

*Friday,
22nd March, 1918*

ABSTRACT OF THE PROCEEDINGS
OF THE
Council of the Governor General of India,
LAWS AND REGULATIONS

Vol. LVI

April 1917 - March 1918

ABSTRACT OF PROCEEDINGS
OF
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ASSEMBLED FOR THE PURPOSE OF MAKING
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1918**



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
Friday, the 22nd March, 1918.

PRESENT :

His Excellency **BARON CHELMSFORD**, P.C., G.M.S.I., G.M.I.E., G.O.M.G., Viceroy
and Governor General, *presiding*, and 57 Members, of whom 50 were
Additional Members.

STATEMENTS LAID ON THE TABLE.

The Hon'ble Sir William Vincent laid on the table statements* regarding the working of Workman's Breach of Contract Act, 1859, which were promised in reply to a question asked by the Hon'ble Pandit Madan Mohan Malaviya on the 20th March, 1917.

The Hon'ble Sir C. Sankaran Nair laid on the table a copy* of correspondence regarding housing accommodation for the poorer classes in towns, which was promised in reply to a question asked by the Hon'ble Mr. Srinivasa Sastri on the 12th September, 1917.

The Hon'ble Sir William Vincent laid on the table a reply* regarding internments under the Defence of India Act, which was promised in reply to a question asked by the Hon'ble Rai Bahadur B. D. Shukul on the 27th February, 1918.

The Hon'ble Sir William Vincent laid on the table a statement* regarding suicides, etc., by State prisoners, which was promised in reply to a question asked by the Hon'ble Mr. Kamini Kumar Ohanda on the 20th February, 1918.

The Hon'ble Sir William Vincent laid on the table a statement* regarding number of persons interned under the Defence of India Act, which was promised in reply to a question asked by the Hon'ble Rai Bahadur B. D. Shukul on the 27th February, 1918.

* Not included in these Proceedings.

[*Mr. K. V. Rangaswamy Ayyangar*; *Sir George Barnes*.] [22ND MARCH, 1918.]

QUESTIONS AND ANSWERS.

The Hon'ble Mr. K. V. Rangaswamy Ayyangar asked :—

Qualifications required of Presidency Post Masters.

1. "(a) What definite qualifications, if any, are required of Presidency Post Masters ?

(b) Is it a fact that Superintendents are promoted to the appointments of Presidency Post Masters ? If so, are not first grade Superintendents and Post Masters on Rs. 500 to 600 considered eligible for these appointments ?

(c) How many Postmasterships on Rs. 500 and upwards are there, and how many of these appointments are held by men who were Superintendents ?"

The Hon'ble Sir George Barnes replied :—

"(a) The qualifications required of Presidency Postmasters are administrative ability and a thorough and practical knowledge of Post Office work in all its branches. Tact, resource and organising ability are also essential qualifications.

(b) Ordinarily Superintendents of post offices are not promoted to the grade of Presidency Postmasters, as the appointments of Deputy Postmasters-General are reserved for them. The selections for Presidency Postmasters are almost invariably made from among Postmasters drawing R600—800.

(c) There are five postmasterships on R500—20—600, two on R600—40—800, one Presidency Postmastership on R800—40—1,000 and two on R1,000—40—1,200. Two of these appointments are at present held by officers who once belonged to the Superintendents' line, namely, Rai Bahadur K. V. Lingham Pillai, Presidency Postmaster, Madras, and Mr. H. M. Richardson, Postmaster, Delhi."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar asked :—

Appointments of Indians to the higher grades of the Postal Service.

2. "(a) Was an assurance given in this Council, in reply to a question by the late Mr. Gokhale, that Indians would get higher appointments in the Postal Service on attaining seniority of grade ?

(b) If so, will Government in view of such assurance be pleased to state how many Indians have since been appointed to higher posts in that service carrying a salary of Rs. 1,000 or more ? What is the percentage of such higher posts ?

(c) Has any Indian ever since the establishment of the Postal Department attained the rank of Postmaster General ?"

The Hon'ble Sir George Barnes replied :—

"(a) I think that the Hon'ble Member must be referring to the observations made by Sir Charles Stewart-Wilson, then Director General of the Post Offices, on a resolution moved by the late Mr. Gokhale at the meeting of Council held on March 11, 1911. These observations were as follows :—

"The Hon'ble Member and I may both hope that, as the largely increased numbers of Indians reach seniority in the Department, and we have a larger number of them to select from for the higher appointments, more will be so appointed, and I for one shall always be glad to see that their claims are not overlooked in any way."

(b) Seven Indians have since been appointed to posts carrying a salary of Rs. 800 and above, which are reckoned as the higher administrative appointments of the Post Office. Of 28 such appointments five, or 18 per cent. are at the present time held by Indians. This small percentage is due solely to the fact that many of the Indians who in recent years have reached the superior grades in the Department entered as subordinates and had to retire before attaining sufficient seniority to permit of their claims being considered for the higher posts.

[22ND MARCH, 1918.] [Sir George Barnes; Mr. K. V. Rangaswamy Ayyangar.]

(c) Three Indians have held the appointment of Postmaster General, two of whom, Rai Bahadur Saligram and Khan Bahadur Cowasji J. Lalkaka, rose from the ranks of the Department, while the remaining Indian officer, Mr. Kavasji J. Badshah, was a member of the Indian Civil Service."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar asked :—

3. "(a) What is the criterion by which the Director General, Posts and Telegraphs, selects an Assistant Director General? Is the selection confined to Superintendents or Postmasters or both?"

Appointment of Mr. Hughes as Assistant Director General, Posts and Telegraphs.

(b) Was Mr. Hughes appointed Assistant Director General as a result of an appeal to the Government against his supersession by the late Rao Bahadur P. A. Charlu?

(c) Have any Superintendents been superseded by Mr. Hughes himself? If so, how many? And have any of the Superintendents thus superseded any chance of being appointed to the post of Assistant Director General?"

The Hon'ble Sir George Barnes replied :—

"(a) The selection for an Assistant Director Generalship is made from the officers in the higher grades of Superintendents and Postmasters, preference being given to those who possess special ability and aptitude for Secretarial work. The Director General nominates and Government appoints.

(b) Certainly not.

(c) Mr. Hughes superseded seven officers in the first grade of Superintendents. It is improbable that any of these seven officers will be selected hereafter for the appointment of Assistant Director General. Their supersession for an Assistant Director General's appointment does not, however, debar them from promotion as Deputy Postmasters General, and in point of fact two of them have since been promoted to the rank of Deputy Postmaster General on Rs. 800."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar asked :—

4. "(a) Is it a fact that Mr. C. D. Rae, Postmaster, Simla, was brought from another Department on 8th July 1908, as a clerk in the office of the Director General, Posts and Telegraphs, and appointed soon after to the grade of a Postmaster (Rs. 400—500), without having any previous experience of Post Office work?"

Appointment of Mr. C. D. Rae.

(b) Did he supersede Postmasters on Rs. 300 to 400 and even Superintendents? If so, why?

(c) Is it not a fact that the pay of the Postmaster, Dacca, was especially transferred to the General Post Office, Calcutta, in order to give Mr. Rae another lift to the next higher grade (500 to 600) and is he not in consequence the senior man in that grade and eligible for promotion to the next higher grade?

(d) Has Mr. Rae been appointed Additional Assistant Director General on Rs. 800, and has he superseded Superintendents in the 1st and 2nd grades? If so, why?"

The Hon'ble Sir George Barnes replied :—

"(a) On the 8th October 1908 when the services of a competent assistant with a thorough knowledge of Secretarial work were required in the Director General's Office, Mr. C. D. Rae, who was drawing Rs. 300 in the Department of Commerce and Industry, and who had served previously in the Director General's Office, was transferred to that office on a pay of Rs. 300—400. Towards the middle of 1909 an energetic officer possessing superior qualifications was required for the Deputy Post Mastership of Calcutta, pay Rs. 400—500, to effect improvements in the working of the Calcutta General Post Office, and as no suitable officer, Indian or non-Indian, was then available in the line of postmasters, Sir Charles Stewart Wilson selected Mr. Rae to act in that appointment after giving him a special training in the Simla head office.

[*Sir George Barnes; Captain Ajab Khan; His Excellency the Commander-in-Chief; Mr. Abdur Rahim.*] [22ND MARCH, 1918.]

(b) Yes. Mr. Rae superseded all Post Masters drawing Rs300—400, as none of them was fitted for the appointment.

(c) The facts are as follows :—

In July 1913 Mr. Rae was the senior-qualified officer fit for promotion to the Rs500—600 grade and in the ordinary course would have been given the appointment in that grade at Dacca. But as he could not conveniently be replaced in Calcutta, the pay of the Dacca Post Master was exchanged with that of the Deputy Post Master of Calcutta. This was done in order that Mr. Rae should not lose by being retained in Calcutta in the public interest.

(d) The answer is 'yes,' and the reason is that he was the best man for the post, and by his industry and ability had distinguished himself more than his fellows."

The Hon'ble Captain Ajab Khan asked :—

Changes introduced in the Indian Army.

5. "Will Government be pleased to lay on the table a list of the changes that have been introduced for the improvement of the Indian Army in the last three years?"

His Excellency the Commander-in-Chief replied :—

"A list * of the principal changes referred to is placed on the table."

The Hon'ble Captain Ajab Khan asked :—

Temporary honorary appointments in the Indian Army.

6. "(a) With reference to No. 212 in the *Gazette of India* dated the 2nd February, 1918, under Army Department, Appointments, will Government be pleased to state what is the scope of these temporary honorary appointments?"

(b) Are the incumbents to be drafted into the Indian Army when they are qualified?"

His Excellency the Commander-in-Chief replied :—

"(a) These temporary honorary appointments are made on the recommendation of the Local Governments for services connected with the war, more especially in regard to recruiting.

(b) No."

The Hon'ble Mr. Abdur Rahim asked :—

The Bihar riots.

7. "(a) Will Government be pleased to state :—

(i) the total strength of the Criminal Investigation Department in Bihar;

(ii) the number of Hindus, Mohamedans and Christian officers of the same;

(iii) whether the Criminal Investigation Department of Bihar gave any previous information to the Local Government of the recent riots which took place during the last Bakr-Id festival in the Gaya and Shahabad Districts, and if not, why such previous information was not given;

(iv) if the Local Government did receive any such information from the Criminal Investigation Department, what steps did the Government take to protect the rights of the Mohamedans, religious and personal, and to prevent the apprehended disturbances;

(v) whether the Government have taken any step, or are considering any measure, for the relief of the sufferers and recoupment of the losses sustained by them for the performance of their religious duties;

(vi) the number of Hindu and Mohamedan police officers in the area affected by the riots;

[22ND MARCH, 1913.] [*Mr. Abdur Rahim; Sir William Vincent.*]

(vii) what precautionary measure Government have taken or are taking to prevent the recurrence of lawlessness and to protect the religious and personal rights of the Mohamedans of Bihar in future ?

(b) Is the Government in a position to state—

- (i) the approximate number of rioters who took part in these disturbances;
- (ii) the number of persons killed and wounded in these riots;
- (iii) the number of persons arrested in this connection; and,
- (iv) the number of persons already tried and convicted ?

The Hon'ble Sir William Vincent replied :—

" (a) (i) and (ii). The total sanctioned strength of all ranks is 93; the actual strength is 79, distributed as follows :—

Hindus	51
Muhammadans	22
Christians	6

(iii) The Criminal Investigation Department obtained information that trouble was possible in all the districts of South Bihar except Patna; but no definite information of the probability of rioting on a large scale was received and no trouble was anticipated in Shahabad. The riots were organised with such secrecy that it is understood that even the local Muhammadans had no warning of their imminence.

(iv) As a matter of general precaution the armed reserves of all districts had been brought up to full strength; and detachments of military police were kept at Bhagalpur and Patna in readiness to move in any direction in which trouble might occur.

(v) Action is being taken, under Section 15A of the Police Act, to compensate those who lost property during the riots.

(vi) The numbers reported by the Local Government are :—

Hindus	290
Muhammadans	141

(vii) Four tribunals have been established under the Defence of India Act, for the trial of persons who are accused of participation in the riots. Exemplary sentences have been imposed on those persons proved to have taken a prominent part in those riots. The Local Government have also sanctioned the quartering of a large force of additional police in the affected area for a period of two years. This force will consist of 100 mounted police, 150 armed police, and 150 unarmed constables with the corresponding proportion of officers. It is expected that the mounted police at least will be fully equipped by the end of the present month. Pending the constitution of the force, a detachment of infantry and one squadron of cavalry have been retained at Arrah.

(b) (i) It is impossible to state even approximately the number of rioters who took part in the disturbances, but in the 172 cases instituted some 5,000—6,000 persons were named as having participated.

(ii) The numbers reported by the Local Government are as follows :—

Killed	41
Wounded	176

(iii) The total number of persons arrested is 3,878.

(iv) The number of those tried up to the 25th January 1913 was 893, of whom 614 were convicted."

The Hon'ble Mr. Abdur Rahim asked :—

8. (a) Will Government be pleased to state :—

- (i) the actual cost of the existing telephonic connection between Delhi and Simla; and
- (ii) the income annually derived from this source since the establishment of the connection;

Telephonic connection between Delhi and Simla.

[*Mr. Abdur Rahim; Sir George Barnes; Khan Bahadur Saiyed Allahando Shah.*] [22ND MARCH, 1918.]

(b) Are Government prepared to consider the advisability of establishing a similar telephonic connection between Calcutta and Darjeeling? "

The Hon'ble Sir George Barnes replied :—

" (a) (i) The capital cost of the three telephone trunk circuits between Dalhi and Simla was four and a quarter lakhs of rupees.

(ii) The revenue derived from fees paid by the public for the use of the trunks in 1916 was Rs. 1,414 and in 1917 Rs. 2,172. These figures have no relation whatever to the total volume of business disposed of over the Delhi-Simla telephone lines, because these lines were erected primarily for the use of Government and are open to the Public only when not otherwise engaged.

(b) In view of the shortage of material the Government are not at the present time disposed to consider the establishment of a telephone trunk between Calcutta and Darjeeling, but the Government will be pleased to consider the question as soon as normal times return and material is again available. "

The Hon'ble Khan Bahadur Saiyed Allahando Shah asked :—

Indian Post
Masters,
Inspectors
and Superin-
tendents in
the Bombay
Presidency.

9. " Will Government be pleased to state—

(a) The total number of Indian Superintendents of Post Offices in the Bombay Presidency; and of these, how many are Muhammadans?

(b) The total number of Indian Inspectors, Postmasters, and Deputy Postmasters, respectively, in that Presidency, and of these how many are Muhammadans?

(c) The total number of Indians in all these appointments in Sind, and how many of them are Muhammadans?

(d) The proportion of Muhammadans in the total population of Sind.

(e) Of the Superintendents of Post Offices in the Bombay Presidency, how many have been promoted from the ranks of Inspectors? And, if none have been promoted, the reason why no Inspector has been promoted to the rank of Superintendent? "

The Hon'ble Sir George Barnes replied :—

" (a) There are 16 Indian Superintendents of Post Offices in the Bombay Presidency, including Sind, of whom 2 are Mahomedans.

(b) In the Bombay Presidency, excluding Sind, the numbers of Indian Inspectors, Head Postmasters and Deputy Postmasters are 43, 20 and 17 respectively. Out of these 1 Inspector only is a Mahomedan.

(c) In Sind the numbers of Indian Inspectors, Head Postmasters and Deputy Postmasters are 4, 2 and 3 respectively, and of these 1 Inspector and 1 Deputy Postmaster are Mahomedans.

(d) The proportion is 75 per cent.

(e) In the Bombay Presidency 3 Superintendents of Post Offices have been promoted from the rank of Inspectors."

The Hon'ble Khan Bahadur Saiyed Allahando Shah asked :—

Clerks for
Inspectors
of Post
Offices.

10. " Is it a fact that while in the remaining portion of the Bombay Presidency Inspectors of Post Offices have clerks to do their office work, Inspectors in Sind are not given any clerks? If this is so, will Government be pleased to state the reason for this distinction? "

The Hon'ble Sir George Barnes replied :—

" No. In no part of the Bombay Presidency are Inspectors of Post Offices given clerks to help them in their office work."

[22ND MARCH, 1918.] [*Mir Asad Ali, Khan Bahadur; Sir William Vincent; Sir C. Sankaran Nair; Mr. Surendra Nath Bannerjee.*]

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

11. " Will Government be pleased to state, Province by Province, for each of the last three years :—

Securities deposited under the Press Act of 1910.

(a) the number of (i) monthly magazines or periodicals and (ii) weekly journals, for which securities were demanded under the Indian Press Act of 1910; and

(b) the number of such magazines and journals as have deposited securities under the Act? "

The Hon'ble Sir William Vincent replied :—

" A statement * is laid on the table giving the information desired by the Hon'ble Member."

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

12. " Will Government be pleased to lay on the table a statement for each of the last five years, Province by Province, showing—

Educational expenditure.

(a) recurring grants,

(b) non-recurring grants; and

(c) unspent balances,

in regard to educational expenditure? "

The Hon'ble Sir C. Sankaran Nair replied :—

" The statement† asked for is laid on the table."

The Hon'ble Mr. Surendra Nath Bannerjee asked :—

13. " (a) Has the attention of Government been drawn to the following observations made by Lord Morley while Secretary of State for India in a letter to the then Viceroy, Lord Minto, published in his " Recollections." "

Lord Morley's " Recollections " and deportation.

" At this point they have just sent me four press telegrams of yesterday. It startles me that even Lord Tolinovniks like your — and your — should so far forget that they are the servants and the agents of Parliament in a free country, and should dream that an S.S. could live one hour after the assembling of Parliament who should have assented to these new provisions. I see that — says that this drastic power of muzzling an agitator will save the necessity of ' urging deportation.' He must have forgotten what I very explicitly told him, that I would not sanction deportation except for a man of whom there was solid reason to believe that violent disorder was the direct and deliberately planned result of his action."

(Lord Morley's Recollections, Volume II, page 231.)

(b) Will Government be pleased to state the cases giving the names of the detenus and the acts of violence alleged against them, in which this principle has been applied? "

The Hon'ble Sir William Vincent replied :—

" Assassination and dacoity have been the direct and deliberately planned results of the revolutionary conspiracies in Bengal for connection with which certain persons are held as State prisoners under Regulation III of 1818. But the Government of India do not think it would be advisable to publish the details of each case."

* Not included in these Proceedings.

† Vide Appendix A.

[*Mr. Surendra Nath Bannerjea*; *Sir William Vincent*; *His Excellency the Commander-in-Chief.*] [22ND MARCH, 1918.]

The Hon'ble Mr. Surendra Nath Bannerjea asked :—

Ramlila
and Tazia
processions
in Delhi.

14. "(a) Are Government aware that the prohibition of the Ramlila procession along the old route at Delhi last year caused great indignation among the Hindu population of Delhi ?

(b) Do the Government of India intend to direct the local authorities to call a meeting of the leaders of the Hindu and Muhammadan communities and arrange a programme and time table for the Ramlila and Tazia processions to pass by the old route with a sufficient interval between them to avoid collision ?"

The Hon'ble Sir William Vincent replied :—

"(a) The Government of India received lately a memorial from the members of the Ramlila Committee, Delhi, protesting against the decision of the local authorities in regard to the route of the procession. After a careful examination of the case from all points of view, the Government of India came to the conclusion that no solution could have been found which would have been fully acceptable to both the Hindu and Muhammadan communities, and would at the same time have offered adequate safeguards against a breach of the public peace. They considered that the decision of the local authorities was the best way in which the difficulty could have been met.

(b) The answer is in the negative. The invariable practice of local authorities, in Delhi and elsewhere, is to arrange meetings of the kind suggested by the Hon'ble Member in these cases. Many such meetings were called by the Deputy Commissioner of Delhi on the occasion to which the question refers. Nor could the Government of India in any case interfere beforehand with the discretion of the local authorities to determine the route to be followed, as it is the local authorities and not the Government of India who would be primarily responsible if the public peace and good order were broken."

The Hon'ble Mr. Surendra Nath Bannerjea asked :—

Ship-
building
in India.

15. "(a) Is it a fact that British men-of-war were once built in India ?

(b) Is it a fact that, in later years, wooden sea-going sailing ships have been built at Chittagong, Moulmein, Coconada, the Andaman Islands and other Indian ports : also that a sailing ship built at Chittagong within the past five years, and a steamer built in the Andaman Islands within the past twenty years, have had tonnage of nearly one thousand tons each ?

(c) Have wooden sailing ships at any time been built and navigated with the aid of only such materials, labour, and appliances as are still procurable in India ?

(d) Are wooden sailing ships, even of rough country-make, useful to the Empire at the present time in setting free steamers for other duties ?

(e) Is this *swadeshi* ship-building industry capable of being assisted by the grant of liberal Government funds and the provision of additional facilities ?

(f) Do Government intend to consider the question of placing a competent officer on special duty with ample funds and urgent orders to take immediate action to resuscitate the industry ?"

His Excellency the Commander-in-Chief replied :—

"(a) Before wood was replaced by iron and steel several vessels were constructed for the Navy in the Bombay Dockyard. The first was the 36-gun frigate "Pitt" built in 1805. Thereafter six ships of the line of 74-guns, and five of 80 to 84-guns were built. The composite brig "Fame" was constructed as late as 1889.

[22ND MARCH, 1918.] [*His Excellency the Commander-in-Chief; Mr. Surendra Nath Bannerjea; Sir William Vincent.*]

(b) Wooden sailing ships have been built at the places named. At present small wooden ships are being constructed at Chittagong, Moulmein, Calicut, Bombay, and Rangoon. With regard to the latter part of this clause the Government of India have not got precise information.

(c) The answer is believed to be in the affirmative.

(d) The Government of India are advised that wooden sailing vessels, of the kind that could be built in India under present conditions, would only be suitable for employment in coasting trading, and that the steam vessels which they would replace are, for the most part, themselves unsuitable for larger voyages.

(e) and (f) With regard to the last two clauses of the Hon'ble Member's question an officer with considerable experience in the construction of ships has been sent out recently by the Admiralty to India, and is now investigating the possibility of constructing vessels of various descriptions in this country. The Government of India propose to await his report before deciding whether any special action should be taken by Government towards the encouragement of the indigenous ship-building industry."

The Hon'ble Mr. Surendra Nath Bannerjea asked :—

16. "Are Government aware—

(a) that the President of the Delhi Municipal Committee refused the use of the Town Hall for holding a public meeting of condolence on the death of Sir William Wedderburn, and again refused permission to use the Town Hall for holding a meeting of the Provincial Congress Committee to elect members of the Reception Committee for the next session of the Indian National Congress to be held at Delhi;

Holding of public meetings in Delhi.

(b) that no public meeting in the open air can be held at Delhi after sunset without permission from the police, and that such sanction is usually withheld;

(c) that before this restriction was imposed by the District Magistrate of Delhi open air meetings were frequently held in the Queen's Gardens at Delhi, and there has been no risk of any breach of the peace?"

The Hon'ble Sir William Vincent replied :—

"(a) The Government of India are informed that on 26th September last the local Home Rule League was given the use of the Town Hall for a public meeting and this meeting was made the occasion for an attack on Government couched in unseemly language. In consequence of this when the use of the Hall was subsequently requested by the provincial Congress Committee on 27th and 29th January the use of the Hall was refused by the Secretary under orders from the President.

(b) and (c) In October, 1917, several public meetings were held in the Queen's Gardens, Delhi, at one of which the police had to interfere to prevent disorder. The District Magistrate consequently passed an order under the Police Act of 1861 that such meetings should for the future be held only under license; owing to the difficulty of controlling meetings after dusk, the licenses issued have stipulated that meetings should terminate at dusk. There is of course no restriction on holding meetings in other than public places."

The Hon'ble Mr. Surendra Nath Bannerjea :—

"I just want to put a supplementary question, my Lord. Is it not altogether better to allow public meetings to be held in preference to private meetings which cannot be controlled by the public authorities?"

The Hon'ble Sir William Vincent :—"May I ask, my Lord, if this question is within the rules?"

[*His Excellency the President; Sir William Vincent; Mr. Srinivasa Sastri; Sir C. Sankaran Nair; Mr. Kamini Kumar Chanda; His Excellency the Commander-in-Chief.*] [22ND MARCH, 1918.]

His Excellency the President :—“ What is your point ? ”

The Hon'ble Sir William Vincent :—“ I submit that the Hon'ble Member has asked me for an expression of opinion, and such a question is not in accordance with the rules.”

His Excellency the President :—“ I think that is so.”

The Hon'ble Mr. Srinivasa Sastri asked :—

Conscience
Clause in
Educational
Codes.

17. “ Will Government be pleased to lay on the table the opinions received from Local Governments on the question of a conscience clause in Educational Codes ? ”

The Hon'ble Sir C. Sankaran Nair replied :—

“ The opinions received were in every case confidential and cannot be placed *in extenso* on the table, but I lay on the table an abstract* which indicates the general character of the opinions received.”

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

Placing of
Government
orders with
Indian
firms.

18. “ (a) Has the attention of Government been drawn to the evidence of Mr. Karimbhoy A. Peerbhoy before the Industries Commission ?

(b) Is it a fact that he stated—

(i) that in the matter of entrusting Government orders for tents and leather the authorities have a tendency ‘ to favour European firms to the detriment of Indian industries ? ’

(ii) that in the matter of Government orders the work entrusted to Indian firms ‘ is not in proportion to the work they are able to turn out,’ and that firms ‘ able to turn out 6 annas are not given the work of a pie ? ’

(iii) that in placing orders for tents officials so arrange it that while Indian firms get orders for tents from 50 to 75 tents at a time and have often to sit idle for want of orders, European firms at Cawnpore get orders for 1,500 to 2,000 at a time ?

(c) Do Government intend to take any action to test the truth of the allegations made and take such steps as may be desirable under the circumstances ? ”

His Excellency the Commander-in-Chief replied :—

“ As regards (a) the answer is in the affirmative.

As regards (b) (i), (ii) and (iii) the answer is that Mr. Karimbhoy Adamji Peerbhoy did make the statements referred to.

The general policy of Government in matters of this kind is laid down in paragraph 13, Army Regulations, India, Volume III, in which are set forth the regulations in regard to Army contracts. These regulations enjoin the primary use of the resources of India, without discrimination between European and Indian firms. It is, as the Hon'ble Member is aware, the earnest desire of Government to stimulate local industries with a view to making India self-supporting, in so far as the resources of the country permit. The appointment of the Industries Commission and the subsequent creation of the Munitions Board afford the best possible proof of the intentions of Government in this respect. The military authorities are, however, responsible

[22ND MARCH, 1918.]

[His Excellency the Commander-in-Chief; Mr. Kamini Kumar Chanda.]

for seeing that all stores supplied to the Army are of proper quality, punctually delivered, and manufactured under conditions which facilitate inspection and supply. Strict compliance with these conditions is of special importance in war time, and if certain European firms received larger orders from time to time than certain Indian firms, it is because their manufacturing resources are in most cases better developed, and because experience has shown that they are generally more reliable in completing orders within contract time.

Orders are placed, with European and Indian firms in accordance with what experience has shown to be the average manufacturing capacity of each concern. At the present time most of the Indian firms which manufacture military stores are being employed by Government. When, however, a firm, whether European or Indian, has been tried and has failed to complete a limited order in contract time, the conclusion drawn is that the capacity of that firm is unequal to what it has undertaken to perform, and additional orders are consequently placed elsewhere.

As regards (c) Government do not propose to take any action in the matter at present. More is required than the statement of a single individual to justify the delay to administrative work that would be entailed by instituting an inquiry of this kind in war time. The Government of India will, therefore, await the submission of the Industrial Commission's Report, which will, doubtless, deal with such matters as part of the general scope of its inquiry."

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

19. "(1) Has the attention of Government been drawn to an article in the *Amrita Bazar Patrika* of the 8th February about the case of Babu Jyotish Chandra Ghose, now a State prisoner, under Bengal Regulation III of 1818, and a similar article in the *Bengalee* of 22nd February, giving publicity to a memorial said to have been addressed to His Excellency the Viceroy ?

Case of
Babu Jyotish
Chandra
Ghose, a
State
prisoner.

(2) Is it true, as alleged in the said memorial, that Babu B. B. Mitra, maternal uncle of the State prisoner, visited him in the Berhampur Lunatic Asylum on the 10th February with Mr. W. S. Adie, District Magistrate of Murshidabad ?

(3) Is it true that it was then found that he had been lying straight on his back on a bedstead for the last six months with a vacant gaze fixed on the ceiling, supremely unconscious of his surroundings, failing to recognise even his near and dear relations, with jaws firmly closed, legs stiff and crooked, unable to move his limbs or even to speak, with the power of response to sensation deadened, and that he had been artificially fed for six months ?

(4) Is it a fact that the Bengal Government informed his mother that he was feigning insanity and that his physical condition was satisfactory ? If so, when was this reply given ? Was he all along kept in a solitary cell ?

(5) When was he made a prisoner and when was he admitted to the Lunatic Asylum ? Was any intimation given to the mother or other relations of this or of his showing signs of insanity ? If so, when and how ?

(6) Is it true, as alleged in the *Patrika*, that in reply to a letter from her the Hon'ble Mr. Cumming informed his mother on the 8th June that Jyotish was at Berhampur Jail, and that there was no objection to the relatives seeing him once a month for which application should be made to the Magistrate of Murshidabad ?

(7) Is it a fact that, although the letter from Mr. Cumming is dated 8th June, it was not sent for some time, and that the mother did not receive it before the 19th July ? Is it a fact that Jyotish showed signs of insanity before this, but that this fact was not communicated to her ?

(8) Is it a fact that immediately after receipt of Mr. Cumming's letter, that is, on the 25th July, Babu B. B. Mitra applied for permission to see Jyotish and enclosed a copy of Mr. Cumming's letter ? Did the Magistrate of Murshidabad then reply, 'I know nothing of you and your relationship to

[Mr. Kamini Kumar Chanda; Sir William Vincent.] [22ND MARCH, 1918.]

Jyotish Chandra Ghose. I cannot allow you the interview you suggest. I have received no intimation of any order of the Additional Secretary of which you enclose a copy ?

(9) Did he then see Mr. Cumming and state all that the Magistrate had said, on which Mr. Cumming said that through pressure of work no intimation was sent to the Magistrate of the order and then gave a printed note of permission bearing date the 13th August and which was as follows : 'Babu B. B. Mitra (mother's brother) is permitted to see Jyotish on the—at Berhampur. He should present this before the Magistrate, Berhampur or Murshidabad ?'

(10) Is it a fact that then Babu B. B. Mitra applied to the Magistrate early in September and asked for an interview about a week later and quoted the note, and that on his arrival found that the Magistrate had gone out and left no order about the interview, and that the officer in charge admitted inability to do anything ?

(11) Is it a fact that the Magistrate afterwards wrote to him that he could not allow the interview as he had not yet received any order ?

(12) Is it a fact that Mr. Cumming being appealed to again advised a fresh application to the Magistrate which was done on the 3rd December, and the reply received was that he must apply for a new order as the order quoted was three months old ?

(13) Was Jyotish before imprisonment a Professor in the Hugli College and some time in the Ripon College ?

(14) Is any allowance granted for the maintenance of his family ?

(15) Will Government be pleased to consider the question of even temporarily restoring him to his family for proper treatment under such conditions as the Government may be pleased to impose ? "

The Hon'ble Sir William Vincent replied :—

" I have had a statement* prepared giving the information required so far as it is available on the records of the Government of India. As it is rather long I propose to lay it upon the table."

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

20. " Will Government be pleased to give a list of murders, dacoities and other outrages committed or supposed to be committed by members of any revolutionary parties since 1910, the number of persons suspected in each case, the number sent up for trial, if any, and the result of such trial ? "

The Hon'ble Sir William Vincent replied :—

" A statement* is laid on the table embodying such information as is available. The cases shown under Bengal are only those in which the persons concerned have been placed on trial. The total number of outrages in that Presidency since 1910, which are referred to by the Hon'ble Member, is as follows :—

(a) dacoities	89
(b) murders	30
(c) attempted murders	1
(d) bomb outrages	9
(e) attempted dacoities	7

In addition in Bengal 74 persons were proceeded against for offences under the Arms or Explosive Substances Acts ; of these 56 were convicted and 18 acquitted or discharged."

22ND MARCH, 1918.] [Maharaja Sir Manindra Chandra Nandi; Sir O. Sankaran Nair; Sir Gangadhar Chitnavis; Sir Claude Hill.]

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

21. "(a) Will Government be pleased to place on the table a statement showing, Province by Province, the amounts spent by District Boards and Municipalities, respectively, during each of the last ten years, on—

Money spent by District Board and Municipalities on Education.

- (i) primary education,
- (ii) secondary education, and
- (iii) other educational objects?

(b) What proportion does each of these amounts represent of the total actual receipts and of the total expenditure of these bodies during each particular year?"

The Hon'ble Sir C. Sankaran Nair replied :—

"A statement* giving the information asked for so far as available is placed on the table. Separate figures for primary, secondary, and other education are not available in this connection, but it is hoped that the information supplied will meet the Hon'ble Member's wishes."

The Hon'ble Sir Gangadhar Chitnavis asked :—

22. "(a) Has the attention of Government been drawn to the following passage in the leading article of the *Pioneer* of 9th March 1918 :—

Agricultural stock and food-supplies in India.

"The meat problem is still more serious, since the diminution of supplies connotes an entrenchment on capital. For various reasons the agricultural stock of the world has been declining for some years, and the war has immensely quickened the rate of contraction. The huge demands of the various armies, the dearth of feeding stuffs and the large profits to be derived from the slaughter of young animals have created a grave situation. Mr. Hoover, the Food Controller of the United States, believes that we have been living for years on the capital of our flocks and herds, and he puts the decrease at the huge figure of 115 million beasts. His estimate may be a few millions in excess, but even allowing for this, it is clear that for many years the contraction in cereals cannot be compensated by the increased consumption of beef and mutton; some other sources must be tapped and there are some who believe that the resources of the land being limited in quantity, the best remedy lies in more effective exploitation of the wealth of the seas."

(b) Will Government be pleased to state how India stands as regards its agricultural stock, in consequence of the war from 1914 to 1918?

(c) What steps, if any, do Government intend to take to prevent diminution in the cattle supply of the country in the interests of agriculture?

(d) Will Government supply all such information regularly in the official *Gazette*?

(e) Have any steps been taken by Government for the proper and scientific exploitation of the seas and rivers for improvement in fish supply?"

The Hon'ble Sir Claude Hill replied :—

"(a) The answer is in the affirmative.

(b) The information asked for is not available, as with two exceptions agricultural stock are not enumerated more frequently than once in five years in any province in India; and the next quinquennial census falls due in most provinces in 1919-20.

(c) No special steps are contemplated for the purpose indicated. The conditions depicted in the article quoted by the Hon'ble Member, as prevailing in Europe and America, are not the same in India, which, taken as a whole,

[*Sir Claude Hill ; Dr. Tej Bahadur Sapru ; Sir Robert Gillan ; Mr. Mazharul Haque*] [22ND MARCH, 1918.]

is not a meat-eating nor a meat-exporting country. The Government of India have no reason to believe that the general food shortage resulting from the war has had the effect of materially increasing the slaughter of cattle for indigenous consumption. So far as foreign consumption is concerned, I would point out that the export of slaughter cattle from British India has been prohibited since the 10th of August 1914. The improvement of the quality of the various breeds of Indian cattle is at present a more important problem than an increase in their number.

(d) It is not understood to what information the Hon'ble Member refers. The cattle census reports are published separately, and are too bulky for inclusion in the official gazettes.

(e) Yes. Fisheries Departments have been established with this object in Madras from 1905, in Bengal from 1907 and in the Punjab from 1911. The Bengal Department deals also with the fisheries of Bihar and Orissa. The reports of these Departments are published annually and contain all available information as to their proceedings."

The Hon'ble Dr. Tej Bahadur Sapru asked :—

Memorial from Indian guards of the Bengal and North-Western Railway.

23. "(a) Has the attention of Government been drawn to any memorial of Indian guards on the Bengal and North-Western Railway, setting forth their grievances, which was submitted to the Traffic Manager, Gorakhpur? If so, how has that memorial been disposed of?

(b) Is it a fact that an annual increment in their salary was sanctioned in 1907 and has now been stopped?

(c) Is it a fact that they are required to pay for their summer uniform? What is the practice on other lines?

(d) Is it also a fact that they are required to pay the rent for their quarters which other servants of the railway occupying similar positions are not?"

The Hon'ble Sir Robert Gillan replied :—

"(a) Government have received no memorial from the Indian guards on the Bengal and North Western Railway.

(c) The practice on State-worked railways and probably on the larger at any rate of the companies' systems is to provide summer clothing for their men.

(d) Guards do not get rent-free quarters on other systems.

The Government have no knowledge of the facts on the Bengal and North Western Railway."

The Hon'ble Mr. Mazharul Haque asked :—

Release of interned persons.

24. "(a) Have the cases of any other interned persons been inquired into as was promised by the Hon'ble the Home Member on 5th September, 1917, in his reply to a question of the Hon'ble Mr. Jinnah, in connection with the release of Mrs. Besant and her two colleagues? If the answer be in the affirmative, will Government be pleased to place on the table a list of any such person or persons who have been thus released?

(b) Will Government be pleased to place on the table a list of those interned persons whom the late Home Member, the Hon'ble Sir Reginald Craddock, on the 21st February, 1917, during the course of his speech on the Resolution of Mr. Dadabhoj regarding the amendment of the Rules under the Defence of India Act, 1915, characterised as 'openly and avowedly preaching or publishing ill-will among His Majesty's subjects, etc.,' as distinguished from 'secret conspirators.'

(c) Has any interned person so characterised by the Hon'ble Sir Reginald Craddock and in whose case the Hon'ble Sir William Vincent made the definite promise of inquiry referred to in part (a) been so far released?"

[22ND MARCH, 1918.] [Sir William Vincent.]

The Hon'ble Sir William Vincent replied :—

“Parts (a), (b) and (c) :—

The exact words of the undertaking to which the Hon'ble Member refers were as follows :—

The Government of India are prepared, subject to the same conditions, to take the same course (*i.e.*, to recommend Local Governments to remove restrictions under the Defence of India Rules) in regard to other persons upon whom restrictions have been placed under these rules merely by reason of their violent method of political agitation.

Inquiries were made in pursuance of that promise and such restrictions were cancelled in the case of the following :—

Mr. Karandikar.

Mr. Horniman.

Mr. Titus.

Mr. Kolhatkar.

Mr. Paranjpe.

The Hon'ble Member will see that he has not quoted me correctly in clause (c) of his question, but the only persons now interned under the Defence of India Rules who come under the precise category referred to by the Hon'ble Member in clause (b) of his question are—

Imamuddin Punjabi,

Swami Satya Dev,

Bairagi Tripathi, and

Nihal Singh.”

USURIOUS LOANS BILL.

The Hon'ble Sir William Vincent :—“My Lord, in moving ^{11-20 A. M.} that the Report of the Select Committee on the Bill to give additional powers to Courts to deal in certain cases with usurious loans of money or grain be taken into consideration, I do not think that I need detain the Council at any length. I have already explained the provisions of this measure and its scope and object in detail last Sessions. I have every reason from the manner in which it was received on previous occasions, to assume that it has commanded the general approval of this Council. It has now been before a Select Committee, who have examined the details of the Bill if I may say so with great care, and made certain amendments which are fully explained in the Report which is before Hon'ble Members; I can add very little to that Report.

“It will be seen that the question of prescribing a minimum rate of interest below which Courts should not go when deciding cases under the Act has, as I anticipated, been abandoned. This course was taken in view of the very weighty opinions expressed against prescribing any such minimum.

“Another point that was much discussed in Select Committee was the question whether this Bill should be given retrospective effect or not. I say, ‘retrospective effect,’ but the use of that word was also the subject of some contention. My meaning is whether the Bill should apply to past transactions. Well, my Lord, there were many in the Select Committee who were in favour of including such transactions within the scope of the Bill, but the view of the majority was that, as this was a new and experimental measure, it was desirable not to expose it to attack on the ground that it was retrospective, and we finally decided the question in the negative.

“Another detail to which I should draw attention is the first proviso to sub-clause 3 (1). Fears were expressed that if no limits were placed on the power of the Court to reopen agreements under this clause, money-lenders’ books and accounts for long periods, 30 and 40 years, and even 50 years, would

[*Sir William Vincent; Rao Bahadur B. N. Sarma; Khan Bahadur Mian Muhammad Shafi.*] [22ND MARCH, 1918.]

have to be periodically examined, and to obviate this difficulty, as far as possible, the Committee decided that the Court should not have power to reopen any agreement which purported to close previous dealings and create a new obligation if such agreement was made more than six years from the date of the transaction which is the subject of the suit. I am glad to say that, by making that modification in the Bill, we were, I think, able to secure unanimity in our report. The second proviso to the same sub-clause enacts that nothing in this Act shall affect any decree of a Court and will prevent any Civil Court acting under this law from re-opening decrees. It was suggested by, I think, the Hon'ble Rai Bahadur B. D. Shukul that a similar privilege should be extended to awards under the Co-operative Societies Act of 1911. On examination we found, however, that the power of arbitrators under that Act and the effect of such awards are not laid down in the Act itself, but are dependent on rules framed by the Local Government, and no provision for such awards could therefore be suitably inserted in the Bill. To meet the wishes of the Hon'ble Mover who put forward this suggestion, however, I undertook on behalf of the Government of India to draw the attention of Local Governments to this matter, so that they may, if necessary, direct that under section 1, sub-section (3), such awards shall be exempted from the provisions of the Act.

"Well, my Lord, I do not think there is anything else in this Bill to which I need draw special attention or which is not fully explained in the Report of the Select Committee, and all I need do is to commend the motion which I have just made to the favourable consideration of the Council."

The motion was put and agreed to.

11-25 A. M.

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, the object with which I gave notice of the amendment* which stands against my name is met to a very large extent by the amendment standing in the name of the Hon'ble Sir William Vincent, and as I am sure that amendment will be carried, I do not propose to press mine and I beg leave to withdraw it."

The motion was by leave withdrawn.

11-27 A. M.

The Hon'ble Sir William Vincent:—"My Lord, I move that after the proviso to clause 3 (1) the following explanation be inserted, namely:—

'Explanation.—In the case of a suit brought on a series of transactions the expression 'the transaction' means, for the purposes of proviso (i), the first of such transactions.'

"This is merely a drafting amendment to prevent any mistake or uncertainty as to the date from which the period of six years which is specified in the clause shall run. Where a transaction consists of a single loan on any given date there is no difficulty in ascertaining the date of the transaction, but if there is a suit on a running account, there might be difficulty in interpreting the proviso; to meet that difficulty, I propose to insert this Explanation to make it clear that the date is to run from the first of the transactions which are the subject of the suit."

The motion was put and agreed to.

The Hon'ble Sir William Vincent:—"My Lord, I now move that the Bill as amended be passed, and, in doing so, I should like to express my great gratitude both to the Legislative Department and to the non-official Members of this Council for the ready manner in which they have assisted me in the examination of this very difficult question."

11-30 A. M.

The Hon'ble Khan Bahadur Mian Muhammad Shafi:—"My Lord, I rise to offer my respectful congratulations to your Excellency's Government on the successful passage through its various stages of a Bill which,

* That in proviso (i) to clause 3 (1), for the word "six" the word "three" be substituted.

[22ND MARCH, 1918.] [*Khan Bahadur Mian Muhammad Shafi.*]

when converted into law and placed upon our Statute-book, is calculated to uproot a gigantic evil without involving hardship to those who are engaged in the pursuit of money-lending upon legitimate and equitable lines.

"The cordial reception given to this Bill on the day of its introduction in this Council by the representatives of all provinces and of all classes furnished conclusive proof, if proof was necessary, of the great need felt in the country for the introduction of a measure like this. And its subsequent circulation disclosed an overwhelming volume of opinion throughout the length and breadth of the country in support of this measure. With rare exceptions, almost all Local Governments, all High Courts, an overwhelming majority of executive and judicial officers, of public associations and of representative individuals have given their whole-hearted support to this Bill. Among this volume of opinion we have the opinions of judges like the Hon'ble Mr. Justice Seshagiri Ayyar, the Hon'ble Mr. Justice Banerji, the Hon'ble Mr. Justice Abdur Rahim, of lawyers like the Hon'ble Mr. T. Ranga Achariyar, of merchants like Rao Bahadur P. T. Chetti Garu, President of the Southern India Chamber of Commerce, and of Associations such as the Marwari Association of Calcutta, the Marwari Sabha of Khurja, the British Indian Association of Calcutta and the Madras High Court Vakils' Association warmly welcoming this measure. In fact, my Lord, some competent authorities, for instance, the Hon'ble Mr. Justice Banerji, of the Allahabad High Court, have expressed the opinion that the Bill does not go far enough towards uprooting this evil. But, as has been pointed out by the Hon'ble the Home Member, it was felt in the Select Committee that this being the first Imperial measure of its kind, it should be given a shape which would make it acceptable to all parties, so that it might go out of this Council with its unanimous blessing.

"My Lord, the law embodied in this Bill is in no way an innovation. As far back as five centuries before the commencement of the Christian era the Roman law-givers enacted in the Twelve Tables a provision laying down the maximum limit of interest realisable by money-lenders. The Hindu law-givers, as Hon'ble Members are aware, devised a rule called *Damdapat* under which the total amount of interest realisable could not exceed the principal sum originally lent by the creditor. And, as Hon'ble Members are aware, so far as the laws of Islam are concerned, they absolutely prohibit usury. In England, as far back as the reign of Edward the Confessor, an Act of Parliament was passed absolutely forbidding usury. Under the Canon Law loan on interest was punished as a sin, as is evidenced by 15 Edward III, c. 5. During the Tudor period an Act of Parliament, 37 Henry VIII, c. 9, was passed which repealed all usury laws and fixed the legal rate of interest at 10 per cent. per annum. In 21 James I, c. 17 that rate was reduced to 8 per cent., in 12 Charles II, c. 13, to 6 per cent., and finally, in 12 Anne, c. 16, the rate was still further reduced to 5 per cent. Subsequently, owing chiefly to the writings of Hume, Adam Smith, and Bentham, the usury laws were abolished by several enactments which might be mentioned as follows:—

5 and 6 William IV, c. 41.

2 and 3 Victoria, c. 37.

17 and 18 Victoria, c. 90.

The injurious consequences of this abolition of all usury laws was felt all over England, and, finally, the Money-lending Commission of 1897 recommended severe restrictions on the mode of carrying on business by the class known as 'advertising money-lenders' and the Money-lenders Act of 1900, 63 and 64 Victoria, c. 41, and the Act of 1911, 1 and 2 George V, c. 88, were passed, which are at present the law in England.

"My Lord, even in this country since the advent of British rule steps have already been taken in the Sonthal Parganas to put down usury. Hon'ble Members may be aware of the Sonthal Parganas Settlement Regulation of 1872, section 6 of which lays down that, where a loan is advanced for a period of one year, the maximum interest realisable on that loan shall not exceed 25 per cent.; while, if the period of the loan covers a longer term, then the ancient

[*Khan Bahadur Mian Muhammad Shafi; Dr. Tej Bahadur Sapru.*] [22ND MARCH, 1918.]

Hindu rule of *Damdupal* applies in those Parganas. It is, therefore, perfectly clear that the law which we are now enacting is in no sense an innovation, but follows precedents, ancient as well as modern, and, in view of the overwhelming volume of opinion in favour of this measure, as evinced by the written opinions which have been received, I have not the slightest doubt that the Act will be welcomed all over the country.

"With these few words, my Lord, I support the motion placed before the Council by the Hon'ble the Home Member."

11-37 A.M.

The Hon'ble Dr. Tej Bahadur Sapru.—"My Lord, at this stage of the Bill I do not propose to make a long speech. I have been a warm supporter of the measure from the day of its introduction, and as a member of the Select Committee it is a matter of great gratification to me to find that the Bill as it stands now meets practically all shades of opinion. I say all shades of opinion deliberately, because in certain quarters grave doubts had been expressed as to certain provisions of the Bill as it was originally introduced; but I think it may be said in fairness to the Hon'ble the Home Member that he has tried as much as it was possible for him to meet all possible objections that could have been urged.

"With regard to the character of this Bill, my Lord, as the Hon'ble Sir William Vincent has been pleased to point out to-day, one leading feature of the Bill as it has emerged from the Select Committee is that it limits the period within which the accounts settled can be re-opened. The clause as it stands now runs as follows :—

'Provided that in the exercise of these powers the Court shall not re-open any agreement purporting to close previous dealings and to create a new obligation which has been entered into by the parties or any persons from whom they claim at a date more than six years from the date of the transaction.'

"I am very glad that my Hon'ble friend Mr. Sarma has seen his way to withdraw the amendment which he intended to move in regard to this matter.

"My Lord, some doubt has also been expressed as to whether it would not have been proper to lay down a certain minimum and to take away the wide discretionary powers which have been given by this Bill to the Courts. My Lord, it has been said that the Courts require some guidance, and to leave the Courts in the possession of such large discretionary powers is not a very safe thing. My Lord, my experience of the subordinate Courts is that they have, generally speaking, exercised such discretionary powers as the Indian Statute Law has given them with great care and caution. In fact, they have already large powers of discretion given to them by several Acts of the Legislature. Take, for instance, the Specific Relief Act. The whole foundation of it is discretion, and I do not think it can be said by any man conversant with the work of the lower Courts that they have abused their powers or exercised the discretion vested in them by law otherwise than in a judicial and judicious manner.

"Therefore, my Lord, I have no grave doubts with regard to that matter. In this respect the Bill purports to follow the English model, and we have every confidence that what has been the well-settled practice in Courts in England with regard to the interpretation of the various phrases in the English Act will usually be followed in India.

"My Lord, I have nothing more to say except that I desire to congratulate the Hon'ble the Home Member upon the measure which he is now piloting through the Council. My Lord, I think the Bill is really a measure of a very beneficent character, and I have no doubt for my part that as time goes on even the opponents of to-day will be converted to the opinion that the measure is really one which is intended to give relief to many deserving debtors. My Lord, I anticipate no such fears as are entertained in certain quarters. I therefore strongly support the motion made by the Hon'ble the Home Member."

The motion was put and agreed to.

[22ND MARCH, 1918.] [Major-General A. H. Bingley.]

INDIAN ARMY (AMENDMENT) BILL.

The Hon'ble Major-General A. H. Bingley :—"I beg to move that the Report of the Select Committee on the Bill further to amend the Indian Army Act, 1911, be taken into consideration. 11-45 A.M.

"The amendments made by the Select Committee are few and not of great importance, and I trust they will commend themselves to this Council.

"In Select Committee one matter was mentioned which, however, could not be considered by the Committee as it was outside the scope of their terms of reference: I refer to the provisions of the Indian Army Act relating to corporal punishment by sentence of a Court-martial.

"Section 45 of the Indian Army Act provides that corporal punishment not exceeding thirty lashes shall be awardable by sentence of a Court-martial to a soldier under the rank of warrant officer—

(a) on active service for any offence;

(b) at any time for the offence specified in clause (d) of section 31 of the Act, that is to say, for the offence of theft in respect of Government or of regimental property or of the property of a person subject to Military Law; and

(c) at any time for a civil offence which is punishable with whipping under the law of British India.

"It is unnecessary for me to offer any special remarks regarding the offences referred to in clause (c); while those referred to in clause (b) are, so far as they go, cognate to those in clause (c), that is to say, they are offences of theft akin to some of those for which whipping is awardable under the ordinary law; and I need scarcely point out to this Council that, having regard to the conditions of life in the Army, when soldiers must constantly leave their property about, trusting to the honour of their comrades, stealing from a comrade in particular is rightly regarded as a peculiarly disgraceful offence.

"As regards clause (a), that is to say, for any offence when committed on active service; in practice the punishment is awarded in the case of such purely military offences as sleeping on post or quitting post without leave, committed by sentries (both of which offences are so grave as to be, on active service, punishable with death), for theft and cognate offences; for malingering; and for offences of an indecent or unnatural kind; and in the case of followers, in addition, for the offence of desertion, or of violence or gross insubordination to superiors. The Council are, doubtless, aware that we have large numbers of men employed in labour and porter corps on active service, and that a fair proportion of these are convicts on conditional release from the various jails in India. The alternative punishment in such cases as those to which I have just referred would be at the least a considerable period of rigorous imprisonment and at the most might be, in some cases, death. To a certain extent therefore corporal punishment may be regarded and in practice is employed as a measure of clemency.

"I have His Excellency the Commander-in-Chief's authority for saying that personally he has no sympathy with this form of punishment, which he considers is of a degrading nature; at the same time he is fully convinced that it would be highly detrimental to good order and to the interests of military discipline to do anything at the present time, which would restrict by legislation, the powers which we possess in this respect. His Excellency, however, is prepared, after the war, to reconsider the whole position and to make such recommendations to Government as may be necessary in this respect in the light of the experience gained in the war, and after obtaining the views of General Officers Commanding in the various theatres of operations in which Indian troops are employed. As an example of the Commander-in-Chief's personal attitude towards corporal punishment, I may inform the Council that some months ago His Excellency issued executive orders to the Army in India that:—1st, a sentence of corporal punishment

1154 INDIAN ARMY (AMENDMENT) BILL; INDIAN COMPANIES RESTRICTION BILL.

[*Major-General A. H. Bingley; Rao Bahadur B. N. Sarma; Sir William Meyer.*] [22ND MARCH, 1918.]

is not to be awarded under clause (a) of section 45 of the Indian Army Act, i.e., for any offence committed 'on active service,' in any place in India (such as defended ports and certain frontier stations) where troops and followers are 'on active service' for the purposes of discipline, merely by reason of an order or direction to that effect; 2nd, that such a sentence passed in India shall not, if it does not require confirmation, be carried out unless and until it has received his approval, and that such a sentence, if it requires confirmation, shall be reserved for confirmation by himself; and 3rd, that a member of the Indian Defence Force enrolled under section 12 of the Indian Defence Force Act, 1917, shall not be tried by Court-martial for an offence under section 31 (d) of the Indian Army Act, or for a civil offence punishable with whipping under the law of British India, but shall, where trial is necessary, be handed over to the Civil Power for trial. It will thus be seen that, though power is retained under the Act to inflict corporal punishment in India as well as in the field, such power, in so far as India is concerned, is virtually in abeyance, as it can only be exercised with the sanction of His Excellency the Commander-in-Chief who is not in favour of this form of punishment as he regards it as contrary to the ideas of the present day."

The motion was put and agreed to.

11-48 A.M. **The Hon'ble Rao Bahadur B. N. Sarma** :—"My Lord, in view of the very sympathetic statement made by the Hon'ble Member and the assurance given by His Excellency the Commander-in-Chief that the question will be examined sympathetically after the war, I beg leave to withdraw the amendment* standing in my name."

The motion was by leave withdrawn.

11-49 A.M. **The Hon'ble Major-General A. H. Bingley** :—"My Lord, I beg leave to move that the Bill, as amended, be passed."

The motion was put and agreed to.

INDIAN COMPANIES RESTRICTION BILL.

11-50 A.M. **The Hon'ble Sir William Meyer** :—"My Lord, I rise to move that the Bill to control the withdrawal of capital from the money-market by companies be taken into consideration.

"I have already on more than one occasion—the last of which was when I moved for leave to introduce the Bill—given explanations as to the scope of the Bill and the way in which we intended to work it, and I should not ordinarily have said more in connection with this motion but for the fact that I have been receiving, and other people have been receiving, a good many excited telegrams from Indians in a variety of places which indicates that they have not taken the trouble to read the Bill or the explanations that have been made with reference thereto. The burden of their song is the impression that it is intended to put a complete stop on the issue of capital by companies.

"Well, of course I cannot admit arguments of that description. I have already explained, and I now repeat, that there is no intention to prohibit *en bloc* the flotations of those registered companies which come under the scope of the Bill. We merely say, as has been said in England and other countries at a much earlier stage of the war, and as we have said ourselves in regard to a variety of other matters of importance, that these flotations must hereafter require the license of the Government of India. I have also said, and I repeat it again, that when considering whether a license should be granted we shall bear in mind the following general propositions. *First*, is the enterprise likely to attract money which would otherwise go into Government loans and treasury bills? If it is not likely to attract such money, well then there is

* That in the Schedule to the Bill after the entry relating to section 43 of the Indian Army Act, 1911, the following entry be inserted :—

'Sections 45 and 46, the whole.'

[22ND MARCH, 1918.]

[*Sir William Meyer; Rao Bahadur B. N. Sarma.*]

no objection to such a flotation. *Second*, even if the flotation is likely to attract money which would otherwise go into Government loans and treasury bills, might it be allowed, nevertheless, in these war circumstances as being of assistance in the speeding up of war material or as being likely to result in increase of other production which will save tonnage and imports into India? Again, if this proposition be established a license will be given.

"I have also said that we propose to obtain the assistance of advisory committees which will be established at the outset in Calcutta and Bombay, two great centres of Indian industry. If it proves to be the case that an advisory committee is desirable at some other centre I am quite ready to consider the establishment of one, and I repeat that each advisory committee will contain a representative of Indian commerce.

"I want now to go a step further to allay the fears that have been expressed. We do not really want to interfere with small local companies, such as the Nidhis in Madras, and other quite local enterprises; and I am prepared to guarantee that we will give a license without further inquiry in the case of a company whose flotation might come under the Bill if the total flotation during the period the Bill is in force does not exceed one lakh of rupees. That will wipe out the small people and concentrate the real operation of the Bill on the important flotations which it is in the interests of the State in the present circumstances to control. With these explanations I now move that the Bill be taken into consideration."

The motion was put and agreed to.

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, I 11-54 A.M.
beg to move the amendment that stands against my name that after clause 3 (2) of the Bill to control the withdrawal of capital from the money-market by companies, the following sub-clause be inserted:—

'(3) A license shall not be refused under this section unless it appears clearly that the capital or increased capital proposed to be raised cannot be spent by the company advantageously during the continuance of the war and the company is unwilling to place the funds raised by them and which cannot be so spent at the disposal of the Government as a loan to be returned six months after the war with interest at the current rate.'

"My Lord, I move this amendment notwithstanding the remarks which have been made by the Hon'ble the Finance Member, because I think and believe that there is absolutely nothing detrimental in this amendment to the promotion of the object that Government have in view, consistently with the development of industries and commerce in India. I venture to go further and say that the acceptance of this amendment and the registration of companies when a license is granted subject to the conditions noted above would facilitate the object that the Hon'ble Member has at heart. I think we cannot be too grateful for the last assurance given by the Hon'ble the Finance Member that companies with a total capital of one lakh of rupees will be excluded from the purview of the Bill by executive order. That would, I think, meet the case; also where the unpaid calls which may be called up by any of the companies which are now existing do not exceed one lakh of rupees; various local industries of a minor character would then be saved, and I am sure there would not be hereafter the same objection to the passing of this measure as there would have been if there had been a general embargo on the flotation of all companies. But, my Lord, I think this amendment really would meet the object the Government of India have at heart while safeguarding the industrial interests of the country and for this reason. What do I provide here? Government need not give a license to persons who wish to float a company who do not comply with one of two conditions; firstly, they will have to show that they can advantageously spend the money they propose to raise for the benefit of the company, and, if that condition is fulfilled, I ask that a license should be given and that the other companies should be released from the provisions of the Act. If the money cannot be advantageously spent by the company during

the continuance of the war, either owing to lack of machinery, lack of materials, or owing to other difficulties, then I say that the company must undertake to raise the capital and hand it over to the Government on the condition that the Government should return the capital at a reasonable rate of interest within six months of the war. If the company does not undertake to do this, then the license may be refused. But if either these two conditions are satisfied, I do not see any reasons whatever that Government can urge for refusing the license except the one solitary ground that though the company may usefully spend the capital newly raised, yet the needs of Government in financing the war prevent the flotation of a company or the raising of such capital. Now the question that confronts us in this aspect of the matter is this. Has the capital raised in this country during the last few years been really detrimental to the object which the Government has in view? I find that the money which has been invested in joint-stock Companies between the years 1903-04 to 1913-14 was on an average about £2,000,000, it never exceeded £4,000,000.

"Therefore, the normal rate at which the Indian commercial community has been able to absorb capital from the money-market is between £2 and £4 millions. My Lord, that ought not really to interfere with or hamper the operations of the Government. Then even taking the Savings Bank and Exchange Bank deposits the amount does not exceed more than a further two crores of rupees. Therefore, the sum total of the money which was ordinarily raisable before the war did not exceed about 5 to 6 crores of rupees. For such a paltry sum as that, is it necessary that the Government should take such wide powers as to impair to a certain extent the confidence of the people? Is it likely that, if the confidence of the people be impaired, the average investor would come forward to invest that money in Government securities? If business be carried on as usual, and if there be no such restrictions, I venture to submit that the Government are more likely to draw from the investors the money that they desire than by frightening them and showing them that the conditions are such that they might feel nervous about their position. Now take the example of last year. Last year notwithstanding the fact that there were no restrictions upon the raising of capital, the Government have by their own exertions been able to raise £35 millions. Therefore, the question of company flotation did not stand really in the way of the Government. I therefore submit that the confidence of the people in the Government would be less impaired by this amendment being accepted than if it were to go forth that there are reasons for which a Government would refuse a license notwithstanding the ability of the company to show that it can usefully spend the money upon its own concerns. Then, again, it was hoped that the advent of America into the war and the enormous sums that have been spent in England to help the allied Governments would render this experiment unnecessary.

"My next point is this, and that is an important point. Unless people are encouraged to form companies now for industrial purposes on a very large scale, it would be absolutely impossible to compete with foreign countries immediately the war is over. From the example of Great Britain in allowing the flotation of a company with a capital of 10 millions it is clear that the United Kingdom and every other country is feeling that after the war there will be a tremendous competition; and preparations are already being made in various countries to meet that competition. Under those circumstances, I would respectfully ask, would it be wise to prevent the registration of companies, inviting capital for developing the resources of the country, in order that the people may be able to meet the situation arising after the war is over. It is not an easy thing to float a company; you have to secure share-holders, collect capital and do so many other things; it will take an enormous amount of time, and unless we begin now, I do not think we shall be in time to meet the industrial competition even to the limited extent to which we might perhaps be prepared. On the other hand, is there anything detrimental to the interests of Government by allowing the registration of companies if they are prepared to hand over the money to the Government keeping only such portion of it in their hands as they can usefully spend themselves? I, therefore, submit that under no circumstances should the

[22ND MARCH, 1918.] [Rao Bahadur B. N. Sarma; Mr. Rangaswamy Ayyangar.]

registration of a company be prohibited if the parties are reasonable enough to guarantee the loaning of their capital to the Government if they cannot spend it themselves. It is from that standpoint that I press this amendment upon the earnest attention of the Hon'ble the Finance Member and the Government. I think we shall not lose anything if there be a statutory guarantee that the Government would not trespass upon the legitimate rights of the public to improve the industries of the country, in safeguarding the interests of the war. Under normal circumstances, it would have been our stern duty to oppose a Bill of this description, but we all feel that it would be wrong on our part to embarrass the Government by taking up an attitude of opposition to Government at the present time. I therefore refrained from making any remarks at the preliminary stage lest I should be construed to set up an agitation, but we find that there is great dissatisfaction in the country, and we shall be failing in our duty if we do not ask the Government to accede to the wishes of the people by relaxing the restrictions in the manner I have indicated."

The Hon'ble Mr. Rangaswamy Ayyangar:—"My Lord, 12-1 P.M.
when the Bill was first foreshadowed in the budget speech of the Hon'ble the Finance Member, I sounded a note of alarm. Last year we had no restrictions on the issue of capital, and yet the War Loan far exceeded the careful calculations of the expert financiers, and when only 10 millions had been expected we realised 35 millions and more. No case was made out that the War Loan figure would have been greater had they then introduced such a restriction as the present one to control the withdrawal of capital from the money-market. The necessity for such a Bill this year has not been unquestionably proved. Further, may I respectfully invite the attention of Government to the fact that if the public come to know that the Government is forcing capital by legislation to be diverted to War Loan, there will be much apprehension and little success in the flotation of the loan, in spite of clause 3 of the Bill empowering the Governor General in Council to issue licenses for flotation of special companies. The Bill will certainly go to suppress the formation of new companies that the war may stimulate in India. The Industrial Commission would certainly be against such a Bill, and this Bill evidently has not been referred to them. This Bill contradicts the object that led to the appointment of the Industries Commission which, I take it, is for the promotion of indigenous industries. The capital issued for industrial development would be able to help the war, though indirectly, in a better way than the War Loan itself. If in industrially advanced countries they have enacted such laws the procedure should not be applied in the same way here. I am reminded in this connection of what the late Mr. Romesh Chunder Dutt regarded of the ways of the John Company who sought to cripple the weaving industry of India with a view to promote it when it was in its infancy in Manchester. Of course, there is this difference, that the present measure is in critical times and for what are considered to be Imperial necessities. But even without such an Act the rising industrial firms cannot compete with the Government in the matter of loans when the Government pays such a high rate of interest.

"This Bill, my Lord, has been very unfairly received by the public and the press. I do not know if unpaid shares of Nidhis, Funds and those of mutual benefit associations (*kutlu chittus*) would also be affected by this Bill. If so, it will paralyse trade and everyday economy to a great extent.

"Let me take a few minutes to give an example of a small Railway Company. A line was constructed by the Tanjore District Board and when it was about to be opened, the company that should have supplied rolling-stock pleaded inability to do so. Seeing the difficulties of the District Board a new company was formed and the rolling stock was purchased. We have got the stock ready and to work the line we may require some more capital. It may be said that this special case may be licensed, but we have bitter experience of how some of the English Companies imagine themselves as rivals, and how their influence is used to withhold the license. Our efforts to form companies should be

[*Mr. K. F. Rangaswami Ayyangar; Mr. K. K. Chanda; Sir William Meyer.*] [22ND MARCH, 1918.]

encouraged on principles of economic right and not licensed as a matter of grace. The Bill would be injurious and I appeal to the Council at least to accept the amendment. I support the first part of the amendment, though I do not understand the second part of it."

12-9 P.M.

The Hon'ble Mr. K. K. Chanda :—"My Lord, when I came to this Council this morning I intended to associate myself with the amendment of my Hon'ble friend. I received a number of telegrams and other communications from a number of people in Assam asking me to urge the deletion of clause 3 (2) of this Bill. But after hearing the remarks of the Hon'ble the Finance Member, I think there are no real apprehensions about the effect of the clause, and I do not desire in any way to support this amendment, in view of the fact specially that this is a war measure."

12-10 P.M.

The Hon'ble Sir William Meyer :—"I think I need not take any further notice of the remarks of the Hon'ble Mr. Rangaswamy Ayyangar, because he delivered to us his real purpose in the general debate on the Financial Statement. He objected to a War Loan next year altogether, on the ground that it would be counter to the interests of himself and his class. He is, therefore, quite out of Court in dealing with the present Bill except for motives which no other Member of this Council would, I think, support.

I am rather sorry my Hon'ble friend, Mr. Sarma, whose attitude is far different from that of the Hon'ble Mr. Ayyangar, has not followed the precept of the Hon'ble Mr. Chanda and withdrawn his amendment after he had heard my speech just now.

"I explained the way in which we proposed to work the Bill and I explained that we should give a license, as a matter of course, to small companies whose flotations would not exceed one lakh. But as long as we require licenses, the burden of proof, as is in every other case in which in the interests of the State a license is required, must obviously lie on the applicant. The Hon'ble Mr. Sarma would twist the thing round. He says the burden of proof must lie on the Government. The Government, he says, shall not refuse a license under this section unless it appears clear—clear to whom? to the would-be licensee?—that the capital, or increased capital proposed to be raised cannot be spent by the company advantageously—advantageously to whom? to the Company presumably—during the continuance of the war. A clause like that really means that the Government will be debarred from refusing a license at all. Then he goes on to say 'and unless the company is unwilling to place the funds raised by them and which cannot be so spent at the disposal of the Government as a loan to be returned six months after the war with interest at the current rate.' I explained the other day, in answer to the Hon'ble Mr. Hogg, that I thought the suggestion he then made was a very good one—that when a company wants to make a flotation, it might be a good thing to say, 'yes, make your flotation, but in the meantime you must deposit your funds with us.' But we cannot lay down that as an invariable rule in these times of war and financial stress. If it is necessary to have a license system at all—and I hold it is now absolutely necessary—it is necessary that the final discretion should rest with the Government.

"The Hon'ble Mr. Sarma dwelt on the small amounts of previous flotations in India. Well, Indian capital has been advancing enormously of late, as is shown by the response to our loan last year, and if my Hon'ble friend reads the newspapers outside Madras, as he doubtless does, he will see the way in which big companies in Bombay and Calcutta are proposing to float enterprises to take up crores of rupees. Some of those enterprises may be of such a sound character that, even having regard to war conditions, we would give them licenses. Others may be of a character to which we could not, having regard to the fundamental principle that we must conserve the resources of India as far as possible for the War Loan, give permission to go on with them. They would have to be delayed. My Hon'ble friend mentioned the example of the Home Government in allowing a certain

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Development Company to be floated. That is they gave them a license. If we think that the flotation of a company is in present circumstances in the interests of India, we shall certainly not refuse a license.

"I admit that in certain cases the system we propose will inconvenience certain capitalists. We cannot help that. I would remind the Council of a Resolution unanimously carried on the 24th of February 1915, which affirmed the unswerving resolution of Indians to support the honour, dignity and prestige of the Empire, regardless of the sacrifice it may entail on them. Surely my Hon'ble friend Mr. Sarma does not desire to treat that sacrifice on the basis of a limited liability company—to say the sacrifice shall be very limited indeed. I am sure that he really does not mean that, and I trust that, in view of the explanation I have given of the impossibility of accepting his amendment, he will see his way to withdraw it and let the Bill pass as it stands."

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, 12-15 P.M.
there does not seem to be much difference really between the Hon'ble Finance Member and myself. Certainly I do not want it to be understood that any of us are unwilling to do the best that the country can do in order to win the war. And the Hon'ble Finance Member is also equally emphatic in the view that if the company can show that they can raise the money and would hand it over under conditions referred to by the Hon'ble Mr. Hogg, to the Government, there would not be any real objection, unless those companies do mean to spend large portions of the capital which they raise on themselves during the continuance of the war. It comes to that practically. Well on analysis, I think, any large concern would require the use of so much machinery and organisation that if the war should not last long, there would be no chance of the money being usefully spent during the continuance of the war. Therefore the condition I have laid down would be really useful to the Government inasmuch as the company can be used for raising the capital and handing it over to the Government.

"It may be then asked, if there is no difference between us, why should not I withdraw the amendment? There is no question of onus here and nobody has suggested that there should be any resort to a civil Court. The language employed is for the purpose of placing on a statutory basis the intentions which the Government have in granting licenses, and I do not see any reason why the Government should fight shy of that. In practice, I feel sure that the acceptance of the amendment would inspire confidence in the people without really inconveniencing the Government. It is in that view, my Lord, and nothing more that I wish to press the amendment. If I had felt that the Government would be really embarrassed by the acceptance of this amendment or that any military operations or any economic operations would be hindered by its acceptance, I should certainly not have moved this amendment and would have withdrawn it. But feeling that I am not embarrassing the Government, but helping the Government, I still persist in my obstinate attitude, and I hope the Council will be able to accept the amendment."

The motion was put and negatived.

The Hon'ble Sir William Meyer:—"My Lord, I move now that the Bill be passed."

The motion was put and agreed to.

BUDGET FOR 1918-19.

The Hon'ble Sir William Meyer:—"My Lord, I rise to 12-19 P.M.
present the Budget of the Government of India for 1918-19. The preliminary estimates which I laid before the Council on the 1st March have been revised in the light of our latest information. The Financial Secretary's Explanatory Memorandum has also been checked and brought up to date."

" 2. The final figures of the Revised Estimate for 1917-18 and of the Budget Estimate for 1918-19 are given in separate formal statements. The broad results of the revenue account are brought out in the table below in which I have also shown in brackets for convenience of comparison the figures (now superseded) which were given in the corresponding table appearing in paragraph 54 of my speech introducing the Financial Statement.

[In millions of pounds.]

	Budget, 1917-18.			Revised, 1917-18.			Budget, 1918-19.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . . .	86,420	82,451	168,871	76,553 (76,677)	33,861 (33,724)	110,414 (110,401)	74,363 (73,999)	34,887 (34,848)	109,250 (108,847)
Expenditure . .	86,284	83,540	169,824	76,852 (76,252)	81,393 (81,468)	158,245 (157,830)	73,721 (71,766)	34,765 (34,443)	108,486 (106,211)
Surplus (+) or deficit (-).	+ 136	- 988	+ 888	+ 5,711 (+ 5,925)	+ 1,238 (+ 1,250)	+ 7,549 (+ 6,861)	+ 2,582 (+ 2,232)	+ 131 (- 588)	+ 2,713 (+ 2,196)

" 3. The more important alterations in our figures occur under the entirely provincial or the 'divided' heads of revenue and expenditure. Thus, owing to the unsatisfactory conditions of the paddy market in Burma the Local Government has had to postpone land revenue collections to a considerable extent with the result that these are now expected to fall short of the previous estimates for the current year by £500,000, of which we anticipate that £400,000 will be realised during the course of next year. This affects both the Imperial and the Provincial estimates in each of the two years. There has been a similar postponement of a smaller amount, namely, £67,000 in Bombay. In the latter province, however, a large increase of £233,000 is now expected in the excise revenue for next year, against which we have allowed proposals made by the Local Government for additional expenditure mainly on education and sanitation. Under purely Imperial heads the largest changes in our estimates are an increase in the Customs revenue of about £76,000 in the current year, and £100,000 in the next year. I need not refer to other alterations as these are of relatively minor importance.

" 4. The net result of the above changes, in so far as the Imperial position is concerned, is to reduce the surplus for 1917-18 by £114,000 and to increase that for next year by £291,000, the surplus for 1918-19 now standing at £2,582,000. Of this latter improvement, however, about £183,000 represents revenue thrown forward from the current year, and £108,000 a real improvement.

" 5. These results would, so far as the ability to provide funds is concerned, permit the fulfilment of the conditional promise I made on the 9th instant with reference to a Resolution by my Hon'ble Friend Mr. Sarma, that if our final Budget figures justified it, we should be prepared to make a supplementary grant of £200,000 for technical and agricultural education. But, as I indicated on that occasion, the sanction of the India Office was also required, and though that has just been received, it has arrived too late to allow of the alteration in figures which the allotment of this sum would require. But I assure the Council that we shall make a supplementary allotment as soon as possible, and thus furnish substantial evidence of the reality which we attach to our new procedure in respect of discussion of the Financial Statement.

" 6. In the case of the provinces there will be a reduction in the surplus for 1917-18 of £418,000, but on the other hand the estimated deficit of £25,000 for 1918-19 will be converted into a surplus of £181,000, there being thus an improvement of £226,000. Concurrently with this conversion of the collective provincial deficit into a surplus, provision has been made for increased provincial expenditure next year to the extent of £313,000, this increase occurring mainly in Bombay where, as already stated, we have allowed the Local Government to apply the anticipated increase of £233,000 in excise receipts next year to beneficent expenditure, including £100,000 on education, £67,000 on

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sanitation, and a like amount for grants to local bodies for other purposes. We have also allowed them to draw on their provincial balances during the current year to the extent of £80,000 for the last mentioned object. This is a very early fulfilment of the undertaking which I gave in connection with a resolution moved in the Council a short time ago to the effect that if later an improvement occurred in the provincial revenues we would consider very sympathetically the possibility of allowing the provinces to increase their outlay.

"7. Turning to ways and means, recent heavy demand for Treasury Bills in Bombay warrants an increase of £1,333,000 on our previous estimate for 1917-18, involving a corresponding increase in the estimated repayments of the same from fresh bills next year. There has also been an improvement in savings bank deposits, and a falling off in payments on account of foreign money orders. On the other hand, we expect to have to meet during the current year additional military outlay, mainly on stores, to the extent of £660,000; a considerable part of this will probably be recovered later, and the expenditure is meanwhile shown provisionally under the suspense head. As the net result of these and other less important alterations, we now expect that our cash balance in India at the end of the current year will be £16,522,000, or an increase of £553,000 on the figure adopted in the Financial Statement; while our closing balance for next year will stand at £12,273,000, being an increase of £1,153,000, over that previously taken and practically equivalent to the normal closing balance we look to.

"As regards England, the Secretary of State expects that his balance will be larger by £1,745,000 at the end of the current year and next, owing to additional and more prompt recoveries from the War Office and the Admiralty.

"8. This is the last occasion on which I shall address this Council as I shall have relinquished office before it re-assembles at Simla. I desire therefore to reiterate my heartfelt acknowledgment of the generous tribute to my work which fell from the lips of my non-official Colleagues in the general debate on the Financial Statement. Tributes such as these, giving the assurance that I am held to have done good service to India, are an ample recompense for my heavy and anxious labours. And, though I shall presently cease to serve her, my love for India will continue as long as my life lasts. I shall always hope and pray for her welfare, and follow with the keenest interest the developments that the coming years may have in store for her. I shall also follow with sympathetic attention the careers of my friends, official and non-official, with whom I have been associated in the Legislative Council. To those of them whom I shall not see again, I beg now to extend a cordial God-speed, and to wish them, each and all, a full measure of happiness and prosperity in the future."

His Excellency the President:—"I shall trouble the Council 12-28 P.M. with very few words in closing this Session. We have put through some useful legislation which I hope will stand the test of time and prove of value. But the Spring Session is primarily the Financial Session, and I shall devote the greater part of my remarks to that topic. I should however like to draw your attention to a practice which we have inaugurated during our sittings this year, and which I hope to see greatly developed, and that is the practice of official Members taking a larger share in the debates and the proceedings of the Council.

"I cannot but express my regret that this practice had not been adopted before, because it would have obviated some of the patent objections which have been raised to our present system. From the point of view of the Government of India, it is undoubtedly a waste of man-power and brain-capacity that we should place a number of distinguished officials on the Imperial Council and then refuse to avail ourselves of their knowledge and experience in our debates.

"It is a constant source of irritation to the non-official Members that they are up against a silent phalanx of votes. Much of this soreness would, I feel sure, be removed if non-official Members were able to cross swords with official Members on the floor of the Council Chamber ; if they found that they had to deal with men of flesh and blood of like passions with themselves, and not silent voting automata finding their way with machine-like precision and unfailing accuracy into the Government Division Lobby.

"I believe a great advance could be made to improve the present system, but I would remind Hon'ble Members that you cannot alter a practice or a system in a day ; that Government must have power to carry its legislative proposals ; and inasmuch as legislation is carried by votes, it cannot relinquish its hold on the official vote. But within these limits it is my desire more and more to give the official element a greater part in our deliberations and so give more reality to our proceedings.

"I feel sure that such a change would appeal generally to Hon'ble Members and more particularly to the official Members of the Council.

"I now turn to financial matters.

"Sir William Meyer has explained clearly to the Council the nature of our financial difficulties at the present time, the paramount importance of meeting adequately the calls on our resources which the war entails, and the specific advantages to India of meeting our war contribution as far as possible by loan proceeds in this country. In view, however, of the supreme importance of ensuring that the second Indian War Loan shall be as complete a success as the first, I wish to take the opportunity of saying a few words on the subject to this Council, and through them also to the wider public. The position is briefly that last year India promised to give £100 million or Rs. 150 crores to His Majesty's Government for the cost of the war. Of this amount, we have paid in cash to the Home Government Rs. 52 crores which were subscribed to the loan last year. Against the balance of India's contribution, namely, Rs. 98 crores, she has assumed responsibility for interest charges and repayment of a corresponding amount of the British War Loan. On this we have of course to pay interest in England.

"The advantages to India of paying off this balance as soon as possible and consequently of raising as much as possible by the second War Loan are in simple language as follows :—

- (1) We require the money to spend in India in buying for the Empire and the Allies wheat, rice and other foodstuffs, jute, cotton, tea, hides, boots and shoes, tents and also other equipment. The sums so spent will directly benefit the cultivators and other producers in India.
- (2) The money will by its application in this way be of the greatest use to His Majesty's Government, since it will be entirely devoted to expenditure necessary for the successful prosecution of the war. This is the simplest way in which I can put a rather complicated transaction. Actually we provide funds in India for the purchase of the above-mentioned commodities and other services and are repaid in London. These repayments place the Secretary of State in funds in England, and enable him to make over to His Majesty's Government an amount equivalent to our loan proceeds here, thus extinguishing our liability for British War Loan of a corresponding amount.
- (3) The reduction of our liability in this way reduces the amount of interest which we have to pay in England : interest will instead be paid in India to those who subscribe to the new War Loan. By this statement I am simply putting in popular language the well-recognised economic advantage of a country holding its own debt.

[22ND MARCH, 1918.] [*His Excellency the President.*]

- (4) There is yet a further reason why it is highly desirable that we should obtain by the loan all the money that we can. More than one Hon'ble Member referred, during the course of the discussion on the Financial Statement, to the possible evils of currency inflation and to the large additions to the currency of the country which have been made in the last two years. Sir William Meyer was able to show that the additions to our currency had been in the circumstances necessary, and that a much larger contributory factor to the rise in prices was the enhanced world demand for essential products. But as my Hon'ble Colleague also indicated, such effect in this direction as might be due to increased currency issues might be reduced by the Government's drawing money back into its coffers by additional taxation or otherwise. Our reasons for not imposing additional taxation on the present occasion are briefly that we anticipate a considerable surplus next year, and that our difficulty arises not because our revenues do not cover our expenditure, but from the fact that, owing to causes over which we have and can have no control, a very large amount of our money has been transferred to England, and that we cannot at the present time bring this back and make it available for expenditure in India. Any sums which we could reasonably hope to raise by additional taxation would be relatively insignificant as compared with the huge abnormal payments which we have at the present time to make in this country, and the imposition of such taxation would in all probability affect our loan receipts to an extent out of all proportion to the proceeds of the taxation. To those who say that we are not helping to the utmost, I would reply that we *are* helping to the utmost of our ability. We believe that the most effective method of giving our help and of securing the object in view is that which we are adopting. It is, however, important to ensure that the Government shall receive back in the form of subscriptions to its loans as large a proportion as possible of the sums which it spends, since such receipts obviate the necessity of putting additional notes and rupees into circulation. It is, I think, evident that for every rupee subscribed to the loan, we shall be able to avoid the coining of a new rupee or the issue of an additional one-rupee note that would otherwise be necessary. Each rupee subscribed will thus either reduce the amount of new silver that we have to purchase, or else help to strengthen the metallic proportion of our Paper Currency Reserve.

"For all these reasons I confidently trust that India will once more rise to the occasion and equal, if not surpass, her previous effort. I feel too that I can look to Hon'ble Members of this Council for their whole-hearted help in our loan campaign. We are asking Local Governments, as on the last occasion, for their co-operation, and are suggesting to them the formation of unofficial propagandist committees on the lines of those which did such good work in connection with our first War Loan. The co-ordinated work of such committees can, however, very valuably be supplemented by volunteer propagandist work outside. As I said last year, we want propagandist work and the more unofficial that work, the more satisfactory will be its results. The persuasive efforts of Members of this Council will, I am sure, not in any sense be open to any possible objection on the ground of the employment of undue pressure to constrain unwilling people to subscribe to the loan. I fully agree with what has been said in this Council on that subject. We do not want compulsion at all, and, as I think Sir William Meyer added, it almost certainly in the long run does us more harm than good.

"In the debate which took place in this Council on March 8th, Hon'ble Members without exception paid their tribute to the services of Sir William Meyer and the manner in which he had surmounted the difficulties and financial

[*His Excellency the President.*] [22ND MARCH, 1918.]

problems with which he has been faced during these past years of war. I should like to take this opportunity of associating myself to the full with that tribute. I can only speak of men as I find them, and I say unhesitatingly, and I am sure my Colleagues will bear me out, that there is no man who has spent himself more freely in the cause of the Empire during these years than has Sir William Meyer. I sometimes think that the lucidity and simplicity with which he has presented his facts to us may have led to some failure to appreciate the difficulties underlying the problems with which he has been confronted. Sir William Meyer has always been ready to find funds for purposes which the military authorities have declared to be necessary for the prosecution of the war and, with the ever increasing scale of military outlay which it has been necessary to meet, there has never been any hesitation or reluctance on the part of Sir William in discharging the paramount duty of financing military demands to the full. In addition to his financial work, he has taken on his shoulders the Chairmanship of the Recruiting Board; he has given us invaluable help on the Defence Committee; and his labours in the ordinary work of the Government of India in the Executive Council have been assiduous and ungrudging. Let me remind the general public of one more thing. Sir William Meyer is responsible for presenting his budget proposals to the Governor General in Council, but when once they have been accepted, then they become the proposals of the Government as a whole for which we must take responsibility equally with the Finance Member. Sir William Meyer has been at times singled out for attack. I think I may say that we, his Colleagues, deeply resent this unfairness. No man in these grave times will dare to claim immunity from criticism, but equally I venture to say that all men who bear heavy responsibility have a right to ask that criticism should be tempered by charitableness.

"Let me now bid Hon'ble Members, who come from the ends of India, good-bye. You have learned during these past two months some of our difficulties. The war is still with us, and while it continues, we can hope for no respite from those difficulties. But you know them and their causes, and I am confident that you will instruct your fellow-countrymen as to their why and wherefore. We have no cause for despondency. We know that if we are true to ourselves, victory lies ahead of us, but in the meantime until its dawn appears, there are the discomforts and inconveniences which are inseparable from war. You can teach the people better than we that these are only for a time and will vanish when sure and certain victory crowns our arms. It is a privilege for us that we live in these times; that, in however humble a way, each one of us can play his part in the great struggle of right against wrong. We have then all of us a special call to service at this moment, and I bid you who are going from here to scatter throughout India godspeed in this great service for your Sovereign and your country."

The Council adjourned *sine die*.

A. P. MUDDIMAN,

*Secretary to the Government of India,
Legislative Department.*

DELHI

The 28th March 1918. }

APPENDIX A.

[Referred to in answer to Question No. 12.]

**Statement of Imperial Grants for Education made to
Provinces during the years 1912-13 to 1916-17 and
the approximate expenditure therefrom.**

Statement of Imperial Grants for Education made to Provinces during the

[In thousand

PROVINCE.	Unspent balance of grant at the end of 1911-12.		1912-13.							
			Grant made in the year.		Total grant included in Provincial balance.		Expenditure in the year.		Unspent balance at the end of the year.	
	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.
Madras	8,52	10,00	57,70	10,00	61,21	10,00	9,97	...	51,25
Bombay	7,87	7,75	40,75	7,75	54,12	8,87	6,77	4,88	45,25
Bengal	20,10	12,35	1,03,00	12,35	1,23,10	8,37	14,67	3,98	1,08,23
United Provinces .	..	6,80	8,25	48,75	8,25	55,55	8,25	8,65	...	46,90
Punjab . . .		7,18	4,60	39,75	4,60	36,91	4,60	8,61	...	28,80
Burma	6,10	3,00	25,75	3,00	21,98	1,34	4,13	1,86	27,70
Bihar and Orissa	3,90	5,80	26,75	5,80	39,65	3,95	8,54	1,35	35,11
Central Provinces	2,33	2,95	19,25	2,95	22,08	1,76	2,92	1,19	19,16
Assam . . .		1,15	1,86	14,00	1,86	16,15	1,37	1,57	49	12,58
Coorg	3	37	3	37	3	37	...	...
North-West Frontier Province.	75	4,49	75	4,49	75	4,49	...	...
Delhi	1,00	...	1,00	...	1,00	...	...
Baluchistan	63	...	63	...	63	...	...
Ajmer	19	...	19	...	17	...	2

years 1912-13 to 1916-17 and the approximate expenditure therefrom.

of rupees.]

1913-14.								1914-15.								PROVINCE.
Grant made in the year.		Total grant included in Provincial balance.		Expenditure in the year.		Unspent balance at end of the year.		Grant made in the year.		Total grant included in Provincial balance.		Expenditure in the year.		Unspent balance at end of the year.		
Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	
16,84	...	16,84	51,25	16,84	18,08	...	33,17	18,50	17	18,50	33,34	18,50	14,00	...	19,34	Madras.
13,68	...	18,06	45,95	7,14	10,41	10,92	34,94	14,68	1	35,60	34,95	11,18	7,76	14,42	27,19	Bombay.
35,81	...	29,79	1,06,23	16,77	16,85	13,03	91,88	27,31	11,11	40,33	1,02,99	19,34	24,71	21,09	78,28	Bengal.
14,77	5	14,77	46,95	14,77	13,03	..	33,92	15,90	12	15,90	34,04	15,90	8,80	...	25,15	United Provinces.
8,41	...	8,41	23,30	8,24	11,17	17	17,13	9,25	29	9,42	17,42	9,42	9,16	...	8,25	Punjab.
6,07	...	7,78	27,70	5,81	5,19	1,92	22,51	6,92	...	8,84	22,51	5,95	6,11	2,89	16,40	Burma.
10,53	3	11,88	36,14	10,39	7,64	1,49	28,50	11,61	3	12,10	28,53	9,85	5,71	3,25	23,82	Bihar and Orissa.
5,64	...	6,93	19,16	2,56	2,05	4,27	17,11	6,14	15	10,41	17,26	7,06	7,25	3,35	10,01	Central Provinces.
3,53	...	4,12	12,58	78	5,19	3,24	8,39	3,98	...	7,32	8,39	3,28	5,54	4,06	2,35	Assam.
14	...	14	...	13	...	1	...	14	27	14	27	14	24	...	3	Coorg.
1,76	1,00	1,76	1,00	1,76	1,00	...	...	2,33	...	2,33	...	2,33	..	...	...	North-West Frontier Province.
25	24	25	34	25	34	...	...	28	1,05	28	1,05	28	1,05	...	...	Delhi.
10	18	10	18	8	18	2	...	10	...	10	...	10	...	...	...	Baluchistan.
23	27	23	39	23	22	...	18	26	...	26	18	26	...	...	18	Ajmer.

Statement of Imperial Grants for Education made to Provinces during the

[In thousand]

PROVINCE.	1915-16.							
	Grant made in the year.		Total grant included in Provincial balance.		Expenditure in the year.		Unspent balance at end of the year.	
	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.
Madras . . .	18,50	...	18,50	19,84	18,39	2,71	21	16,68
Bombay . . .	14,80	...	29,23	27,19	11,23	4,67	17,99	23,52
Bengal . . .	27,81	1,40	48,40	79,68	23,83	14,45	25,57	65,33
United Provinces .	15,97	62	15,97	25,77	15,97	2,46	...	23,31
Punjab . . .	9,25	85	9,25	8,61	9,25	8,61	...	...
Burma . . .	6,94	...	9,83	16,40	5,35	...	3,98	16,40
Bihar and Orissa .	11,61	...	14,86	22,82	8,71	2,48	6,15	20,84
Central Provinces .	6,14	...	9,49	10,01	8,48	4,31	1,01	5,70
Assam . . .	2,96	...	8,04	2,85	4,39	2,21	2,75	64
Coorg . . .	14	19	14	22	12	22	...	...
North-West Frontier Province.	2,25	...	2,25	...	2,23	...	1	...
Delhi . . .	28	29	28	29	28	29	...	...
Baluchistan . . .	10	...	10	...	...	...	8	...
Ajmer . . .	38	16	38	34	28	9	...	25

years 1912-13 to 1916-17 and the approximate expenditure therefrom—contd.
of rupees.]

1916-17.								PROVINCE.
Grant made in the year		Total grant included in Provincial balance.		Expenditure in the year.		Unexpent balance at end of the year.		
Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	
18,50	21	18,71	16,84	18,84	3,42	37	13,43	Madras.
1480	1	32,79	22,53	11,84	3,48	21,15	19,05	Bombay.
27,81	1,32	52,83	66,55	19,70	1,34	33,12	65,21	Bengal.
15,97	1,12	15,97	24,43	15,97	2,10	...	22,33	United Provinces.
9,55	...	9,55	...	9,55	...	...	...	Punjab.
6,94	...	10,92	16,40	6,07	...	4,85	16,40	Burma.
11,61	...	17,70	20,84	8,49	2,42	9,27	17,92	Bihar and Orissa.
6,14	...	7,15	5,70	7,15	1,85	...	3,85	Central Provinces.
3,98	...	7,73	64	3,88	64	3,85	...	Assam.
18	5	18	5	16	...	2	5	Coorg.
2,35	..	2,47	...	2,17	...	30	...	North-West Frontier Province.
28	1	28	1	28	1	...	...	Delhi.
10	...	13	...	10	...	3	...	Baluchistan.
43	25	43	50	40	20	2	30	Ajmer.

APPENDIX B.

[Referred to in answer to Question No. 17.]

ABSTRACT OF OPINIONS RECEIVED FROM LOCAL GOVERNMENTS ON
THE QUESTION OF A CONSCIENCE CLAUSE IN EDUCATIONAL CODES.

1. The following questions were laid before local Governments for opinion :—

- (i) Is the absence of a conscience clause defensible on the principle of non-interference with the religious instruction imparted in aided schools and in view of the fact that the same treatment is accorded to all denominations ; or would the inclusion of the clause be more congruous with a principle of strict religious neutrality ?
- (ii) In cases where it is found that Government could with the grant it gives to an aided school which imparts compulsory religious instruction and with the fees* the school receives, maintain as good an institution, might the conscience clause be insisted upon as an alternative to the establishment of a purely secular school ?
- (iii) In single school areas may a conscience clause be insisted upon or the opening of a new school encouraged as an alternative ? Where schools of different religions exist in a single area is there any adequate reason for insistence on a conscience clause ?

In respect of the above questions :—

- (i) The United Provinces and Central Provinces consider that the absence of the clause is defensible on the principle of non-interference with the religious instruction imparted in schools. Punjab, Bihar and Orissa and Assam, to a certain extent, think its absence a departure from strict religious neutrality. The last-named province puts forward the proposal that neither aid nor recognition can be consistently afforded to any institution which Government would be debarred by their principle of strict religious neutrality from maintaining as a State institution.
- (ii) Under certain circumstances which do not apply in that province, the Punjab agree with the suggestion. Burma doubt whether institutions of the same size as the Mission schools could be managed by public or secular agency with as little cost to public revenues as they are at present managed by the Missions. Bihar and Orissa and the Central Provinces agree with the suggestion, but point out that its application will be limited. The conditions which this consideration pre-supposes do not exist in Assam, and the local Administration says that even when a Mission institution is maintained entirely by fees and grants-in-aid Government could not maintain the same institution on a similar measure of efficiency at anything like the same cost.
- (iii) In the United Provinces there is no district in which a Christian Mission holds the monopoly of education. No difficulties have arisen in respect of single school areas in the Punjab. In Burma the difficulties which occur in such areas frequently yield to the exercise of a certain amount of tact, but at times the locality is either compelled to maintain two schools, when one would be sufficient, or to attend religious instruction. In Bihar and Orissa the principle of a conscience clause in single school areas is applied in primary schools with the consent of the missionaries, and if the principle were enforced further it would apply only to one college and a few middle schools. In the Central Provinces there are practically no areas in which primary education is given only by Mission schools. So far as secondary education is concerned, the Chief Commissioner deprecates the introduction of a conscience clause in single school areas unless it is introduced in all aided schools. Assam agree with the suggestion mentioned by the Government of India.

2. The Government of India further asked for information on the following points :—

- (a) How far is there a genuine demand for a conscience clause on the part of—
- (i) Parents who object to their children being taught an alien faith ?

NOTE.—As the abstract prepared by the Government of India is not accepted by the Government of Bombay as an accurate representation of their opinions, reference to their views has been omitted from it, and there has not been time to prepare a fresh abstract in consultation with them.

All provinces, including Madras, say that there is no genuine demand at present.

(ii) Indians who look upon its absence as a loss of national self-respect?

In Madras the demand is only by a few and in the United Provinces by the Indian press and by publicists who upbraid parents for what they term their slavish submission. In the other provinces there is no genuine demand and Bihar and Orissa and Assam say that there is no indication to show that the absence of the clause is considered a loss of national self-respect.

(b) What is the nature, generally speaking, of the religious instruction imparted?

(c) To what extent is there a system of universal prayer?

Generally speaking, prayer forms a part of the day's proceedings in Mission schools throughout the country.

(ii) How far do the authorities insist on a compulsory attendance of pupils at religious instruction?

In Madras, the United Provinces, Punjab, Bihar and Orissa, the North-West Frontier Province and Delhi attendance is compulsory. In the Central Provinces attendance is compulsory in schools other than Roman Catholic and in Roman Catholic schools only Christian pupils are expected to attend. In Burma pupils are not usually compelled to receive religious instruction. In Assam instruction is accepted as a part of the ordinary school curriculum and students attend as a matter of course.

(iii) What is the nature of the religious instruction given, other than prayer? Could the instruction imparted be termed definitely religious, or is it a system of moral instruction based on the Bible?

In all provinces except Bengal, which furnishes no information, and Coorg, where no such instruction is given except in one orphanage where the pupils are all Christians, the instruction is more or less definitely religious.

(iv) To what extent do parents value a system of religious training, even if imparted in the light of an alien faith?

In Madras, and the Central Provinces the attitude of the majority of parents is one of indifference. In the United Provinces it does not appear to be considered objectionable. In the Punjab it is appreciated even if imparted in the light of an alien faith. In Bihar and Orissa it is valued but Muhammadans dislike and attach little value to it if imparted on Christian lines. Hindus admit that some knowledge of the tenets of the Christian faith is desirable, but value is mainly attached to the moral atmosphere of mission schools. In Burma religious training is highly appreciated by parents, but they consider that it loses all its value if imparted in the light of an alien faith. In Assam the general feeling is that the smattering of religious instruction given by mission schools in Christian guise is better than no religious instruction at all. In the North-West Frontier Province Muhammadans disapprove of a purely secular form of instruction and the rapid increase in the number of aided Islamia schools providing facilities for Muhammadan parents to have their children educated in the tenets of their own faith bears this out. In Delhi apparently some value is attached to religious instruction, but the Chief Commissioner thinks that what is really valued in mission schools is their insistence on discipline, attention to regularity of conduct and their impartiality.

(e) Should a conscience clause be introduced, what would probably be the attitude of the missionaries?

(i) Would any of them close their institutions?

(ii) Would any of them relinquish their grants and continue to maintain their institutions on a purely private basis?

Practically all provinces (Bengal have not replied on this point) anticipate considerable opposition from missionary bodies. Madras, Burma and the Central Provinces do not think that many missions would stop their general educational work as a result of a conscience clause. Madras say that some may relinquish their grants but explain that no college or secondary school in that Presidency can be maintained on a purely private basis. The United Provinces and Bihar and Orissa think that the missionaries would abandon a number of institutions and concentrate all their resources on a few schools or colleges which they could finance without Government assistance. Punjab say that many mission schools would be closed and the remainder would lose in efficiency. Assam think that there would be no rapid closing down of schools, but that mission assistance on its present liberal lines would not continue for long. The Chief Commissioner, North-West Frontier Province, thinks it unlikely that the Church Missionary Society would continue to maintain its schools. The Chief Commissioner, Delhi, is of opinion that financial support from England and America would be largely withdrawn if a conscience clause is introduced and would be devoted either to missionary enterprise pure and simple or to hospital work. Such Governments as have referred to the question whether schools maintained by missions on a purely private basis would constitute an undesirable element, have replied in the negative.

8. On the general question all Provincial Governments, except Assam and the Central Provinces, who are by no means entirely in favour of it, deprecate the proposal being accepted, at the present time at any rate. The Lieutenant-Governor of Bihar and Orissa deprecates any definite policy either in favour of or against a conscience clause being laid down for the whole of India and suggests that if it is considered necessary to issue any orders they should merely give a general permission to make the proposed change and leave it to each local Government and Administration to take action if and when it is considered expedient to do so.

APPENDIX C.

[*Referred to in answer to Question No. 21.*]

Statement showing total income and total expenditure of District Boards and Municipal Boards and total expenditure incurred by them on education in the several provinces of British India for ten years, from 1907-08 to 1916-17.

DISTRICT BOARDS.

(*'Expenditure on education' includes expenditure from District Board funds, fees, subscriptions and endowments. There are no District Boards in Burma.*)

PROVINCE.	Year.	Total Income.	Total Expenditure.	Expenditure on Education.	Percentage of C. to A.	Percentage of C. to B.
		A.	B.	C.		
		Rs.	Rs.	Rs.		
Madras	1907-08	1,50,70,505	1,47,27,450	19,89,358	13	13.5
	1908-09	1,51,25,311	1,58,51,059	23,99,749	15	15
	1909-10	1,52,77,704	1,55,77,098	14,41,656	9.4	9
	1910-11	1,57,83,203	1,53,78,341	14,48,570	9	9.4
	1911-12	1,78,06,019	1,64,24,757	15,46,478	8.9	9.4
	1912-13	1,97,82,327	1,62,94,857	21,06,046	10.6	11.5
	1913-14	2,24,37,763	1,97,50,378	27,62,197	12	13.9
	1914-15	2,09,96,854	2,10,86,400	32,90,883	10.9	10.8
	1915-16	1,90,95,555	2,03,62,727	34,20,789	17.8	16.8
	1916-17	1,91,64,145	1,87,17,465	32,97,390	17	17.6
Bombay	1907-08	64,06,069	62,61,991	10,30,110	16	16.4
	1908-09	64,97,809	67,01,591	12,46,824	19	18.6
	1909-10	68,72,715	69,23,480	12,07,847	17.5	17.4
	1910-11	68,32,039	68,61,111	12,69,166	18.4	18.3
	1911-12	71,77,472	73,62,819	12,45,410	17.3	16.9
	1912-13	76,06,220	77,88,841	13,65,673	18	17.5
	1913-14	83,39,701	78,89,590	11,74,193	14	15
	1914-15	82,10,862	83,19,375	11,47,722	13.9	13.8
	1915-16	77,20,348	83,48,297	14,26,711	18.5	17
	1916-17	77,80,843	83,48,297	10,99,470	14	13
Bengal	1907-08	79,88,862	79,29,121	11,69,191	14.7	14.7
	1908-09	78,76,030	85,45,417	11,95,118	15	14
	1909-10	74,93,721	72,80,293	11,79,047	15.7	16
	1910-11	78,09,239	76,58,356	12,07,102	15.4	15.7
	1911-12	67,29,762	66,02,340	15,45,169	22.9	23.4
	1912-13	71,70,761	65,43,036	18,09,165	25	27.6
	1913-14	1,07,80,777	85,82,326	24,96,931	23	29
	1914-15	91,84,121	97,28,951	27,17,654	29.6	27.9
	1915-16	97,17,251	1,04,72,066	25,57,168	26	24
	1916-17	97,03,126	99,33,213	25,01,908	25.8	25
United Provinces	1907-08	79,40,824	76,13,503	30,53,921	33.4	40
	1908-09	82,05,273	80,84,380	34,00,205	41.4	42
	1909-10	81,71,740	79,74,222	31,86,018	33.9	32.9
	1910-11	79,53,047	75,78,010	27,13,474	34	36
	1911-12	81,10,736	78,90,950	29,10,743	35.9	36.9
	1912-13	81,60,303	79,02,367	29,45,951	36	37
	1913-14	1,25,20,913	88,77,684	33,39,045	26.7	37.6
	1914-15	1,17,72,634	1,04,16,037	35,62,647	30	34
	1915-16	1,10,43,646	1,11,77,916	40,65,909	36.8	36.8
	1916-17	1,10,41,890	1,08,90,698	42,32,745	38.3	38.9
Punjab	1907-08	47,90,041	43,93,688	12,84,584	26.8	26
	1908-09	49,81,284	55,44,681	13,74,074	27.6	24.8
	1909-10	54,08,769	55,50,491	13,93,631	25.8	25
	1910-11	53,40,683	50,34,030	14,08,696	26	27.8
	1911-12	54,91,865	64,44,568	14,87,051	26	26.4
	1912-13	68,67,542	63,78,454	18,81,560	27.4	29.5
	1913-14	81,65,368	70,75,631	25,16,143	30.8	35.5
	1914-15	81,90,927	72,88,246	27,31,462	33	36
	1915-16	74,56,598	83,82,269	30,77,764	42.6	35.4
	1916-17	78,39,569	76,24,473	29,30,681	37	33
Eastern Bengal and Assam	1907-08	50,90,362	59,94,413	14,16,649	27.8	23.6
	1908-09	55,65,078	67,33,771	16,39,947	29.6	28.6
	1909-10	50,17,385	54,82,629	14,60,341	29	26.6
	1910-11	51,45,126	52,61,786	14,95,787	29	28
Bihar and Orissa	1911-12	43,53,853	43,70,378	7,51,768	15.4	15.4
	1912-13	48,98,958	49,95,535	8,54,670	17.4	17
	1913-14	84,53,466	63,42,071	11,63,047	13.8	18
	1914-15	73,26,706	78,29,629	14,56,087	19.7	18.6
	1915-16	73,50,800	83,26,423	16,19,158	23	19
	1916-17	79,03,874	76,74,152	16,43,437	20.8	21.4

PROVINCE.	Year.	Total income.	Total Expenditure.	Expenditure on Education.	Percentage of C. to A.	Percentage of C. to E.
		A.	B.	C.		
		Rs.	Rs.	Rs.		
Central Provinces and Berar	1907-08	27,10,287	28,53,634	9,19,424	33.9	32
	1908-09	26,58,703	33,43,861	11,73,885	44	35
	1909-10	27,35,624	23,61,432	10,65,612	39	40
	1910-11	27,18,044	24,38,337	11,04,490	40.6	44
	1911-12	30,61,945	27,31,668	12,07,971	39	44
	1912-13	33,54,960	31,24,112	13,88,445	41	44
	1913-14	37,38,220	35,18,033	14,14,403	37.8	40
	1914-15	38,51,511	36,12,639	15,41,786	42	42.7
	1915-16	37,44,253	39,97,403	17,50,205	46.9	43.9
	1916-17	37,31,092	37,78,186	16,53,937	44	43.8
Assam	1911-12	16,99,512	17,63,751	5,23,715	30.8	29.7
	1912-13	23,27,523	21,36,485	6,05,227	26	28
	1913-14	32,10,157	30,11,186	6,53,842	20.4	21.7
	1914-15	27,16,340	27,92,817	8,05,792	29.6	28.8
	1915-16	20,82,512	22,44,206	7,58,482	36	33.8
	1916-17	20,43,532	20,70,459	7,73,514	37.8	37
North-West Frontier Province.	1907-08	3,16,999	2,02,773	99,786	31.5	34
	1908-09	3,55,013	3,84,578	87,972	24.7	26
	1909-10	3,80,444	3,72,728	96,521	25.3	25.9
	1910-11	4,48,644	3,80,739	98,527	22	26
	1911-12	3,92,838	4,11,784	1,49,905	38	36
	1912-13	5,56,709	4,79,771	3,14,033	56	65.5
	1913-14	5,49,005	4,83,819	2,15,717	39	44.6
	1914-15	5,77,483	5,77,517	2,45,335	42.5	42.4
	1915-16	5,58,112	5,59,675	2,80,042	50	50
	1916-17	5,79,146	5,33,103	2,90,375	50	55.5
Coorg	1907-08	72,129	60,383	13,714	19	22.5
	1908-09	75,869	72,536	14,352	19	19.3
	1909-10	74,245	71,674	14,635	19.7	20.4
	1910-11	82,493	89,936	15,023	18	16.7
	1911-12	74,759	82,914	15,502	20.7	18.7
	1912-13	1,10,757	86,037	15,692	14	18
	1913-14	93,280	1,15,028	20,962	21.7	17.6
	1914-15	84,043	1,14,750	33,073	39	23.8
	1915-16	1,01,893	98,598	31,960	31	34
	1916-17	92,749	86,490	28,325	30.6	32.8
Delhi	1913-14	79,051	66,366	4,840	6	6
	1914-15	62,440	77,635	35,113	56	45
	1915-16	1,01,110	87,923	43,943	43	50
	1916-17	1,18,162	not available.	68,500	56	...

MUNICIPALITIES.

(Expenditure on education includes expenditure from Municipal funds, fees, subscriptions and endowments.)

Province.	Year.	Total Income	Total Expenditure.	Expenditure on Education.	Percentage of C. to A.	Percentage of C. to B.
		A	B	C		
		Rs.	Rs.	Rs.		
Madras	1907-08	62,88,560	54,72,262	4,51,437	7.2	8.2
	1908-09	62,12,574	62,00,392	5,46,808	8.8	9
	1909-10	68,66,556	72,78,640	4,77,082	7	6.5
	1910-11	79,75,890	84,21,380	4,92,475	6	5.8
	1911-12	84,80,905	83,83,646	4,82,175	5.7	5.7
	1912-13	1,12,64,837	90,87,295	6,05,448	5.4	6.6
	1913-14	1,14,78,179	1,14,17,331	7,75,896	6.8	6.8
	1914-15	1,00,81,691	1,09,93,353	10,90,459	10.8	10.8
	1915-16	1,03,05,979	1,05,18,266	11,29,606	10.9	10.7
	1916-17	1,07,84,831	1,19,36,824	9,64,497	8.8	8
Bombay	1907-08	1,61,54,404	1,62,21,595	8,80,535	5.4	5.4
	1908-09	1,70,64,691	1,80,40,729	9,33,859	5.5	5
	1909-10	1,89,16,842	1,95,12,615	9,63,517	5	5
	1910-11	1,92,72,011	2,00,46,433	11,09,023	5.7	5.5
	1911-12	2,06,19,979	2,12,96,938	11,75,922	5.7	5.5
	1912-13	2,15,82,402	2,34,87,475	12,07,441	5.6	5
	1913-14	2,29,07,844	2,58,07,705	12,72,987	5.5	5
	1914-15	2,15,77,160	2,98,14,151	13,65,938	6.3	4.6
	1915-16	2,31,58,625	2,59,18,856	14,91,528	6.4	5.7
	1916-17	2,33,78,641	2,56,83,947	16,06,718	6.8	6
Bengal	1907-08	1,25,39,802	1,36,13,600	1,54,098	1.2	1.1
	1908-09	1,33,07,359	1,38,96,607	1,51,071	1.1	1.1
	1909-10	1,36,98,229	1,64,51,642	1,65,716	1.2	1
	1910-11	1,45,34,586	1,62,62,037	1,85,337	1.3	1.1
	1911-12	1,48,43,781	1,44,29,224	1,90,059	1.3	1.3
	1912-13	1,60,79,237	1,59,16,769	1,98,923	1.3	1.2
	1913-14	1,64,15,762	1,68,67,439	2,19,577	1.3	1.3
	1914-15	1,75,56,479	1,74,06,785	2,21,039	1.2	1.2
	1915-16	1,78,98,867	1,77,52,328	2,28,973	1.3	1.2
	1916-17	1,76,21,865	1,66,26,319	2,71,055	1.5	1.6
United Provinces	1907-08	66,07,058	74,15,485	2,49,877	3.8	3.4
	1908-09	65,68,555	70,62,901	2,97,001	4.5	4.2
	1909-10	69,22,943	67,48,230	3,12,043	4.6	4.8
	1910-11	73,23,645	73,94,739	3,37,220	4.6	4.6
	1911-12	90,10,297	75,72,314	3,76,680	4.2	5
	1912-13	88,85,859	88,58,384	3,95,023	4.4	4.4
	1913-14	99,98,464	90,54,563	5,32,946	5.2	5.7
	1914-15	88,71,233	95,71,710	5,86,910	6	5.6
	1915-16	94,42,263	92,49,993	4,95,911	5.2	5.2
	1916-17	97,64,196	93,27,340	5,84,909	6	6
Punjab	1907-08	55,16,239	55,17,554	3,80,583	7	7
	1908-09	55,57,958	55,87,819	4,12,700	7.4	7.4
	1909-10	58,42,633	54,88,121	4,47,901	7.6	8
	1910-11	61,92,833	59,82,979	5,11,383	8	8.6
	1911-12	68,61,547	65,26,576	4,85,570	7	7.4
	1912-13	81,84,083	71,23,772	5,77,258	7	8
	1913-14	73,85,300	61,59,132	6,55,001	8.6	10.6
	1914-15	81,67,771	67,53,117	6,85,768	9.5	10
	1915-16	68,80,983	70,29,861	7,58,437	11	10.8
	1916-17	78,75,682	70,55,136	8,10,103	10.3	11.5
Burma	1907-08	68,35,993	71,74,342	4,26,585	6	5.9
	1908-09	70,57,233	74,99,150	4,18,864	5.9	5.6
	1909-10	71,01,245	69,28,822	4,01,811	5.6	5.8
	1910-11	74,91,188	71,92,662	4,00,509	5.3	5.5
	1911-12	81,29,189	74,60,375	4,19,049	5	5.6
	1912-13	85,49,340	88,64,679	4,37,831	5	5
	1913-14	89,33,586	87,37,049	4,58,520	5	5
	1914-15	92,33,472	89,88,172	10,33,743	11.5	11.8
	1915-16	90,30,140	93,60,927	4,92,439	5.4	5
	1916-17	95,17,473	91,34,490	4,63,398	4.8	5

PROVINCE.	Year.	Total Income	Total Expenditure.	Expenditure on Education.	Percentage of C. to A.	Percentage of C. to B.
		A	B	C		
		Rs.	Rs.	Rs.		
Eastern Bengal and Assam.	1907-08	14,85,908	14,54,962	45,887	3	3
	1908-09	14,20,795	15,31,411	54,499	3.8	3.6
	1909-10	16,77,719	18,47,838	66,547	4	3.6
	1910-11	16,71,233	16,32,814	63,489	3.8	3.9
Bihar and Orissa	1911-12	21,73,451	18,66,055	52,524	2.7	3
	1912-13	21,70,046	19,28,833	59,693	2.7	3
	1913-14	37,52,729	28,06,757	96,958	2.6	3.1
	1914-15	28,68,824	29,09,443	1,18,867	4	3.9
	1915-16	26,16,249	31,26,770	1,34,917	5	4.3
	1916-17	29,28,055	29,92,661	1,80,500	6	6
Central Provinces and Berar.	1907-08	20,81,241	23,78,955	1,93,440	9.3	8
	1908-09	21,63,235	23,05,407	1,91,559	9	8.3
	1909-10	24,90,682	25,20,147	1,89,084	8	7.5
	1910-11	25,20,695	27,83,676	2,13,312	8.4	7.6
	1911-12	26,46,630	29,20,516	2,93,146	11	10
	1912-13	32,20,353	30,50,762	3,69,866	11.4	12
	1913-14	31,62,928	31,38,807	3,53,253	11	11
	1914-15	33,09,175	30,59,336	4,26,725	12.9	11.7
	1915-16	32,90,763	36,44,436	5,86,478	16	14.7
	1916-17	34,23,890	34,80,447	5,58,145	16.3	16
Assam	1911-12	5,32,503	4,03,010	15,911	3	3.9
	1912-13	5,31,482	4,91,373	19,306	3.7	4
	1913-14	5,06,247	5,10,591	35,019	7	7
	1914-15	7,14,835	5,33,907	43,951	6	8
	1915-16	4,70,568	5,68,375	44,353	9.4	7.8
	1916-17	4,70,568	5,68,375	34,192	7	6
North-West Frontier Province.	1907-08	5,47,293	5,06,842	60,883	11	12
	1908-09	5,87,746	5,13,712	69,175	12	13
	1909-10	6,15,691	5,97,175	69,240	11	11.6
	1910-11	6,83,455	6,40,878	78,243	11.4	13
	1911-12	6,65,214	5,72,953	87,098	13	15
	1912-13	10,88,898	6,14,769	1,96,205	18	31.9
	1913-14	7,74,461	7,81,513	67,780	8.7	9
	1914-15	7,69,623	7,37,820	87,444	11.3	11.8
	1915-16	8,40,188	6,82,848	72,265	7.7	10.6
	1916-17	10,44,293	7,07,638	2,02,763	20	28.6
Coorg	1907-08	29,968	35,623	1,267	4	3.5
	1908-09	33,076	44,187	1,189	3.6	2.7
	1909-10	28,055	26,613	1,040	3.7	4
	1910-11	37,760	27,175	1,176	3	4.3
	1911-12	27,719	36,118	2,381	8.6	6.6
	1912-13	59,878	28,001	2,021	3.4	7
	1913-14	47,557	55,493	1,723	3.8	3
	1914-15	37,715	40,808	11,659	30.9	28.5
	1915-16	31,224	38,085	11,078	35.5	29
	1916-17	35,057	34,311	5,173	14.7	15
Delhi	1913-14	11,15,661	14,59,559	50,546	4.5	3.4
	1914-15	15,57,509	11,77,764	59,485	3.8	5
	1915-16	13,37,323	11,82,230	56,814	4	4.6
	1916-17	13,61,815	14,92,315	58,411	4	3.8