Punjab Muhammadans, especially in regard to recruiting.	20th June 1918	Ditto	Sayyid Muhammad Habib <i>alias</i> Habibullah Shah	Ditto	No	Ditto		
34	"Kabbar"	Ditto	A re-issue of No. 33.	19th September 1918. The order was never served, the newspaper having stopped publication owing to the editor's retirement from Bengal.	Ditto	Ditto	Ditto	No	Ditto		

35	"New India"				30th July 1918	English; Madras	Ranga Reddi	Mrs. Besant	No	In existence.
36	"Commonwealth"	For writing discouraging contributions to the War Loan and the generally bad tone of the paper.	Ditto		8th August 1918. Order no longer in force.	Ditto	Ditto	As in column 7	No	Ditto.
37	"Congress"	For its objectionable writings on Punjab affairs.	Excluded from the Punjab		22nd April 1919 and 30th October 1919. The paper having been placed under pre-censorship by the Delhi Administration the original order was put into abeyance; but the paper ceased publication temporarily. A second order was issued on the re-appearance of the "Congress" with a new publisher and freed from pre-censorship.	Urdu; Delhi	Kishan Pershad	Arif Hussain	No	Ditto.
38	"Watan Parbat"	Was intoned to replace No. 37.	Ditto		23rd November 1919. Never issued.	Ditto	Kaure Lam	...	No	...
39	"Vijaya"	For its objectionable writings on the Punjab affairs.	Ditto		23rd April 1919 Order in force.	Hindi; Delhi	Pandit Bal Bhad- dar.	Indra	No	In existence.
40	"Qaum"		Ditto		30th April 1919 Order in abeyance.	Urdu; Delhi	Muhammad Abbas Hussain Qari.	Abbas Hussain	No	Defunct
41	"Inqilab"		Ditto		21st April 1919 Order in abeyance.	Ditto	Hafiz Ibrahim Hussain.	Araf Hussain	No	Ditto.
42	"Medina"		Ditto		23rd April 1919 Order in force.	Urdu; Bijnour	Muhammad Majid Hussain.	Mazhar-ud-din	No	In existence.
43	"Yasrab"		Ditto		8th September 1919. Order in force.	Ditto	Ditto	Ditto	No	Defunct.
44	"Al-Khalil"	For its objectionable writings on the Punjab affairs.	Ditto		23rd April 1919 Order in force.	Ditto	Khalil-ol-Rahman.	Khalil-ol-Rahman.	No	In existence.

## Statement showing the action taken against Presses and Newspapers under the Defence of India Act since its enactment—concl'd.

Serial number.	Name of Press or Newspaper.	Nature of actions taken.	Reasons for the action.	Date of order.	Place in which Press is kept and language and place of publication of Newspaper.	Name of keeper of press and publisher of paper.	Name of Editor.	Whether in existence prior to 1910.	Whether in existence or defunct now.	Remarks.
45	"Independent"	Excluded from the Punjab	For its objectionable writings on the Punjab affairs.	(b) EXTRA. PROVINCIAL NEWSPAPERS—concl'd. 23rd April 1919. Orders still in force. A. H. Wheeler and Company were served with an order in May 1919 directing them to abstain from sending or causing or permitting to be sent, either directly or indirectly for circulation in the Punjab any copies of the "Independent" and from exposing for sale or causing or permitting to be exposed for sale in the Punjab any such copies. 7th May 1919 Orders in force.	English; Allahabad	Sham Lal Nehru	C. S. Rangay Iyer	No	In existence.	
46	"Hamdam"	Ditto	Ditto		Uda; Lucknow	Reahid-ud-din	Sayid Bisharat Ali	No	Ditto.	
47	"Abduwat"	Ditto	Ditto		Ditto	Muhammad Fathar-ud-din.	Not known	No	Ditto.	
48	"Svadeshi"	Ditto	Ditto		Hindi; Gorakhpur	Dashrath Parmlad.	Ditto	No	Ditto.	
49	"Amrita Bazar Patrika"	Ditto	Ditto		English; Calcutta	T. K. Bhowas	Mou Lai Ghosh	Yes	Ditto.	

Delhi.		Delhi.		Delhi.		Delhi.		Delhi.		Delhi.	
50	"Handard". Pre-censorship ordered.	Publishing matter prejudicial to the public safety.	Urdu; Delhi	S. Wasir Ali	Esharat Ali Jalib	No	Stopped.				
51	"Naqqash". Excluded from Delhi.	Ditto	Urdu; Calcutta	S. M. u. s. m. a. d. Habib.	.....	No	Ditto.				
52	"Congress". Pre-censorship ordered.	Ditto	Urdu; Delhi	Karo Ram	Arif Husna	No	Continued.				
53	"Vijaya". Ditto	Ditto	Hindi; Delhi	Raj Bhador	Judra	No	Stopped for a time and re-continued.				
54	"Quam". Ditto	Order withdrawn 21st November 1919.	Urdu; Delhi	.....	Mohammed Abbas Hussain Qazi	No	Stopped.				
55	"Inqilab". Ditto	Ditto	Ditto	Hafiz Ibrahim Hassan.	Arif Husein	No	Ditto				
56	"Al-Hawli". Excluded from Delhi	Ditto	Urdu; Lucknow	Muhammad Fakhr-ud-din.	.....	No	Not known.				
57	"Hindi Samachar". Pre-censorship ordered.	Ditto	Hindi; Delhi	Mathu Mal	Shiv Narain Dowed	No	Stopped.				

Notes 1.—All newspapers in the Punjab were ordered not to publish any account of the proceedings of the meeting held at Ludhiana on the 28th June 1917 to protest against the Madras internments. The order was subsequently cancelled.

Notes 2.—Barhat Ali, editor of the (defunct) "Observer" was ordered in June 1918 to submit for pre-censorship all and every matter before the name appeared in any issue of the "Observer" or any other newspaper under his editorship or control.

Notes 3.—David Bhambra of the "Punjab" was ordered in June 1918 to abstain from journalism during the course of the war. He gave the required undertaking and it was found unnecessary formally to serve the order.

Notes 4.—All newspapers in the Punjab were ordered to submit all accounts of, or references to, the April disorders for pre-censorship. This order was in force from 11th April 1919 to 24th May 1919.



## APPENDIX B.

[ *Referred to in Answer to Question No. 1.* ]

**Memorandum relating to service in the Indian Post Office.**

1. *Methods of Recruitment.*—For the appointments of Superintendents of post offices the principal method of recruitment at present consists in selecting men from candidates who are not in the Department to be probationers and appointing them as Superintendents after they have gone through a period of training and passed a qualifying examination. This has, on the whole, proved to be a satisfactory arrangement, specially as regards the recruitment of Indian Superintendents, and should, in my opinion, be continued. It is not desirable, I consider, to lay down any hard-and-fast conditions as to what qualifications, educational or otherwise, the selected candidates should possess. Postmasters-General in submitting their nominations to the Director-General have to state fully the grounds on which their recommendations are based and that is all that is necessary. Another method of recruitment, which is occasionally resorted to, is to give men direct appointments as Superintendents without making them pass through the probationary stage. This method of recruitment should in my opinion be abolished, and all candidates selected from outside the Department should be taken on as probationers. Occasionally, also, specially deserving subordinates already employed in the Department are selected for promotion to the rank of Superintendent. It is, of course, desirable that this should continue.

2. In the case of gazetted head postmasters the present position is not a satisfactory one, and many men are holding these appointments who are not worth the pay they are getting. These appointments are ordinarily filled up by the promotion of men who entered the Department as subordinates at the bottom of the ladder; and, although a certain amount of selection is exercised in promoting men to the rank of gazetted head postmaster, the field for selection is not a promising one. It is, in my opinion, very necessary to adopt a separate system of recruitment for postmasters' appointments in the grades above Rs. 200—300. The candidates who enter the Post Office as subordinates on Rs. 15 or Rs. 20 are expected to be men who have passed either the University Matriculation Examination or the School Final Examination. As a matter of fact, the Post Office is obliged, all over the country, to employ a very large number of men who have no such educational qualifications, for the want of suitable candidates. For men of this kind to rise, or to have the prospect of rising, to a pay of Rs. 200—300 represents an ample career, and this grade of pay should, I consider, be ordinarily the limit of their prospects. For the higher grades of pay (Rs. 300—400 or upwards) I think we should select men with higher educational or other special qualifications and admit them to the Department on a pay of Rs. 60 a month on their passing a qualifying departmental examination. The candidates should be required to learn postal work and qualify for the examination at their own expense. Then they should rise in the ordinary course from grade to grade; but there should also be a special gradation list for the whole of India for these men, on which they should be ranked according to their date of entry in the service, and from this list appointments to the postmasters' grade of Rs. 300—400 and upwards should be made; but before getting promotion to the gazetted grade they should be required to pass a second qualifying departmental examination, which should be a thoroughly searching one. Any specially deserving men who entered the Department as a subordinate in the ordinary course should, of course, also be eligible to have his name placed on this special gradation list. The Presidency Postmasters' appointments should ordinarily be filled up from the men of this class who should ordinarily not rise any higher. Officers of the class of gazetted head postmaster (including Presidency Postmaster) should be regarded as inferior in status to officers of

the class of Superintendent and should not ordinarily be eligible for promotion to the rank of Deputy Postmaster-General.

3. *System of Training and Probation.*—A probationary Superintendent should undergo training for at least a year and pass a qualifying departmental examination before he is appointed to be a Superintendent. The number of appointments should be so arranged that a probationary Superintendent may ordinarily expect to get an appointment as a Superintendent within two years. The method in which the training should be carried out should be prescribed by the Director-General. At present it is left to each Postmaster-General to prescribe his own method. There should, I think, be a uniform plan for the whole of India. A Superintendent should also be required to pass by the higher standard in at least one vernacular language, to be selected by the Director-General, within the usual limit of time fixed for other services. Probationary Superintendents at present are not sufficiently well paid. In the Bombay Circle there are two such appointments on a pay of Rs. 100 each. If the probationary Superintendent is a non-Indian he cannot possibly live in a manner befitting the position for which he has been recruited on such pay, and even for an Indian the pay is not suitable. In my opinion a probationary Superintendent should be paid Rs. 200 a month, and rank as a first-class officer when travelling in the same way as a Superintendent.

4. *Conditions of Service.*—(a) In the case of a Postmaster-General, the conditions of service are quite satisfactory.

(b) In the case of a Superintendent of Post Offices the conditions of service are also of a satisfactory character, but in two respects they call for improvement. At the headquarters of every division (except in large towns where plenty of suitable accommodation can be hired) Government should build a residence and office for the Superintendent and charge him rent at the usual percentage on his pay. The Superintendent of Post Offices belongs to an Imperial Department, and the Local Government makes no provision for him as it does for its own district officers. In many divisions a Superintendent finds it impossible to obtain suitable living accommodation. One other respect in which the conditions of a Superintendent's service need improvement is in the matter of travelling allowances. A Superintendent should, in my opinion, receive a daily allowance *plus* the cost of transportation when travelling within the limits of his division. At present a Superintendent of Post Offices receives a daily allowance of Rs. 4 a day, which he can exchange for railway fares or road mileage at eight annas a mile provided he travels more than 20 miles. If the post office to which he is going by road happens to be 21 miles from his starting place he can draw Rs. 10-8-0. If it is only 20 miles away he gets only Rs. 4. This is anomalous enough, but a still more absurd thing is that he gets more for halting at a place than for moving on to another place. For example, if a Superintendent halts for 24 hours at a place he gets Rs. 4. The next day if he moves on to another place, a short distance away by railway or road, he gets Rs. 4 less the railway fare or the cost of moving by road, so that the present rules offer a constant inducement to Superintendents to make unnecessary halts and unnecessarily long journeys. I think the most suitable arrangement would be to give a Superintendent of Post Offices a fixed monthly travelling allowance. A Superintendent should also be provided with tents and get tentage when necessary.

(c) As regards gazetted head postmasters they are very well off with the pay and free quarters they get, and no change is, in my opinion, required in the conditions of their service, except that they should be given a suitable fixed conveyance allowance for going about to inspect their town sub-offices.

5. *Conditions of Salary.*—(a) I do not consider that any increase is called for in the pay of gazetted head postmasters. On the contrary, I consider the pay of the Presidency Postmasters, Bombay and Calcutta, is too high. Rs. 1,000 should be ample for them with the free quarters which they enjoy. Also the designation Presidency Postmaster is now a misnomer. Postmaster, pure and simple, should be a good enough title. I have been Postmaster-General of all three Presidency circles and have had long experience of Presidency Postmasters; they have the Postmaster-General immediately at hand to refer to in all their difficulties; and the view that has hitherto been held in the

Department regarding the duties and responsibilities of these officers has, I consider, been an exaggerated one. Presidency Postmasters should have no Superintendents of Post Offices under them. The present Superintendents should be replaced by Inspectors on Rs. 200.

(b) For Superintendents of Post Offices the scale of pay should, I consider, be exactly the same as the scale sanctioned for the officers of the provincial service of the Telegraph Department. The duties and responsibilities of a Superintendent of Post Offices are, in my opinion, of a more difficult and onerous character than those of an officer in charge of a Telegraph Division, and for the charge of a Post Office Superintendent's division a man of a higher order of intelligence and character is in my opinion required than for the charge of a Telegraph division. The Superintendent of Post Offices should at the very least be paid as well as a Superintendent of Telegraphs, provincial service.

(c) The scale of pay for Deputy Postmasters-General (including Inspectors-General) should, I think, be Rs. 1,000—100—1,500.

(d) The scale of pay for Postmaster-General should, I think, be Rs. 1,750—100—2,250 with two appointments on Rs. 2,500.

6. *Conditions of Leave.*—(a) In the case of the Indian Services, long leave should be given at shorter intervals, and I would suggest after every five years, but not for more than six months at a time if taken in India, except on medical certificates. No one whose domicile is in India can want to take leave in India for more than six months unless he is ill.

(b) In the case of the European Services, I have no change to suggest except that the maximum furlough allowance when paid at the Home Treasury should be £1,000 a year for all classes of officers.

7. *Conditions of Pension.*—I have no change to suggest except that an officer holding one of the appointments mentioned under Article 475 of the Civil Service Regulations should be entitled to an additional pension of Rs. 2,000 a year, if he has rendered in it effective and efficient service of not less than ten years.

8. *Limitation in the employment of non-Europeans.*—There is no such limitation at present in the case of the Post Office and none is required.

9. *Relations of the service with the Indian Civil Service.*—As the Post Office and Telegraph Departments have been amalgamated the Director-General of the two Departments should always, in my opinion, now be a member of the Indian Civil Service, but not necessarily an officer who has been a Postmaster-General. No officer of either the Post Office or Telegraph Department should be placed at the head of both Departments. The appointments of Postmasters-General should be primarily given to selected officers of the Post Office Department. If no departmental officer of sufficient standing is considered fit, when a vacancy occurs, to be a Postmaster-General, then, and then alone, the appointment should be given to a member of the Indian Civil Service, but on no account to a member of any other service.

10. I have no remarks to make on any other points.

E. A. DORAN,

*Postmaster-General, Bombay.*

BOMBAY :

*Dated 22nd September, 1913.*

## APPENDIX C.

[ Referred to in Answer to Question No. 8. ]

	STATE PRISONERS REGULATIONS.		DEPRIVE OF INDIA ACT.		INGRESS INTO INDIA ORDINANCE.		PERSONS CONVICTED OF OFFENCES UNDER SECTION 121-A, COMMON SECTION OF I. P. C. (EXCLUDING DISTURBANCES 27 MARCH-APRIL 1919).		PERSONS CONVICTED IN THE DISTRICTS OF MARCH-APRIL 1919.		REMARKS.
	Released.	Detained.	Released.	Detained.	Released.	Detained.	Released.	Detained.	Released.	Detained.	
Madras	1	...	...	...	1	...	...	...	...	...	
Bengal	27	37 (or)	208	...	1	...	3	8	...	...	
Bombay	...	...	2	1	7	...	5	2	72	51 (b)	
United Provinces	1	...	19	...	1	...	13	2	...	...	(a) Their cases are under consideration. (b) Sentences reduced in 17 cases from 7 to 3 years and 2 from 10 to 5 years.
Punjab	...	...	28	...	122	...	51	40	637	90	
Urusa	...	...	35	...	...	...	41	...	...	...	
Bihar and Orissa	1	1	12	...	...	...	...	...	...	...	
Central Provinces	3	...	...	...	...	...	...	...	...	...	
Assam	...	...	...	...	...	...	...	...	...	...	
North-West Frontier Province.	...	1	...	...	...	...	...	...	...	...	
Delhi	...	...	1	...	...	...	...	...	0	2 (c)	(c) Sentences substantially reduced.
Coorg	...	...	...	...	...	...	...	...	...	...	
TOTAL	52	52	305	1	193	113	73	718	...	148	

## APPENDIX D.

[*Referred to in Answer to Question No. 13.*]

*Statement laid on the table in reply to the Hon'ble Mr. V. J. PATIL's question re Resolutions of the Imperial War Conference, 1917.*

I. As a result of the resolution of the Imperial War Conference on the Naval Defence of the Empire Lord Jellicoe was invited to visit India in the course of his tour of the British Empire to advise generally on questions of Naval Defence. He has submitted a report which is still under consideration, and it would not be in the public interest to disclose its contents at the present time.

II. The Government of India expressed their willingness to co-operate and give every assistance to Trade Commissioners appointed in India. His Majesty's Government have appointed a Trade Commissioner in Calcutta and Bombay. The Government of India are utilising the services of His Majesty's Trade Commissioners in other parts of the Empire.

III and V. So far the Government of India have not taken any action in regard to two points referred to; and no action is apparently possible except at the instance of His Majesty's Government.

IV. The Imperial War Graves Commission, constituted by Royal Charter is undertaking the care of graves of British and Indian soldiers in all theatres of war. Full reports of the action taken and work completed will be published when received by the Government of India.

VI. (i) The Government of India have expressed their approbation of the Resolution regarding the establishment of an Imperial Mineral Resources Bureau. The Bureau has been inaugurated, and India is represented on the Governing Body by Mr. R. D. Oldham, F.R.S., formerly of the Geological Survey of India. This gentleman was selected by the Government of India as one having first-hand knowledge of the mineral resources of India.

(ii) One side of the Bureau's activities will deal with the supply of information to other Governments, to individuals, firms or companies on all subjects connected with the production of minerals for industry. The Government of India have therefore recommended the deputation, for a period of two years at a time, of a senior member of the Geological Survey Service to act as an Intelligence Officer with the Bureau on behalf of India.

(iii). The Governors of the Bureau have welcomed the proposal, and an Assistant Superintendent of the Geological Survey of India has been placed on deputation for the purpose.

VII. The Hon'ble Member is referred to the Resolution in the Department of Commerce and Industry, No. 1783-D., dated the 27th February, 1920, appointing a Committee to examine the trade statistics and to consider and report to the Governor General in Council whether or not it is advisable to apply to the Indian Customs Tariff a system of preference in favour of goods of Empire origin, and as to the best method of considering the future fiscal policy of India.

VIII: The principle of reciprocity of treatment between India and the Dominions, which was accepted by the Imperial War Conference, 1917, was brought up again before the Imperial War Conference in 1918. The attention of the Hon'ble Member is drawn to the Resolutions in the Department of Commerce and Industry, No. 2754, dated the 9th May, 1919, and No. 8506, dated the 15th October, 1919, publishing papers on the subject.

**APPENDIX E.**

[Referred to in Answer to Question No 39.]

*Statement.**Officer on Special Duty.*

Dr. Rushbrook Williams, Fellow of All Souls' College, Oxford, and till lately Professor of History in the Allahabad University. Pay Rs. 2,000 per mensem.

*Assistant Officer on Special Duty.*

Mr. Bajpai, B.O.L., Oxford, Barrister-at-Law. Pay Rs. 800 per month.

*Office Establishment.*

Estimated monthly cost, Rs. 1,850.