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EAST INDIA (CONSTITUTIONAL REFORMS)

Report of the
Federal Finance Committee

Dated 28th March, 1932

*Presented by the Secretary of State for India
to Parliament by Command of His Majesty
May, 1932*

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TABLE OF CONTENTS.

	PARAS.	PAGES
I. INTRODUCTION	1-3	5-6
II. FEDERAL AND PROVINCIAL FORECASTS	4-21	6-11
(i) Basis of the Forecasts	4-7	6-7
(ii) The Federal Forecast	8-10	7-8
(iii) The Provincial Forecasts	11-21	8-11
III. PROSPECTS OF ADDITIONAL REVENUE	22-41	12-17
(i) Federal	23-33	12-14
(ii) Provincial	34-40	14-16
(iii) Conclusion	41	16-17
IV. DEBT: PENSIONS AND "CENTRAL CHARGES"	42-58	17-22
(i) Pre-federation Debt	43-51	17-20
(ii) Civil Pensions	52-57	20-22
(iii) "Central Charges"	58	22
V. DISTRIBUTION OF INCOME-TAX	59-93	22-33
(i) Preliminary Remarks	59-64	22-23
(ii) Principles of Distribution... ..	65-73	23-26
(iii) The Distribution Proposed	74-75	26-28
(iv) Basis of Contributions	76-80	28-29
(v) The Contributions Proposed	81-86	29-31
(vi) Conclusions	87-88	31
(vii) Concluding Remarks on the Settlement... ..	89-93	32-33
VI. POWERS OF TAXATION... ..	94-110	33-39
(i) Allocation of Powers and Lists of Sources of Revenue	94-104	33-37
(ii) Questions relating to Taxes in List III	105-107	38
(iii) Other Questions arising out of the proposed Allocation of Powers	108-110	39
VII. OTHER QUESTIONS	111-120	39-43
(i) Emergency Contributions... ..	112-113	39-40
(ii) Grants from Federal Surpluses	114-115	40
(iii) Borrowing Powers	116-118	41-42
(iv) Immunity of Federal Property	119-120	42-43
VIII. CONCLUDING NOTE	121	43-44

APPENDICES.

I. Notes on the Federal Forecast... ..	45-48
II. Allocation of Pension Charges... ..	48-58
III. Distribution of Income-tax	59-60
IV. Sources of Revenue reserved to the Units	61

FEDERAL FINANCE COMMITTEE.

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FEDERAL FINANCE COMMITTEE.

REPORT.

To The Right Honourable Sir SAMUEL HOARE, Bt., G.B.E.,
C.M.G., M.P., His Majesty's Secretary of State for India.

SIR,

We were appointed by His Majesty's Government for the purpose explained in the following letter which was addressed by the Prime Minister to our Chairman on the 22nd December, 1931 :—

On behalf of His Majesty's Government I have to state, for the information and guidance of yourself, as Chairman of the Federal Finance Committee, and of your colleagues, the objects for which the Committee has been constituted, and to indicate the matters on which it is required to report.

As you are aware, a sub-Committee of the Federal Structure Committee was appointed under the chairmanship of Lord Peel to examine the question of Federal Finance, and the principles embodied in the Report of that sub-Committee were endorsed by the parent Committee as a suitable basis on which this part of the constitution should be drafted. It is thus upon the Report presented by Lord Peel's Committee that the labours of your Committee will be based, but you should observe that the recommendations embodied in that Report regarding the functions of the Expert Committees were modified by the Federal Structure Committee.

By far the most important task to be undertaken by your Committee will be to subject to the test of figures the suggested classification of revenues, and to estimate the probable financial position of the Federal and of the Provincial Governments under the proposed scheme. On the estimate so prepared it will be the duty of your Committee to advise as to the adjustments, if any, which should equitably be made between the Federal Government and the Provinces. Difficult as this would be if conditions were normal, His Majesty's Government realise that at a time when the Indian budgets, both central and provincial, have been thrown so completely out of gear, the difficulty of the task is immensely increased. Nevertheless, as every precaution must be taken to ensure, so far as possible,

financial equilibrium in the new Governments in India, this examination must be made, as it is essential that the best advice on this vital question should be available before the relevant portion of the constitution is drafted.

In addition to its main work, your Committee will also be required to examine and advise on a number of other connected matters referred to in the Reports of Lord Peel's Committee and of the Federal Structure Committee, of which I may mention the treatment of the pre-federation debt, powers of taxation, new sources of revenue, treatment of provincial contributions—if such contributions be found necessary—the emergency powers of the Federal Government, borrowing powers and the division of pension charges.

Having completed our enquiry into the matters referred for our consideration, we now have the honour to forward our Report for submission to His Majesty's Government.

I.

INTRODUCTION.

1. We assembled in New Delhi on the 1st February last and have since held forty-five meetings there. For the most part our deliberations have been based on materials supplied to us in the form of memoranda prepared in the Departments of the Government of India and by the Provincial Governments. We have supplemented this written evidence by personal consultation with the responsible officials, including representatives of each of the Provincial Governments, who were kind enough to come to Delhi for the purpose. It would have been impossible, in the time at our disposal, to receive formal evidence from non-official sources on the various economic and constitutional problems which must arise in connection with any enquiry into public finance, nor have we regarded such an extended investigation as falling within the scope of our duties. We have, however, so far as possible, endeavoured to acquaint ourselves informally with the general trend of non-official opinion, as well as with all facts bearing upon our main enquiry.

2. Throughout our work we have received the most cordial and invaluable assistance both from the Government of India and from the Provincial Governments, and we should like to express our deep sense of indebtedness to all the officers concerned. Our sittings have been held at a time of year when all the Departments connected with finance are already overburdened with work and must find it almost impossible to meet any additional demands upon their time and energies. Yet, short as was the notice given to them, we found on our arrival a mass of material specially prepared for us by the Government of India; similar material was furnished to us by all the Provincial Governments within the first three weeks

of our sittings; and the Finance Members or Secretaries of the Provincial Governments were good enough to undertake the long journeys necessary to give us their personal advice and assistance. In all cases, the material laid before us, whether orally or in writing, has been clear and comprehensive, and we have been impressed by the efficiency shown in its preparation. We hope that all the gentlemen concerned will accept this expression of our very sincere thanks.

3. We take this opportunity of expressing our thanks also to our two Secretaries, Mr. K. Anderson of the India Office and Mr. Sanjiva Row of the Finance Department of the Government of India, who have rendered us invaluable service in the preparation of our Report and in all parts of our work. We must further acknowledge the unfailing assistance rendered, at great pressure, by our staff, under the superintendence of Kanwar Sardar Singh.

II.

FEDERAL AND PROVINCIAL FORECASTS.

(i) *Basis of the Forecasts.*

4. Our duty is two fold : first, to estimate the probable financial position of the Federal Government and the Provinces of British India in the early years of the Federation, and to suggest adjustments between them; and, secondly, to advise on certain aspects of federal finance, mainly on matters affecting the future relationship between the Federal Government and the constituent Units.

5. In carrying out our first and main function we have been faced, not only with the inherent difficulties of estimating revenue and expenditure for some years ahead, but also with the special difficulty that, owing partly to the world economic crisis and partly to certain internal difficulties, all Indian budgets, central and provincial, have been thrown completely out of gear. The yield of the main heads of revenue has been substantially reduced; emergency taxation has been imposed; cuts in pay have been made for a limited period only; while, under many heads of expenditure, severe retrenchments, some temporary and others permanent, have been effected.

6. In these circumstances, the actuals of the past two years and the budget estimate of 1932-33 afford no reliable guide in forecasting the future position, and it is necessary not only to allow for emergency taxation and retrenchment but also to make certain assumptions in regard to the general economic situation. Broadly, we assume that the present depression will come to an end and that there will follow a period of reviving trade accompanied by a gradual increase of prices which, if they do not reach the pre-slump level,

will rise appreciably higher than the level now prevailing. We have tried, in short, to estimate revenue and expenditure in the early years of the Federation under more or less normal conditions; and although our discussions with official representatives of the various Governments have to some extent centred upon the year 1935-36, we desire to make it clear that we are not in any way attempting to frame a budget for that year or venturing any suggestion as to the actual date of federation. Moreover, although we have presented our forecasts in the form of a review of the position in a single year, we have not lost sight of the fact that it is not a single year, but a series of years, that is in question. We have accordingly made suitable allowances in our general conclusions for any variable factors or tendencies which appear to us to be of importance.

7. Whatever the actual date of federation may be, we assume that as the forecast has been prepared at a time when conditions are exceptional, the data on which our proposals are based will be reviewed immediately before the establishment of the Federation in the light of the information then available; and our conclusions should be held to be subject to the result of such a review.

(ii) *The Federal Forecast.*

8. Our first step has been to prepare a forecast of the revenue and expenditure of the Federal Government. For this purpose we have been furnished by the Government of India with the fullest materials bearing on all heads of revenue and expenditure, but we alone have been responsible for bringing them together in a combined forecast. The forecast which we give below must not, therefore, be taken as necessarily representing the views of the Government of India. In Appendix I we have set out the main considerations which have influenced our calculations, but we should like to make one general observation on the forecast as a whole.

9. While we have scrutinised each head of revenue and expenditure in detail, we recognise that, taking each head by itself, the possible margin of error is very wide. Taking all heads together, however, we consider that, on the general assumptions made by us our estimate fairly represents the probable financial position of the Federal Government in the early days of federation. It has also to be remembered that our revenue forecast throughout has, generally speaking, been based on the rates of taxation imposed by the First Finance Act of 1931; that is to say, we have not taken into account the special surcharges on customs, income-tax and salt at present in force. This is an assumption which, in all the circumstances, we feel obliged to make; but we do not wish to be understood to be expressing the view that the present level of taxation ought necessarily to be reduced. On the contrary, we think it might be wise to regard some at least of these surcharges as a possible reserve.

our federal forecast, and allowing for the transfer of liability for accounts and audit, the figures in the following Table approximately represent the probable future position of each Government.

TABLE II.
The Provincial Forecasts.

<i>Province.</i>	<i>Surplus (+) or Deficit (-). (Rs. lakhs.)</i>
Madras	- 20
Bombay	- 65
Bengal	- 2,00
United Provinces	+ 25*
Punjab	+ 30*
Bihar and Orissa	- 70
Central Provinces	- 17
Assam	- 65

12. The contrast between our estimates for a federal surplus and for an aggregate provincial deficit of a considerable amount is partly accounted for by the fact that provincial sources of revenue are, for the most part, comparatively inelastic and cannot be expected to respond as quickly as central revenues to a recovery in economic conditions.

13. In arriving at these figures we have assumed that commercial stamps will not be federalised. Our reasons for this assumption are given in Section III of our Report. We have also assumed, in making our estimate for Bombay, that Sind will be constituted a separate Province without any subvention from the Presidency Government, and that the separation will result in a net saving to Bombay of between 90 and 100 lakhs; and we have also taken into account the financial separation of Aden from Bombay. We refer in Section V to the effect on federal finances of the separation of Sind. The financial position of the North-West Frontier Province has already been investigated by the Government of India and its deficit is represented by the subvention included in Table I.

14. A number of points have been brought to our attention by the Provincial Governments which have for some time been in dispute between them and the Government of India, including the question of the pre-Reform irrigation debt. We do not feel entitled to make recommendations on these points, and we have not taken them into consideration in our proposals.

15. We add three general observations on the provincial forecasts.

16. *Excise.*—In compiling the forecasts which were placed before us, the Provincial Governments have, generally speaking, assumed that the present economic depression will continue, or at least that

* In estimating for these surpluses we have adopted the figures placed before us by the Governments concerned.

recovery from it will be slower than we have assumed for the purposes of this Report. We have revised the revenue forecasts generally to correspond with our own assumptions and have, in particular, increased to some extent the estimates of excise revenue. Even so the estimates of receipts from excise on country liquor are, we think, still very low and appear to reflect in varying degrees, a deliberate policy tending to reduce or even extinguish this source of revenue. It would be beyond our competence to enter into the merits of that policy, but the evidence submitted to us seems to indicate that, in pursuing it, the Provincial Governments are sacrificing revenue without effecting a corresponding restriction of consumption. The decline in revenue appears to have been accompanied, almost everywhere, by an increase in illicit distillation. It will, we think, be generally agreed that a Province which deliberately foregoes revenue in this manner cannot fairly ask for special treatment in the distribution of income-tax at the expense of other Provinces.

17. *Expenditure.*—We have not taken into account the possibility of economies other than those already adopted by the Provincial Governments. Some further retrenchments may be possible within the frame-work of the existing administrative system; but, in view of the economies recently effected by Provincial Governments, it would probably be unsafe to suppose that further savings of this kind, effected during the next three or four years, will do more than balance any increased expenditure directly due to the introduction of the new reforms. Substantial reductions in existing expenditure could only be brought about by a comprehensive re-organisation of the system of administration. Measures of this kind are possible; they are being actively considered by at least one Provincial Government, while another has appointed a special retrenchment committee for this purpose; but we have not felt able to make any definite allowance for the effect of such re-organisation.

18. These remarks have a special application to Bengal. After making the same adjustments in the revenue estimates of Bengal as we had made in those of other Provinces, we found that the Bengal Government was still anticipating a permanent deficit equal to about three-fifths of any share in the total proceeds of income-tax which can fairly be claimed by the Presidency, and about one crore more than it can hope to receive out of those proceeds in the early years of federation, except by special treatment at the expense of other Provinces. We fully appreciate the difficulties through which Bengal is now passing, but we cannot believe that the Bengal Government and Legislature have no means at their disposal, whether of economy or of increased taxation, to reduce a deficit of this magnitude; and, in the hope that measures will be devised to meet the situation we have felt justified in reducing the anticipated deficit by about 40 lakhs. As we shall show

later, it is probable that even the deficit which we have accepted for the purpose of our estimate can only be wiped out at the expense of other Provinces, and even so the Presidency would be left with no margin for financing new policies.

19. *The General Financial Position of the Provinces.*—These considerations lead us to add a general warning. Our anticipations of normal provincial revenue and expenditure in the early years of federation do not, and cannot, take account of what may happen during the period before the Federation is established. Our estimates show that, on the basis of their present revenues, most of the Provinces will be in a difficult position at the outset of federation, even if they balance their budgets during the intervening period and carry over into federation only the liabilities which they have already incurred, including those in respect of budget deficits up to 31st March, 1932. If, during the intervening period, they continue to accumulate deficits year by year, the position will become quite unmanageable and the prospects of real provincial autonomy will *pro tanto* be endangered. We realise the special difficulties which confront each Province, but we cannot refrain from observing that Bihar and Orissa, which has certainly not the least difficulties to contend with, hopes to balance its budget for 1932-33 at the cost of severe retrenchment in all its services. If, as we hope to show, the Provinces can be provided with a substantial addition to their revenues when the proceeds of income-tax begin to be distributed, it is of the utmost importance that they should make, during the intervening period, the sacrifices necessary to enable them to take full advantage of the prospective improvement in their position. Otherwise, the additional expenditure required to provide for the service of further loans, taken to cover deficits, may mortgage the new revenue to such an extent that in many cases provincial autonomy would start under the most unfavourable conditions.

20. We regard it, therefore, as essential that the Government of India and the Local Governments should give this matter their immediate attention, and should endeavour to concert measures to secure equilibrium in the provinces during the intervening period.

21. It is hardly necessary to add that our forecast of federal finances depends upon the assumption that the Government of India, too, will find it possible to pursue, in the intervening period, a policy which will not jeopardise the initial federal surplus anticipated by us. Indeed, it will be apparent from the later sections of our Report that the surplus we anticipate is itself inadequate, and the Government of India may well have to consider how that surplus can be not only realised, but increased.

III.

PROSPECTS OF ADDITIONAL REVENUE.

22. From our examination of the probable financial position of the Federation it seems clear that the transfer of all income-tax receipts to the Provinces in the manner contemplated by the Peel Committee would leave the Federal Government with a large deficit; and as that deficit would be out of all proportion to any possibilities of retrenchment, we must turn, as previous committees have turned, to the examination of possible new sources of revenue, federal or provincial.

(i) *Federal.*(a) *Excise on Tobacco.*

23. The present position in regard to this tax appears to be that a substantial revenue may be expected from a system of vend licences and fees, but that an excise duty imposed in the near future could not be relied on to yield a substantial revenue. There is general agreement that such a duty could not be imposed on the cultivator, and it is doubtful whether a duty on the manufactured product could be successful while manufacture continues to be so largely carried on in small establishments and even as a domestic industry. Vend licences and fees can obviously be imposed only by the Governments of the Units, and their imposition by the Provincial Governments is now being encouraged by the Government of India. The difficulties in the way of a federal excise may be overcome in course of time, but it would be unsafe for us to rely on this in the near future.

(b) *Excise on Matches.*

24. The imposition of an excise duty on matches is already under active consideration, and we feel justified in contemplating the existence of such a duty from the outset of federation. We are advised that the probable net yield of the tax for all-India at a reasonable rate, with due allowance for reduced consumption, would be about 3 crores, of which at least 2.50 crores would be raised in British India.

(c) *Other Excises.*

25. It is possible that other excise duties may occupy an important place in the fiscal policy of India in the future, but we do not feel warranted in relying upon the introduction of such measures in the early years of federation.

(d) *Monopolies.*

26. We have examined the suggestion, made at the Round Table Conference, that federal revenues should be augmented by a few selected monopolies. From the fiscal point of view it is only in

very special circumstances that a monopoly, whether of production, manufacture or sale, is to be preferred to an excise duty as a means of raising revenue. Except in so far as the proposals already noticed in regard to tobacco may be regarded as a monopoly, we can suggest no new commodity to which the monopoly method could be applied with advantage. The manufacture of arms and explosives, which has been suggested as a possible monopoly, is already subject to license. Public utility monopolies stand on rather a different footing; but the only new federal monopoly of this kind that has been suggested to us is broadcasting, the revenue from which must be entirely problematical.

(e) *Commercial Stamps.*

27. In the Peel Report it was observed that " There is much to be said for federalising Commercial Stamps on the lines of various proposals made in the past ", but no definite recommendation was made. We have examined this suggestion, but on the whole we cannot recommend it, at least as an immediate measure.

28. The yield of certain stamp duties which might be placed in this category was, in 1930-31, slightly more than one crore. This was a sub-normal year, and the normal yield should be somewhat higher. In 1930-31 about 40 per cent. of the yield was received by Bombay (one-eighth of this being attributable to Sind), 27 per cent. by Bengal and 12 per cent. by Madras. The loss of revenue resulting from the federalisation of these duties would therefore be unevenly distributed, and their federalisation would not ease the problem of distributing income-tax.

29. Further, there are obvious difficulties in the way of separating stamp duties into two classes, commercial and non-commercial. It could only be done by means of a schedule, and a large element of purely arbitrary selection would be involved. The simple constitutional solution would be to class all stamp duties as provincial sources of revenue.

30. We have given some attention to the question, considered by the Federal Structure Committee, whether the Provincial Governments should be given power also to fix the rates of duty on all stamps, or whether legislation on this subject should be reserved, wholly or partially, to the Federal Government. We suggest that the Federal Government should retain the power to legislate on behalf of the Provinces in regard to those stamp duties which are the subject of legislation by the Central Government at the date of federation. The duties which are now the subject of central legislation are those on acknowledgments, bills of exchange, share certificates, cheques (not now dutiable), delivery orders in respect of goods, letters of allotment of shares, letters of credit, insurance policies, promissory notes, proxies, receipts and shipping orders. We understand that proposals have been under consideration for

adding other duties to this list, and would suggest that, if any such additions are contemplated, they should be made before the establishment of the Federation.

31. We ought to add, in this connection, that difficulties already arise in estimating the share of each Province in the proceeds from the sale of postage stamps for use on taxed documents; and these difficulties may be expected to lead to considerable friction with the Provincial Governments unless a more satisfactory system can be devised.

32. Finally, in proposing that the proceeds of commercial stamps should be assigned to the Units, we have to some extent been influenced by a doubt whether the problems arising from the imposition of federal stamp duties in the States might not be disproportionate to the revenue involved. We do not, however, wish to prejudice the possibility that, as part of the general federation settlement with the States, it might be found desirable to include these duties among the sources of federal revenue. This consideration might well outweigh the reasons which have led us to recommend that commercial stamps should not be made a source of federal revenue.

(f) *Corporation Tax.*

33. We shall comment on this tax in Sections V and VI of our Report. From the financial point of view, however, it seems clear that, if a corporation tax were imposed on companies registered in the States on the same basis as the present super-tax on companies in British India, the yield at present would be negligible.

(ii) *Provincial.*

(a) *Taxation of Tobacco.*

34. We have already dealt briefly with this question and have suggested that the taxation of tobacco, otherwise than by excise on production or manufacture, should rest with the Units, but that the Federal Government should be given the right to impose a general federal excise. This distinction is, we think, justified by the fact that *ex hypothesi* the introduction of excise duties on manufacture will be difficult, if not impossible, until manufacture becomes more highly industrialised; and as that development takes place an excise levied at the factory by one Unit of the Federation would be a tax on consumers in other Units. It will be seen from our later proposals in regard to powers of taxation that the federalisation of tobacco excise would not preclude the Federal Government from assigning the proceeds to the Units, if it so desired.

35. There is, unfortunately, no material which would enable us to estimate the yield of any of these forms of taxation. The

provincial taxes will take some time to mature, but eventually they may be expected to form at least a very useful additional source of provincial revenue.

(b) *Succession Duties.*

36. Bombay is, we believe, the only Provincial Government which has attempted legislation for the imposition of succession duties, and the attempt was unsuccessful. We understand that even that Government would have preferred that legislation should have been undertaken by the Government of India. We propose elsewhere that succession duties should be classed among taxes leviable by the Federal Government for the benefit of the Units; but clearly the facts would not justify reliance on them as a source of revenue in the near future.

(c) *Terminal Taxes.*

37. We have been asked to weigh the issues which arise from the proposal to introduce terminal taxes generally as an additional source of revenue for the Provinces. As the arguments for and against this proposal have been so fully set forth in previous reports, it scarcely seems necessary to re-state them here. The feature of such taxation which has impressed us most seriously is its operation as, in effect, a surcharge on railway freights. Where municipal octrois are in force, there appears to be a tendency to substitute for the general levy of dues on all goods entering the municipal boundaries the simpler alternative of a terminal tax collected at the railway station, and there is already a danger that this habit may result in diversion of traffic to the roads. We therefore recommend that, if terminal taxes are to be regarded as a permanent part of the financial structure, they should be imposed by the Federal Legislature for the benefit of the Units. Such terminal taxes as are already in existence (mainly as municipal taxes) will fall into much the same category as other taxes classed as federal which, at the time of federation, are being levied by certain Units; but though it may be necessary for this reason to authorise the municipalities and Provinces concerned to continue to raise these taxes, they should be allowed to do so only within limits laid down by the Federal Legislature. Assam and Bihar and Orissa are the two Provinces which, having few or no municipal taxes of the kind at present, are most desirous of deriving provincial revenue from this source. While we do not rule out the possibility of terminal taxes in these two Provinces and elsewhere as a temporary expedient, in view of the practice which has grown up in various parts of India, we are not prepared to regard terminal taxes as a normal source of revenue.

(d) *Taxation of Agricultural Incomes.*

38. We have not considered the broad issues of policy involved in the taxation of agricultural incomes, but we have considered, as we were commissioned to do, the more limited question of "the possibility of empowering individual Provinces, if they so desire, to raise, or appropriate the proceeds of, a tax on agricultural incomes". In view of the close connection between this subject and land revenue, we agree that the right to impose such taxation should rest with the Provinces. For the same reason, we think that this right should be restricted to the taxation of income originating in the Province concerned. There will presumably be no difficulty in drafting into the constitution a definition of agricultural income which has so long been recognised in Indian income-tax law and practice.

39. We are not prepared to express a final opinion as to whether agricultural and non-agricultural income should be aggregated for the purpose of determining the right of the assessee to exemption and the rate of taxation to which he is liable on either section of his income; and we doubt whether any provision need be inserted in the constitution on this point since we are advised that, in practice, it would scarcely be possible for either the Federal or a Provincial Government to take into consideration income not liable to taxation by it, except with the consent and co-operation of the other Government.

40. We are aware of no reliable data for estimating the yield of such taxation.

(iii) *Conclusion.*

41. In this survey of possible sources of additional revenue we have deliberately left out of account the question whether or to what extent it would be possible to increase the yield of existing taxes. We have confined ourselves to an examination of new sources, and in this field the results of our survey are not encouraging. We have found that such provincial taxes as appear to be within the sphere of practical politics in the immediate future cannot be relied on to yield any substantial early additions to provincial revenues. In using the phrase "practical politics", we are not, of course, expressing an opinion as to whether this or that tax ought or ought not to be imposed, or even as to whether it is or is not likely to be imposed by the legislatures of autonomous Provinces when these are constituted. We are only noting the fact that the opposition to certain forms of taxation, or the difficulty of their imposition, is still so great that they are not likely to be adopted soon enough to influence the financial situation at the time when the Federation comes into being. In the federal sphere, the excise on matches is the only tax which we feel justified in taking into account as an immediate reinforcement of federal

revenues. With this reinforcement, according to our figures, those revenues would yield a surplus of about 7·50 crores, including the whole proceeds of taxes on income as federal revenue and if the whole revenue from the new excise were paid into the federal fisc, or about 7·00 crores if only its yield in British India were taken into account. In what follows we take the latter figure, without prejudging the issue whether the excise duty on matches should be a federal tax in the full sense of the term.

IV.

DEBT, PENSIONS AND " CENTRAL CHARGES "

42. Before considering what settlement can be effected with the Provinces on the basis of the figures at which we have arrived, we have to examine whether the whole of the pre-federation debt will be covered by assets to be taken over by the Federal Government, how pension charges should be allocated, and whether any other part of the expenditure of the Federal Government should be regarded as expenditure on non-federal services, i.e., as a " central charge ".

(i) *Pre-federation Debt.*

43. The valuation of the assets to be taken over by the Federal Government is a matter rather of judgment than of strict fact-finding in view of the uncertainty as to the basis of valuation which should be adopted. Valuation cannot, in all cases, proceed on a purely *commercial* basis—that is to say, on an estimation of earning capacity—for although the accounts of some departments have been commercialised, some of them are not administered for the purpose of profit. One instance is the Posts and Telegraphs Department, where the object is so to adjust rates that receipts will just balance expenditure. Again, the earning power of the railways classed as " strategic " is affected by the fact that they are an essential element in the scheme of national defence; and even in the case of railways classed as " commercial ", which have in the past afforded substantial support to general revenues, a declared policy of reducing rates and fares when financial conditions permit renders it difficult, if not impossible, to estimate their full earning capacity. Nor would it be reasonable in such cases to adopt the cost of *replacement* as the basis of valuation, for if the railways had to be rebuilt and the other commercial departments of the Federation equipped afresh, the cost at present-day prices would largely exceed the original outlay.

44. We are driven, therefore, in the case of the commercial departments, to adopt as our basis of valuation the *capital* shown as debited to those departments in the statement of the public debt of India; and, in all the circumstances, this seems to be a reasonable basis. On 31st March 1931 (the date to which the following

statistics refer) this figure stood at 7,67,63·17 lakhs. Adding to it the interest-earning debts due from the Provincial Governments (1,51,82·53 lakhs) as well as other interest-earning advances (19,45·13 lakhs) we reach a total of 9,38,90·88 lakhs. The sums outstanding in respect of the commutation of pensions (1,89·95 lakhs) would bring this total to 9,40,80·83 lakhs.

45. We now deal with the other state property which the Federal Government will inherit. Such assets, though in some cases yielding a return in the form of rents, and in others enabling Government to avoid expenditure charged to revenue which otherwise would have to be incurred, cannot be valued on any commercial basis, as they represent, to a large extent, dead assets. Nevertheless they must be taken into account, as without them Government could not properly function. Complete lists of state property falling into this category do not exist, nor is information available in all cases as to the original cost or book value. In the case of New Delhi and the Bombay Military Lands, the figure of the cost (19,88·38 lakhs) can fairly be accepted in view of the recent date of the transactions; and, for present purposes, we take the book value (87,44·00 lakhs) for all the civil and military properties and other miscellaneous items which find a place in such registers as are maintained, although, in our judgment, the book value of several items understates the real value. The lists, however, are very incomplete; and no account is taken of such assets as forests, most of the military lands, R.A.F. buildings and landing grounds, certain stores, plant of the Public Works Department, furniture, libraries and museums, nor, of course, of roads and bridges. The original cost or the replacement value of these properties must be very large indeed; but we have no materials on which we can form even an approximate estimate of the amount involved.

46. The total value, therefore, of the identifiable assets to be taken over by the Federal Government which we have considered so far amounts to 10,48,13·21 lakhs without taking into account the numerous items for which no data are available.

47. There is still another identifiable portion of the public debt of India associated with another class of assets. Following the return of large numbers of silver rupees from circulation in recent years, a portion of the silver holding in the Paper Currency Reserve has been sold. These sales have created a gap in the Reserve amounting to the difference between the nominal value of the rupees melted down and the price realised for the silver. This gap might have been made good by the transfer of securities from the Gold Standard Reserve, as that Reserve had been built up in the past from the profits of coinage. Instead of this procedure being followed, *ad hoc* Treasury Bills were created and placed in the Paper Currency Reserve. This portion of the public debt of India is therefore associated with currency assets (including in this term

the Gold Standard Reserve), which are not being taken into account as assets for the purposes of our calculations. As the Federation will, either directly or through a Reserve Bank, take over these assets, it is right that it should also assume responsibility for this portion of the public debt. The loss on the sale of silver up to 31st March, 1931, amounted to Rs.14,97·81 lakhs. Had this loss been met from the Gold Standard Reserve, the currency assets to be taken over would have been correspondingly reduced and this portion of the debt would not have existed. Adding this item, the total value of the identifiable assets is increased to 10,63,11·02 lakhs.

48. Turning, now, to the amount involved if the whole of the pre-federation liabilities were assumed by the Federal Government, we have ascertained that the debt position of the Government of India on 31st March, 1931—the latest date for which actuals are available—was as follows :—

	<i>Lakhs.</i>
Interest-bearing liabilities	11,87,47·85
Non-interest-bearing liabilities	29,89·28
	12,17,37·13
Less liquid assets	34,69·96
	11,82,67·17

Interest-bearing liabilities include not only loans, sterling and rupee, and Treasury Bills held by the public and in the Paper Currency Reserve, but also the balance of the War Contribution, Railway Debenture Stock and Railway Annuities, Post Office Savings Bank deposits, Cash Certificates, Provident and certain Family Pension Funds, Depreciation and Reserve Funds and interest-bearing provincial balances. Non-interest-bearing liabilities of a liquid nature include a variety of items, such as deposits and provincial balances which do not bear interest, the amounts due to certain non-interest-earning funds, uncashed cheques and accrued discount on Treasury Bills; while liquid assets include cash balances, repayable advances and the sinking fund investment account for certain loans.

49. In the above statement, the public debt has been taken at its nominal figure. This debt, carrying, as it does, an over-all rate of interest of 4·29 per cent., might, for the purpose of assessing the present-day capital liability, not unreasonably be written down on a 5 per cent. basis by something like 170 crores; or, viewing the matter in another way, if the irredeemable loans raised at 3½, 3 and 2½ per cent. were reassessed on the same basis, the figure of indebtedness would be reduced by about 145 crores.

50. Having regard to this and to the fact that our figure of 10,63,11·02 lakhs takes no account of a large and valuable block of

assets, we do not hesitate to report that, if the Federal Government assumed responsibility for the whole of the pre-federation debt, its obligations would be covered by the assets also taken over. It will also be evident from other parts of our Report that the service of the debt will be fully covered by the sources of revenue which will remain at the disposal of the Federal Government.

51. We are satisfied that, if Burma is separated from India, a division of the liabilities and assets somewhat on the basis suggested in the Howard-Nixon Memorandum* will not, so far as the future Federation is concerned, have any invalidating effect on the conclusion at which we have arrived.

(ii) *Civil Pensions.*

52. In Appendix II we have attempted to analyse the civil non-effective charges at present falling on the central budget and, starting from the assumption, adopted by the Peel Committee, that pensions awarded in respect of service in a department or office which will be federal are a proper federal liability, to describe and evaluate the items which constitute the balance of those charges.

53. The existing civil pension charge can be classified as follows :—

	<i>Approximate cost in 1930-31. Lakhs.</i>
(1) Political and Territorial Pensions	32
(2) Pensions paid in respect of members of contributory funds now closed	67
(3) Pensions paid in respect of members of the I.C.S. Family Pension Fund and the Bengal Pilot Service Fund	8
(4) Ordinary Pensions, including miscellaneous adjustments	1,66
	<hr/> 2,73 <hr/>

Of these, the first are not pensions in the ordinary sense of the term, and are clearly a federal charge.

54. The Bengal Pilot Service Fund is self-supporting in that the cost of pensions is covered by the fees received from the users of the pilot service. The I.C.S. Family Fund, though at present included in the budget of the Government of India, may, for our present purpose, more accurately be regarded as an interest-bearing debt owed by Government to a solvent fund constituted out of the subscriptions of the members and liable for all out-goings. We have included this *pro forma* debt in the review of the pre-federation

* Memorandum on the Financial Questions arising out of the proposed separation of Burma from India (Published by the Government of India)

debt in the previous section. Whether, in fact, the fund is actually treated in this way and removed from the federal budget, or not, is immaterial to the argument. The correct allocation of the whole liability as federal is not affected.

55. As regards the closed funds, the assets having at various dates been taken over by the Government of India, the liabilities are at any rate partially debt liabilities. Unfortunately, it is not possible to ascertain either the present residual value of the assets taken over or the extent to which the actual liability in respect of the members of the funds exceeds that residual value. Rather more than half the annual charge is in respect of military (and Royal Indian Marine) funds, and is accordingly a proper federal charge in any event. The balance—some 29 lakhs a year—relates almost entirely to the Bengal, Madras and Bombay Civil Funds. This liability, in so far as it is not covered by the assets taken over, is clearly not a federal liability; but, inasmuch as the funds were closed nearly fifty years ago, the annual charge must fall very rapidly and should soon disappear entirely.

56. We have now to determine what part of the annual charge for ordinary pensions is properly federal. As explained in detail in Appendix II, pensions awarded since 1st April, 1921, whether paid in India or elsewhere, have been allocated between the Central Government and the Provinces strictly on the basis of the pensioners' service. On the other hand, in the case of pensions awarded prior to 1st April, 1921, while, broadly speaking, each Province was made liable for payments to all pensioners resident within its borders, the Government of India accepted responsibility for the payment of all pensions outside India. The present charge in respect of pensions paid out of India is some 80 to 90 lakhs per annum. As indicated in Appendix II, we estimate that about five-sixths of this is in respect of service in the Provinces. The charge is rapidly falling (it has fallen by roughly 50 per cent. since 1st April, 1921), while, as regards pensions paid in India by the Provinces, there appears to be no need for reallocation.

57. The conclusion, then, is that, at the beginning of federation, there will be a rapidly declining non-effective liability in respect of ordinary and family pensions which is not likely to exceed 80 or 90 lakhs per annum. This liability should, theoretically, be apportioned between the various Provinces. Such an allocation, even if the necessary records exist, would, however, involve an expenditure of labour out of all proportion to the theoretical improvement in the presentation of the true position. It seems clear that the Federal Government will in effect retain out of the proceeds of income-tax paid only in British India a much larger sum than the annual liability for pensions which are properly a charge against

British India alone, at least for so long as such liability is of sufficient magnitude to be worthy of consideration. We therefore recommend that no attempt be made to show this "central" liability of some 80 or 90 lakhs as a separate item in the superannuation charges (of something over $2\frac{1}{2}$ crores per annum) which will appear in the federal budget.

(iii) "*Central Charges*".

58. If our recommendations as to debt and pensions are accepted, we feel justified in assuming that no section of opinion in India is likely to think it worth while to separate out of the federal budget such minor items of expenditure as may, at the present moment, be held to be incurred mainly on behalf of the Provinces. The cost of the Income-tax Department, including pensions, will of course be treated as a deduction from the yield of taxes on income.

V.

DISTRIBUTION OF INCOME-TAX.

(i) *Preliminary Remarks.*

59. Having made a forecast of the financial position and having dealt with the pre-federation debt and pension charges, we are now in a position to examine the important question what settlement the Federal Government will be able to effect with the Provinces on the basis of our estimates. We must observe, however, that we have no knowledge what provision may have to be made for at least three factors :—

- (a) Any concurrent settlement with the States;
- (b) the separation of Sind; and
- (c) additional expenditure directly due to the establishment of a federal system.

The first two points are under investigation by other Committees while, as to the third, it is clearly impossible to estimate the cost of a Federal Legislature or a Federal Court the constitution of which has not yet been determined. On this latter point, however, we feel bound to remark that we hope the cost of introducing the new reforms will be reduced to a minimum, both at the Centre and in the Provinces. The opinion is widely held in India that the cost of government already exceeds what can properly be borne by a predominantly agricultural country, and it would be deplorable if the first result of the reforms were a large addition to the overhead charges of government. If we may venture to say so, much may depend on the example set in this matter by the Federal to the Provincial Governments.

60. In these circumstances we propose to approach the problem from another angle and to consider what is the minimum sum re-

quired to put the Provinces in a fair position to begin their work under the new federal system.

61. The Peel Committee recommended that taxes on income should be transferred to the Provinces, with the exception of corporation tax which, it was suggested, might, in certain circumstances, be retained by the Federal Government. The present super-tax on companies is a corporation tax; but it would obviously be undesirable to define a particular kind of corporation tax in a permanent constitution, and we confess that we are unable to devise any definition appropriate to such a constitution except the wide one of a tax on the profits of companies. We shall return to this question in the next section of our Report; but, for our present purpose, we assume that corporation tax will be federalised and that its yield will be equal to that of the present super-tax on companies.

62. In addition, the Federal Government should also obviously retain tax paid by residents in the Federally Administered Areas, and we think it should be allowed to retain tax paid on the salaries of federal officers.

63. The Peel Committee also recommended that the whole of the taxes on income to be transferred to the provinces should be so transferred at the outset of federation, and that any resultant federal deficit should be met from provincial contributions. It is clear from our estimates that, on this basis, there would in fact be a very substantial deficit. We shall state our proposals in terms of the method recommended by the Peel Committee; but it will be seen that, under our proposals, this method, amounts, in practice, to a transfer to each Province of a percentage of the share of income-tax estimated to be attributable to it.

64. Finally, the Peel Committee recommended that the constitution should specifically provide for the extinction of provincial contributions by annual stages over a definite period, such as ten or fifteen years. We have considered this recommendation with the greatest care, and have come to the conclusion that, on the data now available, it is impossible to specify an annual rate of reduction of contributions or a definite period within which it could be anticipated with reasonable certainty that the natural growth of existing federal revenues, at the rates of taxation we have assumed, would enable the Federal Government to extinguish contributions altogether.

(ii) *Principles of Distribution.*

65. It is important to select a proper basis of distribution of income-tax receipts. This must satisfy three fundamental tests:—

(a) It should be simple, easily understood and administratively workable.

(b) It should give results as between Province and Province which are likely to be accepted as fair on the whole.

(c) It should not be incompatible with the idea of a federation of autonomous units.

We shall now consider how far the various bases that have been suggested satisfy the above tests.

66. The Central Board of Revenue has furnished us with an expert review of the various possible methods of distribution, from which it would appear that an allocation on the basis of *collections* (or of the income brought under assessment) would lead to gross injustice as between Province and Province. Companies (often operating over large areas) are assessed at a single place, namely, the head office, which, in most cases, is located in the industrially more advanced Provinces; and interest on securities held all over the country is paid by the Public Debt Offices in Calcutta, Bombay and Madras. We see no reason why, merely because of the accident that income is assessed or tax collected there, these Provinces should benefit at the cost of others in which the income accrues or the tax-payer resides. This basis must, therefore, be ruled out.

67. Distribution by *population* has equally no scientific basis; but, as will be seen later, it can be adopted with advantage for the distribution of taxes on certain forms of income which cannot easily be assigned to any particular locality, such as the undistributed profits of companies and the income of non-residents.

68. There is no doubt much to be said in theory for the basis of *origin*, but we are satisfied that it would not be administratively workable in respect of the income of individuals and, even in respect of the income of companies, would be workable only if the allocation were to be made wholly on arbitrary lines, either by investing income-tax officers with unlimited discretion or by laying down uniform rules of allocation, irrespective of widely varying conditions. We cannot, therefore, recommend the adoption of this method.

69. There remains the basis of *residence* in one of two forms, either the basis of personal incomes (assessed or assessable) in each Province, or the amount of income-tax on such income attributable to each Province. In making the choice between these two alternatives, it is relevant to consider what would happen if each Province were raising its own taxation; and we have no hesitation in adopting the basis of the tax actually paid as being the more appropriate in the circumstances.

70. What has to be done, therefore, is to credit each Province with the tax paid by persons resident in it (i.e., by individuals, Hindu undivided families, unregistered firms and certain associations), including tax on dividends received by them from companies. This gives rise to no difficulty in regard to personal super-tax since, generally speaking, super-tax is not collected at source

but after formal assessment. In respect of ordinary income-tax, however, we are advised that there are practical difficulties in ascertaining the amount of tax actually creditable to each Province. A substantial part of the ordinary income-tax is collected at source; and it often happens that no formal assessment is made on the tax-payer (i.e., the recipient of the income) either because the income-tax authorities are satisfied that he has no other source of income or, it may be, because the person evades assessment. While we cannot recommend that increased expenditure on income-tax establishments should be incurred merely to make formal assessments which bring no additional revenue, we are of opinion that the system of statistics now in being should be modified before the inauguration of the Federation in such a way as to facilitate the ascertainment of the personal income-tax creditable to each Province. This system, if suitably modified, could, in our opinion, reduce the element of estimation to a minimum.

71. Pending the collection of such statistics, the only practicable course appears to be to throw all the personal income-tax (i.e. excluding personal super-tax) into a common pool and to distribute this pool between the Provinces on the basis of the best estimate that can be made from time to time, having regard to formally assessed incomes and to the probable amount of incomes paying tax at source, but not formally assessed, in each Province. Personal super-tax, as already stated, should be credited to the Province in which the assessment is made.

72. As regards tax on income other than "personal income" (i.e., the income of non-residents and undistributed profits of companies), we are of opinion that, in view of the difficulty of tracing the origin of such income, the proceeds should be distributed on the basis of population. This would incidentally help, to some extent, the poorer Provinces with large populations like Bihar and Orissa and the United Provinces.

73. The plan that we have suggested above appears to satisfy the first two criteria referred to in our opening paragraph, and we may now examine how far it satisfies the third criterion. It is obviously neither possible nor necessary to work out the results of all the possible schemes of taxation of incomes that the Provinces might evolve if they were independent states. They could, however, tax only *persons* within their jurisdiction, and *things* within their jurisdiction, i.e., tax on the basis of residence or on that of origin; and all schemes of income-tax ultimately rest on these two bases in some form or other, whether singly or in combination. The co-existence of varying systems in the different Units would undoubtedly give rise to various problems of double taxation, in regard to which a Province would, if it desired to give relief, have to negotiate with other Provinces. All schemes of

relief from double taxation, however, are of the nature of compromises, and not, therefore, likely to be strictly logical or consistent; and it is consequently impossible to determine *a priori* what exactly would happen if each Province levied tax as an independent state. But what we are concerned with is not so much what the Provinces would actually do if they were independent states as whether our scheme is inherently consistent with the idea of provincial autonomy. A system of taxation resting primarily on the basis of residence, with reciprocal exemptions for residents of other states, which is the essential feature of our scheme, does not, in our opinion, conflict with this idea. Indeed, such arrangements as between independent states are not without precedent, and are in fact favoured by the balance of expert opinion.

(iii) *The Distribution Proposed.*

74. On the basis that we have recommended and on the data available to us, we estimate that the proceeds of taxes on income would be divided between the Federal Government and the Provinces in the following manner:—

	<i>In lakhs.</i>
Total gross yield of income-tax	18,00
Less cost of collection	80
	—
Net yield	17,20
	—
Super-tax on companies, tax on salaries of federal officers and personal income-tax and super-tax levied in Federal Areas (to be retained by the Federal Government)	3,70
Balance available for distribution to the Provinces	13,50

Of this sum, about Rs. 2,00 lakhs represent collections of personal super-tax (i.e. other than company super-tax) and would be distributed on the basis of actual collections from residents. Of the balance of 11,50, about one-seventh would approximately represent the estimated tax on the undistributed profits of companies and on the incomes of persons resident outside British India; and we suggest that this fraction of the income-tax receipts should be distributed on the basis of population. The remaining six-sevenths would be distributed on the basis of the estimated share of personal income-tax creditable to each Province. The following Table sets out the position. (The data on which the percentages have been calculated are explained in Appendix III.)

TABLE III.
Distribution of Income-tax.
(In lakhs of rupees.)

Province.	2 crores on collections of personal super-tax.	$\frac{1}{2}$ of 11 $\frac{1}{2}$ crores on population basis.	$\frac{2}{7}$ of 11 $\frac{1}{2}$ crores on basis of personal income-tax without federal salaries.	Total.
1.	2.	3.	4.	5.
Madras	7	30	1,46	1,83
Bombay*	50	14	2,79	3,43
Bengal	1,10	32	2,63	4,05
United Provinces	8	31	84	1,23
Punjab	2	15	74	91
Bihar and Orissa	18	24	65	1,07
Central Provinces	3	10	46	59
Assam	1	6	22	29
North-West Frontier Province.†	1	2	7	10
Total ...	2,00	1,64	9,86	13,50

* Includes Sind. Figures for the latter in respect of Columns 2 and 4 are not readily available, but are roughly estimated at about one-sixteenth (under both the Columns together) of the total figure for Bombay plus Sind.

† The share due to the North-West Frontier Province will presumably go in reduction of the subvention to that Province.

75. At this stage we desire to emphasise that the percentages given in Table III are estimates only and are not intended to be precise figures for insertion in the constitution. The super-tax figures, of course, represent actual collections, and would be so referred to in the constitution or in statutory rules under the constitution. The figures we have given may be affected in the future by trade conditions. Even in the case of income-tax, it may not be necessary to lay down any percentages if it be found possible for the Central Board of Revenue to evolve a system under which the proceeds of the tax could be distributed each year on the ascertained figures of, say, the preceding year instead of on estimates. On the other hand, if, as we suggest later, the contributions from the Provinces are fixed in proportion to the shares of income-tax made over to them, it might be an advantage, from the point of view of the stability of the provincial budgets, that the share (i.e., percentages) of income-tax due to the Provinces should not be altered from year to year, even if readily ascertainable, but be fixed for a term of years, the percentages due to each Province being revised (say) every five years on the basis of the figures of personal income-tax for the previous quinquennium as

disclosed by the income-tax statistics. In view of the incomplete data on which our estimates have been made, a special review would, in any case, be necessary at the time the Federation is established in order to fix the initial percentages. If it is considered necessary that the percentages to be used as the basis of distribution from time to time should be finally determined by some independent authority, we would suggest that this might be done by the Auditor General.

(iv) *Basis of Contributions.*

76. We have now to consider on what basis the total contribution to be taken from the Provinces should be allocated among them.

77. We have studied the scheme of the Meston Settlement with a view to adapting it, if possible, to the solution of our problem, since, in spite of the difference created by the advent of federation, our problem has some affinity with that considered by the Meston Committee.

78. Under the Meston Settlement there were two fundamental scales of contributions—the initial scale which was fixed arbitrarily but with reference, primarily, to the additional resources at the disposal of each Province as a consequence of the reallocation of heads of revenue under the Reforms, and the “standard” scale which was calculated with reference to all relevant factors, namely, wealth (both actual and potential), taxable capacity, the revenue of the Provincial Government and its possible expansion, the standard of expenditure, liability to famine, etc. The “standard” scale was to be reached gradually in seven years by nearly equal steps. Bihar and Orissa, which in view of its specially bad financial position was allowed to start with no contribution, made no contributions at any time; and from 1922-23 onwards the Government of India remitted also the contribution of Bengal. All the contributions were extinguished in 1927-28 and effect was never given to the ultimate “standard” scale of contributions recommended by the Meston Committee.

79. Our problem is more akin to that which the Meston Committee had to consider in respect of the first seven years of the Montagu-Chelmsford Reforms than to the permanent scale of contributions which that Committee had to determine; and, even if we could revise their “standard” scale by re-valuing the factors which they took into consideration and bringing into account the addition to provincial revenues derived from income-tax, the application of such a scale would leave some Provinces in deficit or with too small a margin of increased revenue. In the circumstances, we have been driven, as the Meston Committee were driven in respect of the transitional period, to the expedient of assessing the contributions primarily with reference to the additional resources of the Provincial Governments—in other words, in proportion to their shares of income-tax.

80. We have already indicated that we should prefer the income-tax collected each year to be distributed, not on the actual ascertained percentages of each year, but on percentages based on the actual figures for a series of years and fixed for a term of (say) five years. We consider that the aggregate contributions to be paid by the Provinces to the Federation should be a fixed sum which should be reduced gradually as and when the Federal Government can afford to do so. This aggregate should be apportioned among the Provinces, at the same intervals of five years, in proportion to their shares of income-tax and super-tax; and the sums thus assigned to each Province should remain subject at any time to rateable reduction in the event of a reduction of the aggregate contribution.

(v) *The Contributions Proposed.*

81. The following Table sets out the results of applying these principles on the assumption that the Federal Government will be unable, at the outset, to devote more than five crores to the settlement with the Provinces; or, in other words, that the Provinces will have at first to contribute $8\frac{1}{2}$ crores to the Federal Government.

TABLE IV—A.
Contributions (in lakhs).

Provinces.	Surplus (+) or deficit (—) on the basis of present provincial revenues (See Section II).	Share of income-tax.	Full contribution payable proportionately to the amount under column 3.	Surplus (+) or deficit (—) if full contribution is paid.
1.	2.	3.	4.	5.
Madras	— 20	1,83	1,15	+ 48
Bombay (excluding Sind).	— 65	3,22	2,03	+ 54
Bengal	— 2,00	4,05	2,55	— 50
United Provinces ...	+ 25	1,23	78	+ 70
Punjab	+ 30	91	57	+ 64
Bihar and Orissa ...	— 70	1,07	68	— 31
Central Provinces ...	— 17	59	37	+ 5
Assam	— 65	29	18	— 54
North-West Frontier Province.*	—	10	6	—
Sind.*	—	21	13	—

* The shares due to the North-West Frontier Province and to Sind will presumably be taken into account in fixing any subventions to these Provinces.

82. If our estimates are approximately correct, our plan will thus leave three Provinces in deficit. If contributions could be reduced rateably by $2\frac{1}{2}$ crores in the aggregate—i.e., if the Federal Government could devote $7\frac{1}{2}$ crores to the settlement with the Provinces—

Bengal would be left with a surplus of about 25 lakhs, and a little less than 25 lakhs would be required to wipe out the deficit of Bihar and Orissa and to remit to Assam the whole of its contribution—a sum which could be distributed rateably among the other Provinces without arousing any serious sense of grievance. If contributions could be reduced by 1 crore in the aggregate—i.e., if the Federal Government could devote 6 crores to the settlement with the Provinces—this reduction would be approximately sufficient to wipe out the deficits of Bengal and Bihar and Orissa and to remit the contribution of Assam, if the benefit of the reduction were given wholly to these three Provinces. If no more than 5 crores are available for the settlement with the Provinces and if, nevertheless, it is desired to fill the deficits of Bengal and Bihar and Orissa and to remit the whole contribution of Assam, this can only be done by reducing the share of the 5 crores which would go to the other Provinces.

83. Bengal has frequently put forward a claim to a share, in some form, of the proceeds from taxation on the export of jute. Assam, too, has recently claimed the excise duty on kerosene and motor spirit produced within its borders. These or any similar proposals raise highly controversial questions of principle; but as in any case, they could only result in delaying *pro tanto* the remission of provincial contributions, we have not felt able to take them into account for the purposes of our scheme.

84. We have considered other proposals which might to some extent conceal the realities of the situation, but it seems better to state frankly that the only method of relieving the deficit Provinces is to spread the charge over the other Provinces. The charge ought to be spread in proportion to the amount of income-tax received by each Province, but so as not to convert any of their surpluses into a deficit. If a remission of 50 lakhs were made to Bengal, 33 lakhs to Bihar and Orissa, and 18 lakhs (the whole contribution) to Assam, the results would be as shown in the following Table.

TABLE IV—B.
Contributions (in lakhs).

Province.	Full contribution payable.	Contribution proposed.	Final surplus.
Madras	1,15	1,41	22
Bombay	2,03	2,48	9
Bengal	2,55	2,05	nil
United Provinces	78	95	53
Punjab	57	70	51
Bihar and Orissa	68	35	2
Central Provinces	37	37	5
Assam	18	nil	—36

85. If this procedure were adopted, we should hope that the preferential treatment of certain Provinces in the matter of contributions would only be temporary; but so long as it continues we think that the extinction of the excess contributions of the Provinces which are contributing more than their share should be regarded as a first charge on any sum available to the Federal Government for the reduction of contributions.

86. Assam is in a special position since, obviously, no special treatment within the limits of a scheme for distributing income-tax will meet its needs. If its whole contribution is remitted, it will still be left with a deficit of 36 lakhs. This figure would be reduced by about 10 lakhs if the Government of India were to relieve the Province of certain charges in respect of frontier tracts on the lines of proposals recently made by the Government of Assam. A possible further source of revenue would be a terminal tax, the yield of which is estimated by the Provincial Government at about 20 lakhs. For the rest, we can only make a suggestion. Assam appears to present one peculiar feature, not present in the same degree in any other Province, namely, that it is comparatively undeveloped and cannot itself afford to raise the capital necessary for its development. It is at least possible that Assam might be made self-supporting in the future by a well-considered programme of development and land settlement financed by federal loans, possibly on terms which would take account of the immediate difficulties of the Province during the period until the development becomes effective. We suggest that the Government of India should examine this possibility in consultation with the Government of Assam.

(vi) *Conclusion.*

87. We conclude that—(1) $7\frac{1}{2}$ crores is the amount required to carry out a logical distribution of income-tax among the Provinces with special treatment only for the two Provinces which are generally recognised to be in need of such treatment.

(2) 6 crores would be sufficient to give special treatment to Bengal as well as to these two Provinces, while leaving Madras, Bombay, the United Provinces and the Punjab each with a substantial surplus ranging from about 45 lakhs to about 70 lakhs.

(3) On the basis of 5 crores, a method of distribution can be devised which, while calling for temporary sacrifices from these four Provinces, would enable every Province except Assam to balance its budget.

88. On our estimated federal surplus of 7 crores, a net distribution of 5 crores would leave 2 crores available for the contingencies to which we have referred. We can express no opinion as to whether this balance will prove more than sufficient to meet those contingencies, but we should hope that any new expenditure arising out of the establishment of the Federation, including the separation of Sind, will not exceed about one crore.

(vii) *Concluding Remarks on the Settlement.*

89. In this survey of federal and provincial finance we have endeavoured to confine ourselves as strictly as possible to the study and presentation of facts. We have deliberately refrained from arguments or speculations which might lead to fresh debate and postpone a decision. It may not be out of place here if we draw attention to one or two of the conclusions which appear to arise from the facts.

90. The facts seem to show, in the first place, that, given a recovery from the present abnormal economic conditions, the financial scheme outlined in the Peel Report provides a foundation on which an Indian Federation can be established and can begin its work. Under that scheme it will apparently be possible to give relief to the Provinces, commensurate in amount with their most urgent needs, and compatible in form with their dignity as autonomous Units.

91. But the facts show also that this relief to the Provinces not only need not, but cannot, be given at the expense of the other Units. If, in our survey of possible federal taxes, we had found any new source of revenue, other than the excise duty on matches, which could be placed at the disposal of the Federal Government to replace taxes on income in the immediate future, we should have felt bound to report the fact, whatever might be our opinion as to the advisability of using new federal taxation for this purpose. What we have found is that the obstacles in the way of widening the basis of all-India taxation in present circumstances arise primarily from the economic conditions and the economic policy of British India, not from any conflict of policy between British India and the States. In referring to considerations of practical politics, we have in mind public opinion in British India, not public opinion in the States. In leaving open the question of the appropriation by the Federal Government of the proceeds of a new excise duty on matches so far as those proceeds are derived from the match industry in the States, we have had in mind simply the possibility, and indeed the hope, that such a duty may be imposed by co-operation between the Government of India and the State Governments before the establishment of federation; and we have refrained in all our calculations from assuming the surrender by any Unit of an existing source of revenue.

92. In other words, we have found, as a matter of fact, that the Federal Government will not have at its command, at the outset of federation, large reserves wherewith to satisfy claims, whether of the Provinces or of the States, which the Government of India have hitherto found themselves unable to meet. This fact has a bearing on the problem of equalising burdens as between all Units of the Federation. The principle of equality is accepted by all

sections of opinion. It is not our function to interpret that principle. We can only report that, on the facts as we have found them, the Provinces will have for some time to contribute, in one form or another, a considerable sum out of their income-tax receipts towards the finances of the Federal Government. The question whether, or to what extent, this special contribution from the Provinces can be regarded as balanced by any special burdens borne by the States is one which can only be decided when His Majesty's Government have all the necessary facts before them. But whatever may be the decision on this point, it seems clear that the power of the Federal Government to redress inequalities will be limited by intractable facts.

93. Perhaps this conclusion points to another. It is doubtful whether a jealous comparison of relative burdens offers a sound basis for a successful partnership. Each partner in a new enterprise must bring something substantial into the common pool and may expect to derive solid advantages from the partnership commensurate with his contribution; but, if these conditions are fulfilled, the partners will be unwise to insist on a meticulous equality. They will probably find it best to take their associates as they are. Similarly a new federation may find, at the commencement of its existence, that the conception of maintaining the *status quo* in non-essentials is a better guide to policy than any ambitious ideals of equality or uniformity.

VI.

POWERS OF TAXATION.

(i) *Allocation of Powers and Lists of Sources of Revenue.*

94. Hitherto, as we have already remarked, the facts which we have found point to the maintenance, in practice, of the *status quo* in matters of taxation as between British India and the States. We have not recommended the raising of new federal taxation for the purpose either of distributing income-tax to the Provinces or of meeting any admitted claims of individual States, whatever these may be. Those who fear that new federal taxation might be necessary for such purposes may perhaps be reassured by the fact that we have been led to this conclusion, not by any preconceived ideas of our own, but by a study of the facts.

95. Now, however, we have to consider a somewhat different question. Every government working under a fixed constitution must have powers of taxation which are not merely commensurate with its normal functions, but also sufficient to support its credit both at home and among the nations of the world. A government whose revenues are inelastic, or whose powers are so restricted that it cannot maintain a proper balance between direct and indirect taxation, will be in danger of finding that its credit is as inelastic

as its revenues and as restricted as its powers of taxation. Purely emergency powers are insufficient to avert this danger; the powers required are rather powers for the *prevention* of emergencies. However much they may be recognised to be powers held in reserve against abnormal occurrences, the government must be able, if necessary, to use them farsightedly, not merely to remedy a dangerous position when a crisis has arisen, but when possible to obviate the occurrence of the crisis itself. The true guarantee of the Units against the unnecessary use of such powers—a guarantee which was found effective by the United States of America for more than a hundred years—lies in the strict limitation of federal functions and in the reluctance of a federal legislature, representing the people and governments of autonomous units, to vote new federal taxes except in case of absolute necessity.

96. The Peel Committee contemplated that the necessary reinforcement of federal revenues might be found in excise duties and in a corporation tax. The arguments in favour of reserving the field of excise to the Federal Government, with the exception of duties on certain classes of commodities, are very strong. They are taxes on consumption which, in economic theory, should not be levied by the government of one unit on the consumers of another. It is also desirable to reserve this part of the field of taxation for the Federal Government, whose finances would otherwise be unduly dependent upon external customs. It will, however, be observed that nearly all the excise duties which would be reserved to the Federal Government under the proposals of the Peel Committee are duties which would, in all probability, be imposed only as a set-off against a decline of customs revenue resulting from a successful protectionist policy. The only exceptions are the existing duties on petroleum products and the proposed duties on matches and tobacco, and we have reported that the Federal Government may find it impossible to impose a tobacco excise for some time to come.

97. The recommendation of the Peel Committee in regard to corporation tax rested solely, as we understand it, on the assumption that this form of income-tax and no other would be acceptable to the States. We think it possible that many of the States would agree to the imposition of a corporation tax by the Federal Government, but that they would be reluctant to allow the Federal Government to appropriate the proceeds accruing in their territories. If this should prove to be the case, the advantages of giving a tax like the present super-tax on companies a distinct place in the constitution would largely disappear. We have already pointed out that the constitutional definition of such a tax would probably have to be wider than was contemplated by the Peel Committee.

98. If it were found necessary to abandon the idea of corporation tax as a federal source of revenue, the proceeds of the tax could be distributed to the Provinces on the same basis as personal income-tax (one-seventh in proportion to population and six-sevenths in

proportion to personal income-tax assessed on residents), the provincial contributions being correspondingly increased. But, if this were done, the Federal Government would lose the one tax which could be relied on at present to compensate it for a fall in customs revenue.

99. We therefore venture to make a suggestion which we do not think is inconsistent with the principles laid down by the Peel Committee, and is, indeed, in harmony with their desire to secure " a considerable degree of elasticity in the financial framework ". One fact which has come out clearly in our investigations is the widespread recognition of the need for uniformity of taxation throughout India in certain fields. It is for this reason that we have already suggested that the Federal Government should retain the power of legislation in regard to certain sources of revenue levied for the benefit of the Units. The allocation to the Federal Government of the *power* of taxation in these fields in no sense implies that the actual *collection* of the taxes concerned should necessarily be placed in the hands of federal officers, and it may be worth noting that the collection of the existing duty on petroleum products in British India is carried out by officers in the service of the Provincial Governments.

100. Our suggestion is that the Federal Government should have a general power to impose a surcharge for its own purposes on any tax levied by it in this way for the benefit of the Units. If this suggestion were adopted, it would, we think, be necessary to accord to the Units, on their side, some interest in the proceeds of federal excises, and to provide that the Federal Government should be at liberty to assign the whole or any part of the proceeds to them, as may be laid down in the Federal Act imposing the particular duty.

101. This proposal, if adopted, would, of course, result in anomalies so long as taxes imposed for the benefit of the Units were not levied uniformly throughout the Federation; but, as we have seen, an anomaly of precisely this kind must in any case exist in regard to income-tax for some time after the Federation is established, quite apart from any question of the fiscal policies of the States. Whatever those policies may be, the Federal Government will in any case be obliged to retain, in the form of contributions, a much larger percentage of the proceeds of income-tax attributable to the Provinces than would be involved in a mere federal surcharge. It will be observed that we have not sought to justify this retention of a percentage of income-tax receipts as a federal source of revenue during the early years of the Federation by any theoretical considerations. We have not, for instance, suggested that it should be regarded as a special contribution from British India towards pre-federation pension charges or the service of the pre-federation debt. On the other hand, we have not discussed whether, or in what sense, the Provinces can be regarded as having a right to the proceeds of income-tax. Having found the facts, we have been

content to present them as facts. It seems inevitable that the Federation must be established, in large measure, upon the basis of the *status quo*; but if the different fiscal policies of the partners in federation are recognised from the outset in a spirit of mutual accommodation, there can be little doubt that those policies will tend to approximate to each other as time goes on.

102. On this basis, we append three lists of sources of revenue in regard to which the power of legislation should rest with the Federal Government :—

I. Sources reserved to the Federation.

II. Excise Duties.

III. Taxes leviable for the benefit of the Units subject to a right of federal surcharge.

103. All the rights thus reserved to the Federal Government may, of course, be subject to exceptions in favour of the States, whether in respect of their treaty rights, or in respect of taxes now levied by them, or in respect of special postal and currency rights, or otherwise. We have not been required to report on the manner in which such exceptions should be embodied in the constitution or in the treaties with the States, and we therefore only note that our lists must be read with this general qualification.

104. In Appendix IV, we also give, as we are required to do, a list of other sources of revenue. This list may serve as a basis for any specific schedule of sources reserved to the Units which it may be decided to insert in the constitution. It includes sources which are or may be open to local authorities, since in constitutional theory local government taxes are provincial or state taxes, and in practice the two cannot be delimited as separate spheres. We must, however, point out that this fourth list cannot be regarded as exhaustive and that the taxes included in all four lists overlap at various points. We doubt the possibility of drawing up a completely comprehensive list of taxes not included in the first three lists; and the definition of the taxes in all the lists, so as to avoid litigation resulting from the conflict of jurisdiction, must in any case be a matter of legal draftsmanship.

SOURCES OF REVENUE IN REGARD TO WHICH THE RIGHT OF LEGISLATION RESTS WITH THE FEDERAL GOVERNMENT, SUBJECT TO STATE RIGHTS.

I.—SOURCES RESERVED TO THE FEDERATION.

1. Revenue from the public domain vested in the Federal Government, including lands, buildings, mines, forests, and any other real property of the Federation.

2. Revenue from federal enterprises, including railways, aviation, posts and telegraphs, opium and salt manufacture, and other undertakings of the Federation.

3. Profits arising from the management of federal currency, banking profits, revenue from investments or loans, payments to the Federal Government in discharge of debt, and federal lotteries.

4. Fines and penalties arising in respect of subjects administered by the Federal Government.

5. Fees levied in the course of discharging the functions committed to the Federal Government, such as fees of the Federal Court, port, pilotage and lighthouse dues, and fees for the registration of companies.

6. External customs duties and export duties.

7. Excise on salt.

8. Taxes on immigrants.

9. All sources of revenue within the Federally Administered Areas.

10. Contributions from the Units of the Federation as prescribed in the constitution.

11. Any other receipts accruing in respect of federal subjects.

II.—EXCISE DUTIES.*

Excise duties, excluding those on salt (see List I), and on alcoholic liquors, narcotics (other than tobacco), and drugs† (see Appendix IV).

III.—TAXES LEVIABLE FOR THE BENEFIT OF THE UNITS SUBJECT TO A RIGHT OF FEDERAL SURCHARGE.

Note.—The following classification, (a) and (b), merely represents what we assume may be the actual position in regard to these taxes at the outset of federation, and not necessarily a permanent constitutional classification.

(a) *In British India.*

1. Taxes on personal income other than agricultural; death or succession duties other than duties in respect of succession to land; taxes on personal capital other than land; and taxes on mineral rights.

2. Terminal taxes on railway-, water- or air-borne goods and passengers, and taxes on railway tickets and goods freights.

3. Stamp duties on certain transactions (see paragraph 30 above).

(b) *In the Federation as a whole.*

Taxes on the income or capital of corporations.

* See paragraphs 96 and 100 above.

† We think that excises on all drugs, whether "dangerous" or other, should rest with the Units, including taxes on proprietary medicines and the like.

(ii) *Questions relating to the Taxes in List III.*

105. The above scheme of allocation need not affect the substance of our proposals either for the distribution of income-tax or for the assessment of provincial contributions. The only change in our proposals would be that the Federal Government would not retain the proceeds of the super-tax on companies, which would be assigned to the Provinces together with other taxes on income; but the Federal Government would retain instead, as a general surcharge on all income-tax attributable to the Provinces (i.e., tax other than that on federal officers and residents in Federal Areas), a sum of approximately the same amount. The yield which we have assumed for the super-tax on companies in paragraph 74 above is $2\frac{1}{2}$ crores.

106. There are obvious defects in any system based upon the principle of taxation by one government for the benefit of other governments. If, however, that system is to be applied to income-tax in the interests of uniformity, the inclusion of the other items in list III appears to be either consequential or of slight comparative importance. It is possible that the existence of a federal right of surcharge may tend to make such a system work more smoothly, as giving the Federal Government a common interest with the Governments of the Units. We are clear, however, that if the Federal Government is to retain the right of legislation in the interests of uniformity, it must also retain responsibility for the laws which it passes. In this matter we are faced by a clear choice of policies. If uniformity is the main desideratum, the power of taxation can be left wholly with the Federal Government. If it is considered more important to place responsibility for raising revenue on the government which is to enjoy the proceeds, the power can be left wholly with the Governments of the Units. If a compromise be desired, the Governments of the Units, as well as the Federal Government, can be given a power of surcharge on the standard rates, either by the constitution or by delegation from the Federal Government, and either in the form of a percentage on the standard rates or to the extent of any reduction in those rates which may be made by the Federal Government. What we feel cannot be done is to purchase uniformity at the price of inflexibility, by prohibiting the Federal Government from changing the rates except with the consent of a majority of the Governments of the Units, secured through some form of special constitutional procedure.

107. We have found considerable conflict of opinion as to the desirability of giving the Provinces a right of surcharge on the standard rates of income-tax. On the whole, we think that the Federal Legislature should have power to authorise the Units to impose a surcharge on any of the taxes in List III within such limits as it may think fit.

(iii) *Other Questions arising out of the proposed Allocation of Powers.*

108. To some extent the allocation of powers of taxation depends upon the allocation of other powers between the Federation and the Units. For instance, the power to establish monopolies cannot be regarded solely, or even mainly, as a power of taxation, and it will be observed that we have been obliged to leave the classification of federal and other public enterprises open in our lists.

109. While, as already stated, we do not regard our lists as completely exhaustive, we feel that they are sufficiently comprehensive to reduce the problem of unspecified taxes to very small dimensions. We note the suggestion, made by the Peel Committee, that the right to levy such taxes should rest with the Units but that the Units should exercise this right only in so far as the taxes imposed do not conflict with the federal scheme of taxation. We feel that this suggestion might, in practice, create more doubts than it removes.

110. It will be necessary to include in the constitution some provision in regard to taxes classified as federal which, at the date of federation, are already being levied by one or more of the Units. This problem arises, no doubt, particularly in the States, but it exists also in British India; for we do not see how some of the professional or "status" taxes levied in the Provinces for municipal purposes can be regarded otherwise than as taxes on income. Whatever special provision may be made in the constitution or otherwise to save the existing rights of the States, we think that the Federal Government should have power to provide by law, temporarily or permanently, that an existing tax imposed by a Unit shall not be invalidated by reason of the fact that it falls within the category of taxes reserved to the Federal Government. This will not, of course, meet the case of an existing tax of a kind prohibited altogether by the constitution. Apart from such taxes levied by States, we may mention the fact that there is at least one provincial tax—the municipal cotton cess in Bombay—which, being in effect a transit duty, appears in its present form to fall within this category.

VII.

OTHER QUESTIONS.

111. It remains for us to consider a number of other questions referred to us.

(i) *Emergency Contributions.*

112. We are asked to report on the principle of allocation to be adopted for the contributions which it is contemplated may be

called for from the Units by the Federation in an emergency. Our task is not to define an "emergency"; but it is, we think, essential that the expression should cover economic emergencies, such as the danger of a default on the public debt or a currency crisis, as well as political emergencies, such as internal disorder or war, and that the special procedure, if any, for declaring an emergency should be speedy in operation.

113. Three possible bases of allocation suggest themselves: (1) the revenue of the Units; (2) their population; and (3) a formula based upon a scientific survey of their relative taxable capacity. The most satisfactory permanent provision would obviously be the third; but, in the absence of some such survey undertaken in connection with a general census of production, the first appears to be the best solution. The revenue of each Unit would have to be determined on a comparable basis, and such a basis might be laid down by the Auditor General. The application of this criterion would present no difficulty in the case of the Provinces. Any Units which are unable to present returns to the Federal Government on the lines laid down by the Auditor General might be assessed on a population basis, the amount of the total contribution being divided for this purpose in proportion to population between these Units and those accepting the revenue basis.

(ii) *Grants from Federal Surpluses.*

114. The recommendation of paragraph 14 of the Peel Report is that, in the event of the Federal Government's ultimately finding, "that Federal revenues yield an apparently permanent surplus," it should "be free, as a possible alternative to the reduction of taxation, to allocate the surplus proceeds to the constituent Units." It was thought desirable that "the constitution itself should lay down the proportions in which funds thus available should be divided among the Units."

115. It is clear that the situation contemplated by the Peel Committee could not arise until any prescribed process of extinguishing provincial or State contributions had been completed. If, thereafter, the Federal Government desired to make a general distribution of a part or the whole of any recurring surplus to the Units on some pre-determined basis, we suggest that, as the surplus would arise mainly from taxes on consumption, the distribution should be made on a population basis. It would, of course, be open to the Federal Government to distribute any part of such a surplus for specific purposes on any basis which might be determined by the Federal Legislature.

(iii) *Borrowing Powers.*

116. The Peel Committee expressed the view in paragraph 22 of their Report that "there must apparently be a constitutional right in a Province to raise loans in India upon the security of its own revenues." We recognise the constitutional propriety of this proposition as well as the political arguments in favour of it, but we are bound to point out its implications. It appears to involve vesting a Province with independent power to pledge provincial revenues which, as stated in the same paragraph of the Peel Report, form part of the security for the whole corpus of the federal debt, and which, moreover, form the sole security for the loans made by the Federal Government to the Province itself. We attach particular importance to this latter point, for the obligations of the Provinces to the Provincial Loans Fund have been treated in our Report, as in previous discussions on this subject, as assets covering an equivalent part of the pre-federation debt. The right of the Federal Government to call for contributions from the Units in case of emergency may perhaps afford some guarantee of the general federal debt, as suggested by the Peel Committee, but it scarcely constitutes a sufficient guarantee of the debts owed by individual Provinces to the Federal Government itself. We feel, therefore, that it is difficult wholly to disregard the considered views of the Finance Department of the Government of India expressed in paragraph 42 (3) of a memorandum* submitted to the last Session of the Round Table Conference.

117. From the purely financial point of view it would, of course, be desirable that, so long as the security for the pre-federation debt includes the revenues of the Provinces, the latter should only be allowed to borrow with the consent of the Federal Government; but if this limitation of provincial autonomy is regarded as politically inexpedient, we suggest that a middle course, based on the distinction between the general debt of the Federal Government and loans made to the Units by the Federal Government, might provide a suitable compromise. We presume that all Units will have a general right to apply to the Federal Government, as the Provincial Governments now apply to the Government of India, for the loans they require, subject to the Federal Government's being satisfied that they are able to offer adequate security for such loans; and in that case the present Provincial Loans Fund will become a Federal Loans Fund. This being so, we suggest that the Government of every Federal Unit should have the right of independent borrowing recommended by the Peel Committee, subject to a general obligation to give the Federal Government notice of its intention and an opportunity to offer advice. We doubt whether the power of control, suggested by the Peel Committee, over the time at which a Unit may issue a loan, could be expressed in the constitution in any more

* Reproduced in Proceedings of Federal Structure and Minorities Committees, page 506 (Published by H.M. Stationery Office, 1932.)

definite form than this. If, however, a Federal Unit has loans outstanding with the Federal Government (whether or not such loans were raised before the date of federation), its right of independent borrowing should be regarded as in abeyance, and it should be obliged to obtain the consent of the Federal Government for any further loan which it desires to raise.

118. As regards the machinery required to carry out these principles, we think that preliminary consultation between the Units participating in the Federal Loans Fund will be desirable for the purpose of avoiding excessive and conflicting applications to the Federal Government for loans; and if an Inter-State Council be set up for the purpose of securing co-ordination in certain fields of administration, this body might usefully be employed for that object. Such a body, however, should not have the right to consider applications for loans on behalf of the Federal Government; still less could it be the authority for raising loans. It seems clear that only the Federal Government can have authority to raise or make loans. In raising loans, it will no doubt take such expert advice as may seem to it useful in the particular circumstances. In making loans to the Federal Units, however, we think it should be required to follow a definite procedure. All applications for such loans should be referred by it to a body of Loan Commissioners. This, we consider, should be an expert and impartial, not a representative body. Apart from other considerations, some Provincial Governments at any rate would certainly be unwilling that their applications should be considered by representatives of other Provinces, and States Governments may be expected to feel at least an equal reluctance. Applications from Units having loans outstanding from the Federal Loans Fund for consent to independent borrowing should also be referred to these Commissioners. The decision on all applications should, however, rest with the Federal Government itself, which should have full discretion to fix the terms of any loan it may grant to a Unit and to attach such conditions as it may think fit. It should also have the right to attach conditions to any consent it may give to independent borrowing by any Unit.

(iv) *Immunity of Federal Property.*

119. The Peel Committee agreed in principle to the proposition that no form of taxation should be levied by any Unit of the Federation on the property of the Federal Government, but felt some difficulty as to the precise form in which such an immunity could be expressed in the constitution. These, of course, are matters for a constitutional lawyer and as such hardly fall within our competence. We would observe, however, that no difficulty appears to have been experienced in other federations, as is shown for example, by

Article 125 of the British North America Act (1), Article 114 of the Commonwealth of Australia Act (2), and Article 10 of the Constitution of Brazil (3)*. This being the case, we doubt whether anything more is necessary than a general provision in the constitution, and we also doubt whether a distinction between provincial and municipal taxation, even if it were practicable, would be appropriate to a federal constitution. The exact application of the principle can, we think, be left to the judgment of the Federal Government itself. We suggest, therefore, that the wording of the constitutional clause should be on the following lines :—

“ No property belonging to the Federal Government shall be liable to taxation without the consent of that Government.”

120. It will be observed that the clauses of other federal constitutions referred to above provide for a reciprocal exemption for the property both of the Federation and of its Units. If it is thought desirable to adopt the principle of reciprocity, the exemption in the case of the Units should, we think, be confined to land and buildings and should not confer, for instance, an immunity from customs duty on imported stores. †

VIII.

CONCLUDING NOTE.

121. We may, perhaps, be allowed to conclude with a word of general explanation. We have based our labours, as we were required to do, upon the Peel Report, and have kept in mind, throughout our enquiry, the restricted view of our functions advanced by the Federal Structure Committee of the Round Table Conference. These restrictions may not have materially affected our findings since, as we have pointed out, the whole problem of federal finance is in any case narrowly restricted by the facts of the situation. It remains true, however, that the assumptions from

* (1) British North America Act, Article 125 :

No Lands or Property belonging to Canada or any Province shall be liable to Taxation.

(2) Commonwealth of Australia Constitution-Act, Article 114 :

A State shall not, without the consent of the Parliament of the Commonwealth, raise or maintain any naval or military force, or impose any tax on property of any kind belonging to the Commonwealth, nor shall the Commonwealth impose any tax on property of any kind belonging to a State.

(3) Constitution of the United States of Brazil, Article 10 :

The States are prohibited from taxing Federal property and revenues or services undertaken on account of the Union, and *vice versa*.

† This recommendation is not, of course, intended to affect the existing courtesy concessions which, we understand, are enjoyed by certain Rulers of Indian States.

which we have started were not chosen by us, but laid down for us. We feel it is right to emphasise this, if only because some of us may be concerned, in one way or another, with future discussions on some of the issues arising in connection with our Report. We should like, therefore, to make it clear that our Report must not be read as committing us individually to a particular view on any question of principle or policy, and that on any such question each of us retains complete liberty of action. Our Report merely embodies a considered judgment on the facts and figures which have formed the subject of our enquiry and on their application to a system of finance prescribed for us.

We have, etc.,

EUSTACE PERCY,
Chairman.

L. J. KERSHAW.

A. HYDARI.

K. N. HAKSAR.

F. P. ROBINSON.

V. S. SUNDARAM.

K. SANJIVA ROW,
K. ANDERSON,
Secretaries.

New Delhi,
28th March, 1932.

APPENDIX I.

NOTES ON THE FEDERAL FORECAST.

(i) CUSTOMS.

General.

Each individual item of revenue under this major head has been scrutinised in the light of all relevant statistics and of the probable developments in the near future.

The maintenance of the existing tariff, omitting the emergency surcharges, has been assumed. The rates upon which our estimate is based are accordingly those laid down by the First Finance Act of 1931, except in regard to machinery, coal-tar dyes, raw cotton, and certain minor items, for all of which we have taken the rates of the Supplementary Finance Act of the same year. It has also been assumed, purely for the purpose of these calculations, that trade with Burma will be free, and that kerosene from Burma will pay the present rate of excise duty (2½ as. per gallon) and not the present rate of customs duty (3 as. per gallon).

We recognise the possibility of reduction in, or the removal of, the duties on machinery, coal-tar dyes and raw cotton; and against this possibility we set off the possibility of customs duties being levied, either in full or at reduced rates, on trade with Burma.

We also understand that the Government of India are considering the possibility of establishing land customs stations on the Afghan and certain other external frontiers where customs duties are not now levied, and if this be done the additional yield would amount to a substantial sum. We have not, however, taken this into account, but have preferred to treat it as a margin of safety against over-estimating.

Sugar, Cotton Piece-goods and Iron and Steel.—The revenue under these three principal protected items is bound to fall substantially if the protective policy is successful, and we have made the necessary allowance for this after studying the facts relating to consumption and local production.

Motor and Allied Trades.—We have assumed that the same share of the revenue from petrol duty will be allocated to the Road Fund as at present.

It is unlikely that there will be the rapid expansion of revenue under this head which was forecasted in the Note of the Central Board of Revenue attached to the Government of India's Despatch on Reforms*, and we have allowed only for a moderate increase. It is not improbable that the diversion of a larger proportion of the proceeds of these duties than at present to a programme of road development might, in the long run—though not immediately—result in a substantial increase in revenue.

We should, perhaps, add that we have received some evidence suggesting that the present burden of taxation, especially taxation by local authorities in certain Provinces, is unduly severe, and that some co-ordination of policy is desirable if the growth of motor traffic is not to be impeded.

Silver.—There is some reason to believe that, with the changing habits of the people, the money spent on silver may be diverted to the purchase of other luxuries. We have, therefore, made a conservative estimate of revenue from this head.

Jute.—Under this head also we have made a conservative estimate and have adopted a figure well below what has been reached in the past.

* Dated 20 September 1930, published as Cmd. 3700 of 1930.

(ii) SALT.

No account has been taken of the special protective duty on imported salt, which is distributed to the Provinces.

(iii) OPIUM.

The figure under this head assumes that, when exports cease, opium will be sold to Provincial Governments by the Ghazipur Factory at cost price. (The Centrally Administered Areas have been treated as "provincial" for the purpose of the statement.) The only net revenue, therefore, will be that from Burma if, as has been assumed, supplies are sold to that country at the same price as to colonial and foreign Governments. There are other possible sources of revenue, such as medical opium, but these seem too small and speculative to be taken into account.

(iv) RAILWAYS.

In assuming a sum of five crores as a contribution from the Railways to general revenues, we have regarded it as axiomatic that the Federal Government cannot acquiesce in the Railways being less than self-supporting. Indeed, this principle has been recognised in certain suggestions which have been made to us. It has, for example, been suggested, on the one hand, that the Railways, instead of paying a contribution to general revenues, should themselves assume direct responsibility for the amortisation of that part of the public debt which represents capital at charge in the Railways. The sum of five crores which we have assumed as the Railway Contribution is rather less than the amount set aside each year in the central budget for this purpose. Alternatively, it has been suggested that, if the capital in the Railways is regarded as an investment, the Central Government is entitled to expect to receive, in the form of interest at a higher rate than the rate at which it borrows, a sum sufficient to provide, not only for the interest which it has itself to pay, but also for the writing down of the capital invested as a reserve against obsolescence. If interest were charged at 5 per cent., the difference would materially exceed five crores. We do not wish to associate ourselves definitely with either of these suggestions, but, having regard to all the relevant factors, it seems clear that, unless the Railways contribute a sum of the order of five crores to federal revenues, they would be receiving what would in effect be a subsidy from those revenues; and from our examination of the material submitted to us, we believe that the Railways should be able, in fact, to provide a contribution of this magnitude.

(v) CURRENCY AND MINT.

The normal revenue under this head, whether derived directly from the profits of currency management or indirectly from a share in the profits of a Reserve Bank constituted in accordance with the scheme embodied in the Reserve Bank Bill of 1928, may be expected to be about 3-80 crores, and we have adopted this figure. In the three years immediately following the establishment of a Reserve Bank, however, there will be a temporary reduction in the Government's receipts, amounting in the aggregate to about four crores. In a forecast such as we are attempting it seems justifiable to ignore this temporary fluctuation and to regard the loss of four crores, spread over the three years, as part of the cost of establishing the Reserve Bank. A possible way of providing for this temporary loss of revenue would be to establish a reserve fund in the years preceding the establishment of the Bank.

(vi) MISCELLANEOUS REVENUE.

We have retained an entry for Réparations and on the other hand have made provision for expenditure on account of War Contribution.

(vii) TAXES ON INCOME.

The estimate under this head is based on the revenue which might have been realised in an average pre-slump year if the rates imposed in March, 1931, had been in operation, an appropriate deduction being made on account of the separation of Burma. If full allowance were made for all the following factors, the net result would be an increase in the estimate:—

(a) The retention of the Rs. 1,000-2,000 zone of taxable income.

(b) Amendments of the law which have been under consideration, such as the taxation of foreign investments and the removal of the exemption from company super-tax now enjoyed by companies in respect of the first Rs. 50,000 of their income.

(c) Increased efficiency of collection.

(d) The decrease in revenue which would result if Government were to allow the carry-forward of business losses, relieve companies from super-tax on their income from investments in other companies, and allow the deduction of company super-tax in assessing the profits of companies to income-tax.

(viii) DEBT SERVICES.**(a) Net Interest.**

This entry represents the total interest paid by Government on its borrowings less interest receipts from the various departments, Provinces, States and individuals to whom Government has lent money. It is assumed that no change will be made in the arrangements governing the rate of interest charged to commercial departments; that, on balance, net receipts from Provinces, States and individuals will also remain unchanged; and, although this must necessarily be pure conjecture, that future long-term borrowing will be on a 6 per cent. basis.

(b) Reduction and Avoidance of Debt.

The calculation has been made on the assumption that no change is made in the scheme now in operation.

(ix) POSTS AND TELEGRAPHS.

We have assumed that the Government of India will be successful in their declared policy of making this Department self-supporting.

(x) MILITARY BUDGET.

Our estimate under this head is based on the 1932-33 budget figure, allowance being made for restoration of pay-cuts, resumption of normal building and stores programmes, and the separation of Burma. No provision has been made for non-recurrent expenditure on the completion of the special re-equipment programme, the cost of which would be about 3 crores.

(xi) NORTH-WEST FRONTIER PROVINCE SUBVENTION.

We have adopted unchanged the figure included in the 1932-33 Budget.

(xii) CIVIL WORKS.

This figure includes expenditure on the Road Fund, which is fed from the duty on motor spirit, and allows for the restoration of the normal level of maintenance expenditure.

 APPENDIX II.

ALLOCATION OF PENSION CHARGES.

(i) *Introductory.*

1. Among our terms of reference, we have been charged with the duty of investigating the allocation of civil pension charges between "Federal" and "Central." The relevant passages in paragraph 5 of the Report of Lord Peel's Committee are as follows:—

" . . . 'Central' expenditure, broadly speaking, will consist of three categories:—

" (1)

" (2) A share in pre-Federation obligations in respect of civil pensions.

" (3)

" As regards (2), the allocation of 'Central' civil pension charges (not debited to the Provinces) between Federal and 'Central' is a point which should be investigated by the Expert Committee. *There seems no reason why the Federation should not be charged in respect of the pensions of officers who were previously employed on duties which, in future, will fall within the scope of Federal activities, but there may be a case for making the balance a 'Central' charge.*"

2. It will be apparent from this extract that we are not concerned with military pensions (i.e., the pensions included in the Army Budget), which the Peel Committee contemplated would in any case be a federal liability; nor need we have regard to the accrued pension liability in respect of serving officers, as the pensions of such officers can be suitably allocated when the officer retires.

3. The civil non-effective charges in the budget of the Central Government fall under two major heads, namely, "Superannuation Allowances and Pensions," and "Territorial and Political Pensions." The charges and receipts under each of these two heads during the year 1930-31 are tabulated and classified in the following statements.

TABLE A.

Account of Charges and Receipts in respect of Superannuation, Retired and Compassionate Allowances and Pensions during the year 1930-31.—Central.

No. (1)	Items. (2)	Charges in		Receipts in		Net (charges— receipts). (7)	Remarks. (8)
		India. (3)	England. (4)	India. (5)	England. (6)		
		Rs.	£	Rs.	£	Rs.	
			I.—ORDINARY PENSIONS.				
1	Superannuation and Retired allowances.	86,69,636	1,075,261	5,91,884	—	—	* Includes equated payments of commutations, gratuities and concessions to I.C.S. Officers for past annuity contributions, and pensions, etc., on retirement of officers of the following classes :— India office and other Home Service; Superannuation; Compensation (on reduction of staff); Compassionate and Injury; Gratuities under the Superannuation Act, 1909; Judges of the High Courts in India; Bishops of Madras and Bombay; Indian Civil Service; Other Civil Services in India; Military and Marine officers in respect of civil employment; Bengal Pilot Service.
2	Compassionate allowances ...	1,66,276	9,430	—	—	—	
3	Pensions for Distinguished and meritorious services.	16,898	1,839	—	—	—	
4	Donations to Provident Funds of non-pensionable officers.	1,29,024	—	—	—	—	
5	Covenanted Civil Service Pensions.	2,222	—	—	—	—	
		89,84,056	1,086,530	5,91,884	—	—	
		= Rs. 1,44,87,067		Rs. 5,91,884		2,28,79,230	
	Total ordinary pensions ...	Rs. 2,34,71,123		Rs. 5,91,884		2,28,79,230	
	Less recovery from Commercial Departments ...	... ..		... ..		66,36,613	
		... ..		... ..		net Rs. 1,62,42,626	

[continued.]

TABLE A—continued.

No. (1)	Items. (2)	Charges in		Receipts in		Net (charges— receipts). (7)	Remarks. (8)
		India. (3)	England. (4)	India. (5)	England. (6)		
		Rs.	£	Rs.	£	Rs.	
II.—FAMILY PENSIONS.							
<i>1. Closed Funds—Military.</i>							
6	Military Fund	6,598	—	—	—	—	
7	Bengal Military Fund	—	73,462	—	353	—	
8	Madras Military Fund	—	96,002	—	225	—	
9	Bombay Military Fund	—	57,374	—	209	—	
10	Military Orphan Fund	24,723	—	1,36,997	—	—	
11	Bengal Military Orphan Society	—	43,877	—	303	—	
12	Medical Retiring Fund	1,587	—	—	—	—	
13	Madras Medical Fund	361	17,540	—	—	—	
14	Marine Pension Fund	—	—	12,618	—	—	
15	Indian Navy Fund	—	6,399	—	1	—	
		33,269	294,654	1,49,615	1,091	—	
		= Rs. 39,28,720		= Rs. 14,547			
	Total closed Funds—Military ...	Rs. 39,61,989		Rs. 1,64,162		37,97,827	

2. Closed Funds—Civil.					
16 India Office Provident Fund ...	—	8,608	—	520	—
17 Home Service ...	—	3,189	—	3,522	—
18 Bengal, Madras and Bombay Civil Funds.	20,208	209,499	—	175	—
	20,208	221,296	—	4,217	—
	= Rs. 29,50,613		= Rs. 56,227		
Total closed Funds—Civil ...	Rs. 29,70,821		Rs. 56,227		29,14,594
Total closed Funds ...	Rs. 69,32,810		Rs. 2,20,389		67,12,421
Military and Civil ...					
3. Open Funds.					
19 I.C.S. Family Pensions...	60,984	106,087	5,98,257	9,449	—
20 Bengal Pilot Service Family Pensions.	—	3,652	—	—	—
	60,984	109,739	5,98,257	9,449	—
	= Rs. 14,63,186		= Rs. 1,25,987		
Total open Funds ...	Rs. 15,24,170		Rs. 7,24,244		7,99,926
Total Family Pensions ...	Rs. 84,56,980		Rs. 9,44,633		75,12,347
21 Total Family and Ordinary Pensions.	3,19,28,103		15,36,517		2,37,54,973
Add Miscellaneous items which include <i>inter alia</i> adjustments on account of Exchange and Refunds.	4,85,091		69,189		4,15,902
Grand Total ...					2,41,70,875

TABLE B.

Account of Territorial and Political Pensions for the year 1930-31.

	<i>Amount paid</i>	
	<i>in India.</i>	<i>in England.</i>
	<i>Rs.</i>	<i>£</i>
1. Pensions to members of former Ruling Families	10,49,044	8,456
2. Miscellaneous Pensions	19,24,031	—
3. Charitable Allowances	67,746	—
Total	30,40,821	8,456
		= Rs.1,12,745
Exchange	1,433	—
Grand Total	Rs.31,54,999	
Receipts	Nil.	

4. The items in Table A have been divided into three groups, viz., Ordinary Pensions, Closed Funds and Open Funds, and we now proceed to deal with each group in turn.

(ii) *Ordinary Pensions.*

5. Item 4 in Table A represents the amount adjusted annually to the credit of the provident funds of non-pensionable serving officers. It is, therefore, in a different category from non-effective payments in respect of past service and does not require to be analysed for the purpose of allocation between federal and central. On the other hand, items 1, 2, 3 and 5 in the same Table, which constitute what may be called the regular civil pension list of the Central Government, include pensions granted both in respect of service under the Central Government, and in respect of service under the Provincial Governments. The history of the matter is as follows.

6. Prior to 1st April, 1921, the division of civil pension charges between the Government of India and the Provincial Governments was arbitrary, being based upon administrative convenience. All pensions drawn outside India, irrespective of whether the pensioner had served in a Province or directly under the Government of India, were finally debited to the Central Government. Pensions paid in India, irrespective of the Government under which the pensioner had served, were (subject to certain exceptions in the case of payments made in Calcutta City) borne by the Province in which the pensioner resided and drew the pension. The Meston Committee considered whether the incidence of these pension charges should not be re-adjusted so as to make each Government bear the pensions of its own servants, but recommended that, while in regard to future pensions (i.e., pensions sanctioned on or after 1st April, 1921) each Government should bear the pensions of its servants, the apportionment of past pensions should not be disturbed, this fact being taken into account in the new financial settlement between the Provinces and the Central Government. The recommendation of the Meston Committee was accepted.

7. The civil pensions now paid by the Government of India (Central Government) accordingly fall, broadly speaking, into two separate categories:—

A.—*Pensions sanctioned on or after 1st April, 1921.*—These consist of the pensions of officers who had served wholly under the Central Government and the appropriate share (on the basis of length of service) of pensions of officers who had served for part of their service only under the Central Government; and

B.—*Pensions sanctioned before 1st April, 1921.*—These consist of (a) pensions in course of payment outside India on 31st March, 1921; (b) pensions in course of payment in Centrally Administered Areas on that date; and (c) pensions in course of payment in Calcutta City on that date in respect of service in certain Central Departments.

8. The above description of the two categories is not strictly accurate because the original allocation has been complicated by the adjustments which are made from time to time between Provincial Governments *inter se*, and with the Central Government, by the payment of commuted lump sums when a pensioner changes his residence (and consequently the place of payment of his pension) from the jurisdiction of one Government to that of another, or when a Government desires to pay off, once for all, its liability for a share in a joint pension. As a result of such adjustments, the present pension charges of the Central Government include certain provincial pensions in respect of which the Central Government has previously received the commuted value. On the other hand, certain central pension charges have been finally extinguished by the payment, in the past, of commuted values to Provincial Governments. The effect of these modifications will be considered later.

9. As regards pensions sanctioned on or after 1st April, 1921, there is little doubt that, with few exceptions, they relate to service rendered in departments which will in future be federal. The only important exception is the Income-tax Department which, from the point of view of pensions, is a very young department. It was formed gradually between the years 1921 and 1926, mostly with directly-recruited young men, although there was a small nucleus staff from the Land Revenue Departments of the Provinces. The pension charges already in existence on account of service in this Department must be quite small and they will presumably be so when the Federation is started. We are advised that the ascertainment of the exact share of existing pensions attributable to service in the Income-tax Department would involve the examination of a very large number of pension records throughout all the Provinces, and that it is more than probable that some of the necessary records may not be available. In the circumstances, and especially in view of the probable smallness of the figure, we have not thought it necessary to ask that this work should be undertaken at the present stage. We assume that, after the Federal Government is established, new pensions in respect of service rendered in this Department, whether before or after federation, will be a charge on income-tax collections. The other two exceptions relate to the Archaeological and Zoological Survey Departments. As regards these, we assume that the pension liability will follow the liability for the effective cost of the Departments, which the Peel Committee contemplated would in fact be a federal charge even if no agreement were reached to federalise them, and that in these circumstances it is not necessary to attempt to estimate the pension charge, which must in any case be insignificant.

10. We are left with pensions sanctioned before 1st April, 1921. These constitute the most important item, and it will be convenient to consider separately

- (1) pensions paid in India, and
- (2) pensions paid outside India.

(1) *Pensions sanctioned before 1st April, 1921, and paid outside India.*

11. The expenditure in 1920-21 on the four most important items in this class (which accounted for 95 per cent. of the total) was £1,218,922 (Rs. 1,81 lakhs). We are informed by the High Commissioner that the corresponding charge in February, 1932, was £626,980 (Rs. 84 lakhs) per annum.

12. A large part of these pensions undoubtedly relates to service rendered under Provincial Governments; and in view of the magnitude of the sum involved, it is necessary to attempt to ascertain how much. The only accurate method of ascertaining the exact share debitable to Provincial Governments would be to examine the "history of services" of each of the pensioners, but even if the necessary records were forthcoming, this would be an inordinately heavy task. The next best criterion (for which there is ample precedent) would probably be to apportion the pension charge in the ratio of the relative pay-bills for the Superior Civil Services of the Central and Provincial Governments in 1920-21 or, failing the above, the relative pay-bills for all establishments during 1920-21. Since, under the system of accounting adopted, the necessary information could only be obtained by a special analysis of the detailed accounts of the Government of India and the Provincial Governments kept by various Accountants General, we have not been able to adopt either of these methods. A rough estimate can, however, be made by taking the total expenditure in and about 1920-21 of Provincial Governments and of the Government of India on Departments (viz., collection of revenue, civil administration, currency and mint and posts and telegraphs) in which the bulk of the expenditure is on salaries. Figures on this basis, which have been supplied to us by the Finance Department, suggest that about one-sixth of the 84 lakhs referred to above relates to service under the Central Government and the balance to service under Provincial Governments. One-sixth of the charge should accordingly be borne by the Federal Government, since it relates to services which will be federal, while the balance would be "Central."

13. It should be added that the sterling pensions have already run for about eleven years, so that their present value is estimated not to exceed Rs. 6 crores. The value will be still smaller by the time the Federation comes into being.

(2) Pensions sanctioned before 1st April, 1921, and paid in India.

14. A special investigation made on our behalf by the Accountant General, Central Revenues, shows that the pensions paid by him under this class amount to about Rs. 4½ lakhs per annum at the present date. The corresponding expenditure on his books during the year 1920-21 was just under Rs. 18 lakhs. The central pensions paid by other Accountants General in 1920-21 cannot readily be ascertained; but it appears that about 3 to 3½ lakhs were paid on this account in 1930-31. Having regard to the expectation of life in India and to the fact that those pensions have already run for eleven years, during which time the pensions paid by the Accountant General, Central Revenues, have fallen from Rs. 18 lakhs to Rs. 4½ lakhs, it may be assumed that this charge will practically disappear in the course of the next few years. There is no material available to us from which it might be possible to allocate these pensions, aggregating 7½ to 8 lakhs, with reference to the service of the pensioners. In any case, if such an allocation were attempted, it would be necessary to make a similar allocation of pensions paid out of provincial funds by other Accountants General. On the following assumptions, viz., (a) that the Central Government took over in 1921 a little over two-fifths in all of the total pensions then in existence, (b) that the true share of the Central Government ought to have been between one-sixth and one-seventh of the whole, and (c) that pensions paid in India as a whole are dying out at the same rate as the pensions on the books of the Accountant General, Central Revenues, a rough calculation shows that the amount of the pensions now paid by the Central Government in India differs from the proper figure by a few lakhs. In the circumstances, a detailed investigation appears to be unnecessary.

15. There remain the pensions now paid by the Central Government which were originally paid by a Provincial Government. Detailed figures of inter-governmental adjustments of commuted values (which take place frequently) are not available; but the Central Government, having received the commuted value of the pension from the Provincial Government and *vice versa*, the residual pension liability is in reality a debt liability, and as such would naturally be federal. If this is not sufficient to settle the matter, it is almost certain that, as a result of commutation, more Central Government pensions have become a provincial liability than *vice versa*.

16. Taking all these facts into account, it does not seem unreasonable to assume a figure of the order of 70 lakhs as the approximate "Central" liability at the present time in respect of ordinary pensions awarded before 1st April, 1921.

(iii) *Family Fund Pensions.*

(a) *Closed Funds.*

17. A brief account of the funds falling under this class is given below :—

No.	Name of fund.	Started in.	Net expenditure in 1930-31.	Remarks.
		<i>Military.</i>	Rs.	
1	Military Fund ...	1770	6,598	Designed for payment of pensions to officers and men in the military service of the East India Co., and to their widows.
2	Bengal, Madras and Bombay Military Funds.	Early in the 19th Century. Taken over by Government in 1866.	30,14,012	Family pension funds for military officers.
3	Military Orphan Fund.	—	—1,12,274	
4	Bengal Military Orphan Society.	1856. Taken over by Government, 1866.	5,80,987	
5	Medical Retiring Fund.	—	1,587	
6	Madras Medical Fund.	Early in 19th Century. Taken over by Government, 1866.	2,34,228	
7	Marine Pension Fund.	—	—12,618	
8	Indian Navy Fund	—	85,307	
		<i>Civil.</i>		
1	India Office Provident Fund.	1877	1,07,840	To provide pensions to widows and orphans of persons on the home establishment of the Secretary of State and of the Auditor of Home Accounts.

No.	Name of fund.	Started in.	Net expenditure in 1930-31.	Remarks.
		<i>Civil—cont.</i>		
2	Home Service ...	—	Rs. —4,440	Pensions of widows and families of officers of the Home Service, from funds (established by the East India Co.), to which the officers subscribed.
3	Bengal, Madras and Bombay Civil Funds.	Early 19th century	28,11,194	Initially purely charitable concerns, they developed into mutual insurance associations under the management of trustees. They received aid from the Company and later on from Government.

These funds, broadly speaking, were mutual insurance funds, the pensions being paid out of subscriptions by officers, supplemented, in some cases, by subventions from Government. Most of the funds were closed to new entrants many years ago, and have been merged in the Government revenue accounts, Government taking over both the assets and the liabilities. Of the total expenditure in 1930-31 of Rs. 67,12,421, considerably more than half, namely, Rs. 37,97,827, related to officers in the Army and the Royal Indian Marine, both of which will, in future, be federal services. In so far, therefore, as the present payments are in part covered by the assets taken over, the liability might be regarded as a debt liability; and, in so far as they are not so covered, the liability is still federal, because the Army and the Royal Indian Marine are to be federal subjects.

18. As regards the balance, practically the whole of the expenditure relates to the Bengal, Madras and Bombay Civil Funds. The assets of these funds were merged in the resources of Government, and to the extent to which these assets covered the liabilities, the future payments, as in the case of the funds dealt with in the preceding paragraph, could be regarded as a debt liability. The balance, if any, of the liability is theoretically central. The gross payments on account of the funds were, in round figures, £266,000 in 1910-11; £253,000 in 1920-21; and £209,000 in 1930-31. The funds were closed to new entrants in the eighties of the last century; and the payments may therefore be expected to continue so long as children of officers who entered the service at that time are living. There is little doubt, however, that the reduction in the expenditure in future will be more rapid than in the past, and, in any case, the present value of the liabilities is not likely to exceed a few crores.

(b) *Open Funds.*

19. There are only two funds in this class, viz., the Bengal Pilot Service and the I.C.S. Family Pension Funds. Since pilotage will presumably be a federal subject, at least so far as the Bengal Pilot Service is concerned, it is immaterial whether the receipts and expenditure on account of this fund continue to be included in the Government revenue accounts or whether a separate fund is formed for the purpose. In any case, a separate *pro forma* account is now maintained for the pilotage service and the fees are fixed so as to cover expenses. In that account, provision is made for these family pensions so that the cost of the pensions is recovered from the users of the service.

20. The I.C.S. Family Pension Fund, on the other hand, presents difficulties. The receipts and expenditure are incorporated as an integral part of the revenue accounts of Government, but there is a periodical actuarial investigation of the assets and liabilities on the hypothesis that all contributions had been paid to a fund, earning interest. A *pro forma* account exists, showing the amount of Government's liability to the hypothetical fund on this basis; and, in the light of the actuarial investigations, subscriptions and concessions are altered from time to time. In addition to the pensions earned by the members' contributions, Government pays additional benefits, limited in the aggregate to £35,000 a year. This limit has never been reached and Government's liability under this provision is now about £12,500 per annum. We are informed that it is already in the contemplation of the Government of India to distribute among Provincial Governments their share of this charge of £12,500. Any remaining liability will only relate to officers employed on duties which in future will be federal (with the exception of the income-tax and other minor services referred to in paragraph 9 above). In addition to the above concession, the Government of India makes good to the fund the loss due to the concessions given to officers who retire on proportionate pensions. The amount so met, up to 31st March, 1923, was about £15,000, of which the greater share will presumably be debitable to the Provinces.

21. The Government's *pro forma* capital liability to the I.C.S. Family Pension Fund has been estimated at £3,750,000 on 31st March, 1931. Under the present arrangement this liability does not appear anywhere in the Government accounts, and consequently the latter do not show any adjustments on account of interest on these balances. It would seem that, for the present purpose, the proper method of dealing with this class of pension is to assume that the receipts and payments are removed from the revenue accounts and that a true interest-bearing fund is constituted, out of which all payments are made. The matter then passes from the realm of pensions to the realm of debt. A *pro forma* liability for the capital charge was, in fact, included in the statement of debt submitted to the Committee by the Finance Department. If this suggestion is adopted, it is not essential to assume that in future the interest on the balance of the fund will, in fact, be debited in the revenue accounts of Government every year. So long as subscriptions and concessions are altered from time to time in the light of actuarial investigation, which assumes payment of interest by Government on the balance of the fund, it is immaterial to the Government revenue account, in the long run, whether the receipts and expenditure of the fund are passed through this account or whether these items are excluded and interest alone is paid on the balance of the fund. In the immediate future, however, in view of the fact that the "peak" figure of pensions has not yet been reached, the result of

eliminating the transactions of the fund from the revenue account would be to add about Rs. 17 lakhs a year to the net expenditure of Government as shown below:—

	<i>Rs. Lakhs.</i>
Receipts in 1930-31	7.10
Expenditure (including additional pensions paid by Government)	14.72
Net expenditure ...	7.62

If a separate fund were formed and interest adjusted, the interest (at 5 per cent.—the present rate allowed to the contributors—on £3½ million) would be, say, 25 lakhs, so that the net effect of the change on the revenue budget would be a loss of about 17½ lakhs. This deterioration in the budget position is due to the fact that, at present, the net outgoings are less than the interest on the capital value of the fund. It will be off-set in later years, for if the present system continues the net expenditure of Government will ultimately exceed the interest payable on the balance of the fund. In either alternative, as already stated, the bulk of the additional pensions given by Government and of the loss made good to the fund on account of officers retiring on proportionate pensions would be debitable to Provincial Governments, relieving the central budget of about Rs. 1.5 lakhs (maximum about Rs. 4.25 lakhs) on account of the additional pensions, and of a varying figure on account of the loss due to officers retiring on proportionate pensions. The balance of these items would, of course, be a proper federal charge.

22. It only remains to deal with Territorial and Political Pensions (see Table B above). It is stated in the Finance and Revenue Accounts that the items recorded under this head are pensions and charitable allowances granted, for reasons of state, to members of former ruling families and to non-officials whose services, descent or connection are such that, on general grounds of policy, it is desirable for Government to extend to them some measure of assistance or recognition. These pensions, therefore, are essentially of the nature of political expenditure and would presumably be a federal charge.

23. All the above calculations are theoretically subject to adjustment if Burma is separated. According to Sir Henry Howard, 5.055 per cent. of the civil pension charges of the Government of India should be debited to Burma; while, according to Mr. Nixon, 10.5 per cent. should be so debited. The difference in the amount of the ultimate "Central" charge is therefore immaterial.

APPENDIX III.

DISTRIBUTION OF INCOME-TAX.

1. We have taken "personal" income to include all income except the undistributed profits of companies and the income of persons residing outside British India. That is, it includes the "total income" (including income taxed at source like dividends of companies and profits of firms) of all individuals and Hindu undivided families, and such part of the incomes of firms, and of associations not being firms companies or Hindu undivided families, as are not assessed in the hands of partners and members.

2. The published statistics of the Income-tax Department deal primarily with figures of assessed income without completely distinguishing between "personal" income and other income. The Central Board of Revenue has obtained, during the last few years, certain figures of "personal" income in each Province; but these, too, are not complete enough for our purpose, inasmuch as they refer only to *formally* assessed incomes of individuals and Hindu undivided families and exclude, not only incomes not formally assessed, but also the entire incomes of unregistered firms and certain associations, some of which should be included under "personal" income. Further, these statistics do not show the extent to which salaries of officers of departments which will be federal in future have been included in the provincial figures.

3. We have been advised that it was not possible for the Income-tax Department to furnish, within the short time available, accurate figures on the basis required by us. In the circumstances, the Table given below has been compiled according to the best estimate we can make on the basis of the existing statistics. The Table, therefore, must not be taken as exactly representing the percentages due to each Province; and it is necessary, as pointed out in the body of the Report, that the figures should be reviewed in the light of more complete and up-to-date statistics before any distribution of income-tax is actually made to the Provinces.

TABLE C.
DISTRIBUTION OF INCOME-TAX.

Province.	Percentages.				Rupees (in lakhs).			Remarks.
	Population.	Total personal income.	Personal income-tax including tax on federal salaries.	Personal income-tax without tax on federal salaries.	Collections, income-tax, including tax on federal salaries.	Collections, personal super-tax.	Collections, company super-tax.*	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Madras	18·32	15·00	14·54	14·81	126·0	7	7·4	* The double income-tax relief given to companies has been wholly shown under Column 8 in order to simplify calculations.
Bombay (including Sind)	8·70	27·25	27·84	28·30	271·0	50	39·25	
Bengal	19·64	24·25	26·18	26·68	352·0	110	93·7	
United Provinces ...	18·98	9·00	8·86	8·50	72·0	8	3·63	
Punjab	9·24	9·50	8·17	7·48	61·5	2	2·17	
Bihar and Orissa ...	14·73	5·75	6·37	6·60	41·5	18	0·22	
Central Provinces ...	6·06	4·75	4·57	4·70	36·5	3	1·19	
Assam	3·38	2·50	2·22	2·20	34·0	1	0·93	
North-West Frontier Province	0·95	2·00	1·25	0·73	9·0	1	—	

Column 2 based on 1931 census ; Columns 3, 4 and 5 on the average figures of the five years 1926-27 to 1930-31 ; and Columns 6, 7 and 8 on the figures of the six years 1925-26 to 1930-31 (adjusted in the case of Column 7 with reference to figures of earlier years).

APPENDIX IV.

SOURCES OF REVENUE RESERVED TO THE UNITS.*

1. Revenue from the public domain, including lands, buildings, mines, forests, fisheries, and any other real property belonging to the Units.
2. Revenue from public enterprises such as irrigation, electric power and water supply, markets, slaughter houses, drainage, tolls and ferries, and other undertakings of the Units.
3. Profits from banking and investments, loans and advances and state lotteries.
4. Fines and penalties arising in respect of subjects administered by the Governments of the Units.
5. Fees levied in the course of discharging the functions exercised by the Governments of the Units and local authorities, such as court fees, including all fees for judicial or quasi-judicial processes, local rates and dues, fees for the registration of vehicles, licences to possess fire-arms and to drive automobiles, licensing of common carriers, fees for the registration of births, deaths and marriages, and of documents.
6. Capitation taxes other than taxes on immigrants.
7. Taxes on land, including death or succession duties in respect of succession to land.
8. Taxes on personal property and circumstance, such as taxes on houses, animals, hearths, windows, vehicles; chaukidari taxes; sumptuary taxes; and taxes on trades, professions and callings.
9. Taxes on employment, such as taxes on menials and domestic servants.
10. Excises on alcoholic liquors, narcotics (other than tobacco) and drugs, and taxes on consumption not otherwise provided for, such as cesses on the entry of goods into a local area, taxes on the sale of commodities and on turnover, and taxes on advertisements.
11. Taxes on agricultural incomes.
12. Stamp duties other than those provided for in List III.
13. Taxes on entertainments and amusements, betting, gambling and private lotteries.
14. Any other receipts accruing in respect of subjects administered by the Units.
15. Also, in the case of the States, any sources of revenue not specified above but referred to in paragraph 103 of Section VI of the Report.

* This list of revenues includes those both of the Governments of the Units and of all local authorities subordinate to them.



Indian Round Table Conference

(THIRD SESSION)

(17th November, 1932—24th December, 1932)

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93

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January, 1933*

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General Discussion—cont.

23rd December, 1932—cont.

	<i>Pages.</i>
Nawab Liaquat Hyat-Khan	102-104
Sir P. Thakurdas	104-107
Lord Winterton	107-109
Sir M. Mehta	109-113
Rai Bahadur Raja Oudh Narain Bisarya... ..	113-114
Pandit Nanak Chand	114-122
Mr. N. M. Joshi	123-124
Sir H. Gidney	124-131
Sir H. Carr	131-133
H.H. the Aga Khan	133-135
Proposal and seconding of Loyal Message to H.M. the King	135-136
Loyal Message to H.M. the King	136

24th December, 1932

Reply of H.M. the King to Loyal Message	136-137
Sir S. Hoare	137-147
Lord Sankey	147-152

Memoranda.

Sir N. N. Sircar... ..	Bengal Finances and recommendations of Percy Committee	153-160
Mr. A. H. Ghuznavi	Financial Position in Bengal	160-162
Pandit Nanak Chand	Federal Finance	162-163
Dewan of Cochin	Cochin Customs Revenue	163-166
Sir S. Prasad	Federal Finance	166-169
Pandit Nanak Chand	Communal Award	169-172 ✓
Sardar Tara Singh	Safeguards for Sikhs	172 ✓
Sir H. Gidney	European Education	173-175
Sir H. Gidney	Statutory Economic Protection in Government Services for Anglo - Indian Community	175-182
Mr. N. C. Kelkar	Distribution of seats and method of election to Provincial Councils under the Communal Award	182-184 ✓
Pandit Nanak Chand }		184-186 ✓
Sardar Tara Singh }		186-187 ✓
Raja of Khallicote		188-189 ✓
Khan Bahadur H. H. Husain	Special Representation of Landholders in U.P.	189-190 ✓
Mr. N. M. Joshi	Representation of Aboriginal and Hill Tribes	191-193
Mr. N. C. Kelkar	Representation of Indian States in the Legislatures	193-194
Mr. N. C. Kelkar	Feudatory States	195
Muslim Delegation	Muslim Position in the Centre	195-196
Dr. Shafa'at Ahmad Khan	Federal Council	196-197
Khan Bahadur H. H. Husain }	Fundamental Rights	197-203
Dr. Shafa'at Ahmad Khan }		203-207
Memorandum by eight Delegates	Discriminatory Legislation	203-207
Sir Tej Bahadur Sapru }	Memorandum on the Proposed Constitution	203-207
Mr. M. R. Jayakar }		203-207
Sir M. Gwyer }		203-207
Sir C. Schuster }	Federal Court (submitted by permission of the Conference)	203-207

INTRODUCTORY NOTE.

1. The Prime Minister, in opening the third session of the Round Table Conference on the 17th November, 1932, explained that its object was to supplement the work so far accomplished at the Round Table Conference, by filling in, in some detail, the more important gaps left by the discussions at the two previous sessions.*

2. The Conference adopted the following Agenda :—

See pages.

A. Report of the Indian Franchise Committee.	
Method of Election to and Size of the two Federal Chambers	9-15
B. Relations between the Federal Centre and the Units.	
(a) Legislative	16-21
(b) Administrative	22-24
C. Special Powers and Responsibilities of the Governor-General and Governors	
	25-35
D. Financial Safeguards	
Commercial Safeguards	36-40
	41-44
E. Defence (Finance and Connected Questions)	
	45-47
F. Reports of the Federal Finance Committee and Indian States Inquiry Committee (Financial).	
Federal Finance	48-62
G. Fundamental Rights.	
H. "Constituent Powers" and Powers of Indian Legislatures vis-a-vis Parliament...	
	63-66
I. Form of States' Instruments of Accession	
	67-68

The following subjects were considered, in addition :—

Anglo-Indian Education	69-70
Supreme Court	71-73

3. Subjects A, B (b), C, E, G and H, and the subject of the Supreme Court, were discussed in full Conference. Towards the close of the Conference reports recording in summary form the effect of the discussion on each of these subjects were prepared by the Secretariat and laid before the Conference.† Important com-

* See Cmd. 3778 of 1931 and 3997 of 1932.

† Except as regards the Supreme Court; a summary of the discussion on this subject will be found on pages 71-73.

ments or suggestions made on the reports by the Conference have either been incorporated in the reports as now printed, or indicated by footnotes thereto.

4. Subjects B (a), D and F were remitted by the Conference after a short general discussion,* for examination by Committees. Subject I was considered by a limited number of delegates as indicated on page 67. Anglo-Indian Education was also considered by a Committee. The reports of these Committees are followed by a brief summary of the more important points raised in the Conference when it received and noted each report.

5. The Conference closed with a general discussion, ending on 24th December, 1932. The proceedings are given verbatim on pages 74 to 152.

* There was no previous discussion in full Conference on D or I.

INDIAN ROUND TABLE CONFERENCE, 1932.

LIST OF DELEGATES.

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INDIAN ROUND TABLE CONFERENCE.

HEAD A.

REPORT OF THE INDIAN FRANCHISE COMMITTEE. METHOD OF ELECTION TO AND SIZE OF THE TWO FEDERAL CHAMBERS.

The Franchise Sub-Committee of the First Round Table Conference recommended the establishment of an expert body to investigate the question of the Franchise, and a Franchise Committee, under the chairmanship of the Marquess of Lothian, was subsequently appointed by His Majesty's Government and reported in June, 1932. The Report of that Committee was before the Conference in its present session.

I.—PROVINCIAL LEGISLATURES.

Method of Election.

The principal methods of election to the Provincial Legislatures examined in the Report of the Franchise Committee were:—

- (a) Adult suffrage;
- (b) Adult suffrage by a system of indirect voting;
- (c) Such modifications of adult suffrage as the grant of adult suffrage within certain age limits; adult suffrage for large towns; household suffrage; indirect election through local bodies;
- (d) The combination of the direct and indirect systems of franchise; and, finally,
- (e) The extension of the direct vote.

The Committee, after exhaustive examination pronounced in favour of the acceptance of the extension of the Franchise by the direct method, and after considerable discussion, in the course of which close attention was paid to the practicability and desirability of a system based on adult suffrage and to methods of indirect election, the general sense of the Conference proved definitely to favour acceptance of the Franchise Committee's proposals.

Basis of the Provincial Franchise.

The Conference agreed, with one dissentient,* that the essential basis of the franchise should be the property qualification proposed

* Mr. Joshi considered that, if it was impossible to secure adoption of a wider basis for the franchise than that proposed, provision should be made for automatic periodical extensions.

by the Indian Franchise Committee in their Report, subject to such modifications of detail as might prove necessary.*†

The Conference carefully considered the proposals of the Franchise Committee for an educational qualification. Some members were strongly in favour of its acceptance, mainly on the ground that education was a proper basis for the franchise and that unless there was an educational qualification, an important section well capable of exercising the vote would be disfranchised. Others welcomed the proposal, which they regarded as attractive; but attention was drawn first to the inadequacy of the evidence as to the numbers (possibly very small) which would be added to the electoral roll by the adoption of such a qualification and, secondly, to the serious practical difficulties involved not only in its application but in the question of the standard to be adopted. An important section of opinion was, moreover, not in favour of the proposal. The general sense of the Conference was that further detailed examination would be required before any general educational qualification for the franchise could be adopted.

The Women's Franchise.

The Conference was unanimously in favour of accepting the proposals of the Franchise Committee that women should be enfranchised in respect of the same property qualification as that prescribed for men.

The Franchise Committee had further recommended the adoption in the case of women of a specially low educational qualification, viz., mere literacy. Some difference of opinion manifested itself on this subject. Certain members of the Conference were of opinion that "mere literacy" was too low a standard and that it would be preferable to substitute for it the upper primary standard. Attention was, however, drawn to the fact that the application of the upper primary standard would very substantially reduce the number of women likely to be enfranchised on the basis of an educational qualification, and the general feeling appeared to favour the adoption of the literacy in preference to the upper primary qualification. An important section of opinion in the Conference urged, however, that if any special educational qualification were adopted at all it should be the same for women as for men.

* Sir Henry Gidney drew attention to the fact that property qualifications alone would disfranchise a large proportion of Anglo-Indians and that the proposed educational qualification was a very important one from the point of view of the Anglo-Indian community.

† Pandit Nanak Chand stressed the importance of reducing the disparity in voting strength as between the agricultural and non-agricultural tribes in the Punjab, to which detailed reference has been made in paragraph 170 of the Report of the Franchise Committee.

A very general difference of opinion was felt as regards the proposal of the Franchise Committee that, subject to certain qualifications, the wives and widows over 21 of men qualified by property to vote for the existing provincial councils should be enfranchised. The objections taken to this proposal, which was recommended by the Franchise Committee as the only practical method of securing an adequate proportion of women on the electoral roll, were, *inter alia*, that it would enfranchise a large number of illiterate women; that women would as a rule vote in the same way as their husbands; and that its adoption might give rise to domestic and religious difficulties. The general opinion of the Conference was that the proposal was one which required further examination.

Considerable support was forthcoming for a suggestion that it might be possible to deal with the problem of enfranchising an adequate number of women by giving to the various Provinces some latitude to propose a method of enfranchisement of women in the light of local conditions, subject to a general injunction to aim at much the same ratio of men to women voters as had been recommended by the Franchise Committee—i.e., $4\frac{1}{2}$ to 1—a ratio which the Conference as a whole was disposed to regard as not unsuitable.

Reference should be made in this connection to a suggestion put forward that, with a view to reducing the strain on the administrative machine, the registration of all voters qualified in respect of education, and of women enfranchised in right of their husbands, should be on application by the potential voter only.

Depressed Classes.

The Conference was of opinion that a special provision should be made to enfranchise a larger number of voters belonging to the Depressed Classes and that the standard to be aimed at should, as proposed by the Franchise Committee, be 10 per cent. of the Depressed Class population in each Province, such of the differential qualifications suggested by the Franchise Committee being adopted as might be necessary to secure this result in the light of the varying conditions in each Province.

It was agreed that the existing *military service qualification* should be maintained. One member of the Conference urged the desirability of extending the franchise to cover all members of the Territorial and Auxiliary Forces, and it was agreed that this point should be examined.

Special representation for Commerce in Provincial Legislatures.

Certain Delegates urged that the recommendations of the Indian Franchise Committee in regard to special electorates for Commerce resulted in grave inequality of representation as between Indian

and European Commerce in several Provinces. It was pointed out on behalf of His Majesty's Government that examination of this question inevitably involved a reopening of the Communal decision. The matter was not further discussed, but certain Indian Delegates placed on record their objection to any connection of the question of commercial representation with the communal issue.

II.—THE FEDERAL LEGISLATURE.

Federal Assembly.

The Federal Structure Committee in paragraph 19 of their Third Report expressed the opinion that the selection of the British Indian representatives for the Lower Chamber of the Federal Assembly should be by direct election. This recommendation was supported by the Indian Franchise Committee. Considerable discussion took place in the Conference as to the relative merits of the direct as opposed to the indirect method of election. It was pointed out on behalf of His Majesty's Government that if direct election was regarded as inevitable, this should not be allowed to prejudice the question of the size of the federal legislature. The general sense of the Conference, in the light of the discussion was that the balance of advantage lay with the election of the British-Indian representatives in the Lower Chamber by the direct method.

Franchise qualifications for the British Indian electorate.

The Conference after full consideration of the various alternatives open, and in particular of a suggestion made by one member that a wage-earning qualification should be introduced, accepted generally the proposal of the Franchise Committee that the franchise for the British Indian section of the future Federal Assembly shall be the existing franchise for the provincial legislative councils, except in the case of the Central Provinces, where it should be a franchise which would bring in double the existing electorate for the provincial council.

Educational qualification.

As regards the educational qualification proposed by the Franchise Committee, opinion in the Conference generally was strongly in favour of the adoption as an educational qualification for men of the possession of the Matriculation or school-leaving certificate. An important section of opinion was, however, opposed to this proposal for the same reasons as in the case of the provincial legislatures.

The Conference was unable to agree as regards the adoption of an educational qualification for women voters for the Federal Assembly, the same arguments as were advanced for and against the proposal in the case of the provincial legislatures holding good, in their view, here also.

Depressed Classes.

The Franchise Committee stated that they were advised by the Census Commissioner that the addition to the qualifications prescribed for the general electorate for the new Federal Assembly of a qualification of mere literacy would result, in the case of the Depressed Classes, in an electorate of approximately 2 per cent. of their total population. In these circumstances they recommended the adoption of such a differential qualification. The Conference agreed to their proposals.

*Special Representation.**Women.*

With the reservation that the communal proportions should not thereby be disturbed, the Conference as a whole accepted the proposals of the Indian Franchise Committee for the special reservation of seats for women, to be filled by the election of one woman by each provincial legislative council. The women's representative in the Conference was, however, in favour of direct election by a special women's constituency in each province.

Labour.

The proposals of the Franchise Committee for special representation of Labour by the reservation of 8 seats in the Federal Assembly were accepted by the Conference. In some quarters it was felt that the number of seats proposed was inadequate, but it was pointed out that Labour would obtain additional representation through the Depressed Class seats in the general constituencies. It was suggested that the point might be further investigated in connection with the delimitation of constituencies.

The Muslim delegation in this connection recorded their anxiety that the number of special seats should be kept at a minimum.

Commerce and Industry.

The general sense of the Conference was in favour of the acceptance of the Franchise Committee's proposal that the representation of Commerce should be concentrated in the Assembly, and that four seats should be allocated to Indian and four to European commerce. The view was, however, expressed by some Indian delegates that those recommendations did not provide adequately for the needs of Indian commerce. They did not think that Indian commerce should be forced into the position of having to secure additional representation by seeking to influence the results of elections in the non-special constituencies, and they took exception to the connection of commercial representation with the communal question.

The representative of the European community stated that European commerce would not be satisfied with a smaller number of seats than that proposed by the Franchise Committee which represented the minimum with which they could hope to be able adequately to voice their views.

The Conference gave a sympathetic reception to a claim put forward for the retention of the seat at present filled in rotation by the Millowners Associations of Bombay and Ahmedabad, although the point was made that the grant of such special representation would make it difficult to resist claims from other industries similarly situated. Reference was also made to the importance of securing adequate representation for up-country industrial interests, and to the difficulties which might arise under the proposals of the Franchise Committee in providing for this.

Landlords.

The Franchise Committee were in favour of retention of special representation for landlords, but in its existing strength, and their view on this subject was accepted by the Conference.

Federal Upper House.

The Federal Structure Committee of the Round Table Conference recommended that the British Indian section of the Federal Upper House in the new Constitution should be elected by the provincial legislative councils by the single transferable vote. This recommendation was supported by the Indian Franchise Committee and was accepted by the Conference, but Muslim delegates reserved their judgment as regards the use of the single transferable vote until they knew what result the application of that system would have on the communal proportions in the whole House. Attention was also drawn to the importance of safeguarding the interests of the small minorities.

It was generally agreed that there should be no representation of special interests as such in the Upper Chamber.

III.—SIZE OF FEDERAL LEGISLATURE.

A marked difference of opinion manifested itself on this subject in the Conference. There was substantial general agreement that some weightage should be accorded to the States; the proportions of seats to be filled by representatives of the Indian States previously proposed, viz., 33½ per cent. in the Lower and 40 per cent. in the Upper Chamber still held the field, though the apprehension of the States lest by federating they would lose their individuality was mentioned as a ground for increasing their proportion in the Upper House to one of equality with British India. One of the States' representatives urged that at least 125 seats in the Upper House should be allotted to the States, and 36 per cent. of the seats secured to them in a joint session of both Houses. Provided

this number of seats in the Upper House and this percentage in a joint session was secured, there would be no objection in his view to a lower percentage than $33\frac{1}{3}$ in the Lower House.

Muslim delegates and one or two others were opposed to the principle of weightage for the States in the Legislature; the Muslim delegates considered that if it was found inevitable to concede some weightage the quota of Muslim representation should be safeguarded so that the number of their seats from British India should not be less than they would have secured if the States enjoyed no weightage over population ratio.

Certain delegates urged the advantages of a large Lower House on the ground of the resultant reduction in the size of constituencies, the consequent lessening of expense to candidates, and the increased ease with which representation could be secured for the smaller States. A considerable section of the Conference supported the figure of 450 proposed by the Franchise Committee.

It was pointed out, on the other hand, that the Federal Legislature would have limited functions, for the discharge of which so large a Lower House as was recommended in the Lothian Report would not be necessary, and some delegates thought 300 would suffice. It was also pointed out that whatever decision was finally reached as to the size of the two Houses, grouping of the smaller States would be inevitable.

An alternative suggestion was put forward regarding the Upper House, namely that while the Lower House would fully reflect the popular element, the Upper House, as the peculiarly Federal organ of the Constitution, should provide for the representation of the constituent units as such. According to this proposal the Upper House would be limited to some 60 delegates of the Governments of the units and of the Federal Government.

No final decision proved possible in the Conference on this question. A suggestion made on behalf of His Majesty's Government, who intimated that general agreement on the subject between Indian delegates would carry great weight with them, that consideration should be postponed with a view to informal consultations between the Indian delegates in the hope of reaching a greater measure of agreement between the conflicting views expressed, was accepted by the Conference.

No modification of view has been reported as having resulted from such discussions as have taken place.

HEAD B (a).

LEGISLATIVE RELATIONS BETWEEN THE FEDERAL
CENTRE AND THE UNITS.REPORT OF COMMITTEE ON THE DISTRIBUTION OF LEGISLATIVE
POWERS.

The Committee was appointed—

“ (i) To test the general principles discussed under Head B(a) by applying them to the list of subjects suggested by the Federal Structure Committee in the appendix to its Second Report.

“ (ii) To re-examine in the light of the general discussion of principles the definition of those subjects and the effects of the recommendations made by the Federal Structure Committee in respect of them; and to make suggestions.”

and was constituted as follows :—

Lord Sankey (Chairman).
Sir Samuel Hoare.
Mr. Butler.
Lord Reading.
Sir Akbar Hydari.
Sir Manubhai Mehta.
Sir A. P. Patro.
Sir Tej Sapru.
Sir Nripendra Nath Sircar.
Mr. Zafrulla Khan.

The Committee found it convenient to deal first with the second head of their Terms of Reference, and accordingly addressed themselves at the outset to an examination of the definition of the subjects provisionally allocated between the Centre and the Provinces by the Appendices to the Second Report of the Federal Structure Committee, and to the further proposals made in the same connection by the Consultative Committee. Their deliberations on this matter satisfied them that the statutory delimitation of the spheres of competence of the Federal and Provincial Legislatures which the conceptions of provincial autonomy and federation inevitably involve will necessitate, whatever method of delimitation and allocation is adopted, a much more careful and scientific definition of each subject than was required for the purposes of the Schedules to the existing Devolution Rules upon which the Federal Structure Committee's lists were based. They are further satisfied that neither the Committee nor the Conference are competent to undertake this in the time at their disposal. The Committee hope, therefore, that His Majesty's Government will lose no time in beginning with expert assistance this laborious but important task.

2. In the course of their examination of this matter it was brought to the notice of the Committee by representatives of the States that in respect of some at all events of the subjects which had been classified by the Federal Structure Committee as " federal for policy and legislation " the States had not at the time intended to agree to the possession by the Federal Legislature of plenary powers of legislation in the States : in other words, they intend to cede to the Crown in respect of each of these subjects a field of legislative jurisdiction to be specified in the Act or Treaty and to retain the remainder themselves. The Committee are not in possession of full details, but, as an example, they observe that, in the case of the Federal subject of railways, the exponents of this view suggested that so far as its operation in the States is concerned, the scope of Federal legislation might have to be confined to matters connected with safety, maximum and minimum rates and the interchangeability of traffic, that outside this limited range, the individual States' Governments should have independent and exclusive jurisdiction, and that for securing compliance with its desires in railway matters not covered by the above heads the Federal Government should rely upon negotiation and agreement. Acceptance of this arrangement appears to involve, as a necessary consequence, variations of competence in relation to the States and the Provinces respectively, of the Federal Legislature.

3. Turning to the first head of their Terms of Reference, the Committee endeavoured to assess in the light that had been thrown upon it by their detailed examination of subjects, the general requirements of a workable general plan of distribution of powers. They suggest to the Conference that any such plan must necessarily involve, as the first desideratum, a carefully drawn list of subjects upon which the Federal Legislature is to possess exclusive legislative powers. Two alternative methods present themselves of distinguishing between those of the " exclusivè " subjects which are to be Federal and those which are to be British Indian. The first method would be so to classify them in the Act itself (or in a Schedule attached to the Act) as to make a statutory distinction between Federal and British Indian subjects. The second method would be to enumerate them all in the Act as matters on which the Federal Legislature has exclusive jurisdiction, leaving it to the States in their acceding Instruments to specify those of them which, in the States, are to be outside the range of Federal competence. The Committee recommend the adoption of the second alternative, but they agree with the view of States' representatives that even so it would be advantageous that the list should be divided into two Parts, of which Part I would include only those subjects in respect of which, generally speaking, the States may be expected to cede the necessary jurisdiction for the purpose of constituting them Federal subjects. Such a sub-division would greatly facilitate the

drafting of the States' Instruments of Accession. The second alternative would also have the advantage that it would afford an easy means, either to the States generally, or to individual States in course of time, if they should so desire, to accept as operative in the States legislation upon subjects which by their original Treaty had been excepted.

4. The field of exclusive jurisdiction to be assigned to the Provinces would or would not require detailed definition by a similar schedule of subjects, according as it is decided that "residual powers" are to be assigned to the Centre or to the Provinces. In the latter event there would be no need to enumerate the Provincial subjects; they could be defined as all matters other than those assigned to the Centre. The advantages which would follow from the existence of only one list are very great, and the Committee do not disguise from themselves the risks which must attend the existence of two lists each within the exclusive competence of a particular legislature and neither containing "residuary powers." A law passed by one legislature must then fulfil two conditions before it is valid: not only must its subject-matter fall within the competence of that legislature, but every part of the law must also be demonstrably excluded from the competence of the other. The risk of litigation on questions of *ultra vires* must in that case be greatly increased. But since there was disagreement as to the allocation of "residual powers" exclusively to the Centre or to the Provinces, the sub-Committee assume, for the purpose of this Report, the existence of an exclusively Provincial list.

5. The Committee are satisfied that it is not humanly possible so to define and separate all subjects of potential legislation as to secure that every conceivable subject will fall within the *exclusive* jurisdiction of either the Centre or of the Provinces. Moreover, even if this were possible, the allocation of every subject to the exclusive jurisdiction of either Centre or Provinces would seem to involve the loss of uniformity in directions where uniformity is desirable, or else an undue curtailment of flexibility and of Provincial initiative—or, more probably a combination of both disadvantages. The Committee therefore consider that practical requirements will in any event necessitate a field in which both Centre and Provinces should have legislative jurisdiction. The Committee consider that the problem could be dealt with with sufficient precision by constituting a common field to which would be assigned matters upon which uniformity of law is or may be desirable and by assigning to both Centre and Provinces the power, but not the exclusive power, to legislate upon any subject included in it; but some method must at the same time be devised whereby administrative powers and functions which properly belong to the Provinces in respect of these subjects are secured exclusively to them.

6. The existence of concurrent powers will necessitate provisions for resolving a conflict of laws in any Province to which a Central Act regulating a " concurrent " subject is in force alongside a Provincial Act which is repugnant to it. The Committee suggest that the general rule in this matter must necessarily be that in that case the Central Act will prevail. But such a rule, if unqualified, would obviously tend in theory at all events to enable the Centre in course of time to usurp the whole concurrent field. The Committee therefore suggest that if a Provincial Act relating to any matter in the concurrent field is reserved for, and receives, the Governor-General's assent, it shall prevail in the Province over any Central Act to which it is repugnant. This rule itself will, however, require some qualification ; otherwise it might operate to enable the Governor-General permanently to curtail the concurrent jurisdiction of the Federal Legislature. It should therefore be provided that the validity of a Provincial Act in the circumstances indicated shall be without prejudice to the power of the Federal Legislature to legislate subsequently in a contrary sense, but that the exercise of this power shall be subject to the previous assent of the Governor-General.

7. As regards the allocation of " residual powers "—i.e. the right to legislate on matters not included in any of the three lists—the Committee would hope that if the lists are drawn in sufficient detail, the undefined or unforeseen residue will not prove to be extensive. But such cases will inevitably arise and suitable provision must be made to meet them. It was suggested that provision might be made whereby the Governor-General would be given power to decide in any given case which was the appropriate forum for legislation on an unallocated subject, and whether a measure relating to that subject should be introduced in the Federal or Provincial Legislature. This suggestion found favour with some members of the Committee, as a compromise between the divided opinions on the ultimate allocation exclusively to Centre or Provinces of residuary powers, but was not acceptable to others. In these circumstances the Committee regret that they are unable to make any definite recommendation on this subject.

8. The attention of the Committee was drawn to the desirability of including in the Act some provision enabling the Federal Legislature, at the request and with the consent of two or more Provinces, to enact for those Provinces alone legislation which would not otherwise be within its competence. The Committee agree that provision should be made for this purpose, provided that the position of the Provinces is safeguarded by ensuring that such legislation should not result in withdrawing permanently any subject from the legislative competence of the provincial Legislatures, and that the Federal Law keeps strictly within the authority conferred on the Federal Legislature by the terms of the request.

9. The Committee wish to add that it will, in their opinion, be necessary also to deal with the competence of the Federal and Provincial legislatures respectively to repeal or amend existing legislation. In the time at their disposal they have not been able to suggest a suitable machinery for this purpose, but the matter is one of great practical importance and they commend it for examination by His Majesty's Government.

SUMMARY OF CONFERENCE DISCUSSION ON HEAD B (a).

The Conference noted the Report of the Committee on the Distribution of Legislative Powers after the following points had been raised :—

(1) *Mr. Joshi* complained that no progress had been made by the Committee. After the subject had been discussed for two years this Committee suggested a further examination, without even indicating what kind of examination was in view.

(2) *Mr. Zafrulla Khan* urged, with reference to item 6 of the Schedule of " Provincial Subjects, subject to legislation by the Indian Legislature," that the words " light and feeder " should be omitted therefrom, so that Provincial Governments may have the legal competence to construct any kind of railway, whether light or feeder or otherwise, subject to compliance with the technical standards laid down by a central authority and subject to the proposed line not competing with existing Federal lines.

(3) *Mr. Zafrulla Khan* urged that there should be as few centrally administered areas as possible; with the exception of Delhi, efforts should be made to bring such areas within some Province or other.

(4) *Mr. Zafrulla Khan* said that consideration should be given to the constitutional future of Baluchistan; it should be possible to weld British Baluchistan, Kalat, and Las Bela in some kind of federal union and so form a unit which might become a unit of the Federation.

(5) *Mr. Rushbrooke Williams* dealing with the suggestion in the Report that certain States might in future desire to accept as operative legislation upon subjects which by their original Treaty had been excepted, entered a caveat to safeguard the position of other States not accepting such legislation, in the event of the legislation itself being sufficiently important to effect a change in the Constitution.

(6) Some discussion arose as to whether the previous assent of the Governor-General, referred to in the last sentence of paragraph 6 of the Report, should be dependent upon the advice of the Ministry.

Mr. Jayakar held that it should be so dependent; otherwise it would create an exception to the principle of the supremacy of the Legislature in the normal field (i.e., outside the sphere of special responsibilities and safeguards). In reply it was explained that the object was to provide for an impartial decision in the event of conflict between the Federal and a Provincial Legislature; a Federal Ministry however well meaning could hardly be expected to give an unbiased opinion in such a conflict. General agreement was eventually reached by substituting the word "conflicting" for the word "contrary" appearing in the last sentence of paragraph 6.

(7) *Sir Tej Sapru* referring to paragraph 7 of the Report on the question of Residuary Powers, said that his group considered that it was most desirable that unforeseen emergencies should fall to be dealt with by the Federal Government, and assured the Conference that residuary powers, if allotted to the Centre, would not be used as a means of interfering with Provincial Autonomy. He and his group were prepared to accept the compromise that had been suggested, but if the other side found it unacceptable then he must adhere to his original position that residuary powers should be allotted to the Centre. He asked whether the Secretary of State for India could give the Government's view on the matter to the Conference.

The Secretary of State for India was unable to make a final pronouncement at that stage, but stated that the Government were fully alive to the great cleavage of opinion on the subject, although inclined to think that a careful and exhaustive allocation of legislative powers would make the matter of less practical importance than it had assumed. He was much attracted by the compromise that had been suggested and if the two sides were eventually unable to reach agreement the Government would consider this compromise most sympathetically.

HEAD B (b).

ADMINISTRATIVE RELATIONS BETWEEN THE
FEDERAL CENTRE AND THE UNITS.ADMINISTRATIVE RELATIONS BETWEEN THE FEDERAL GOVERNMENT
AND THE PROVINCES.

1. It was generally agreed that the relationship between the Federal Government and the Provinces should not be so defined, in connection with the separation of powers, as to involve a necessary breach with the traditional methods and machinery of Indian administration, whereby the Central Government has habitually employed as the agency for administering a large part of its functions the ordinary provincial administrative staffs. No doubt the tendency which has shown itself of recent years, even under the existing constitution, towards employment by the Central Government of separate agencies of its own for the administration of certain of its functions will be accentuated by departure from the unitary system; but considerations of financial and practical convenience are opposed to any immediate and necessary adoption of this system as the consequence of the statutory division of powers and functions between the Centre and the Provinces which is involved in Federation. The legal and constitutional relations between the Federation and the Provinces should therefore be so defined as to place no obstacles in the way of the devolution by the Federal Government and Legislature upon Provincial Governments, or upon any specified officers of those Governments, of the exercise on its behalf of any functions in relation to the administration in the Provinces of any Federal or Central subject, wherever such an arrangement is found to be financially or administratively convenient.

2. It is clear, however, that the possession of such powers by the Federation will be liable to involve Provincial Governments in increased expenditure upon staff. It would clearly be unreasonable if every imposition of powers or duties upon Provincial Governments or their officers by a Federal enactment were to be regarded as necessarily involving a financial subsidy. The rule should therefore be that if the enactment of a Federal Act involves employment by the Province of *additional* staff, the Federation should bear the cost of that staff if it is employed exclusively on the administration of a Federal or Central subject, and the cost should be shared between the Federation and that Province if the additional staff is so employed only in part. In most cases, questions of the proportions in which such charges are to be borne should prove capable of adjustment by mutual agreement; in case, however, of disagreement, suitable provision should be made for an arbitral decision.

3. It was generally agreed that the Constitution should endow the Federal Government with specific authority to ensure that Provincial Governments give due effect to Federal legislation in so far as this depends upon their own administrative agencies; it was felt in some quarters that Federal authority should extend, in the interests of the efficient performance of the functions entrusted to it, to ensuring that Provincial Governments so administer their own provincial subjects as not to affect prejudicially the administration of any Federal or Central subjects. As against this it was suggested in the course of discussion of this latter point that if the Federal Government is to possess this power there should be a reciprocal power in the hands of Provincial Governments to ensure that Federal subjects are not so administered by the Federation as prejudicially to affect the administration of provincial subjects. No doubt any Provincial Government which considered that the action or policy of the Federal Government gave ground for legitimate complaint upon this score would lose no time in bringing its attitude to the attention of the Federal Government, either through its representatives in the Federal Legislature or by correspondence.

4. There was difference of opinion as to the extent—if at all—to which the Federation should be authorised to exercise control over the administration of provincial subjects when no question arises of reactions upon a Federal or Central subject. It was, however, generally agreed :—

(a) that the scope for intervention by the Centre in the administration of provincial subjects should be strictly confined to questions involving the matters compendiously described as “ law and order ” ;

(b) that powers of intervention for this limited purpose should be vested in the Governor-General personally and not in the Federal Government as such ; in other words, that the power should be exercisable by the Governor-General “ at his discretion ” as explained in paragraph 10 of the Report on Head C ;

(c) that even so the Governor-General's intervention (which he would naturally exercise through the Governor) should be defined in appropriate terms as being exercisable only for the purpose of preventing the occurrence of conditions which might endanger the internal security of India.

It was generally recognised as the basis of these conclusions that the transfer of the control of “ law and order ” in the provinces cannot, in the interests of the country as a whole, be treated as involving the position that every province is to be entirely independent and uncontrolled in the administration of law and order, but that at the same time the necessary powers of control and co-ordination must be so framed as, on the one hand, not to enable,

or have the appearance of enabling, a constant external interference with the day-to-day administration of provincial affairs, and, on the other hand, not to be so restricted as to be incapable of exercise at all until a serious breakdown of law and order has actually occurred. The conclusion recorded in clause (c) above is designed to meet this twofold purpose.

ADMINISTRATIVE RELATIONS WITH THE STATES IN FEDERAL MATTERS.

5. It was recognised that the relationship of the Federal Government with the States cannot be in all respects identical with that which will obtain with the Provinces. It was agreed that the Constitution should impose upon the States' Governments an obligation to exercise their executive power and authority, so far as they are necessary and applicable, for the purpose of securing that due effect is given within their territories to every Act of the Federal Legislature which applies to that territory. It was further agreed that the Constitution should recognise arrangements (which would, in fact, be made in suitable cases through the Instrument of Accession) for the administration by the States on behalf of the Federal Government of Federal subjects through the agency of staff and establishments employed and controlled by themselves, but that any such arrangements should be subject to conditions to be expressed in the Constitution enabling the Governor-General to satisfy himself by inspection, or otherwise, that an adequate standard of administration is maintained. Finally, it was agreed that power should vest in the Governor-General personally to issue general instructions to the States' Governments for the purpose of ensuring that their obligations to the Federal Government specified in this paragraph are duly fulfilled.

HEAD C.

SPECIAL POWERS AND RESPONSIBILITIES OF THE GOVERNOR-GENERAL AND GOVERNORS.

1. The Conference approached the problems presented by this head from the standpoint of the following assumptions as to the form of the constitutional structure :—

(a) that the Act will declare that executive power and authority (as in the United Kingdom and the Dominions) vests in the Crown, represented in the Federation by the Governor-General and in the Provinces by the Governors; but

(b) that nevertheless, except in so far as is otherwise provided (whether such provision be in the Act or in the Instrument of Instructions), the Governor-General and Governors will be guided by the advice of their respective Ministers, and the Executive will depend for its legislative enactments and for its Supply upon the concurrence in its proposals of the Legislature.

2. Approached from this standpoint and from that of a unanimous acceptance of the general principles enunciated in paragraph 11 of the Second Report of the Federal Structure Committee, the questions for consideration under this head were found to resolve themselves into examination in greater detail than had been necessary or possible at previous Conferences of the exact nature and scope of the responsibilities to be imposed upon the Governor-General and Governors, and of the special powers which are to flow from these responsibilities in order that the latter may be effectively fulfilled. The detailed conclusions at which the Conference has arrived under this head of the inquiry can best be described, therefore, under the general headings of the Governor-General's relations with his Ministers and with his Legislature respectively. The same general principle will apply to the Governors also, with the modifications of detail to be explained later.

A.—GOVERNOR-GENERAL'S RELATIONS WITH HIS MINISTERS.

3. In certain matters Ministers will not be entitled to tender advice to the Governor-General at all; these matters, namely, the Reserved Departments, will be administered by the Governor-General upon his sole responsibility. But it would be impossible, in practice, for the Governor-General to conduct the affairs of these departments in isolation from the other activities of his Government, and undesirable that he should attempt to do so, even if it were, in fact, possible. A prudent Governor-General would keep his Ministers and the advisers whom he has selected to assist him in the Reserved Departments in the closest contact; and, without blurring the line which will necessarily divide on the one hand his

personal responsibility for the Reserved Departments and, on the other hand, the responsibility of Ministers to the Legislature for the matters entrusted to their charge, he would so arrange the conduct of executive business that he himself, his personal advisers in the Reserved Departments, and his responsible Ministers, are given the fullest opportunity of mutual consultation and discussion of all matters—and there will necessarily be many such—which call for co-ordination of policy. The hope was expressed that His Majesty's Government would be prepared to consider the embodiment of this principle in appropriate terms in the Governor-General's Instrument of Instructions, though it was recognised at the same time that the Instrument of Instructions must make it clear, without ambiguity, that whatever consultation between the Governor-General and his responsible Ministers may take place upon matters arising in the Reserved Departments, the responsibility for the decisions taken is the Governor-General's and the Governor-General's alone.

Some further conclusions bearing upon this matter will be found in the Report dealing with Defence expenditure.

4. As regards the actual Departments to be classed as Reserved, it will be necessary to add the Ecclesiastical Department to the Departments of Defence and External Affairs in the reserved category. This agreement was based upon the understanding that an endeavour will be made to alter the existing classification of Ecclesiastical expenditure so as to bring under the head of Defence all such expenditure upon the provision of Churches and Chaplains as is required primarily for the needs of the British Army, and that the general policy will be to arrive as soon as may be at the position that the provision of such Churches and ministrations as are not required for this purpose is confined to the needs of the European members of the Services. The separate Ecclesiastical Department would thus, probably, be confined to the regulation of civilian requirements. In any case, the Conference was given to understand that pending the completion of this policy, Ecclesiastical expenditure would not exceed the present scale.

5. In the course of discussion it was suggested by some delegates that it might be possible to define with precision the matters which were to be treated as falling within the Departments of Defence and External Affairs, and by so doing to leave to the charge of responsible Ministers certain spheres of activity which might otherwise be regarded as covered by those terms. There was, however, substantial support for the view that such a course would be undesirable in the case of Defence and unnecessary in the case of External Affairs. In the former case such an attempt would inevitably be found to involve a division of responsibility and control in a field where such division would be fatal to efficiency. This Department

must, therefore, include all matters directly involving military requirements. In the case of External Affairs, while the primary ambit of the Department would be matters involving relations with foreign countries, many subjects which involve such relations (e.g. the multifarious questions which might be involved by commercial treaties) would necessarily be dealt with, and discussed, by the Ministers responsible for those subjects in the domestic sphere, by whose advice the Governor-General would be guided except in so far as he felt that his personal responsibility for the general subject of External Affairs made it incumbent upon him to act otherwise than in accordance with the advice tendered. The conclusions of the Conference upon this matter will become clearer in the light of its conclusions as explained in paragraphs 7 to 9 below: but the main point which requires emphasis in the present connexion is the fact that a matter which, in the domestic sphere, is in charge of a Minister will not necessarily be removed from his province and included for the time being in the Reserved portfolio of External Affairs merely by reason of the fact that that matter happens to become the subject of international negotiations.

6. A different problem presents itself in regard to the Governor-General's relations with his Ministers outside the ambit of the Reserved Departments—i.e. in the Departments which will be entrusted to the charge of Ministers responsible for the conduct of their administration of them to the Legislature. In this sphere Ministers will have a constitutional right to tender advice, and the Governor-General will, except to the extent and in the circumstances explained below, be guided by that advice. The problem is so to define the circumstances in which he will be entitled to act otherwise than in accordance with his Ministers' advice. The Conference, after examining various alternatives, was unanimous in agreeing that the most satisfactory course will be:—

(a) The enactment of provision in the Constitution that the Governor-General has a "special responsibility" not for spheres of administration, but for certain clearly indicated general purposes, and that for securing these purposes he is to exercise the powers conferred upon him by the Act in accordance with directions contained in his Instrument of Instructions; and

(b) The insertion in the Instrument of Instructions *inter alia* of a direction to the effect that the Governor-General is to be guided by his Ministers' advice unless so to be guided would, in his judgment, be inconsistent with a "special responsibility" imposed upon him by the Act, in which case he is to act, notwithstanding his Ministers' advice, in such manner as he judges requisite for the due fulfilment of his special responsibility.

It will be apparent from this conclusion that the Instrument of Instructions will assume a position of great importance as an ancillary to the Constitution Act.

7. It remains to indicate the matters or purposes in respect of which the Governor-General should be declared, in accordance with the proposals in the preceding paragraph, to have a special responsibility in relation to the operations of the Federal Government. It was generally agreed that they should be the following* :—

- (i) the prevention of grave menace to the peace or tranquillity of India or of any part thereof;
- (ii) the protection of minorities;
- (iii) the preservation of the rights of the public services;
- (iv) matters affecting the administration of the Reserved Departments;
- (v) the protection of the rights of the States;
- †(vi) the prevention of commercial discrimination.

The actual terms in which the several items should be expressed formed the subject of some discussion,‡ but it should be made clear in the first place with regard to the list that the actual wording of the items does not purport to be expressed here with the precision, or in the form, which a draftsman, when the stage comes for drawing a Bill, would necessarily find appropriate; but the list expresses with sufficient clarity for present purposes the intentions underlying the conclusions of the Conference on this point. The necessity of the first three items was accepted with a unanimity which makes further elucidation unnecessary—indeed they follow as a matter of course from recommendations made at previous Conferences. With regard to (iv) it is apparent that if, for example, the Governor-General were to be free to follow his own judgment in relation to the conduct of Defence policy only in regard to matters falling strictly within the ambit of the department of Defence, he might find that proposals made in another department in charge of a responsible Minister are in direct conflict with the line of policy he regards as essential for purposes connected with Defence, and consequently that the fulfilment of his responsibilities for the department of Defence would be gravely impaired

* An addition to this list is discussed in the Report of the Financial Safeguards Committee.

† See report of Commercial Safeguards Committee.

‡ For example, Mr. Zafrulla Khan proposed for the wording of (ii) "The avoidance of prejudice to the interests of any section of the population" (vide paragraph 16 of Second Report of Federal Structure Committee); he also proposed—and Sir Tej Sapru supported the suggestion—to retain for (v) the words used in the same passage of that Report viz: "To secure to the members of the Public Services any rights guaranteed to them by the Constitution".

if he accepted the advice of the Minister responsible for the charge of the other department in question: if, therefore, such a situation is to be avoided, it seems to be impossible to secure the object in view otherwise than by expressing the Governor-General's "special responsibility" in some such terms as those indicated in item (iv). As regards item (v), it should be explained that this is not intended to give the Governor-General any special powers *vis-a-vis* the States in relation to matters arising in the Federal sphere proper; the necessary powers having been transferred by the States in their Treaties, such matters will be regulated in accordance with the normal provisions of the Act. Nor is it intended that the inclusion of this item should be regarded as having any bearing on the direct relations between the Crown and the States. Those will be matters for which the Constitution will make no provision and which will fall to be dealt with by a Viceroy representing the Crown, who will, it may be assumed, be the Governor-General in a capacity independent of the Federal organ. It may be, however, that measures are proposed by the Federal Government, acting within its constitutional rights in relation to a Federal subject, or in relation to a "Central" subject not directly affecting the States at all, which, if pursued to a conclusion, would affect prejudicially rights of a State in relation to which that State had transferred no jurisdiction. Or, again, policies might be proposed or events arise in a province which would tend to prejudice the rights of a neighbouring State. In such cases it seems evident that it must be open to the Crown, through the Governor-General or the Governor, as the case may be, to ensure that the particular course of action is so modified as to maintain the integrity of rights secured to the State by Treaty.

8. In addition to the items specified at the beginning of the preceding paragraph, the addition was suggested of a "special responsibility" for "the maintenance of good relations with other parts of the Empire." In support of this suggestion it was urged that some power ought to vest in the Governor-General to intervene in situations where the policy advocated by his Ministers was likely to end in serious detriment to Imperial solidarity. On the other hand it was agreed that the existence of such a power in the hands of the Governor-General, with no corresponding power at the disposal of Dominion Governors-General, would tend to place India at a disadvantage in inter-Imperial affairs and would raise grave suspicions in the minds of the Indian public as to the uses to which it would be put: those who held this view pointed out that the Governor-General would in any case be in a position to refuse his assent to legislative measures which he considered likely to give rise to justifiable resentment in the Dominions, and that no additional safeguard for this purpose was either necessary or desirable. The general conclusion of the Conference was in this sense.

9. The range of the Governor-General's special responsibilities having been thus indicated, it is desirable to explain somewhat fully the precise effects which were contemplated as the results of the proposals contained in the three preceding paragraphs. In the first place it should be made clear that unless and until the Governor-General feels called upon to differ from his Ministers in fulfilment of a "special responsibility," the responsibility of Ministers for the matters committed to their charge remains unfettered and complete. To take a concrete instance, it will clearly be the duty of Ministers, rather than of the Governor-General himself, to ensure that the administration of their departments is so conducted that minorities are not subjected to unfair or prejudicial treatment. The intention of attributing to the Governor-General a special responsibility for the protection of minorities is to enable him, in any case where he regards the proposals of the Minister in charge of a department as likely to be unfair or prejudicial to a particular minority, in the last resort to inform the Minister concerned (or possibly the Ministers as a body, if they generally support the proposals of their colleague), that he will be unable to accept the advice tendered to him. Nor is it contemplated that the Governor-General, having been vested with "special responsibilities" of the kind indicated, will either wish, or find it necessary, to be constantly overruling his Ministers' proposals. The discussions of the Conference have proceeded on the basic assumption that every endeavour will be made by those responsible for working the Constitution now under consideration to approach the administrative problems which will present themselves in the spirit of partners in a common enterprise. In the great bulk of cases, therefore, in day to day administration, where questions might arise affecting the Governor-General's "special responsibilities" mutual consultation should result in agreement, so that no question would arise of bringing the Governor-General's special responsibilities into play.

10. Apart from the Reserved Departments, and the specified "special responsibilities" of the Governor-General outside the sphere of those Departments, there is a third category of matters in which the Governor-General must be free to act on his own initiative and consequently must not be under any constitutional obligation to seek, or, having sought, to follow, Ministerial advice. For this purpose certain specified powers would be conferred by the Constitution on the Governor-General and would be expressed as being exercisable "at his discretion." In this category of "discretionary powers," the precise range of which it will be impossible exhaustively to foresee until the drafting of the proposed Constitution has reached completion, it was agreed that the following matters should be included:—

(a) The power to dissolve, prorogue and summon the Legislature;

(b) The power to assent to, or withhold assent from, Acts, or to reserve Acts for the signification of His Majesty's pleasure;

(c) The grant of previous sanction to the introduction of certain classes of legislative measures;

(d) The power to summon a joint Session of the Legislature in cases of emergency, where observance of the ordinary time limit which, it was assumed, would be prescribed by the Constitution would produce serious consequences.

It follows further as a matter of logic from the foregoing proposals that the special powers to be conferred on the Governor-General for the purpose of enabling him to fulfil his responsibilities must be similarly exercisable "at his discretion." To the foregoing must, therefore, be added—

(e) The power to take action, notwithstanding an adverse vote in the Legislature—to be dealt with more fully below;

(f) The power to arrest the course of discussion of measures in the Legislature—also dealt with below;

(g) The power to make rules of legislative business in so far as these are required to provide for the due exercise of his own powers and responsibilities.

B.—GOVERNOR-GENERAL'S RELATIONS WITH THE LEGISLATURE.

11. It is not sufficient, however, merely to regulate the Governor-General's relations with his responsible Ministers, i.e., to regulate matters arising in discussion amongst the members of the executive Government. It follows from the recommendations of the Federal Structure Committee, upon which these proposals are based, that the Governor-General must be given powers which will enable him effectively to fulfil the responsibilities entrusted to him, whether his responsibilities for the Reserved Departments or the "special responsibilities" indicated above, if their fulfilment involves action normally lying within the functions of the Legislature to which the Legislature will not agree. The general scheme underlying the proposals is that, wherever the Governor-General's responsibilities for the Reserved Departments, or his "special responsibilities," are involved, he should be empowered not only, as has already been explained, to act without, or, as the case may be, contrary to, the advice of his Ministers, but also to counteract an adverse vote of the Legislature, whether such a vote relates to the passage of legislation or to the appropriation of funds. It was unanimously agreed that the Governor-General must, in some appropriate manner, be granted the necessary powers for this purpose, and that the exercise of these special powers should be expressed in the Act as being restricted to the fulfilment of these responsibilities. There was some difference of opinion, however, as to the precise form which these powers should be expressed as

taking. It was suggested that provisions in any way closely analogous to the existing "certification" sections of the Government of India Act, namely, s. 67B, which enables the Governor-General to secure affirmative legislation, and s. 67A (7), which enables him to "restore" rejected or reduced Demands for Grants, would be inappropriate under the Constitution now contemplated, and that the necessary powers should be so expressed as to involve not an overriding of the Legislature but action taken by the Governor-General independently of the Legislature on his own initiative and responsibility. On the other hand the view was taken that it would be unfortunate if the Governor-General's power to secure legislative enactments otherwise than by the normal process of the assent of the Legislature were so framed as to exclude any right on the part of the Legislature to discuss the terms of such a measure before it was enacted, and that the objection to a procedure analogous in form to the provisions of s. 67B or s. 67A (7) would be substantially met if the new Constitution were to make it clear that such a measure, when enacted, is described in terms as a "Governor-General's Act," and does not purport to be an Act of the Legislature, and that votable supply which is, in fact, obtained otherwise than with the consent of the Legislature does not purport to have received such assent.

Notwithstanding this difference as to method, there was a general feeling in favour of the provision of powers of this character for use in fulfilment by the Governor-General of his responsibilities for the Reserved Departments and of his "special responsibilities," on the understanding that care would be taken in framing the Bill to make it clear that their exercise was the outcome of the Governor-General's own initiative and responsibility and would in no way compromise either the position of his Ministers in their relationship with the Legislature or the position of the Legislature itself.

12. It was also agreed that for the same purpose it would be necessary to place at the disposal of the Governor-General powers analogous to the Ordinance-making powers to meet temporary emergencies contained in s. 72 of the existing Act. Indeed, in addition to such a power to be placed at the disposal of the Governor-General "at his discretion" for the express purpose of fulfilling his responsibilities for a Reserved Department, or for carrying out a "special responsibility," there was general agreement that a similar power should be placed at the disposal of the Governor-General acting on his Ministers' advice, i.e., at the disposal of the Federal Government, to meet cases of emergency when the Legislature is not in session, the Ordinances resulting therefrom being limited in duration to a specified period, and their continuation beyond that period being made dependent upon subsequent ratification by the Legislature.

13. Finally, the Conference was agreed that the Constitution should contain provision requiring the previous sanction of the Governor-General, acting "in his discretion," to the introduction of any Bill affecting a Reserved Department, or religion, or religious rites and usages,* or any Bill repealing, amending or affecting any Act or Ordinance of the Governor-General, enacted in fulfilment of his personal responsibilities,† and, in addition to this requirement, that the Governor-General should be empowered on the lines of the provisions of s. 67 (2A) of the existing Act, to prevent the discussion, or further discussion, of any measure the mere discussion of which, in his judgment, is liable to involve grave menace to peace and tranquillity.

14. It is perhaps desirable to summarise very briefly the essence and effect of these proposals. The intention is that the special powers of the Governor-General properly so described, namely his power to obtain legislation and supply without the assent of the Legislature, will flow from the responsibilities specifically imposed upon him and be exercisable only for the purpose of enabling those responsibilities to be implemented. The responsibilities to be imposed on the Governor-General by the Constitution should be of two kinds—an exclusive responsibility for the administration of the Reserved Departments, and a "special responsibility" for certain defined purposes outside the range of the Reserved Departments. On the administration of the Reserved Departments Ministers will have no constitutional right to tender advice, though, in practice, they will necessarily be consulted; nor will they have any such right to tender advice on the exercise of any powers conferred upon the Governor-General for use "in his discretion." On all other matters Ministers will be constitutionally entitled to tender advice, and unless that advice is felt by the Governor-General to be in conflict with one of his special responsibilities he will be guided by it. If, in fulfilment of his responsibility for a Reserved Department, or of a special responsibility, the Governor-General decides that a legislative measure or Supply to which the Legislature will not assent is essential, his special powers will enable him to secure the enactment of the measure or the provision of the Supply in question, but Ministers will not have any constitutional responsibility for his decision.

C.—GOVERNORS' SPECIAL POWERS AND RESPONSIBILITIES.

15. As indicated in paragraph 2 of this Report, the scheme for the Governor-General's responsibilities and powers described above will be applicable in all respects to the Governor in relation to his

* The opinion was expressed in this connexion that the Governor-General's powers for this purpose should not be so framed as to hamper freedom in social reform.

† See also Financial Safeguards section.

Ministers and Legislature, with the following modifications of detail. In the Provinces there will be no category exactly corresponding to the Reserved Departments of the Governor-General, though it may be found necessary to make arrangements somewhat analogous to those involved in reservation in order to provide for the administration of those areas in certain Provinces which, from the primitive nature of their populations and their general characteristics, will have to be excluded from the normal operation of the Constitution. With this exception, therefore, the Governors' special powers will flow from, and be expressed as being required in order to enable them to fulfil, their "special responsibilities" only.

16. As regards the "special responsibilities" of the Governors*, these should be identical with those indicated in the case of the Governor-General, save that the first item on the list would necessarily be confined in scope to the Province, or any part thereof, and not extend, as in the case of the Governor-General, to India as a whole. But in the case of the Governors, it would be necessary to add to the list of "special responsibilities" an item relating to the execution of orders passed by the Governor-General. If the Governor-General is to be charged, as will be explained later, with the general superintendence of the actions of Governors in the exercise of their "special responsibilities," and if, as has already been proposed, he is himself to have imposed upon him a "special responsibility" for the prevention of grave menace to peace and tranquillity throughout the country, it follows that he must be in a position to ensure that his instructions to a provincial Governor are acted upon; and consequently that the Governor must be in a position to act otherwise than on his Ministers' advice, if such advice conflicts with the Governor-General's instructions. Finally, it may be necessary to impose upon the Governor a "special responsibility" for the administration of certain excluded areas, if, as seems probable, the arrangements for the administration of excluded areas involve their classification into two categories, one of which would be placed under the exclusive control of the Governor and the other made subject to Ministerial control, but with an overriding power in the Governor obtained in the manner explained in earlier paragraphs of this Report through his "special responsibility."

17. The division of legislative powers between Centre and provinces would no longer make appropriate the concentration in the hands of the Governor-General of the power to legislate in emergency by Ordinance on provincial matters and this power should

* Sardar Tara Singh and Pandit Nanak Chand advocated a special arrangement in the Punjab in relation to "Law and Order". The Minister in charge of that subject should be assisted by a Statutory Board composed of one Hindu, one Sikh, and one Muslim; and the Governor should have the power of decision in the event of disagreement between the Minister and the Board.

henceforth be conferred on Governors also, for the double purpose indicated in paragraph 12 of this Report. Some delegates, however, considered that only the Governor-General should have the power to legislate by Ordinance.

18. Finally, the Conference was agreed that in so far as the Governor-General or a Governor is not constitutionally bound to seek Ministers' advice, or in any matter in which being bound to seek their advice he is unable to accept it, the general requirements of constitutional theory necessitate that his actions shall be subject to direction by His Majesty's Government and Parliament, and that the Constitution should make this position clear. In the case of a Governor the chain of responsibility must necessarily include the Governor-General.

19. It should be explained in conclusion that the recommendations on this Head of the Agenda have no reference to situations where a complete breakdown of the Constitutional machinery has occurred. It was, however, the unanimous view of the Conference that the Constitution should contain separate provision to meet such situations, should they unfortunately occur either in a province or in the Federation as a whole, whereby the Governor-General or the Governor, as the case may be, should be given plenary authority to assume all powers that he deems necessary for the purpose of carrying on the King's Government.

HEAD D (i).
REPORT OF THE COMMITTEE ON FINANCIAL
SAFEGUARDS.

The Committee was appointed "to consider the question of Financial Safeguards" and was constituted as follows:—

Sir Samuel Hoare (*Chairman*).
Lord Irwin.
Lord Peel.
Lord Reading.
Sir Akbar Hydari.
Sir Manubhai Mehta.
Sir Hubert Carr.
Khan Bahadur Hafiz Hidayat Husain.
Sir Cowasji Jehangir.
Sir Tej Sapru.
Sir Purshotamdas Thakurdas.
Mr. Zafrulla Khan.

1. The Committee took as the basis of their deliberations paragraphs 18 and 19 of the Second Report of the Federal Structure Committee and the passage which relates thereto in the subsequent Declaration of Government policy by the Prime Minister at the final Plenary meeting of the first session of the Round Table Conference on the 19th January, 1931. The Committee adhere to the principle that no room should be left for doubt as to the ability of India to maintain her financial stability and credit both at home and abroad.

The Committee examined in somewhat greater detail than was possible at the time of the Second Round Table Conference the implications of the conclusion in paragraph 18 of the Second Report of the Federal Structure Committee that "it would therefore be necessary to reserve to the Governor-General, in regard to budgetary arrangements and borrowing, such essential powers as would enable him to intervene if methods were being pursued which would in his opinion seriously prejudice the credit of India in the money markets of the world."

2. It was agreed, with one dissentient, that the requisite power for the Governor-General could suitably be obtained by placing upon him by Statute a "special responsibility" in financial matters. The terms to be used in defining this special responsibility were carefully examined in the Committee. Some took the view that it was possible to enumerate exhaustively the occasions upon which the special powers of the Governor-General might have to be exercised. The majority are unable to accept this view, and are of opinion that the only statutory description of the special responsibility which will serve the essential purpose which all of us have in view is "special responsibility for safeguarding the financial stability and credit of the Federation."

As in the case of other special responsibilities of the Governor-General, the responsibility of the Ministers for the matters committed to their charge will remain unfettered and complete unless and until the Governor-General feels it necessary to exercise the powers entrusted to him; and when he does exercise his powers, his action will be so expressed as to make it clear that his Ministers bear no responsibility for it. Unless occasion arises for the exercise of these exceptional powers it will be for the Ministry, and the Ministry alone, to take decisions upon such matters as the means to be used for raising the necessary revenue, for allocating expenditure in the responsible field, and for the programme of external and internal borrowing.

It is, moreover, agreed that the Governor-General should not exercise the powers in question unless he is satisfied that failure to use them will seriously endanger the financial stability and credit of the Federation, and the Committee suggest that this should be made clear in the Governor-General's Instrument of Instructions.

The Committee are also agreed, with one dissentient, that the Governor-General should be enabled to obtain the services of a financial adviser, without executive power, to assist him in the discharge of the special responsibility referred to above. His services should be available to the Ministry as well as to the Governor-General, but he would be responsible to the Governor-General and would be appointed by him in his discretion and (in cases subsequent to the first appointment), after consultation with Ministers.

3. It has always been contemplated that the budget should include certain items of expenditure which are declared by Statute to be non-votable, for example, charges in respect of reserved departments and the service of the debt. The Committee endorse this principle.

4. The Committee agree with the recommendation in paragraph 18 of the Second Report of the Federal Structure Committee that efforts should be made to create, on sure foundations and free from any political influence, and as early as may be possible, a Reserve Bank which would be entrusted with the management of currency and exchange. The Committee are of the opinion that the proposals to be submitted to Parliament should be based on the assumption that such a Reserve Bank would have been created prior to the inauguration of the Federal Constitution, and recommend that steps should be taken to introduce into the Indian Legislature a Reserve Bank Bill conceived on the above lines as soon as is possible. Certain requirements must be satisfied before the Reserve Bank could start operations with a reasonable chance of successfully establishing itself; in particular, that the Indian budgetary position should be assured, that the existing short-term debt both in London and in India should be substantially reduced,

that adequate reserves should have been accumulated and that India's normal export surplus should have been restored. The Committee recognise that some of these matters are beyond the control of government but have been assured by the Secretary of State that, so far as is within his power and that of the Government of India, a policy which aims at the earliest possible realisation of the conditions required for the establishment of the Bank will be pursued.

The Secretary of State undertook that representative Indian opinion would be consulted in the preparation of proposals for the establishment of the Reserve Bank including those relating to the reserves.

5. In the existing state of financial and economic crisis throughout the world, it is impossible at this moment to predict a definite date by which the Reserve Bank will have been launched. In paragraph 20 of the Second Report of the Federal Structure Committee it was contemplated that if the establishment of the Reserve Bank was unavoidably delayed, some special temporary powers might be given to the Governor-General to control monetary policy and currency pending the establishment of the Reserve Bank. The Committee were informed that His Majesty's Government had carefully examined the possibility of framing special provisions to this end, but that none of the measures which had been suggested would have been satisfactory from the point of view both of the responsibility of the Federal Ministry and of the maintenance of India's credit; and it is important to remember that the maintenance of India's credit is itself one of the essential pre-requisites of the successful establishment of a Reserve Bank. The Committee accordingly have proceeded on the basis that the proposals to be submitted to Parliament would be framed on the assumption that the Reserve Bank will be in successful operation by the time that it is possible to inaugurate the Federation.

The Committee recognise that Indian opinion may well expect some indication as to the course to be followed if circumstances should arise in which, while all other conditions for the inauguration of the Federation have been satisfied, some obstacles remain in the way of the successful establishment of the Bank. The Committee have been assured by the Secretary of State that in this event His Majesty's Government would consult representatives of Indian opinion regarding the course to be adopted in the face of this particular difficulty.

It is on the basis of this assurance by the Secretary of State that some members of the Committee have been able to accept this part of the Report, and they reserve their right to reconsider their whole position should delay in the establishment of the Bank seem likely to result in postponement of the inauguration of the Federation.

6. Paragraph 18 of the Second Report of the Federal Structure Committee laid down that "provision should be made requiring the Governor-General's previous sanction to the introduction of a Bill to amend the Paper Currency or Coinage Acts." The majority of the Committee endorse this recommendation. It necessarily follows that this condition will apply to any provisions which may be contained in the Reserve Bank Act itself laying down the conditions with which the Bank has to comply in the management of currency and exchange.

7*. The Committee are conscious of the difficulty in any country of reconciling the introduction of far-reaching constitutional changes, necessarily affecting finance, with the highly important requisite that the confidence of world markets and of the investor in future financial stability should be maintained. They believe that the Ministry of the future Federation will pursue a course of financial prudence and that the Federation will rapidly establish an independent credit of a high class. Though, in the future as in the past, it will naturally be the aim to obtain internally, so far as possible, such loan funds as may be required, India will doubtless find it necessary to develop a credit that will enable her also to appeal with confidence to external markets. The provisions outlined in this Report are accordingly designed to afford India an assured prospect of maintaining the confidence of the investment market. Assuming that a prudent financial policy is pursued by the Federation, the Committee feel that there will be no need to call the proposed special safeguards into operation. Their existence should, however, afford reassurance to the investing public at a time when far-reaching developments in the political and financial sphere are being introduced.

* One member can only accept this paragraph so far as it does not conflict with his dissent from para. 2.

SUMMARY OF CONFERENCE DISCUSSION ON HEAD D (i).

The Conference noted the Report of the Committee on Financial Safeguards after the following points had been raised :—

Mr. Jayakar found difficulty in accepting any provision which seemed to confer on the Governor-General a special responsibility in regard to finance beyond the mere protection of the security of investors and the assurance of sufficient funds for the administration of his special subjects. He also feared that the proposed financial adviser might become a rival of the Finance Minister, and that the inauguration of the Federation might be seriously delayed if it depended on the creation of a Reserve Bank.

(Points raised by Sir Tej Saprú on this subject will be found in his speech in the general discussion.)

HEAD D (ii).

REPORT OF COMMITTEE ON COMMERCIAL SAFEGUARDS.

The Committee was appointed "to consider the question of commercial safeguards" and was constituted as follows:—

Lord Reading (*Chairman*).
 Lord Irwin.
 Mr. Butler.
 Lord Peel.
 Sir Akbar Hydari.
 Sir Manubhai Mehta.
 Dr. Ambedkar.
 Sir Hubert Carr.
 Khan Bahadur Hafiz Hidayat Husain.
 Sir Cowasji Jehangir.
 Sir Tej Sapru.
 Sir Purshotamdas Thakurdas.
 Mr. Zafrulla Khan.

The Committee proceeded upon the basis of paragraphs 16-26 of the Federal Structure Committee's Fourth Report, which represents the general conclusions reached upon this subject, after much discussion and negotiation, at the previous sessions of the Round Table Conference.

The basic proposal of the Federal Structure Committee was that the avoidance of discrimination would best be achieved by specific provisions in the Constitution prohibiting discrimination in the matters set out in paragraph 18 of the Fourth Report of the Federal Structure Committee and defining those persons and bodies to whom the clause is to apply.

2. The Committee reaffirmed this proposal of the Federal Structure Committee as to the method of achieving the avoidance of discrimination. But while there was agreement (except for one dissentient) that legislative discrimination should be dealt with by such provisions, some members were disposed to the view that it was undesirable to attempt to provide against discrimination when it resulted from administrative action, on the ground *inter alia* that as the powers to prevent administrative discrimination must necessarily be vested in the Governor-General and the Governors, the possession of such powers would be tantamount to conferring a right of appeal to those high officers against any action of the Ministry which had given rise to dissatisfaction on the part of any individual or minority. The general view of the Committee was, however, that no such consequence need be anticipated from the inclusion of "the prevention of commercial discrimination" in the

list of the Governor-General's and Governors' "special responsibilities,"* and that the adoption of this expedient was the only available means of making such provision as can be made against administrative action of this nature. On the general plan already agreed by the Conference for the statutory recognition as part of the scheme of safeguards in general of "special responsibilities" for certain specified purposes, the consequence would be, in this particular instance, that the Governor-General or Governor, as the case may be, would be entitled in the last resort to differ from proposals of his Ministry if he felt that these involved unfair discrimination. The Committee anticipate that the Instrument of Instructions would make it plain that the "special responsibilities"—or rather the powers flowing from them—are not to be invoked either in this particular instance or in any other, capriciously or without due cause.

3. As regards the persons and bodies to whom these provisions should apply, a distinction was at one stage of the Committee's discussions sought to be drawn between those carrying on business in and with India; for example, it was suggested that in the case of companies, protection on the lines indicated above should be confined to companies registered in India. It was however pointed out that a provision on these lines involved possible attempts at double registration by companies originally registered in the United Kingdom which would inevitably give rise to great legal confusion and conflicts of jurisdiction. The majority of the Committee were not in favour of any such distinction, but were of opinion that this aspect of the matter should be dealt with on the basis of the principle of reciprocity, i.e., that no subject of His Majesty domiciled in the United Kingdom and no company registered in the United Kingdom should be subjected to any disabilities or discrimination in respect of the matters enumerated in paragraph 18 of the Fourth Report of the Federal Structure Committee to which subjects of His Majesty domiciled in India or companies registered in India are not subjected in the United Kingdom. Indian registered companies, on the other hand would be secured against legislative or administrative action imposing upon them conditions as to the conduct of their business which discriminate against particular classes, through the operation of the general principles indicated in paragraph 18 of the Report of the Federal Structure Committee cited above.

The reciprocal basis here suggested should suffice to cover all the matters specified in paragraph 18 of the Fourth Report of the Federal Structure Committee, but, pending agreement between a Medical Council in India and the General Medical Council some special provision may be required regarding the right to practice in India of practitioners registered in the United Kingdom

* See paragraph 7 of Report on Governor-General's and Governors' special powers.

The Committee assume that it would be open to the Government of India should they wish to do so, to negotiate agreements for the purposes indicated in this paragraph with any other parts of the British Empire.

4. The Committee agreed that bounties or subsidies should be available, without distinction, to all firms or individuals engaged in a particular trade or industry at the time the enactment authorising them is passed, but that in regard to companies entering the field after that date the Government should be at liberty to impose the conditions of eligibility recommended by the External Capital Committee. It would, of course, be a question of fact whether the purpose of the subsidy or the imposition of particular conditions, though not discriminatory in form, was, in fact, intended to penalise particular interests; and the Governor-General or Governor, or the Courts, as the case may be, would have to form a judgment on this question in deciding whether a proposed measure was or was not discriminatory.

5. The Committee's proposals are based upon a conviction of the desirability of maintaining unimpaired under the changed conditions which will result from the new constitution that partnership between India and the United Kingdom with which the prosperity of both countries is bound up; and they are confident that the proceedings and policies of the future Indian Governments will be informed by a spirit of mutual trust and goodwill which will render it unnecessary to call into play the provisions of the Constitution to be framed on this matter.

SUMMARY OF CONFERENCE DISCUSSION ON HEAD D (ii).

The Conference noted the Report of the Committee on Commercial Safeguards after the following points had been raised :—

Dr. Ambedkar preferred the method of a "convention" scheduled to the constitution rather than clauses in the constitution limiting the powers of the legislatures.

Mr. Jayakar although accepting the principle that there should be no discrimination on the ground of race, attached great importance to not preventing the future governments and legislatures from adopting special measures to foster key industries or infant industries.

Mr. Mudaliyar with reference to the penultimate sentence of paragraph 3, stressed the importance of not creating a situation in which the hands of the Medical Council in India would be weakened in reaching a suitable agreement with the General Medical Council.

The Secretary of State for India undertook to do his utmost to secure that a suitable agreement was reached before the new constitution came into force.

HEAD E.
DEFENCE.

1. The discussions proceed on the basis agreed to in the two previous Conferences that Defence should be reserved for administration by the Governor-General as representing the Crown. At the same time His Majesty's Government undertook to consider whether the principle enunciated by the Defence sub-Committee of the first Conference, that "with the development of the new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people, and not of the British Government alone", could not be reaffirmed in a manner that would bring it into relation with the new Constitution itself. It was also recognised that the future Indian Legislature should have at any rate no less latitude of discussion in the sphere of Defence than the present.

2. The suggestion was made that the Governor-General's representative who is to act as Defence Member should be selected from Members of the Legislature representing British India or the Indian States, and further that he should be treated as a Member of the Federal Cabinet though not made dependent for his position on the support of the Legislature. It was argued that he could thus maintain a closer contact than could be otherwise secured between the Governor-General and representative political opinion in the sphere of Defence administration. Opinion was, however, divided; and other speakers referred to the difficulty of harmonising the position of the Defence Member with that of a Member of the Legislature dependent on the votes of his constituents, and also that of making him a party to decisions of the Federal Cabinet while he could not share their responsibility nor could they share his. His Majesty's Government expressed their preference for adhering to the conclusion previously recorded that the Defence Member should be appointed at the unfettered discretion of the Governor-General, since this in their view would preserve the essential responsibility of the Governor-General, while it would not rule out the possibility of selection from the Legislature, supposing that on occasion the individual best suited for the post in the Governor-General's opinion was a member of the Legislature.

3. The Conference discussed what arrangements should be adopted to enable the Governor-General to obtain supplies for Defence purposes without placing limitations upon his responsibility for the subject. Two alternative schemes were put forward by certain delegates: either that Defence expenditure should be fixed by a contract system for a term of years, and that the amount so fixed should be settled as far as possible by agreement on each occasion with the Legislature; or that Defence expenditure should

remain non-votable but that there should be a system of close consultation between the Governor-General's immediate Advisers on the one hand and the leading Federal Ministers on the other, before the Military Estimates were submitted to the Governor-General for his final approval and for presentation to the Legislature. A preference was manifested for the latter alternative; and it was further suggested that there should be a statutory obligation upon the Governor-General to consult the leading Federal Ministers in the manner indicated. A proposal was also made that, failing a scheme of this kind, the Defence Budget should be made votable by the Federal Legislature, subject to power of restoration by the Governor-General. His Majesty's Government felt that a statutory obligation of consultation could not but obscure the distinction between the responsibilities of the Governor-General and those of the Federal Ministers; but they associated themselves with the view that joint consultation in this matter was highly desirable in itself and ought in the ordinary course to become a regular feature of the working of the new Constitution. They were ready, therefore, to consider any suitable method of formally affirming the desirability of joint consultation, such as the inclusion of some reference to the principle in the Governor-General's Instrument of Instructions, and further to consider how an affirmation in this form could be brought into direct relation with the Act itself.

4. It was suggested that the importance of rapid progress with Indianisation in the Army should be affirmed in some similar form; and the proposal was also made that a comprehensive programme of Indianisation should be laid down. As regards the latter, the objection was made that the immediate fixation of a final programme, extending as it must over a considerable period, would almost certainly necessitate an extra degree of caution, and that the rate of progress even from the beginning might thus be unnecessarily retarded. The view was stated on behalf of His Majesty's Government that the pace of Indianisation must continue to be regulated by stages, while it was pointed out that a programme of Indianisation already exists which extends much further than the previous stage and looks forward to still greater developments in future. They expressed their sympathy with the suggestion that some means should be adopted of affirming the importance of the subject. In this connection reference was made to the fact that the question of the strength of British troops in India had been brought under expert investigation as recommended by the Defence sub-Committee of the First Conference, and was at present under consideration by His Majesty's Government.

It was suggested in some quarters for consideration that in recruitment for the Defence Forces no distinction should be made between what have been termed the martial and non-martial classes.

5. There was some discussion on the possibility of giving the Legislature a voice in the employment of the Indian Army outside the limits of India. On analysis, it appeared to be implicit in the reservation of Defence that the Governor-General must be solely responsible for all measures which he judges to be required in the interests of India within the sphere of Defence, whether or not these might on occasions involve the employment of Indian Forces outside the actual limits of India. The general conclusion was that His Majesty's Government should consider how far the Legislature might appropriately be given a voice as to the loan of Indian Forces to the Imperial Government on occasions when the interests of India within the sphere of Defence were not involved.

HEAD F.

REPORTS OF THE FEDERAL FINANCE COMMITTEE AND
INDIAN STATES ENQUIRY COMMITTEE (FINAN-
CIAL).

FEDERAL FINANCE.

REPORT OF THE COMMITTEE.

The Committee was appointed "to consider the question of 'Federal Finance' in the light of the Percy Report, Davidson Report, and suggestions in the Secretary of State's statement of 6th December, 1932,"* and was constituted as follows:—

Lord Peel (*Chairman*).

Mr. Davidson.

Mr. Butler.

Lord Lothian.

Rao Bahadur Krishnama Chari.

Sir Akbar Hydari.

Sir Mirza Ismail.

Sir Manubhai Mehta.

Sir Hubert Carr.

Mr. Ghuznavi.

Sir Cowasji Jehangir.

Dr. Shafa'at Ahmad Khan.

Diwan Bahadur Ramaswami Mudaliyar.

Sir Nripendra Nath Sircar.

Sir Purshotamdas Thakurdas.

Preliminary.

1. One essential feature of the general scheme of federal finance outlined by the sub-Committee of the Second Round Table Conference presided over by Lord Peel, namely, the transfer to the Provinces of almost the whole of the proceeds of taxes on income (other than corporation tax), has subsequently been criticised on the ground that it jeopardises the solvency of the Federation by depriving it of adequate access to revenue from direct taxation. The mutual financial relations of the Federation and the Provinces would also remain uncertain and perhaps discordant if the counter-vailing contributions from the Provinces to the Federation, originally proposed for a term of years, could not be extinguished in accordance with a definite programme. The view of the Percy Committee was that no definite time limit could be fixed for the abolition of contributions of such magnitude. A further difficulty revealed by the Percy Committee is that, even on the basis of estimates which assume a substantial economic recovery, certain Provinces might be left in deficit, some possibly in permanent deficit, even if a full share in taxes on income could be handed over to them.

* Vide Appendix to this Report (page 58).

2. The aims which we have kept in view may be summarised as follows : to provide that all Provinces may start with a reasonable chance of balancing their budgets ; to afford them the prospect of revenue sufficiently elastic for subsequent development ; to assure the solvency of the Federation ; and to ensure that, after an initial period, the federal sources of revenue shall be derived from British India and the States alike. The achievement of all these objects is a task of extreme difficulty, especially at a time of great financial stringency. Nevertheless, the scheme set out in the following paragraphs seems to afford a promising line of approach. We are in general agreement as to its main principles and, subject to a satisfactory settlement of the two important factors referred to in paragraphs 4 and 6 below, consider that it offers the prospect of a solution.

Allocation of Taxes on Income.

3. As the basis of the scheme we envisage a two-fold division of the proceeds of taxes on income into shares which would be assigned, as a permanent constitutional arrangement, to the Federal Government and the Provinces respectively.

4. The Federal Government would be entitled to a share based on the proceeds of heads of tax which are not derived solely from residents in British India. We have in mind such heads as corporation tax, tax on federal officers, tax in Federal Areas, tax on Government of India securities, and tax on the incomes of persons not resident in British India. We recognise that the exact content of the list requires detailed investigation and definition by those familiar with the income tax system, and further that in practice it may not be possible to isolate the yield of some of the heads. It may therefore be necessary, and from the administrative point of view it would in any case appear advantageous, to define at least a portion of the federal share as a percentage of the total yield. These problems, we suggest, should form the subject of immediate examination. It is obvious also that some assumptions will have to be made as to the yield of the various heads of tax. In the meantime we have proceeded on the basis that the five heads quoted above should be permanently federal, and that their yield would be $5\frac{1}{2}$ crores out of the sum of $17\frac{1}{2}$ crores estimated by the Percy Committee to be the normal net revenue from taxes on income. On these estimates, unfortunately, we are unable to report that the scheme is acceptable to all of us. The success of the scheme in practice and its virtue in theory depend very largely on the prospective amount of revenue which would be secured to the Federal Government ; and, while the representatives of British India are not prepared to go beyond a sum of about 5 crores, the States' representatives maintain that it should not be less than $8\frac{1}{2}$ crores. It is only on the assumption that a share in taxes on income

estimated to yield at the outset a minimum of $8\frac{1}{2}$ crores is secured to the Federal Government that the States' representatives have agreed to assume the burden of corporation tax as explained in paragraph 8 below.

5. The whole of the remaining proceeds from taxes on income would be assigned to the Provinces, though their actual receipts might be limited by certain demands of the Federation presently to be proposed. We contemplate that the basis upon which the sum actually available for distribution should be divided among the Provinces would be laid down under the constitution, and generally speaking, we are disposed to regard the proposals in paragraphs 74 and 75 of the Percy Report as suitable. These proposals, however, require re-examination in the light of our present scheme, and we recognise that some modification may be desirable.

6. In order to ensure the solvency of the Federal Government until the existing abnormal conditions have passed and sufficient time has elapsed for the development of new sources of revenue, it is proposed that, out of the provincial share of taxes on income, the Federal Government should retain a block amount for a period of x years. This amount would be deducted by the Federal Government from the total net yield attributable to the Provinces before any distribution took place. In this connection, however, some delegates wish to state that, in their opinion, the result as between the Provinces would be inequitable since, in effect, each Province would make a special contribution to the Federation in proportion to its individual share of income tax. They consider that the provincial share of taxes on income should first be distributed, and that contributions should then be taken back on some basis yet to be determined. Delegates from Bengal and Bombay are particularly emphatic on this point. As regards the amount to be allotted to the Federal Government, we are agreed that it should initially be sufficient to balance the federal budget at the outset, and it would therefore have to be determined shortly before the inauguration of the new constitution. In the determination of this amount, the Provincial Governments and the Government of India should, of course, be closely associated. Many members of the Committee consider that, in view of the high level of military expenditure, the possibility of reducing such expenditure should be closely examined in determining the initial federal deficit. Indeed, some members go farther, maintaining that the problem of a federal deficit might be entirely eliminated by very substantial reduction in expenditure under this head, and referring particularly to Sir Walter Layton's remarks on the subject in Vol. II, paragraph 248 of the Statutory Commission's Report. On the question whether the initial amount should continue in full for the entire period of x years we do not express a final opinion, but on the whole we think it might be better to divide that period into two parts. On this

basis, the amount would be fixed for a number of years and would then be gradually reduced to zero, on a scale provided under the constitution, during the remainder of the period of x years. As regards the duration of this period, we are unable to report agreement. The States' representatives consider that the minimum period should be 10 years, divided into two parts of at least five years each if the alternative proposal just mentioned were adopted. The British India representatives would limit x to four or five years, divided, if necessary, into parts of two (or three) and two years. There is agreement that if, during the initial period, the federal budget showed a prospect of a continuing surplus, relief to the Provinces and States which make special contributions to federal resources, whether direct or indirect, ought to have priority over remission of taxation.

7. In this connection we note that, if any scheme on the above lines were adopted, the references in the Davidson Report to "Provincial Contributions" should be construed as applying to the block amount retained by the Federal Government from the Provinces. (Vide paragraph 26 below.)

8. We also note that, provided a satisfactory yield from taxes on income is permanently assigned to the Federation, the States' representatives agree to assume liability for corporation tax on the expiration of the period of x years, subject to the understanding that, assessment of the tax on the companies in a State having been made, the State may raise the amount due to the federal fisc by any method it may choose, and not necessarily by the actual levy of that tax.

9. In addition to the normal powers of the Federal Government, we also contemplate, as an integral part of the scheme, special powers designed to meet such a situation as might arise if the federal budget, initially balanced by the amount retained from the Provinces, failed to remain balanced despite increased taxation upon existing sources and the development of new sources of revenue permanently allocated to the Federation. It is implicit in the scheme that the Federal Government should do its utmost to develop its permanent resources from the outset. It is accordingly proposed that, so far as British India is concerned, the Federal Government should have power to levy, for its own purposes, additional tax on the heads of income-tax permanently assigned to the Provinces. (In practice, of course, it would simultaneously raise the rates of tax on its own corresponding heads.) Whenever this was done, the Federal Government would also levy proportionate contributions on a determined basis (for example, that suggested for a somewhat similar purpose in paragraph 113 of the Percy Report) from such States as prefer not to come into a federal income-tax.

10. Most of us are agreed that, independently of the scheme described above, each Province individually should have a right of

surtax upon the personal tax levied on its inhabitants under the heads permanently allocated to the Provinces, subject to a maximum of 12½ per cent. of the tax centrally imposed. This surtax, like all other taxes on income, would be collected by federal agency. Some members, on the other hand, urge that a provincial right of this nature would not only offend against the general desirability of uniformity in rates throughout India, but would affect the reserve of taxable capacity available to the Federal Government in times of emergency.

11. As regards legislative procedure, we propose that the legislation for corporation tax and for the exercise of the special powers proposed in paragraph 9 above should be entirely federal. Legislation for the rates of provincial surtax would be entirely provincial. All other legislation for the imposition of taxes on income, whether affecting the basis of assessment of the rate of tax, would be uniform, and would be effected by the Federal Legislature with the leave of the Governor-General given after consultation with a council of representatives of the Units and of the Federal Government.

Deficit Provinces.

12. While it is essential to ensure the solvency of the Federal Government and an equitable distribution of burdens among the partners in federation, we recognise also that provincial solvency must be secured if the Provinces are to function successfully. At the same time, we are faced with the insuperable difficulty that financial conditions for some time to come do not seem likely to permit any general distribution of revenues which would automatically bring all Provinces on to a solvent basis, and that some of them might even be in permanent deficit. We propose, accordingly, that any proved cases of deficit Provinces (whether already constituted or newly created) should be met by subventions from the Centre on certain conditions. (The special cases of Bengal, Sind and the North-West Frontier Province are referred to in the succeeding paragraphs, and the probable needs of Orissa are set out in the Secretary of State's statement printed as an Appendix to this Report.) We consider that there should be an enquiry shortly before the new order is inaugurated in the Provinces, as a result of which the amount of any subvention, where necessary, and its duration (if only required for a limited period) would be finally determined. It is important that the decision should be final, as periodic revision could not fail to react on constitutional independence and financial responsibility. We contemplate that the amount would be only just sufficient to enable a Province exactly to balance its budget on a basis of providing for bare necessities. Further, the total sum involved for all the Provinces concerned should be manageable in size and not such as to affect materially the resources which can be made available to the other Provinces. We do not at

the present stage give an opinion as to whether any particular subvention should be constant and permanent, or constant and terminating after a stated period of years, or constant for a term of years and then diminishing over a period. This must depend largely on the prospects of expanding revenue in a Province, and the enquiry which established the necessity of a subvention should also be directed to the conditions of its grant. As regards the source from which subventions to deficit Provinces should be derived, the representatives of the States feel strongly that, except in the case of the North-West Frontier Province, they should form a charge on revenue derived from provincial heads of income-tax after the period of x years. The British India representatives, on the other hand, maintain that the charge could be properly federal after the period of x years in virtue of the amount of income tax assigned permanently to the Federal Government under the scheme suggested in the earlier paragraphs of this Report.

13. In the case of Bengal, we recognise that the difficulties arising from the present distribution of resources are exceptional, and we suggest that they might perhaps be met by according to the Province some share in the revenue from jute. We make no definite proposal as to the form which this share should take as the question requires technical examination. A suggestion, however, which appears to some of us to afford a possible expedient, is that the export duty on manufactured jute might be removed, and a central excise on such jute imposed, to be distributed to the Provinces in which it is levied. A device of this kind would apparently overcome the serious difficulties likely to arise from giving any authority other than the Federal Government the power to impose export duties, or providing that a portion of the proceeds of any export duty should be assigned to a Province. The delegates from Bengal, however, view this suggestion with strong disfavour. They consider that the deficit position of Bengal should properly be remedied out of the export duty on jute, which is practically a monopoly of the Province. In their view, the whole proceeds of that duty should be allotted to the Province, though, for the period of x years defined above, half the proceeds might be given to the Federal Government.

14. Sind is in a special position in that careful investigations have already been made which show that it will be heavily in deficit for a considerable number of years, but that a surplus may eventually be expected to emerge. The whole financial outlook of the Province depends upon the Sukkur Barrage. In this case it is suggested that there should be subventions from the Federal Government on a pre-determined programme. (Some indication of the magnitude of the sums likely to be involved is afforded by the Secretary of State's statement of 6th December, printed as an Appendix to this Report.) We also consider that, in view of the financial importance of efficient administration of the Barrage, the Governor of

the Province might be given special supervisory powers in relation to its administration. Some members wish to point out that the grant of a subvention to Sind in order to enable its separation constitutes a departure from what, in their judgment, was the principle laid down by the Sind sub-Committee of the first Round Table Conference.

15. A subvention will, of course, continue to be required for the North-West Frontier Province. In order to develop a sense of financial responsibility, we consider that the amount of the subvention should be fixed both initially and on the occasion of each revision for as long a period as may be found possible.

Powers of Taxation.

16. We agree generally with the proposals of the Percy Committee in Chapter VI of their Report, subject to such modifications as may be required by the scheme for the allocation of taxes on income outlined above.

17. In regard to the list of "taxes leviable for the benefit of the Units subject to a right of federal surcharge," we contemplate that all legislation should be undertaken by the Federal Legislature.

18. We feel that, if the lists of sources of revenue which it is proposed to insert in the constitution are carefully drafted, the problem of residuary powers of taxation will be reduced to small dimensions. Nevertheless, we consider that some provision for residuary powers is required, and we recommend that they should vest in the Units subject to the condition that the levy of a tax shall not directly prejudice a federal source of revenue.

Emergency Powers of the Federal Government.

19. We contemplate that the special powers, with which we have proposed in paragraph 9 above to invest the Federal Government, should ordinarily suffice to obviate the necessity of emergency contributions such as were proposed in section 21 of Lord Peel's Report, 1931.* Nevertheless, we think it may still be desirable to provide in the constitution for such contributions, and we support the proposals of the Percy Report (paragraphs 112 and 113) as regards both the definition of the circumstances in which they should be levied and the basis of their assessment, except that we prefer in the case of a war emergency that it should rest with the Rulers of the States, as heretofore, to place their resources freely at the disposal of the Crown.

Borrowing Powers of the Units and Security of Federal Loans.

20. We agree generally with the recommendations of the Percy Committee in paragraphs 117 and 118 of their Report as to the limits within which the Units should exercise powers of borrowing and the machinery required in this connection.

* Report of Federal Finance sub-Committee printed as Appendix to Third Report of Federal Structure Committee.

21. We doubt, on the other hand, whether the proposal in section 22 of Lord Peel's Report, 1931*, that future federal loans should be secured on the revenues of the Provinces as well as of the Federal Government, would really be effective. On the whole, we consider that it would be advantageous clearly to base the security for future federal loans on the revenues of the Federal Government only. The pre-federation debt, of course, will continue to be secured on "the revenues of India."

Contributions and Immunities of the Indian States.

22. We have considered the adjustments which will be required to enable individual States to enter the Federation, on the basis of the general financial scheme, taking as its leading assumption that in an ideal system of federal finance all Federal Units would contribute on a uniform and equitable basis to the federal resources. It is generally agreed that the terms of entry of the States into federation should, as far as possible, entail the gradual elimination of contributions of a special character (cash contributions or ceded territories) by certain States to the resources of the Federal Government, and the disappearance of the immunities or privileges of certain States in respect of certain heads of federal revenue (sea customs, salt, posts and telegraphs).

23. To effect the necessary adjustments, separate agreements would require to be made, before the entry of the States into federation, with those now contributing in cash, or which contributed in the past by cession of territory for defence, and also with those now enjoying immunities or privileges in respect of specific heads of federal revenue. We endorse the recommendation of the Davidson Committee that the separate settlement for each State affected should be made by means of a balance-sheet setting off credits (in respect of cash contributions and ceded territories) against the value of any privilege or immunity enjoyed by the State. We also accept as a basis the plan proposed in paragraphs 443 and 444 of the Davidson Report.

24. We have not felt it to be a part of our duty to investigate the correctness of the details as regards existing contributions and immunities or privileges appended to the Davidson Report. Some question has been raised as to whether certain immunities should rank for the adjustments proposed, in view of the nature of the consideration which certain States have agreed to pay and are still paying for them. In this connection we note the caution in paragraph 13 of that Report as to the need for verification of the details in the Report, and we assume that the general principles accepted in the foregoing paragraph would be applied with due regard to the circumstances in which the contributions and immunities of individual States originated.

* Report of Federal Finance sub-Committee printed as Appendix to Third Report of Federal Structure Committee.

25. On the assumption that the method of adjustment with the States will be as above described, the nature of the settlement, in respect on the one hand of contributions and on the other of immunities and privileges, requires to be considered in some greater detail.

26. We are strongly of opinion that the present cash contributions, of unequal incidence, paid by certain States, contravene the fundamental principle that contributions to federal revenues should be on a uniform and equitable basis; and we endorse the view of the Davidson Committee that there is no permanent place for such exceptional and unequal contributions in a system of federal finance. We accordingly recommend that, generally speaking, these contributions should be extinguished not later than the expiry of the period of x years provided for in paragraph 6 above; and, in case this period should be protracted longer than is expected, that a moiety should cease to be paid at the latest in 10 years from the date of federation, and the whole within 20 years. Some of us would favour the immediate extinction of the cash contributions, but the general view is that, during the period of x years, the entire sacrifice of this source of federal revenue would not be practicable. At the same time, it is the view of all of us that any cash contributions which are continued during the period of x years must be taken in reduction of any contribution under paragraphs 9 and 19 of this Report which the States may be called upon to make during that period.

27. We have taken note of the view of the Davidson Committee in paragraph 95 of their Report that the tributes and cessions of territory for defence have, for the most part, a common origin. We therefore accept their view that States which in the past have ceded territory in return for protection are entitled, equally with the States now paying cash contributions, to some form of relief. Most of us agree with the conclusion of the Davidson Committee that the net value of the territories at the time of cession constitutes the fairest basis for calculating the relief to be granted when such relief is desired by a State. This, however, assumes that retrocession of the territories in question, or failing retrocession an exchange of territories in favour of the States concerned, is not found to be a practicable alternative. Credits in respect of ceded territories should rank for adjustment *pari passu* with credits in respect of cash contributions.

28. We fully endorse the view of the Davidson Committee that inter-State tributes are anti-federal, and we view with approval the suggestion that these tributes should disappear, or be replaced by some formal token. In any case, we recommend that the Government of India might explore, in consultation with the States concerned, whether the relief in respect of ceded territories,

proposed in the preceding paragraph, should be reduced *pro tanto* by the amount of any inter-State tribute retained by a State which has a claim to relief in respect of ceded territory or tribute.

29. Turning to the question of the immunities and privileges, great and small, which are enjoyed by numerous States, and of which the nature and value is indicated in the Davidson Report and its Appendices, we would reiterate the view that the entry of each State into the Federation should, as far as possible, result in its assuming liability for an equitable portion of federal expenditure. Nevertheless, we agree with the conclusion of the Davidson Committee that, where a State enjoys privileges or immunities the value of which is not off-set by any special contribution, that State must retain the balance in its favour, in whole or in part, on its entry into the Federation.

30. In the case of salt, we note with approval the suggestion in paragraphs 230-232 of the Davidson Report that restrictions upon the marketing of salt manufactured in Kathiawar might be removed. We assume, however, that the change recommended would require the agreement of the States concerned before it could be brought into effect in regard to any of them.

31. In the case of sea customs, we note that the present annual value of the immunities enjoyed by 14 Maritime States amounts to over 1,80 lakhs, and we recommend that the question of extinguishing these immunities by compensation should be left over for consideration after the Federation comes into being. Meantime, however, our general view is that the possession by certain States of an immunity which prevents other States or Provinces from making their full contributions to the Federation, is contrary to federal principles. The existing treaties and agreements must be fully observed and no change made in them without the consent of the States concerned. But we recommend that Maritime States should retain at the most not more than the value of the duties on goods imported through their ports for consumption by their own subjects.

32. Numerous other important questions are raised in the Davidson Report, decisions on which must necessarily affect the adjustments to be made with individual States. We have thought it best to confine ourselves to the broader questions of principle affecting financial settlements with the States generally. We recommend that the conclusions reached on these basic questions should be applied to the examination of the further questions raised in the Davidson Report which is required before settlements with individual States can be effected.

APPENDIX.

ABSTRACT OF THE SECRETARY OF STATE'S STATEMENT TO THE CONFERENCE ON
6TH DECEMBER, 1932.

The problems of federal finance have already been considered by two Committees, under the chairmanship of Lord Peel and Lord Eustace Percy. Within the limits of their terms of reference, no two committees could have produced more valuable reports. But certain facts have emerged, both from the Committees' enquiries and from the events of the last twelve months, that necessitate a review of the problem from a rather wider angle than that from which the Peel and Percy Committees investigated it.

For example, the Peel Committee based its main recommendations upon the assignment of income-tax to the Provinces, with countervailing provincial contributions to the Centre for a definite period of ten or fifteen years. The Percy Committee, when they went into this question, found that no time limit could safely be put at the end of which the provincial contributions should come to an end. This is an important consideration and must be taken into account. A good many delegates were originally prepared to accept provincial contributions for a limited time; but now it appears that these provincial contributions might have to continue indefinitely. The rather unfortunate history of provincial contributions under the Montagu-Chelmsford Reforms must be kept in mind. Provincial contributions are at best a bad and rather dangerous expedient, and it seems a very serious step for the Conference to decide upon a scheme of finance with these provincial contributions for an indefinite period.

Again, the Percy Committee showed that if affairs go well there may be just enough money to go round; but they certainly did not take the view that there is enough money to go round at present. They based their recommendations upon the hope that there will be a world recovery, that commodity prices will go up, and that the finances of the Federal and Provincial Governments will be substantially better than they are now. Regretfully, however, it must be recognised that the position to-day is not substantially better from the point of view of the prospective Federal Government and the Provincial Governments than it was twelve months ago. A recent estimate of the position of the Central and Provincial Governments shows that the central budget is likely to balance but it will only balance as a result of new and heavy taxation. In the case of the Provinces, there will be many budgets showing deficiencies at the end of the year, and to-day no one can possibly say when these deficiencies will be wiped out.

The general conclusion to be drawn from these facts is that at the present time, the Federal Government would really need all the income-tax that is being collected. If, therefore, the Peel Committee's recommendation were accepted and the proceeds of income-tax were handed over to the Provinces, it would mean that, for an indefinite number of years, the Provinces would theoretically have the income-tax, but the whole of the tax would be transferred to the Federal Government in order to maintain its solvency. This would be a very anomalous state of affairs. Everyone is most anxious to give the Provinces real autonomy, with the fullest possible freedom in the disposal of their revenue and for their development; but no one would be prepared to set up a Federal Government that really had not at its disposal sufficient money to make itself solvent. Unless the Federal Government has at least the main part of the income-tax that is now being collected, it is not apparent how it is going to fulfil its obligations and remain solvent.

The Percy Committee, on the assumption that the present depression would come to an end and that there would follow a period of reviving trade and of increasing prices estimated that it would be possible to distribute only about five crores and then only if allowance were made for the match tax which has not yet been imposed. Unfortunately, the assumption on which this forecast was based is a long way from being realised, and in India the immediate financial outlook is not encouraging. The Government of India have been able this year to budget for a small surplus only by raising taxation to a very high level, by reducing pay, by drastic retrenchment and by the postponement of expenditure. In the Provinces, where the field of taxation is more limited, the position is worse; and although a policy of severe retrenchment has been followed, seven out of the nine Provinces may this year be in deficit. From the latest figures available it appears that, taking India as a whole receipts will hardly balance expenditure. As matters stand, therefore, the Centre cannot surrender any substantial portion of its revenue; and if the Peel plan were applied in present circumstances, this would merely mean that the proceeds of the income-tax would be transferred and the whole amount taken back in the form of contributions.

The alternatives open to the Conference appear to be either to make no constitutional change in the Provinces until there is a marked financial recovery, or to attempt to devise some emergency plan which will enable the deficit Provinces to start as autonomous units on an even keel. It would scarcely be seriously suggested that a Province which could not balance its budget should be given a new constitution and left to work out its own salvation. The problem, therefore, is two-fold: first, to devise emergency measures which will enable the reforms to be introduced; and, secondly, to embody in the constitution permanent provisions for the division of taxation powers and resources. The subject is one of great difficulty and complexity and it would probably help the Conference if a concrete plan were placed before it. The following proposals are tentative only and, of course, no final decision can be taken until the views of the Government of India and of the Provincial Governments have been obtained.

As regards emergency measures, it is suggested that we should consider the possibility of providing for financial equilibrium in the deficit Provinces at the outset by means of grants from the Centre. Under this plan it would be necessary, on the eve of the change, to ascertain the amount necessary in the case of each deficit Province, and for the total amount required to be found by the Government of India. It is, of course, impossible to estimate now the amount that might be needed, but it is hoped that it would not be an unmanageable sum. A number of questions in connection with these initial subventions arise: by what authority should they be determined; whether the contributions should be permanent or open to revision after a stated period; and whether they should be absorbed in any future distribution of central revenue. These subsidiary though highly important questions can best be dealt with in Committee. It will, of course, be realised that the initial subventions would do no more than start the deficit Provinces on a bare subsistence level. But if there is not enough money to go round they must tighten their belts and wait for better times.

As regards permanent arrangements, it must, so far as is possible, be ensured that the Provinces will have a reasonable expectation that, when normal times return, they will be able to function properly as autonomous units and to develop along their own lines. In the first place, it is necessary to define the field of taxation open to them. Certain proposals have been made by the Percy Committee, and these will have to be examined in Committee. Connected with this is the question of residuary powers of

taxation, which, though perhaps not very important from the financial point of view, has led to considerable differences of opinion. Next, it is suggested that the Provinces should be given from the outset a right of surcharge of certain heads of income-tax up to 12½ per cent., so that they may at once be in a position to supplement their resources if they desire to do so by this method. The initial limit of surcharge should be low, as income-tax rates in India are already high; but the constitution might provide that the maximum percentage rate of surcharge could from time to time be increased. Collection would still remain central. As regards income-tax receipts, the constitution should provide for their division, and it will have to be considered in Committee whether this can best be done by the straightforward method of surrendering from time to time blocks of the receipts as the financial position permits, or whether any better plan can be adopted. It seems also desirable to provide for the possibility, with the return of prosperity, of distributing shares of certain specified heads of federal revenue, including the imposition by the Federal Government of excises for the benefit of the Units.

To summarise, special measure would be taken by means of central subventions to start the deficit Provinces on an even keel; the provincial field of taxation would be defined and Provincial Governments invested with a limited right of surcharging the income-tax; as the financial position improved, central revenue would be transferred, and special taxation for the benefit of the Units might be imposed. It must be admitted that the Provinces may regard such an arrangement as a poor substitute for the definite advantages which they expected to gain from the application of the Peel plan; but the problem is conditioned by the realities of the situation, and this should not be forgotten. Nor should it be forgotten that it is vital to preserve the financial stability of the Centre.

There are a number of other questions connected with federal finance which will have to be considered. The questionnaire that has been circulated sets out some of these, but perhaps they may be better discussed in the Committee appointed for the purpose.

Lastly, there are two questions on which one or two observations should be made before the general discussion begins, viz., the questions of the separation of Sind and the separation of Orissa. In the first place, there is the separation of Sind, which His Majesty's Government have accepted in principle subject to the discovery of satisfactory means of financing the new Province, and which the Conference accepted in principle last year. The financial problem has been examined both by an Expert Committee and by a Conference of representatives of Sind presided over by Mr. Brayne, whose Report indicates there will be a deficit of 80½ lakhs from 1933-34 to 1938-39, after which it would be continuously reduced until, in 1944-45, a net surplus, of gradually increasing amount, would be established. These estimates represent a reasonable working hypothesis, except in one particular. They assume that the charges in respect of accumulated interest on the Lloyd Barrage debt would be shared between Bombay and Sind. After carefully considering the views of the Sind Conference, however, the conclusion has been reached that such a proposal would be inequitable to Bombay and inconsistent with the general principles on which separation ought to be effected. On this basis, after allowing for certain possible economies, and for the fact that the additional cost of separating Sind is expected to be covered by fresh taxation within the Province, there is likely to be an initial deficit on the administration of Sind amounting to about Rs. ½ crore, which would be extinguished in about fifteen years, or earlier if new resources became available.

Secondly, there is the question of Orissa. In this case it is impossible to make so definite a statement until an opportunity to consider the whole question has been found; but in the discussions of the Conference it is

certainly desirable that the possibility of creating a separate Province of Orissa should be taken into account. His Majesty's Government have not yet reached any final decision in principle upon this matter, though they hope shortly to be in a position to announce their conclusions. Meanwhile, it would be well that the Conference should consider the financial difficulties involved. The exhaustive Report of Sir Samuel O'Donnell's Committee has been thoroughly examined by the Government of India, who consider that slight reductions in the estimates might be made, with the following result:—

	Rs. lakhs.
Basic annual deficit	13½
Additional recurring cost of separation	15
Total initial deficit	28½
Ultimate deficit	35

It is suggested that the Conference might consider the question on the basis of these estimates. In so doing, the conclusion of the Orissa Committee will doubtless be borne in mind, that the deficit cannot be met to any appreciable extent by the imposition of new taxes.

SUMMARY OF CONFERENCE DISCUSSION ON HEAD F.

The Conference noted the Report of the Committee on Federal Finance after the following points had been raised :—

(1) *R. B. Raja Oudh Narain Bisarya*, on behalf of H.H. the Nawab of Bhopal, did not agree to corporation tax being included in the list of federal sources of revenue, or to any arrangement which might involve a direct contribution from the States towards charges on account of purely British-Indian liabilities. (*Mr. Rushbrook Williams* added that he believed this statement to represent the opinion expressed at an informal meeting of the Chamber of Princes last March.)

(2) *Mr. Rushbrook Williams*, in regard to paragraph 31, stated that the position of the Kathiawar and other Maritime States must be governed by their Treaties. It was impossible for the States which he represented to accept the general proposition that they should only retain the duty on goods consumed in their own territories.

HEADS G AND H.

I.—POWERS OF THE INDIAN LEGISLATURES VIS-A-VIS PARLIAMENT.

II.—CONSTITUENT POWERS.

III.—FUNDAMENTAL RIGHTS.

I.—POWERS OF THE INDIAN LEGISLATURES VIS-A-VIS PARLIAMENT.

The existing Government of India Act embodies various provisions, all taken from earlier Acts, which place limitations upon the powers of the Indian Legislatures. The general effect of these provisions is *inter alia* that any legislation passed in India, if it is in any way repugnant to any Act of Parliament applying to India, is to the extent of the repugnancy null and void. It was felt that the form of these old enactments would be inappropriate for adoption as part of the Constitution now contemplated—a constitution very different in character from that of which they originally formed part; and that in substance, also, they would be unnecessarily rigid. There are certain matters which, without question, the new Constitution must place beyond the competence of the new Indian Legislatures and which must be left for Parliament exclusively to deal with—namely, legislation affecting the Sovereign, the Royal Family and the Sovereignty or Dominion of the Crown over British India; moreover, the Army Act, the Air Force Act and the Naval Discipline Act (which, of course, apply to India) must be placed beyond the range of alteration by Indian legislation; and it may also be found necessary to place similar restrictions on the power to make laws affecting British nationality. But, apart from these few matters, it was felt that the new Indian Legislatures, Federal or Provincial, can appropriately be given power to affect Acts of Parliament (other than the Constitution Act itself) provided that the Governor-General acting “in his discretion” has given his previous sanction to the introduction of the Bill and his subsequent assent to the Act when passed; in other words, the combined effect of such previous sanction and subsequent assent will be to make the Indian enactment valid even if it is repugnant to an Act of Parliament applying to India. In his decisions on the admissibility of any given measure the Governor-General would, of course, on the general constitutional plan indicated in the Report on the Special Powers of the Governor-General and Governors, be subject to directions from the Secretary of State. Beyond a provision on these lines no further external limitation on the powers of Indian Legislatures in relation to Parliamentary legislation would appear to be required.

II.—CONSTITUENT POWERS.

The conclusion just indicated—that the power to vary the provisions of Acts of Parliament should not relate to the Constitution Act itself—led directly to the question of Constituent Powers. Discussion of this question disclosed a unanimous recognition of the fact that it would be impossible to contemplate a delegation to Indian Legislatures by provisions in the Constitution Act of any *general* powers to alter that Act itself, and that such powers must necessarily remain with Parliament for exercise by means of further legislation as and when required.

2. This head of the Agenda was, however, framed on the assumption that there might be some matters in regard to which specific powers might be granted to Indian Legislatures to make modifications, subject to suitable conditions, of the detailed arrangements to be embodied in the new Act. The problem was discussed with particular reference to two matters which, though of a somewhat different character, were found to raise substantially the same problems—namely (a) the details of the franchise and the composition of the Legislatures—Provincial and Federal; and (b) the alteration of provincial boundaries, or the formation of new provinces. Taking the latter first, there was a general feeling that, while, once the Federation had been brought into being, it would be undesirable to give ground for the impression that the number, size or character of the federating units was to be liable to frequent or capricious re-arrangement at the behest of particular elements in their population—an impression which would be inimical to solidarity and to a settled political outlook—yet the Constitution Act might advantageously provide machinery whereby His Majesty's Government would be empowered, after satisfying themselves that proposals for the re-adjustment of provincial boundaries, or possibly even for the formation of a new province, had behind them a solid backing of popular opinion in the areas concerned, and would not involve undue commitments on the resources of the Federation or the provinces, to give effect to such proposals. Attention was drawn in this connection to the provisions of s. 52A of the existing Government of India Act as an indication of the kind of provisions which it might be desirable to retain in being.

3. As regards the franchise and the composition of the Legislatures, it was recognised that scarcely any modification of the plans now contemplated for embodiment in the new Constitution could, in practice, fail to raise, either directly or indirectly, the general communal issue. His Majesty's Government had, indeed, contemplated, and had foreshadowed in their Communal Decision, the insertion of provisions in the new Constitution designed to enable, after a suitable interval of time, its modification with the consent of the various communities and interests affected. Discussion, however, disclosed a general feeling that most difficult and

controversial issues would be involved in an attempt to define here and now conditions which, on the one hand, would not render the power to make such modifications incapable of exercise, on account of the stringency of conditions to be fulfilled and, on the other hand, would satisfy the several communities and interests that any decision for modification was, in fact, the result of substantial mutual agreement. It was, moreover, generally recognised that the difficulty which thus presents itself in relation to the Communal Award of devising suitable conditions for the exercise of any provisions in the nature of Constituent Powers in fact pervades the whole problem discussed under this Head. In the course of the discussion a very complete plan was, in fact, suggested as a statement of the conditions to which the exercise of the power (should such be granted by the Constitution) to modify the composition of the Legislatures and the nature of the franchise should be made subject. Objection, however, was taken to this proposal on the ground that its elaboration and stringency were such as, in all probability, to frustrate, in practice, the exercise of the power, even though there might be a really substantial popular demand for its exercise; it was suggested, therefore, on behalf of those who urged this objection, that a preferable course would be to leave it to His Majesty's Government themselves to determine the nature of the provisions to be framed in fulfilment of their intention that the details of the Communal Award should be susceptible of modification with the consent of the communities affected.

4. Finally, there was a consensus of opinion that the Constitution should provide that whatever powers were granted of this nature should not be capable of exercise save after the lapse of a substantial period of time from the date of inauguration of the new Constitution, and account was not lost, throughout the discussion, of the probability that Parliament itself, in enacting the new Constitution would be inclined to approach with great caution any proposals for its alteration otherwise than by means which it could itself control.

5. His Majesty's Government took careful note of the very difficult issues to which the discussion had given rise; they were disposed, while leaving unimpaired the authority of Parliament to decide any issues which might present themselves involving changes of a substantial character in the Constitution, to examine with care and sympathy the provision of such machinery as might obviate the disadvantages and inconveniences to be anticipated from the lack of means to secure any alteration of the details of the Constitution as first enacted otherwise than by the difficult and lengthy process of an amending Bill; and would be concerned to see that any provisions designed with this object were so framed as to enable Indian opinion to be fully ascertained before any alterations were, in fact, carried out.

III.—FUNDAMENTAL RIGHTS.

In the agenda of the Conference the question of Fundamental Rights was purposely linked up with the question of the powers of the Legislatures, because it was felt that it had been insufficiently realised that the effect of inserting provisions of this kind in the Constitution must inevitably be (if they are to be more than expressions of a political ideal, which have never yet found a place in English constitutional instruments) to place statutory limitations on the powers of the new legislatures which may well be found to be of the highest practical inconvenience. The Government have not in any way failed to realise and take account of the great importance which has been attached in so many quarters to the idea of making a chapter of Fundamental Rights a feature in the new Indian Constitution as a solvent of difficulties and a source of confidence; nor do they undervalue the painstaking care which has been devoted to framing the text of the large number of propositions which have been suggested and discussed. The practical difficulties which might result from including many, indeed most, of them as conditions which must be complied with as a universal rule by executive or by legislative authority were fully explained in the course of discussion, and there was substantial support for the view that, as the means of securing fair treatment for majority and minorities alike, the course of wisdom will be to rely, in so far as reliance cannot be placed upon mutual goodwill and mutual trust, on the "special responsibilities" with which it was agreed* the Governor-General and the Governors are to be endowed in their respective spheres to protect the rights of minorities. It may well be, however, that it will be found that some of the propositions discussed can appropriately and usefully find their place in the Constitution; and His Majesty's Government undertook to examine them most carefully for this purpose. In the course of discussion attention was drawn to the probability that occasion would be found, in connection with the inauguration of the Constitution, for a pronouncement by the Sovereign, and that, in that event, it might well be found expedient humbly to submit for His Majesty's gracious consideration that such a pronouncement might advantageously give expression to some of the propositions brought under discussion which prove unsuitable for statutory enactment.†

* See Report on the Special Powers of the Governor-General and Governors, pp. 25-35.

† Dr. Ambedkar advocated the inclusion in the Instrument of Instructions to the Governor-General and Governors of any propositions relating to Fundamental Rights which could not be enacted in the Constitution Act itself.

REPORT ON HEAD I.

FORM OF STATES' INSTRUMENTS OF ACCESSION.

A meeting was held on the 20th December under the Chairmanship of Lord Irwin, which was attended by Mr. Davidson, Mr. Butler, the Representatives at the Conference of the Indian States and certain legal experts and officials, to consider the form of States' Instruments of Accession.

2. It was agreed that the Federation would derive its powers in part from the powers which the Rulers of the States would agree, for the purposes of the Federation only, to transfer to His Majesty the King for exercise by the Federal Government and Legislature and other Federal organs. In order to effect the transfer of these powers an agreement would require to be made by each State individually with the Crown which might be termed an Instrument of Accession.

3. It was agreed that the accession of States whose Rulers were not for the time being exercising Ruling Powers would have to be postponed until their Rulers were in possession of Ruling Powers. Some apprehension was felt as to the consequent reduction at the outset in the strength of the Indian States' representation in the Federal Legislature and it was considered that this question might require further examination in connection with that of the size and composition of the Federal Legislature in order that, having regard to the interests of British India, the position of the representation of the States as a whole might not be prejudiced.

4. It was accepted that the formal conclusion of agreements between the States and the Crown could not take place until after the Federal Constitution had been approved by Parliament.

It was contemplated that the provisions of the Act in regard to Federation should not take effect at once, but that the Act should contain a proviso that they should be brought into force after a specified period if and when so many States had acceded. This procedure would secure that the States should not be asked to commit themselves definitely until they had the complete Act before them. But it was suggested that opportunity might be found to enable the Princes' views on the draft Constitution to be made known to Parliament while legislation was in progress. In particular it was thought desirable that opportunity should be afforded to the Chamber of Princes and the States individually to consider the Constitution as outlined in the White Paper and possibly again at a later stage (e.g., during the Report stage) if important amendments were introduced in the scheme after its discussion in the Joint Committee where the States would be represented and the introduction of a Bill in Parliament.

5. As regards the form of the Instruments of Accession the procedure which commended itself to the meeting as a whole was one whereby the States would convey to the Crown a transfer of the necessary powers and jurisdiction in accordance with the specific provisions of the Act. This procedure would enable respectively the Governor-General of the Federation and the other Federal organs established for the purposes of carrying out the Constitution, to exercise in relation to the States and the subjects of their Rulers, but only in accordance with the Constitution, the powers which the Rulers had agreed to transfer and would avoid a reproduction in the Instruments of Accession themselves of the wording of each clause of the Act which related directly or indirectly to the States. But provision would have to be made for the transfer to be limited by the exclusion of certain matters.

6. It was agreed that the Instruments of Accession must provide for exclusion from the purview of the Federation of those powers and jurisdiction in respect of Federal subjects, in whole or in part, which it was not agreed by the individual States to transfer to the Federation, subject to the understanding that there could be no question of a State so restricting the transfer of powers as to render its adherence to the Federation ineffective.

7. It was considered desirable that in due course the skeleton draft of an Instrument of Accession should be discussed between the Viceroy and the representatives of the States.

SUMMARY OF CONFERENCE DISCUSSION ON HEAD I.

The Conference noted the Report on the " Form of States' Instruments of Accession " after the following points had been raised :—

With reference to paragraph 6, in reply to enquiries by Mr. Joshi and Mr. Jayakar, the Secretary of State for India made it clear that it was not contemplated that a State's accession to the Federation should be accepted unless it was really substantially undertaking the Federal duties.

It was made clear that it was not contemplated that the Treaties should contain provisions which would enable a State to come into the Federation and go out again at pleasure.

REPORT OF COMMITTEE ON THE EDUCATION OF THE
ANGLO-INDIAN AND THE DOMICILED EUROPEAN
COMMUNITY IN INDIA.

1. The following delegates were selected to serve on the Committee :—

Lord Irwin (*Chairman*).
Sir Hubert Carr.
Sir Henry Gidney.
Sir Muhammad Iqbal.
Mr. Jayakar.

2. The Committee had the advantage of consultation with Sir Henry Richards, Senior Chief Inspector of the Board of Education, in regard to the system of inspection in England.

3. The main problem which the Committee had to consider was whether European education, which is at present a provincial reserved subject, should be a provincial subject under the new constitution, or should become a responsibility of the Central Government. As long ago as 1913 the domiciled European and Anglo-Indian Community asked that European education should be placed under the Central Government. In 1923, and again in 1925, deputations from the community were received by the Secretary of State for India and made the same request. More recently the Committee on Education presided over by Sir P. Hartog* considered the matter and reported to the Statutory Commission against centralisation. The Committee had, therefore, to consider a problem which had been before Government in India and the Secretary of State for nearly 20 years.

4. It is perhaps, therefore, hardly a matter for surprise that two opposing opinions found strong expression on the Committee. In these circumstances the Committee sought for a middle course and they believe they have found it in the following proposals, which they accordingly submit for the approval of the Conference.

The Committee recognise the special needs and circumstances of the Anglo-Indian Community and the necessity of maintaining a proper and adequate standard of their education. They have, however, decided that it is not necessary on this account that Anglo-Indian education should be a central responsibility, but they recommend that the education of Anglo-Indians and domiciled Europeans should have special protection accorded to it in the several Provinces, and that means should be found to secure its better co-ordination. To this end they recommend that :—

(a) it should be provided by statute that there shall be no reduction in existing educational grants-in-aid for the community in any Province other than a reduction *pro rata* with a reduction in the general educational grants-in-aid, save with the consent of a majority of three-fourths of the Legislature concerned; and further that this special protection shall continue until such time as it may be decided otherwise by a majority of three-fourths of the Legislature. These provisions

* Interim Report of the Indian Statutory Commission (Omd. 3407).

should be without prejudice to the special powers of the Governor for the protection of Minorities;

(b) each Province should forthwith and before the new Constitution comes into force create a Board for Anglo-Indian Education, consisting of the Education and Finance Ministers of Provinces, one representative from each of the Universities in the Province, one representative of the Managers of Anglo-Indian Schools and two Anglo-Indians, the Boards being nominated by the Governors in consultation with the Ministers of Education after taking into consideration any recommendations put forward by the interests concerned. The Boards' duties would be to make representations to the Ministers as to the amount of the block grant that they might consider necessary for the discharge of their duties, to administer the grants when made, and to tender advice to the Ministers on matters of administration concerning Anglo-Indian Educational institutions;

(c) in order to secure uniformity of educational standards, and co-ordination of Anglo-Indian education, throughout India an Inter-Provincial Board for Anglo-Indian Education should be established forthwith, consisting of the Provincial Ministers of Education or their deputies and an equal number of persons nominated by Provincial Governors to represent Anglo-Indian schools, in consultation with the Ministers of Education and the community concerned. The Chairman should be elected by the Board from their own number;

(d) the Inspectorate of Anglo-Indian Schools should be appointed by the Inter-Provincial Board and placed under the general direction of the Board for the purpose of securing uniformity of educational standards and inspection. The Inspectorate should work under a Chief Inspector and have jurisdiction in such areas as the Board may decide, after consultation with the Provincial Boards concerned. In respect of the administration of schools situated within a Province, the Inspectorate would work under the specific control of the Provincial Minister of Education, acting in consultation with the Provincial Board of Education;

(e) the cost of the Inter-Provincial Board and of the Inspectorate should be borne by the Provinces in proportions to be decided by that Board, or, failing agreement, by arbitration.

5. In making the recommendations in sub-paragraphs (b) to (e) of paragraph 4, the Committee assume that the maintenance of this or some equivalent machinery for the purpose of giving effect to the recommendation in sub-paragraph (a) of paragraph 4 should be rightly held to fall within the scope of the special responsibilities of Governors for the protection of Minorities.

SUMMARY OF CONFERENCE DISCUSSION ON REPORT OF COMMITTEE ON ANGLO-INDIAN EDUCATION.

The Conference noted the Report of the Committee on the Education of the Anglo-Indian and the Domiciled European Community in India.

SUPREME COURT.

The Conference considered the question of a Supreme Court for India. In introducing the discussion *Sir Tej Sapru* referred to the fact that general agreement had been reached in previous discussions that some sort of a Federal Court was necessary to interpret the constitution and to decide constitutional disputes between the Federation and the Provinces and between the units of the Federation. The only question that remained was whether there should be a Federal Court as apart from a Supreme Court or whether there should be a Supreme Court as well. Now, if it became necessary to have a Supreme Court at all then he and his colleagues were entirely opposed to having a separate Supreme Court set up. In the interests both of economy and efficiency there must be only one Court which might sit in two divisions for the decision of Federal issues and of appeals from High Courts in India respectively. He pointed out that a purely Federal Court of three or four judges would not be likely to carry much weight while a bigger Court of nine to twelve judges would command confidence and attract talent. For these reasons he and his colleagues wanted both a Federal and a Supreme Court but not two separate Courts.

As regards the composition he thought that in view of the paramount importance of keeping the judiciary absolutely independent of all political taint the constitution should provide for the institution of the Court, for the appointment of the judges by the Crown and for the guaranteeing of their salaries. No religious or racial considerations should influence the appointment of judges who should be taken from any community, European or Indian, provided that they could command confidence by reason of their independence, of their competence and their impartiality.

The setting up of a Supreme Court, however, did not mean that the jurisdiction of the Privy Council should be ousted. That jurisdiction should continue. At present there are two classes of cases that come to the Privy Council. The first consists of cases which are valued at over Rs.10,000; the second of cases in which the High Court certifies that there is some substantial point of law which ought to come before the judges of the Privy Council. It would be to the advantage of all alike if the pecuniary limit of appeal were raised, and with regard to the second class of appeals a certificate was required, not from High Courts but from the Supreme Court. He did not think that the work of the Supreme Court would be so vast as to require 20 or 30 judges as had been suggested in certain quarters. The right of appeal was perhaps somewhat abused and it would be the business of the new Legislatures to consider whether this right should not be restricted in the

interests of justice, but his view was that no more than nine to twelve judges would be necessary in the combined Federal and Supreme Court.

As regards Criminal appeals, his view was that appeals to the Supreme Court should be allowed only in cases of capital sentences and then under certain well-defined conditions. He felt that the new constitution would not be complete without both a Federal and a Supreme Court.

Mr. Zafrulla Khan agreed generally with Sir Tej Sapru that there should ultimately be a Supreme Court. He considered, however, that as a Supreme Court was not an essential part of the constitution, all that was now necessary was to lay down the details of its constitution in the new statute, leaving it to the future Legislature to decide the actual date of its establishment. He agreed with Sir Tej that the right of appeal to the Privy Council should remain, that there should be some limitation to the number of appeals generally, and that the Supreme Court should have a certain criminal jurisdiction, for example, in cases of capital punishment; there should be a right of appeal to the Supreme Court in all cases of acquittal by a lower court and subsequent conviction by a High Court, and in other capital cases within certain defined limits.

Sir A. P. Patro speaking as a taxpayer was not convinced of the immediate necessity of a Supreme Court. A Federal Court was essential at the outset, but in their present straitened finances and with the jurisdiction of the Privy Council to continue, they might well wait until the Federal Court was in working order before setting up a Supreme Court. In any case it was not certain that the best talent could be procured for such a Court because a lucrative practice would generally be considered more attractive.

Sir N. Sircar was definitely opposed to the constitution of a Supreme Court. The cost would be prohibitive; any right of appeal to the Supreme Court even in the limited criminal field of capital cases, would be largely availed of and some 20 or 25 judges would be necessary to deal with the work. If the object of the proposal was to escape eventually from the jurisdiction of the Privy Council this was not possible because the Privy Council exercises a prerogative power. Nor was this desirable; the Privy Council, sitting as the last impartial tribunal in an atmosphere remote from local colour and prejudice, had done much for British-Indian jurisprudence during the last 150 years, and its services should not be lightly set aside.

Mr. Mudaliyar urged that a "Dominion Status" constitution involves a Supreme Court, just as a Federal constitution involves a Federal Court. The only issue therefore was whether a Supreme Court should be established now or later. The main objection urged to establishing it now was the cost. But this did not take account

of the fact that civil courts in India were generally self-supporting. The judges of the Federal Court, at least three and possibly five in number, might not be fully occupied by Federal matters and if sitting as a Supreme Court they heard civil appeals the stamp fees would offset the cost of the Court. Criminal appeals would be comparatively few. It should be noted that a resolution had been passed by the present Legislative Assembly subsequent to the meetings of the Consultative Committee in favour of the immediate establishment of a Supreme Court.

Sir Akbar Hydari, expressing the general view of the States delegation, said that it was essential that the Federal Court should be a separate and distinct entity. A Federal Court was a constitutional necessity; a Supreme Court was not a matter of immediate importance, and, in any case, was the concern of British India alone. To visualise two divisions of the same Court, one Federal and one Supreme, was to confuse the issue. A Federal Court was a Federal essential and would require to be manned by judges of outstanding integrity, with a knowledge of constitutional law, customarily associated with All-India interests and free from local prejudices. The question of a Supreme Court on the other hand was merely a question of supplementing the judicial system of British India.

Sir Hubert Carr considered that no case had been made out for incurring the expense of a Supreme Court.

Mr. Jayakar, having shown that no difference of principle existed on the British Indian side, asked whether the constitutional picture could be regarded as complete if it did not provide every Indian with a complete right of appeal within his own country. The cost of a Supreme Court and its date of establishment were questions of detail; in principle, it was an essential of the Constitution.

Sir Tej Sapru did not agree with the conception of a Federal Court as put forward by *Sir Akbar Hydari*.

After some discussion it was decided that, in view of the differences of opinion that had emerged, it would be of no advantage to appoint a Committee of the Conference to consider the question further.

Subsequently, by leave of the Conference, a note on the subject by *Sir Claud Schuster* and *Sir Maurice Gwyer* was circulated as one of the Conference memoranda (see page 203).

GENERAL DISCUSSION.

Meeting of Conference held on 23rd December, 1932.

Sir Samuel Hoare : I suggest that now we should proceed at once to a general discussion before the proceedings of the Conference are wound up. I do not know whether Sir Tej Bahadur Sapru would be inclined to begin the discussion ; if he would, I think we should be very glad.

Sir Tej Sapru : Mr. Secretary of State, my Lords and gentlemen, I would begin by expressing our deep sense of obligation to the members of the Staff of the India Office. I associate with that expression of opinion the names of Sir Findlater Stewart, Mr. Carter and Mr. Dawson, and indeed every other officer who, as we have noticed with a remarkable degree of appreciation, has been working at all hours of the night and day. If we are destined to have a Secretariat of our own in the future over which we shall exercise any control, we shall bear this example in mind.

Now, Secretary of State, I feel a very heavy sense of responsibility—much heavier than I can say—in speaking on this occasion. It was in 1929 that Lord Irwin paid a visit to England. If His Lordship will allow me to divulge a secret, which I may do on this occasion, before he came to England I had a long conversation with him, the substance of which I have preserved. From distant India we were watching the progress of events here, and watching with great interest his activities here. In fact, I do not mind now making a public confession, that the proposal of the Round Table Conference went from us to Lord Irwin.

To that proposal men like the late Pandit Motilal Nehru and the late Sir Ali Imam—I regret deeply the death of both these leaders—were parties. We decided to put forward that suggestion with the full concurrence of those two distinguished leaders of India. We put it before Lord Irwin and when Lord Irwin came to India I at any rate looked upon him as an ambassador of peace between England and India. When he came back he invited some of us to meet him. It has always seemed to me a matter of tragic significance that on that fateful day, 23rd December, 1929, the conversations which took place in the privacy of the Viceroy's study broke down. The subsequent events are known to you and to everyone, and I will not refer to them in detail. Nevertheless in 1930 when the situation in India was of a critical nature causing anxiety both to you and to us some of us decided in the midst of great public opprobrium to come and see whether we could not explore every avenue for the settlement of an issue which seemed to us to be growing more and more acute every day. Lord Irwin will bear me out—his Lordship was then the Viceroy of India—when I say that we did not come to England in the midst of the

blessings of our people. We came to England in the midst of the curses, of the jibes and of the ridicule of our own countrymen. Those of us who believe in constitutional methods took the great risk, and we thought that upon the success of this Conference or the failure of this Conference would depend the success or failure of constitutional methods. Reviewing as I do the events of the last three years I feel, and I feel very sincerely, that we were right in coming at that time. Our experience in 1930 was certainly encouraging. When I remember that the one criticism which was then made of the Round Table Conference of 1930 was that men had assembled at that Table who possessed no goods to deliver, that the men who possessed goods to deliver were behind prison bars and had not come here, and when I remember that after our return to India the men who had goods to deliver and the men who had no goods to deliver according to popular estimate combined together in bringing about a different atmosphere of peace to which Lord Irwin made his greatest contribution in my opinion—well I do not feel inclined to agree with the criticism that we acted wrongly in coming here in 1930. Unfortunately when we came here last year, accompanied by men who could “ deliver the goods,” we met with difficulties of an extraordinary character, mostly of a domestic nature. We failed, except in one important respect, and I would beg you all to recognise the importance of that. Although we might not have achieved agreement on questions which divided us, we achieved success—and distinct success—in one direction, and that was this—that His Majesty’s Government of the year 1931, which was different from His Majesty’s Government of 1930, then stood committed to the policy of the Round Table Conference and to the policy enunciated by the Prime Minister.

Now although it so happens that at the present moment you have the National Government—I do not pretend to interpret your politics—yet it so happens that in that National Government the dominant party is the Conservative Party, and I am entitled to hold the Conservative Party of England fast to that policy which was enunciated by the Prime Minister and which was endorsed by Lord Reading in the Houses of Parliament. Without suggesting that Lord Peel and Lord Winterton are diehards—

Lord Peel : I am afraid we are not considered so.

Sir Tej Sapru : —At any rate I am prepared to say that you have proved much better than your reputation. Without suggesting that either Lord Peel or Lord Winterton is a diehard I beg them to remember that we, the British Indians, hold the Conservative Party as much in honour bound to deliver those goods which they have promised to deliver us as we hold any other party, Liberal or Labour, in this country. Therefore, although in other aspects we may have failed to achieve any success last year, we did achieve

this success, that we have now got the pledge of all three parties in this country. Now we have come this time, after having that obstacle in our way removed by the word of the Prime Minister, which to my mind must hold the field unless it is replaced by agreement between the different communities, to ask you to deliver the goods which you possess, and I do sincerely hope and trust that you are going to deliver those goods.

I confess that during the six weeks that we have been working here there have been moments of great depression, there have been times when it seemed to me at any rate that the prospect was very gloomy. I make that personal confession. Those moments have alternated with moments of hope, and now the time has come when we should review our work and ask ourselves what it is that we have been able to achieve during the few weeks that we have been in your great country.

So far as the picture is concerned—I say it in no carping spirit—it has yet to be completed. I think it will be completed when we see your White Paper, and it will be then for us coolly and dispassionately to ask ourselves what is the sum total of our gain. Subject to any opinion which may be formed by myself or my colleagues or my countrymen at the time when we see the completed picture in the White Paper which I hope will be presented soon, I will say that there are certain broad questions on which there has been agreement, although it would be wrong to say that there has been agreement on every question.

The big issue in which we are all interested is the issue of Federation, and here, if I may say so, without raising any controversial issue, so far as I am concerned my whole interest lies in Federation. I have not come all this distance with the feeling that all that we could achieve was merely provincial autonomy divorced from responsibility at the Centre. Ever since the days that I had the honour of being a member of Lord Reading's Government I have held the conviction that if India is to get any Constitution it must be a Constitution which gives responsibility at the Centre.

Our political ideas with regard to the Federation were not very clear in 1921 and 1922, but as events progressed and as difficulties were felt and realised in regard to Central responsibility, some of us—I confess I was one of them—were forced to the conclusion that the future of India lay in Federation. That has been my deep conviction for the last five years. And I may say that the idea of an all-India Federation—however far away it might have been—began to develop in 1927 or 1928. I am disclosing no secret when I say that on an important occasion when the late Lord Sinha and I were invited by His Highness the Maharajah of Patiala to discuss high political issues, both of us advised the Princes that they must

come into our Legislature and must look upon themselves as part and parcel of a big whole.

It is since then that our ideas began to get more and more clear; and I at any rate have felt all along these years that it is worth trying to bring into existence a greater India than mere British India: to remove those conflicts which do at times arise between British India and the Indian States, to harmonise the two together so that our life may be greater and richer and more harmonious in every respect.

Now when we came here in 1930, their Highnesses made a very generous and patriotic response to our invitation to join this Federation; and I put it to Their Highnesses' representatives—I regret very much the absence of Their Highnesses on this occasion—that the time has come when they or their Sovereign masters should finally make up their mind and definitely and without any doubt or misgiving say that they are ready to join the Federation provided their special interests are safeguarded. Only this morning I ventured to interrupt Sir Manubhai Mehta and some others and asked them whether they had made up their minds on the question of the size of the Legislature or on the question of the proportion. I am bound to say that so far as Their Highnesses are concerned the position does not seem to me to be clear; that is to say, one group holds one opinion with regard to the size and the quota that they claim, another group holds another opinion. All that I am entitled to assume is that if those differences between themselves are removed—and we are not interested very much in those differences—I assume that they would be ready to come into the Federation; and I do hope that before this Conference concludes some definite statement might be made on their behalf.

My conception of an All-India Federation is a Federation of British India and Indian States in which the Indian States will be very honoured partners; but I will repeat what I said yesterday in the course of my remarks on the Report of the Financial Safeguards Committee, that while I should welcome them as honoured partners with every right under Treaty or under Agreement or Convention effectively safeguarded, I should not like British India to be treated as a dependency of the Indian States. Therefore I am entitled to call upon the representatives of the Indian States in the course of their speeches to make the position somewhat more clear than it seems to be at the present moment.

But here, Mr. Secretary of State, I would venture to make one observation. We agreed to the All-India Federation in the hope and belief that the fruition of our ambition and of our ideals would be possible within the next few years.

If we wanted to get on with provincial autonomy the Simon Commission's Report gave us an opportunity. But we did not want

provincial autonomy. Therefore, from this point of view the question of the date of the Federation is to my mind of the most vital importance. With regard to that I wish to state the position of some of us as clearly as it is possible for me to do. Our position is that you must fix a date for the inauguration of the Federation as was done in the case of the Dominions of Canada, Australia and South Africa. But before you fix that date I hope you will also fix the date on which the Indian States must formally and authoritatively notify their willingness to come into the Federation. I suggest that the date should not be longer removed than twelve months from the date on which the Act is passed by Parliament. If I am confronted with the position that that date may arrive and the Princes may not have made up their minds by that time to come into the Federation or that things may not be in such complete order as to justify the inauguration of the Federation, then my answer to that is that the Federation must be framed to function all the same leaving it open to Their Highnesses to come in as and when they please. I am quite alive to the danger of fixing a date, but surely it should not be beyond British statesmanship to devise a formula to meet a contingency of that character. Therefore I suggest that if you find that there are any valid reasons which may prevent you from giving effect to that proposal and bringing the Federation into operation on that particular date you should reserve to yourselves the power of extending that date, provided of course that the extension is not too prolonged. Frankly I visualise the Federation coming into operation in working order in 1935 at the latest. I am not looking upon the Federation as a possibility or a probability in 1938 or 1940. That is my view with regard to it, but if you should find that this is impossible then, speaking for myself—and I hope I am speaking for everyone on this side—I say that it would be a most dangerous thing for you to start the new constitution in the Provinces and leave the Centre unaltered. I say that because, on constitutional and administrative grounds, I hold that it would be impossible for the responsible provinces to work in harmony with an autocratic central government. Besides, I suggest to you that the constitutions of the Provinces have a direct relation to the new constitution which you are contemplating at the Centre and that they will not fit in with the constitution of the Centre as it is at the present moment. That was the vital condition which you imposed upon responsibility in British India in 1930 and which you repeated in 1931. To-day as Mr. Jayakar was good enough to point out a little while ago we find another condition imposed; that condition is that the Federation must come into existence simultaneously with or after the establishment of the Reserve Bank. I wish to explain my position and the position of many of us with regard to the Reserve Bank. Our quarrel is not with the Reserve Bank. As a layman, I am assuming that sound expert opinion is to the effect that a

Reserve Bank is necessary. If that opinion has got to be contested, I leave it to be contested by those who claim to be experts. I am therefore proceeding on the assumption that that opinion is a sound one.

Now, so far as the Reserve Bank is concerned, so far as its composition is concerned, and so far as the conditions which are to be attached to its constitution are concerned, they were mentioned by my friend Sir Purshotamdas Thakurdas, who is entitled to speak on this question with greater authority, in a memorandum. I understand that with regard to those conditions there is not going to be any serious difference of opinion. Very well. If there is going to be no serious difference of opinion on the conditions on which the Reserve Bank should be established, then we feel that the position still continues to be somewhat obscure, because, while on the one hand your experts are not able to give us a precise date on which they expect the Reserve Bank to be established, on the other hand there are others who hold the opinion that it may take us many more years than we imagine before the Reserve Bank is formed.

Now, as a layman, I do not pretend to judge between those two opinions, but what I would say is this. Without committing myself to the four conditions with regard to the establishment of the Reserve Bank which are mentioned on page 4 of the Report, namely, "that the Indian budgetary position should be assured, that the existing short-term debt both in London and in India should be substantially reduced, that adequate reserves should have been accumulated and that India's normal export surplus should have been assured." I do suggest that I should not like to be a party to any scheme which contemplates that, if there is to be no Reserve Bank, there is to be no responsibility at the Centre in India. Therefore I should not agree to any system of provincial autonomy which resulted from your non-compliance with this pre-requisite, for the establishment of the Federation. It is perfectly true that the Report safeguards that position in the last sub-paragraph of para. 5. I will venture to read that and make just a few comments on it: "It is on the basis of this assurance by the Secretary of State that some members of the Committee have been able to accept this part of the Report, and they reserve their right to reconsider their whole position should delay in the establishment of the Bank seem likely to result in postponement of the inauguration of the Federation." I wish it to be clearly understood that my position is—and I believe it is the position of many on this side—that, if you should find, after making the best efforts which you propose to make—and I accept your assurance, Sir, on that matter—that it is impossible for you to inaugurate the Federation, with responsibility at the Centre, you must not assume that we then agree to provincial autonomy or to any change in the constitution at the Centre. We reserve to ourselves, then, the liberty of making

any such demand with regard to responsibility at the Centre in British India as we may be advised to make at that time.

I therefore in the friendliest spirit wish to tell you that that is our position.

I will pass on now to another item of our programme. I am dealing with what are known as the Financial Safeguards. I do not propose to go into every item of that subject. I will leave to other friends of mine the task of dealing with those which I may omit. But I would like to make my position and the position of several others as plain as I possibly can. So far as finance is concerned we note with pleasure and with satisfaction that there is no truth in the rumours which were prevalent at one time that it was the intention of His Majesty's Government to reserve finance. I note with gratification that His Majesty's Government do intend to transfer finance to popular control. So far I am satisfied, but when coming to the Safeguards I have one or two observations to make. We have agreed—and I think we were honourably bound to agree—that there should be every possible guarantee given to the members of the Services that their salaries, emoluments, and pensions—that is to say, their rights which are guaranteed by statute—should be preserved and maintained intact. We have agreed that there should be a Statutory charge for debt services. Now, I approach the whole question from the point of view of a lawyer who has to deal with the claims of debtors and creditors every day of his life. I do not pretend to express any opinion on the mysteries of finance. I leave that to be done by others. But what I do say is that undoubtedly a creditor is entitled to get back his money, and not only to get back his money, but to see that the security on which he has advanced that money shall not be impaired until he gets it back. That is not only a sound legal principle, but an equally sound moral one. So far as that is concerned I wish to declare that it is not our intention that the security of the British investor, either with regard to short-credit loans or other loans, should be impaired in any degree or measure; and if it is thought to be impaired by the Finance Minister of the future or by the Legislature, I recognise that it would be a legitimate case for the Viceroy to step in for the protection of that security. It is for that reason that I decided, lest there might be misunderstanding, or, what is worse, misrepresentation of my position in my own country or your country, to submit two propositions to Sir Samuel Hoare and the Financial Safeguards Committee.

The first proposition is this : I recognise the validity of the claim that the British investor's or, for the matter of that, any investor's security should not be impaired, and the Governor-General may be vested with power to secure the maintenance of that security unimpaired.

The second proposition is this: my objection is not to the Governor-General being vested during the transitional period with power effectively to secure the discharge of the obligations in regard to Reserved Departments and Services, but to a general phrase the content of which seems to me to be too elastic and indefinite.

That has reference to those words which find a place in the Report, namely, financial stability and credit. My position at the Committee was, and is, that if you can show me what are your apprehensions in regard to that security being impaired or to the manner in which that security is going to be impaired, I should consider it my duty as far as possible to remove your legitimate apprehensions; but if I am asked to put my signature to a phrase which may mean anything or which may mean nothing in practice, then I do hesitate to put my signature to a document like this. Supposing in an ordinary I.O.U. a creditor insists on the debtor saying that he will pay interest at the rate of "five per cent., etc."; I do not think any debtor would be justified in putting his signature to a document of that character. Therefore my objection is that the words are too elastic. They may mean something to financiers. I do not pretend to be a financier; I am a layman and a lawyer. Therefore until the thing is made clear to me—I hope the position will not be necessary—I cannot make up my mind to agree to a general phraseology of that character. Sir, I will say no more with regard to that matter. But there is one aspect of the question which I would like to present to you and through you to your countrymen in the City and to every British investor. India is not a foreign country to you; India has not been a foreign country to you during the last 150 years; and I refuse to believe that the British investor is as bad or is as suspicious as he is sometimes represented to be. I think the British investor is a man of courage, and, as every investor takes courage to make his profit, so does he. He deals with countries which do not owe any allegiance to the King-Emperor; he makes his profit, he loses too. Look at your investments in South America. Look at your investments in other parts of the world. You could afford to deal with Persia, and you know what is the issue now. You could afford to deal with some men of your race and of your colour and of your religion across the channel and you know what is the position now.

Well, personally speaking, I think you will not be justified in bringing up against me the misdeeds of others who have disappointed you. You are certainly entitled to bring up the misdeeds of my own countrymen against me; you can certainly say: there are some men who have indulged in wild talk in my country, who have talked of repudiation of debts and things of that kind. I am not one of those men who believe in repudiation. It may be said that there are a few thousand men, although that is not literally true; literally it is true only of a few men. They may have talked

of repudiation, but there are hundreds of millions of men in my country who are prepared to honour their obligations. Therefore I ask you to proceed in a more trustful spirit with us. Do not treat us as if we were absolutely strangers to you, or as if we had nothing to do with you in history. Why this nervousness? What is the cause of this nervousness? We are willing to meet all your legal claims and obligations, but humanly it is impossible for us to satisfy your whims, your suspicions, your spirit of distrust.

I therefore make a very earnest appeal to the British investor not to lose his courage in relation to a country which owes common allegiance to the King-Emperor, and which has been a member of the British Empire during the last hundred years, and which will remain a member of the British Empire if you once establish your political relations with India on a sounder footing. Once you do it you will advance the credit of India. If you fail to satisfy the political aspirations of India (and let me tell you that they are very live political aspirations, not confined to the intellectual classes any longer)—the credit of India will go down.

I do not wish to enter into financial jugglery, I do not understand how the ratio, or the exchange, or that kind of thing, can demolish the credit of a country; but as a politician I do say that it is on the political side that you can secure the credit of India. That must be your first duty and last duty now.

I will try to bring my speech to a conclusion as soon as possible, but there are just one or two remarks more that I will venture to offer. First of all, one of the questions which has been raised is whether there should be a Financial Adviser appointed in India. The position that I took before the Finance Committee was this: I am not a financier; I am unable to say whether, on financial grounds, there is need of a Financial Adviser; but as a constitutional lawyer who has been taking some interest in these matters for the last few years, and as one who has had some experience of the working of the Government of India, I have every sympathy with the Governor-General of the future. You are making his task more onerous than anybody else's at the present moment. Although it might be that we should have a Reading or an Irwin in future in India, yet I should doubt whether even men of that calibre would feel perfectly happy in their isolation when they were called upon from day to day to exercise their discretion without advice. It is for that reason that I think it may very well be that the Viceroy of the future may require an independent adviser, but when you talk of a Financial Adviser let me tell you what I understand that Financial Adviser to be. I do not understand him to be the representative of any interests either in England or in my country; certainly not of any financial interest either in the City or in Bombay or in Calcutta. That is my conception of a Financial

Adviser. I maintain that he should be appointed by the Governor-General in consultation with his Ministers; that his position should approximate as nearly as may be to that of the Auditor-General; that he should be above party politics; and not connected with any party either in India or in England. Further, I should take every precaution that human language is susceptible of providing, that this Financial Adviser will not be a rival Finance Minister. I am fully aware of the position of the Financial Adviser in Egypt, and I do not want the Egyptian experience to be repeated in India. I tell you that frankly. It would be a perfectly legitimate thing for the Financial Adviser on questions of international finance or any other question to give advice to the Government of the day or to the Governor-General. There his function ends, and his opinion, in my view, must be brought to the notice of the Legislature too, because whatever else you may think of the Legislature I do think that if the Legislature is dealt with properly you will find it will give the utmost possible consideration to the advice of an expert in regard to whom it feels assured that there are no political motives behind his advice. That is my view of the Financial Adviser. I would also say that you must indicate that this is not going to be compulsorily a permanent feature of the constitution. Either you must fix a time limit or you must leave it open to the Legislature to exercise its constitutional pressure on the Viceroy in regard to the continuance or discontinuance of this feature of the constitution. I say only constitutional influence and nothing more than that.

I will pass on now to another feature of the Constitution which is bound to attract considerable notice in India. Mr. Jayakar was, in my humble judgment, quite right in saying that your Constitution is going to be judged in India by two tests. The first is: Does it give India a substantial amount of financial independence? The second is: What is the position of India going to be in regard to Defence? After the discussion that took place in open Conference, some of us ventured to address the Secretary of State, and the Secretary of State was good enough to invite us to attend a kind of informal meeting at the India Office. We explained our position to him carefully on that occasion, and we have embodied our opinions in a letter to him. I will briefly tell you what our position is. We accept, although I am sure that this is not the opinion of everybody in India, that the control of the Army during the period of transition should be in the hands of the Governor-General, and we do not look upon the period of transition as a very long one. We also agree that, so far as the Army budget is concerned, it shall be independent of the vote of the Legislature, but we have a few suggestions to make on this matter. Our first suggestion is that, so far as supply is concerned, it should be left originally to a Committee consisting of the representatives of the Governor-

General, the Army Member—it may be the Commander-in-Chief or both; it is for the Governor-General to decide—the Federal Finance Minister, the Federal Prime Minister and also other Ministers who may be appointed in that behalf. Whether this Committee will be appointed by Statute or by an Instrument of Instructions is a question which I can only answer if I know whether you are going to place your Instrument of Instructions on a statutory basis. The second point that we take with regard to this is that the Army Member in future should be a man to be selected from the members of the Legislature who represent either British India or Indian States, and we say this because we think that such a member will be a bridge between the Governor-General and the Army and the Legislature. He will be able to interpret the views of the one to the other, and he will in our humble judgment carry far greater influence than any other person whom you may appoint to that office. Then we say that, so far as the Indianisation of the Army is concerned, you should introduce or reproduce the passage in the Thomas Committee's Report* to the effect that the Defence of India will be the increasing concern of India and not of Great Britain alone. If your experts feel that preambles are out of fashion at the moment, or that you cannot add a clause to that effect in this statute, you can introduce it somewhere or other in the Instrument of Instructions, provided only that the Instrument has a statutory basis. Otherwise we should ask you to introduce a clause to that effect somewhere in this statute.

Then again we say that statutory obligation should devolve upon the Governor-General to take every possible step to Indianise the Army within the shortest possible time compatible with the safety of the country and the efficiency of the Army. Frankly, I am one of those who have always stood by the recommendations of Lord Rawlinson's Committee, and I believe I am representing the general feeling of many of my countrymen who have taken an interest in this subject when I say that the Report of the recent Committee† which was appointed in consequence of the recommendations of the Thomas Committee's Report has failed to afford satisfaction in India.

Sir Henry Gidney : “ Question.”

Sir Tej Sapru : Well, it may have afforded some persons satisfaction after they had retired, but it has not afforded satisfaction to the young men who wanted to enter the Army! Therefore it seems necessary that the Governor-General should have a programme of his own prepared by military experts. We also claim that the Indian Legislature should have the responsibility given

* Report of Defence Sub-Committee, Indian Round Table Conference (First Session).

† Report of the Indian Military College Committee, 1931.

to it of maintaining and expanding military education in India and the institutions established for that purpose. I will not refer to what you, Sir Samuel, said the other day in regard to the reduction of British troops, as I understand that the question is under the consideration of His Majesty's Government; we can afford to wait. But in regard to military expenditure there is and has been a very strong feeling, voiced by men who have studied the question and are competent to speak on it authoritatively, that there is considerable room for economies in Army expenditure. We are not so unreasonable as to ask you to agree to any particular figure at the present moment, but we do think that there should be at least a committee of independent Indians and British experts appointed to investigate the problems, to explore further avenues for the reduction of Army expenditure, so that the expenditure may be brought as soon as circumstances permit to near the pre-War level. I am not committing myself or anybody to any definite figure, but we at least want the problem to be explored.

And lastly, Sir, we say that those distinctions in the matter of recruitment which have prevented certain classes from adopting the Army as their career should be done away with. In this respect I would unreservedly associate myself with the demands of my friend, Dr. Ambedkar.

That is all that I wish to say with regard to these specific items which we have brought to the notice of the Secretary of State. I do suggest to you, Sir, in all humility that if you fail to afford satisfaction on this part of our work, you will have failed in a very large degree. Therefore, a definite pronouncement from you on this part of our work which I invite you to make in all sincerity will considerably help the reception of the Constitution in my country.

I will now pass on to one other matter and then come to a conclusion. With regard to the powers of the Governor-General and the Governor, we all recognise that so far as the Governor-General is concerned he must have a reserve of power to fall back upon in case of grave emergency or in case of breakdown, and that power will be useful to him on occasions of a gravely critical character. But we have considerable doubts as to whether you should duplicate that machinery by giving a power of that character to the Governor as well. I will not take any further time in dealing with the other specific items of the programme which we have been discussing.

Now, Secretary of State, however good the Constitution may be, ultimately the question which arises is: Is that Constitution going to be acceptable to the people of India? There was nothing wiser than the remark made by the Prime Minister in his speech that a Constitution of an agreed character has a greater chance of success than a Constitution which is imposed upon a country.

Those of us who may agree to this Constitution realise the difficulties in our own country. We feel that it is not merely our duty but it is also your duty to mobilise public opinion in favour of that Constitution in my country. And I do suggest, Sir, that unless we are able to convince the political classes which have been taking deep interest in these matters—classes who have been a source of trouble to you and of trouble to some of us—unless we are able to convince them, the chances of the Constitution making a wide appeal to the country are of a very limited character. May I say in all sincerity that there are some matters on which I very radically differ and have differed from the Congress in my country. But with all my difference from the Congressmen, I hold that so far as Mr. Gandhi is concerned, he sums up in his personality the highest degree of self-respect of India and the highest degree of patriotism in the country.

I do say this to you that the present state of things in my country cannot be allowed to continue very much longer without causing serious prejudice to the work which we have been doing in the midst of so much unpopularity. I am not one of those men who would like to keep the Congress men out of the constitution, and I make a confession to you that I should consider it my duty to persuade every single Congress man whom I could influence to come inside the constitution and to work it. I do not wish them to be treated as outlaws. If we are to discuss these things with whom are we to discuss them—with men who are behind prison bars or with men who are free? I know that so far as Mr. Gandhi is concerned, he will simply refuse to discuss any political question with me or with Mr. Jayakar or with anyone else inside jail. He is far too honourable to break any rule of the jail. I know that I had immense difficulties in persuading him to discuss these things with me when I saw him two years ago, and that was when I went with the permission of Lord Irwin, not as his emissary as I was represented at that time by my critics to have gone, but because Mr. Jayakar and I felt that it was necessary for us to intervene at that time. On your own showing—I do not wish to discuss your policy—the situation in India has improved. That is the statement which I read this morning, and similar statements have been made on previous occasions within the last few weeks. If the situation has improved to this extent do you think that you are improving the chances of constitutional methods and of this constitution being accepted in my country by keeping 15,000 or 16,000—I do not know the exact number—of men in jail, men who may be thoroughly wrong—and I believe they were wrong—in the methods they adopted, but who nevertheless have gone to jail because of their opinions and because of certain activities? Can you keep Mr. Gandhi any longer in jail? Give us a chance to discuss with our own countrymen these high problems which we have been discussing with you. Why should you be nervous of the future? You

have recently taken ample powers which should enable you to cope with any grave situation which may arise. I am making an earnest appeal to you to consider the situation and I tell you that I have never known in my thirty years' experience as a public man so much bitterness, so much hostile feeling in Indian homes as I have witnessed during the last few months. I should like to correct that impression which prevails here. If we are to discuss these things, if we are to mobilise the opinion of our own countrymen, if you want to carry the largest possible amount of opinion in our country, give us a free chance. Whether the Congress will agree to our proposals or whether they will reject them I cannot say. If they agree, nothing better can happen. If they refuse to agree, that will be their responsibility. We shall have done our duty and you will have done your duty, and I therefore ask you, Sir, at this time—I do not want to take advantage of the soft feelings in every English heart during Christmas; I am putting it on a practical business basis—whether you can afford to go on with this Constitution without taking the largest possible measure of opinion with you in the country. Sir, I contend—and I am borne out in this by my reading of English history—the situation in India, grave as it may have been according to opinion here, has not been unknown in English history in other countries. You have had to deal with situations similar to this in Ireland and in other parts of the world, and there has always come a time when your policy has been revised. You have had to revise your policy in other parts of your Empire, and I ask you to revise your policy now, so that you may inspire a spirit of hopefulness in our country, so that people may feel that now the prospect before them is brighter and all the distrust and all the misapprehensions in the country may disappear, as your fog and mist sometimes disappear here. I have nothing more to say.

Lord Peel : Sir Samuel, I certainly do not propose to follow Sir Tej Sapru in his very eloquent and comprehensive review of the whole situation both in principle and in detail. Indeed, I think a great many of the questions will no doubt be dealt with by you to-morrow, and I am well aware that a great many others wish to speak and are not desirous of an all-night sitting. Therefore I shall make one or two very general observations.

I must first of all disclaim altogether the suggestion of Sir Tej Sapru that I belong to the honourable persuasion of the die-hards. Certainly Mr. Churchill would repulse me with indignation if that was suggested. Again, may I say that I do not desire to disclose any secrets, because recently a debate in the House of Lords has shown the terrible consequences and penalties that are attached to any such performance? I speak therefore with reserve and caution.

Sir Tej Sapru : Cannot you defy those threats?

Lord Peel : Not in the House to which I belong. They were directed, I agree, at the other House.

Sir Tej Sapru referred to the question of the establishment of provincial responsibility. Of course, I was one of those who were very anxious that that question should be taken up at once and that provincial responsibility should be established, and I thought that possibly, when you had got those provinces with their new sense of responsibility, you might have built up on that a Federation more informed perhaps by the knowledge and experience of the provinces. I have never been quite persuaded that, for a time at least, provincial responsibility of that kind was incompatible with the present form of government, and I felt that the strong objection to the establishment of responsibility was very largely due to some fear or suspicion, if you like, that the changes might rest there, and that the Government might be content with the establishment of that provincial responsibility alone. But I was not moved by that argument, because I naturally trust the declarations of my own countrymen.

May I just say one word about this Conference as compared with others, because one has a standard of comparison as a member of two previous Conferences. I certainly think this Conference has been more practical and perhaps less rhetorical than the others. We have got a good deal closer to the facts and realities of things, and the structure we have been trying to build up is far more definite in its outlines and far more filled up in detail than anything at the two previous Conferences. Nevertheless we owe those Conferences some debt of gratitude because they had to grapple with the raw material of the matter. They did a great deal to define the problems, and that, after all, is a large first step towards their settlement.

I must allude on a final occasion like this to the very dramatic event which took place at St. James's Palace when we heard the epoch-making declaration of the Princes that they were going to enter the Federal system. That very solemn pronouncement on their part, of course, made the whole difference to the situation. It turned the whole business in a new direction at a time when we were discussing whether there would be a unitary or federal system for India, and it most profoundly affected public opinion in this country and made it turn far more readily towards a federal solution. Indeed I regard Federation without the Princes coming in as really an impossible business. I believe they are an essential part of a united India.

I was a little sorry to hear Sir Tej Sapru talking about set dates for these different periods. I feel that with the enormous changes and movements that are going on, a definite date is very difficult to settle, and I am content with the declaration of the Government that anyhow they will do all they can to press on the matter with all their efforts. Indeed, I know that during the

months that have elapsed since the last Conference an enormous amount of work has been done on these different problems in India and certainly here.

Now, the proposed Constitutional changes follow on and are really a natural consequence of the development that has already taken place. In fact, I may say that they arise naturally from the different pledges, undertakings, and pronouncements that have been made by different governments—I go back further perhaps than the year 1917—and these have led to a reconsideration of the whole problem of Indian Government. They have resulted in this Conference itself, not merely in the proposals for the transfer of agreed spheres of activity to purely Indian influence and authority, but have done a great deal in the laborious marking out of the limits and divisions between the authority which is retained through the Governor-General in the hands of this country and that which is handed over to the Indian Ministers.

Now that has been, of course, a gigantic task, and there have been great differences of opinion on that. Perhaps some of our Indian colleagues have been rather too ready, in my view, to rely too much upon definitions—those exact definitions with which we try to tie the complexity of public affairs. Sometimes we have rather relied upon general statements which we thought were more suited to a flexible system, and are certainly more in accord with our ideas in this country where we prefer Constitutions to grow rather than to be made, and where our experience of elaborate written Constitutions is not perhaps so very great. But while we have been dwelling upon these reservations, discussing them in great detail and carefully inspecting them, I think perhaps, very naturally, we have forgotten to look or were not looking so much at the very real and great transfer of authority which on the other side is taking place and being handed over to Indian Ministers. When you specify certain things and place all the others in a general statement, the things which you reserve are apt to loom I think—anyhow on paper—rather larger than that which is embraced in these more general words.

I should like to say just one word about the attitude of some, anyhow, of my countrymen towards what are considered to be safeguards, why they lay stress upon them and why they want them to be within their limits real and operative. I do not think, first of all, that they arise from any mere desire to retain power and authority. I think they arise from what is really a very deep sentiment of obligation and responsibility which they felt, and their ancestors before them, to India for say 150 years; and before desiring to lift some of that responsibility from their own shoulders I think they are really and sincerely anxious that these new responsibilities shall be properly carried out by those to whom they are transferred.

And again—because this has been referred to by Sir Tej Sapru—no doubt many of those very violent statements that have been made in India by persons of considerable standing in that country have done a great deal to alarm and disturb large sections of public opinion. I do not at all doubt what Sir Tej said, that he and his friends and thousands and thousands of people in India for instance with regard to the payment of debts, are just as responsible and just as determined to see justice done as any other people in the world. But of course these statements are largely made in the newspapers. They have some reverberation here, and I only mention it in order to get one's Indian colleagues to realise, as they do realise, that these statements do considerable harm and affect public opinion in this country.

The other feeling as regards this state of things is I think that many here feel that where the whole world system as it were has been shaken and where these terrible economic disturbances have taken place, many of which have been alluded to by Sir Tej Sapru in his speech, we do feel I think, some of us, rather more anxiety than we otherwise should feel about the setting up of a new financial and economic system in India and our responsibility for it.

Some of us feel also that quite apart from these difficulties, economic and social, you are really being plunged in India into the work of government and into the organisation of an immense number of problems which have never been faced at any time in the world's history by any Federal government that has been set up. You have got not only to deal with relations between the Centre and the Provinces, not only with relations between that Central Government and the Government here, but between the Centre and the States with all their different traditions and organisation and between the States and the Provinces. Those problems together constitute so large an area of new business that I think with our own experience of government we feel you are really faced with a gigantic task. Again you are developing self-government in India at the very time when in many countries of the world popular government, responsible government, has not got perhaps quite the same reputation as it had forty or fifty years ago. With this system not so much in favour you are to start with an unexampled area of problems to deal with. I hope of course that this new system which we are trying to set up, and all our efforts here, will bear the richest fruit. I was very glad to hear Sir Tej Sapru say that he and his friends would do their utmost in India to bring the largest section of Congress into their new activities and into the working of the Federation. But it must be clear that unless they succeed in their effort—and I am sure their efforts will be genuine and energetic—with all the inherent difficulties there are in these problems, it will be extremely difficult for this new federal system to work with success. If they do

succeed in those efforts they will not only have deserved well of their country but I think they will have shown themselves very remarkable and very successful statesmen. I do not wish to detain you longer this evening. I can only express the hope that the old historic union of Indians and Englishmen, changed indeed into forms unsuspected by our ancestors, will continue and that a new association built on the strong basis of co-operation and good will will be the great contribution—perhaps the greatest contribution—made in this our generation to world history and to world achievement.

Sir Samuel Hoare : I will now call upon Lord Reading to address us, and in doing so I should like to thank him for the very great help he has given us throughout the proceedings of this Conference.

Lord Reading : I associate myself entirely with what has just fallen from Lord Peel. I do not intend at this time of night and with the list of speakers that I have just seen, to take up time in discussing details. I do wish, sitting as we are here together for the last time discussing this subject at this Conference, just to emphasise the change that has come over the relations between British Indians and ourselves since the Round Table Conference first started. I well recall the doubts that there were in the minds of many. I am glad that, as regards the political parties in this country, there was in substance no difference of opinion, although perhaps in one party there was a little more hesitation about entering into Conferences. But we have travelled a long way since we first met, and, in particular, I should like to draw attention to the fact—without intending in the slightest degree to go into any details with regard to any difficulties which have arisen—that we have a Secretary of State who is a Cabinet Minister in the Conservative party and who has devoted untold efforts not only during these weeks but during the whole time he has been entrusted with the position of Secretary of State for India, and I should like, on behalf of the Parliamentary party I represent, to tender him a tribute of gratitude and, let me add, of admiration for the way in which he has carried out his work. We can all appreciate the demands made upon his time and, may I add, his patience, which I believe to be one of the first attributes of a statesman. Seeing, as we have, Sir Samuel in this position, with all the difficulties that he has had to encounter and young as he is, if I may be permitted to refer to his age, I may say that he has already shown that he has all those qualities of experience and wisdom which come to the man who is entrusted with public affairs and realises the tremendous responsibility which is placed upon his shoulders.

May I add also a most cordial endorsement of what Sir Tej Sapru so happily said with regard to the Civil Servants? I would include, if I may, not only those here but those in India and

those from this country who went out either at the head of Commissions or as members of Commissions, who have all given the best of their attention to the problems that confront us.

I can only add that all of us who have had to consult those responsible at the India Office cannot have failed to admire the promptness with which they have seized the points which are put to them and the marvellous rapidity with which they manage to translate them, sometimes even while we are still talking, into editions which we can carry away.

Now, I will pass on to the more general question. My own view of these Conferences is that we gain an advantage by discussion and examination of all the various problems in order to arrive at results and agreements, but in the main I would say that the greatest gain of these Conferences is the greater spirit of trust and confidence that is brought about between us both. The relations between British India and ourselves in this country have greatly improved since we have had the opportunity of attending these Conferences, and since those of our country who were unacquainted with the men of intellect, character, capacity, sagacity and wisdom to be found in India have had the advantage of learning to know them. I think myself that is a great point.

May I in this respect only just recall, as did Lord Peel, that we should acknowledge the debt we owe to the Princes of India for the part they played in this matter, for the spontaneous action at the beginning of the Conference which changed the whole situation. I am a profound believer in the Federation of all-India, and I believe it is by these means that they are laying sure foundations for the stability of government in India for more years than even some of you much younger than I will ever see.

I realise also that during these discussions we have been confronted with very serious problems. This Federation must really stand by itself. There is no history of the creation of Federations which can even approach the stupendous character of this Federation. It is not to be wondered at that we have had difficulties. I think we are to be congratulated on the amount of agreement which we have reached. If you look back to the early days it will perhaps surprise some of you to think how far we have progressed and how great a distance we have travelled in agreement, particularly because of this last Conference. I rejoice very much that you, Mr. Secretary of State, in the eventual disposition you made with regard to the Conference, enabled us to meet all our friends from India so that we have been able to investigate and discuss these problems in the best spirit and with a desire on both sides to try to reach a solution acceptable to both.

I have had the greatest sympathy with what has been advanced by Sir Tej Sapru, Mr. Jayakar, and all our British Indian friends, as also by the representatives of the Princes. There have been

differences, but let us realise this, now that we are at the end of the Conference, that the differences between us are very rarely if indeed at all differences of principle. They are mainly differences in the method of carrying out principles to which we have agreed. I am very struck, in considering as I did this evening between the Committee and coming here, with the number of principles upon which we have produced agreement. If we recall the early stages, particularly in the Conference at the beginning of 1931, we remember that many matters were left undiscussed because there was not time, but we did agree upon certain vital principles. I remember discussions between Sir Tej Sapru and a number of British Indian representatives and myself and others with regard to these points. The matters were left open for further consideration when we came to fill in all the details of the Constitution. So far as I know there is no single point upon which we then came to an expression of view in which there is any difference of substantial principle between, let us say, Sir Tej Sapru and others who have spoken on this subject and ourselves. We have progressed to some extent, and particularly in this that a Government of totally different complexion, but nevertheless embodying the political parties of the day, are agreed upon the policy to be pursued and have given the best proof of it by the action of the Secretary of State.

All I would ask of those who are now going back to India is to remember, whenever they are confronted with difficulties there, as no doubt they will be, that the position of difficulty is not entirely confined to them. We have our difficulties; we have had them for a long period; most of them are known to you. What we have to do is to seek to arrive at a solution between us of these problems in a way which will be agreeable not only to British India but also of course to the Princes and to ourselves in this country, so that we can when the Bill is introduced into Parliament present a picture to them which the British public will be ready to accept. We have travelled a very long way in this direction. I was delighted to hear what Lord Peel said. He is always interesting and generally also amusing. This at any rate stands clear that we are agreed as to what we want to put forward; that you are agreed with us as to the main principles upon which the Constitution will be built. The differences between us are differences rather of methods in carrying out the principles to which we have agreed. When you consider this and when you have to explain this in India I will ask you in particular to remember one most important feature. Perhaps the greatest difficulty that we have had during this Conference, as no doubt most of us foresaw, was in relation to Finance. I will only add that, save in one respect, everything that has originally been said with regard to Finance is being carried out by the agreements which we have already reached. There is one respect, no doubt, in which it is right to say that there is a variation. That is in regard to the measures that it was hoped

might be devised for the purpose of enabling a transfer before the Reserve Bank was brought into proper existence and effectiveness, by which the transfer of Finance could be made. I have myself tried again and again to reach a solution of this. I have definitely stated my own view with regard to it. I was anxious that we should be able to find some means of facilitating this transfer. But unfortunately it has been found to be impossible. We have tried every way which perhaps might be of use, but it has been found to be impossible. If they bear in mind that simultaneously with that proposal you have to create your Reserve Bank with all that it means, those who are more familiar with Finance perhaps than us will realise how difficult and indeed how impossible it became. That is the only variation that I have been able to find in anything that was originally discussed, and which was eventually put forward by the Prime Minister in January of 1931, and what we are discussing now. But do remember this that those difficulties are not of our creation; they are not of the Government's creation; they have really nothing to do with our position here; they are entirely due to the world conditions.

When we began to discuss this question no one imagined that at the end of 1932 we should be in the position in which we find ourselves at the present moment. Difficulties might arise we knew, but we thought that they would be more easily surmounted. The point I wish to impress upon you—and I am sure that those who have been attending the Committee dealing with Financial Safeguards will readily appreciate it—is that all these obstacles in the way of making the transfer arise from the present condition of the world and not from any want of desire to carry out any promises that were made by Government. Let me now, in a few sentences, refer to some of the observations of Sir Tej Bahadur Sapru on finance. I am not going into details because the Report shows what is the situation between us. I do not myself detect any general difference of opinion in principle between what Sir Tej Bahadur Sapru told us in his speech and what fell in the main from our British Indian colleagues at the Committee on Financial Safeguards. The difficulty that has arisen is how to carry out this principle. We have tried all kinds of ways and have not been able to meet exactly on common ground but I think that our Indian colleagues will agree that the Government has done its utmost to meet them and has met them wherever it was found possible. Wherever it has not been found possible it is because of conditions in this country. Sir Tej Bahadur Sapru based his argument in the main upon security for the British investor. He said he had no fault to find with the proposition that the investor must be secure. But I cannot help thinking that he rather left out of account the fact that it is not merely the financial assets to which a lender looks. He also thinks of those who are going to handle those financial assets. There is no want of trust at all but you have to remember when you make

your transfer of financial responsibility that you transfer not only the assets but you put in quite a different position those who have invested money. You must have some general provision in order to give the same feeling of security to the investor in the future that he has to-day. Of course as the Federal Government develops and the administration of finance by the Minister is seen to be of a prudent and wise character that feeling of security will grow. But at the present moment you have to bear in mind that you are making a change and in making that change you must take care that there is a safeguard given not only to the present investor but to the future investor, because you will require to borrow money in this country again and again. I will not go into details with regard to the Reserve Bank, but I should like to refer to one observation made about that by Mr. Jayakar. I quite understand that he has not had much time to consider the Report and it is very difficult to deal with a Report such as this at short notice. I think that the suggestion he made that Federation was to be postponed because of this arose from the fact that the position as we have understood it has always been that it was not desired to have provincial autonomy until there was responsibility at the Centre. Consequently the two things must be brought about, if not exactly simultaneously, at approximately the same time. I do not think that we need be unduly pessimistic. I quite understood Sir Purshotamdas Thakurdas when he asked the question "How long?" It may, of course, be three years or five years or even six years. Everything depends on the future of the world. If we are going, as I hope we may, to get a better condition of world affairs within the next year or two, that would get rid of some of the difficulties which have been present to all our minds. I do hope it will be realised that the situation is not of our making but that it is the result of this great economic stress and financial trouble in the world. In conclusion, let me express the fervent hope that as the result of these Conferences we are getting near to the birth of the new constitution by means of the introduction of the Bill that is to come. We have to accustom ourselves to the new state of things in our thoughts of the future and not to rely too much on the past. I could not help thinking, in listening to some of the arguments to-day, that we so constantly get back to the condition of affairs that exists now, in which the Government is of a very different character from that which we are seeking to set up. We have to realise that what we are seeking to do now is to work in a partnership between India and this country. What we are attempting to do is to build up so that there shall be real co-operation and goodwill between us, and I do believe that that will continue so long as we work in the same spirit and with the trust which has been engendered between us, with the greater knowledge that we have of each other, with the greater understanding of our own difficulties, with the greater realisation that we are, on the Indian side and on

the British, determined so far as it is humanly possible to bring this Constitution into existence, and not only that but to carry it on, to work it, in the future, so that it will grow in strength and in trust and in confidence throughout the world and that the work that we have been doing will be regarded in the future, many years ahead, as one of the greatest achievements accomplished in the world's history.

The Raja of Sarila : As we are near the completion of our work, I beg leave to make a few observations of a general character and to indicate very briefly the point of view of those States which I have the honour to represent. I must first of all express my grateful thanks to the Government for according me an opportunity of taking part in the proceedings of this Conference, which I take it is an acknowledgment that the so-called small States have some special contribution to make to the future Constitution of India, and as such, deserve to be heard through their special representatives.

Permit me to say that when further stages of constitution making are gone through similar opportunities should be afforded. I may be permitted to mention in passing that the States for which I claim to speak represent about 13 per cent. of the total area and about 12 per cent. of the total Indian States' population. In the aggregate, therefore, this class of States would not constitute an insignificant factor in the future constitutional development of India. Our hopes and fears of the new Constitution are in the main of the same character as those of the larger States. I do not therefore desire to repeat what has been said by the spokesmen of the other States on the points of common interest. I would, however, emphasise very strongly that no discrimination of any fundamental character should be made between States and States on the ground of size, population, or revenue, in the institutions of the Federal Constitution. If there is any matter in which I and those I represent feel more strongly than on others it is with regard to the process of distribution of seats among the States. We are anxious that no discrimination should be made against us. I had occasion to express our opinion on this point at some length at last year's Conference, and have no desire to repeat them to-day. It is our earnest hope that His Majesty's Government will give very sympathetic consideration to this point. It must frankly be stated that the Princes have failed to come to an agreed conclusion as regards the principle on which allocation of seats to Indian States should be made. Indeed, there is no hope of any agreement being reached among them in this respect. His Majesty's Government will therefore have to give an award on this question, and speaking on behalf of the smaller States I desire to say that they are content to leave the decision on this highly controversial question entirely to the sense of justice and equity of His Majesty's Government.

The other point on which I should like to touch is with regard to the contributions of a tributary character made by our States. I referred to this question before when the Committee's Report came before us, and only desire on this occasion to point out that these contributions in many cases operate as a real hardship to States whose resources are limited as compared with others. The smaller the resources of a State, the more does the contribution hamper the administrative machinery though its amount may not represent 5 per cent. or any other given percentage of its resources. As my State does not pay any Tribute, I have no personal interest in the matter, but I would all the same plead most earnestly for early abolition of the Tributes.

I would make a few observations as regards the exercise of the jurisdiction of the Federal Court within the territorial limits of these smaller States in respect of Federal matters. Here again I hope that there will be no distinction of any essential character between large States and small, but that all States which are at present in the enjoyment of jurisdictional rights should be enabled to invest their Judicial Courts with equal authority to judge Federal issues, subject of course to an appeal to the Federal Court. I trust that there will be no difficulty experienced in giving effect to this idea.

Before I conclude I desire to place on record the deliberate opinion of the States for whom I speak that they will give their wholehearted co-operation in promoting the Federal idea and in giving their loyal adherence to the new Constitution when it is set up. They recognise that the Federation of British India along with the Indian States under the aegis of the British Crown is the only sure way to the realisation of our common hopes and aspirations. There is, however, one supreme condition that these smaller States must insist upon before they can seriously think of entering Federation. That is that the place assigned to them in the Constitution must be quite as honourable as in the case of larger States, and that no treatment of an invidious character will be accorded to them in any respect whatsoever.

Sir Akbar Hydari : Sir, I have very little to say, and at this late hour I should not say even that little, but for some remarks that have been made in the course of this evening. There has been a feeling so far as the Indian States are concerned that when we came down to what have been called "brass tacks" the urge towards Federation would diminish and gradually disappear. On the contrary, Sir, during this Conference as we of the Indian States have come up against difficulties, in the same proportion have we shown our desire to overcome them and to attain the goal. I may remind some of those who are present how a very highly respected member of this Conference in the very first Session was at one time deeply depressed about the future course of this Conference, and how we tried to buoy him up with the hope that nothing was lost.

I, for one, then gave up a deep seated conviction about a unicameral legislature and agreed to a bicameral legislature just in order to meet the position on the other side. During this Session also there was a great idea that the Indian States would break the Federation on the rock of finance. But have we not shown our anxiety to try our utmost not to allow such a catastrophe to happen? Have we not shown courage in accepting a tax which was very odious to the Indian States and agreeing that that tax should be made a Federal source of revenue? What I desire to say most emphatically is that the Indian States have not retired from the position that they have taken up from the very first. There has been also another party under suspicion as regards its attitude towards Federation. Is it not a fact that the Secretary of State and His Majesty's Government have slowly but surely pressed us into the Federation? No one who has watched the Secretary of State and his colleagues relentlessly holding us to it can doubt that it is an all-India Federation that they want and no lesser substitute. As a man from the Indian States I would like to make an appeal for a better understanding of our position. Our friends from British India speak of their constituencies. They seem at times inclined to forget that we have our constituencies and that they are Conservative constituencies. Have not the Princes and we their Ministers really shown you by our acts our desire to join with you in a truly national Government of India? They have tried and we their advisers have tried to adapt ourselves so as to meet your wishes to the utmost limits possible. I have not worried myself about safeguards, for after all if we work central responsibility and provincial autonomy in the manner in which we all affirm that we shall—and being reasonable men I have no doubt we shall—then there will be no occasion for the exercise of these safeguards. The safeguards appear to me to have been so designed that they are as much a protection to all of us whether from British India or from the Indian States who stand for progress, but progress with stability, as they are in the interest of anyone else. I think everyone of us round this table can visualise conditions—I hope they will never occur, but as practical men we must face the possibility of their occurring—when nine Indians out of ten would be glad of some restraining power.

Sir, Lord Sankey has been unavoidably absent from some of our discussions, and, great though that loss has been, I think that every one of us will agree that the gap—if I may say so most respectfully—has been magnificently filled by you. You have shown yourself to be a past master in the arts not only of exposition but of conciliation. You have summed up the issues clearly. You have been always willing to meet different points of view as far as it was possible for you to do so. I have

spoken about the difficulties of British Indians and the difficulties of us, the representatives of the Indian States. We must not forget also the difficulties of the Secretary of State and his colleagues.

We have all taken risks with our respective constituencies, but they have been no more, I think, than the risks that the Secretary of State and his colleagues have taken with theirs, and I think you, Sir, have quite sufficiently shown that in you India has found not only an advocate in the matters under discussion with the British Medical Council but an advocate for everything which stable Indian opinion demands in the way of constitutional reform.

To-morrow, Sir, is the eve of the birth of One who preached peace on earth and good will to all men. To-day is auspicious, and I pray that, as it sees the conclusion of labours spread over the last three years, it may herald an era of peace for my country and of good will between her and Great Britain.

Sardar Tara Singh: Sir, I wholeheartedly join the previous speakers in the chorus of thanks paid to the Secretary of State, Mr. Carter, the Secretary-General, and his staff for such an efficient and smooth handling of the Conference work. My thanks are also due to Messrs. Latifi and Rama Rau, who have always ungrudgingly and cheerfully rendered help especially to a new member like myself. Apparently we are approaching the end of our deliberations but in my opinion our real task begins with the publication of the Report. That task will be more difficult on a larger scale and spreading over a very wide area. The Government will have to take stock of the situation in India from day to day.

I hope all the members of the Conference present to-night will agree with me when I say that the foundation upon which we are building our Constitution is unsound. Under the circumstances we in the Punjab prefer no advance. It is being forced on us and that is why at various stages attempts have been made from different sides of the Conference to ask for safeguards. If the foundation had been rightly laid many of these demands for safeguards would have been unnecessary.

Every Province has its own peculiar circumstances and some sort of adjustment will be needed. In my humble opinion the working of the new Constitution in the Punjab will be a practical impossibility. Either there will be continuous deadlock if the Governor properly discharges his obligation to protect the minorities or he will fall in line with the Statutorily minority community in order to avoid unpopularity. I therefore strongly believe that it is both in the interest of Government as well as the minorities that this evil be remedied. The sooner it is done

the better it will be. Only the other day one speaker made a proposal which virtually meant the perpetuation of the award. He also suggested not to disturb it for ten years. We have however to remember that the seed of communalism sown by Montagu-Chelmsford scheme has sprung up into a plant and given seeds itself. Under the new Constitution they will take permanent root. If no remedy is applied quickly it will become impossible for us to think of ourselves as Indians. Nationalism will be dead by that time. I will therefore urge the Government to relieve the Punjab of this trouble. It is not difficult to find a solution. The Government is aware that efforts are being made at home to solve the communal tangle, and if the Government will only lend its weight the settlement will be a *fait accompli* before long. Thus many difficulties both in Punjab and in India will be overcome. I vehemently oppose the proposal of the Muslim delegation and appeal to the Government to evolve a method which will enable the award to be modified as soon as there is a consensus of opinion in its favour. One way of obtaining this consensus is the passing of the Resolution abolishing communal representation by the Legislature by a simple majority.

I cannot stop here as I believe that the Government is not going to discriminate between one Province and another in the introduction of Provincial Autonomy. I know it is going to be inflicted upon us in the Punjab in spite of our desire for no advance in the presence of the Premier's award. In that case may I ask the Government with all the emphasis I command fully to protect our interests. While discussing the powers of the Governors and the Governor-General it was agreed that no measure which pertains to religion or social usage should be introduced without their sanction. Sir, I had gone further and proposed that a measure which adversely affects a minority should be made dependent for its introduction on the sanction of the Governor and Governor-General. I may, with your permission, Sir, attach another qualification to this proposal. That is this. Such a measure for its passage must secure the consent of three-fourths members of the community concerned. The Secretary of State I hope will give full consideration to this proposal of mine. If this security is granted it will inspire confidence in the minds of minorities and will to some extent relieve the present tension. It will strengthen our hands to remove their apprehensions and solicit their support for the agreements that have been arrived at in this Conference.

I also venture to put forward another suggestion for our protection in the sphere of administration. My community should be given adequate share in the administration of the Province, right from the membership of the Cabinet and Public Service Commission

down to Services of a certain grade in the local bodies, The Provincial Constitution sub-Committee has already laid down that it is a matter of practical necessity that minorities should be represented in the Cabinet. The only question is how to achieve this object. If it is impracticable to place it in the Constitution, it should certainly be embodied in the Instrument of Instructions to the Governor who should also appoint one Sikh to the Public Service Commission, which body will provide for an adequate representation to my community in the Services.

Besides allotting five per cent. seats to the Sikhs in the Federal Legislature the protection which I have asked for in the sphere of Provincial administration should also be extended to us in the administration of the Central Government. I may also take this opportunity to ask you, Sir, to refute the impression that is gaining currency that the Sikh strength in the Army will be reduced substantially. Unfortunately this impression was further consolidated by the rumoured disbanding of the Pioneer Units. You will, Sir, allay these apprehensions by stating that the Sikh element in the Army will not be reduced beyond pre-War level. In case an Army Council is established the claim of my community for an adequate representation on it should be fully considered.

This brings me to the case of Sind. Sikh population in this Province is sufficiently large—our stake there is tangible and substantial. I have received a cablegram from the Sikh Association of Sind asking for adequate weightage. I will therefore appeal to you, Sir, to grant to the Sikhs of Sind the same weightage which has been granted to the Muslims in the Provinces where they are in minority. I am confident you will agree with this modest and reasonable demand.

These safeguards mentioned above when supplemented by the declaration of Fundamental Rights which I have exhaustively dealt with in my speech on that subject will materially render the unalterable majority harmless, though I realise that they are not the full and true remedy of the Communal Award.

I do not propose to deal with the question of Central Government in detail. In the matter of finance I fully endorse the views of Sir Purshotamdas. In all other matters relating to the Centre such as Defence I have already unreservedly supported Sir Tej Bahadur Sapru and Mr. Jayakar. There are, however, one or two points which I wish to emphasise. First, I plead for a strong and responsible Central Government, as it alone will exercise a healthy restraint over the communal Punjab Government. It is therefore necessary that provincial autonomy should be put into operation only when it is specified that after a certain time thereof the Federation will begin to function. In case the Government is unable to define this period provincial autonomy should be

held in abeyance. My second point relates to residuary powers which in my opinion should be vested in the Central Government only.

I cannot close without associating myself most sincerely and whole-heartedly with the impassioned appeal of Sir Tej to usher in a new era by the release of Mahatma Gandhi and other political prisoners. I will implore the Government to take courage in both hands and I am confident that this bold act of statesmanship will produce a very wholesome effect on the sentiments of my Indian brethren. This will electrify the atmosphere for the better understanding of the new Constitution and ensuring co-operation and harmony.

Nawab Liaqat Hyat Khan: I am grateful to you for giving me the opportunity to make a few observations. I happen, luckily, to be an optimist and I therefore take this opportunity of giving expression to my own satisfaction with regard to what we have achieved at the Conference. I believe that a great deal of substantial work has been done at the Conference, which has taken us very much nearer constructive Federation than ever before, and although I confess that all of us here, representing three different parties as we do—British India, the British Delegation and the Indian States—cannot say that we have got all we wanted, the fact remains that there are many points on which we are agreed, and none of us can complain that either of the parties has hesitated to meet the other party more than half way. That to my mind augurs well for the future. It has been a necessity for all of us to arrange something on the principle of give-and-take in these matters. I think that in that respect the States' delegation has not lagged behind. I very fully associate myself with the remarks made by my learned colleague with regard to the attitude of the States. Lord Peel, I think, mentioned that the Princes at the first Conference gave a solemn pledge that they would enter Federation and thereby make it possible for British India to reach the goal that they are so anxious to reach. I think this is a very suitable opportunity for me, for the second and third time, to make it very clear that, so far as the Princes are concerned, they adhere to that pledge, and nothing has happened since then to make at any rate a very large number of them change their minds at all. Difficulties have arisen not merely for the Princes but for all sides concerned, and, if the Princes have taken time to consider those difficulties and to overcome those difficulties, not only for the sake of themselves but for the sake of British India, for the sake of India as a whole and for the sake of the Empire, I do not think it is justifiable to blame them or to insinuate that the Princes have either changed their mind or are now luke-warm about Federation. I make the emphatic declaration that the Princes as a whole are at this moment as prepared to enter Federation as they were when they made that

solemn pledge, and I am sure that none on this side would question that declaration. It is a declaration which comes on behalf of the Princes generally, and I hope you will take it as such. That we have achieved a great deal of success at this Conference I attribute to certain obvious reasons. One of these reasons, if I may be permitted to say so, is the goodwill that has prevailed throughout the Conference; and another very important reason, which has impressed me very much and which has impressed almost every member of the Conference here, is the most excellent manner in which the Secretary of State has conducted these proceedings, the wholehearted manner in which he has met us and in which he has tried to meet our difficulties. His transparent sympathy for British Indian aspirations, not only for one section but for all classes, has made a deep impression upon us.

I honestly feel that if we succeed, as I hope we will, in setting up a Federation, Sir Samuel Hoare will have a name in Indian history which will be most enviable. He has made history for himself and for the nation to which he belongs. We have also received the same sympathy from the entire British delegation. I am one of those who believe that their position also is not free from difficulties, but they have not hesitated to appreciate our difficulties, and I think very serious attempts have been made to meet them. Personally I have not the slightest doubt that as a result of the good feeling which has prevailed, we are likely to achieve the object in view in a shorter time than some prophets predicted.

There was one remark that Sir Tej Sapru made in a previous speech to which I was most anxious to give an answer. He referred to the difference of opinion with regard to the Princes' representation in the Federal Legislature. There were some of us who favoured the proportions 40-60 in the Upper House and 33½-66½ in the Lower House; there were others who, subject to a mandate, could not possibly give that undertaking at the moment. Sir Tej Sapru expressed the opinion that British India had gone as far as it could possibly go in that matter.

It is not in my province at the moment to tell British India what the Princes are going to do, but I give this solemn undertaking, that what has been said on behalf of British India will be faithfully represented to the Princes, and I have not the slightest doubt in my mind that, anxious as they are to help British India in the matter of Federation, the suggestions will receive their very careful consideration. More than that I cannot say.

There is another point on which I should like to say a word to the representatives of British India, or, rather, perhaps, to the British delegation, because the British delegation does believe that the Indian States want to come in, but may have been impressed by certain talk, which I should deprecate, on the British Indian side. The trouble is that if any member puts forward an

opinion which gives the impression that the States are now becoming lukewarm, there is a tendency at once to jump to the conclusion that the States want to get out of it. I do appeal to them to believe once and for all that they are as anxious to enter upon Federation as British India. That assurance is given to you and also to His Majesty's Government whom also we desire to help.

My Lord, I have nothing more to say except to pay my humble tribute also to the staff of the India Office who have done extraordinarily well the kind of work which you would not expect any body of men to do in such a short time and in such an efficient manner. They have given us a lesson, and, as somebody remarked, if we were lucky enough to have a Secretariat of our own we would take a lesson from their work here. I am most anxious to say that. That is all I want to say.

Sir Purshotamdas Thakurdas : My Lord, my colleagues and you yourself will realise that this debate is taking place during the last hour of a day, and, if I may say so, almost of a week, which has been more crowded than many of us have foreseen. If one addresses the Conference at this stage one is expected to review ever so briefly the work done by the Conference during the last four weeks. In view of the fact that some of the Reports which were prepared by the various Committees were only presented to the Conference to-day and passed, it is obviously not possible usefully to take any review of the work done by the Committees, as this has been practically the main work of the Conference. I do not propose, therefore, to undertake that task. But I submit that it is not easy even for a person who may have been able most closely to study all the Reports, effectively to review the work done by us during the four weeks we have been here, for the simple reason that there are many loose ends, and there are, necessarily perhaps, blanks left in the picture which require either to be tied or filled before one can take any review of the work done. I will therefore leave the work of review for those who will judge us, both here and in my country. As far as I am concerned, where I found that I could not see eye to eye with my colleagues on the three important Committees with which I have worked, after full discussion with my colleagues, I frankly and honestly expressed my dissents and got same recorded. It is not my purpose to take advantage of this opportunity to elaborate on those dissents; neither is it my purpose to try and justify them here. The reasoning for same may be found in the appropriate places in the Reports. But I think that it would not be wrong if I said that we cannot claim that we are all satisfied even to the smallest degree regarding the special subjects in which we hold different views.

I feel that few Indians would be satisfied until they get what has been set down in the phrase "Dominion status for India." Until that status is reached an Indian will always feel that whatever

may be the result of this Conference or of other consultations he has still to look forward to much more. I will therefore leave this point with the remark that whether we are satisfied with what has been done at this Round Table Conference or not, and however small or large may be the degree of our satisfaction, there is, even for the most dissatisfied member here, one ray of hope. That ray of hope is to my mind clearly the spirit in which the British delegation, headed by the Secretary of State, has worked with us, and the assurances which he has given us both in Committees and in the full Conference meetings. We came here to tell the British delegation what we felt was the right thing to do, the necessary thing to do. I think that has been imparted sufficiently clearly to our colleagues of the British delegation and I do not think it need be repeated. We have put our views very frankly, and, perhaps, even with a degree of frankness which demanded considerable patience from them. I only hope that these dissenting points of view will be fully considered and will not be brushed aside.

What is the next immediate thing that we look forward to whilst we wait to see how those assurances of which I have spoken are translated into action? We have been told that there is a certain section in Parliament which holds very strong views about certain matters. We are further told that it is not possible to get these members of the Houses of Parliament to take a broader view. I submit that that difficulty is a difficulty common to the British delegation and the Indian delegation. If there are members of the British Parliament who will only go up to a certain point, there are members in my country who also have very great aspirations in the other direction. I do not think therefore that any member from the British Indian delegation can usefully help members of the British delegation regarding this difficulty of theirs. What we jointly have to do is to see what is the right thing to do, what is the correct solution of the present position in India and then try to do that to the best of our ability. The mentality underlying the British part in this Round Table Conference will be judged in India by three acid tests in the very immediate future. The new constitution may take some months, or, perhaps, years to begin to work. In the meantime the spirit underlying it requires to be translated into action without delay.

These acid tests, as I have said, are three. The first, to my mind, is: Are the Government of India prepared substantially to reduce the military expenditure of India from now onwards? I know I am repeating something that I have said before, but I do not think that I can repeat this too often at any time before a Conference of this nature. I have only to refer you, Sir, to the very excellent report of Sir Walter Layton which is contained in the Simon Commission Report. A perusal of paragraph 248 of that Report will assure anyone that there is no justification left

for our military expenditure being at the figure which it is at to-day, namely, 47 crores plus another 5 crores. I am convinced that India needs substantial reductions in this expenditure without delay, and, if those reductions are not yet forthcoming, India will begin to feel that after all the remarks made by Sir Walter Layton are remarks which His Majesty's Government is not prepared to consider favourably.

The second direction in which my countrymen will expect relief, without any delay, is in the direction of the action of the Secretary of State in connection with the gold export from India. Very nearly Rs. 100 crores worth of gold has left the shores of India. Reference has been made at the Conference to-day to the necessity of reserves being accumulated for a Reserve Bank. I will not be dogmatic. I do not propose to put my opinion before this Conference at all. I dare say there may be differences of opinion, but I do feel this as a matter of conviction, that the Government of India owes it to the people of India that the Finance Member at Delhi shall forthwith consult representatives in India, both commercial men and politicians, with a view to examining the feasibility of retaining the gold of India for the purpose of India's reserves. It is conceivable that, after going into the matter, such a committee may come to the conclusion that they need not interfere with the present position, or that they cannot interfere with it, for sound reasons in the interests of India. But there has been no pronouncement during the last fifteen months either by the Finance Member at Delhi or by anybody else, and I will tell you quite frankly, Mr. Secretary of State, that the public of India feel very strongly that the gold of India is being allowed to leave India avoidably and unnecessarily. I wish very strongly to impress upon you that it is necessary to have full consultation in India and either to assure the public of India that what they suggest is not feasible or definitely to take action in the direction required by the Indian public.

Regarding the third acid test, a good deal has been said by the Financial Safeguards Committee regarding the credit of India. The credit of India is not a thing which many can define to themselves accurately. The credit of any country is a thing which is more easily understood than defined, but there is no doubt about this, that the credit of India at the moment, and for years to come, would depend primarily, irrespective of any safeguards that may be in the Constitution, on the contentment of the masses of India, and on the masses of India resorting to their ordinary day-to-day work to earn their living by the sweat of their brow without resorting to methods which involve additional burden or and continued uneasiness to the taxpayer.

I would, therefore, end my remarks by putting before you with all the earnestness I can command, what I would have stated had I been present on the first day of this Conference. The people

of India are looking forward forthwith to the release of Mahatma Gandhi. This would impress them, and make plain the spirit animating your assurances regarding the new constitution. I do not wish to go into the why and wherefore of the action taken by the Government of India during the last eleven months, but I do wish to impress upon you that whatever you may do with regard to Constitution-making, so long as you have Mr. Gandhi in gaol you will find that the people of India will not seriously consider Constitution-making. The Constitution-making in which we have been engaged at this Conference has many shortcomings and defects, partly necessary ones, and partly arising from the differences between what you are now prepared to offer us and what some of us expected. But in political matters when you are dealing with a country like India on the one side and with a country like England on the other, there must be some differences of opinion. The question now is whether you are prepared to take such action as will reconcile the people of India to consider the work now done in the spirit in which you want it to be considered. I will conclude, Sir, with an earnest appeal that you seriously consider proving forthwith by your action that the spirit in which you have worked here with us is the correct one for India and is one in which if you work right through until the new Constitution is started India will have something useful and tangible, if not all she asks for.

Lord Winterton : Late as the hour is, I think it is appropriate that I should say a few words as the only unofficial member of the House of Commons present. My colleagues both from India and this country will realise that, great and important as are the members of the Government and of the House of Lords in our polity, the members of the House of Commons, and especially the 400 Conservative supporters of the Government, are very important in respect both to India and to many other matters. In fact the existence of His Majesty's Government depends upon the goodwill of the 400 members of the House of Commons who belong to the Conservative Party.

Sir Tej Sapru : Have they got any safeguards?

Lord Winterton : Sir Tej asks me that. I would not like to go into it, but I think their safeguards are perhaps not quite as strong as they sometimes appear to be in public. I would like to say at the outset that I feel privileged to follow Sir Purshotamdas Thakurdas, because, however much I may differ from some of the things he said, I would like to say how much I appreciate the spirit and form of the speech which he has just made. It is really typical of the spirit of personal friendliness which has, I think, been displayed by all the members of the Conference from India.

I would like further to say this about the Conference generally. I am a new member of the Conference. Most of my colleagues, both Indian and British, have been members of former Conferences.

Lord Irwin : I am, too.

Lord Winterton : Lord Irwin and I are in the same position. I am greatly impressed by the great contribution which this and former sessions of this Conference have made to what I hope will be a permanent solution of the problem which I assure you our colleagues in India, is regarded in this country as one of the most important, and perhaps the most important question to-day ; that is the future government of India.

I wish to avoid being effusive, but I feel bound to say that the brilliant advocacy, and the fair and clear exposition of their points of view which has been put forward by our Indian colleagues has evoked not only my admiration but my gratitude, because it has enabled me to see those points of view and the difficulties and problems which have to be overcome, and may I in that connection echo what has been said by every member of the Conference, I am sure with complete sincerity and from the heart, about the Secretary of State. We owe him a debt which we cannot repay for his tact, his knowledge and his *savoir faire*. I think also we ought to recognise the great services which the Lord Chancellor has rendered.

Now, Sir, I spoke a moment ago about Parliament and its attitude. I would observe that of course attacks have been made on our body in this country, just as they have been made in India. I think it would be fair to say that they have proceeded from the left in India and from the right in this country. We have had charges made here against us just as my colleagues from India have had charges made against them—that we are unrepresentative and that we are suffering from a common self-delusion. In my political career I have always believed in meeting attacks by counter-attacks. I pledge myself, so far as my humble capacity goes, to meet criticisms of our deliberations and proposals in Parliament with all the vigour and energy which I can command. I feel certain that our Indian colleagues will also defend their position as delegates with the courage which their record in the last few troublous years has shown us that we can expect from them. I venture with respect to say that it is extremely important that in both countries those of us who have been colleagues and sat round this table should defend the position which this Conference has occupied.

In regard to the position of the Conservative Party I will not conceal from you—because it would be foolish to do so, the facts are known—that there have been differences of opinion in that Party on the subject of India and on the subject of the policy

both past, present and future in India. But I would like to make this observation, which I believe to be well-founded, that the great bulk of unofficial members of the Conservative Party is willing and ready to consider and adopt the Federal solution of the Indian problem. I would like to add further that I do not believe that that bulk of opinion is either obstructionist or reactionary, but that it does demand safeguards under this new Constitution, alike for the security of India itself and also for its fixation as a permanent part of the confederacy of self-governing nations of the British Empire. It has in mind both ideas. That opinion will naturally be influenced by the deliberations of this Conference; and I may say, and I think this will evoke some sympathy, that just as we of the British unofficial delegation recognise that representative gentlemen from India who are sitting round this table have to consider the effect on the public opinion of those they represent of what they may do here, so do we in this country have to consider the effect on the public opinion of those we represent.

Secretary of State, I do not want to trouble you further except to say that in my judgment in all recent political events in this country and political policy there has never been a bigger conception or a greater ideal than that of all-India Federation.

I was immensely struck, if you will allow me to say so, by what Sir Tej Sapru said in the course of his speech. I understood him to say that long ago he formed the opinion in his own mind that along those lines a solution could be obtained. I can speak with more freedom than any member of the Government in this connection because I do not occupy the responsible position that they do, and I say with all the earnestness that I can command that I do most earnestly hope that gentlemen representing British India and gentlemen representing the Indian States will be able to compose such differences as exist between them still, in order that this Federation may be brought into operation with the utmost goodwill and unanimity; and the good wishes of all responsible people in this country will go out to them in that endeavour.

That is all I have to say, except to add my tribute also to what has been done by our permanent staff. I have worked with Civil Servants on and off for a very long time, but I have never seen any body of Civil Servants both British and Indian work harder than those who have been attached to this Conference.

Sir Manubhai Mehta : I am grateful to you for giving me this opportunity of speaking on behalf of our section of the Princes Chamber, because it gives me the opportunity of removing certain misapprehensions in the minds of our British Indian friends and which have been voiced by Sir Tej Sapru with regard to the attitude of the Princes, which might cause delay in the realisation of the ideal that British India has looked up to as its goal. In this con-

nection I am glad Sir Tej Sapru has reminded me that for the last 15 years we have worked together. He referred to 1918 as being his first visit to Patiala.

Sir Tej Sapru : 1928.

Sir Manubhai Mehta : I am talking of 1918 when Lord Sinha and Sir Ali Iman were present at Patiala, where I had the privilege of being present helping the Princes to work out a scheme of constitutional reform. It is often pictured that the idea of federation has sprung up in the minds of the Princes only like a mushroom—that it is only of yesterday's growth, but let me remind you (and it is not giving away any secrets) that it was in 1918 that the great statesmanlike Ruler who now graces the gadi of Baroda, His Highness the Maharaja Gaekwar, in response to Lord Chelmsford's request as to what were the lines on which future Reforms should go forward, said that the future of India and the good of the Indian States lay in federation. That was in 1918, and that document is still on the archives of the Government of India. Since 1918 the Princes have consistently worked on this theory. In the Montagu-Chelmsford Report the scheme of federation was pictured but for ten years no steps were taken to give effect to this idea of federation by which the Princes were to be given some share in the management of questions of joint concern, such as customs, railways, salt and so on, which are now considered to be federal. Sir Tej Sapru paid a deserved tribute to Lord Irwin as being the father of this idea of a Round Table Conference. Let me on behalf of the Princes also say that the Princes have at least provided the fitting pretext for this Round Table Conference. Sir John Simon in his letter to the Prime Minister referred to the relations of the Princes as one vital problem to be solved in the question of new reforms, and the Princes who had not been consulted by him in India could be consulted only in a Round Table Conference. That was how the idea of a Round Table Conference came into being. I am merely saying this in order to show that the Princes have been consistently taking a sustained interest in the idea of the development of federation since 1918. When, therefore, in 1930 you were pleased to call the Princes and the British Indians together in a Round Table Conference, and when a generous suggestion came from the British Indians that the Princes should unite in a common federation, His Highness the Maharajah of Bikaner, on behalf of the Princes, gladly accepted the idea, and welcomed the offer of federation as being in the best interests of his Mother country. The Princes then declared that they were proud to be Indians first and Princes afterwards. They took an interest in the well-being of their own dear country, and, for the good of that country, they were prepared to concede part of their sovereignty in order to advance the interests of their countrymen. In this way, Sir, the Princes made it clear, at the time when they were asked to join, that they would gladly enter federation, with

two provisos. First, they wanted to know whether they stood on terra firma or whether they were standing on what the Maharajah of Bikaner called the shifting sands of expediency. He wanted to know what the rights of the Princes were. The Princes were naturally anxious to know where they stood, on the eve of the transfer of control from Whitehall to Delhi, and therefore he wanted to clear up the question of Paramountcy. He asked how far Paramountcy extended because, after the declaration of the Butler Committee that Paramountcy must ever remain Paramount, the doctrine of the ultimate powers of the Government became rather over-bearing. It was said that the powers of Government meant the ultimate or residuary powers, anything undefined, and naturally the Princes became a little alarmed. They wanted some definition to be given of that doctrine of Paramountcy, and I am glad to inform my British Indian colleagues that this will not stand in the way of the early realisation of Federation, because the Secretary of State and the present Viceroy have been doing their level best to satisfy the Princes in their demand for a satisfactory solution of the Paramountcy question. When the question of Paramountcy is settled, the Princes will naturally carry out their promise of entering into Federation.

The second proviso made by the Princes was with regard to their safeguards. They wanted a clear picture; they wanted the picture to be completed before they were asked to come into federation. We are now about to complete the picture. We have met for the third year in order to complete the picture, and, I am told, the completed picture in the form of a White Paper will be placed in the hands of the Princes in the month of February or March, and the Princes will then be expected to make up their minds and to say whether they were prepared to come into the Federation or not. As my friend here has said, he is quite certain that the Princes will come into Federation, and I share the same hope, the same confidence, because we have faith in the justice of His Majesty's Government and we have faith in the good will of our brethren, the British Indians.

With co-operation from both sides I do not anticipate any difficulty. There was another minor difficulty to which I must refer. There were sections amongst the Princes who believed that in order to safeguard their own position and rights they must join as a confederate body, not as separate units individually, but those who preferred it might join first in a confederation before they entered the Indian federation. This difficulty has also been satisfactorily settled, and with these differences settled amongst the Princes, the hopes of our realising the aspiration or the dream of the Princes fully entering into Federation are much nearer fulfilment than was the case two years ago.

The Princes naturally desire that their treaty rights should remain intact, that their internal sovereignty should be safeguarded,

and, as we have seen in our deliberations, the British Indians and His Majesty's Government are equally anxious that their treaty position and internal sovereignty should be fully assured and rigidly maintained. These obstacles, therefore, are removed, and I do not anticipate any further difficulty in the way of Federation.

But the picture has to be placed in their hands, and you have seen that there are also other reasons which might delay the transfer of full responsibility for some time. Let it not be said, however, that the fault for this delay lies at the door of the Princes. Two months time is nothing, and after March you can well expect the Princes to come into the Federation, and we have every confidence that they will do so.

In conclusion, may I express gratification at the results of this Conference. We are returning to our country with a feeling of hope. But let me not over-enthuse myself. I return to my country with a feeling that there is yet much more to be done. What we have achieved is very little in comparison with what remains to be done, and for the realisation of that further hope I look to you, Sir, and His Majesty's Government, that they may help us in the realisation of our full aspirations.

If these foundations of a future prosperous Empire are to be laid they must be laid in a spirit of goodwill. As Lord Peel remarked, constitutions are not made, they grow. They are organic growths. We have called them pictures, we have called them structures, the result of architecture, but I do not believe that architectural structures or pictures adequately represent what they are. They must be real organic growths, and in order that they should grow well the seed must be well sown and the ground must be made congenial.

The seed may be very good, but if the ground is not well prepared, is not well cultivated, is not well manured the seed will go to rot. Prepare the country well. At present it is sad to think that the state of the country is alarming. The iron has entered the soul and there is bitterness at the very core. It is very well to say that the situation of the country has improved. All I can say, Sir, is in the words of Shakespeare's Hamlet, "All is not well in the State of Denmark." Something is rotten in the State of India. Therefore my request, Sir, is : give them with good grace, give them with open hands—give them freedom and give it quickly. I am pleading on behalf of British India even though I come from an Indian State, because I am actuated by self-interest. Geographical demarcations and boundary field marks do not prevent the spirit of unrest from coming over the barriers and invading our Indian States. As long as this spirit of unrest, this bitterness, this antipathy to Government, is allowed to remain unremedied in British India, we have a standing menace. Therefore I appeal to you, Sir, to remove that peril by giving solid satisfaction to the people. And I have to

request you to do it soon. Delays will only lead to further hardening of hearts and further bitterness. The other thing I wanted to remark, Sir, was that whatever you give must lead to a real responsibility at the Centre. The Princes have also made it very clear—I read it out one day—that they are prepared to enter into Federation only with a self-governing India, with a responsible India. They were asked whether they were prepared to come into Federation with a Government that was not fully responsible to the people. They said they were not prepared to come into Federation with an irresponsible Centre. Just as it is remarked that the entry of the Princes into the Federation made it easy to confer responsibility on the Centre, and as responsibility at the Centre is not possible without the Federation of the Princes so at the same time there cannot be any Federation of the Princes unless there is full responsibility at the Centre. These two things act and react upon each other. Therefore, Sir, my request is : if the Reforms are to be given, give them freely and give them soon. In the Province from which I come, which is Gujerat, there is a proverb which is apposite to the present conditions and which will amuse you. We have castes ; we have banias and merchants ; there are also some Brahmins and there are Muslims among us. Of our national characteristics it is said that the Bania thinks of the future, he is a calculator and is far-seeing ; he calculates from beforehand what will be the consequences. The Brahmin is only wise after the event. I am a Brahmin myself. We glory in our past and our life is only a life of lost opportunities and regrets. The Mussulman is quick witted. He has an iron fist. He strikes at once and he gets what he wants. He lives in the present and has no thought for the morrow. Last year I remarked that the nation of Englishmen is regarded as the nation of shopkeepers, merchants, calculators. Even this year you have paid the greatest attention to the subject of finance. Financial safeguards have been the crux of the whole situation. I ask you therefore to calculate beforehand what would be the consequences of further delay. The British nation has a great and glorious record in Empire building, but greater than the power to build an Empire is the power to retain an Empire, the mightier is its triumph. I wish you God speed and pray that the British nation will retain the Empire by their wise action.

R. B. Raja Oudh Narain Bisarya : I should not like to take up much of the time of the Conference at this late hour, but I should like to be allowed to refer to one remark made by Sir Tej Sapru, who has contributed so greatly to the work of this Conference. He made the observation—maybe he felt himself constrained to make the observation—that he did not want British India to be a dependency of the Indian States. Let me hasten to assure him and my British Indian friends if assurance is needed that the fear expressed by him can have no foundation in fact. There is nothing further from the minds of the States than to exploit the situation in India to

secure unreasonable or selfish advantages for themselves. The Princes do not approach the question of Federation in any spirit of bargaining. To them it is a matter of duty which they owe to the Empire, to the country of their birth and to their own States. As Sir Akbar Hydari has already said, long before the idea of Federation took concrete shape the Princes had expressed their sympathy with the aspirations of British India for an honourable and equal position in the British Commonwealth of Nations. In 1930, when the first Round Table Conference was held, the Princes wholeheartedly welcomed the idea of an all-India Federation. I will not take up time by quoting from the speeches on that occasion. Those who were present will remember the speech of His Highness the Ruler of Bhopal, whom I have the honour to represent, and the Maharaja of Bikaner and the Maharaja of Patiala were equally clear. The views expressed then were confirmed at the second Round Table Conference and the attitude of the Princes remains firm and unshaken. If anything, they are more convinced than before that an all-India Federation based upon recognition of the various interests concerned, a Federation designed to safeguard the just and legitimate rights of all will be in the best interests of the Empire, of British India and the Indian States. In that firm belief we want the happy confirmation of the establishment of an all-India Federation to take place at the earliest possible time. But whilst we have every sympathy with the aspirations of our friends from British India, they will understand our hesitation to sign a document without ascertaining its terms. They will understand our anxiety not to commit ourselves to a constitution without making sure that our own rights and interests are safeguarded in that constitution. That can only be done when we have the complete document before us and when we are in a position to ascertain the definite details of the scheme as it is finally decided to embody it in the form of a Bill to be placed by the Government before Parliament. As His Majesty's Government has already assured us, the White Paper will be in the hands of the Princes and the Chamber of Princes to be examined by them, and then they will make up their minds finally. But, as my colleagues have assured you, there is nothing in the minds of the Princes to make them disinclined to enter the Federation which they have always expressed a keen desire to enter.

**Pandit Nanak Chand* : Mr. Chairman, I am very grateful to you for giving me an opportunity for making my last submission to this august assembly. It is a great privilege indeed to be associated with famous British and Indian statesmen in the great

* Note.—The speeches, from that of Pandit Nanak Chand to that of Sir Hubert Carr, on pages 114 to 131, which are marked with an asterisk, were, by leave of the Conference, and in order to economise time, handed in as written speeches instead of being delivered orally..

and difficult task of making a constitution for the future government of India. My Lords and gentlemen, I am fully sensible of that honour. What greater honour could there be for a son of India than to be associated with you on this historic occasion. Mr. Chairman, it is not the honour of the occasion that fills my heart with joy. It is the sense of responsibility—the sense that I may have failed to discharge this responsibility to the satisfaction of those whose cause I have expressed or attempted to advocate. That overwhelms me. My Lords and gentlemen, you cannot imagine the deep disappointment and the great and bitter resentment of the people who relied upon the Government for the removal of their grievances. The Hindu minority of the Punjab fought hard, very hard, for the policy of co-operation as against the policy of non-co-operation. Many a time elections were fought between them and us, between the non-co-operators and co-operators, and we won. We won because we had told the people that the policy of suspicion and distrust must give way to the policy of trust and mutual goodwill. But what has been our fate—the fate of the Hindu co-operators in the Punjab?

Mr. Chairman, many a friend of mine doubted the wisdom of my accepting the invitation to join this Conference. I see suspicion and doubt and fear poisoning the public life of the Punjab Hindus. I wish to save the Province from the horrors of communal bitterness and strife. You cannot be unaware of the fact that the Hindus and the Sikhs are most unhappy over your award. I do not wish to discuss the Communal Award at this last stage of the deliberations of the Conference. I have placed on record the statement of the reasons which make the Award unacceptable to the Hindu minority of the Punjab. These reasons, I have not the least doubt, will appeal to all fair-minded persons. These reasons have already been appreciated by a large circle of British ladies and gentlemen outside this Conference with whom I happened to have an opportunity of exchange of views. I hope, Mr. Chairman, the British Parliament and the Parliamentary Committees will investigate the truth of those reasons and will test their strength by a fair and frank discussion with me or with the representative of Punjab Hindu opinion.

When I look at the injustice done to the Hindus of the Punjab—both by Indian politicians and representatives of Government—I begin to despair. But my Lords and gentlemen, let me say this, that my experience of political life has taught me that despair is no remedy for the removal of great wrongs and that effort, constant effort, to get at the truth of things is needed to right the wrongs. I believe that deep down in the heart of man God has implanted love of justice, love of fair play which breaks through all barriers of religions, race and caste prejudices. My Lords and

gentlemen, I could not say otherwise, I could not believe otherwise after my experience with the Lothian Committee. The British people love a sportman's spirit. They love fair play and a square deal. I wish nothing more and nothing less for myself than fair play and a square deal. I am not fighting for anything else but fair play and a square deal for the Hindu community of the Punjab. These people—the Hindus of the Punjab—should not be made mere pawns in your game of politics. You must not treat them as if they have no hopes, no aspirations, no desire to be free. You cannot impose upon them a system of government which will keep them unhappy and discontented. I know I cannot fight with other than clean weapons—weapons of debate and argument before an impartial tribunal. Mr. Chairman, give me a square deal. Do not say that the Award is final. It is not final. It cannot be final. Injustice can never be final. Expediency may prompt you to say yes; but love of fairness on the part of your Government will break through your prejudices against us. Mr. Chairman, you will listen to the Hindus of the Punjab. You will see justice done to them. That is my first point which I place before you even at the last moments of this Conference. I have placed on record a statement of reasons why the Award is not acceptable to us.

My second point is that the Punjab Province as it is constituted to-day consists of areas and peoples which have no natural affinity. If there is to be an all-India Federation, if provinces are to be self-governing units in that Federation, then the Punjab will be so constituted, its territories so re-adjusted and arranged that people of one language or people of one religion may not be subjected to the hardship of living with others of different religion and of different language. The Units of the Federation must be organisms which may fit in with the Federation. They may not be always a source of anxiety, trouble and disorder to the Federal Government. My Lords and gentlemen, the Simon Commission saw the dangers of an all-India Federation based upon a union of Provinces which will not work with one another. Therefore they recommended the formation of a Boundary Commission with a neutral and impartial chairman to go into this question. I claim an enquiry with regard to the Punjab. Do not refuse this demand. You will be able to satisfy the Hindus, the Muslims and the Sikhs if an impartial enquiry is made. This enquiry and its results should be published before the constitution of an all-India Federation. This, my Lords and gentlemen, is my second demand. You cannot refuse this reasonable demand. I placed this demand before you during the course of discussion.

My third point is that you will find suitable provisions in the new Government of India Act to give effect to the recommendation of the Franchise Committee embodied in paragraph 170, page 65,

of the Report of the Lothian Committee. My Lords and gentlemen, I thank publicly Lord Lothian and his colleagues for recognising this just principle—that there shall be a fair and just representation of all communities in the electorate. That is the only safe method of seeing the various interests represented in the Legislatures. Political predominance cannot be made over arbitrarily to one class of people. The agricultural tribes and non-agricultural tribes are admittedly half and half in the Province. The non-agricultural tribes are labouring under great disabilities and bound by Statute and customary laws in acquiring property. They should have a fair representation on the electorate in accordance with their population.

Mr. Chairman, I spoke about this matter in the Conference. I drew the attention of the Conference to this paragraph. I was very glad to find that nobody challenged the *principle* on which the paragraph is based. It was still more gratifying for me to see the Secretary of State in sympathy with those recommendations. It is true that the Secretary of State stated that the figures given by the Committee were found to be incorrect by later investigation on the part of the Punjab Government. The voting strength of agricultural tribes according to the Lothian Report will be 75 per cent. and according to the Punjab Government 60 per cent. and for the non-agricultural tribes according to the Lothian Report 25 per cent. and according to the Punjab Government 40 per cent. The investigations of the Government were not published. The estimate on both sides is conjectural. It is bound to be so. The estimate can only be formed after the first elections. It is useless to speculate now. The point made by me before the Lothian Committee and accepted by the Lothian Committee and now by the Conference is that there shall be no disparity between the voting strength of the agricultural and non-agricultural tribes. That is a matter of great political importance to all people. The law must make provision to remedy the disparity if it is found that such a disparity does exist. Mr. Chairman, will you convey to Sir John Kerr and others who were members of that Committee and who are not members of this Conference our sincere thanks for their just appreciation of this problem.

Mr. Chairman, I now come to the fourth point. I discussed this point in the Conference. Dr. Ambedkar spoke about it at length. Sir Hubert Carr supported it. Sir Tej Bahadur Sapru, speaking on behalf of the largest group in the Conference, supported it. The other sections of the Conference were also in favour of it. In fact, if there was any matter on which there was complete unanimity it was this matter: that the Constitution should strictly interdict unfair and unjust treatment of the minorities or any section of the communities on the basis of religion, race, birth or descent, caste or colour; that civic disabilities should not be permitted to be imposed on privileged castes or classes created under

the new order of things on the basis of religion, race, caste or colour; that equality of all citizens of the State before law should be firmly established. I beg to submit that there was complete unanimity on this point. This was a matter which was regarded by everybody as absolutely essential for the protection of minorities. I hold that the minorities, whether of religion or race or caste, living in India and enjoying the rights of full citizenship, cannot be protected otherwise.

The citizens should have a guarantee under the law, which can be enforced in courts, that nobody shall be prejudiced in pursuit of his profession, trade, or industry, or in the acquiring of property and transferring it, or in the enjoyment of his citizen rights merely because he or she happens to differ in religion, race, caste or colour from the governing party. Mr. Chairman, the Prime Minister assured the people of India that such a guarantee will have to be given. In his speech at the final session of the Round Table Conference held in 1931, the Prime Minister said as follows :—

“ In framing the Constitution His Majesty’s Government considers it will be its duty to insert provisions guaranteeing to the various minorities, in addition to political representation, *that differences of religion, race, sect or caste shall not themselves constitute civic disabilities.*”

There could not be a clearer and more definite statement.

I have placed on record a letter signed by various gentlemen who regard this provision as absolutely essential. Besides those, there are others who hold the same views. But a doubt was expressed that Sir N. N. Sircar and Sir Tej Bahadur Sapru were not in favour of such a clause. That was a wrong impression. I have sought to correct it. Yes, My Lords and gentlemen, the Constitution must make provision of the nature suggested by us; and the principle has already been accepted. Let us provide for fair play between all classes of His Majesty’s Indian subjects. Analogies from the British Constitution do not apply. The British Constitution has grown, ours is being imposed. The British Constitution makes no provision for representation on the basis of religion, ours does. The British Constitution has got its Bill of Rights, Magna Charta, and other documents of great importance; ours has no such history behind it. The British people are accustomed to the use of democratic government, ours are not. Why should we therefore ignore this important and vital difference? A clause like the following may be considered by the draftsmen :—

“ No native of British India nor any citizen of British India (or any of His Majesty’s Indian subjects resident therein) shall by reason of his religion, place of birth, descent, colour or caste or any of them be disabled from or prejudiced

in adopting any profession, trade or calling, or engaging in any industry or acquiring or transferring right, title or interest in any property."

Mr. Chairman, certain people get perturbed when they come to the rights in acquiring or transferring property. They want to make distinctions in regard to this right, because they cannot forget the Punjab Land Alienation Act. In one breath they declare this Act to be non-communal and in the other breath they start defending its communal character.

I beg of you to approach the problem without any prejudice. Do not think of that Act. The Act—the Punjab Land Alienation Act—must be dealt with on its own merits. But do not deny to the minorities that very just provision which they seek.

Now let me come to the Punjab Land Alienation Act. It is a pity that it has become a storm centre in the Punjab. Certain classes demand its repeal, others its retention in its present form. I wish to steer a middle course. I maintain that the Act can be so modified that its baneful character, its discriminatory character can be taken away. People do not try to understand the moderate opinion. They listen to or decry the extremists of both sides. I do not wish to enter into the merits and demerits of the Act. What I maintain is—

(a) that the Act in its form debars 50 per cent. of the population of the Punjab from acquiring property merely because this 50 per cent. happens to be born in particular castes. The Depressed Classes and other castes have got a just grievance, that 75 per cent. of the Hindus have been so debarred from purchasing property or agricultural land merely because they happen to be born in certain castes. Caste sticks to a person up to death.

(b) that it is no protection to the poor proprietor of land who has to part with his property under necessity. He does not get a fair price, as competition is limited. He practically has to sell his land at half the price.

(c) that it gives the money lenders, lawyers and men with money of certain tribes or castes a charter to rob the poor agriculturist.

(d) that it is possible to remedy these defects and find suitable definition of the agriculturist based not upon birth or caste but on occupation.

The privileged castes of the Act have got the rule of the Province in their hands at this time. They clamour for political privileges based on birth. They have set up and obtain intolerable claims due to birth in particular castes. The Punjab Legislative Council debates, and the history of the last ten years amply supports my contention.

I claim the right of fair trial on the issue of the Punjab Land Alienation Act. I am confident that I will convince impartial men that the Act in its present form is pernicious, and that it must be modified before full responsibility is introduced in the Province of the Punjab. Please do not forget that the possession of property confers the great and valued right of the vote, and thus the Act is not so harmless as it looks. It has worked havoc and it is bound to perpetuate injustice and grave wrongs.

The Parliamentary Committee should go into the matter thoroughly. The British Cabinet cannot lightly brush aside my arguments. More, the Punjab should not be singled out for such treatment and 75 per cent. of the Hindus should not be kept under disabilities. Large sections of the Muslim and Sikh communities alike are under disabilities. The Anglo-Indians are similarly circumstanced. But the majority of Muhammadans and the Sikhs make it impossible that this Act should be considered impartially in the Punjab Legislative Council.

Mr. Chairman, I hope the British Government will study this matter and will hear us at greater length and in greater detail. It is not a small or minor point.

The distinction drawn between the so-called martial and non-martial races is arbitrary and unjust. Sir Henry Gidney and Dr. Ambedkar spoke about this injustice. Sir Tej Bahadur Sapru associated his party with those remarks. It is gratifying to find that the Secretary of State gave a sympathetic reply. The whole classes or castes of people of India should not be stigmatised as non-martial. The history of India proves that no such distinction can be upheld. In fact the British Government in India is the outcome of the help of the so-called non-martial races. Every individual should be taken in the Army or rejected on the basis of his fitness or otherwise. I think the Government should provide special facilities for the military training of those who have been so long unjustly kept out from the Army. I hope it will appeal to the fair-minded Secretary of State. These matters are of great political and constitutional importance.

This takes me to Services. In the Punjab, the recruitment of Services proceeds not only on the religious basis, but also on the caste basis. It is strange to find the privileged castes under the Land Alienation Act trying to claim the posts because they are favoured possessors of the monopoly of land. One monopoly leads to another monopoly. Corruption and communal bias are terribly increasing. Justice or fair play are becoming meaningless words. Mr. Chairman, efficiency is being sacrificed. I think posts of trust and responsibility—which should be mentioned in a schedule in the Act—should be filled by open competition. Physical tests of

fitness may be added to literary tests to give confidence to those who are afraid of public tests. But merit, not caste or religion, should be the test for filling up Services.

Careers in politics and the Punjab Legislative Council, the professions, and trade and commerce are open to those who claim that open competitions are not the proper test of one's ability. The careers I have mentioned can and should be aimed at by such people.

Corruption and religious or communal bias in Services are undermining the public confidence and the moral prestige of the Government. If you must provide for backward classes—and there are backward classes amongst all communities—the scope of communalism and caste-ism in Services should be strictly limited.

For all legislative measures which may adversely affect the interest of minorities or classes of minorities, the previous sanction and ultimate sanction of both the Governor and Governor-General should be essential, as is the case now.

Similarly, in proposals relating to taxation, such a consent should be made necessary.

But it is said, "this is not provincial autonomy." My Lords and gentlemen, I hope a man can still be called true to Indian conceptions of self-government without being true to the conception of provincial autonomy. This term provincial autonomy is foreign to the Indian Constitution and does not express Indian sentiments correctly. The sovereign power of the Centre must be supreme guardian of the interests of all minorities. The Governor-General, acting with or without his Ministers, is contemplated by the new Constitution as the sole head and source of political executive power. Pray do not be misled by words. We must have the substance of good government. A strong national Central Government is essential for the peace and safety of India and the people living in that country. Provincial autonomy or words like these cannot blind us to the fact that the Provinces or the provincial majorities cannot be let loose on the minorities. Discrimination in taxation and that should be avoided at all costs. Acts which prejudicially effect only one community or one caste or a number of castes must be avoided. Provincial autonomy frightens me when it is based upon communal majorities in the Legislatures.

I claim my patriotism transcends all such patriotism which divides the legislatures of the Provinces on a religious basis. We uttered words of caution which were not heeded. We asked for time for the communities to make up their quarrels, we were not listened to. We pleaded the interest of Indian nationalism, we were ridiculed. We asked for historical precedents, we were called reactionaries. Impatience to understand the Punjab conditions is responsible for one attitude. Do not fling in our face these words "provincial autonomy." It is a phrase of grave

political import to us. It remains to be seen whether the Punjab Hindu politician was right or the Indian politician. We have made sacrifices equally with others. Let the future give its verdict whether we were right or they; whether the Punjab Hindu politician spoke the right word or the Indian politician. You say, "Time presses." The Government says, "We cannot wait. The Congress wants a constitution, the Muhammadans want a constitution of this kind." We submit; but not without a protest. We, my Lords and gentlemen, are hostages, in the hands of our Muslim friends. They demanded us as "hostages." They made their demands from various pulpits and platforms; in Calcutta, in Madras, in Lahore, they used these words, "We want the Hindu minorities as hostages for the good behaviour of Hindu majorities elsewhere." My Lords and gentlemen, the Congress said "Yes," and you said "Yes" and the British Government has said "Yes." I hope and trust the British Parliament will say "No" to this theory of "hostages." If it will not say "No," at the least the civilised world, the historian of the future will say that the Punjab Hindu politician was right. The theory of "hostages" is abhorrent to me not because I belong to the minority community, but the theory smells very strongly of distrust, of suspicion, nay, of war. My Lords and gentlemen, pause before you make your final recommendations. Do not condemn the Hindus of the Punjab to the position of "hostages" in the hands of an enemy.

One point more, my Lords and gentlemen, and I have done. The problem of maintaining law and order in the Punjab is an all-India problem. It is associated with the defence of India. Political upheavals in the Punjab have led to disasters. In 1919 trouble in the Punjab brought about invasion of India by Afghanistan. In 1931-32 upheaval in the North-Western Frontier of India brought the Afridi tribes to our door. Do not ignore this problem—the maintenance of law and order in the frontier provinces of India. I asked for the appointment of a Statutory Committee to help the Minister. The point requires consideration—do not lightly throw it away. I am sure you will find it workable, less communal than the proposal of making over law and order to the charge of a Minister entirely supported by a communal Ministry. See what is happening in the Punjab now. Send out a Commission to the Punjab to find out what the people feel. I hope my cry will not be a cry in the wilderness. I will not detain you further. I hope I have made my points and summarised them. Let them be tested and criticised. They will prove their soundness, if you give us fair opportunity of being heard. Otherwise do what expediency demands, but you cannot speak in the name of fair play. Mr. Chairman, I have done. I wish you all a Happy Christmas and a Happy New Year and to India and Britain a happy and long career of partnership based upon justice and equality. Justice and equality which I seek for the Hindu minority of the Punjab even at this last hour.

**Mr. Joshi* : Mr. Secretary of State, the greatest achievement of the three sessions of the Round Table Conference has undoubtedly been the bringing of the All-India Federation into the sphere of practical politics. For this result credit is due to the Indian States for their readiness to make a common cause with British India; to British India for its readiness to make sacrifices for the sake of the whole country; and to the British Government for their acceptance of the inevitability of responsible Central Government as the immediate next step. Although we rejoice at this result, we cannot shut our eyes to the difficulties and deficiencies that still remain to be overcome in order to avoid disappointment. By making the entry of the Indian States into the Federation an essential condition of Central Responsibility, the British Government has placed British India at the mercy of the Indian States, with the result that the Indian States refuse even to say by what method they would select their representatives to the Chambers of the Legislatures, as if it is not a matter of common concern. The mutual distrust between the British Government and the Indian people has led to the meticulous definition of safeguards and reservations by the British Government keeping dissatisfaction and apprehension alive in the minds of the British Indian representatives. As a representative of Labour, I am keenly disappointed that the need for the constitutional protection of the Indian masses and the workers has almost altogether receded into the background by the absorption of interest and attention in the protection of the racial and religious minorities, while representation was readily given to the small communities like the Sikhs, the Europeans and the Anglo-Indians, the right of representation of more than 50 millions of Indian workers was tardily recognised, and aboriginal and hill tribes, who number in British India more than 10 millions, were entirely forgotten.

Self-government has no meaning to the Indian masses, the workers and the aborigines, unless the constitution is made fully democratised, and the classes who are the backbone of the nation receive their due share of influence and power. Franchise has been extended, but property still remains its basis. The Indian industrial workers have been given some representation, but it is inadequate; the representation given to the aboriginal and hill tribes is insignificant. In the Central Provinces, where their population is more than one-sixth of the whole, they are given one seat out of 112. In the Central Legislature no representation is given to these classes. I am glad that at least some members of the Conference expressed themselves in favour of increasing the labour representation in the popular Chamber. Fundamental rights have been claimed for the protection of property, race, religion, caste, creed and language, so that India may become an open field for the exploitation of the masses, a battlefield for religious feuds, and a Tower of Babel: I hope they will at least give to the masses the right to work and live. In the delimitation of the Federal field

for legislation the Indian workers' claim for common protective legislation for the whole of the Federation is not yet conceded. Without this right the Indian workers would even lose the small protection which the International Labour Organisation of the League of Nations affords to them. The workers of India want no barriers against their movement from one unit of the Federation into another. But if emigration from and immigration into British India only is made a Federal subject, leaving emigration from and immigration into Indian States solely under the control of the States, the workers of British India are placed in a disadvantageous position. I make an appeal that, in the future stages of the constitutional discussions, the interests of the Indian workers and of the helpless aboriginal tribes will not be neglected but will receive their due recognition. Let me give a warning regarding the danger of not leaving adequate constitutional scope for the protection of the interests of those who are poor and illiterate.

In conclusion, I wish to support wholeheartedly the powerful appeal made by Sir Tej Bahadur Sapru for the unconditional release of Congressmen from jail. Let there be no huckstering spirit; generosity alone will lead to peace and reconciliation.

**Sir Henry Gidney* : Secretary of State, at this late hour of the night, and with so many others who are wanting to speak, I feel that my remarks will have to be curtailed.

Secretary of State, I desire to associate myself very largely with the expressions that have fallen from my friend Sir Tej Bahadur Sapru, as also from Lord Reading, in his appreciation of the work that has been done for us by the various Committees and staffs that have, from time to time, been attached to the three Round Table Conferences.

Apart from many important points raised by previous speakers, I again desire to stress what to my community is of the greatest importance, namely, the protection of the rights of Minorities. I shall not weary this Conference by repeating what I have already stated regarding the services rendered to the Empire by the Community I have the honour to represent. These services are to be found in every page of Indian history past and present, but I feel I must again impress upon you and on the British Parliament, the absolute need for adequate protection of its economic interests, and in doing so, I do not desire this Conference to think that I am unmindful of or ungrateful for the concessions it has already granted to the protection of Anglo-Indian education. The acceptance of that Report has afforded the entire community in India, as well as myself, the greatest joy and pleasure, for it amounts to its educational Magna Charta. But Sir, of what use will this be to the Community in the future, unless it is afforded adequate protection of its economic position, for it cannot be denied that the education of the child is entirely dependent on the economic security of the parent. It is in this connection I would ask you,

Secretary of State, as also the members of the British and Indian delegations, patiently to bear with me while I stress certain undeniable facts in connection with the economic position of the community.

The great and abiding part the Community has played in the building up, the development, and the maintenance in their present state of efficiency, of the Railways, the Telegraphs and the Customs Services is known to one and all, and it is in these three departments in which at least three-quarters of the adult population of the Community are employed. It, therefore, follows, that adequate employment in these services constitutes the very existence of the community. In what I am about to state, I have no desire to exaggerate the perilous position, unless adequately safeguarded, of the economic future of the community, nor do I desire to minimise my fears. My chief concern is to get you, Secretary of State, and the British Parliament to see eye to eye with me in this matter. Time was when the community occupied a very high percentage of all appointments in all grades of the All-India Government Services. To-day, after but a decade of the operation of the Reforms and Indianisation of the Services, we find ourselves being jettisoned out of many departments and entirely ostracised from others, and viewed from the yearly increasing number of our people who are unemployed, it is obvious that a similar fate faces us, in the three services I have specially mentioned.

Secretary of State, I use no idle words, nor can it be disputed when I say that the Railways, the Telegraphs, and the Customs owe their present state of efficiency and revenue producing value almost entirely to the labour for nearly a century of the Anglo-Indian community, and it is in these three departments mainly, that we desire statutory protection. Sir, I am mindful of the advice the Lord Chancellor gave the Conference the other day, when, after hearing each of our grievances, and which led to our various demands as embodied in our Fundamental Rights, he asked us in all sincerity, to love one another, to trust one another, and not to complicate and overburden the Constitution with such demands, the majority of which he said could not be incorporated in the new Statute, and I particularly noticed he based this advice on what he called "apprehensions" one of the other. Secretary of State, my community certainly has grave apprehensions of its economic future, indeed I do not think there is a single member of this Conference who will contradict me when I say that no community has hitherto suffered more by the operation of the Reforms in India than has the Anglo-Indian Community, and I would go further and say without fear of contradiction, that the Anglo-Indian Community stands to lose more in the future than any other community. There is no need for me to enter into the detailed reasons for this fear, for they are undeniable and are obvious to one and all; suffice it to say that we find ourselves wedged in between two stones and

are being gradually crushed out of existence to satisfy the policy of Indianisation as interpreted and demanded by the majority communities, and which Government is being compelled to satisfy. With us, Sir, this is not a question of mere "apprehension" only as the Lord Chancellor said. It is a question of hard naked facts of life and death—of the right to live in the country we have helped to build. This special position and this need of special protection was unanimously recognised and admitted by the Services sub-Committee of the First Round Table Conference, when it passed the following resolution.

"The sub-Committee recognises the special position of the Anglo-Indian Community in respect of public employment, and recommends that special consideration should be given to their claims for employment in the services."

Secretary of State, this recommendation was unanimous and was passed by the Committee largely composed of Indian delegates, as also representatives of the British delegation. It may be said that this recommendation amounts to nothing more than a pious resolution and an expression of sympathy, but, Secretary of State, it has the official seal of recognition of a special Committee of the Round Table Conference, and, as such, I feel it cannot be lightly passed over by this Conference, nor can Parliament or the official draftsman ignore its significance when drawing up the new constitution for India. Moreover, it is, I believe, an honourable understanding that we cannot deny or go behind our previous decisions.

But, Mr. Secretary of State, I go further and say that my claim for special economic protection even as a duty on the part of Parliament, is fortified by the Government of India in its "Despatch on proposals for Constitutional Reform", page 169, which states:—

"The Anglo-Indian community has in the past rendered very important services to the railways and still holds a large number of posts in particular branches of railway work. The economic life of the community is, indeed, to a large extent dependent on the opportunities of employment which the railways offer, and its members are gravely apprehensive of what may occur, if and when any change takes place in the present system of administration and control. In view of the history of the community, *a special obligation, we think, rests upon Parliament*, before relaxing its own control, to ensure, as far as may be practicable, that the interests of the Anglo-Indian Community are protected."

Secretary of State, these are ominous words—they are uttered by His Excellency The Governor-General's Council, consisting of both Britishers and Indians, gentlemen who clearly recognise our economic fears, who are familiar with them, and who share these

fears with us, and join with us in our demand for Parliamentary protection, indeed this Despatch not only in a way admits the inability of the Government of India to safeguard the employment of Anglo-Indians on Railways in the future and places this responsibility as a duty on Parliament in return for the services they have rendered, but places our claims for protection on a much higher plane than that for which I am asking ; for it amounts to a moral and legal obligation on the Crown and gives to my demand the equivalent value of a Treaty obligation. Surely, Sir, this " special obligation " on the British Parliament, which the Government of India recognises and asks for on behalf of the Anglo-Indian Community, cannot be, will not be, and must not be ignored either by the Conference or Parliament when it passes the new Constitution? In so frequently emphasising my fear I do not claim to be the only pebble on India's political and economic beach ; my great fear, however, is that unless this Conference and the British Parliament agree statutorily to protect the economic future of the community, even for a limited period of, say, 25 years, till it is able to stand on its own feet, it will be the only pebble that will be removed from this beach, and I feel sure that not a single delegate at this Conference has any such desire. I am sure that each one of my friends here is prepared to recognise the services the community has rendered to India in the past, and is further prepared to see that we are not deprived of adequate and suitable employment in the future, and so afford us the opportunity of serving the future India as faithfully, as loyally, and as efficiently as we have done in the past India, so rapidly disappearing from our vision.

But, Secretary of State, as I have previously said, my greatest fear is the hostile treatment that will be accorded to the community should the Congress be returned to the Legislatures, as I feel sure will happen, at least for the next two or three elections— I fear they will treat us much worse than what is happening to-day, and we will be denied the right to live. It is for this reason I seek statutory protection.

Secretary of State, if you or the British delegates have any doubts regarding my apprehensions, let me ask each British Indian delegate to place his hand on his heart and to ask himself is it not a fact that every additional appointment that is to-day being given to Indians (and no new appointments are being created) is taken from either a European or an Anglo-Indian? This cannot be denied and is proceeding at such a rate that we shall soon be deprived of all appointments. As you know, every Province is thinking provincially, and the cry to-day, of " Bihar for the Biharis ", " Bengal for the Bengalis ", sounds the death knell of the Anglo-Indian community, who can claim no particular province as its birth-right, for it is the only All-India Community in India to-day, and so being as it were nobody's child, we feel we have every right

to look for and expect protection from the King and Country whom we have served so well and loyally, and for which services we are sure to suffer in the future. Is this to be the reward of the Anglo-Indian Community for its services to the Empire—surely, both England and India will see to it that we are adequately protected in the future?

I realise the difficulties of drafting and including such a provision in the Statute. I also have cause to realise how useless such a measure is in the Instrument of Instructions unless it has a statutory basis. I am not a constitutional lawyer, and so I am unable to draft out a protective clause embodying these safeguards, indeed it is immaterial to me what language is used, or where this safeguard finds a place—I leave this to the official draftsman, but I do beg of you, Secretary of State, to realise that my claim for economic protection is special, and is different to that of any other community in India, and that it requires special treatment. Possibly a clause giving protection to the Anglo-Indian Community that it will not be deprived of its present position in the All-India Services for a certain number of years, will meet the case—I leave this entirely to you.

Another point I desire to stress on this occasion—it refers to the Army. Secretary of State, you are aware of the invidious position the Community occupies in regard to both the British and Indian Armies in India. You are also aware of the great military services the Community has rendered to the Empire from the early John Company period through the dark days of the Mutiny, to the past Great War, and even during the recent Civil Disobedience Movement. These are historic facts, but notwithstanding the indisputable proof we have given as a martial race, and as a Community whose loyalty has never been disputed much less tarnished, we find ourselves to-day denied entrance into the British Army because of our origin, and declined entrance into the Indian Army lest we spoil the class homogeneity of that body. Secretary of State, does this not strike you as tragic, as an irony of fate? We strongly resent this treatment, for we look upon it as wholly un-British and undeserved. I have been told by the Army authorities in India that it refuses to form an Anglo-Indian unit, or even an Anglo-Indian Battery, a branch of the Army in which we have shown great aptitude especially in Mesopotamia and German East Africa. I look upon this as a slur on the community, and as a body we strongly resent such treatment. Secretary of State, you have heard from the Indian delegates that they demand not only more rapid Indianisation of the Officer class of the Indian Army, but a reduction in the British Army, and if you are inclined to reduce the British Army, might I, in all humility, suggest that some of this responsibility be placed on the shoulders of the offspring of Englishmen, I mean the Anglo-Indian and Domiciled European Community. It is true that we cannot enter the Indian

Army on the rates of pay given to the Indian Sepoy, which means that if we are accepted in the Army, a special rate of pay is necessary. Surely, Secretary of State, I am not asking the British nation too much when I humbly request you to allow the Anglo-Indian Community to take an honoured place in the defence of India other than the position it is given to-day and of which it will soon be deprived, namely, the Auxiliary Force of which it constitutes three-quarters. Our past military services and our loyalty to the King and Empire, are worthy of some such consideration and recognition, and on behalf of those hundreds of young men who, to-day, find all avenues of employment closed to them, and who are swelling our daily increasing army of unemployed, I beg of you to re-open this matter, to kill this unmerited prejudice that exists in the minds of the Army authorities in India, and to afford the community a chance of sharing in the defence of its Motherland, India.

Secretary of State, there is one other point to which I feel I must refer, and that is in regard to the Jury rights of the community. A detail of the demands of the community on this matter will be found in the Memorandum it submitted to the Simon Commission. A perusal of this statement will show that, whereas an Indian and a European can, by the mere claim of his nationality, demand either an Indian or a European majority Jury, it is the unfortunate lot of the Anglo-Indian alone to prove both legitimacy and descent, before he can ask for a Jury, the majority of whom belong to a Community who are familiar with his manners, his ways, his religion and his language. To demand legitimacy and proof of descent as passports to justice is in my humble opinion a relic of barbarism and is not to be found in any other Judiciary or country in the world. We, therefore, ask that the following addition be made to the present Criminal Procedure Code, namely :—

(i) the words "by legitimate descent" in section 4, clause (1), sub-clause (ii) be deleted.

(ii) to section 275, clause (i), and section 284 (a), clause (i), the following words be added "or Europeans as he may desire."

(iii) that Chapter 33 of the Criminal Procedure Code be so amended as to include cases arising out of racial conflict or communal antagonism.

In short, we ask that all Communities, European, Indian, Anglo-Indian and others have the equal right to be tried by a European or an Indian jury as he so desires.

In conclusion, let me beseech of you not to let our economic safeguards consist any longer of pious promises of help, sympathy and goodwill, as have characterised the Montagu-Chelmsford and Simon Commission Reports. Let these be as substantial as has been given to all other Communities, who have received almost

all they have asked for from the three Round Table Conferences, e.g. to the Muslims this Conference has given 33½ per cent. of seats in the Central Legislatures, communal electorates with almost statutory majority in the Provinces of Punjab and Bengal, indeed to it has been given almost all the 14 points embodied in Mr. Jinnah's demand. To the Depressed Classes you have given almost all they desired, and have accepted the Pact recently entered into between them and Mr. Gandhi, and which has given them twice the number of seats in the Legislatures than was given in the Prime Minister's Communal Award. Their social disabilities have been remedied; to the women of India you have rightly given extended franchise, and special representation in the Legislatures, as also special electoral qualifications.

To Labour you have promised additional representation in the Legislatures and special Constituencies. You have also satisfied the demands of the Landlords and the Universities. To other sections of the people you have granted their requests, e.g. the creation of the North West Frontier Province, the separation of Sind, and in all probability the separation of Bihar. To the Europeans you have not only accepted their demand for protection of their commercial and trade interests, but their Jury and other rights. And to the Liberal and Moderate Parties you have not only promised a large share of responsibility in the Centre, but a closer association in the defence of India. Against all these concessions to all other communities, I respectfully ask you, Secretary of State, and this Conference what has been granted to the Anglo-Indian and Domiciled European Community? I acknowledge with gratitude and thanks your acceptance of the Irwin Committee's report on Anglo-Indian Education and I have already called this our educational Magna Charta. The granting of this special privilege to the community undoubtedly proves that this Conference is fully alive to the peculiar position and special needs of the community, but Secretary of State, of what use will this be to me, if, as we apprehend will happen within the next 20 years, we are deprived, by forces over which I have no control, but against which you can adequately safeguard us, of all our appointments in the Services. For the parent will then be deprived of the means by which to educate his child. It is to protect this that I ask for safeguards. We would prefer the safeguards to be incorporated in the Statute, if only for a limited period, or in the Instruments of Instructions if these are placed on a statutory basis, but if this is not possible, we would ask you to be so kind as humbly to submit to His Gracious Majesty's consideration that He be good enough to make a pronouncement on this most vital question concerning the protection of the future of the Anglo-Indian and Domiciled European Community.

Secretary of State, I am emboldened and encouraged to make this special request as a fulfilment of the oft-repeated assurance of

its economic protection given to the Community by the Government of India and successive Viceroys, as also the British Cabinet, and last but not least, by His Royal Highness, The Prince of Wales, Heir Apparent to the British Crown, who when replying to an Anglo-Indian deputation during his last visit to India said :—

“ Gentlemen, you may rest assured that I now understand the conditions under which you live in India and the useful and honoured place which you fill as citizens of the Indian Empire. Your aims and aspirations have my sympathy. Your devotion to the cause of India, the land in which you live, and your desire to maintain an honoured place for her within the Empire do you credit. I shall watch the progress of your Community with the closest attention. You may be confident that Great Britain and the Empire will not forget your Community, who are so united in their devotion to the King-Emperor and who gave such unmistakable tokens of their attachment to the Empire by their sacrifices in the War.”

**Sir Hubert Carr :* Two or three speakers have spoken of the bitterness of feeling in India at present and implied that this can be removed by Government action. I do not wish to say anything which may add to it, but I do ask any fair-minded man whether the Government of India has had fair support from the public in dealing with a movement calculated to bring all government to an end? For years Government has been trying to meet Indian aspirations as quickly as practicable, and if Government does not produce a fruit-bearing mango tree from a handkerchief, it has tended the plant, the seed of which was planted seventy years ago, and with united efforts we shall under Providence see fruit of the tree in this generation.

At this final meeting, at which opportunity is given to delegates to express the views of their communities, there are one or two points which I would wish to mention.

Since the beginning of the first Conference, our determination has strengthened to lend such assistance as we can to the securing of self-government for India. Our position is strictly limited by practical difficulties—and not in any way by lack of sympathy for truly national aims. An influential section of my community has all along recognized that financial control is essential to real responsibility, and that the preservation of financial credit determines the limit to which responsibility can be transferred to a self-governing India at the present time. There will be genuine regret that the Conference has not been able to come to a unanimous decision with regard to financial responsibility, but—if I may repeat a remark I made in Committee this afternoon—I would like to impress upon some of my colleagues of the British Indian delegation that the risks of starting a new Constitution—which all recognize—are lessened by having good credit and cheap finance, whilst those

risks are converted into certainties of failure if Indian credit is jeopardized, and finance—even if obtainable—is expensive. The cost of the new Governments is going to impose a severe strain on the whole country, under the most favourable economic conditions we can now visualize as probable. Progress in nation-building departments will make large calls for money and it is essential to the success of the Reforms that the source of money should be kept available. It is this outlook which influences our view of the enlarged franchise proposals, and we are not convinced that Provincial Legislatures, based on smaller electorates, would not be at least as truly representative as those proposed.

As regards the transfer of responsibility at the Centre, this has been coupled with Safeguards and Federation, with the purpose of securing stability. With a view to making an early transfer possible, the suggestion that seats not filled by federating States should be filled by nomination, commends itself to us, as enabling that earlier transfer which we believe to be necessary for meeting Indian political desire.

The particular requirements of my own community are not numerous, but they are essential. The rights of individuals have received generous recognition, in general, at these Conferences. The views expressed in this room to-day, however, will, I think, convince anyone that our desire for the protection of our commercial rights is not founded on any unreasonable suspicion. Moreover, we have been reminded this evening of the trouble in Persia and told we must show the same faith in India as those who invested their money there did in Persia. I also remember, however, that Persian action is exactly based on the principles advocated by Mr. Gandhi in the Conference last year. Our demand for some statutory guarantee of our security is, therefore, not unnatural. I have always tried to make our position clear as to the conditions on which we are in India. The part Britain has played in India of the past, is playing in present-day India, and is likely to continue to play in the Federation of India, justifies the British community in retaining national rights. We want India to prosper industrially and commercially: we are prepared to support national demands for methods by which to increase that prosperity, and we expect to have our place in that progress in a fair and open field. For the protection of that position—which we appreciate the majority of our Indian fellow-subjects generously accord us—we are always open to negotiate any means which may be effective. In consideration of the position in India to-day, we think not only is special protection required for the British European community, but that for all Minorities a general omnibus clause is required in the Constitution for protection against discriminatory treatment.

With reference to the discussion which has already taken place to-day, I must put forward our claims that British qualifications for professional men should be accepted in India—in the future

as they have been in the past. British qualifications in any direction are at least as high as Indian qualifications, and I cannot believe that India would refuse to recognise qualifications which enable men—both Indian and European—to be efficient servants of the public in their various walks of life, whether Indian qualifications temporarily fail to receive recognition or not.

One more point and I have finished. With regard to the transfer of the administration to popular control, my community is most anxious that nothing should be left undone to retain the Indian Public Services at their present high standard of efficiency. Civil Service, Police, Engineering, Forests, and all the Services must, I suggest, be maintained at least at their present level, if the new Administration is to have a fair opportunity of making the success of the new Constitution which we all hope.

H.H. the Aga Khan : Mr. Secretary of State, My Lords and Gentlemen, now that we have come to the close of this third session of the Round Table Conference we may congratulate ourselves upon the fact that a great step forward has been taken towards our goal, than which none more difficult or more splendid has ever been envisaged by statesmen. I am confident I speak the general mind when I say that we have come closer together. The three main groups of which the Conference is composed, British public men, representatives of the Princes, and British Indian delegates, have been working on the whole in a businesslike and matter of fact way, a fine example indeed of inter-Imperial co-operation in the achievement of a great end. I was going to join my friend, Sir Tej Sapru, in making an appeal to the representatives of the Princes, and, through them, to the Princes, for an early decision, but the happy speeches made by Sir Akbar Hydari, Sir Manubhai Mehta, Nawab Liaquat Hyat-Khan and Raja Oudh Narain Bisarya have made that unnecessary. In our discussions there have been differences of opinion, but always, in all sections of the Conference and, I am glad to say, including all the British delegates, the good of India as a whole has been the dominant consideration. Some matters of importance, such as the distribution among various sections of representation in the Central Legislature, and other similar questions remain unsettled and must be decided by His Majesty's Government before placing their scheme before the Joint Select Committee. It is our earnest hope that, by such decisions and by the formulation of broad agreements, the remaining differences will be settled and that those who may be called upon to co-operate with the Joint Committee will be united, irrespective of whether they are British, British Indian or States representatives. I should like to see a Round Table Party, a party consisting of all of us who have worked together here, to meet the Joint Select Committee of the two Houses of Parliament. Unity is needed for giving the final touches to the great work of which

the foundation stone was laid when Lord Irwin, with the full consent of the Prime Minister, made his historic declaration in respect of Dominion status.

I have heard it said—and I think this point ought to be cleared up once for all—that that declaration of Lord Irwin's was the result of the announcement of 1917. Such an interpretation is a very wrong and misleading reading of history. The declaration of Lord Irwin was inevitable the moment that destiny brought England and India together in the seventeenth and eighteenth centuries. In view of the historic character of the English people and the people of India, without some such development their association would be historically meaningless. We find the very seeds of this declaration already in the speeches and writings and thought of Burke and Fox and all the leading statesmen of the late eighteenth century. In India already in the nineties men like Gokhale and Mehta and others with my humble self, were speaking and writing on this subject. Before the first Durbar some of us represented this to Lord Curzon as a happy occasion on which to give an indication of the ideal that should unite the two peoples.

I hope you will pardon me for going into these questions of the past, but I feel that it is necessary to make it clear that this was not a sudden departure from past history. May I say in this connection that while we deeply regret the absence of the Prime Minister, we well understand how pressing and continuous are the demands upon him, particularly in the midst of his great work for world recovery. I am convinced that if he succeeds in his great ambition of helping forward disarmament, peace, and world economic recovery, that will be the shortest cut to bring about the happiest results desired for the general welfare and prosperity of India.

We have had the continued good fortune of the Chairmanship of the Lord Chancellor, to whose courteous patience, sympathy and friendliness in guiding our proceedings we owe no small measure of the harmony that has prevailed. We are fortunate also, most fortunate indeed, in the fact that so large a share in deciding His Majesty's Government's policy has fallen to the present Secretary of State for India. Sir Samuel Hoare has impressed us deeply by his unswerving loyalty to the Federal idea and to the creation of true Federal units in the autonomous Provinces and in co-operation with the great self-governing States.

I have no doubt that when the Constitution has been framed we shall then consider how to give effect to it. I have also no doubt that the living forces of India will find reasonable and satisfactory methods of procedure. It is as well in politics, while we should always have the goal and object in view, to get over obstacles as we meet them and as we go along, and not unnecessarily tie our own hands in advance. I cannot possibly finish this evening without

first of all thanking the English people for all the hospitality which for three consecutive sessions they have shown us. I must also thank the British Secretariat, the India Office staff, the various people associated with the work of this Conference as well as the British Indian Secretariat which has helped us on every occasion, whose work under difficult circumstances I admire and for which I feel most grateful.

We have come now to the close of this stage in the gratifying assurance that we have after all made an advance under the guidance of the Secretary of State towards India's attainment of full political status, and to sincere and devoted co-operation as a partner in the Commonwealth of Nations of which His Majesty the King-Emperor is the Sovereign.

Secretary of State, may I now move the Resolution (see page 136).

Sir Samuel Hoare : I am going to ask Sir Tej Bahadur Sapru to second the Resolution.

Sir Tej Sapru : Sir, a Resolution of this character hardly requires any seconding. Nevertheless I wish to associate myself with it in all sincerity and unreservedly. We are under a deep debt of obligation to Their Majesties for having been graciously pleased to place this room at our disposal. I am sure that it will be recognised that the utmost boundary of political controversy and political differences does not extend to the King-Emperor. The King stands above all party politics.

Therefore I unhesitatingly associate myself and those who come from British India with this Resolution. I understand, Secretary of State, that to-morrow morning you will be addressing us. Before that occasion arises I would like to express on my behalf and on behalf of my friends in this Conference our very genuine and deep sense of obligation to the members of the Government and other members of the British delegation for the manner in which they have worked during these strenuous weeks. I would like to take this opportunity of conveying our thanks to Sir Samuel Hoare for the unsparing efforts he has made during the last few weeks in promoting the cause which has brought us here. I will only say that whatever differences may divide us you have at any rate succeeded in convincing us that you are in great earnest about Federation. We believe that even a Secretary of State is capable of being educated and without going further I would say that it was necessary that the Secretary of State's outlook on this question should be placed beyond all doubt, because it must have great moral effect on British India and may I say on the Indian States also. For that reason I wish to convey to you our sincere thanks.

His Highness the Aga Khan has spoken of British hospitality. Every one of us feels that he has been overwhelmed with that hospitality. We all feel that whatever differences divide us—and you cannot reasonably expect that on big questions affecting the

fortunes of 350 million people there should be no differences—our social relations have been of the most cordial character. Lastly I would like to mention our efficient Secretaries, Dr. Latifi and Mr. Rama Rau, who have given us conscientious and invaluable help, who have shared with us our anxieties, our fears and our hopes, and I would also convey our thanks to the members of their staff as well.

Sir Manubhai Mehta : On behalf of the Indian States I claim the privilege of supporting this message of homage to His Majesty the King.

Sir Samuel Hoare : I will put it to the Conference and I think we ought to be standing to carry it. (*Delegates all stood to signify their approval.*)

LOYAL MESSAGE TO HIS MAJESTY THE KING-EMPEROR.

“ The delegates to the Indian Round Table Conference with their humble duty desire to assure Your Majesty on the eve of the termination of their deliberations of their grateful sense of the honour so signally done to them by the gracious act which has placed the King's Robing Room at their disposal. In this matter and in other matters Your Majesties have once more manifested that consideration for the Princes and the people of India which has kindled with affection their traditional loyalty to their Sovereign. We recognise that much remains still to do before the task on which we have been engaged can be brought to a conclusion, but we are confident that Your Majesty will share the hopes and satisfaction which have been engendered in the minds of all of us by the spirit of mutual understanding and good will which has throughout inspired our consultations.”

The Conference adjourned at 1.5 a.m. on 24th December to 11.30 a.m. on 24th December.

GENERAL DISCUSSION (contd.).

Meeting of the Conference held on 24th December, 1932.

REPLY FROM HIS MAJESTY THE KING-EMPEROR TO LOYAL MESSAGE.

Lord Sankey (in the Chair) : Members of the Conference, the following reply to the message of the King Emperor from the Delegates of the Round Table Conference has been received from His Majesty :—

“ Delegates of the Round Table Conference, I thank you sincerely for the loyal words which you addressed to me at the conclusion of your Conference. I know how complex the problem before you has, under closer scrutiny, proved to be, and I shall study with deep interest the Report of your deliberations. It is gratifying to learn that the spirit of

goodwill which is uppermost in men's hearts at this season has prevailed throughout your Meetings, and I am confident that your labours will prove to have fortified a partnership whose strength and endurance are of such consequence to all My people.

"I bid you God speed, with my best wishes for peace and prosperity in the New Year."

Sir Samuel Hoare : Lord Chancellor, to-day we are attempting to finish our endeavour to recreate the fellowship of the Round Table in modern conditions—the fellowship founded by King Arthur and depicted upon the opposite wall of this Royal Robing Room.

Lord Chancellor, we have not been unsuccessful in our attempt. Already others wish to follow our example. Only a few weeks ago a distinguished American came to see me to ask me for details as to our procedure. Evidently he was contemplating the experiment of a Round Table Conference for the Philippines. Lord Chancellor, imitation is the surest form of flattery, and the American's interest shows that the experiment upon which we have been engaged has been watched with the closest and most sympathetic attention in every part of the world.

To-day we are looking back at our past work. To-morrow we shall be looking forward to the next step.

As to the past, we have not been working in an empty void. We have not been attempting to create a situation in the air. We have not been, like the Abbé Siéyès in the years of the French Revolution, creating paper constitutions. From start to finish we have been circumscribed by the hard facts of the world as we find it. We have been confronted with the problem of reconciling the claims of three partners who have for many generations been united in an undertaking of far-reaching ramifications: Great Britain on the one hand, British India on the other, and Indian India on the other. The old Articles of Association were getting out of date; a new bond of union had to be found.

Lord Chancellor, the great achievement of the first Round Table Conference was to establish the fact for the first and, I believe, for all time that the new bond must be the bond of an All-India Federation with the rights of each of the three parties effectively safeguarded. I believe that historians will say that this decision was a turning point in the course of the British Empire.

To-day let us with gratitude remember those Members who took so prominent a part in bringing this ideal into the realm of practical politics. Let us remember in particular His Highness the Maharaja of Bikaner, who I think was the first of the Princes to press his view in this respect upon the Conference. Let us also remember Sir Tej Bahadur Sapru. Sir Tej Bahadur Sapru,

if I may say so, was the first member of the Conference who fully realised the implications of this great ideal and who in those early days was much more conversant with the details of Federation than I think any other member of the Conference. Lord Chancellor, let us throw our minds back to those days. Scarcely any of us, having lived under a unitary form of government, scarcely understood the implications of a Federation. I am told that at that time the booksellers of London did a roaring trade in the sale of manuals about Federation. I am told that there was a positive run upon the London Library by the various Government Departments concerned in order to get any text books that bore upon that difficult subject. Sir, if I may say so, it was of the greatest value to all our subsequent proceedings that we had from the very start the expert and technical advice of Sir Tej Bahadur Sapru upon all those very difficult constitutional questions. The Federal idea then was the great idea that emerged from the first meetings of the Conference.

The second Conference met in the face of very great difficulties. On the one hand we were in the throes of a world economic crisis; on the other we were faced with a change of Government and an impending General Election. Those factors in themselves placed great difficulties in the way of our deliberations.

But there was a third difficulty. There was the difficulty of the communal question. There we found with the best will in the world at every stage last year we were brought up against the barrier of the communal difficulty. I think the real achievement of the Conference last year was to start on foot the whole series of enquiries, most important of which were the detailed enquiries that led to the Government's Communal Award and included amongst which were the invaluable Reports of the Committees that went to India in the New Year—Lord Lothian's Committee, Mr. Davidson's Committee and Lord Eustace Percy's Committee. I am quite sure that without the work done by those Committees and without the Communal Award, that reluctantly but none the less inevitably the Government had to make, our deliberations this year would have been rendered impossible and infructuous.

I now come, Lord Chancellor, to the work of this Conference and I would venture to sum up the results in two sentences. I would say, first of all, we have clearly delimited the field upon which the future constitution is going to be built. In a much more detailed manner than in the last two years we have delimited the spheres of activity of the various parts of the constitution. Secondly, and I regard this result as much more important than even that important first result, we have I believe created an *esprit de corps* amongst all of us that is determined to see the building that is going to be reared upon the field that we marked

out both complete in itself and completed at the earliest possible date. Lord Chancellor, I said that we had marked out the ground. Let me explain by a few examples what I mean by that assertion. I take the various parts of the constitutional structure in order.

I begin with the part that Indian India, the India of the States, is to play in the Federation. There we have made it quite clear that there is no risk in any respect to the Treaties or to the obligations into which they and we have entered. I hope that I have made it quite clear that all questions governed by that general term, "paramountcy" do not enter into the Federal scheme at all. I think also I may say that we made some progress in the enquiry over which Lord Irwin presided one day this week into the methods by which the States will accede to the Federation.

Let me say in passing—for I think it may help our future discussions both here and in India—that we have always regarded an effective Federation as meaning the accession of a reasonable number of States and, as at present advised, we should regard something like not less than half the States seats and not less than half the population as the kind of definition that we have in mind.

Next I come to the Federation and the Units. Here, again, I think we have made great progress in delimiting the field between the Centre on the one hand and the Provincial and States Units on the other. We have been very carefully through the lists of Federal and non-Federal activities, and we have got much nearer to agreement than we have ever reached before. It is now quite clear that there will be a definite delimitation of the activities of each of these three parts of the federal structure. To-day I need not go into detail, for the Report of the Distribution of Powers Committee will show, both to you and to the world outside, the progress that we have made in that direction.

Next there is the very difficult question of Federal Finance, one of the most vital questions in the whole field of Federal activities. Unfortunately we were discussing that question at a time of great difficulty. We have been discussing it at a time when no Government in the world has sufficient money for its needs. But I think I can claim that there again we have made some substantial progress. I fully admit that there are differences still to be recognised and to be reconciled. I do not think it could be otherwise in any question of this kind, but I should like to say to Lord Peel, who, as far as the Conference is concerned, is the father of Federal Finance—at present it is a rather difficult offspring, but I think as it grows up it will become easier to manage—how much indebted we are both to him and his Committee for having made the progress that they have achieved. I think I can say that the work that they have done will very materially help the Government in coming to a decision, in consultation with the Central Government and the Provincial Governments in India, at an early date.

Then, Lord Chancellor, there are those difficult questions that we have always had with us in connection with the federal institutions, the questions about the size of the Chambers and about the allocation of seats. I say quite frankly that, as regards the size of the Chambers, I had hoped that we should have reached a greater measure of agreement than we have found possible during these last weeks. It has been made clear that there still are differences to be reconciled, not only differences between British India and the States, but differences between the bigger States and the smaller States, differences even between some members of the Chamber of Princes and other members of the Chamber of Princes.

I wish that we could have reached further agreement upon this difficult question. I am quite sure that we have got to come to a decision upon it in the early future. To-day I would venture to say that, so far as the Government is concerned, we have come to the view that whatever may be the numbers of the Second Chamber, some system of grouping will have to be adopted. I would say further that we must await further discussions that are going to take place in India in, I hope, the comparatively near future, about the size of the Chambers. I hope they will succeed, but I would like to emphasise the fact that, whether by the parties directly concerned, or whether, if they prefer it, by the British Government, a decision must be reached upon this point in the comparatively near future unless a great part of our future discussions is to be gravely impeded.

Then there was the question of the representation of the communities in the Centre, particularly of the Muslim Community. There I think I can say definitely—I think I have said it indirectly very often before—that the Government consider that the Muslim Community should have a representation of 33½ per cent. of the British Indian seats in the Federal Chambers. So far as Indian India is concerned, that must be a matter for arrangement between the communities affected and the India of the Princes. But so far as the British Government has any part in the question, we will at any time give our good offices to making it as easy as possible for an arrangement between those parties in regard to future allocation of seats. There again I venture to say that definitely to-day, because I am anxious that that factor in the problem should not in any way impede the future progress in elaborating the further stages of the Constitution.

Now, with all these Federal questions, I can see that there is a grave anxiety in the minds of many members of the Conference—and I can sympathise with that anxiety—lest the various complications of which I have just given you certain instances should take too long to settle, and that the Federation itself will drift into the dim distance and will cease to be a reality in practical politics.

Feeling that anxiety, Sir Tej Bahadur Sapru asked last night that a definite date should be placed in the Bill at which time the Federation should come into being. He qualified his request—and qualified it, no doubt, quite rightly—with the reservation that if the conditions were not fulfilled, Parliament must have some means at its disposal for postponing the date of the Federation.

Now I agree with him that the last thing in the world that we wish is to see the Federation drift back into being simply an idea and not an integral part of the Indian Constitution. But I think I ought to say that I do find a difficulty in agreeing—if indeed this is the time to agree or disagree—to anything in the nature of a definite date in the provisions of the Act. The difficulties that are in my mind are twofold. I am not quite sure—and here I am speaking very candidly in the presence of representatives of the States—what reaction something that might appear to be rather in the nature of an ultimatum might have on the Indian States themselves.

Again, I find this difficulty, I feel that the machinery of the Constitution will be of an extremely complicated nature, and I think that Parliament, if it were confronted with a definite date, might demand a longer interval and more cautious provisions than it would require if there were no fixed date. After all, the machinery for bringing the Act into operation is going to be of a very complicated nature. I have always contemplated that some such method as a Parliamentary Resolution of both Houses would be adopted for bringing the Federation into operation, and that that method would be adopted at the earliest possible opportunity.

What I can say to Sir Tej Bahadur Sapru is that we are going to do our utmost to remove every obstacle in the way of Federation and to remove it at the earliest possible date. Let me also say to him, we do not intend to inaugurate any kind of provincial autonomy under conditions which might leave Federation to follow on as a mere contingency in the future. We shall, as I say, between now and the passage of the Bill, do everything in our power—here I am speaking, I think, not only for the British Government but for the British delegation as a whole—to remove any obstacles that may at present stand in the way of the Federation coming into being at as early a date as possible.

Lastly, let me say a word upon another side of this part of our discussions. For the last two years we have discussed the question of certain new Provinces. We have discussed the question of Sind from the very opening of our deliberations two years ago. Last year we discussed in detail for the first time the question of Orissa. Since those discussions we have had expert enquiries into both questions.

Basing our views upon the Reports of those enquiries, basing our views still more on what appears to be a very general agreement

both in India and in Great Britain, we have come definitely to the conclusion that Sind and Orissa should both be separate Provinces. No doubt there will be details of machinery to settle and some of them of a rather complicated kind. For instance, there are questions connected with the boundary of Orissa that have not yet been fully considered. But it is the definite intention of the Government that in any all-India Federation both those great territories should enter as distinct Provinces.

Lord Chancellor, I have now dealt with the more prominent of the features of our discussions that emerge upon the more directly constitutional side of the Federation itself. Let me now come to the other series of problems that in some cases affect more directly Great Britain and in other cases affect certain communities and certain interests in India itself. I mean by this all that chapter of questions that by a rough and ready phrase we have described as "safeguards". Lord Chancellor, let me say at the outset of my observations that I regard the safeguards not as a stone wall that blocks a road, but as the hedges on each side that no good driver ever touches but that prevent people on a dark night falling into the ditch. They are not intended to obstruct a real transfer of responsible power. They are not intended to impede the day to day administration of any Indian Minister. They are rather ultimate controls that we hope will never need to be exercised for the greater reassurance of the world outside both in India itself and in Great Britain. Let me take the two instances that have been most prominent in this part of our discussions. Let me take the most difficult question of all, the difficulty of a transfer of financial responsibility. There, Lord Chancellor, I am not disclosing any secret when I say that during the last twelve months the British Government have fully accepted the fact that there can be no effective transfer of responsibility unless there is an effective transfer of financial responsibility. We have fully accepted that fact and we have done our best in the very difficult circumstances that have faced us to reconcile the legitimate demand of every Indian politician for financial control with the legitimate demand of every one who is interested in finance, not only for stability, but for a situation in which there would not even be a suggestion that stability could be questioned. For in the field of finance it is not only the fact itself that matters, but it is what people say about that fact.

Now our difficulties have arisen from two sources. In the first place, there is the fact that, as things are at present, a large part of the Indian revenue has to be devoted to meeting the obligations that have grown up during these years of partnership between India and Great Britain. That in itself—and I am sure no one would question the justice of the point of view—makes people here, investors who invested their money in Indian securities, men and women whose families are interested in the meeting of the old

obligations, extremely nervous of any change. Secondly, there is the fact that we are passing through, I suppose, the most difficult financial crisis that has faced Asia and Europe for many generations. In the case of India there is a peculiar difficulty, namely, that a large body of short-term loans, raised under the name of the Secretary of State in London, fall due for payment in the next six years. That means that, if the Federation is to start with a good name, if its solvency is to be assured, some means must be found for meeting these short-term maturities without impairing the future of Indian credit.

Lord Chancellor, those are the hard facts that have faced the Government during the last twelve months. Those are the hard facts that we discussed in great detail and with great goodwill at the Financial Safeguards Committee. The British Government, the British delegation, and sections of the Conference, came to the view that in those conditions certain safeguards were absolutely necessary if we were to keep the confidence of the world outside and if we were to make it possible in the future for a Federal Government to raise money upon reasonable terms. That, gentlemen, in a few sentences is the history of the safeguards. That, in particular, is the history of the safeguard that has loomed very largely in our discussions this year, the history of the Reserve Bank. We feel that, if confidence is to be maintained in the financial stability and credit of India, a Reserve Bank must be in effective operation. Now our trouble has been—and it has been just as much a trouble for us as it has been for those members of the Conference who have been doubtful about this safeguard—that it is impossible to say exactly when a Reserve Bank of the kind that we all agree should be set up can come into effective operation.

What I can say—and I said it to the Committee, and I say it again to this Conference—is that we will take every step within our control to make the setting up of a Reserve Bank of this kind and its successful operation effective as early as possible. We will devote all our energies to that end. If events over which we have no control—namely, events connected with the world economic depression—are too strong for us, then I gave a pledge to the Committee, and I give it again to the Conference, that we will meet representative Indians and will discuss with them what is the best step to meet that situation. I hope the situation will not arise. If it does arise, we will take Indian opinion freely into our confidence, and we will discuss with them what is the best step to be taken.

I come now to the question of Defence, a question that again has loomed very large, and rightly so, in our discussions. We had first of all, as you all remember, a debate in full Conference—a debate in which I think I may claim that there was complete unanimity that, Defence, until it can be transferred into Indian hands, remains the sole responsibility of the Crown. It was, however, clear to me in

the course of the discussions, and afterwards in an informal talk that I was able to have with certain leading members of the Conference, that there were differences of opinion as to the methods by which Indian political opinion might be consulted in the administration of the Reserved subject.

Sir Tej Saprú reverted to these questions in his speech last night. Well, gentlemen, I think that I can say that the British Government can go at any rate some way—I myself believe a considerable way—towards removing some of the anxieties that he and his friends feel.

Let me take in order two or three of the principal points to which he and his friends attached importance in these discussions. First of all, there was the question of the discussion of the Defence Budget. We were all agreed that it should be non-votable. In the nature of things, I think that was inevitable, but we are quite prepared to take the necessary steps to see that the Budget should be put, as he and his friends wish, in blocks, not in a perfunctory manner simply to be discussed as a whole.

Next he was anxious about the employment of Indian troops outside India without the approval of the Federal Government or the Federal Legislature. There I think he and his friends were agreed that where it was actually a case of the defence of India, in which no Imperial considerations entered at all, the defence say, of the Frontier of India itself, there the responsibility—the sole responsibility—of the Crown should remain undiluted. More difficult questions arose in cases where Indian troops might be employed for purposes other than directly Indian purposes. Now in those cases I can say to him I would prefer not to be precise as to the exact method. I myself feel sure that a means will be found to leave the decision in some manner to the Federal Ministry and to the Federal Legislature.

Next, there was an important series of questions connected, first of all, with the Indianisation of the Army, that is to say, the greater participation of Indians themselves in the defence of India and, secondly, as to the bringing into consultation as much as possible the two sides of the Government. He and his friends were anxious that statutory provision should be made in some way for both these objects. Lord Chancellor, the British Government still take the view, and we feel we must maintain it, that statutory provision is too inelastic, if you define statutory provision in the narrow sense. But I think I can meet him and his friends effectively by including directions to the Governor-General in both these respects in the Instructions.

Now he said, quite rightly, that his attitude towards that proposal would depend very much upon the Instructions themselves. As regards the Instructions we intend first of all to allude to them in the body of the Statute. And then we intend to ask Parliament

to agree to a novel procedure, but a procedure that I believe is well fitted to the conditions with which we are faced, namely, that before certain of them are submitted to His Majesty, both Houses of Parliament should have the opportunity of expressing their views upon them. The effect of that would be to give the Instructions a Statutory framework by the allusion in the Act itself, and to give them a Parliamentary framework by the Resolutions that would be passed approving of them before they are submitted for His Majesty's approval.

As to the other proposals that Sir Tej made in the matter of Defence, we still feel that the Governor-General should have an unfettered power in selecting his Defence Minister; but we will make it quite clear in the Instructions that we wish the two sides of the Government to work in the closest co-operation, and that we do definitely contemplate—I would ask his attention to this point, and we will make an allusion to it in the Instructions—that before the Estimates are actually put to the Federal Assembly the Finance Minister and no doubt the Prime Minister should have an opportunity of seeing them and giving to the Governor-General their views upon them.

I hope that I have said enough to show that if I have not been able to meet in the exact letter the wishes of Sir Tej and his friends, we have been able to go some way and I believe myself that in actual practice we shall find the result will be very much the result that he and his friends desire, namely, that although the question of Defence is a reserved question with the sole responsibility for it imposed upon the Governor-General as the representative of the Crown, in actual practice there will be the closest co-operation between the two sides of the Government.

I am afraid that I have taken up a very long time at our last meeting, but I hope I have said enough to show, not only to the Conference but to the world outside, the general outlines of the scheme that we intend to propose to the Joint Select Committee. But it is something more than a scheme upon which we have been engaged.

We have been planning a scheme and a very complicated scheme, but we have also been trying to create a spirit of co-operation. Several members of the Conference were very kind to me last night when they said that I had played some small part in helping to foster this spirit of co-operation during the last few weeks. I thank them for what they said, but I say that their kind words were really undeserved. The spirit of co-operation is due to much greater events and to much greater people than any with whom I am connected or any that I could ever hope to emulate. This spirit of co-operation is not the result of the last few weeks. It is not the result even of the last two years of meetings of the Conference. It goes back to all the many prominent men both here and in India who, each in his own way, have attempted to make better relations between our two countries—Indians as well as

British men, British men of the right of politics as well as of the left. Do not let us forget even when we disagree with their views of the future the great work that some of these more conservative administrators have done for India in the past. Do not let us forget the great men who have gone from these shores to India in recent years. We have been doubly fortunate in the Conference of this year in having two of the most distinguished ex-Viceroy's to help us who have ever carried out these most responsible duties of any in the whole Empire. We have had the invaluable help of Lord Reading, not only this year but from the very opening of our discussions, and in the first year of the Conference it was to a great extent Lord Reading's help that concentrated British public opinion upon the all-important question of an All-India Federation.

This year in particular we have had the great advantage of Lord Irwin's help. Lord Irwin, if I may so say, has put, in the help that he has given us during the last five weeks, the coping stone on the great work that he did in India.

Let us not forget also, in the company of the great men who have gone from these shores to India, the invaluable work done by Sir John Simon and his colleagues. Let us set aside all the minor questions of controversy that may have surrounded the work of the Royal Commission, and let us to-day remember only that, without that work, which is unique in the Parliamentary annals of Great Britain, it would have been impossible for us British members of the Government and of the British delegation, and, I believe, for many Indian members of this Conference also, to bring to bear the instructed mind that the great complexity of these Federal problems demands at every stage.

Last night Sir Tej Bahadur Sapru made an eloquent appeal for a chapter of renewed co-operation between every section of Indian opinion and ourselves. Lord Chancellor, let me say that there is nothing that I should desire more earnestly myself. I want to see no empty chairs at the Conference with the Joint Select Committee. I will give to the words that Sir Tej Sapru uttered last night the full consideration that they demand. He will not expect me this morning to give a definite answer, either in the affirmative or in the negative, but I can assure him that I am fully conscious of the expressions of good will of which we have had evidences in India itself during the last few months and of which we have had many evidences during the course of our deliberations in this Conference. I can tell him that, whatever we may decide, the thing that we wish above all others is that he and his friends shall go back to India and tell every section of Indian opinion that there is opportunity for their help and that we need their help, just as we shall go out into Great Britain and tell our friends that, after the discussions of the last two years and particularly after the deliberations of the last few weeks, we believe that we can

produce before the High Court of Parliament a scheme on the lines that we have been discussing that will do credit both to British and to Indian statesmanship.

Lord Sankey : Members of the Round Table Conference, it falls to my lot to say a few closing words at this Conference. I should first of all like to say how much we all regret—for I am sure that you share my regret—that the Prime Minister is not with us to-day. The Prime Minister has been one of the best friends India has ever had in this country, the Prime Minister remains your friend and intends to do everything possible to implement your discussions.

Now let me endeavour very briefly, not so much for your purposes as for other purposes, to sum up the history of these Round Table Conferences. The Round Table Conference first met on 17th November, 1930. It met again on 7th September, 1931, and yet a third time on 17th November, 1932. On each of these occasions the Round Table Conference resolved itself into Committees, and, dealing with the Committees and the Conference, this makes about the 160th meeting we have had.

The first Conference was memorable for the Declaration of the Princes in favour of an all-India Federation. That Declaration went out, as it were, with the ripple of an irresistible tide. It spread over the whole of India, the whole of England, and then over the whole of the Empire. The idea penetrated into men's minds, it raised their hopes, and justified their aspirations, and that idea of an all-India Federation will prove to be the solution of most of our difficulties.

That Declaration still holds the field. There is no need to be despondent, there is no need to falter, no need to fail. The event is beyond doubt. But I would make an appeal to the representatives of the Princes at the beginning of my speech. I know your difficulties, I know that you are acting on instructions, but I should like to say to you that there is only one thing which can dim the lustre of the wise and patriotic statesmanship of the Princes, and that one thing is delay.

The Maharaja of Bikaner in a recent speech said:—"I have humbly endeavoured in all earnestness to live up to the ancient Hindu ideal of kingship. Etymologically a Raja is only he who pleases the people and keeps them well content." Gentlemen of the States, India is thirsting, India is calling, you have put the cup to her lips, do not delay her drinking it. There is an old Latin proverb which says that he who gives quickly gives twice. Therefore I would beg you to convey to Their Highnesses this message, that they should endeavour to make up their minds as soon as possible about their entry into the Federation. You have excited the hopes of India. Hope deferred makes the heart sick; and I very much hope that when the States appear in London at the Select Committee, as I hope, in March or April—as soon as

possible—you or your Rulers will be able to give us some definite assurance that you will enter into the Federation, that you are going to enter into the Federation; and, although perhaps it is not possible to arrange all the terms by then, it will assist everybody, it will gratify the ambitions and the aspirations of India, if we can have your positive assurance that, come what may, your entry into the Federation is a certain fact.

Next let me turn to the achievements of the Conference. I do not object to critics, and I have seen a great deal of helpful criticism during the last few weeks. But it appears to me that the critics have asked two questions. Some of them have said: "What do you know about India?" And the next have said: "What has the Conference done?" I propose to try and answer both those critics.

If the first question is this, "What do you know about India?" my answer would be: "Come into this room and look round. What do you know about India?" We have had here the representatives of the Indian Princes, great and small—not, if I may be allowed to say so, mere theorists. Anybody can draw up a paper Constitution provided he gets enough books and copies out enough Sections. But we have had here, making suggestions and arguing, men engaged for years in the administration of public affairs in India. That is my answer to people who say: "What does the Conference know about India?"

I must be permitted to mention a few but very few names. I would like if I may be allowed to mention the name of a man whom I regard as the Nestor of this Conference, Sir Akbar Hydari, true as steel. I would like to mention another name, Sir Mirza Ismail, thanks to whose wise administration his State is not only a pattern to India, but a pattern to the world. Then there is Sir Manubhai Mehta and others over there whose names I need not mention. And may I add that great man among Indian public men, the Aga Khan. If he will allow me to say so, in my opinion his triumphs as a negotiator and at this Conference are greater than his triumphs on the racecourse. "What do you know about India?" say our critics. Let me say a few words about other representatives of British India. What about my friend sitting next to me (Sir Tej Saprú)? He has been Law Member of the Viceroy's Council. I was going to mention my old friend, but I think I had better say my old young friend, Mr. Zafrulla Khan, and I am not sure that I have not left until the last the best of the three, Mr. Jayakar. His name will go down as a great conciliator. Time forbids me to mention great financiers and great business men. We have Sir Cowasji Jehangir; we have men who have served upon the Council of State, men who have served in the Legislative Assembly, members of the Provincial Legislatures, like Diwan Bahadur Ramaswami

Mudaliyar, and Sir A. P. Patro. What do they know about India? We have here the champions of many of the minorities of India, and let me say that no cause has ever been better championed than the causes of those minorities have been championed at last year's and this year's Conference. There sits one who has championed the cause of the Depressed Classes, there one who has championed the cause of Labour, there one who has championed the cause of the Hindus in Bengal, another who has championed the cause of the Anglo-Indians and another who has championed the cause of the Europeans. I feel a difficulty and it is this. So well have these gentlemen championed these causes that if ever I get into trouble I shall find great difficulty in selecting the one whom I should employ to champion my cause. But our English side has not been wanting. What does the Conference know about India? We have had on the English side three Secretaries of State for India, Lord Peel, Mr. Wedgwood Benn and Sir Samuel Hoare. I do want to say a word about Sir Samuel Hoare. I have had the pleasure—I go further; I have had the honour—of working with him throughout the whole of this year. I know his manifold difficulties and his manifold anxieties and, above all, I know his hard work. Overtime does not exist for him. I believe Sir Samuel Hoare's name will go down to history as the great Secretary of State during whose tenure of the office India realised, in the lifetime of a single Parliament, nearly all her ambitions. One final sentence about Sir Samuel Hoare. At times he has had to say "Yes"; anybody can say "Yes." At times he has had to say "No." But, whether he has had to say "Yes" or whether he has had to say "No," Sir Samuel has always acted with courtesy and with courage.

But sometimes Secretaries of State have to rely a great deal upon their assistants.

Sir Samuel Hoare : Always.

Lord Sankey : Sir Samuel Hoare says always. I thought that only applied to a Lord Chancellor! But we have had three Under-Secretaries of State here, Lord Winterton, Lord Lothian, and Mr. Butler. You all know what you owe to Lord Lothian. You all know what you owe to the distinguished father of the youngest Under-Secretary of State who has ever held office.

I have left perhaps, like the man in the Bible, the best till last, but they have been already mentioned. I say without fear of contradiction that we have had the assistance at this Round Table Conference of two of the greatest Viceroy's that India has ever had. Enough has been said about them already. The work of Lord Reading and Lord Irwin for India will never be forgotten, either in your country or in mine.

I said yesterday how much all of us owed to the officials, and I will not name them again, but the way the officials have worked has been beyond all praise.

One thing I regret. I have mentioned those who have helped us. I regret that one great political party in England and one great political party in India have not seen their way to help us on this occasion. I believe—I am sure—that, when we come to the next and the final stage of our deliberations, both those parties will come over and give us their assistance. I want to send a message to them, and I send it in the words of one of the most famous of Eastern books translated into our language and which we use nearly every day. I would say to those two great political parties: "My brothers, we are labouring for peace; do not make yourselves ready for battle."

Let me deal for a few minutes with the second question. The critics say: "And what have you done?" I can put it in a sentence immediately. We have blazed the trail for Federation. We have prepared the way for the future Federal Constitution of India. We have examined here the Federal Constitutions of every country in the world. My position is well known, but I have purposely held my tongue on these last few days, in order that others might state their views, and I tell the critics without fear of contradiction that there is much more agreement in the Conference than there is disagreement.

What have we done? We have discussed and agreed upon many most important subjects. The Indian franchise, thanks to the labours of Lord Lothian and his Committee, is practically settled. We have discussed the relations between the Federal Centre and the Units both on the legislative and administrative sides. Let me draw your attention to two of the most important documents that have been framed in this Conference. The first is the document on Federal Finance which we dealt with last night, and the other is the document on the Special Powers and Responsibilities of the Governor-General and Governors. Those are the key documents of the future Constitution of India, and they are worthy not only of reading but of committing to heart.

What else have we done? We have placed the position of women in India upon a new, a better, and an ascending plane. I regret that we have not the advantage of the presence of the Begum Shah Nawaz, but I had a letter from her last night which I propose to read to the Conference. The letter from the Begum Shah Nawaz, dated yesterday, is as follows:—

"DEAR LORD CHANCELLOR,

"As you are aware, I have been laid up in bed with influenza and bronchitis, and have not been able to attend to my work. As one of the doctors said to-day, my impatience

to be back in the Conference Hall is perhaps retarding my progress. Let me assure you that you have all had my prayers.

“ Last August, when the Communal Award was being condemned by my countrymen all round, I issued a statement requesting them to accept it. However many of them may go on disliking it, it is because of the communal award that so many of the obstacles in our way have been removed, and that we have seen Sir Tej Bahadur Sapru, Mr. Zafrulla Khan, Mr. Jayakar, and Dr. Shafa'at Ahmad Khan many times supporting each other and following each other in the same strain.

“ Just before leaving for England I went to pay my respects to His Excellency the Viceroy, and the first thing that His Excellency told me was the names of the members of the British delegation to the Round-Table Conference. I said to His Excellency that, like one who is no more amongst us to-day, I have always been a born optimist.”

I stop there a moment : “ and, like one who is no more amongst us to-day.” I regret—and everyone of you regrets—the passing of our dear friend Sir Muhammad Shafi. I like to think that he may some day know of the successful conclusions of the work in which he took such a prominent part on the last occasion. Let me add also our regrets at the passing of Sir Ali Imam and Maulana Muhammad Ali, both of whom in their lives did their best for their country according to their lights.

One more word from the Begum's letter :—“ Lord Chancellor, this is the third Conference I have attended, and every time I have come full of hopes and have gone back full of assurances.” On many points I tell our critics we have reached agreement. Upon a few we have failed to reach agreement.

But what is the most important point of all? You may have Constitutions with dozens of sections, dozens of appendices and dozens of communal awards; you may put them all in the waste paper basket if you do not have a union of hearts. To my mind the value of this Conference has been that Indians and Englishmen have got to know each other as they never knew each other before and have got to trust each other as they never trusted each other before. Federation is founded on trust, not on fear, on compromise and not on selfishness. To me the chief value of the Conference has been that I have made, I hope, many personal friends. Some in the ordinary course of events I may not see again, but there is not one that I shall ever forget.

But what about the future? Again a Latin motto which somewhat appeals to me and which I have always endeavoured to act upon—at a great distance. It was said of the greatest of Roman statesmen and soldiers that he thought nothing done if

anything remained to be done. We are finishing a chapter; we must get on to the next chapter. It has been hard work and we are all tired; but this day week I want you all to begin and to think of what you are going to say and what you are going to do when we have the Joint Select Committee.

These are my final words. I apologise, but I want, if you will permit me, to give you one piece of advice and to ask you to take on my behalf one message back to India. My piece of advice is this: Where many great Constitution-builders have failed the reason is because of their inability to distinguish between the ideally perfect and the practically possible.

My advice to you—it may be my last advice—is always to strive for the ideally perfect but accept as an instalment the practically possible. It is the practically possible that you are going to get. You are going to get a constitution that if tended will grow and increase and gather strength and through the means of accepting the practically possible you will eventually gain the ideally perfect. Now for my message. Sitting round this Table I see men of many races, of many tongues and of many creeds. Those races, those creeds and those tongues all have a glorious chapter in the history of the world. They have ruled great empires, they have produced great men in peace, in war, in the arts, in science and in literature. They have all made individual efforts. Now I want something more than an individual effort. I want a joint effort. To-day is a good omen. The sun is shining on us and the message I want to send back to India is this. We are on the eve of one of our great national festivals. I am glad that this Conference is ending on Christmas Eve because we can all enter into the spirit of Christmas. You know it as well as I do and I am glad that we are all here together to remember that spirit and that you should take back my message to India. It is this. Peace on earth and good will towards men.

(The Conference ended at 1.8 p.m.)

MEMORANDA.

(For List of Memoranda see Table of Contents.)

BENGAL FINANCES AND RECOMMENDATIONS OF PERCY
COMMITTEE RELATING TO IT.

[Note by Sir N. N. Sircar.]

1. Since 1921 the miserable plight of Bengal, under the Meston Award, and the injustice to Bengal under that Award have been repeatedly pointed out by the Government of Bengal and admitted by the Government of India. All parties, European, Hindu, Moslem, have supported the Government. Reference may be made to the speech of Hon. Woodhead in August, 1932, in Bengal Council.

2. The position of Bengal as compared with other Provinces will appear from the following table:—

(The figures in columns 2, 3 and 4 are in thousands of Rupees).

Province.	Actual Revenue in 1921-22.	Contribution to Government of India.	Net Revenue.	Population at Census of 1921.
1.	2.	3.	4.	5.
	Rs.	Rs.	Rs.	
1. Bengal	8,94,82	63,00	8,31,82	46,694,536
2. United Provinces	12,38,83	2,40,00	9,98,83	45,375,787
3. Madras	15,39,31	3,48,00	11,91,31	42,318,9*5
4. Bihar and Orissa	4,42,32	—	4,42,32	34,002,189
5. Punjab	8,64,41	1,75,00	6,89,41	20,685,024
6. Bombay	13,26,03	56,00	12,70,03	19,348,219
7. Central Provinces	4,93,61	22,00	4,71,61	13,912,760
8. Assam	1,96,64	15,00	1,81,64	7,606,230
9. Burma	9,78,67	64,00	9,14,67	13,212,000

3. The total revenue of the Government of India in the same year, 1921-22, was Rs.64,52,66,000, of which Bengal contributed not less than Rs.23,11,98,000. According to Sir Walter Layton in 1929, Rs.1,659 lakhs were collected from Bengal, Rs.714 lakhs from Madras, Rs.584 lakhs from Bombay, Rs.717 lakhs from United Provinces.

Since jute duty was imposed in 1916 Bengal has contributed nearly 50 crores of rupees to the Government of India from this source alone (income-tax and super-tax from jute mills and jute business are estimated to have contributed about 2½ crores of rupees annually to Government of India).

Bengal's unfortunate position was not due to poverty of the Province, but solely to the method of allocating the total revenues of India between the Provinces and the centre. The difficulties were further enhanced by the fact that the sources of revenue assigned to it were inelastic, viz., Land Revenue, Excise, Stamps, Court Fees.

4. From the outset it was clear that the Meston Settlement worked grave injustice to Bengal, and the first budget showed a deficit of 120 lakhs between revenue receipts and the expenditure required merely to carry on the administration.

This was admitted by Government of India, and Sir Malcolm Hailey, Finance Member, in September, 1921, in moving resolution for remission of Bengal contribution of 63 lakhs, said, in the Legislative Assembly:—

“We (Government of India) have examined the case both narrowly and critically, and it appears certain with every economy Bengal will

have a deficiency of not less than 120 lakhs. Even if we make no allowance for any expenditure for improvements in transferred subjects, which are desired by the Ministers—improvements which are necessary if the reforms are to be a success—Bengal would have that deficit, even if it provided only the bare minimum expenditure required to carry on the administration of the Province.”

5. The remission of the contribution of Rs.63 lakhs payable to the Government of India gave the province some relief. The Government, however, had still to face a large deficit, and in 1922 they presented three Bills to the Legislative Council, one of which provided for the taxation of amusements and betting, and the other two for increase of Court fees and of stamp duties. A substantial increase of registration fees was also imposed a little later by executive order. At the same time Government closely scrutinised their expenditure and effected retrenchments amounting to Rs.70,52,000 in 1921-22 and to Rs.48,88,895 in the following year. In 1922-23 a Retrenchment Committee was appointed to explore the possibilities of further economies. The ultimate result of their recommendations was a saving of Rs.37,50,000. These measures did not entirely relieve the Government of Bengal of their anxieties. Though retrenchments were possible in some directions, in others an increase of expenditure was unavoidable. In particular, the post-war revision of pay had added to the cost of every department. From 1925-26 onwards, however, the position improved slightly and Government were able to carry on for some years without seriously trenching on the provincial balance. The general economic depression then began to affect the revenue receipts, which fell from Rs.11,35,00,000 in 1929-30 to Rs.9,66,00,000 in 1930-31. The Government of Bengal again took up the question of retrenchment, and in that year and the next they affected further economies to the extent of Rs.44,28,000.

6. That further retrenchment will not give any appreciable relief will be borne out by the following passage from the recent Barisal speech of H.E. Sir John Anderson:—

“ In a budget of Rs. eleven crores, with two crores as deficit, none but supermen can suggest further retrenchment.”

7. If the recommendations of the Financial Committee are accepted, and its views about the Jute export duty and distribution of income tax are accepted, it will be useless to introduce any reforms in Bengal. The first matter is of much greater concern to Bengal than the second.

This is not the view of the professional agitator, out for creating disaffection and impeding progress, but the considered opinion of every responsible person in Bengal.

In Sir John Anderson's Dacca speech (July, 1932) he said:—
“ Provincial autonomy will fail and fail disastrously in this Province ” if Bengal finances stand on the footing recommended for it. He added, “ It is absolutely vital that an equitable adjustment should be made before the new Constitution takes final shape.”

Hon. Mr. Woodhead, Member Executive Council Bengal Government, in his speech in August, 1932, has expressed similar views. Hon. Sir P. C. Mitter, another Member, has repeatedly placed in Council and before the public the same opinion. Mr. H. H. Burn, in his recent speech, after pointing out that “ This province has had the bitter experience of struggling hopelessly against a financial settlement that has from the outset made a mockery of whatever chance there might have been of working the reforms successfully ” shudders at the idea of “ perpetuation and intensification ” of this deplorable position.

8. Messrs. A. F. Rahaman and Azazel Hague have fully endorsed this view—and the former stressed the point “ that all the good will in the world will not enable the reformed Government to function successfully in

Bengal" "We have consistently abused the Meston Settlement for ten years, but we are to-day practically bankrupt, and from all indications it appears we shall be so in future—the future Government will end by being a dismal failure." Hindu opinion, as repeatedly expressed in and outside Bengal Council by responsible persons like Mr. J. N. Gupta, I.C.S., Mr. J. N. Basu, and others, is in complete agreement with this forecast.

9. A Memorandum on Jute, dated 3rd November, 1931, presented to the Round Table Conference, by all the Bengal representatives, viz., Hon. Sir P. C. Mitter, Messrs. A. K. Fazl-ul-Huq, Narendra Nath Law, and J. N. Basu, concluded by saying:—

"Under the circumstances we regret to have to emphasise that it will serve no useful purpose for Bengal to join the Federation if this unreasonable sacrifice be demanded of her—and we trust this discriminatory taxation will not be demanded of Bengal."

10. There being no doubt that the Government, and all communities in Bengal, are fully convinced that it will be mockery to introduce "reforms" in Bengal on the footing of the recommendations of the Federal Finance Committee, let us see if the position of Bengal is due to her lack of resources, or to inequitable treatment.

11. The financial condition of the Provinces, as found by the Committee, is set out hereunder:—

	<i>lakhs.</i>
Madras	- 20
Bombay (excluding Sind)	- 65
Bengal	-200
United Provinces	+ 25
Punjab	+ 30
Bihar and Orissa	- 70
Central Provinces	- 17
Assam	- 65

12. To balance budget Committee recommended distribution of income tax as follows:—

Yield of income tax (less collection charges) =1,720 lakhs. After retaining super-tax on companies, tax on salaries of Federal officers and personal income tax, and super-tax levied in Federal areas, the balance available for distribution is 1,350 lakhs. Out of this, 200 lakhs represent super-tax (i.e., other than company super-tax). The balance left is 1,150 lakhs.

Of this, according to the Committee, about one-seventh would represent estimated tax on undistributed profits of companies and on incomes of persons resident out of British India, and this fraction, viz., one-seventh, should be distributed on population basis.

The remaining six-sevenths would be distributed on the basis of the estimated share of personal income tax creditable to each Province.

13. The Committee work out the application of the above and arrive at the following amounts to be received by the Provinces:—

	<i>lakhs.</i>
Madras	183
Bombay (excluding Sind)	322
Bengal	405
United Provinces	123
Punjab	91
Bihar and Orissa	107
Central Provinces	59
Assam	29
Frontier Provinces	10

Export Duty on Jute.

14. Percy Committee has disposed of the claim of Bengal in these words:—

“Bengal has frequently put forward a claim to a share of the proceeds from taxation on the export of jute. Assam, too, has recently claimed the excise duty on kerosene and motor spirit produced within its borders. These and/or any similar proposals raise highly controversial questions of principle, but as in any case they could only result in delaying *pro tanto* the remission of Provincial contributions, we have not felt able to take them into account for the purposes of our scheme.”

15. It will be noticed that the Percy Committee did not decide against Bengal because in their opinions on the merits of the controversy judgment should go against Bengal, but on the ground of delay in remission of Provincial contribution.

If Bengal's claim is just, then she loses a certain larger amount now payable, for the possible delay in remission of a smaller amount, which remission is not a certainty but problematic.

Export duty realised in 1929-30:—

	<i>lakhs.</i>
Hides and skins	35.35
Jute	463.67
Rice	116.91

If Burma is separated 98 per cent. of export duty in British India will be referable to Bengal jute.

The Controversy on its Merits.

16. Coming to the merits, with reference to “highly controversial questions of principle,” reference may be made to the financial provisions of the Government of Ireland Act.

If principle followed there is applied to Bengal her just demands will be met, and she does not want any extraordinary principle to be applied to her.

17. Mr. A. H. Ghuznavi, in his memorandum dated 2nd November, 1931, pointed out:—

“The export duty on jute, which is the product of the most localised industry in the world, should, as being a tax on produce of the land, be made a provincial source of revenue In my contention I have the support of the precedents of Section 51 of the Australian Constitution, and Section IX of the Constitution of the United States.

“The Parliament shall, subject to the Constitution, have power to make laws for peace, order and good government of the Commonwealth with respect to taxation, but so as not to discriminate between States or parts of States.”

“No tax or duty shall be laid on articles exported from any State.”

18. The argument sometimes raised that jute is a monopoly and as such the export duty is paid by the consumer, is completely met by the note of Hon. Sir P. C. Mitter, dated 3rd November, 1931, presented to the R.T. Conference, which note is attached as an appendix. It may be supplemented by the admission of the Fiscal Commission and Taxation Enquiry Committee that “an absolute monopoly, for which there is a stable demand is of rare occurrence.”

Income Tax.

19. Only two points are being pressed against the recommendations of the Committee. The first is that tax paid on salaries of federal officers should be “federal.” This is not based on reason. If residence is adopted

as the basis of distribution why should tax paid by Government servants be put on a different basis from tax paid by other salaried servants in the Province?

The second point concerns the recommendation, that proceeds on taxes, on incomes other than personal income, should be distributed on population basis.

There is no reason for distribution of taxes on income other than personal income on population basis. The adoption of this recommendation will be to the disadvantage of industrial provinces. There is no reason to believe that the amount of this portion of the taxes on income attributable to an industrial province is the same as that attributable to an agricultural province with the same population.

Observation by Committee about Bengal and submissions on it.

20. The Committee state: "We fully appreciate the difficulties through which Bengal is now passing, and we cannot believe that the Bengal Government and Legislature have no means at their disposal, whether of economy or increased taxation, to reduce a deficit of this magnitude, and in the hope that measures will be devised to meet the situation we have felt justified in reducing the anticipated deficit by 40 lakhs." Comment on this may be made in the following words:—

"As regards increased taxation the Committee themselves are not hopeful. They surveyed the possible sources of new taxation, and the conclusion they arrived at was, that such provincial taxes as were within the sphere of practical politics in the immediate future, cannot be relied upon to yield any substantial early additions to provincial revenues. In regard to economy, it would have been of assistance to the Local Government, if the Committee had afforded at least some indication of the directions in which they considered this possible. We have examined the matter very carefully and the conclusion we have arrived at is that the expenditure under more or less normal conditions is reasonable and that the deficit on the introduction of the reforms is not likely to be less than 230 lakhs." (*Speech of Hon. Mr. Woodhead in Bengal Council on 10th August, 1932.*)

21. Bengal may very well paraphrase Committee's observation and retort by saying: "Bengal fully appreciates the difficulty of the centre, but Bengal cannot believe that the Central Government and Legislature have no means at their disposal, whether of economy or increased taxation, to augment their means for meeting the burdens placed on them by deficits in the North-West Frontier Provinces, the Chief Commissioners' Provinces, and the centrally administered areas, by the Settlement with the States, and separation of Sind."

22. If further economy and taxation is not possible for the Centre, as is also not possible for Bengal—it is against all ideas of justice and fair play that Bengal should make larger sacrifice than other Provinces.

The Attitude of Bengal.

23. The Government, the public, Hindus, Moslems, Europeans, officials and non-officials have repeatedly affirmed the very definite view that no reforms should be introduced into Bengal, unless recommendations of the Percy Committee, concerning her, be very substantially modified in her favour.

Bengal is not indulging in any threat. She is pressing a claim believed to be just. If by reason of "controversial principles," or on any other ground whatsoever, her demand is considered to be unreasonable—then in

that event she does not intend to be supplicant for charity, nor does she suggest that other Provinces should be unfairly treated for giving her relief.

In that situation she protests against being asked to federate—and she will protest against the use of terms like “voluntary union” or “partnership” or “willing co-operation” in her case.

The only way to make her “federate” in those circumstances will be by hammering her into it, by the force and weight of an Act of Parliament over-riding her desires and sentiments—and by compelling her to accept the favour of a gift—an honour which can only aggravate her misery by increased expenditure of running the “reforms.”

APPENDIX.

(Note by Sir P. C. Mitter submitted to Second Session of Conference.)

I have heard it stated that as jute is a monopoly of Bengal, the export duty on jute is really paid, not by the taxpayers of Bengal, but by the foreign purchaser. This opinion is held, amongst others, by some who, as officials or non-officials, are more interested in the welfare of other Provinces than that of Bengal. I do not at all agree with this view, and I am of the opinion that this argument does not bear any close examination.

It is true that jute is a monopoly of Bengal, in the sense that it is grown in Bengal and it is not grown in other parts of the world. But the question of substance is whether the foreign buyer really pays the tax, the producer being in no way affected because of the existence of the tax. If in a particular year the total demand for gunny or hessian or loose jute by the foreign buyer is less than the amount manufactured or produced in Bengal, then in such a year the foreign buyer is in a position to dictate the price, either of the manufactured article or of raw jute. In post-war days such a contingency has constantly arisen. In such years, therefore, jute mills in Bengal or the exporter of raw jute must agree to the price paid by the foreign buyer. The export duty in such years must largely, if not wholly, fall upon the manufacturer, or the primary producer, the ryot.

The position of the primary producer, the ryot, is, however, different from that of the manufacturer in every year. For many reasons, into which I need not enter, the ryot can never control the price, and as jute is a monopoly crop, there is always the tendency on the part of the ryot to increase the cultivation of jute. Even in years when the demand of the foreign buyer is large there is a wide difference between the price received by the ryots and the price paid in foreign markets, and the existence of the export duty is a material factor which the exporter or manufacturer of jute in Bengal will always take into consideration in fixing the price.

Then again the jute produced by the ryot comes into the hands of the purchaser for the jute mills or the export trade through many intermediaries, and the existence of these intermediaries makes it more difficult for the ryot to fix his price. In order to grow jute the ryot has to undergo many hardships, and has to work under conditions which must affect his health. One process in the preparation of jute is to keep it in water for a number of days, and then to separate the fibre from the stem by a manual process while standing in the water. Keeping the jute submerged in water for a number of days breeds malaria and other diseases in the neighbourhood.

If Bengal could get the value of the jute as a source of revenue for the Province, then one of the great problems of Bengal, namely, the existence of malaria on a wide scale, would be reduced.

For all these reasons I think it is a mistake to assume that the export duty on jute is really paid by the foreign purchaser, and that the manufacturer or the primary producer are in no way affected or concerned by the export duty.

Assuming, however, for the sake of argument, that jute is a monopoly and that the export duty too is paid by the foreign purchaser, then Bengal cannot in justice be denied the profits received from that monopoly, as it is conceded that that monopoly is a monopoly of Bengal. Why should the rest of India be allowed to profit by this?

(Continuation of the Note by Sir N. N. Sircar.)

BENGAL FINANCES AND PERCY COMMITTEE'S RECOMMENDATIONS.

1. The proposals for the distribution of income-tax under the proposed system work out very unfairly to Bengal as will appear from the following Tables:—

TABLE A.

(Showing in lakhs of rupees, gross income-tax collection for each Province, 1929-30, as percentages of total gross income-tax revenue 1706 lakhs.)

Province.	Amount.	Percentage.
Madras	141	8.3
Bombay	369	21.6
Bengal	618	36.2
U.P.	90	5.2
Punjab	64	3.7
B. and O.	50	2.9
Assam	19	1.1
C.P.	33	1.9
Burma	179	10.5
Miscellaneous	143	8.4
		<hr/>
		99.8

TABLE B.

Reproduction of Percy Committee Table III, column 5, and giving in lakhs of Rupees, provincial figures shown there as percentages of total income-tax revenue (i.e., 1720 lakhs).

Province.	Amount.	Percentage.
Madras	183	10.6
Bombay	343	19.9
Bengal	405	23.5
U.P.	123	7.1
Punjab	91	5.2
B. and O.	107	6.2
Assam	29	1.7
C.P.	59	3.4
Burma	[179]	
Miscellaneous	10	0.6
Retained by Federal Government	370	21.5
		<hr/>
	1720	99.7

The result is that 36.2 per cent. is collected from Bengal and she gets in return 23.5 per cent., whereas 21.6 is collected from Bombay and she gets back 19.9.

2. Percy Committee after arriving at the figure 1350 lakhs as the balance available for distribution to the Provinces, states:—

“of this sum about Rs.200 lakhs represent collections of personal super-tax (i.e., other than Company Super-tax), and would be distributed on the basis of actual collection from residents. Of the balance of 1150, about one-seventh would approximately represent the estimated tax on

undistributed profits of companies, and on incomes of persons, resident out of British India, and we suggest this fraction should be distributed on the basis of population."

Accepting outlines of the scheme suggested here it may be pointed out that Percy Committee has made a mistake in taking one-seventh as estimated tax on the undistributed profits of companies and on incomes of persons resident outside British India.

The figures given in the letter from Government of Bengal to Government of India, dated 7th November, 1927, make it clear the fraction should be taken at two-sevenths and not one-seventh. This makes a considerable difference.

3. Some comparative tables are set out below, which may be relevant in connection with the questions discussed.

TABLE 1.

(Showing in lakhs of rupees estimated central taxes raised by Provinces in 1928-9.)

Province.	Customs.	Jute-tax.	Income-tax.	Salt*.	Total.	Population.
Madras	493	Nil.	131	90	714	42,320
Bombay	226	Nil.	317	41	584	19,350
Bengal	545	399	615	100	1,659	46,700
U.P.	530	Nil.	90	97	717	45,380
Punjab	241	Nil.	61	44	346	20,680
Bihar	397	15	91	73	576	34,000
C.P.	162	Nil.	33	30	225	13,900
Assam	88	8	15	10	127	7,600

Note:—Population—000's omitted.

* Salt taken at 3 annas 5 pies per head (Report of Taxation Enquiry Committee).

TABLE 2.

Amount of Tax on Jute.

—	Price.	Tax.	Per cent. of Tax on price.
	Rs. as. P.	Rs. as. P.	
1. Cuttings (bale of 400 lbs.) ...	17 0 0	1 6 0*	8.0
2. Lightnings (bale of 400 lbs.) ...	23 0 0	4 10 0*	20.1
3. Sacking (per ton)	235 0 0	20 0 0	8.5
4. Hessian (per ton)	340 0 0	32 0 0	9.4

Note:—* Includes 2 as. Municipal improvement tax. The prices quoted are those prevailing on 18th June, 1932, according to Bengal Chamber of Commerce.

FINANCIAL POSITION IN BENGAL.

(Memorandum by Mr. A. H. Ghuznavi.)

In the note circulated by my colleague, Sir N. N. Sircar, it has been pointed out how the financial settlement under the Meston award had made

a mockery of the Reforms in Bengal. The difficulties of Bengal's financial position need no emphasis. They were recognised, as far back as 1921 by Sir Malcolm Hailey, who, in a speech before the Assembly, declared that even if no allowances were made for any expenditure on improvements in transferred subjects, improvements which were necessary for the success of the Reforms, Bengal would still have a recurring deficit of 120 lakhs a year. If the Reforms have failed in Bengal, if they have failed to secure contentment, a very large measure of the blame must, by common consent, be laid at the door of the iniquitous financial settlement. The administrative difficulties of Bengal, as is well known, have increased enormously during the last two years. The suppression of the revolutionary movement has increased the cost of the police enormously, while the economic depression has had a serious effect on the revenue. The result has been that multitudes of beneficent schemes have been held up and the activities of the nation-building departments have been brought almost to a standstill. The state of things has increased discontent seriously; has exposed Government to constant criticism and has led to serious attacks on the very necessary provision for the protection of Government and the police made in the police budget. Government, in other words, is engaged in a hopeless struggle against a revolutionary movement which is being constantly fed and sustained by the discontent caused by the inability of Government to satisfy the crying educational, technical and other material needs of the people. No wonder then, that such a tried administrator as Sir John Anderson has felt it necessary to issue the warning that provincial autonomy will fail disastrously in the province if the existing distribution of resources is not modified in very material respects before the new Constitution takes final shape.

The proposals of the Federal Finance Committee do *not* constitute an equitable adjustment from the point of view of Bengal. According to these proposals, against a deficit of two crores, Bengal is to receive as her share of the income tax receipts, a sum of Rs.405 lakhs, but she will have to contribute to the central exchequer a sum of Rs.255 lakhs. To meet the resulting deficit of 50 lakhs, Bengal's contribution is to be reduced by an equivalent sum. This is, to our mind, a most unsatisfactory and unacceptable solution. In the first place it still leaves Bengal a deficit province. The deficit of 2 crores, however, is based on the figures of the last ten years when Bengal was compelled to follow a cheese-paring policy. In every direction there is enormous leeway to be made up. If these are taken into account Rs.2 crores is a very inadequate estimate of the deficit which is likely to accrue. Let it not be forgotten that the province has a population of 46 millions and the needs of a population of this size have to be met by a normal revenue of 11 crores or a little more than the amount spent in this country on the Metropolitan Police and the Police Courts in London.

In the second place, Bengal is still left without an elastic source of revenue comparable to land revenue in other provinces. As a result of the Permanent Settlement effected by Lord Cornwallis, the receipts from land revenue in Bengal were fixed once and for all and they cannot be increased without a gross breach of faith with the landlords. This important fact has to be remembered in estimating Bengal's resources under any scheme of financial settlement.

In the third place, the receipts from income tax may easily prove to be precarious. They depend upon the material prosperity of the people and if they fall, Bengal's share must necessarily fall also. In this connection it is well to remember also that in order to improve the material resources of the people, it is imperative that the State should be in a position to attend to the vital problems connected with the health, education and the employment of the people, which are the chief factors on which prosperity depends. I would also like to emphasise here a fact which might be overlooked, that the ministers of an autonomous province will be subjected to a pressure

which they will find it impossible to resist to cut down expenditure on the police in order to provide adequately for other departments, if the resources of the province are not sufficient to make adequate provision for them. Those who have studied the revolutionary movement in Bengal are under no delusion that the new constitution will, *ipso facto* check its growth, and if the vital requirements of the police are not met it is easy to imagine the confusion into which the province will be thrown. The infection of the revolutionary movement if unchecked in Bengal cannot fail to have serious reactions in other provinces.

For all these reasons it is imperative that the next dispensation should begin by providing every province, and in particular Bengal, with resources adequate to her present and expanding needs. How is this to be done?

As regards income tax, we consider that it should be made a provincial head and that, if it is retained as a central head, the basis of distribution proposed by the Committee is open to objection. But what I, in common with every shade of opinion in Bengal wish to press for in addition to a share of the income tax is, that the proceeds of the export duty on Jute should be given to Bengal, and if the duty is abolished, that Bengal should have ample power to raise revenue from Jute. By that means alone, would it be possible to give Bengal an expanding head of revenue adequate for her requirements.

The Federal Finance Sub-Committee never examined our claim on its merits and we contend that the arguments on which we have based our claim in the past should still hold the field and are sufficient to substantiate our claim. To keep the export duty on Jute a Federal tax for Federal purposes would mean that not only other British provinces but the Indian States as well would benefit from the taxation of a commodity which is virtually a monopoly of Bengal.

I should like to emphasise the fact that unlike mineral products such as oil or petroleum, Jute is the main staple crop of Bengal and with its fortunes are bound up the prosperity of millions of her peasantry. The crop has to be grown under conditions which inevitably breed diseases to which the peasantry fall a victim. The excellence of the Jute grown, and therefore the revenue derived from it, is dependent on the care which cultivators give to it. Is it not then equitable that the proceeds of any tax on the commodity should go to benefit those who grow it, and that the provincial government which they can directly influence by their votes, should have the power to push the fortunes of the industry in any manner best suited to their interests?

I do not propose to elaborate the argument I based on the American precedent in my note of last year; to this reference has been made in my colleague's note, but I wish to add that there is no true analogy between a commodity like Jute which, as an exportable commodity, is virtually the monopoly of Bengal and commodities like rice and tea which are grown not only in many other parts of India, but in other parts of the world.

FEDERAL FINANCE.

(*Memorandum by Pandit Nanak Chand.*)

With regard to the discussion which took place yesterday and the day before in the Conference, I submit the following for the consideration of the Federal Finance Committee:—

1. The Punjab Hindu view is definite on the point that Income Tax should continue to be a Central or Federal subject and should not be made over to the Provinces. We are opposed to the idea that the Provincial

Governments should be given the right to make a surcharge on the Income Tax. We favour the idea of the Central or Federal Governments making grants to the Provinces to cover the whole or parts of their deficits.

2. The argument that the Provinces will become extravagant in their expenditure if they know that they will get subventions from the Central or Federal Government, does not appeal to us. If the Federal or Central Government is to make these grants or subventions, it will be its duty to see that the Provinces spend their money in a proper manner. It is understood that subventions or grants will not be given to Provincial Governments on their mere asking. We must accept the commonsense point of view, that the Provincial and Central Governments will behave in a reasonable manner in this matter.

3. The Hindus of the Punjab are opposed to the idea of surcharge on Income Tax by Provincial Governments, because the Legislatures in various Provinces are bound to be influenced by various considerations in levying the surcharge. It is much better to accept grants or subventions by the Central Government in place of the surcharge.

4. Income Tax must remain a Central or Federal subject:—

(a) because if made Provincial there will be no uniformity in taxation.

(b) because the Legislatures will be influenced by racial, communal or other considerations in imposing this tax,

(c) because in the Punjab especially, where there is a sharp division and distinction between proprietors and non-proprietors, agriculturists and non-agriculturists, there is bound to be a desire on the part of the governing classes to throw the burden of paying for the Government's expenditure on the non-proprietors and the non-agricultural classes. So long as this distinction, recognised by law and statute, exists between agricultural tribes and non-agricultural tribes, and proprietors and non-proprietors, the Hindus of the Punjab are definitely of opinion that the financial equilibrium so far maintained, will be greatly upset and confusion is bound to arise in the finances of the Punjab, if Income Tax is made over to the Provincial Government.

Under the circumstances stated above it is essential:—

(a) that Income Tax should remain central or federal, levied at a uniform basis throughout India,

(b) that the Provincial Governments should not have the right of making any surcharge on the Income Tax,

(c) that the wiser and safer course is to let the Central or Federal Governments make subventions or grants to such Provinces as may make out a case for help from the Central Government to cover their deficits.

MEMORANDUM ON THE CUSTOMS REVENUE ENJOYED BY THE STATE OF COCHIN AND THE RECOMMENDATIONS OF THE INDIAN STATES ENQUIRY COMMITTEE REGARDING IT.

(By the Dewan of Cochin.)

In dealing with the Port of Cochin in paragraphs 378 and 379 at pages 128 and 129 of its Report the Indian States Enquiry Committee (Financial) has written as follows:—

“ We recommend therefore that negotiations with Cochin for the adjustment of the difficulties arising from the divided ownership of the port, and with Travancore and Cochin for the purchase of their existing rights in its customs revenue, should not be delayed. With regard to the first, we understand that the subject is already under discussion between the parties concerned. With regard to the second, it is difficult to suggest an appropriate basis of any offer which might be made. A figure based upon present receipts would necessarily be of a speculative character and it must be borne in mind that a further large sum will require to be expended before the port is fully developed; but, since a speculative element must

enter into the matter, it is far preferable that the risk should be assumed by a Federal Government, which will have the economic interests of India as a whole in its charge, rather than that Travancore and Cochin should continue the present system of grants in aid in the expectation, though without any certainty of increasing their domestic revenues by a possible rise in the value of their share under the 1925 Agreement in the future customs revenue of the port.

"There is no question here of a cession of rights arising from sovereignty. The rights of the States concerned came into existence as the consequence of a mutual exchange of valuable considerations. They are in effect commercial rights, which should be susceptible of adjustment on a commercial basis agreeable to both parties, and we hope and believe that no real difficulty need be anticipated in bringing the parties together for this purpose."

2. From these recommendations it would appear that the Committee considered that it would be desirable for Cochin to surrender its rights of ownership in the port and for both Cochin and Travancore to give up their existing rights to a share of the customs revenue as a preliminary to their entering the proposed Indian Federation. Cochin is both willing and anxious to join the Federation; but it would be impracticable for it to do so on the terms suggested by the States Enquiry Committee for reasons based not merely on the history of the port, on the fact that it is situated largely within the boundaries of the State, and on the State's treaty rights in regard to it, but also on the actual necessities of administration. The facts of the situation as they appear to the State are set forth as shortly as may be in this Memorandum.

3. In the first place it would seem that the Committee, when it made its recommendations on this subject, was under some slight misapprehension regarding the past history of the port and the extent of that part of it which lies within the limits of the State. In paragraphs 256 and 257 at page 89 of the Report the Committee states:—

"The port of Cochin is a British Indian and not an Indian State port It is a tiny, though very populous, settlement covering only one square mile of land; but that land includes both sides of the harbour entrance, and an important part of the lagoon comprising the harbour is also British. It is administered by the Government of Madras, of which Presidency it forms a part, and its customs house is controlled by British Indian officials."

Again in paragraph 376 at page 123, it is stated:—

" The port which was in its origin, and is still to a large extent, a British Indian port under the control of the Government of Madras, now extends into Cochin territory, and will extend still further if and when the present development scheme is completed."

Finally, in paragraph 379 at page 129 there is the statement already quoted:—

"There is no question here of a cession of rights arising from sovereignty. The rights of the States concerned came into existence as the consequence of a mutual exchange of valuable considerations. They are in effect commercial rights"

It would seem, therefore, that the Committee formed the opinion first, that the rights of Cochin in the Port are merely of a commercial nature and secondly, that the rights of Cochin and Travancore are, in the main, founded on a common basis. This opinion, however, in so far as it relates to Cochin is hardly supported by the facts; for while it is no doubt true that the rights of Travancore in the port are commercial rights, those of Cochin have a far more extensive basis.

4. In its origin the port was situated wholly within the limits of the State of Cochin. Subsequently, as the Committee has stated in paragraph 256 at page 89 of its Report, the Portuguese established a settlement at the harbour mouth in 1502. The settlement was established on land granted by the then Raja of Cochin and both the Portuguese and their successors, the Dutch, paid to the Raja half the customs revenue realised by them at the port. For a time the British East India Company which succeeded the Dutch in possession of the settlement also paid a moiety of the customs revenue to the Raja, and, although for some years the Company obtained the Raja's consent to its ceasing to make this payment, the Madras Government, which had in the meanwhile replaced the Company, agreed in 1865 to pay the Raja half the net proceeds of the customs duties realised at the port subject to a minimum of Rs. 1,00,000, the Raja on his part undertaking to assimilate his rates of customs duty to those in force in British India. The State continued to receive half the customs revenue of the port under this Agreement until 1931, when, under the Four Party Agreement of 1925 between the Governments of India and Madras and Cochin and Travancore, the customs revenue was divided between the Government of India and Cochin and Travancore in equal shares.

5. Moreover, although it is unquestionable that the Raja of Cochin made a grant of land to the Portuguese and that British have succeeded to that grant, the statement of the Committee in paragraph 257 (page 89) that "an important part of the lagoon comprising the harbour is also British" is by no means free from doubt. The actual extent of the British area in the waters of the port has in fact been in dispute between the Government of Madras and the State for many years and the Government of India have been requested to appoint a Court of Arbitration under the Government of India Act to decide the question. But even assuming that the decision of the Court is wholly unfavourable to the State four and part of the fifth of the existing seven moorings for steamers in the harbour are in undisputed State waters and the whole of the further development of the port will also be made within those waters.

6. In its origin therefore the port was not British but belonged to the State; and by far the larger part of the existing port lies within undisputed State waters. In those waters also the Port's further development will take place. This being so it is clear that the rights of Cochin in the port are not merely commercial rights which came into existence as a result of a mutual exchange of valuable considerations, but that they depend in part upon the sovereign rights of the State and in part upon the agreements of 1865 and 1925.

7. But apart altogether from treaty and sovereign rights there are practical reasons which render it impossible for the State to surrender its customs revenue if it is to continue to maintain its separate existence. These duties have formed an important part of the State's income for centuries and, at the present time, are one of the very few elastic sources of revenue which the State possesses. On the other hand, the population of the State has of recent years increased very rapidly and at the present day Cochin Kanayannur Taluk, in which the State part of the harbour is situated, is amongst the most densely populated rural areas in the world. The increase in population has inevitably resulted in a corresponding increase in the cost of administration and there is no reason to suppose that the limit either in population or cost of administration has been reached. On the contrary, there is every likelihood that the further development of the port will result in an even more rapid increase both in population and State expenditure. The port is in fact by no means a pure asset to the State; it is also a considerable liability. For the extreme density of population which exists in its neighbourhood

is unquestionably due in part at least to the demand for labour which the trade of the port stimulates. Thus, while it is true that the State obtains revenue from the customs duties collected at the port, it is no less true that considerable and increasing expenditure on administration is incurred as a result of the port's existence. Were the customs revenues to be surrendered the State would be left with the liability to provide for a large and rapidly growing population while it would be deprived of one of the very few expanding sources of revenue from which it could meet its inevitably increasing expenditure.

8. The facts of the situation may thus be summed up as follows: Historically the port belonged in its origin wholly to the State and for centuries the revenue derived from it has formed a substantial part of the State's income: geographically most of the port lies within undisputed State waters: politically the State enjoys its present share of the customs revenue under treaties and agreements: practically, it is impossible for the State to surrender the share of the customs revenue which it received because that revenue is almost the only flexible source of income which the State possesses and to forego it would be to surrender an essential means of meeting the increased expenditure in which the further development of the port will itself involve the State. The surrender of the customs revenue would in fact almost certainly involve as a corollary the eventual termination of the existence of the State itself as a separate unit since the Government would not have at its disposal the means necessary for carrying on the administration. Anxious as H.H. the Maharaja and the people of Cochin are to join the Federation they would obviously have to hesitate to enter it on conditions which would necessitate the termination of the State's existence.

FEDERAL FINANCE.

(Memorandum by Sir Sukhdeo Prasad on behalf of the States of Udaipur, Jodhpur and Jaipur.)

REPORT OF COMMITTEE ON FEDERAL FINANCE.

Allocation of taxes on income (paragraphs 3 to 11).

1. In a previous statement made we have already expressed the view that Income Tax should in principle be a central source of taxation to be appropriated to:—

- (1) The funding of pre-federation debt,
- (2) Pre-federation pensions, and
- (3) Subventions to deficit Provinces, including new Provinces to be created,

any balance being distributed to the Provinces.

But we are prepared to agree to the method of approach to the problem of financing the Federal Budget now suggested by the Committee since, in effect, the two proposals are materially the same.

2. We must however qualify this approval of the scheme before us by saying that the permanent allocation of Income Tax proceeds to the Federal Government must be a sum of not less than Rs.8.25 crores and not less than 50 per cent. of the revenue collected under this Head. Further, that in addition to this permanent allocation, the Federal Government should retain out of the Provincial share of taxes on income a block amount, in order to ensure the solvency of the Federal Government, for a period of x years. The period x should, we consider, be a minimum of 10 years (we would prefer to see it fixed at 12 years), divided into two periods of five years (or six years); a gradual scaling down of the block amount being made during the second five (or six) year period.

3. The reason for making these two stipulations in accepting the scheme under consideration is that unless a substantial allocation from the proceeds of income tax is made to the Federal budget, the effect will be to throw on the States a liability for pre-federation debt, pre-federation pensions and subventions to deficit Provinces, for which they clearly have no responsibility. We believe firmly in the principle that all units of the Federation should contribute to the Federal budget on a uniform basis, but this principle does not extend to the acceptance of burdens which do not now and should not in future fall on the shoulders of the States. However generous some States may be prepared to be in order to assist in a solution of this federal financial problem, sight should not be lost of the fact that the financial resources of the majority of States are very limited. They do not possess the inexhaustible wealth sometimes attributed to them. For this reason the States, as a whole, though full of goodwill to bring about the plan of Federation, naturally desire to see themselves protected from undue burdens—burdens, which their financial position makes it impossible for them to bear.

4. We agree with the principle expressed in paragraph 9 of the Committee's report that the Federal Government should in emergencies have the right to levy for its own purposes additional tax on the heads of Income Tax permanently assigned to the Provinces and, as a corollary, that the proportional contribution on a determined basis should also be levied from the States.

Deficit Provinces (paragraphs 12 to 15).

5. We agree with the view expressed on behalf of the States in paragraph 12 of the report that any subvention to deficit Provinces should not fall on the States. To suggest that the States should contribute to any such subventions to Provinces naturally gives rise to the claim that might readily be made by States for similar assistance to provide for the administration machinery and public services they perhaps should have and would like to have, but which they cannot at present afford. We venture to suggest that the argument raised in the closing sentence of paragraph 12 of the report is hardly tenable in view of the fact that the permanent allocation of Income Tax proceeds to the Federal Government proposed is realised from sources which are not derived solely from residents from British India.

6. We desire to point out that the suggestion made in paragraph 13 to the effect that some portion of the revenue now derived from the export duty on jute and credited to central revenues should in future be credited to Bengal would only mean a further loss of revenue to the Federal Government to be replaced by some means unspecified. If effect is given to this suggestion it must be taken into consideration in determining the allocation of Income Tax reserved to the Federal Government.

Powers of Taxation (paragraphs 16 to 18).

7. We agree with the Committee's observations and recommendations under this Head.

Emergency Powers of Federal Government (paragraph 19).

8. Similarly we are in agreement with the Committee's recommendations in the matter of Emergency Powers of taxation.

Borrowing Powers of the Units and Security of Federal Loans (paragraphs 20 and 21).

9. We also endorse the Committee's observations on the strength of borrowing powers of the Units and the security of Federal Loans.

Contributions and Immunities of the States (paragraphs 22 to 32).

10. In our previous statement we laid particular stress on the abolition of all tributes or cash contributions by States to the British Government before Federation is introduced for the reason, universally admitted, that payments of this nature are incompatible with the Federal idea. The Committee however, on the grounds of financial expediency, recommends the gradual elimination of such payments instead of immediate abolition. We venture to suggest that arguments in favour of immediate abolition clearly outweigh the alternative proposal of gradual elimination. The question is rather one of equity than financial expediency.

11. We agree with the admission made by the Committee that some of the general recommendations made by the Davidson Committee require more detailed examination in their application to individual States; both in the matter of cash contributions and alleged immunities, as also on proposals affecting the existing commercial treaties or engagements in connection with the manufacture of salt. We assume from observations made in paragraphs 23 to 25 of the report that the particular States concerned will be given the opportunity of representing the views they hold on some of the Davidson Committee's proposals and recommendations, which I am asked to say on behalf of Jodhpur, that State is not prepared to accept.

12. We should also like to be assured that His Majesty's Government will consider before Federation comes into being certain territorial claims advanced by the States of Udaipur and Jodhpur which have not been dealt with by the Davidson Committee. We refer here to the Ajmer Merwara villages and the district of Umarmot. It may be true that the Government of India have in the past answered in a way representations made in this connection but the States have reason to feel that their claims have not received the impartial and careful examination they deserve and it would be a matter of great satisfaction to them if His Majesty's Government would be pleased to order a special enquiry to be made into these cases before the inauguration of Federation—for with the establishment of Federation the door will inevitably be closed for any further consideration of these matters.

Defence.

13. We desire to reiterate the remarks made in our previous statement on the subject of Defence, viz., that the Governor-General should be given unfettered discretion not only in regard to military policy and the selection of his Military Adviser, but also in the control over Military finances. We cannot but agree with the general comments expressed by the Conference on the magnitude of military expenditure in the Federal budget and recommend a very careful examination of the demand with a view to a possible reduction consistent with maintaining the present efficiency of the Army in India.

14. Here we desire to add that when the control of the Army is eventually transferred to the Federal Government, we assume that adequate arrangements will be made whereby the Crown will be in a position to implement effectively the guarantees of security given to the States in their treaties.

15. In conclusion we desire to make one or two observations of a general character indirectly appropriate to the questions under review.

The States which I have the honour to represent hold the view that Paramountcy is a question quite apart from Federation.

With regard to the general scheme of Federation our views are well expressed in the words of His Highness the Maharana of Udaipur in his speech welcoming His Excellency the Viceroy to Udaipur on the 6th December, 1932.

His Highness said:—

“ With good will and hearty co-operation our Princely Order are earnest to evolve an All-India Constitution that may prove practicable and honourable to all concerned and bring lasting peace to my Mother Country. In framing such a Constitution, it is, I strongly feel, of prime importance to keep in view the fact that Paramountcy and Protection are linked. Another essential condition for joining Federation must be that the existing relations between the British Crown and the States should remain unaltered.”

THE COMMUNAL AWARD.

STATEMENT OF REASONS AGAINST ITS ACCEPTANCE BY THE HINDUS OF THE PUNJAB.

Memorandum by Pandit Nanak Chand.

The so-called Communal Award, announced by His Majesty's Government through the Prime Minister on August 17th, 1932, has created great dissatisfaction and resentment amongst the Hindus of the Punjab, who are in a minority in that Province and who have been treated as if they were a majority community, inasmuch as they have not received representation in the Legislative Council of the Punjab even on their population basis, though, as a minority community, they were entitled to a weightage which the Muslim communities get everywhere where they are in a minority.

The special circumstances of the Punjab Hindus are such that it is difficult for the inhabitants of other Provinces even to grasp the significance of the Punjab Hindu point of view. The Punjab Hindus, since 1919, when there was great political upheaval in the Punjab and consequent attack by Afghanistan upon India, have doubted the wisdom of allowing political excitement and fanatical religious movements to control the machinery of government, especially in a Province like the Punjab which has a great military and strategic importance. The Hindu Leaders in the Punjab have been endeavouring since then to counteract all tendencies towards disruptive movements, which may plunge the Province into bitter conflict between the Europeans and Indians, and they organised themselves into a political party called the National Reform Party. Indeed, in 1926 there was a serious trial of strength between Congress Hindus and the National Reformers at the time of the elections to the Punjab Legislative Council and the Legislative Assembly. Leading Congressmen of the Punjab contested many seats against the National Reformers, and it is a matter of common knowledge that the Congress candidates sustained serious defeats. Many of them, though the foremost men of the Congress, lost their deposits as against the Hindu Reformers.

In 1928, when the Statutory Commission was appointed, the National Reformers elected to co-operate and express their views, through a representative deputation, regarding political advancement. The Hindus of the Punjab maintained that they were not prepared to accept any reforms which were based upon communal electorates and communal considerations. Unless the communities agreed to an advance without the recognition of communal or caste principle there should be no advance in India. This view was in 1929 placed before Mr. Wedgwood Benn, the then Secretary of State, by Pandit Nanak Chand. The view of the Punjab Hindus has always been that the settlement should be by mutual consent between the parties, and should not be imposed either by the Congress or by any outside authority. The people, who have to live together and work the Constitution together, are the proper parties to decide their differences and, if the majority community fails to give satisfaction to the minority, there should be no advance in any particular Province.

Therefore it will be abundantly clear that the outlook of the Punjab Hindus is essentially different from that of the Hindus in other Provinces. The Communal Award however makes no distinction between the minority Hindus of the Punjab and majority Hindus elsewhere.

The Communal Award is one-sided in as much as it grants to Muslim minorities special weightage in every Province where they are in a minority and ignores the claims of the Hindus of the Punjab and Bengal to similar treatment. Not only this, but as was stated above, the Hindus of the Punjab do not get their quota on their population basis which, as a minority community, they were entitled to.

The Communal Settlement to be imposed by the British Government ignores the Pact of Lucknow of 1916, which was brought about by the two communities, Hindu and Muslim, when there was goodwill between them. So long as the communities could not settle their present difficulties in a similar atmosphere of peace and goodwill the old arrangement should have stood, even if the communal arrangement of separate electorates was to be accepted for the constitutional government of the Province.

The Settlement ignores the recommendations of the Statutory Commission which were entitled to the greatest weight, because the Commission had made extensive enquiries on the spot and the communities of the Punjab had put their case before the Commission without any reservation. The Commissioners dispose of the Muhammadan claim for excessive representation where they are in a minority and their claim for an absolute majority in the Punjab and Bengal in this manner:—

“The continuance of the present scale of weightage in the six provinces could not—in the absence of a general agreement between the two communities—equitably be combined with so great a departure from the existing allocation in Bengal and the Punjab.

“It would be unfair that the Muhammadans should retain the very considerable weightage they now enjoy in the six provinces and that there should at the same time be imposed, in face of Hindu and Sikh opposition, a definite Moslem majority in the Punjab and in Bengal unalterable by any appeal to the electorate.”—(Simon Commission Report, Vol. II, Page 71.)

The Indian Central Committee which also toured India and made exhaustive enquiries along with the Statutory Commission, have made the following recommendations with regard to communal representation in the Legislature:—

“In the Punjab we have followed for the two principal minority communities, the Hindus and the Sikhs, the same principle which we have applied to the Muslims in provinces in which they are in a minority. For the Hindus and Sikhs, therefore, in the Punjab we would reserve seats in joint electorates on a population basis or on voting strength, whichever may be more favourable to them, without prejudice to their right to contest other seats in general constituencies. The Muslims in the Punjab will then be placed on the same footing as the Hindus in all other provinces save Bengal and Burma.”—(Report of Indian Central Committee, Pages 42 and 43.)

Thus it will be clear that the two bodies appointed by Parliament did not recommend the giving of an absolute majority to the Muslims in the Punjab. No reason has been assigned by the British Government for giving the Muslims the excessive representation in the other Provinces and an absolute majority in the Punjab.

The Award is the result of anti-Hindu prejudice which has been created in the minds of the authorities by Congress activities, the non-co-operation movement, civil disobedience and other movements of like nature. Interested parties have described these as Hindu movements and have tried to blind British politicians by attempting to show that the Hindus are an irreconcilable people who must be put down with a strong hand. It was ignored by the British authorities that the Hindu Leaders of the Punjab have stood by constitutional methods and have had the backing of the

Hindu masses of the Punjab, as shown by the election results of 1926. Indeed, they had co-operated with the British Government and relied upon them for the removal of their grievances.

The Award runs contrary to the very just and fair principle so far recognised by the Government, that the existence of separate or joint electorates must be left to the will of the minority community. The majority can in no circumstances claim that privilege. The Hindus as a minority feel that the absolute majority of a community based upon separate electorates—unchangeable, unalterable—is opposed to all canons of fair play and justice. Indeed, the history of Muhammadan rule in the Punjab, previous to the Sikh rule, shows how barbarous in its methods of conversion Muslim rule can be, with its conversions by bayonet, its prevention of freedom of worship by order of the magistrate, and its prohibition of the playing of music before Mosques. The history of the pre-Sikh days has been repeating itself throughout the Punjab in the last ten years. The Hindus of the Punjab are therefore naturally nervous that a religious, fanatical majority Muslim rule should not be based upon separate electorates, situated, as the Punjab is, close to the frontiers and close to Afghanistan and other Muhammadan countries. They have not forgotten the warning of Lord Hardinge in 1846 to the Administration of those days as follows:—

“I am satisfied that the Mussulman population will be generally ready to make common cause against the British power, whenever any Afghan or Persian intrigues may afford the opportunity. This restless feeling was felt in the Deccan—and to allow a Mohammedan power to occupy the Doabs between the Khyber Pass and the Sutlej would excite and revive Mussulman hopes throughout India. It is not desirable anywhere within our Indian Empire; but to permit it again to rear its head on our most vulnerable frontier, and in contact with the Mussulmans of Central Asia, would be a perpetual source of anxiety to the Government. If this be so, the Government of the Punjab must either be Hindu or British.”

again,

“This entrance (the Khyber Pass) into India has always been the high road taken by every invader. A Hindu Government acting as our advance guard had for 30 years barred this entrance against all invaders. The very existence of such a Nation depended upon its success in subduing the Afghan and Mussulman population. A Hindu Government under Runjeet Singh fulfilled all these conditions without any expense or anxiety to us. The Punjab was so hemmed in by natural boundaries that it could never materially extend its power in any direction by conquest. Having conquered its Mussulman enemies, it had a natural and mutual interest with the British Government in resisting all foreign aggression from Central Asia, and so long as a Hindu Government could hold the 5 Rivers, it appeared to me the arrangement the best calculated to secure the interests of both Governments.”—(Private letter from Lord Hardinge to the Rt. Hon. Sir John Hobhouse, M.P., September 2nd, 1846.)

The Communal Award ignores that the Muslim claim to special privilege and concession is based upon the fact that the Muslims are illiterate, economically backward, and liable to be misled and duped by clever people. Now when provincial autonomy is going to be conceded, will it not be politically most unfair and destructive of all good government to entrust the rule to a people, who, on their own showing, are backward in every way?

The working of the Constitution based upon the Award is bound to set up an intolerant religious majority rule, and is bound to disturb the peace of the Punjab and make government difficult, if not impossible. And it will open the gates of India to invasion from the North-West frontier, as was the case as recently as 1919.

The Hijrat Movement of 1920-21, when thousands of Muslims left their homes, sold their property and marched out of India towards Afghanistan, in the belief that it was wrong for a Muslim to live under foreign rule, and the invasion of Afghanistan in 1919 should not be lightly forgotten. Similar incidents are likely to take place in the near future, causing great disturbance and misery.

The Communal Award, as I have stated above, is the result of a misconception based upon incorrect facts and is bound to cause resentment in the hearts of those people who have stood by ideals of mutual goodwill and co-operation with Great Britain. It is clear that the British are driving all the Hindus into a hostile camp and are punishing friends because they cannot successfully put down political opponents.

It is not too late even now to retrace the steps. It is not wise to divide the country into hostile camps of Hindus, Muslims, Sikhs, Christians, etc. I have great admiration for the industry and interest which eminent British statesmen are exhibiting at the Round Table Conference. No man but will be struck by their keen and earnest desire to frame a Constitution for the further advancement of India. But the basis upon which it is sought to found the Constitution is wrong. It is neither national nor democratic. Hence it will not be for the benefit of the Indian masses. A Constitution based upon the Communal Award will be merely patchwork. It will not bring peace and happiness to India, but will divide the country into religious factions, warring with one another and thus plunging the country into civil discord at home and laying it open to warfare from outside.

LIST OF SAFEGUARDS.

(Memorandum by Sardar Tara Singh.)

1. There should be at least one Sikh in the Punjab Cabinet.
2. Out of the three members of the Punjab Public Service Commission one should be a Sikh.
3. This Public Service Commission should control services of the local Board up to a certain grade.
4. This Commission will secure a fair and adequate representation to the Sikhs consistently with considerations of efficiency and possession of necessary qualifications.
5. No legislative measure either social, religious or economic which discriminates against a minority community should be allowed to be introduced without the sanction of Governor and Governor-General. It should not be declared passed unless three-quarters members of the community concerned consent to it.
6. Religious liberty, management of places of worship, religious assignments, educational grants-in-aid and language should be guaranteed.
7. Sikhs should be given 5 per cent. representation (out of the British Indian quota) in Central legislature.
8. There should be one Sikh on the Cabinet of the Central Legislature.
9. There should be one Sikh on the Central Public Service Commission.
10. Sikhs should be adequately represented on the Army Council.
11. The pre-war strength of the Sikhs in the fighting forces should not be reduced.
12. Sikhs should be given adequate weightage in Sind.

27th December, 1932.

NOTE ON MEMORIAL SUBMITTED TO THE SECRETARY OF STATE
FOR INDIA, DATED THE 25TH OCTOBER, 1932.

(Submitted by Sir H. Gidney.)

This Memorial has been prepared and submitted to the Secretary of State for India for his careful consideration and has for its object the reservation of European Education in India as a Federal Subject with special statutory powers to His Excellency the Viceroy to enable him to exercise, whenever the necessity may arise, the powers of certification vested in him in respect of any measure affecting the subject under the new Government of India Act which is at present engaging the attention of the Imperial Government.

The recommendations embodied in this memorial are as under:—

(1) That the financial control and the control of the Department of European education be vested in the Government of India with a special provision for the certification of any measure in respect of which His Excellency may deem the exercise of the powers reserved to him necessary.

(2) That a special All-India Department be created for the control of European education, under the Minister for Education, Government of India, and that a qualified officer, with practical experience of the educational needs of the community, be appointed as Director of European education with a sufficient staff of European and Anglo-Indian inspectors directly subordinate to him to administer to the needs of the several Provinces.

(3) That special provision be made for the unification of the Code of European education, All India, so as to obviate the existing anomaly of varying curricula for different Provinces and to give effect to the principle that European education in India necessitates a uniform standard, both of scholarship and of methods of instruction.

(4) That special provision be made for the inclusion in the curriculum of at least one of the vernaculars of India as a compulsory subject of instruction from the Primary Classes upward and that the vernacular selected (which may vary according to the Province in which the Institution is situated) replace one of the modern European languages now included in the curricula.

(5) That special provision should also be made for the employment of qualified Anglo-Indians and Domiciled Europeans in the superior staff of the various schools provided for the education of the community and that the claims of Anglo-Indians and Domiciled Europeans should—other conditions being equal—be considered preferentially in making these appointments.

(6) That adequate provision should be made for the inauguration and maintenance of Colleges and Schools planned and equipped for the training of both sexes of the community for Teacherships and more particularly to qualify them to fill the important positions of Head Masters and Head Mistresses, on equal terms with Europeans who have hitherto been recruited overseas on the ground that talent available in India lacks the necessary training.

I have submitted these recommendations with a specific representation of the grounds on which they are based which are reproduced below:—

(1) and (2) That unless the financial and administrative control of European education is vested in the Central Government and the Viceroy possesses special powers of certification, there is grave reason to apprehend that the Grants-in-Aid voted for the purpose will be subjected to a systematic process of being whittled down by the Provincial Governments and Legislatures, and it is easily conceivable that, with the preponderance of majority community representation in the Provincial Councils, State aid for European education will, within the very first

decade of the grant of Provincial autonomy, be reduced to a negligible factor in its relation to the actual educational needs of the community and in comparison with expenditure in other directions.

It is of almost equal importance that the control of European education should be centralised for administrative purposes other than finance. It is essential that the methods of supervision should be co-ordinated; it is equally essential that the Inspectors employed should be released from the burden of office work, which is inseparable from Provincial control and that they should be entirely free to exercise their supervisory functions and to maintain a much closer touch with the schools under their control than obtains to-day under dyarchical conditions. A point of considerable importance made by Mr. Hammond is that the scheme of centralization will, on its adoption, effect a considerable saving in cost of establishment and that this saving will be sufficient to cover the salary of the Director of European education.

(3) The recommendation in regard to the unification of the Code of European Education is supported by an overwhelming mass of material considerations, each of which is of importance in itself. The majority of these considerations are purely educational and, as such, can be most fittingly dealt with by an educationalist and have been dealt with in detail by Mr. Hammond in the memorandum submitted to the Secretary of State for India.

I need not, therefore, reiterate these considerations in general, but there is one that has an economic or quasi-economic aspect, and to this I crave the liberty of a brief reference. The anomaly of varying curricula in the different Provinces imposes a very substantial hardship upon the community, who are largely migratory, owing to the exigencies of the public services in which they are employed. In consequence of the frequent transfers from Province to Province to which they are liable, coupled with the differences of curricula between Province and Province, the education of their children is necessarily disjointed, and, therefore, unsatisfactory and not infrequently imposes an additional financial burden of no inconsiderable weight upon the parents.

(4) The recommendation in respect of inclusion in the curriculum of one of the vernaculars as a compulsory subject also has an important bearing upon the economic welfare of the community. At present children of Anglo-Indian parentage, although born and bred in the country, more often than not attain maturity without a literate knowledge of any of the many vernaculars of the country and with scarcely a sufficient colloquial knowledge to carry on a sustained conversation. This, involving as it does an inability to make themselves intelligible to the Indians with whom they are in constant contact in their daily avocations, constitutes a most serious handicap in after-life, and it is emergently necessary that this disability should be removed.

(5) and (6) These recommendations are so closely akin as to be incapable of separate consideration. In this connection also we are presented with a glaring anomaly in the system of education applied to the Anglo-Indian community. No other community in India—it is almost safe to say no other community in the world—suffers the education of its children to be conducted and the more important and highly paid situations in their communal schools to be filled by men and women who are not of their own community and who are recruited from overseas sources, generally at very much higher salaries than would be gladly accepted by men and women of the community directly concerned and which in turn helps to increase the cost of European education; yet this is actually the case with the Anglo-Indian and Domiciled European community. It is urged by some that this state of things is the logical outcome of a scarcity of Anglo-Indians and Domiciled Europeans possessing the necessary educational qualifications;

but I maintain, with due deference, that there is plenty of first class indigenous (Anglo-Indian) talent available, but neglected in favour of the overseas European Head Master, and that if there is a paucity of trained teachers in the community, the defect should be remedied by the establishment of additional Training Schools and Colleges to ensure a supply commensurate with requirements.

I now desire to appeal to every member of the Round Table Conference to consider the subject matter of this memorial in the light of all the information I have furnished and very sincerely trust that they will both individually and collectively accord to me and to the community I represent the full weight of their support in order to enable me to attain the object in view.

STATUTORY ECONOMIC PROTECTION IN THE GOVERNMENT SERVICES.

(*Memorandum by Sir Henry Gidney.*)

I.—INTRODUCTORY.

This Memorandum is submitted with the permission of the Rt. Hon. Lord Sankey, Deputy Chairman of the Third Round Table Conference, who at the concluding session of the Third Round Table Conference requested any delegate who so desired, to submit a Memorandum on behalf of any matter which he considered required further enquiry. It is because I feel the necessity of further emphasising the great danger which faces the economic future of the Anglo-Indian Community unless it is statutorily and adequately protected, that I have taken advantage of this offer.

Before dealing with the various aspects of this problem it is necessary to make a few general observations, each of which has a direct and important bearing on the economic future of the Anglo-Indian Community, and the demands contained herein.

II.—MILITARY SERVICES.

The military services rendered by the Community to India and the Empire during the John Company period are also to be found writ large on every page of Indian history. In every book on the Indian Mutiny will be found chronicled the great and abiding services rendered by the Anglo-Indian Community, and how heroically they helped the Britisher to retain India; indeed the military services rendered by the Community during this period were such that the then Metropolitan of India—Bishop Cotton—in his sermon in St. Paul's Cathedral, Calcutta on the 23rd July, 1860, recommended that public thanksgiving "to Almighty God for deliverance from the Sepoy revolt" should take expression in the form of the establishment of Schools for the children of the Community "that had stood so nobly by England in her hour of need, and who had shed their blood for their kinsmen across the seas" and with which the then Viceroy of India, Lord Canning, joined "con amore."

Moreover, during the past great War, the Community gave 80 per cent. of its manhood in almost every theatre of war, a record unparalleled by any other community in the Empire, while its women were employed in hundreds as Military nurses. Within the past few years, during the recent Civil Disobedience Movement, the Community which forms three-quarters of the Indian Auxiliary Force, helped largely to maintain the peace and tranquillity of the country. The Anglo-Indian is however to-day denied admission into the British Army on account of his origin, although during the past Great War, thousands of our young men were freely enlisted into the British Army, and, even to-day, there are about 1,000 of them still serving in the British Army. The community is also denied admission into the Indian Army, lest it disturb the class homogeneity of that Force. But the most cruel and unjustifiable charge that has been levied against the

Community is to be found in the refusal by the Army authorities in India to recognise the Community as one of the martial classes of India, notwithstanding its past great military record during the John Company time, the Indian Mutiny, the past Great War, and also the meritorious and loyal services it rendered in the old Volunteer Corps, which gave birth during the war to the Indian Defence Force and which, to-day, is called the Indian Auxiliary Force, and forgetful of the great soldiers and leaders the Community has produced and the fact that it was two Anglo-Indians, who rendered such conspicuous service during the Great War—Lieutenant Robinson, V.C., who brought down the first German Zeppelin in London, and Lieutenant Warneford, V.C., who brought down the first German aeroplane in the battlefields of France. I am, however, told that the chief practical difficulty which prevents the Army authorities from creating an Anglo-Indian Unit is that the Anglo-Indian cannot exist on the same pay as does the Indian Sepoy, and therefore, it would necessitate the introduction of a third rate of military pay, to which the Government of India thinks there would be serious objection from the Indians. This is correct, but if it is the intention of the Government to reduce the present strength of the British Army in India, I would respectfully suggest that it would afford an ideal opportunity for the creation of either an Anglo-Indian Unit or one or two Anglo-Indian Batteries of Artillery, and so give to the Community an honoured position in the defence of its own country, which is, to-day, denied to it except service in the Auxiliary Force.

III.—CIVIL SERVICE.

(1) There is no doubt that the Anglo-Indian Community has materially helped to lay the foundations and to build up, maintain and develop, to their present states of efficiency, the various utility and revenue bearing Services of the Government of India. The privations endured and the dangers to which these pioneer workers exposed themselves in the early days of the development of India's industrial communications, when very few loyal and efficient workmen were available, form a notable chapter in the past history of India, which must be read to be really appreciated, and, if possible adequately assessed at the present time, when our need is so urgent and our reward has been fully earned. And we feel that we would not be exaggerating the case if we were to state that, had it not been for these pioneer Anglo-Indian workers and their loyal and steadfast service in those days, as also in the immediate past and present, when Government has been faced with many economic and railway crises, the revenue from the trade and industries of India would not be at the high level it is to-day. We go further and affirm that not only the revenue which the Government of India receives from the Customs, but also the immunity the country has enjoyed from the chaos and dangers associated with the promiscuous importation of arms and ammunition, has largely been due to the honest, loyal and efficient services of the Anglo-Indian community employed in the Customs Service, which Service was, until as recently as 1921, entirely manned by this community.

The same can be said with equal force and value in regard to the services rendered by the Community to the Railways and Telegraphs—indeed history will bear us out when we say that it was an Anglo-Indian Telegraphist—named Brendish—who, by heroically remaining at his post of duty in the telegraph office at Delhi during the Indian Mutiny, was able to dispatch that famous telegraph message which saved the Punjab for the British Empire.

It is said the I.C.S. have made India: this no doubt is true, but not a single I.C.S. officer will deny that his success has, in a large measure, been due to the spade and research work performed for him by his Assistant

Secretaries, Registrars, Superintendents and other clerical staffs of the Government of India and the Provinces, the majority of which appointments have, until lately, been held by the Anglo-Indian community, and who therefore can rightly be called the pillars of the basement floor of all Government edifices of to-day—men who, by their loyalty and steadfastness, have helped the I.C.S. to build up the Civil Services of India to what they are to-day, but whose only reward is replacement in these offices by Indians.

(2) *Effects of Indianisation of the Services.*—Time was when the Anglo-Indian and domiciled European community held a large percentage of most Government appointments, particularly in the Provincial Civil Services (both executive and judiciary) as also in the Government of India and the Provincial Government offices, in the Salt, Opium, Post and Telegraph, Railways and Customs Services, etc., but, since the operation of the present reforms and Indianisation of the Services, the community has been gradually but surely squeezed out of these services, while in some Departments not a single Anglo-Indian is to be found to-day. As an instance of this, authentic records show that within the past few decades the percentage of Anglo-Indians in the clerical staff of certain Government offices has been reduced from 90 per cent. to 18 per cent., while that of Indians has increased from 1 per cent. to 81 per cent. In the Provincial Civil Service, the percentage of Anglo-Indians has decreased from 35 per cent. to 3.5 per cent., while in the Provincial Judiciary Service, it has been reduced from 29 per cent. to 0. In the Customs Service the reduction during the last 10 years has proceeded at such a pace that, unless it is checked, there will be no more Anglo-Indians in this Department within the next 20 years. In the Postal Service in which the community has for many years played a very important part, very few, if any, Anglo-Indians are to be found to-day. As regards the Telegraph Service, entrance into this Department has been rendered so difficult by means of recent competitive examinations that the door has been all but closed to the community.

There can be no doubt that the word "Indianisation" is being interpreted as employment for Indian-Indians only, and not for Anglo-Indians, indeed a study of the Budget Debates in the Legislative Assembly, and the various speeches made by the opposite Benches, will prove beyond doubt that certain sections of Indians look upon the Anglo-Indian as such an alien as he considers the European to be, and, although we have Statutory economic equality, he refuses to recognise such as our claim for employment in Government Services.

Moreover, the Anglo-Indian community is the only all-India community in India. It has such a peculiar setting in every Province in India that it can claim no Province as its birth-right, and, therefore, cannot ask any Provincial Government for communal protection—indeed, nine-tenths of the community are employed in the Government of India Services which *ipso facto* places our economic protection as a direct charge and responsibility on the Government of India. Moreover, from every Province comes the demand for exclusive indigenous employment and the incessant cry one hears to-day of "Bihar for the Biharis," "Punjab for the Punjabis," "Bengal for the Bengalis," etc., while it benefits the Indians, sounds the death knell of the Anglo-Indian community, which being as it were nobody's child, is in consequence the chief sufferer by being denied the right to live.

(3) *The Montagu-Chelmsford and the Simon Commission Reports.*—Although these reports recognised and recommended important concessions and privileges to other communities of India, they gave the Anglo-Indian community nothing but pious expressions of sympathy and goodwill, and left its future at the mercy of the larger communities, and the benevolence of Government and its Ministers.

Notwithstanding the fact that the Instruments of Instructions contained in the Government of India Act of 1919 gave to the Governor-General and

Governors specific powers to protect the interests of minorities, yet on not one occasion has this power been exercised, although the Anglo-Indian community has frequently represented its grievances to the various Governments.

(4) *Our status refused recognition.*—It is well known that by an Imperial Statute—the Indian Councils' Act of 1870, 33 Vic. Chapter III—the community is given the positions of "natives of India by Statute," and as such it has an equal claim with other communities for employment in all Government Services. The Community has been urged to admit, recognise, and demand this status, and we have never lost an opportunity to advise them accordingly, but it is one thing to ask and another thing to receive, for, whenever we have demanded our economic rights in the Legislative Assembly as "natives of India by Statute," the opposite Benches of the House have flouted our claims and have made the community clearly to understand that it is not included in the term "Indianisation."

(5) The insistent demands of the majority communities accompanied with threats of strikes or reprisals in the refusal to co-operate with the Legislatures, have had so irresistible and compelling an effect on the Government and its various officials, that the Anglo-Indian community, which is not only numerically weaker, but is very inadequately represented on the Legislatures, has been and is being used by Government as a common sacrifice on the altar of political expediency, in its efforts to satisfy the demands of other more clamorous and powerful communities. The cumulative effect of this has been that, while in 1921, before the Montagu-Chelmsford Report began to operate, there were less than 1,000 unemployed Anglo-Indians and domiciled Europeans in India, to-day, after a decade of the reforms and the introduction of Indianisation of the Services, nearly 15,000, or more than one-third of the total able-bodied men of the community, are unemployed and roaming the streets in quest of food. The tragedy of the situation is that a decade ago our cry was, "Give us this day our daily work," to-day our every morning prayer is, "Give us this day our daily food"! But the most distressing feature of our present economic tragedy is to be seen in the hundreds of young men and women who are annually leaving our excellent European public schools in India, well educated, well developed, keen sportsmen (it was men of this type who formed three-quarters of the first hockey team who beat the rest of the world at Olympia) who are unable to secure employment anywhere and at any price. This is the toll that one decade of the reforms and Indianisation has extracted from the community.

(6) Our position has been gradually going from bad to worse and our complete economic disaster has hitherto been avoided only by the exercise of special favours from the Government in the shape of confidential orders to officials to safeguard, as far as is possible, our interests and by the benevolence of some sympathetic officials, but of late the cry of Indianisation has been so loud and insistent that even these marks of favour are being denied the community.

(7) *Prejudicial effect on community to-day.*—With the present retrenchment and economy that is being practised in every Government Department, it is well known that no new appointments are being created, but it cannot be denied that every additional appointment that is to-day given to an Indian is taken away—(indeed it must be so) from either a European or an Anglo-Indian, and, so, in this way the community is being deprived of the right to live, and will soon altogether disappear from Government employment.

(8) *Government of India's apprehension.*—The Government of India, to whom we are grateful, have, however, found the political pressure exercised on them by the larger communities so great that they now find themselves wholly unable to guarantee any further economic protection to the Community, especially to those employed on the Railways. This admission is to be found on page 169 of the Government of India's Despatch on proposals for Constitutional Reform, dated 20th September, 1930.

"The Anglo-Indian Community has in the past rendered very important services to the Railways and still holds a large number of posts in particular branches of railway work. The economic life of the Community is indeed to a large extent dependent on the opportunities of employment which the railways offer, and its members are gravely apprehensive of what may occur, if and when any change takes place in the present system of administration and control. In view of the history of the community, a special obligation we think, rests upon *Parliament*, before relaxing its own control, to ensure, as far as may be practicable, that the interests of the Anglo-Indian Community are protected."

(8a) *Round Table Conference Apprehensions and Recommendations.*—The Services sub-Committee of the first Round Table Conference, in a manner, also recognised our apprehensions and admitted the special position in which the Anglo-Indian Community was placed in regard to employment in Government services and recommended that special consideration be given to our claims. The resolution was as follows:—

"The sub-Committee recognises the special position of the Anglo-Indian Community in respect of public employment, and recommends that special consideration should be given to their claim for employment in the services."

This resolution was unanimously passed by a Committee largely composed of Indian Delegates, and is a most significant admission and recommendation. It may be said this recommendation is nothing more than a pious resolution, but we submit it has the official seal of recognition of a special Committee of the Round Table Conference and as such, cannot be overlooked either by this Conference or Parliament or by the official draftsman when he is drawing up the new constitution for India. We also understand that this Conference cannot deny or go behind the resolution passed by the previous Conference. We, therefore, submit that if the Indian Delegates are prepared unanimously to offer us special protection, to our mind there can be no difficulty in the drafting out and the incorporation into the constitution of a special clause, granting us the protection we seek.

(9) *Treaty or Crown obligation.*—In this connection it must not be overlooked that the assurances of economic protection given to the Anglo-Indian Community by the Government of India, successive Viceroys and Great Britain have been so many and so consistent as to have assumed the force and value which is rightly attached to a Treaty obligation. Indeed the assurance given to the Community by H.R.H. The Prince of Wales and Heir Apparent to the British Crown, places this protection on a much higher plane, i.e., a Crown obligation, as evidenced in the reply His Royal Highness gave to the Anglo-Indian Deputation that waited on him in India:—

"Gentlemen, you may rest assured that I now understand the conditions under which you live in India, and the useful and honoured place which you fill as citizens of the Indian Empire. Your aims and aspirations have my sympathy. Your devotion to the cause of India, the land in which you live, and your desire to maintain an honoured place for her within the Empire, do you credit. I shall watch the progress of your Community with the closest attention. You may be confident that Great Britain and the Empire will not forget your Community, who are so united in their devotion to the King-Emperor and who gave such unmistakable tokens of their attachment to the Empire by their sacrifices in the War."

(10) *Comparisons.*—During the three Round Table Conferences, the various communities which go to form India, have each, in turn, presented their demands for consideration, with the result that the Muslims have been given 33½ per cent. of the seats in the Central Legislatures, communal electorates with an almost statutory majority in the Provinces of Punjab and Bengal, indeed it has been given almost all the 14 points embodied in Mr. Jinnah's demand. The Depressed Classes have been given almost all they desired, and Government has accepted the Pact recently entered into between them and Mr. Gandhi, which has given them twice the number of seats in the Legislatures allotted to them in the Prime Minister's Communal Award. To the women of India have rightly been given extended franchise and special representation in the Legislatures, as also special electoral qualification.

Labour has been promised additional representation in the Central Legislatures and special constituencies. The demands of the Landlords and the Universities have also been satisfied. Other claimant sections of the people have been granted their requests, e.g., the creation of the North West Frontier Province, the separation of Sind, and in all probability the separation of Bihar. Europeans have not only been granted protection of their commercial and trade interests, but their Jury and other rights. The Liberal and Moderate Parties have not only been promised a large share of responsibility in the Centre, but a closer association in the defence of India. These have been detailed not in the nature of a complaint but as a comparison and I feel bound to ask against all these concessions given to other Communities what has the Round Table Conference done to satisfy the demands made by the Anglo-Indian Community, who to-day stand more in need of statutory protection than any other community in India? It cannot be denied that except for pious expressions of sympathy and goodwill nothing material has been done for it, though in making this statement, I feel I must admit with gratitude the acceptance by the Round Table Conference of the Irwin Report on Anglo-Indian Education, but in doing so, we cannot help but ask of what value is this concession to the education of our children, if their parents are deprived of their employment and the right to live because, it cannot be denied that the education of the child is entirely dependent on the economic security of the parent.

IV.—PROTECTION CLAIMED.

We have detailed these indisputable facts as a preamble to our demands, with a desire to place before the authorities, in a brief and concise manner, the services rendered by the Community to the Indian Empire, the serious disadvantages under which it labours owing to Indianisation of the Services, the apprehensions which it entertains and its precarious position in the New India, and so to justify our claim for economic protection if only for a limited period of years from the date of the operation of the new Constitution.

Under these circumstances it is only natural that the Community should look to the Government of India, and through it to the Secretary of State and the British Parliament, for protection of its economic interests. It feels that hitherto the powers that have been given to the Governor-General and Governors to protect their interests have been used very sparingly. The Community also feels that if these powers are merely to be repeated in the Instrument of Instructions, they will be of very little material value because with the grant of Provincial Autonomy and responsibility in the Centre, the Departments in which the Anglo-Indian Community are employed, will be placed under the complete control of the various Ministers and it will be against the principles underlying Provincial Autonomy and responsibility in the Centre for either the Governors or the Governor-General to interfere with the day-by-day administration of any

of the Services, and this is precisely what will have to be done if the few appointments to-day held by the Community are to be statutorily protected. After all, we are not asking for the impossible, all we want is the protection to the Community of these 25,000 appointments compared with the millions held by Indians, but which to us mean our very existence.

Our claims are:—

(i) We look upon the economic future of the community as a joint responsibility on every Englishman and every Indian and who, in turn, are the co-Trustees of that responsibility.

(ii) The Anglo-Indian Community seeks statutory protection not only of its economic interests, but to be afforded an opportunity to serve the future India as loyally, as efficiently and as conscientiously as it has laboured for the past India.

(iii) We apprehend and we feel sure this apprehension is shared by many other Communities that for the next two or three General Elections, the Congress Party will be returned to the Legislatures in an overwhelming majority, and we have grave reasons to believe that they do not entertain sympathetic feelings towards the needs of the Anglo-Indian, especially his employment in the various services, and which constitutes the very existence of the Community. It is to protect the community during this period that we claim adequate Statutory economic safeguards.

(iv) But if the new Constitution cannot grant us this Statutory protection, the Community feels it is entitled to look to the British Parliament to grant this protection, at least for a limited period of years.

(v) Failing this, and after the repeated assurance of economic protection which have been given to the Anglo-Indian Community, and which amount to a "Treaty obligation" or an obligation on the part of the Crown, we humbly and respectfully submit to His Majesty that he will be graciously pleased to ordain some means by which this section of His most loyal and devoted subjects are protected, and that they be given the right to live in the land of their birth and in the service of a country which they have materially helped, along with their English forebears, to build up to its present position of prosperity.

(vi) In conclusion we submit that if this appeal to the peoples of India and to this Round Table Conference fails to secure us Statutory Economic Protection, we desire to place our claim on a higher plane, that of a moral obligation on the British Parliament and the British Nation who called us into being, and whom we have served for centuries with a sense of loyalty, of patriotism and of efficiency, difficult to parallel in the British Empire, remembering always that, if, in our allegiance and our loyalty to the British Empire as outlined in this note, we have been so unfortunate as to estrange the goodwill of the Indian to such an extent that our economic demands have come to be scrutinised with zealous vigilance amounting, at times, to open hostility and a desire to deprive us of the right to live, the Government and the British Parliament, who are the successors of the East India Company, cannot to-day, when it is handing over that Government and control, disclaim all responsibility nor can it repudiate the claims of the Anglo-Indian Community to legislation that will effectively guarantee their future, and that such protection be placed beyond dispute or challenge.

It is said that the Reforms were given to India as a reward for her services during the Great War. We ask, is expropriation of our employment and the refusal of the right to live in our country India the only reward for our unparalleled services during the War? Is India's gain to

be our loss? Does India's destruction connote our destruction and does the regeneration of India mean the degeneration of the Anglo-Indian? Surely no one desires this and yet this is exactly what will happen to the Community unless its economic future is adequately statutorily protected.
27th December, 1932.

DISTRIBUTION OF SEATS AND THE METHOD OF ELECTION OF MEMBERS IN THE PROVINCIAL LEGISLATIVE COUNCILS UNDER THE COMMUNAL AWARD.

(Memorandum by Mr. N. C. Kelkar, Pandit Nanak Chand and Sardar Tara Singh.)

We, members of the third Round Table Conference, wish to enter our protest against and criticism of what is known as the Communal Award, announced by the British Cabinet through the Prime Minister on the 17th August last. And we further desire that this protest should go on the record of the Round Table Conference as a protest on behalf of the Hindu and Sikh Communities in India.

Since the publication of the "Award," the Hindu Community in India has expressed its opinion upon the Award through the Press and on the platform, while resolutions of constituted bodies and associations, who each in their own sphere may be taken as representing the Hindu mind, have uniformly criticised the Award as greatly adverse to Hindu interests. And now that the Indian Round Table Conference is holding its final session, we cannot allow the decision of Government, on the Communal questions, to be recorded, without the opinion of the Hindu Community also going on record along with it.

We fully recognise that since the Indian communities could not come to an agreed decision, embodying a settlement of their respective claims to representation on the Legislatures and the method of election to them, it became inevitable, under the circumstances, for Government to take up the matter into their own hands and give such decision as they thought proper. Nor do we wish, in the slightest degree, to throw doubt upon the motives of Government in giving their decision. But for all that, the Hindu community is, we think, entitled to express its opinion of the effects and the consequences of that decision to their interests throughout India generally and in special respects in particular provinces.

Before, however, proceeding to that topic, we would make a few brief observations here about the real causes underlying the apparent hopelessness of agreement between the Hindu Community and the largest minority in India, viz. the Muslims. It is indeed true, as observed by the Prime Minister in his speech at Portsmouth on the 19th November last, that "whether in industrial or in international affairs, if the parties met with good-will in their hearts, how easy it would be to come to an agreement. But when you meet with suspicion, with history that ought to have been dead years ago, generations, centuries ago, when that left in their hearts a rankling, poisoning of the spirit, what a task coming to agreement was!" The same description, which so aptly applies to the communal trouble in India, is not without its counterpart to a greater or less degree in the history of every other country. The duty of any third party, observing the conditions in India, should be to adjudicate fairly between the different communities. The British Government, installed in India as they themselves profess and avow to be, for holding the scales evenly between the different communities, have a responsibility to look after the interests entrusted to them with strict impartiality. Had that been duly fulfilled, there is reason to believe that the communal conflict would not have taken such an acute form. In any case, when sitting down to arrive at a decision on this difficult question, the Government might well have taken the following points into their consideration:—

(1) The conflict between the Hindu and the Muslim interests was the same before 1916 as it is to-day. Yet it is on record that at the Lucknow Congress, in that year, the Hindu and the Muslim leaders came to a unanimous agreement and cleared the path for what is known as the Congress League Scheme of political reform. The British Government accepted it as a legitimate basis for an official scheme of representation of the two communities in the Indian legislatures. If the Government really puts so much store by a unanimous communal agreement then they should have said to the communities, "Here is an agreed pact in operation and we shall not allow it to be disturbed except by another pact similarly agreed to." The Hindus are aware that the Lucknow pact conceded special electorates to the Muslims, and also weightages to safeguard the interests of the Muslim minorities in all provinces; and their revised demand for joint electorates could very properly have been refused, if the Lucknow pact held the ground.

(2) Since the pact was denounced by both sides, a new situation had arisen in which the Government might have taken up the matter in their own hands but in the spirit of a real impartial arbitrator, they might have applied to the case of Indian minorities the principles which the League of Nations has successfully applied in solving the problems of the European Minorities in their charge. The responsibility of the League of Nations, for the protection of minorities in her charge, could not be regarded as less onerous than that of the Indian Government in relation to the Minorities in India. Surely the claim of any minority in India for protection of its interests could not go beyond the preservation in their integrity, of their mother-tongue, culture, customs, manners and religion. The rules framed by the League, in this respect, are reasonable and adequate for the purpose.

Instead of doing any of these things, the Government have taken upon themselves the grave responsibility of giving a decision which strikes at the very root of a sound framework of a polity, which it is their purpose to raise by a Parliamentary Statute.

Apart from these considerations the more poignant regret which the Hindus feel arises from the fact that the failure on the part of the two great communities, to come to a settlement on communal issues, is being obviously exploited, for refusing the claims of the Indian nation at every turn, on matters connected with crucial political issues relating to the transfer of power and responsibility from the British Parliament to the Indian people.

Would the Government, we wonder, accept a sporting offer, if it were made by the Indian nation? Would they grant by a Parliamentary Statute, the kind of self-Government India asked for if a settlement were arrived at by the Hindus and Muslims? Would they do this without making any change whatever, as they did in the case of South Africa, where the problem for solution was not less difficult than in India, owing to the conflicting interests between three or four colonial units? We invite the British Government to reply to this question.

The so-called Award can be impeached on many grounds. We enumerate only a few. The provisions in it have conceded special electorates not only to Muhammadans who demanded them, but also to Anglo-Indians, Indian Christians and even Indian women who never asked for them. It goes beyond even the recommendations of the Simon Commission, which did not propose to give an assured majority in the legislatures for majority communities in the provinces, nor special electorates for Depressed Classes or Indian Christians. It exceeds the demands put forward even by the official Muslim-controlled Government of the Punjab in the interests of the Muslims, for whereas an excess of two seats was suggested by the Punjab Government for Muslims over Hindus, a majority of nearly 10 has been conceded by the Award. If the Government were of opinion that

minorities really should be given representation according to the population basis, then they should have done for the Hindu minorities in different provinces what they have done for Muslim minorities. But they have done injustice to the Hindu minorities alone in Bengal and the Punjab.

The Award thus cannot be justified on any common principle of fair dealing. The Award makes it impossible for the legislatures in any province effectively to control the Executive Administration. Under the Award group would be set up against group. Patronage would do its destructive work. And the Government would be able to manipulate the see-saw of political power so that the result would be in their favour.

It would be tedious to go into more than a few details and comparative figures in order to show how injustice has been done to the Hindus in each province, either by the grant of separate electorates or excessive weightage. Those we give are indicative of the whole tendency of the Award. The general effect, it is now acknowledged on all hands, would be as we have indicated above. Surely a civilised Government like the British Government cannot be said to have realised and fulfilled its responsibility in laying the foundation of a political State and Democratic Government, by such an Award.

In the Punjab the Hindu minority is not given representation even according to its population basis, not to speak of the weightage. The Punjab Hindus are a wealthy and influential community and contribute a very large share of Government revenue of the Province. With Joint Electorates and Free Election they might have been able to overcome some of their disabilities due to an assured Muslim majority. But the separate electorates and statutory majority for Muslims make this impossible.

In Bengal the Hindu Community is the main-stay of the province in point of education, culture, influence and wealth. It was to be expected, therefore, that these considerations would be taken into account in fixing their representation in the Provincial Council. This has not been the case.

In the Central Provinces, the Award gives to Muhammadans even a larger share of representatives than was recommended by the Simon Commission.

In the United Provinces the Hindus had a grievance with regard to the weightage of Muslim representation even from the time of the Lucknow Pact. The Award, far from redressing the grievance, perpetuates it.

In Bombay, separation from Sind would reduce the Muhammadan population to a very small fraction; and consequently the weightage given to them becomes very excessive. The separation of Sind, where Muslims will be a dominating majority, when coupled with weightage given to Muslims in the Bombay Presidency, so separated from Sind, constitutes a double wrong.

For all these reasons we hope Government will look more closely, than they seem to have done, into the equities and inequities of the Award which they have given. Obviously they have power to revise their Award, if they feel convinced that such revision will enable them to put the Award on a fairer and juster basis.

23rd December, 1932.

SPECIAL REPRESENTATION OF LANDHOLDERS.

(Memorandum submitted by the Raja of Khallikote.)

Representing the Landholders of India, I feel it my duty to place before the Conference and His Majesty's Government the case of the Landholders regarding special representation in the Legislatures—Central and Provincial. I need hardly say that the proposal of the Indian Statutory Commission

was made under a grave misconception of facts as the Commission failed to make any distinction between Permanently Settled Estates held under Sanads and Landholders who hold property under tenures different from theirs. I further submit that the conclusion was arrived at without realising the fact that the community whom I represent is an asset upon which the Government of the country has always drawn and which can be relied on for rendering loyal co-operation. Zamindars do not wish to come in through the back door of nomination. The Landholders as a class stood by the Government at all times of necessity and their loyal service to the British Crown has been unquestioned. While the intelligentsia have been luke-warm in their support, the Zamindars whole-heartedly co-operated with Government and worked the difficult constitution that was given for about the last twelve years. Is there any reason for denying their just rights? The Government of India's Despatch on constitutional reforms and all Local Governments strongly supported the just claims for special representation of Landholders.

In Madras, the only constitutionalist and organised party that has worked the constitution owes its existence to the support and untiring efforts of the Zamindars. The Landholders of India pay about 44 per cent. of the total Land Revenue to Government. They have a great stake in the country and are anxious, not only to maintain a steady and stable Government, but that India should progress steadily on constitutional lines to achieve her legitimate goal of responsible self-government.

The Franchise Committee, while recommending the existing special representation of Landholders, did not realise the necessity for their increased representation in proportion with the increased representation of other interests and the expansion of the Legislatures based on an extended franchise. It is essential, in the circumstances, that the Landholders should have more adequate representation. In certain elections a few Landholders have been elected through general constituencies but their success is not due to the fact that they are Landholders. It was due entirely to their merits and experience in the Local Board administrations. Landholders elected through general constituencies cannot truly safeguard or support the interests of Landholders in the Legislatures. It is getting more and more difficult for Landholders to succeed in general constituencies even in their capacity as Local Board administrators. The tendency of the present times is to create controversy between the interests of Landholders and tenants. Persons pledged to champion the cause of the tenants against the vested rights and interests of Landholders are more likely to succeed in the present day politics of India, and instances of this have already occurred. Therefore, there is great need to have adequate and effective representation of Landholders.

In the Madras Council there are only six Landholders' representatives, in the true sense of the term, out of a total strength of 132, and it is proposed to maintain the same representation even in an enlarged house of 215. This very small and disproportionate group of Landholders, in a big house of 215, will not be able to exert their influence to safeguard their vested rights and interests. We have, therefore, a great apprehension that unless our special representation is increased, proportionate with the strength of the Legislatures, our interests will not be protected and we may be thrown overboard in all matters by the majority interests. We find that in all the Provincial Councils, out of a total strength of about 1,700 members, there will be only 32 Landholder representatives, and in the Federal Assembly, out of a strength of about 300 from British India, there will be only 7 Landholder representatives. The representation is inadequate and ineffective and I therefore beg that special representation of Landholders in Provincial and Central Legislatures should be increased proportionately with the strength of the respective houses.

It is unnecessary for me to repeat the history of the Permanently Settled Estates about which I have already spoken at the Conference. The Sanads were issued on a distinct pledge that Government will protect the rights of Landholders. They form the mainstay in the district and provincial administrations. The increased responsibility introduced into the Central Government necessitates that the Zamindar class should be given opportunities of playing their part and rendering loyal and useful service to the country as a whole.

26th December, 1932.

SPECIAL REPRESENTATION OF LANDHOLDERS OF THE UNITED PROVINCES OF AGRA AND OUDH IN THE UNITED PROVINCES LEGISLATIVE COUNCIL.

(Memorandum by Khan Bahadur Hafiz Hidayat Husain.)

When certain delegates to the Round Table Conference attempted to re-open the question of the proportion between European and Indian members to be elected for special constituencies representing commerce and industry, His Majesty's Government pointed out that this involved the re-opening of the Communal Award, which could not be altered without the consent of all parties in India affected thereby. The important question of special representation for landlords, particularly in the United Provinces of Agra and Oudh could not therefore be brought before the Conference as the question, theoretically considered, of their special representation is on all fours with that of Commerce and Industry. But in view of Lord Sankey's announcement at the concluding session of the Conference on the 24th December, 1932, that it was permissible for any delegate who desired to submit a memorandum on any matters on which he considered further inquiry was required, I hereby do so. The allotted quota to the zemindars in the Provincial Legislature of the United Provinces has caused widespread resentment. As the only sitting member of the United Provinces Legislature invited to the third Round Table Conference, I feel it my duty to lay stress once more on the injustice that has been done to the zemindars in the award of His Majesty's Government. There is no communal element involved in this question of representation of zemindars. It is claimed on the ground of representation of an interest and is not based on the proportion of community representation. The landlords of the United Provinces together pay over 60 per cent. of the Provincial revenue, they have always been the mainstay of the Government. They have supplied the sinews of war in the great struggle and together are mainly responsible for the change in the angle of vision of the British Government towards the form of Government of India which is now being forged at the Round Table. Lately they have been the principal assistance in breaking the campaign of lawlessness in the country. Ever since the introduction of the Montagu-Chelmsford Reforms and indeed even before, the contribution of the landlords to the counsels of the Government has been considerable and the success of dyarchy in the Province is mainly if not entirely due to the influence and the prestige of the landlords in the Cabinet. The educational and other nation-building institutions of the Province owe their existence almost entirely to their beneficence. The British India Association of Oudh, the Agra Province Zemindars' Association of Allahabad and the Mozaffarnagar Association are representative bodies of the Zemindars of the Province. Almost all important landlords are members of the one or the other of these bodies. The first two have statutory recognition and their income is assured under Acts of Legislature. The Taluqdars of Oudh—the Baronial class of India—are members of the first body, the numerical strength of their representation to the Provincial Legislature has been reduced by more than half, while the other two bodies have been entirely ignored. Representation of the zemindars *qua* zemindars in the Agra Province has also been reduced by 55 per cent.; in spite of assurances of protection given to Taluqdars and zemindars on

several occasions by successive Viceroys and Governors of the Province. These amount to binding commitments. I am not unaware of the fact that the traditional influence of and respect for good landlords is such that they may continue to secure the votes of their tenants as much as in the past. But is that a reason for whittling down their number when comparatively unimportant interests have had such tender consideration paid to them. I feel bound to say that as against the concessions given to the above interests, neither the Government nor the Round Table Conference have done anything to satisfy the requirements of the zemindars. That sagacious Governor, H. E. Sir Malcolm Hailey, saw the justice of the claims of the zemindars and recommended doubling the number of their special seats. The Government of India, however, left this for investigation by the Lothian Committee and the recommendations of the Lothian Committee which had practically no zemindar element in its constitution followed the line of least resistance. This recommendation has unfortunately been incorporated in the communal award. It is true that no interest could be given such a representation as to effect the balance of democratic parties in any legislature, but an interest which is of such vital importance to the future stability of the Government which we are framing, should not be so reduced as to make it wholly ineffective and capable of being constantly ignored. It is for this reason that I earnestly press for a revision of the zemindars representation in the Provincial Council of the United Provinces. I claim that the British India Association should at least have six seats if not eight instead of four allotted to that body, that in Agra Province zemindars' associations should be statutorily recognised as a constituency and allotted a sufficient number of seats commensurate with its importance and that the Mozaffarnagar Association should also be given a similar privilege as soon as its income and membership are statutorily assured.

I claim this increase of seats for the zemindars for the following reasons *inter alia* :—

- (1) That the Taluqdars and the zemindars are the largest stake-holders in the Province.
- (2) That they are an asset upon which the Government has invariably drawn and will in future draw with assurance of response.
- (3) That the interests which the zemindars represent are indissolubly bound up with the future prosperity of the country and the stability of the future constitution.
- (4) That the increase of elected seats from 100 to 228 makes increase in the numbers of their seats a logical corollary of an extended franchise and an enlarged House.
- (5) That the exigencies of future elections, when controversies between landholders and tenants will be introduced with sinister backgrounds, demand that their number should not be left in doubt.
- (6) That zemindars returned from general constituencies are not likely faithfully to safeguard the interests of the zemindars in the Legislature.
- (7) That those who have made the Province what it is, should be given an adequate share in the control of its future destinies.

I am not unmindful of the great difficulties of any change in the Award, but the subject to which I draw attention is of such overwhelming importance to the future working of the Constitution that I would be failing in my duty if I left the matter where it now stands.

31st December, 1932.

REPRESENTATION OF THE ABORIGINAL AND HILL TRIBES.

(Note by Mr. N. M. Joshi.)

The Franchise Committee has recognised the need for the separate representation of the Aboriginal and Hill Tribes. The Committee has recommended some form of election for the appointment of their representatives at least in Assam, Bihar and Orissa, and possibly in Madras. I suggest that the method of some form of election should be adopted in all provinces where they have been given special representation.

In the Communal Award of the Prime Minister, one seat has been reserved for the Backward Areas, presumably for the representation of these tribes, in Madras, Bombay and Central Provinces, eight in Bihar and Orissa, and nine in Assam. I consider that, taking into regard the number of the population of these tribes, their representation is very inadequate.

The Census Report for 1921 has given 16 millions as the figure of the total population of these tribes for the whole of India, and as the population of India has now increased during the last ten years, I can safely estimate the present figure of their population, for the whole of India, at 18 millions. Proportionately, their population for *British India* cannot be less than 12 millions. The figure of five millions given by the Franchise Committee is obviously a mistake. This figure represents those only who declared themselves as belonging to "Tribal Religions." But as some of these people either declare themselves as Hindus or are put down by the enumerators as Hindus, their total population is shown to be much less than it really is. Although some of these people call themselves Hindus, and some have become Christians, their social and economic backwardness is not necessarily removed. Dr. Hutton, the present Census Commissioner, has admitted this fact in his D.O. No. 13, dated 19th September, 1932, written to Mr. A. V. Thakkur of the Servants of India Society. Dr. Hutton writes as follows:—"I am replying to your letter of 8th September in a purely private capacity. The actual number of aboriginal tribes who returned their tribal name for their religion in 1931 was 8,280,347, and the number in British India was 5,779,709. This of course does not represent the population of the tribes themselves as owing in part to the natural process of the substitution of Hinduism for their tribal religion, and the idea of social superiority attaching to a return to Hinduism, in addition to a very vigorous propaganda by the Hindu Mahasabha at census time, directed presumably to obtaining as large as possible a return of Hindus as might be, there has been a very considerable transfer at this census from "Tribal Religions" to "Hinduism" My figure given to the Lothian Committee had reference to professed religion only, as I had not then any figures for the actual number of tribes, and I fear that I shall not have any such figures until I have all the tables of the different provinces compiled. If you will write to me again in two or three months' time I can probably then give you the actual numbers of tribes returned from the different provinces as "primitive" though here again it is often very difficult to draw a line between primitive tribes which profess Hinduism and a caste."

Estimating that their total population in British India is between 4 and 5 per cent., the 20 seats out of 1,513 given to them by the Prime Minister's Communal Award are very much less than they should have on the basis of their population. Strictly speaking, they should have been given at least 60 seats. This injustice is more glaring especially in Central Provinces. In this province their population is more than one-sixth of the whole, yet they are given only one seat out of 112, while on the population basis they should have been given at least 18 seats. The Central Provinces Provincial Franchise Committee recommended two seats but the Prime Minister reduced the number to one! On this point Dr. Hutton, the Census Commissioner, writes to Mr. Thakkur in the letter referred to above as follows:—

"I presume that it is the comparatively small number of one million odd returned as 'Tribal' in religion from the Central Provinces which accounts for the fact that in the Communal Award only one representative has been allotted to backward tribes, which in point of fact constitute nearly one-fifth of the population. Even the local Franchise Committee of the Central Provinces was prepared to recommend two representatives for primitive or backward classes."

I fully realise the difficulty of changing the Communal Award. But as the representation of these classes is to come out of the general constituencies, the seats given to the Muslims and to the Depressed Classes need not be disturbed, and some measure of justice may still be done to these classes.

It is a matter of great regret that the Franchise Committee has not recommended any representation to the "Aboriginal and Hill Tribes" or "Backward Areas" as the Prime Minister's Award has termed them, although their total population is more than 4 per cent., and although the Franchise Committee and all others interested have seen the desirability and necessity of giving them separate representation. It is not correct to think that the interests of these classes are only affected by the Provincial Legislatures. The Federal Legislature is of equal importance to them. As some of the Areas in which they live are very backward, and as in some cases they are under special Legislative and Administrative arrangements, the Simon Commission has recommended that the Central Government should bear some financial responsibility for them. Moreover, as the Federal Government is going to depend upon indirect sources of revenue which affect more adversely the poorest classes of people which the Aboriginal and Hill Tribes undoubtedly are, the case for their representation in the Federal Legislature is unanswerable. I therefore strongly hope that, when the Government takes decision as regards the representation of various Communities and interests, they will not forget to do justice to the Aboriginal and Hill Tribes or the Backward Areas as they prefer to call them. I suggest that they should have 10 reserved seats in the Assembly distributed as follows:—

	<i>Number of Seats.</i>
(1) Representing Backward Areas of Assam	2
(2) Representing Backward Areas of Bihar and Chota Nagpur	2
(3) Representing Backward Areas of C.P.	2
(4) Representing Backward Areas of Bombay	1
(5) Representing Backward Areas of Madras	1
(6) To represent the Aborigines of the whole country, and to be co-opted by all members of the Assembly	2
	10

REPRESENTATIVE CHARACTER OF THE REPRESENTATIVES OF INDIAN STATES IN THE LEGISLATURES.

Memorandum by Mr. N. C. Kelkar.

I would like to mention a matter which is closely related to the representation of Indian States in the Federal Legislatures through their representatives. I know that for the practical purposes of Federation the unit is a State, small or large, and from current constitutional point of view, the State means the political ruler of the State. I also am aware that, like Louis XIV, every Indian State ruler, is known to be in the habit of saying, "I am the State." But it would not, I think, be quite unpardonable if some of us attempted to probe the identity of the State and its ruler with the lancet of constitutional theory. The word ruler necessarily implies that there must be subjects over whom he rules. And these subjects

are not only human beings but citizens who are entitled to certain civic rights. By virtue of the Federation these subjects attain a status which may tersely be described as the status of Federal Subjects. They will be called upon to bear their share of the burdens of the Federation and must be also regarded as entitled to a share in the profits of the Federation. Now some of these profits may have a material aspect or value. But for the moment I am referring only to that profit from the status of a federal subject which relates to political power and influence. I do not wish here to refer to any questions of the internal administration of any State. But we of British India here, I think, ought to look, though at a distance, into the credentials of the States' representatives, who will sit in our legislatures along with us and participate in Federal Administration. According to the new Constitution there will be no members of the legislature who will not be elected by a certain, I may say, by a very large number of electors among the people. The old official block consisting of the officials of Government simply disappears, and every elected member will thus necessarily represent the effective political consciousness of thousands of Indian souls. Would he like to be vitally associated with any other member who bears on him the hall mark of the sufferance of undiluted autocracy? That would be indeed serious political misjoinder. Oil and water have never mixed up well, or at all. For effective team work a pair must be made up of men, as of animals, who are nearly if not wholly, of equal stature strength and also of temperament. Similarly both the British Indian members and the State representatives in the Federal Legislatures, must have nearly the same sense of political status, the same sense of self-respect, independence and responsibility. To whom will the State representative feel himself responsible? Will he be like the British Indian Member, irremovable from his seat and office during the term of the life of the Federal Legislature? Or will he be liable to be recalled if he does anything, in his duties, that may displease his Princely Chief? Remember, even in our present Legislatures, only official Members can be asked to tender their resignations and vacate their seats. But not so even those who are called nominated members. My friend Mr. Joshi has for long been a nominated member of the Assembly; and yet be it said to his credit and the credit also of the Government who nominated him, successively for so many terms, that he spoke and was allowed to speak, and he voted and was allowed to vote, with as much independence as if he were an elected member. So much from the point of view of the member himself. But what about the subjects and the taxpayers of the State who will be represented in the Federal Legislature? Are they to have no voice at all in the selection of the State representative who will be entrusted with their affairs to that extent? Now in answer to this question I do not expect the State representatives, here and now, to declare what arrangements will be made by their State Governments to clothe the delegates, whom they will depute to the Federal Legislature, with some sort of representative capacity. But I shall be satisfied if they would simply and at least say that their States will feel bound to make some such arrangement, considering the anomalous juxtaposition as described by me, between the British Indian Members and the States Representatives in the Legislatures. I am aware that the new light has begun to dawn upon Indian States' rulers. We all welcome that orientation, but I feel that the record of this Conference will be allowed to bear upon it the evidence of the expressed willingness, I may even say, cheerful willingness, of the States here represented to develop, at least progressively, institutions of representative Government, so that their representatives in the Federal Legislatures may come with some stamp of popular approval. May the States live long is my prayer, but may they also prove themselves susceptible to public opinion.

23rd December, 1932.

FEUDATORY STATES.

(See Report of the Committee on the Instrument of Accession of Indian States to the Federation.)

(Memorandum by Mr. N. C. Kelkar.)

In connection with the report of the Committee on the subject of the Instruments of Accession of Indian States, the question of the Feudatory States in India must be discussed and taken into consideration.

The constitution of Federation, which we are hammering out at this Conference, may be said to be marked by one great feature, viz., its care and solicitude for the suppressed classes and interests in India. If I may say so, it is care and solicitude for many an "under-dog"—the under-dog that already exists or may be brought into being under the new Constitution. The Indian Feudatory States fairly come under that category, and should be put as one more on our list of under-dogs. And I contend that provision must be made for their protection in the Instruments of Accession by Indian States, when they will be prepared for the signature of the rulers of appropriate States, which may have Feudatory States charged to their care.

The scheme of the present report provides for an agreement as between the British Government and the Indian States who may wish to join the Federation. The agreement would contain matters and provisions about certain powers and jurisdictions to be transferred from the States to the Federal Government for Federal purposes. These relate, as the report says in paragraph 5, to the rulers of States and their subjects. And the powers so transferred must be so large as to make the Federation effective for its purpose. Now there is also another class besides the subjects, which is vitally concerned in the administration of the ruling powers in the States, viz., the Feudatories. They want protection for their existence and welfare, just as much as any other minorities for whom the Constitution is providing with such great care. They are higher in status than the landlords and zamindars to whom representation is given in the Franchise Committee Report, and who are represented in this Conference.

The question of these Feudatories, who are not as vocal as others, is altogether left out of consideration. The Feudatory Chiefs exercise varying jurisdictional powers in their territories, represent ancient historic houses and wield no small influence in the country. Being part of British India, even the ordinary landholding classes have got some representation both in the Provincial and Central Legislatures, although it is inadequate in proportion to their interests and influence in the country. But the position of the Feudatory Chiefs under the Princes is still worse. They are too scattered and divided to form their own organisation. The Princes are represented by the Princes Chamber and are quite capable of protecting their interests. The position of the Feudatories is very peculiar. Being subordinate to the Indian States, they are not classed as Princes, nor have they any voice in framing the Constitution, as they come under the States. While the Princes and every other class and interest in British India have been represented at the Round Table Conference, the Feudatory Chiefs under the Princes got no representation at all.

These Feudatory Chiefs who form an important group of small States by themselves are not quite a negligible factor. Under most of the big Indian States there is a large body of Feudatory Chiefs exercising varying jurisdiction. Under the Gwalior Durbar, e.g., there is a number of such Chiefships, most of which are guaranteed by the British Government. Similarly, there are mediatised Feudatories under Kashmir, Jayapur, Indore, Cutch, Kolhapur, and many other States.

It is needless to describe in detail here how all these States came into being. But it is necessary to mention that when the East India Company came into closer relations with Indian States, they found a large number of

Chiefs who exercised jurisdictional rights in their own domains, while at the same time they owed a sort of precarious allegiance to some powerful neighbouring Prince. These Chiefs sought the protection of the British Government, who, acting as mediators between them and their suzerains, guaranteed their rights, privileges and possessions and secured their formal allegiance to their suzerains. No fixed principle was, however, followed in effecting these settlements. In Kathiawar, e.g., most of the States were subordinate to the Gaekwar of Baroda. But all these States were made independent of Baroda subject only to the payment of tributes. On the other hand, most of the smaller States in Central India and elsewhere were placed under their respective suzerains with a British guarantee for continuance of their rights and possessions. Thus the settlements were largely influenced by the exigencies of the moment and were the result of historical circumstances. The status and position of most of these States were originally almost the same, but by the settlement some States were brought directly under the control of the British Government while others continued under their suzerains, protected by guarantees from the paramount power.

Similarly some of the lapsed States such as Satara, Nagpur had guaranteed feudatories under them, which, after the lapse of the suzerain States came under British control. Although the powers of the Feudatories of the lapsed States and of the Feudatories under other States, were originally the same, the powers of the former have been enlarged since they came into direct relations with the British Government, while the powers of the latter under their suzerains have been considerably reduced.

The above arrangements worked satisfactorily to all parties, so long as it was the policy of the British Government to enforce strictly the terms and conditions of the guarantees and to protect the smaller states against any encroachment by their suzerains. The policy of the British Government was to maintain intact the rights and privileges of both the suzerain and the Feudatory States. No deviation from the guarantees thus given was allowed. But during the past few years there has been a change in the policy of the British Government towards the Princes, which has been very prejudicial to the rights and privileges of the Feudatories and their very existence as separate entities is being jeopardised. The Government have latterly enhanced the powers of the Princes, and also their prestige and position. The establishment of the Princes' Chamber has also increased their status. In short the Government have adopted a policy of trust and generosity towards the Princes, and they are allowed as large a measure of independence in their internal affairs as possible. Most of the States have been transferred from the control of Provincial Administrations to the direct control of the Government of India. But supervisory powers which the British Government used to exercise over the guaranteed feudatories are also being gradually relaxed, and the feudatories are being handed over to their suzerains. It is true that in transferring that control, Government have declared that the guarantees are not affected by the change; but such an assurance is of little avail against the grasping policy of the Durbars. The feudatories that were freed from the control of their suzerains by the original settlement have their powers enlarged—some of them have become even members of the Princes Chamber—but those that were continued under their suzerains have come in for a curtailment of their powers and the transfer of control is tantamount to a virtual cancellation of the guarantee, although it continues in form only. Once the direct control of the paramount power is withdrawn, the suzerain States feel that they can deal with their feudatories as they like. It appears to be the avowed intention of the suzerain States to reduce the guaranteed feudatories to the position of mere landlords. Naturally the feudatories resent this, but there is little hope of redress being obtained at the hands of the paramount power because of the policy of non-interference.

One would ask why there should be these disputes and quarrels and consequent ill feeling between the suzerain and the feudatory States. It would really be a happy day for both the Princes and their feudatories if all their disputes are amicably settled and they live in peace, harmony, and goodwill. But the real cause of the trouble is that there is always a conflict of interests between the Princes and their subordinate States. Again in some cases there are age-old family feuds and quarrels between the suzerain States and their subordinatates and they have unfortunately continued even up to the present moment.

In the interests of justice and fair play it is quite necessary that there should be some third party to act as arbitrator in the settlement of these disputes. Up to now the British Government acted as arbitrators by holding both the parties fast to their engagements. But now they are withdrawing from this position and handing over the feudatories to their suzerain States. Instead of improving their relations, this will tend only to aggravate the situation. A really satisfactory solution of this problem would be the establishment of a court of arbitration for adjudication of disputes between the suzerain States and their feudatories. Such a tribunal would inspire confidence in both the parties and its decisions would be more acceptable to both.

23rd December, 1932.

MUSLIM POSITION IN THE CENTRE.

(Memorandum submitted by the Muslim Delegation.)

I.—MUSLIM REPRESENTATION IN THE FEDERAL LEGISLATURE.

As has been urged over and over again in the Round Table Conference and elsewhere, the Muslim community claim a one-third share in the Federal Legislature, i.e., 33 seats out of every hundred in the Lower House, and 33 seats out of every hundred in the Upper House. The community insists that of their 33 seats out of one hundred in either House, 25 should be guaranteed to them out of the British Indian quota.

As between British India and the Indian States, British India is on the population basis entitled to 76 seats out of a House of 100. That is why the Muslims ask for 25 or a third of 76 seats out of the British Indian quota. Further, they ask that it should be so arranged that 8 Muslim seats out of a House of 100 are secured out of the Indian States' quota to represent Muslim interests in the Indian States.

For reasons that need not here be reiterated, the Muslim community are opposed to the grant of any weightage to the States. The population of British India (excluding Burma) is 256,782,052, of whom 66,435,604 or 25.8 per cent. are Muslims. The population of the Indian States (excluding Burma) is 79,098,008, of whom 10,657,102, or only 13.5 per cent. are Muslims. Hence any weightage granted to the States will be so much weightage for the Hindu majority and to that extent a handicap to the Muslim minority.

If on the insistence of the majority community less than 76 seats are allotted to British India and more than 24, in a House of 100, to the Indian States, then it is not the Muslims but the majority community that should make good the weightage given to a predominately Hindu block.

Mode of Election.

For the Lower Chamber we take it for granted that the Muslim representatives will be chosen by direct election through separate Muslim constituencies.

For the Upper Chamber also the Muslim community insists that their representatives from British India should be elected through separate constituencies, i.e., by the Muslim members of the various provincial Legislatures and by them alone. The Muslim community would strongly object

to any plan under which the whole of the British Indian quota for the Upper House would be elected by the provincial Legislatures voting as a body by the system of the single transferable vote. Apart from other reasons, the chief of which is the community's dislike of joint electorates in any form their objection rests on the ground that under the most favourable conditions, such a system would not secure for them a due share in the Upper House.

II.—RESIDUARY POWERS.

The Muslims attach the greatest importance to the vesting of residuary powers in the Provinces, both in regard to legislation and taxation, because they regard this as one of their necessary safeguards. That the residuary powers of taxation should vest in the Provinces is settled, but unfortunately there has been a conflict of views in regard to the legislative field.

The arguments in support of the Muslim position need not be here restated. Apart from the fact that the Muslims regard it as a safeguard, this is the only arrangement which would reduce to a minimum litigation regarding the validity of provincial statutes, and thus enable the constitution to work with the least possible friction.

III.—THE POSITION OF BALUCHISTAN.

Baluchistan comprises a very large area of immense strategic importance. The population is, no doubt, sparse, but it possesses the advantages of homogeneity and a common tribal system which is still able to carry on practically the entire local administration of the whole area.

Baluchistan is divided into the tract known as British Baluchistan, the tribal and agency areas and the territories of the two States, Kalat and Las Bela. It would be eminently desirable to weld the whole of this area into one Federal unit for the purpose of being included within the proposed All-India Federation.

The question of introducing a provincial autonomous form of government in Baluchistan is simplified by the very large amount of autonomy at present enjoyed by this tract through what is known as the Jirga system. This system could easily be adapted so as to form the basis of the future legislative as well as administrative system of the Province.

It is not desired, and indeed it is not necessary, that the formation of Baluchistan into a Federal Unit should result in the introduction of an expensive form of administration. A simple form of administration, suited to the nomadic and tribal character of the population of this area, should amply meet the requirements of the people, and no difficult questions of financial adjustment need arise.

So far as the Federal Legislature is concerned, the share of Baluchistan as a whole should be taken proportionately out of the British Indian and Indian States' quotas, the share of British Baluchistan being taken from the British Indian and that of Kalat, Las Bela and other non-British areas from the Indian States. The existing Shahi Jirga may be enlarged and utilised both as the legislative organ of Baluchistan as a unit, and as the electorate for choosing its representatives to the Upper and Lower Federal Houses.

It may be pointed out that the exclusion of Baluchistan from the future scheme of an all-India Federation, would be both anomalous and a source of embarrassment from many points of view. Having regard to the importance of Baluchistan as a Frontier Province, it would be of the greatest advantage from the political, as well as the military, points of view to work Baluchistan into the fabric of the future Federation.

27th December, 1932.

CREATION OF A FEDERAL COUNCIL.

(Memorandum by Dr. Shafa'at Ahmad Khan.)

There was considerable agreement in regard to the provision in the constitution of a council of representatives of the units and of the Federal Government. Such a council has in fact been suggested in paragraph 11 of the Report of the Federal Finance Committee. It should, by a "prudent Governor-General" be kept in close contact with all matters in which the autonomous Provinces within their independent spheres are concerned. Further, it is essential that such a council should, whenever possible, be also consulted by the Governor-General in regard to treaties, particularly those which impinge on the powers of the Provinces and States. A treaty, for example, which would affect the power of the Provinces to levy octroi within their own boundaries should not be concluded without consultation with such a council. It must be remembered that a treaty concluded by the Governor-General, being an act of the reserved department, would have the binding force of law. Such a council would also be useful in harmonising the administrative relations between the Federal Government and the units (see Report on Head B (b), end of paragraph 3).

27th December, 1932.

FUNDAMENTAL RIGHTS.

(Memorandum submitted by K. B. Hafiz Hidayat Husain and Dr. Shafa'at Ahmad Khan.)

We believe it to be essential to the stability of the Indian Constitution that fundamental rights should be embodied in the Constitution for the protection of the religion, culture, and personal laws of the minorities of India. These rights should be deemed fundamental in the sense that any bill, resolution, or motion passed by legislature, or any statutory self-governing body, such as a municipal or district board, that is repugnant to these rights should be void to the extent of such repugnancy.

We need not enumerate these rights, as they were discussed by the Conference on Saturday the 17th, and Monday the 19th December, 1932. While we hold that some of them should be drafted very carefully, we are convinced that most of them are necessary and should be embodied in the Constitution.

We should like to add one or two other rights which we deem to be necessary, but which were not duly stressed at the meeting, though they were specifically mentioned.

1. We are strongly of the opinion that provision should be made whereby the personal law of the Muslim Community should be guaranteed. No legislature in India should have the power to modify, amend or in any way change the Muslim law of Sharait (Shariat-i-Islamia).

We are strongly of the opinion that the Muslim Community should be assured in the new Constitution that nothing will be done by any legislative body in India which will have the effect of modifying in any way the personal law of the Muslim Community.

2. The Muslims of the United Provinces enjoy separate electorates on the municipal boards by an Act of the United Provinces Legislature, passed in 1916, and by the United Provinces District Board Act of 1922. Muslims of other provinces, such as Bombay, etc., also enjoy separate electorates on some local bodies, in accordance with various statutes passed by various provinces in India from time to time. We urge that these rights hitherto enjoyed by the Muslims should be guaranteed to them, and no change should be made therein without the consent of three-fourths of the Muslim members of the provincial legislatures.

3. We have both of us, speaking at the meeting, already stressed the necessity of a definite and unambiguous provision in the Constitution for the representation of the Muslim Community in the public services. By public services we mean not merely the services maintained by the Central and provincial Governments, but also the services maintained by statutory self-governing bodies, such as Universities and Boards of Intermediate Education, which are maintained almost entirely by grants from the provincial and Central Governments. We are of the opinion that parts 1 and 2 of paragraph 5 of the Report of the Services Sub-Committee of the Round Table Conference should be incorporated in the Constitution Act. The Muslim Community attaches the greatest possible importance to this safeguard, as it feels that upon its due execution depends, to a very large extent, the success or failure of the organisms which the Constitution will create in the provinces of British India. We think that the percentage in various departments will have to be fixed by the Governor in accordance with paragraph 5 (2) of the Report of the Services Sub-Committee.

We are of the opinion that the recommendation contained in paragraph 5 (c) of the Report of the Provincial Constitution Sub-Committee, regarding the representation of important minority interests in the provincial Cabinet, and paragraph 12 of the Report of the Minorities Sub-Committee of the Round Table Conference should be embodied in the Instrument of Instructions to the Governor-General.

We think that the Constitution Act should embody safeguards regarding the representation of minorities in the public services as well as some of the fundamental rights enumerated above, while the Instruments of Instructions to the Governors and Governor-General should contain the rest. We are of the opinion that in the latter case, the procedure outlined by the Secretary of State in his speech to the Conference on December 24th for giving statutory force and effect to the provision dealing with the joint meeting of Federal Ministers and the Governor-General's Army Adviser should be applied in the case of such fundamental rights as are not incorporated in the Constitution Act. Our object is to make such provisions in the Instruments of Instructions effective by making them a statutory basis. We are of the opinion that after such rights have been embodied either in the Constitution Act or in the Instruments of Instructions, they should all be restated in the Royal Proclamation to be issued on the inauguration of the new Constitution.

27th December, 1932.

MEMORANDUM BY EIGHT DELEGATES REGARDING DISCRIMINATORY LEGISLATION.

1. We, the undersigned, are definitely of the opinion that the Constitution should contain a clause absolutely prohibiting discriminatory legislation, or the imposing of disabilities on any section of His Majesty's Indian subjects, on the basis of a person's birth, religion, race, caste or colour. The Prime Minister, in his speech at the final session of the Round Table Conference, 1931, made the following observations:—

“In framing the Constitution His Majesty's Government considers that it will be its duty to insert provisions guaranteeing to the various minorities, in addition to political representation, that differences of religion, caste, race or sect shall not themselves constitute civic disabilities.”

2. We therefore recommend that there should be some such clause incorporated in the Constitution as follows:—

“No native of British India, nor any of His Majesty's subjects resident therein shall, by reason of his religion, place of birth, descent, colour, or caste, or of any of them, be disabled from, or prejudiced in adopting any profession, trade or calling, or engaging in any industry, or acquiring or transferring right, title or interest in any property.”

3. The spirit of the recommendations of the Consultative Committee, embodied in A, B and K of the Fundamental Rights, should be expressed in precise language. We are definitely of the opinion that there should be no civic disabilities imposed on any of His Majesty's subjects in British India in acquiring or transferring right, title or interest in any property, on a basis of a person's religion, caste or colour.

The existence of the Punjab Land Alienation Act should not stand in the way of this very healthy provision, which is absolutely essential for the protection of minorities, whether of religion, race or caste.

We are firmly of the opinion that privileges based on the accident of birth, caste or religion should be abolished. The laws should be so framed that no one should suffer on account of one's religion, caste, race or colour.

(Sd.) B. R. AMBEDKAR.
M. R. JAYAKAR.
COWASJI JEHANGIR.
N. M. JOSHI.
N. C. KELKAR.
NANAK CHAND PANDIT.
TEJ BAHADUR SAPRU.
N. N. SIRCAR.

23rd December, 1932.

MEMORANDUM REGARDING THE PROPOSED CONSTITUTION.

(By Sir Tej Bahadur Sapru and Mr. M. R. Jayakar.)

1. On the eve of our departure we desire to submit a Memorandum on some of the features of the proposed constitution for India which has formed the subject of discussion at the Third Round Table Conference and the previous Conferences, and request that this Memorandum may be published along with the proceedings of the Conference. Having regard to the shortness of the time at our disposal it is obviously impossible for us to submit a detailed statement of our views and therefore we shall content ourselves by confining our remarks only to some of the leading features of the contemplated constitution.

2. At the outset we desire to emphasise the need for a speedy establishment of the Federation with responsibility at the Centre. It is our conviction that mere provincial autonomy by itself will not be acceptable to the vast majority of the political classes in India, even though a single Bill may provide for a Constitution at the Centre coming into operation at some future date upon the fulfilment of certain conditions. We are glad to note that this point of view has been appreciated by the Secretary of State, but we feel that it is necessary to fix a date on which the Constitution at the Centre should begin to function. Upon the assumption that the India Bill may be passed by Parliament towards the end of July, 1933, we think that the Constitution in the Provinces can begin to function early in 1934. In this connection we would emphasise that there should be no delay in the preparation of the electoral registers and the delimitation of constituencies. The Lothian Committee's Report and the discussion on it at the Round Table Conference could easily though tentatively form the basis of preliminary work to be done in that behalf, subject no doubt to the final sanction of Parliament. It would, in our opinion, be most unfortunate if the working of the Constitution was held up after the passing of the Bill, merely because the registers were not ready by that time or their preparation involved delay.

3. We think that the Federation should then be set up and begin to work some time in 1935, if not sooner. We would point out that in the Dominions of Canada, Australia and South Africa the Constitution was inaugurated by a Royal Proclamation, and the Acts of Parliament in the

case of each one of these Dominions fixed a definite date for the inauguration of the Constitution, and we think that the same practice should be followed in the case of India. In order to meet possible contingencies power may be taken to extend that date by a few months, if valid reasons exist.

4. Two difficulties have been urged against our view regarding the fixing of a date. They are:—

(1) The uncertainty about the readiness or preparedness of the Princes to join the Federation;

(2) The uncertainty about the date on which the Reserve Bank can be established.

We shall now deal with both these difficulties.

5. As regards (1), we think that His Majesty's Government should invite the Princes to notify by a certain date in February or March, 1933, their willingness to join the Federation. We think that by that time the White Paper should enable everyone to see the complete picture and it would, in our opinion, not be fair to British India on the part of the States to postpone the definite announcement of their intention until a later stage, though no doubt everyone concerned will have the fullest right to revise his opinion of the draft Constitution after it emerges from the hands of the Joint Parliamentary Committee. If this is done, it should make easier the task of fixing by the Statute a date for the inauguration of the Federation in 1935, by which time the Treaties of Accession could be prepared and executed.

6. We think that the Federation can work effectively without insisting that half the Indian States, representing about half the population of Indian India, should join the Federation at the start. We see no reason why the entry into the Federation should be blocked, if once some of the bigger States should be ready to join the Federation. In such a case the Statute should provide for the coming in of the other States later on. If no State should be ready to join the Federation, it would give rise to a new situation and we would in that case assume that British India should be endowed with Central responsibility, and the necessary readjustments in the Constitution should take place.

7. As regards (2), viz., the Reserve Bank, we would point out that neither at the first nor at the Second Round Table Conference did the Government treat the prior establishment of the Reserve Bank as a condition precedent for the inauguration of the Federation. This condition is new and we are therefore anxious that our position should not be misunderstood. We are not satisfied that it is impossible to establish a Federation without first establishing a Reserve Bank, and we think that interim provisions should be made to cover the period of time which may be required for the establishment of the Bank. Such provisions were contemplated in paragraph 187 of the Federal Structure Committee's Report in 1930-31. As regards the date of the establishment of the Bank, we note with satisfaction the assurances given by the Secretary of State that he will take steps at a very early date to introduce legislation in the Indian Legislature and to take all other necessary steps to bring the Bank into existence. We would, however, draw attention to the four conditions in the report on Financial Safeguards presented on the night of the 23rd December last. We apprehend that the fulfilment of those conditions may involve greater delay than we can at present imagine, and indeed one of our colleagues, Sir Purshotamdas Thakurdas, has expressed the opinion that we may have to wait for the Bank for a much longer period of time than we can foresee. It is true that the Secretary of State and his expert advisers do not take such a gloomy view of the prospects of the establishment of the Bank. Indeed they seemed to us to take a hopeful view of the possibility of the Bank coming into existence at a much earlier date than Sir Purshotamdas's opinion would seem to indicate, but even they were cautious enough not to exclude the

reactions of the world forces on India's financial capacity—a caution which we ourselves are not prepared to ignore. It would then seem that the position is one of uncertainty and is causing us much anxiety. We would therefore suggest that Government should in that case revert to the interim provisions which the Conference originally contemplated. We are anxious that the impossibility of establishing the Reserve Bank within the next two years should not be allowed to block the way of the Federation and Central Responsibility. We understand the position of the Secretary of State to be that, if such a situation should arise, he would consult Indian opinion again and then consider fresh proposals, and that it is not the intention of Government in any circumstances to give effect to the Constitution by introducing provincial autonomy alone. While we appreciate the attitude of the Secretary of State in regard to this matter, we cannot help feeling that the position created by the imposition of this new condition is unsatisfactory in the highest degree and is causing us grave concern.

8. As regards the constitution of the Reserve Bank, we would draw attention to the Memorandum submitted by Sir Purshotamdas Thakurdas with which we are generally in agreement, and therefore refrain from reproducing the suggestions he has made. We would, however, urge that the Bank should be based on sound financial foundations and should be free from any political influences in England or India, that its Governor and Deputy-Governor should be selected by the Governor-General in consultation with his Ministers out of a panel of names to be submitted by its Directors, and that at least seventy-five per cent. of its capital should be raised in India.

9. As we are dealing with the Reserve Bank, we may conveniently at this stage deal with other financial safeguards.

Financial Safeguards.

10. We think there should be real financial responsibility placed on the Finance Minister of the future. We cannot but feel that the nervousness which has been displayed as regards the capacity of Indians to manage their finances and the general attitude of the Legislature is not justified. It is our deliberate opinion that the establishment of responsibility at the Centre will have a most salutary effect on the attitude of the Legislature. We would like to point out that if the Army Budget, the salaries, emoluments and pensions of the Services are to be guaranteed by the Statute, and that if the Governor-General is to possess the power to indent upon the Treasury for implementing his special responsibilities, the danger in regard to such matters becomes non-existent.

11. As regards the service of the Debt, we think that the British investor like every other creditor is entitled to claim that his security should not be impaired, and for that purpose we do recognise that it might be necessary during the period of transition to arm the Governor-General with special power, enabling him to intervene, when and only when the security of the British, or for that matter, of the Indian investor is impaired or sought to be impaired by any action of the Finance Minister. We cannot subscribe to the view which is held in certain quarters that it is necessary to give the Governor-General a general power of intervening for the protection of India's credit and financial stability. We think that such a general power couched in such elastic language may be a fruitful source of friction between the Federal Legislature and the Federal Government on one side, and the Governor-General on the other, and may conceivably, in certain circumstances, destroy the financial responsibility of the Minister. We therefore do not agree that this general power should be given to the Governor-General. We strongly urge that the Government should reserve their decision on this point. Further we think that after the establishment of the Reserve Bank there is no need to require the previous assent

of the Governor-General to the introduction of any legislation relating to currency or exchange. The day to day administration of currency and exchange will presumably be left in the hands of the Reserve Bank and we think that it is hardly likely that any Finance Minister will lightly deal with questions of exchange in the teeth of expert advice which in actual practice he will receive from the Governor of the Reserve Bank or the Financial Adviser if one is to be appointed, or both.

12. As regards the Financial Adviser, we are unable to form an opinion whether on financial grounds it is necessary to appoint such an adviser. That must be a question for Financial experts, but we realise that the Constitution places such heavy special responsibilities on the Governor-General that he may require the advice of an independent expert adviser on the discharge of those responsibilities. But we are of opinion that such advice should in the nature of the circumstances be strictly limited to matters which are within the province of the special responsibilities of the Viceroy, and should not be extended so as to amount to a general power of control over the Finance Member. In other words we would strongly urge that every precaution should be taken that the general responsibility of the Finance Member and the Legislature for the administration of the finances of the country should be in no way interfered with or weakened. We are further of opinion that if at all a Financial Adviser has to be appointed for the limited purposes indicated above, the appointment should be made by the Governor-General in consultation with his Ministers, and the Adviser should in no way be connected with any financial or political interests in England or in India. We would further add that the appointment should be provisional, to endure only so long as a clear necessity for the retention of that office is felt and that the advice of the Adviser should be fully available both to the Governor-General and the Federal Government.

Commercial Safeguards.

13. We next come to the question of Commercial discrimination. While we agree to the general principle that discrimination in legislation on purely racial grounds should be avoided, we are not sure that the principles accepted in the report of the Committee which considered that question do not go too far. To take only a few instances, we are clear in our minds that for the future development of Indian industries, many of which are lying fallow or are struggling in an impoverished condition, it is absolutely necessary to leave in the hands of the Central and Provincial Governments enough power to initiate, subsidise, and protect industries which can be briefly described as key or infant industries, even if such initiation, subsidy or protection should occasionally look like discrimination. We are equally strong in our view that ample power ought to be left in the hands of the Government, both at the Centre and in the Provinces, to control the evil effects of unfair competition, such as sometimes has been practised in the past by powerful organisations against their weaker rivals.

Defence.

14. We next come to the question of Defence. We think that the success of the proposed Constitution will be judged in India very largely by the policy which His Majesty's Government will adopt towards Defence. We are of the opinion that the Statute or the Instrument of Instructions, if the latter is to have a statutory basis, as we think it should have, should recognise the principle laid down in the Report of the Thomas Committee that the Defence of India should be to an increasing degree the concern of India, and not of Great Britain alone. We also urge that consistently with this principle and in order to implement the same, a duty should be cast on the Governor-General to take every step to Indianise the Army within the shortest possible period compatibly with the safety of the country

and the efficiency of the Army. This would, in our opinion, necessitate the preparation of a programme more or less on the lines of the Rawlinson and other Committees' Reports, to which attention was drawn during the deliberations of the Thomas Committee on Defence. A definite time should be kept in view for this purpose, the duration of which should be adjusted according to the experience gained.

15. While during the period of transition, which we do not envisage to be a long one, the Governor-General will have the control of the Army and the Army Budget may not be put to the vote of the Legislature, we strongly urge the adoption of the following proposals:—

(a) The Army Member, though appointed by the Governor-General, and responsible to him, should be selected from among the members of the Legislature representing British India and the Indian States. We think that this cannot be regarded as an undue restriction of the discretion of the Governor-General, as the Indian Legislature will consist of at least 500 representatives, if not more, and it should not be difficult for the Governor-General to find a suitable person out of so large a number. Such a member will carry great weight and influence in the Legislature and will act as a bridge between the Governor-General and the Legislature, and will, in our opinion, be able to enlist the interest of the Legislature in the Army much more effectively than an outsider. Besides it will enable members of the Legislature to acquire knowledge and experience, so that when the period of transition ends and Defence has to be transferred to Indian control, the shoulders that will bear the burden may be found prepared to take it up.

(b) It is not enough, in our opinion, that there will be consultation between the Finance Department and those responsible for Defence. We therefore urge that provision should be made in the Statute or the Instrument of Instructions, placed on a statutory basis as suggested above, for the appointment of a Committee consisting of (1) Army Member and such other representatives of the Army Department as the Governor-General may appoint, (2) The Prime Minister, the Finance Minister, and such other members of the Federal Government as the Prime Minister may appoint, to discuss and arrive at an annual settlement of the Army Budget. We are agreed that failing such settlement the Governor-General should have power to arrive at a final decision as regards the budget.

(c) The Army estimates should, in our opinion, be put in separate blocks before the Legislature annually, and this should be independently of the consent of the Governor-General.

(d) The Indian Army should not be sent out of the limits of India without the consent of the Legislature for any purposes not directly connected with the defence of India.

(e) The Army should be thrown open to all of His Majesty's subjects, irrespective of class, creed or community.

(f) We strongly urge that a Committee should be appointed consisting of British and Indian experts for further exploring all avenues for the reduction of military expenditure to a level as near as possible to that existing before the War. We are strongly of the opinion that there is room for further economy in Army Expenditure. While we recognise that the expenditure on the Army is in the nature of an insurance for the safety of the country, we think it must be limited by the taxable capacity of the people and the needs and requirements of the moral and material progress of the people of the country.

(g) We urge also that the expansion, upkeep and maintenance of military schools and colleges should be committed to the charge of the Legislature.

(h) We trust the decision of His Majesty's Government on the question of ~~the reduction of British Troops in India~~, which on financial grounds cannot be postponed much longer, will soon be announced.

Governor-General's and Governors' Powers.

16. We next come to the Governor-General and the Governors' reserve and special powers. We would here strongly urge that these powers should be so precisely defined as not to conflict with or override the powers of the popular Ministers in regard to matters which will be exclusively within their competence, and that the Governor-General and the Governors shall in respect thereof always act on the advice of the Ministers. We would further urge that even in the field of their special powers and responsibilities, they would consult their Ministers though they would not be bound by their advice.

17. The power of making ordinances should be strictly limited to cases of grave emergency affecting the peace and tranquillity of the entire country or large areas thereof. We do not think this power should be extended to Provincial Governors, as in our opinion they can always in case of emergency easily apply to the Governor-General for aid. We think that there are strongly cogent reasons for not duplicating this power, and that the Governor-General's position of detachment from local feelings of panic is calculated to secure a more prudent and temperate exercise of this power than would otherwise be the case.

Fundamental Rights.

18. We think that in the circumstances of India, there is need for a declaration of fundamental rights and that such a step will tend to allay the apprehensions of minorities and special interests. Such fundamental rights as cannot be fitted in with the Act of Constitution may easily find a place in a Royal Proclamation.

High Courts and Supreme and Federal Courts.

19. We are strongly of the opinion that the High Courts in India should have direct relations with the Central Government. The Judges should be appointed in future by the Governor-General representing the Crown. Their term of office should be during good behaviour as in England and their salaries should be fixed by Statute. There should be no reservation for seats on the Bench as against any class of qualified persons.

20. We are of the opinion that the Statute should provide for the constitutional powers and functions of a Federal Court and Supreme Court, the latter as a final Court of Appeal for British India. It is not our intention to abolish the right of Appeal to the Privy Council, but only to limit it. We are of opinion that a separate Federal Court by itself will not command the necessary weight and prestige in the country. We refrain from going into further details as we understand that legal experts in England are examining this question. We trust that before a final decision is arrived at on this matter we shall be consulted. We therefore content ourselves with reiterating our demand for the early establishment of this Court. We are strongly of the view that the Federation of India will not be complete without the establishment of such a Court.

The Secretary of State and the India Council.

21. We regret that the question of the future powers of the Secretary of State and the continuance or discontinuance of the India Council was not taken up within the short time at our disposal, though some members were anxious to do so. Our opinion is that there will be no need under the new Constitution for the India Council and that the powers of the

Secretary of State being strictly limited to matters within the reserved Department and the special responsibilities of the Governor-General, should be transferred to the Dominions Office.

22. Lastly we are of the opinion that at the further stage of consultations every attempt should be made to secure the representation of all important political parties in India so that any settlement arrived at may have the support of every progressive section of Indian public opinion.

27th December, 1932.

FEDERAL COURT.

(Memorandum by Sir Maurice Gwyer and Sir Claud Schuster included by permission of the Conference.)

It is believed that there is a greater measure of agreement on this subject among all parties than the discussion at the Round Table Conference on December 13th appeared to indicate; and this Memorandum (which is wholly unofficial) is an attempt by the undersigned, who have been closely concerned with the matter ever since the first Round Table Conference, to set out the probable extent of that agreement, and to suggest possible compromises on those points on which there is still a divergence of view.

1. The necessity for a Federal Court being accepted, the Constitution Act will in any event have to make provision for the following matters: (1) the number of the Judges, (2) their qualifications, (3) the manner of their appointment, (4) their salaries, (5) their tenure of office and the manner in which they may be removed from office, (6) the jurisdiction of the Court, both original and appellate, and the appellate jurisdiction of the Privy Council in relation to it, (7) the rule making power, (8) the Staff of the Court and (9) the place where the Court should sit. These matters are dealt with seriatim in the following paragraphs.

2. The Federal Judges should be appointed by the Crown, in order that the divorce between the Court and politics may be complete. The number might in the first instance, be fixed at not less than five nor more than (say) nine, one of whom would be styled the President or Chief Justice; alternatively, the number might be fixed at five, and power given to the Crown to increase the number from time to time up to a maximum of (say) nine, on receiving an address from the Legislature praying for such an increase.

3. The following should be qualified for appointment to the Court:— Barristers, advocates or pleaders of at least 15 years standing, and judges of any High Court in British India or in any federating State, who at the time of their appointment were barristers, advocates or pleaders of at least 10 years standing.

4. The salaries of the Judges should be fixed by the Act itself, and (whatever figure is ultimately decided) should be not less than the highest salary at present enjoyed by the Chief Justices of any High Court, with a rather larger figure in the case of the Federal Chief Justice or President.

5. Federal Judges should retire on reaching an age to be specified in the Act (e.g., 65) and should hold office during good behaviour and should only be removable by the Crown. Their salaries, as in England, should be non-votable, and they would receive a pension (varying possibly with their length of service) on retirement on reaching the age limit or by reason of illness. They should receive the same protection in respect of all acts done in their judicial capacity as Judges of any High Court, and their conduct on the Bench should not be the subject of discussion in any circumstances by the Legislature. The question of their precedence and other like matters would of course be wholly within the discretion of the Crown.

6. The jurisdiction of the Federal Court should be twofold, original and appellate. It should have an exclusive original jurisdiction in all justiciable disputes in the federal sphere between the Federation and any Federal unit, and between the Federal units themselves, e.g., State and State, Province and Province, Province and State. On its appellate side its primary function will be to act as guardian of the Constitution and it should therefore have an exclusive appellate jurisdiction to hear appeals from all British-Indian and State High Courts in any matter involving the interpretation of the Constitution. In such matters there would be an appeal as of right to the Federal Court subject to due safeguards against frivolous and vexatious appeals. Provision should be made for staying proceedings in lower Courts in order that a constitutional issue arising in a case may be separately determined, possibly by means of the machinery of a Case Stated: and it is understood that the States generally would prefer all appeals from their own High Courts to be by way of Case Stated, though in that event it would be necessary to give the Federal Court power to require a Case to be stated in appropriate circumstances.

7. The Federal Court should have jurisdiction to give advisory opinions on any justiciable matter involving a constitutional issue which may be referred to them by the Governor-General (but not in any other circumstances), as the Privy Council are empowered to do by Section 4 of the Judicial Committee Act, 1833, on references to them by the Crown.

8. An appeal should lie from the Federal Court to the Privy Council by leave of the Court or of the Privy Council itself in any matter involving the interpretation of the Constitution.

9. The Federal Court (or alternatively the President or Chief Justice) should have a wide power of making rules to regulate the procedure of the Court, subject to the approval or concurrence of the Governor-General. The Court should be empowered, if a rule is made to that effect, to sit in two or more divisions for the purpose of expediting business. No appeal should however be heard by less than three judges; and though a single judge should have power to sit in the exercise of the Court's original jurisdiction, provision should be made for an appeal from the decision of such a single judge to the Court sitting in banc.* The rule-making power should include the power of specifying fees which may be charged to suitors, subject in this case also to the approval or concurrence of the Governor-General, who would presumably consult his financial advisers before approving or concurring.

10. The staff of the Court should be appointed by the President or Chief Justice after consultation with the Public Service Commission, but subject to the approval of the Governor-General as regards number and salaries. In this case also the Governor-General would presumably consult his financial advisers, though the ultimate responsibility would be his alone, in order that there may be no risk of political pressure being brought to bear upon the Court. Provision should be made whereby receipts from Court fees are appropriated in aid of the Federal Court Vote, though it seems unlikely that for some time to come receipts from fees would cover the total amount of the Vote.

11. The principal seat of the Court should be at Delhi, but it is worth considering whether, subject to the approval of the Governor-General, other places might not from time to time be fixed for that purpose. Possibly the Court might even have regular sessions in North and South India respectively.

* If it is thought that the original jurisdiction of the Federal Court should not be exercised by less than (say) three judges, then an appeal should lie directly to the Privy Council.

12. It is not believed that there will be much difference of opinion with regard to the preceding paragraphs, which deal with the Federal Court in its strictly federal aspect, i.e., as the interpreter of the Constitution and as the forum for the decision of disputes between the Federation and its constituent units *inter se*. Other questions however arise on which opinions still differ. These are briefly as follows:—(1) Whether the Federal Court as such should have a wider jurisdiction than that already described; (2) whether there should also be a Supreme Court of Appeal from the British-Indian High Courts on matters outside that jurisdiction; (3) whether, if so, such a Supreme Court should be a separate Court or should be the Federal Court sitting in another capacity, or a separate division of the Federal Court.

13. It is understood that the States would be prepared to give the Federal Court jurisdiction to hear appeals from a State High Court in civil matters involving the interpretation of any Federal law which extends to that State, since (as they contend) in no other way can uniformity throughout the Federation of Federal laws be secured. This would imply an appellate jurisdiction at least as extensive from the British-Indian High Courts; but the question of defining a "Federal law" for this purpose in the case of British India is one of some difficulty. Thus, is the appellate jurisdiction of the Federal Court to be in respect only of the interpretation of Federal laws which extend both to British India and to the States? But some States may have excepted from their Instruments of Accession matters in respect of which other States have acceded, and Federal laws relating to those matters will accordingly extend to the latter States but not to the former. What in such a case is to be the criterion for deciding whether the Federal Court has jurisdiction in an appeal from a British-Indian High Court on a question involving the interpretation of that law, i.e., is the law to be regarded as a "Federal law" for the purpose of an appeal? It would seem quite illogical that the Court's jurisdiction should depend upon accidental circumstances such as those indicated above, and in view of all the facts it is suggested that the more reasonable plan would be that the Federal Court should have jurisdiction to hear appeals in *civil* cases from the High Courts of British India or the States involving the interpretation of any Federal law which extends either to British India or to the States, or to both, as the case may be. This need not imply a great flood of appeals; for it is thought that no appeal in these matters should lie as of right (unless perhaps the value of the subject-matter of the case exceeded a specified amount), but that either a certificate from the Court appealed from should be required to the effect that a point of law of general importance was raised by the appeal, or that the Federal Court itself should give leave to appeal.

14. The establishment of a Supreme Court for British India alone, having an appellate jurisdiction in matters *outside* the jurisdiction of the Federal Court, appears to be eminently a matter for the future Federal Legislature to settle, though the Constitution Act should lay down the general lines which any future enactment of the Federal Legislature for the purpose should follow. To establish a Supreme Court by the Constitution Act itself would impose upon the future Federal budget an additional expense which it might reasonably desire to postpone until the financial situation becomes clearer, and it would seem difficult to justify a denial of the right of the Federal Legislature to settle so important a matter of policy for itself.

15. The question whether it was possible to combine in one tribunal the functions of a Federal Court and of a Supreme Court for British India was much canvassed at the present and previous Conferences. Such a combination was objected to by the States, mainly on the ground (1) that the essential function of the Federal Court is to be the guardian of the Constitution and of Federal laws, and that its efficiency for this purpose would be impaired by its assumption of other responsibilities, (2) that to confer

upon it the jurisdiction of a Supreme Court also would involve the appointment of so many additional judges that the quality of the judges would suffer, the supply of judicial talent of the highest quality being always limited, and (3) that the Federal side of the Court would tend to be overshadowed by the Supreme Court side. These objections are, it is believed, based to a great extent upon the assumption that the tribunal would, in its Supreme Court capacity, have a wide appellate jurisdiction in criminal matters, in which case no doubt a large number of judges might in certain events be necessary to deal with the appeals which came before the Court. If on the other hand the jurisdiction of the Court were confined to questions of law arising in civil matters and appeals could only be brought before it as of right where the value of the subject-matter of the suit exceeded a specified (and really substantial) amount, there seems no ground for supposing that the business of the Court might not be adequately despatched by a comparatively small bench, little, if any, larger than that required for its strictly federal work. Thus it would not require a large number of judges to deal with as many cases as at the present time come on appeal to London from the British Indian High Courts; and it seems probable that three or four additional judges would be capable of dealing with that amount of business and indeed with a substantially greater amount.

16. There is however this further consideration to be borne in mind. If the jurisdiction of the Federal Court is extended to the interpretation in civil cases of any Federal law, as has been suggested above, then the jurisdiction of a Supreme Court would necessarily be limited (a) to appeals from High Courts in matters outside the competence of the Federal Court as such, and (b) criminal appeals. With regard to (a), this jurisdiction need not be very extensive, if limitations on the right of appeal are imposed, such as are suggested above. With regard to (b), criminal appeals stand on a different footing altogether and give rise to peculiar problems of their own. It may be that the solution of this question is to be found in the establishment later on of an independent Court of Criminal Appeal for British India; the problem is one which it is suggested should be separately examined on its merits and should not be allowed to complicate the question of the establishment of a Supreme Court.

17. If however the Constitution Act makes provision for the establishment at a future date of a Supreme Court with a limited civil jurisdiction such as is indicated above, it is submitted that the establishment of two independent Courts, each with its own body of judges and its own staff and organisation, would be unfortunate. It would certainly cause additional expense, and might tend to create undesirable rivalries. If on the other hand the Federal Court were divided into two permanent divisions styled perhaps the First and Second Chambers respectively, in such a way as to mark as clearly as possible the difference between the above two sets of functions and responsibilities, it is thought that the objections voiced by the States could be met. It was against the confusion or blurring of the two functions of such a Court that the representatives of the States protested; but it is submitted that a scheme on the lines suggested might reasonably be accepted by them as a compromise between the two views—it being understood that there would be only one Court and that the Federal Court.

18. It appeared from observations made by many members of the Conference that the time is ripe for a thorough examination of the present system of appeals to the Privy Council from British India. Attention was drawn to the inordinate delays involved in these appeals, to the need for restricting them to cases of greater importance, and to the difficulties which arise in those cases where an appeal lies on questions of fact. The new Constitution appears to provide a suitable opportunity for an investigation of these matters with a view to placing the right of appeal on a more

satisfactory basis; and clearly in cases where under the Constitution Act a right of appeal is given to the Federal Court or to the Supreme Court, no appeal should be allowed to the Privy Council directly from any High Court.

19. One other matter was touched upon at the Conference, on which, though it is not strictly relevant to the questions which arise in connection with a Federal Court, it seems desirable to add a few words. A decided opinion was expressed that the administrative control of the Provincial High Courts in British India should under the new Constitution be vested in the Federal Government and not in the Provincial Governments, a course strongly recommended by the Statutory Commission (see paragraphs 341-349 of Vol. II of their Report).

The necessity of securing the High Courts from even the suspicion of political pressure does not require to be emphasised, and legal opinion in India seems to be practically unanimous in holding that this object can best be attained by Central rather than Provincial control. Central control however must imply Central responsibility for High Court finance, as the Statutory Commission pointed out. It is believed however that, subject to certain readjustments, the receipts from judicial stamps would go far towards covering the expenses of the Courts, so that a charge would not necessarily be incurred by Central revenues; but it follows as a corollary that a deficit, if one should arise, would have to be met out of those revenues and not made good by the Province concerned. If however, as the Statutory Commission recommended, the proceeds of judicial stamps arising in connection with Courts of subordinate jurisdiction are to be retained by the Provinces, the likelihood of a deficit in the case of some Provinces would obviously be increased; but this involves financial considerations which are outside the scope of this Memorandum. Nevertheless, it is submitted that the balance of argument and the interests of the High Courts themselves are altogether on the side of Central rather than Provincial control; nor, it should be added, ought Central control in this matter to be regarded as in any way infringing the principle of Provincial autonomy. It is also a question for consideration whether, for the purpose of securing still further the independence of the High Courts, provincial legislation affecting their jurisdiction should not require the prior sanction of the Governor of the Province.

(Sgd.) MAURICE GWYER.
CLAUD SCHUSTER.

23rd December, 1932.

On by far the greater part of the matters discussed in this Memorandum I am in complete agreement with Sir Maurice Gwyer, and I have, therefore, signed the Memorandum with him. But I feel compelled to add on my own behalf that:—

(1) While I think it easy to establish a distinction between matters involving the interpretation of the Constitution and constitutional issues generally, on the one hand, and other civil litigation, on the other, I do not believe that the dichotomy suggested in paragraph 13 is possible, and I think that if any attempt were made so to define the jurisdiction of the Federal Court very grave conflicts of jurisdiction would arise between it and the Provincial High Courts, or, if a Supreme Court were established, the Supreme Court.

(2) I think that the establishment of a Supreme Court is a matter for which the Constitution ought to make provision, though I agree that reasons of expediency, and particularly the objections which seem to be entertained by some of the States and the financial exigencies, may render it desirable that the date of its establishment should be left to the determination of the Federal legislature.

(Sgd.) CLAUD SCHUSTER.

23rd December, 1932.



PROPOSALS FOR INDIAN CONSTITUTIONAL REFORM

*Presented to Parliament by Command of His Majesty
March 1933*

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TABLE OF CONTENTS

	Pages
INTRODUCTION	5-37
<i>The White Paper of December 1931</i>	5
<i>The form and purpose of the present Document</i>	5
The Federation of India	6-22
<i>The processes involved in its formation</i>	6
<i>The Date and Conditions for the Inauguration of Federation</i>	8
<i>The Federal Executive</i>	9
<i>The Federal Legislature</i>	10
<i>The Franchise for the Federal Legislature</i>	11
<i>Governor-General's relations with his Ministers</i>	12
<i>Governor-General's relations with the Legislature</i>	18
The Governors' Provinces	23-28
<i>The Executive</i>	23
<i>Governors' Special Powers and Responsibilities...</i>	23
<i>The Provincial Legislature</i>	24
<i>The Provincial Franchise</i>	25
Relations between the Federation and the Units	26-32
<i>Powers of Federal and Provincial Legislatures</i>	26
<i>Allocation of Revenues between the Federation and the Units</i>	28
The Judicature	32-33
<i>The Federal Court</i>	32
<i>The Supreme Court</i>	33
The Secretary of State's Advisers	33-34
The Public Services	34-35
The Statutory Railway Board	36
Fundamental Rights	37
Conclusion	37
THE PROPOSALS—	
Part I.—The Federation	38-53
General	38-39
The Federal Executive	39-40
The Working of the Federal Executive	40-43
The Federal Legislature	43-52
<i>General</i>	43
<i>The Composition of the Chambers</i>	43
<i>Legislative Procedure</i>	46
<i>Procedure with regard to Financial Proposals</i>	48
<i>Procedure in the Federal Legislature</i>	50
<i>Emergency Powers of the Governor-General in relation to Legislation...</i>	51
<i>Provisions in the event of a breakdown in the Constitution...</i>	52
Chief Commissioners' Provinces	52-53
Part II.—The Governors' Provinces...	53-66
The Provincial Executive	53-54
Working of the Provincial Executive	54-56
The Provincial Legislature	57-65
<i>General</i>	57
<i>The Composition of the Provincial Legislature...</i>	58
<i>Legislative Procedure...</i>	60
<i>Procedure with regard to Financial Proposals...</i>	62
<i>Procedure in the Legislature</i>	64
<i>Emergency Powers of the Governor in relation to Legislation</i>	64
<i>Provisions in the event of a breakdown in the Constitution...</i>	65
Excluded Areas	66

THE PROPOSALS—(continued)—

	Pages
Part III.—Relations between the Federation and the Federal Units	67-76
Powers of the Federal Legislature and of Provincial Legislatures	67-71
Administrative Relations between the Federal Government and the Units	71-72
Financial Powers and Relations	72-76
<i>Property, Contracts and Suits</i>	72
<i>Allocation of Revenues</i>	73
<i>Borrowing Powers</i>	75
<i>General</i>	76
Part IV.—The Judicature	76-80
The Federal Court	76-78
The Supreme Court	78-79
The Provincial High Courts	79-80
Part V.—The Secretary of State's Advisers	81
Part VI.—The Public Services	81-86
General... ..	81
Persons appointed by the Secretary of State... ..	82-84
Persons appointed otherwise	84-85
Public Service Commissions	85-86
Part VII.—Transitory Provisions	86-87

APPENDIX I.—COMPOSITION OF, AND METHOD OF ELECTION TO, THE BRITISH INDIA SIDE OF THE FEDERAL COUNCIL OF STATE ...	88
APPENDIX II.—COMPOSITION OF, AND METHOD OF ELECTION TO, THE BRITISH INDIA SIDE OF THE FEDERAL HOUSE OF ASSEMBLY ...	89-90
APPENDIX III.—COMPOSITION OF, AND METHOD OF ELECTION TO, THE PROVINCIAL LEGISLATURES	91-93
Part I.—Provincial Legislative Assemblies	91 and 93
Part II.—Provincial Legislative Councils	92
1. Bengal	92
2. United Provinces	92
3. Bihar	92
INTRODUCTORY NOTE TO APPENDICES IV AND V—FRANCHISE	94-95
APPENDIX IV.—THE FRANCHISE FOR THE BRITISH INDIAN SEATS IN THE HOUSE OF ASSEMBLY	95-102
1. Madras... ..	95
2. Bombay	96
3. Bengal... ..	97
4. United Provinces	98
5. Punjab... ..	99
6. Bihar and Orissa	100
7. The Central Provinces with Berar	101
8. Assam	101
9. The North-West Frontier Province	102
10. Delhi	102
11. Ajmer-Merwara	102
12. Coorg	102
13. British Baluchistan	102
14. Non-Provincial Special Constituencies	102

	Pages
APPENDIX V.—FRANCHISE FOR THE PROVINCIAL LEGISLATURES ...	103-113
Part I.—Franchise for the Provincial Legislative Assemblies ...	103-113
1. Madras	103
2. Bombay	105
3. Bengal	106
4. United Provinces	107
5. Punjab	108
6. Bihar and Orissa	109
7. The Central Provinces with Berar	110
8. Assam	111
9. The North-West Frontier Province	112
10. Coorg	113
Part II.—Franchise for the Provincial Legislative Councils ...	113
1. Bengal	113
2. United Provinces	113
3. Bihar	113
APPENDIX VI.—LISTS OF SUBJECTS	113-119
List I. Exclusively Federal Subjects	113-115
List II. Exclusively Provincial Subjects	116-118
List III. Concurrent Subjects... ..	119
APPENDIX VII	120-122
Part I.—List of Rights of Officers appointed by the Secretary of State in Council	120-121
Part II.—List of Rights of other Officers	121
Part III.—Non-votable salaries, &c. (civil)	122
APPENDIX VIII.—LIST OF SCHEDULED CASTES (DEPRESSED CLASSES)...	123-127
1. Madras	123
2. Bombay	124
3. Bengal	124
4. United Provinces	125
5. Punjab	125
6. Bihar and Orissa	125
7. Central Provinces with Berar... ..	126
8. Assam	127

PROPOSALS FOR INDIAN CONSTITUTIONAL REFORM

INTRODUCTION.

The White Paper of December, 1931.

1. In December 1931 both Houses of Parliament adopted a motion expressing approval of the Indian policy of His Majesty's Government, as announced to the Indian Round Table Conference and set out in Command Paper 3972. That policy, stated in the broadest terms, involved the prosecution of further inquiries and discussions with the object of finding a suitable basis for the conversion of the present system of government in India into a responsibly governed Federation of States and Provinces, on the understanding that the responsible Government so established must, during a period of transition, be qualified by limitations in certain directions. These limitations, commonly described by the compendious term "safeguards," have been framed in the common interests of India and the United Kingdom.

2. Having pursued their further inquiries and discussions, including a third session of the Round Table Conference, His Majesty's Government are now in a position to indicate with greater precision and in fuller detail their proposals for an Indian Constitution; and it is their intention, as indicated by the Secretary of State for India to the House of Commons on the 27th June last, to invite both Houses of Parliament to set up a Joint Select Committee to consider these proposals in consultation with Indian representatives, and to report upon them. After this Report has been laid, it will be the duty of His Majesty's Government to introduce a Bill embodying their own final plans.

The form and purpose of the present document.

3. It should be made plain at the outset that although the proposals are set out below in the interests of clarity in the form of short paragraphs or clauses, the language used in so describing them must not in general be taken as representing the language which would actually be used if they were presented in statutory form. Nor must it be assumed that the present proposals are in all respects so complete and final that a Bill would contain nothing which is

not covered by this White Paper. At the same time it is hoped that the Proposals, read in the light of this Introduction, will make clear the principles which His Majesty's Government have followed.

4. One further explanation of the scope of this document should be given. It is unnecessary for the present purpose for His Majesty's Government, in anticipation of the discussions in Parliament, to marshal and elaborate here the general arguments in justification of their Proposals. It is not sought in this document to do more than to explain their exact nature and intended effect.

THE FEDERATION OF INDIA.

The processes involved in its formation.

5. The conception of a Federation of States and Provinces, and the processes involved in its formation, necessitate a complete reconstruction of the existing Indian Constitution; these proposals are accordingly based on the assumption that the existing Government of India Act (which is a consolidation of the series of statutes relating to the government of India, the earliest of which dates from the 18th century) will be repealed *in toto*, and will be replaced by the Act which will ultimately embody the decision of Parliament, and which is in the following pages referred to as "the Constitution Act." The problems presented by the legal and constitutional reconstruction are briefly as follows.

6. Federation elsewhere has usually resulted from a pact entered into by a number of political units, each possessed of sovereignty or at least of autonomy, and each agreeing to surrender to the new central organism which their pact creates an identical range of powers and jurisdiction, to be exercised by it on their behalf to the same extent for each one of them individually and for the Federation as a whole. India, however, has little in common with historical precedents of this kind. In the first place, British India is a unitary State, the administrative control of which is by law centred in the Secretary of State—in some respects in a statutory corporation known as the Secretary of State in Council—in whom are vested powers of control over "all acts, operations and concerns which relate to the government or revenues of India"; and such powers as appertain to the provincial Governments in India are derived through the Central Government by a species of delegation from this central authority and are exercised subject to his control. It follows that the Provinces have no original or independent powers or authority to surrender.

7. The States, on the other hand, though they are under the suzerainty of the King Emperor, form no part of His Majesty's dominions. Their contact with British India has hitherto been maintained by the conduct of relations with their Rulers through the

Governor-General in Council. Moreover, since Parliament cannot legislate directly for their territories, the range of authority to be conferred upon the Federal Government and Legislature in relation to the States must be determined by agreement with their Rulers; and the States have made it plain that they are not prepared to transfer to a Federal Government the same range of authority in their territories as it is expedient and possible to confer upon it in relation to the Provinces. The position will therefore necessarily be that in the Indian Federation the range of powers to be exercised by the Federal Government and Legislature will differ in relation to the two classes of units which compose it.

8. For the purpose of meeting these conditions, it is proposed to set up a Federal Legislature, consisting of elected representatives of British India and of representatives of Indian States to be appointed by their Rulers, and a Federal Executive consisting of the Governor-General representing the Crown, aided and advised by a Council of Ministers, who will be responsible (subject to the qualifications to be explained later) to the Legislature so composed, and to endow these authorities with powers and functions in relation to British India and with such powers and functions in relation to the States as the States-members of the Federation will formally accept as being of full force and effect within their territories. Full liberty will, of course, be reserved to the Crown to refuse to accept the accession of any State to the Federation if it is sought on terms incompatible with the scheme of Federation embodied in the Constitution Act.

9. On the repeal of the present Government of India Act all powers appertaining and incidental to the government of British India will vest in the Crown; and the transition from the existing constitutional position, briefly indicated above, will be effected by making them exercisable on behalf of the Crown by the Governor-General, the Governors, and other appropriate authorities established by or under the Constitution Act. The powers vested in the Crown in relation to the States, and now exercisable through the Governor-General of India in Council, except in so far as they are requisite for Federal purposes and the Rulers have assented to their transfer to the appropriate Federal authority for those purposes, will be exercised by the Crown's representative in his capacity of Viceroy, and these powers will be outside the scope of the Federal Constitution.

10. The office of Governor-General of the Federation will be constituted by Letters Patent, and that document will set out the powers which the Governor-General will exercise as the King's representative; that is to say, the powers expressly conferred on him by the Constitution Act and such other powers, not inconsistent with that Act, as His Majesty may be pleased to delegate to him. The Governor-General himself will receive a Commission under the Royal Sign Manual appointing him to his office; and he will exercise and perform the powers and duties attaching to his office in such manner

as may be directed by the Instrument of Instructions which he will receive from the King. The same arrangements *mutatis mutandis* are contemplated in the case of the Governor of each Province.

It is intended that the Viceroy shall in future be recognised as holding a separate office which will also be constituted by Letters Patent, and the latter will serve as the means of conferring on the Governor-General, in the capacity of Viceroy, the powers of the Crown in relation to the States outside the Federal sphere. With these the Constitution Act will not, of course, be concerned.

11. So far as British India is concerned, the first step requisite in the transfer from a unitary to a federal polity is to define by Statute the jurisdiction and competence of the Federal and Provincial authorities respectively—or, in other words, to create Provinces with an autonomy of their own, and to assign to them a defined and exclusive share of the activities of government. It is accordingly proposed to declare that the executive power and authority in each of the Governors' Provinces is vested in the King and is exercisable by the Governor as the King's representative; to constitute a Council of Ministers to aid and advise the Governor, and a Legislature of elected representatives of the provincial populations to whom the Ministers will be responsible; and to define the competence of this Legislature (and of the Federal Legislature) in terms of subjects, some of which will be exclusively assigned to the Federal and Provincial Legislatures respectively, while over others both Federal and Provincial Legislatures will exercise a concurrent jurisdiction, with appropriate provisions for resolving conflicts of laws.

The Date and Conditions for the Inauguration of Federation.

12. It will be apparent that the mere passing of the Constitution Act will not of itself suffice to bring the Federation into being. Apart from the preparatory processes required in British India, which cannot be completed until the Constitution Act is on the Statute Book, and which must inevitably occupy some time—the preparation of new and enlarged electoral rolls for the Provincial and Federal Legislatures, and the demarcation of constituencies are matters in point—the final discussions with the States with regard to their Instruments of Accession and the execution of the latter cannot be undertaken until the Act which will be the basis of the Princes' accession has been passed, for until that time arrives the States will not be in possession of complete knowledge of the character and powers of the Federation to which they are asked to accede. (So far as the States are concerned, His Majesty's Government propose as the condition to be satisfied before the Federal Constitution is brought into operation that the Rulers of States representing not less than half the aggregate population of the Indian States and entitled to not less than half the seats to be allotted to the States in the Federal Upper Chamber shall have executed Instruments of Accession)

Prerequisites of a financial character to the inauguration of responsible Federal Government are dealt with in (paragraph 82)

It is the intention of His Majesty's Government that the Federation shall be brought into being by Royal Proclamation, but that the Proclamation shall not be issued until both Houses of Parliament have presented an Address to the Crown, with a prayer for its promulgation.

13. At the same time His Majesty's Government do not contemplate the introduction of the new autonomous constitutions in the Provinces under conditions which will leave Federation as a mere contingency in the future. It is probable that it will be found convenient, or even necessary, that the new Provincial Governments should be brought into being in advance of the changes in the Central Government and the entry of the States. But the coming into being of the autonomous Provinces will only be the first step towards the complete Federation for which the Constitution Act will provide; and His Majesty's Government have stated that if causes beyond their control should place obstacles in the way of this programme, they will take steps to review the whole position in consultation with Indian opinion.

Provision will accordingly be required in the Constitution Act for the period, however short it may be, by which Provincial autonomy may precede the complete establishment of the Federation. The nature of the transitory arrangements contemplated for this purpose is explained in paragraph 202 of the Proposals.

The Federal Executive.

14. The executive power and authority of the Federation will be vested in the King and will be exercised by the Governor-General as his representative, aided and advised by a Council of Ministers* responsible to a Legislature containing representatives both of British India and of the States. But whereas in the Provinces the Council of Ministers will be entitled, as will be seen from a later paragraph, to tender advice to the Governor on all matters which fall within the scope of provincial administration, other than the use of powers described by the Constitution Act as being exercisable by the Governor at his discretion, the transfer of responsibility at the Centre will not be co-extensive with the range of the Federal Government's activities. Certain Departments, namely, those concerned with Defence, External Affairs and Ecclesiastical administration, are to be entrusted to the Governor-General personally, and these matters he will control in responsibility to His Majesty's Government and Parliament. For example, the rights and conditions of service of the personnel of the Defence forces

* For the method of appointing to the Council of Ministers, see Proposals, paragraph 14.

will continue generally to be regulated as at present. In the exercise, moreover, of certain specific powers to be conferred by the Constitution on the Governor-General, and to be expressed as being exercisable at his discretion, the Governor-General will be entitled to act without seeking advice from his Ministers. On other matters, Ministers will tender advice to the Governor-General and the Governor-General will be guided by that advice, unless so to be guided would in his judgment be inconsistent with the fulfilment of any of the purposes for which he will be declared by the Constitution Act to be charged with a "special responsibility," in which case the Governor-General will act, notwithstanding the advice tendered to him, in such manner as he deems requisite for the discharge of those "special responsibilities."

15. For the purpose of assisting him in the administration of the Reserved Departments the Governor-General will be empowered to appoint at his discretion not more than three Counsellors whose salaries and conditions of service will be prescribed by His Majesty in Council. The Governor-General will not be restricted in any way in his choice of these Counsellors; the sole consideration will be to select the individual best suited, in the Governor-General's opinion, for the office, wherever he may be found. The Counsellors will be *ex officio* members of both Chambers of the Legislature, though without the right to vote; they are not therefore included in the numbers mentioned in the following paragraphs.

The Federal Legislature.

16. The Federal Legislature will be bi-cameral, the two Chambers possessing identical powers, except that Money Bills and Votes of Supply will be initiated in the Lower Chamber, and that the range of the functions of the Upper Chamber in relation to Supply will be less extensive than those of the Lower Chamber (see paragraph 48 of the Proposals). Equality of powers necessitates arrangements made for the solution of deadlocks; the arrangements proposed are set out in paragraph 41 of the Proposals.

17. The Lower Chamber, or House of Assembly, of the Federal Legislature will consist of a maximum of 375 members, of whom 125 will be appointed by the Rulers of States-members of the Federation. The remaining 250 members will be representatives of British India and their seats will be allocated to the Provinces and to the several communities and interests in each province in the manner indicated in Appendix II. The British Indian members will be directly elected.

18. The Upper Chamber, or Council of State, will consist of a maximum of 260 members, of whom 100 will be appointed by the Rulers of the States-members of the Federation. The British Indian members, 150 in number, will, for the most part, be elected by the members of each Provincial Legislature by the

method of the single transferable vote. An exception will be made in the case of those minorities (Europeans, Anglo-Indians and Indian Christians) whose representatives in the Provincial Legislatures would be insufficiently numerous to provide the necessary quota to secure representation in the Upper Chamber. The arrangements proposed for these minorities, and the numbers of seats assigned to each Province, are indicated in Appendix I. Except for these three minorities, the specific allocation of seats on a communal basis would thus be avoided. It is, however, the intention of His Majesty's Government that Muslims should be able to secure one-third of the British India seats in the Upper House; and if it is considered that adoption of proportional representation in the manner proposed makes insufficient provision for this end, they are of opinion that modification of the proposals should be made to meet the object in view.

In addition the Governor-General will be empowered to nominate not more than ten members (not officials), thus providing an opportunity of adding to the Chamber a small group of the elder-statesman type.

19. The allocation of the seats among the States-members of the Federation, both for the Federal Assembly and Council of State, is at present under discussion with Rulers. His Majesty's Government are accordingly unable at the moment to put forward specific proposals. But their view is that the detailed allocation of seats which will eventually be provided for in the Constitution Act should be based, in the case of the Council of State, on the rank and importance of the State as indicated by the dynastic salute and other factors, and that in the case of the Lower Chamber it should be based *in the main* on population.

The franchise for the Federal Legislature.

20. Since the British Indian seats in the Upper Chamber of the Federal Legislature will be filled by indirect election by the Provincial Legislatures, no question of franchise qualifications arises, though certain specific property or other qualifications will be required in members of the Upper House.

21. The franchise of the Lower Chamber of the Federal Legislature will, for practical purposes, be the existing franchise for the present Provincial Legislatures. In Bihar and Orissa the qualifications will be changed, but the character and numerical effect will be substantially as at present. In the Central Provinces, where the existing percentage of enfranchisement is unusually low, an alternative franchise of the same character but on a wider scale has been worked out by the Local Government. The existing franchise in all provinces is essentially based on property. In adopting it (with the modifications referred to above) as the franchise for the Lower Chamber of the Federal Legislature it is proposed to supplement the

property qualification by an educational qualification common to men and women, and, where necessary, by a differential franchise such as to produce an electorate of approximately 2 per cent. of the population of the Scheduled Castes* (hitherto known as Depressed Classes) in every province, except in Bihar and Orissa, in which the general percentage of enfranchisement is lower than elsewhere, and in the North-West Frontier Province and Sind, where the numbers of the Scheduled Castes are negligible. The ratio of women to men electors for the Federal Assembly will for practical purposes remain unchanged under the present proposals, although the number of women electors will be substantially increased and special provision will be made by the reservation of seats to secure the presence of women in the Assembly. His Majesty's Government fully appreciate the importance of a large women's electorate for the Federal Assembly and their proposal to leave the ratio of electors at the point now suggested is made only after exhaustive discussion with the Indian authorities, and in view both of the administrative difficulties involved in any further increase and of the objections to a differential franchise based on education, by the adoption of which alone any substantial addition to the women's electorate could conveniently be made in present conditions. Provision will also be made for an electorate for the seats to be provided for Commerce, Labour and other special interests in the Federal Lower Chamber.

22. The details of the franchise proposed are set out in Appendix IV. It should be emphasised that pending preparation of an electoral roll these qualifications are inevitably to some extent stated in general terms, and that modifications of detail may be found necessary on various points once the preparation of the roll is undertaken. Registration of claimants in respect of an educational qualification will, at any rate for the first two elections, be only on application by the potential voter.† The effect of acceptance of the Proposals in question would be to enfranchise as voters for the Federal Legislature between 2 and 3 per cent. of the total population of British India. The gross total electorate would, so far as can be judged, amount to between 7 and 8 millions.

Governor-General's relations with his Ministers.

23. Although the Reserved Departments will be administered by the Governor-General on his sole responsibility, it would be impossible in practice for the Governor-General to conduct the affairs of these Departments in isolation from the other activities of his Government, and undesirable that he should attempt to do so, even if it were in fact possible. A prudent Governor-General would therefore keep his Ministers and the advisers whom he has selected to assist him in the Reserved Depart-

* The Castes in each Province scheduled as requiring special electoral protection are enumerated in Appendix VIII.

† See Introductory Note to Appendices IV and V, paragraph 3.

ments in the closest contact; and, without blurring the line which will necessarily divide on the one hand his personal responsibility for the Reserved Departments, and, on the other hand, the responsibility of Ministers to the Legislature for the matters entrusted to their charge, he would so arrange the conduct of executive business that he himself, his Counsellors and his responsible Ministers, are given the fullest opportunity of mutual consultation and discussion of all matters—and there will necessarily be many such—which call for co-ordination of policy. His Majesty's Government intend to secure the embodiment of this principle in appropriate terms in the Governor-General's Instrument of Instructions. For example, they contemplate that the Instrument should contain a direction to the following effect: "without derogation from your responsibilities you shall encourage joint deliberation between yourself, your Counsellors and your Ministers, and in particular you shall make it your endeavour to secure that the views of your Ministers in relation to Defence expenditure shall be ascertained and duly weighed before the appropriations for Defence are laid before the Legislature." The Instrument of Instructions will also formally recognise the fact that the defence of India must, to an increasing extent, be the concern of the Indian people and not of the British Government alone. At the same time it will make it clear, without ambiguity, that whatever consultation between the Governor-General and his responsible Ministers may take place upon matters arising in the Reserved Departments, the responsibility for the decisions taken is the Governor-General's and the Governor-General's alone.

24. A different problem presents itself in regard to the Governor-General's relations with his Ministers outside the ambit of the Reserved Departments, *i.e.*, in the Departments which will be entrusted to the charge of Ministers responsible for the conduct of their administration of them to the Legislature. In this sphere, Ministers, as already explained, will have a constitutional right to tender advice, and the Governor-General will, except to the extent and in the circumstances explained below, be guided by that advice. The problem is so to define the circumstances in which he will be entitled to act on his own exclusive responsibility. His Majesty's Government consider that the most satisfactory course will be:—

- (a) the enactment of provisions in the Constitution Act laying down that the Governor-General has a "special responsibility," not for spheres of administration, but for certain clearly indicated general purposes, and that for securing these purposes he is to exercise the powers conferred upon him by the Constitution Act in accordance with directions contained in his Instrument of Instructions; and
- (b) the insertion in the Instrument of Instructions *inter alia* of a direction to the effect that the Governor-General is to be guided by his Ministers' advice unless so to be guided would, in his judgment, be inconsistent with a "special respon-

sibility" imposed upon him by the Constitution Act, in which case he is to act, notwithstanding his Ministers' advice, in such manner as he judges requisite for the due fulfilment of his special responsibility.

It will be apparent from what has been said in this and the preceding paragraphs, that the Instrument of Instructions will assume a position of great importance as an ancillary to the Constitution Act, and His Majesty's Government propose that appropriate arrangements shall be made to secure to both Houses of Parliament opportunity to make to His Majesty representations for amendments or additions to, or omissions from, the Instructions.

25. It remains to indicate the matters or purposes in respect of which the Governor-General should be declared, in accordance with the proposals in the preceding paragraph, to have a special responsibility in relation to the operations of the Federal Government. It is proposed that they should be the following:—

- (i) the prevention of grave menace to the peace or tranquillity of India or of any part thereof;
- (ii) the safeguarding of the financial stability and credit of the Federation;
- (iii) the safeguarding of the legitimate interests of minorities;
- (iv) the securing to the members of the Public Services of any rights provided for them by the Constitution and the safeguarding of their legitimate interests;
- (v) the protection of the rights of any Indian State;
- (vi) the prevention of commercial discrimination;
- (vii) any matter which affects the administration of the Reserved Departments.

26. Before describing in detail the scope and purpose of the items in this list, it is desirable to explain the precise effect which is contemplated as the result of imposing upon the Governor-General these "special responsibilities." In the first place, it should be made clear that unless and until the Governor-General feels called upon to differ from his Ministers in the discharge of a "special responsibility," the responsibility of Ministers for the matters committed to their charge remains complete. To take a concrete instance, it will clearly be the duty of Ministers rather than of the Governor-General himself, to ensure that the administration of their departments is so conducted that minorities are not subjected to unfair or prejudicial treatment. The intention of attributing to the Governor-General a special responsibility for the protection of minorities is to enable him, in any case where he regards the proposals of the Minister in charge of a department as likely to be unfair or prejudicial to a particular minority, in the last resort to inform the Minister concerned (or the Ministers as a body, if they generally support the proposals of their colleague), that he will be unable to accept the advice tendered to him. Nor is it

contemplated that the Governor-General, having been vested with "special responsibilities" of the kind indicated, will find it necessary to be constantly overruling his Ministers' advice. The present proposals in general necessarily proceed on the basic assumption that every endeavour will be made by those responsible for working the Constitution to approach the administrative problems which will present themselves in the spirit of partners in a common enterprise. In the great bulk of cases, therefore, in day-to-day administration, where questions might arise affecting the Governor-General's "special responsibilities," mutual consultation should result in agreement, so that no question would arise of bringing the Governor-General's powers, in connection with his special responsibilities, into play.

27. Reverting now to the list of "special responsibilities" in paragraph 25, the necessity for the items numbered (i), (iii) and (iv) follows as a matter of course from previous statements of His Majesty's Government's policy. With regard to item (vii) it is apparent that if, for example, the Governor-General were to be free to follow his own judgment in relation to Defence policy only in regard to matters falling strictly within the ambit of the department of Defence, he might find that proposals made in another department in charge of a responsible Minister are in direct conflict with the line of policy he regards as essential for purposes connected with Defence, and consequently that the discharge of his responsibilities for Defence would be gravely impaired if he accepted the advice of the Minister responsible for the charge of the other department in question. If, therefore, such a situation is to be avoided, it is impossible to secure the object in view otherwise than by expressing the Governor-General's "special responsibility" in some such terms as those indicated in item (vii).

28. As regards item (v), it should be explained that this is not intended to give the Governor-General any special powers *vis-à-vis* the States in relation to matters arising in the Federal sphere proper; the necessary powers having been transferred by the States in their Instruments of Accession, such matters will be regulated in accordance with the normal provisions of the Constitution Act. Nor is it intended that the inclusion of this item should be regarded as having any bearing on the direct relations between the Crown and the States. These will be matters for which the Constitution will make no provision and which will fall to be dealt with by the Viceroy, who will be the Governor-General in a capacity independent of the Federal organisation. It may be, however, that measures are proposed by the Federal Government, acting within its constitutional rights in relation to a Federal subject, or in relation to a subject not directly affecting the States at all, which, if pursued to a conclusion, would affect prejudicially rights of a State in relation to which that State had transferred no jurisdiction. Or, again, policies might be proposed or events arise in a Province which would tend

to prejudice the rights of a neighbouring State. In such cases it is evident that it must be open to the Crown, through the Governor-General or the Governor, as the case may be, to ensure that the particular course of action is so modified as to maintain the integrity of rights enjoyed by the State by Treaty or otherwise.

29. Item (vi) is intended to enable the Governor-General to deal with proposals which he regards as likely to have discriminatory effects. As regards legislative discrimination, detailed proposals will be found in paragraphs 122-124 of the Proposals. Any legislative measure, Federal or Provincial, which was inconsistent with those proposals would be invalid, and could be challenged as such in the Courts; and the Governor-General or the Governor, as the case may be, would be entitled to act otherwise than in accordance with his Ministers' advice, if he considered that such advice involved discriminatory action in the administrative sphere. The Governor-General's powers would enable him to reserve any Bill on which he had doubts.

30. The second item in the list of special responsibilities deserves to be noticed at rather greater length since it involves the whole question of what have become known as "financial safeguards." Subject to the powers conferred upon the Governor-General by this responsibility, and subject to what is stated below as regards the Reserve Bank, it is intended that the Finance of the Federation should, like all other subjects except those included in the Reserved Departments, be entrusted to the Ministers. Unless occasion arises for the exercise of the Governor-General's special powers, it will therefore be for the Ministers, and the Ministers alone, to take decisions on all such matters as the means to be used for raising the necessary revenues, for allocating expenditure in the responsible field, and for the programme of external and internal borrowing.

The service of certain obligations, *e.g.*, the service of the Debt, the salary of the Governor-General, the salaries and pensions of Judges of the Federal Court, will be a "charge" on the revenues of the Federation; other expenditure will be appropriated annually, but certain Heads* of it, in particular the expenditure on the Reserved Departments, will not require a vote of the Legislature.

31. The object of the Governor-General's special responsibility for "the safeguarding of the financial stability and credit of the Federation" is to confer on him powers to step in, if the need should arise, in the event of the policy of his Ministers in respect, for example, of budgeting or borrowing being such as to be likely in the Governor-General's opinion to endanger seriously the provision of resources to meet the requirements of his Reserved Departments or any of the obligations of the Federation, whether directly, or indirectly by prejudicing India's credit in the money-markets

* See paragraph 49 of the Proposals for full list.

of the world. The definition of this special responsibility is drawn in somewhat wide terms not in order to diminish the field of responsibility of the Ministers, but owing to the difficulty of giving a detailed specification of financial operations or measures which might on occasion endanger stability and call for the use of the Governor-General's powers. In order that assistance may be available to him in the discharge of this special responsibility, the Governor-General will be empowered to appoint a Financial Adviser (without executive powers), whose services would also be available to the Ministers.

It will be seen that provision is made in paragraph 147 of the Proposals that the trustee status of existing India sterling loans will be maintained and will be extended to future sterling Federal loans.

32. The proposals relating to responsibility for the Finance of the Federation are based on the assumption that before the first Federal Ministry comes into being, a (Reserve Bank) free from political influence, will have been set up by Indian legislation, and be already successfully operating. The Bank would be entrusted with the management of currency and exchange. His Majesty's Government and the Government of India are taking every step in their power to facilitate and expedite the establishment of a Reserve Bank on sound principles. Some, however, of the conditions necessary for the successful establishment and operation of such a bank, depending as they do on world economic conditions, are not within their control. The Report of the Committee of the third Round Table Conference on Financial Safeguards mentions the following as conditions to be fulfilled—"that the Indian (Budgetary position should be assured) that the existing (short-term debt) both in London and in India should be substantially reduced, that adequate reserves should have been accumulated, and that India's normal export surplus should have been restored."

If a situation should arise in which all other requirements for the inauguration of the Federation having been satisfied, it had so far proved impossible successfully to start the Reserve Bank, or if financial, economic or political conditions were such as to render it impracticable to start the new Federal and Provincial Governments on a stable basis, it would, inevitably, be necessary to reconsider the position and determine in the light of the then circumstances what course should be pursued. If, unfortunately, such reconsideration became necessary, His Majesty's Government are pledged to call into conference representatives of Indian opinion.

33. Apart from the Reserved Departments, and the specified "special responsibilities" of the Governor-General outside the sphere of those Departments, there is a third category of matters in which the Governor-General will not be under any constitutional obligation to seek, or, having sought, to be guided by, ministerial advice. For this purpose certain specified powers will be conferred by the Constitution on the Governor-General and will be expressed as being

exercisable "at his discretion." In this category of "discretionary powers," the precise range of which it will be impossible exhaustively to foresee until the drafting of the Constitution Act has reached completion, His Majesty's Government anticipate that the following matters will be included:—

- (a) The power to dissolve, prorogue, and summon the Legislature;
- (b) The power to assent to, or withhold assent from, Bills, or to reserve them for the signification of His Majesty's pleasure;
- (c) The grant of previous sanction to the introduction of certain classes of legislative measures;
- (d) The power to summon forthwith a joint Session of the Legislature in cases of emergency, where postponement till the expiration of the period to be prescribed by the Constitution Act might have serious consequences.

Governor-General's relations with the Legislature.

34. It is also a necessary corollary of what has already been said that the special powers to be conferred on the Governor-General for the purpose of enabling him to discharge his responsibilities must be similarly exercisable in his discretion. To the foregoing must, therefore, be added—

- (e) The power to take action, notwithstanding an adverse vote in the Legislature—to be dealt with more fully below;
- (f) The power to arrest the course of discussion of measures in the Legislature—also dealt with below;
- (g) The power to make rules of legislative business in so far as these are required to provide for the due exercise of his own powers and responsibilities.

35. It is not, in fact, sufficient merely to regulate the Governor-General's relations with his responsible Ministers, i.e., to regulate matters arising in discussion amongst the members of the executive Government. It follows from previous declarations by His Majesty's Government, upon which these Proposals are based, that the Governor-General must be given powers which will enable him effectively to discharge the responsibilities entrusted to him, whether for the Reserved Departments or the "special responsibilities" indicated above, if their discharge involves action, normally lying within the functions of the Legislature, to which the Legislature will not agree. The general scheme underlying the Proposals is that, wherever the Governor-General's responsibilities for the Reserved Departments, or his special responsibilities, are involved, he should be empowered not only to act without, or, as the case may be,

contrary to, the advice of his Ministers, but also to take action notwithstanding an adverse vote of the Legislature, whether such a vote relates to the passage of legislation or to the appropriation of funds.

36. But it will clearly be of importance to the fostering of the sense of responsibility in Ministers and Legislature alike that room should not be left for doubt whether in any given case the responsibility for the decision is, or is not, that of the Ministers or of the Legislature as the case may be—in other words, it is of importance that the special powers of the Governor-General should be so framed as to make it plain that the responsibility for the results of their exercise lies upon him. The necessity for the use of the Governor-General's legislative power may arise through the refusal of Ministers to be parties to a Bill, or to provisions in a Bill, which the Governor-General regards as essential to the discharge of his responsibilities, or where the Legislature rejects or fails to pass a Bill for which Ministers have accepted responsibility and which the Governor-General regards as essential; or the Legislature may alter the Bill to a form which would fail to secure the object which the Ministers and the Governor-General have in view.

37. The essential point to be secured, in both contingencies, is, as already indicated, that when the Governor-General decides that the discharge of his responsibilities necessitates a course of action to which he is unable to obtain the consent either of his Ministers or of the Legislature—or perhaps of both—the resulting enactment should not purport to be an enactment of the Legislature (as is the case with Acts which the Governor-General “certifies” under the existing Government of India Act), and further that its presentation to the Legislature should be brought about by the personal intervention of the Governor-General, that his responsibility for it should be manifest, and that Ministers should be in no way compromised by his action either with their supporters in the Legislature or their constituencies in the country. On the other hand, it would be undesirable to carry this principle to the logical extreme of placing all measures for which the Governor-General has himself to assume responsibility on the footing of Ordinances, the enactment of which involves no reference to the Legislature at all. The Governor-General's powers in this regard should therefore be such as to enable him to test opinion in the Legislature; if he finds a majority there in support of his policy no question arises of using his special powers. If he finds only a minority in the Legislature in favour of his policy, he would at all events secure that measure of moral support, but he would carry out his policy on his own responsibility without compromising either the Ministers with their supporters in the Legislature, or the latter with their constituencies. It is accordingly proposed that measures enacted by the Governor-General without the consent of the Legisla-

ture should be described as "Governor-General's Acts," and that a special form of enacting words should be employed to distinguish them from Acts "enacted by the Governor-General by and with the consent of both Chambers of the Legislature."

98. The corresponding powers proposed for the Governor-General in the matter of supply are based upon the same principles. The Budget will be framed by the Finance Minister in consultation with his colleagues and with the Governor-General. The decision as to the appropriations required for the Reserved Departments and for the discharge of the functions of the Crown in relation to the Indian States will, of course, be taken by the Governor-General on his own responsibility, though he will be enjoined by his Instrument of Instructions to consult his Ministers before reaching any decision on appropriations for the Department of Defence. Appropriations required for the non-reserved Departments will be the responsibility of Ministers. But the proposals for raising revenue and for the appropriation of those revenues will be subject to the common constitutional rule (see paragraph 45 of the Proposals) that, as laid before the Legislature, they carry a recommendation from the representative of the Crown. If the Governor-General regards his Ministers' proposals for appropriations as insufficient to enable him adequately to fulfil any of his "special responsibilities," he will be entitled to append to the Budget statement, when laid before the Legislature, additional proposals for appropriation under any head in respect of which he regards his Ministers' proposals as inadequate. These additional proposals (if any) of the Governor-General will be distinguished as such in the Budget Statement, and whether they relate to non-votable or to votable Heads of expenditure the Legislature will not be invited to vote upon them: in other words, the appropriations which the Legislature will be invited to vote will be those proposed by the Ministry.

99. After the Legislature has discussed the Budget as a whole and has voted upon those proposals for appropriations which are submitted to the vote, the Governor-General will be called upon to authenticate by his own signature the appropriations. In authenticating those under the non-votable heads he will be entitled to include in his authentication the sums additional to those proposed by his Ministers under those Heads which he originally included in the budget statement, or if he thinks fit reduced sums. He will be similarly required to authenticate the Grants as voted by the Legislature, and in so doing he will be entitled, if he regards this as necessary for the fulfilment of any of his "special responsibilities," to include in his authentication any sums not in excess of those by which the Legislature may have reduced the Grants submitted to it. By this procedure the Ministry on the one hand, and the Legislature on the other, will be left free to exercise their respective responsibilities in the matter of supply—the Ministers, by accepting responsibility

for proposals for appropriations so far as and no farther than they are prepared to hold themselves responsible to the Legislature, and the Legislature, by recording their agreement or disagreement with Ministers' proposals : at the same time, the Governor-General, if he is unable to accept the proposals of his Ministers, or the decision of the Legislature, as consistent with the discharge of any of his special responsibilities, will be enabled to bring the resulting appropriations into accord with his own estimates of the requirements, and, if necessary, through his special legislative powers to secure that the Annual Finance Act provides him with resources which will cover the appropriations which he finally authenticates.

The procedure of authentication by the Governor-General is proposed for a double purpose :—

- (i) to secure that the audit authorities should be concerned only with a single document as authority for all appropriations of revenue, by whatever legal procedure such appropriations have been made; and
- (ii) to secure that the Governor-General does not make any appropriations under his special powers without the Legislature being made cognisant thereof.

40. It will, in addition, be necessary to arm the Governor-General with a legislative power which is capable of immediate employment in emergencies, either when the Legislature is not in session or, if it is in session, to meet circumstances which necessitate immediate action. It is, therefore, proposed to vest in him a power analogous to the existing Ordinance-making power. Indeed, in addition to such a power to be placed at the disposal of the Governor-General in his discretion for the express purpose of discharging his responsibilities for a Reserved Department, or for carrying out a "special responsibility," His Majesty's Government are of opinion that a similar power must necessarily be placed at the disposal of the Governor-General acting with his Ministers, *i.e.*, at the disposal of the Federal Government, to meet cases of emergency when the Legislature is not in session, the Ordinances resulting therefrom being limited in duration to a specified period, unless previously revoked by the Legislature after its reassembly.

41. Finally, it is proposed that the Constitution should contain provision requiring the previous sanction of the Governor-General acting in his discretion to the introduction of any Bill affecting a Reserved Department, and certain other matters set out in Paragraph 119 of the Proposals.

42. It is perhaps desirable to summarise very briefly the effect of these Proposals. The intention is that the special powers of the Governor-General properly so described, namely, his power

to obtain legislation and supply without the assent of the Legislature, will flow from the responsibilities specifically imposed upon him and be exercisable only for the purpose of enabling those responsibilities to be implemented. The responsibilities to be imposed on the Governor-General by the Constitution will be of two kinds—an exclusive responsibility for the administration of the Reserved Departments, and a "special responsibility" for certain defined purposes outside the range of the Reserved Departments. On the administration of the Reserved Departments, Ministers will have no constitutional right to tender advice; nor will they have any such right to tender advice on the exercise of any powers conferred upon the Governor-General for use in his discretion. On all other matters Ministers will be constitutionally entitled to tender advice, and unless that advice is felt by the Governor-General to be in conflict with one of his special responsibilities he will be guided by it. If, in discharge of his responsibility for a Reserved Department, or of a special responsibility, the Governor-General decides that a legislative measure or a vote of supply to which the Legislature has not assented is essential, his special powers will enable him to secure the enactment of the measure or the provision of the supply in question, but Ministers will not have any constitutional responsibility for his decision.*

43. It remains only to explain that in so far as the Governor-General or a Governor is not advised by Ministers, the general requirements of constitutional theory necessitate that he should be responsible to His Majesty's Government and Parliament for any action he may take, and that the Constitution should make this position clear. In the case of a Governor the chain of responsibility must necessarily include the Governor-General.

44. The proposals indicated above have no reference to situations where a complete breakdown of the constitutional machinery has occurred. It is the intention of His Majesty's Government that the Constitution should contain separate provision to meet such situations, should they unfortunately occur either in a Province or in the Federation as a whole, whereby the Governor-General or the Governor, as the case may be, will be given plenary authority to assume all powers that he deems necessary for the purpose of carrying on the King's Government.

* See footnote to Proposals, paragraph 6.

THE GOVERNORS' PROVINCES.

The Executive.

45. The eleven provinces† named in the margin will become autonomous units, the government of each being administered by a Governor representing the King, aided and advised by a Council of Ministers responsible to the Legislature of the Province. The Council of Ministers will be entitled to tender advice to the Governor on all matters which fall within the provincial sphere, other than the use of powers described by the Constitution Act as exercisable by the Governor at his discretion. The Governor will be guided by the advice tendered to him by Ministers, unless so to be guided would be, in his judgment, inconsistent with the fulfilment of any of the purposes for the fulfilment of which he will be declared by the Constitution Act to be charged with a "special responsibility"; in which case the Governor will be entitled, and enjoined, to act, notwithstanding the advice tendered to him, in such manner as he deems requisite for the discharge of his special responsibilities.

Madras,
Bombay,
Bengal,
The United
Provinces,
The Punjab,
Bihar,
The Central
Provinces,*
Assam,
The North-
West
Frontier
Province,
Sind,
Orissa.

* With Berar, subject to conditions which are under discussion with His Exalted Highness the Nizam's Government.

Governors' special powers and responsibilities.

46. As indicated above, the scheme for the Governor-General's responsibilities and powers will be applicable in all respects to the Governor in relation to his Ministers and Legislature, with the following modifications: In the provinces there will be no category exactly corresponding to the Reserved Departments of the Governor-General, though analogous arrangements are intended in order to provide for the administration of frontier areas in certain Provinces which, from the primitive nature of their populations and their general characteristics, will have to be excluded from the normal operation of the Constitution. With this exception, the Governor's special powers will flow from, and be expressed as being required in order to enable him to discharge, his "special responsibilities" only.

47. As regards the "special responsibilities" of the Governors, these will be identical with those indicated in the case of the Governor-General, save that the first item on the list will necessarily be confined in scope to the Province, or any part thereof, and not extend, as in the case of the Governor-General, to India as a whole, and that a special responsibility for the financial stability of the

† It has not been possible to include in the Proposals any relating to Burma, as Burma has, as yet, made no choice between the alternatives of separation from India, with a Constitution as outlined in Command Paper 4004/1932, or inclusion as a Governor's Province in the Federation of India.

Province will not be imposed on Governors. On the other hand, in the case of the Governors, it will be necessary to add to the list of "special responsibilities" an item relating to the execution of orders passed by the Governor-General. As the Governor-General is to be charged with the general superintendence of the actions of Governors in discharge of their "special responsibilities," and if, as has already been proposed, he is himself to have imposed upon him a "special responsibility" for the prevention of grave menace to peace and tranquillity throughout the country, it follows that he must be in a position to ensure that his instructions to a Governor are acted upon; and consequently that the Governor must be in a position to act otherwise than on his Ministers' advice, if such advice conflicts with the Governor-General's instructions.* Finally, it will be necessary to impose upon the Governor a "special responsibility" for the administration of certain excluded areas, if, as seems probable, the arrangements for the administration of excluded areas involve their classification into two categories, one of which would be placed under the exclusive control of the Governor, while the other is made subject to Ministerial control, but with an over-riding power in the Governor obtained in the manner explained in earlier paragraphs through his "special responsibility."

The special responsibilities dealt with in this paragraph have been discussed and reported on by the Round Table Conference at its third session. Apprehension was expressed by some members at the first Round Table Conference that grave danger to the peace and tranquillity of a province might develop if the internal administration and discipline of the Police were not secured: but this matter was not discussed at the third Round Table Conference in relation to the special responsibilities of the Governor. His Majesty's Government propose to deal with it by inserting in the Instrument of Instructions of the Governor a direction that he should bear in mind the close connexion between his special responsibility for peace and tranquillity and the internal administration and discipline of the Police.

48. The division of legislative powers between Centre and Provinces would no longer make appropriate the concentration in the hands of the Governor-General of the power to legislate in emergency by Ordinance on provincial matters and this power will now be conferred on Governors also, for the double purpose indicated in paragraph 40.

The Provincial Legislature.

49. The Provincial Legislatures will be enlarged to the extent indicated in Appendix III. The allocation of seats and method of election for the Provincial Legislative Assemblies (Lower Houses) is in accordance with the provisions contained in what is generally referred to as His Majesty's Government's Communal Award of the

* See also paragraph 55 of Introduction.

4th August last (Cmd. 4147/1932). The only modifications ----- are the adaptation of the figures necessary in view of the subsequent decision to establish Orissa as a separate Province, and an alteration in respect of the representation of the Depressed Classes made in the circumstances explained below. This Award was given by His Majesty's Government in order to remove the obstacle to further progress in the framing of a Constitution which was presented by the failure of communities in India themselves to reach agreement on the subject of the method and quota of representation of communities in the Provincial Legislatures.

His Majesty's Government in the Award pledged themselves not to vary their recommendations to Parliament on this subject save with the mutual agreement of the communities affected, and themselves to take no part in any negotiations initiated by the communities with a view to revision of their decision. One such variation has been made, namely, in respect to the arrangements for the representation of the Depressed Classes which have been modified in accordance with an agreement, now known as the Poona Pact, reached on the 24th September last between representatives of the Depressed Classes and of the rest of the Hindu community.

His Majesty's Government stated in their Award that modification of the communal electoral arrangements might be made after 10 years with the assent of the communities affected, for the ascertainment of which suitable means would have to be devised.

The members of the Provincial Legislative Assemblies will be in all cases elected, and no official will be eligible for election. In three Provinces* the Legislature will be bi-cameral: in the remainder it will consist of a single Chamber. But provision is made in the Proposals (paragraph 74) whereby, subject to restriction, an Upper Chamber where it exists may be abolished, or created where it does not exist. The powers of provincial Upper Chambers will not be co-extensive with those of the Lower Chamber.

The Provincial Franchise.

50. Details of the franchise proposed in the case of the various Provincial Legislatures are given in Appendix V. Here, as in the case of the franchise for the Federal Legislature, it should be emphasised that pending the preparation of an electoral roll the qualifications proposed are inevitably to some extent stated in general terms and that modifications of detail may be found necessary on various points once the preparation of the roll is undertaken. The franchise in question is essentially based on property, supplemented by an educational qualification common to men and women alike; by a qualification for women in respect of property held by a husband; by provision directed to secure an electorate of approxi-

* Bengal, the United Provinces and Bihar.

mately 10 per cent. of the population of the Scheduled Castes* (hitherto known as Depressed Classes) in each province, except in Bihar and Orissa where the general percentage of enfranchisement is in the neighbourhood of 9 per cent. only, and in the North West Frontier Province and Sind, where the numbers of the Scheduled Castes are negligible; and by provision of a special electorate for the seats proposed to be reserved for the representation of Commerce, Labour and other special interests. Registration of claimants in respect of an educational qualification or of a woman qualified in respect of her husband's property will, at any rate for the first two elections, be on application by the potential voter only.† The ratio of women to men electors will be approximately 1 to 7, as compared with approximately 1 to 21 at the present time.

51. A precise statement of the numerical effect of the electoral qualifications proposed cannot be given pending the preparation of a provisional electoral roll. So far as can be judged, however, these proposals, if accepted, would, in the typical case of Bengal, enfranchise some $7\frac{1}{2}$ millions, or some 15 per cent. of a total population of 50 millions. In the case of Bombay the percentage to be enfranchised would probably be rather higher than in Bengal; in Madras and the United Provinces it would be approximately the same; in all other provinces it would be substantially lower, the lowest figure being reached in the case of Bihar and Orissa, with an electorate of some $3\frac{1}{2}$ millions or rather over 9 per cent. of the total population. The general effect of acceptance of the proposals in question over all the Governors' Provinces would be an electorate in the neighbourhood of 14 per cent. of the total population, or some 27 per cent. of the adult population.

A separate franchise will be devised for the two new provinces of Sind and Orissa. In the case of Sind the franchise in question will probably be substantially identical in general character (subject to allowance for certain differences in local conditions) with that proposed for Bombay. The new province of Orissa will be formed by accretions from the Central Provinces and Madras, as well as from the present province of Bihar and Orissa, and while the franchise will probably generally resemble that proposed for Bihar and Orissa, modifications of greater or lesser importance may in consequence be necessary in this case.

RELATIONS BETWEEN THE FEDERATION AND THE UNITS.

Powers of Federal and Provincial Legislatures.

52. The conception of Federation and of that consequential change in provincial status commonly denoted by the expression

* The Castes in each Province scheduled as requiring special electoral protection are enumerated in Appendix VIII.

† See Introductory Note to Appendices IV and V, paragraph 3.

“Provincial autonomy” will necessitate a complete departure from the existing system of concurrent jurisdictions—that is to say, there will be a statutory demarcation between the legislative competence of the Federal and Provincial Legislatures respectively, and the assignment to each of an exclusive field of competence which the other will not be permitted, save to the extent indicated below, to invade.

53. Following the practice of other Federal constitutions, the respective legislative fields of the Centre and of the Provinces will be defined in terms of subjects which will be scheduled to the Constitution Act. But while it will be possible to assign to the Federation and to the Provinces respectively a number of matters over which they can appropriately be charged with exclusive legislative jurisdiction, examination has shown that this method cannot without inconvenience be so employed as to exhaust the entire field of potential governmental activity and that there are some matters in respect of which, while some measure of uniformity of law may be necessary, variation of detail to meet the local conditions of the Provinces is no less necessary. It will consequently be necessary to schedule certain subjects whereon both Federal and Provincial Legislatures will enjoy concurrent powers, the exact nature and effects of which will be seen from paras. 111, 112 and 114 of the Proposals.

Illustrative lists of the exclusively Federal, exclusively Provincial, and “concurrent” subjects, which do not purport to be complete or final, are appended. (Appendix VI.)

54. Certain matters will be placed outside the competence altogether of both Federal and Provincial Legislatures, namely, legislation affecting the Sovereign or the Royal Family, the sovereignty or dominion of the Crown over any part of British India, the law of British nationality, the Army Act, the Air Force Act and the Naval Discipline Act and the Constitution Act itself. As regards the Army, Air Force and Naval Discipline Acts, the Indian Legislatures will be debarred from legislating in such a way as to interfere with the operation of these Acts in so far as they operate in India, while at the same time it is intended to preserve the existing powers* of the Central Legislature in India to extend the provisions of these Acts with or without modification to members of Forces raised in India. Apart from a complete exclusion of jurisdiction in regard to these matters it is proposed to place upon the competence of the new Legislatures a limitation, taking the form familiarised by the provisions of the existing Act, whereby the Governor-General’s—in some cases the Governor’s—previous sanction to the introduction of certain specified classes of measures will be required. The proposed classification for this purpose will be found set out in paragraphs 119 and 120 of the Proposals. It will, of

* As provided in section 177 of the Army Act, section 177 of the Air Force Act, and as regards the Naval Discipline Act, in section 66 of the Government of India Act.

course, be made clear (paragraph 121) that the grant by the Governor-General or by a Governor of his prior consent to the introduction of a measure under this Proposal is not to be taken as fettering his judgment, when the time comes, if the measure is passed, for his decision as to the grant or withholding of his assent or the reservation of the measure for the signification of His Majesty's pleasure.

One further specific limitation on the powers of the Legislature which has already been mentioned in paragraph 29 should be referred to again in the present context, namely, the provisions proposed which will render *ultra vires* certain forms of discriminatory legislation.

55. The administrative relations between the Federal Governments and the Units are dealt with in paragraphs 125-129 of the Proposals. Provision is made in para. 125 of the Proposals for securing not only that due effect is given within the Provinces to Acts of the Federal Legislature which apply to them, but also that the Provincial Governments shall give effect to directions issued by the Federal Government in relation to any matter which affects the administration of a Federal subject in the executive sphere of the Province. The latter provision will cover all classes of Federal subjects, including those administered by the Reserved Departments. In the latter class of subjects, the directions will, of course, be issued by the Governor-General.

Allocation of Revenues between the Federation and the Units.

56. It is intended that the division of resources between the Federation and the Units should be in accordance with the following scheme. The method of treatment of taxes on income, which is of special importance, is described separately below. The lists that follow are not intended to be exhaustive, but to indicate only the more important heads. (For fuller lists, see Legislative Schedules in Appendix VI.)

Sources of Revenue.	Powers of Legislation.	Allocation of Revenue.
Import Duties (except on salt) Contributions from Railways and receipts from other Federal Commercial Under- takings	Exclusively federal.	Exclusively federal.
Coinage profits and share in profits of Reserve Bank ...		
Export Duties†	Exclusively federal.	Federal, with power to assign a share (or the whole) to units.
Salt Duties		
Tobacco Excise		
Other Excise Duties except those on alcoholic liquors, drugs and narcotics ...		

† In the case of export duty on jute, at least half the net proceeds must be assigned to the producing units.

Sources of Revenue.	Powers of Legislation.	Allocation of Revenue.
Terminal taxes on goods and passengers ... } Certain stamp duties... }	Exclusively federal.	Provincial, with power to the Federation to impose a federal surcharge.
Land Revenue ... } Excise duties on Alcohol, Drugs and Narcotics ... } Stamps (with certain exceptions)... } Forests and other Provincial commercial undertakings } Miscellaneous sources of revenue at present enjoyed by the Provinces ... }	Exclusively Provincial.	Exclusively Provincial

Sources of taxation not specified in any schedule will be provincial, but the Governor-General will be empowered, after consultation with Federal and Provincial Ministers or their representatives, to declare in his discretion that any unspecified source of taxation should be federal.

57. Taxes on income will be dealt with as follows :—

Corporation tax* will be entirely federal. Federating States will contribute under this head after 10 years. All legislation regarding other taxes on income, except agricultural income, will be federal (subject to the right mentioned below of Provincial Legislatures to impose Provincial surcharges). Receipts from such taxation on officers in Federal service, and tax attributable to Chief Commissioners' Provinces or other Federal areas, will accrue to Federal Revenues. The remaining net proceeds, other than receipts from the federal surcharges mentioned below, will be divided between the Federation and the Governors' Provinces, x per cent. being assigned to the former, and the remainder to the latter. Before a final recommendation can be made as to the basis of distribution of the Provincial share between the Provinces (and the basis on which tax will be attributable to Chief Commissioners' Provinces), it will be necessary to complete further technical investigation which is now proceeding. It is intended that percentage x should be not less than 25 per cent. and not more than 50 per cent.

Federal legislation regulating taxes on income which affects Provincial Revenues as well as Federal Revenues is to be introduced by leave of the Governor-General given in his discretion after consulting the Federal Ministry and Provincial Ministries.

The Federal Legislature will also be empowered to impose surcharges on taxes on income, the proceeds of which will be retained by the Federation. Federating States will contribute to the Federal Revenues a proportionate amount.

If, however, at the time when the Constitution comes into force any portion of the special surcharges on taxes on income imposed in

* There is at present in force in British India a super-tax on profits of companies, which is usually referred to as Corporation tax.

September 1931 is still in operation, these will be deemed to be Federal surcharges but without liability on federating States to make any equivalent contribution.

The Provincial Legislatures will be empowered to impose, by their own legislation, surcharges on taxes on personal income of residents in the Province, the net proceeds going to the Province. Collection would be carried out by Federal agency. It is intended that an upper limit for such surcharges should be imposed, fixed at $12\frac{1}{2}$ per cent. of the rates of taxes on income in force at any time, exclusive of federal surcharges.

58. It is anticipated that in the early years of the Federation, before there has been time to develop new sources of taxation (in particular Federal excises), the above system of distribution is likely to leave the Federation with inadequate resources. It is accordingly intended to adopt a transitory provision by which the Federation can retain for itself a block amount out of the proceeds of income-tax distributable to the Provinces. This amount would be unchanged for three years, and would diminish annually over the next seven years, so as to be extinguished at the end of ten years. This amount would be fixed after the investigation mentioned below.

Power will be given to the Governor-General in his discretion, but after consultation with the Governments concerned, to suspend the programme of reduction if in his opinion its continuance for the time being would endanger the financial stability and credit of the Federation.

59. It is also anticipated that certain Provinces will be in deficit under the proposed scheme. The North-West Frontier Province will (as now) require a contribution from the Centre in view of its special position. The new provinces of Sind and Orissa will not be able to start as entirely self-supporting units. Some of the existing Provinces, notably Assam, are likely to need assistance at least for a time. It is intended that these Provinces should receive subventions from Federal Revenues. These subventions may be either permanent or terminable after a period of years.

60. It will be necessary at as late a stage as possible before the new Constitution actually comes into operation to review in the light of the then financial and economic conditions the probable financial position of both Federation and the Provinces. The Government of India and Provincial Governments will, of course, be closely associated with any enquiry for this purpose. It is only in the light of such review that it will be possible to settle such matters as the amounts and periods of the Provincial subventions, the percentage of taxes on income to be permanently allocated to the Centre, and the amount to be retained by the Federation temporarily out of the normal Provincial share of taxes on income. It is accordingly proposed that the determination of such matters should be by Orders

in Council, the drafts of which would be laid before both Houses of Parliament for approval.

His Majesty's Government attach the highest importance to securing to the Federation adequate resources, without which the Federal Government cannot ensure the due fulfilment of liabilities upon which must depend the credit of India as a whole.

A possibility which cannot be dismissed from consideration is that economic and financial conditions might on the eve of the inauguration of the new Constitution be such as to render it impracticable to supply the new Federal and Provincial Governments at the outset of their careers with the necessary resources to ensure their solvency. If, after the review contemplated above, the probability of such a situation should be disclosed, it would obviously be necessary to reconsider the position, and it might, *inter alia*, be necessary to revise the federal finance scheme contemplated in these proposals.

Attention may be drawn in this connection to the observations already made at the end of paragraph 32.

61. The introduction of any scheme of Federal Finance is complicated by the existence of "contributions" paid by certain Indian States to the Crown, and by "immunities" which many of the States enjoy in respect of certain heads of prospective Federal Revenue as, for example, sea customs, salt, posts and telegraphs. A full description of the very complex position will be found in the Report of the Indian States Enquiry Committee (Financial), Cmd. 4103/32. It is proposed that the Crown should transfer the "contributions," so long as these are received, to Federal Revenues. The intention is that these "contributions" should be abolished by a process of gradual reduction *pari passu* with the gradual reduction of the block amount retained by the Federation out of the share of Provincial Income Tax described in paragraph 58 above. Abolition cannot, however, be effected by a uniform process. The position of each State requires separate treatment depending on the existence of "immunities," since it is not intended to remit "contributions" save in so far as they are in excess of a still existing immunity. Provision for the treatment of "contributions" on these lines will be made in the States' Instruments of Accession. It is further proposed, as more fully explained in the Indian States Enquiry Committee Report, that as a counterpart to the remission of "contributions," credit should be given to certain States which ceded territory to the Crown under circumstances somewhat analogous to those in which other States agreed to pay "contributions," the basis of determining the amount of such credits being the net revenues of the territories at the time of cession. Provision for such credits will have to be made in the Constitution Act. It may be necessary to establish a Tribunal or other machinery for the purpose of determining the value of immunities (especially those subject to considerable fluctuations), where these have to be assessed from time to time for the purpose of setting them off against

“contributions,” or against any payments accruing from the Federation.

THE JUDICATURE.

The Federal Court.

62. In a Constitution created by the federation of a number of separate political units and providing for the distribution of powers between a Central Legislature and Executive on the one hand and the Legislatures and Executives of the federal units on the other, a Federal Court has always been recognised as an essential element. Such a Court is, in particular, needed to interpret authoritatively the Federal Constitution itself. The ultimate decision on questions concerning the respective spheres of the Federal, Provincial and State authorities is also most conveniently entrusted to a Tribunal independent of Federal, Provincial and State Governments, and such a Tribunal will, in any event, be required in order to prevent the mischief which might otherwise arise if the various High Courts and State Courts interpreted the Constitution in different senses, and thus made the law uncertain and ambiguous.

63. It is proposed that the Federal Court should have both an original and an appellate jurisdiction. Its original jurisdiction will be to determine justiciable disputes between the Federation and any Federal unit or between any two or more Federal units, involving the interpretation of the Constitution Act or any rights or obligations arising thereunder. Its appellate jurisdiction will extend to the determination of appeals from any High Court or State Court on questions, between whomsoever they may arise, involving the interpretation of the Constitution Act or any rights or obligations arising thereunder. In order to guard against frivolous and vexatious appeals, it is proposed that, unless the value of the subject matter in dispute exceeds a specified sum, an appeal will only lie with the leave of the Federal Court or of the High Court or State Court concerned. It is proposed that an appeal shall lie without leave to the Judicial Committee of the Privy Council from a decision of the Federal Court in any matter involving the interpretation of the Constitution, and in any other case only by leave of the Federal Court, unless His Majesty in Council grants special leave to appeal. As a corollary no appeal will be allowed against any decision of a High Court direct to the King in Council in any case where under the Constitution an appeal lies to the Federal Court.

64. On the analogy of the jurisdiction conferred on the Judicial Committee of the Privy Council, by Section 4 of the Judicial Committee Act, 1833, the Governor-General will be empowered in his discretion to refer to the Federal Court any justiciable matter on which it is, in his opinion, expedient to obtain the opinion of the Court.

65. The Federal Court will consist of a Chief Justice and a specified number of Judges, who will be appointed by the Crown and will hold office during good behaviour. But power will be taken to increase this number if both Houses of the Legislature present an address to the Governor-General praying that His Majesty may be pleased to do so.

The Supreme Court.

66. But though a Federal Court, with power and jurisdiction such as those indicated, is a necessary and integral part of the Constitution envisaged by these proposals, Indian opinion is far from unanimous as to the necessity—or at all events as to the immediate necessity—for a Supreme Court of Appeal. The jurisdiction of such a Court, were it established, would necessarily be limited to British India, and its functions would be, within the limits assigned to it, to act as a final Court of Appeal in India from the decisions of the Provincial High Courts on matters other than those—mainly constitutional—which will fall within the jurisdiction of the Federal Court. With such a Court in existence, there would be good reason for limiting the right of appeal from Indian High Courts to the Judicial Committee of the Privy Council and thereby mitigating some of the grounds for dissatisfaction which arise from the delays, expense and inconveniences necessarily involved in the prosecution of appeals before so distant a tribunal. On the other hand, there is strong support for the view that a Supreme Court for India would be an unnecessary and unjustifiable expense, and that it would be difficult to find, in addition to the Judges required for the Federal Court and the Provincial High Courts, a body of judicial talent of the calibre essential if it is to justify its existence: there is, moreover, difference of opinion as to whether such a Court, if established, should be separate from the Federal Court or should be constituted as a Division of that Court. In these circumstances His Majesty's Government are of opinion that the right course is to empower the Federal Legislature to set up such a Court if and when there is sufficient unanimity of view on these and other questions to enable legislation for this purpose to be promoted, but that the powers and jurisdiction of the Court should none the less be laid down by the Constitution Act on the lines indicated in paragraphs 163-167 of the Proposals.

THE SECRETARY OF STATE'S ADVISERS.

67. His Majesty's Government do not regard a Council of the kind which has been associated with the Secretary of State for India since the Crown took over the affairs of the East India Company in 1858 as any longer necessary in, or appropriate to, the conditions of the new Constitution. They are satisfied, however, that the responsibilities of the Secretary of State will remain such as to make it imperative that he should have at his disposal a small body

of carefully selected advisers to supplement the assistance which in common with other Ministers he will derive from the permanent staff of his Department.

68. "The Secretary of State in Council of India" as a statutory corporation which alone can be plaintiff or defendant in any litigation instituted by, or against, any Governmental authority in India, and in whose name alone can be executed any contract or assurance entered into by any Government in India, is a conception which is manifestly incompatible alike with Provincial self-government and with a responsible Federal Government: and the present power of veto possessed by the Council of India over all expenditure from the revenues of India is no less incompatible with the constitutional arrangements outlined in paragraphs 5 to 11 of this Introduction. The Proposals, therefore, contemplate the vesting in the Crown on behalf of the Federal Executive and the Provincial Executives respectively of all property now held in the name of the Crown which is required for their respective purposes, and these authorities will be endowed with the right to enter into all contracts and assurances necessary for the performance of their functions, with the right to sue and the liability to be sued in respect of any claims arising in their several spheres of authority. It will at the same time be necessary to preserve the existing rights of suit against the Secretary of State in this country in respect of any claims arising out of obligations undertaken by the Secretary of State in Council before, and subsisting at the date of, the inauguration of the Federation, and to place upon the Federal Government an obligation to implement any judgment or award arising therefrom, whether by the provision of funds or otherwise.

69. As regards the Secretary of State's Council, it is proposed to enable him to appoint not less than three nor more than six advisers (at least two of whom must have served the Crown in India for not less than 10 years) to hold office for five years. The Secretary of State will be free to consult these advisers, either individually or collectively, as he may think fit. But he will be required not only to consult them, but to obtain the concurrence of a majority of them on the draft of any Rules regulating the Public Services in India, and in the disposal of any appeal to him permitted by the Constitution from any member of those Services (see paragraph 179 of Proposals).

THE PUBLIC SERVICES.

70. The main divisions of the Public Services in India are:—

- (1) The All-India Services;
- (2) The Provincial Services; and
- (3) The Central Services, Classes I and II.

Officers of the All-India Services serve chiefly in the Provinces, but they are liable to serve anywhere in India, and a number of the

higher posts under the Government of India are held by them. These All-India Services include the following :—

- (i) The Indian Civil Service;
- (ii) The Indian Police;
- (iii) The Indian Forest Service; and
- (iv) The Indian Service of Engineers.

On the transfer of their fields of service to Ministerial control on the inauguration of the new Constitution, recruitment will cease for Nos. (iii) and (iv).

The Provincial Services cover the whole field of civil administration of the Provinces in the middle and lower grades. Members of these services are appointed by the Provincial Governments.

Some of the more important of the Central Services are :—

- (1) The Railway Services;
- (2) The Indian Posts and Telegraph Traffic Service;
- (3) The Imperial Customs Service.

Persons appointed by the Secretary of State in Council are serving in all these Services.

71. All persons appointed by the Secretary of State in Council have certain important rights. They cannot, for example, be dismissed from the Service by any authority subordinate to the Secretary of State in Council; their pay is protected from the vote of the Legislatures; and they have an ultimate right of appeal to the Secretary of State in Council against all important disciplinary measures taken in India and also in respect of their principal conditions of service.

It is intended to safeguard these rights and to extend them to all persons appointed by the Secretary of State after the commencement of the Constitution Act with the exception of the right to retire under the regulations for premature retirement; this right it is proposed to give only to officers appointed to the Indian Civil Service and Indian Police up to the time when a decision is taken on the results of the enquiry indicated in paragraph 72.

Certain members of the Provincial and Central Services though they may not have been appointed by the Secretary of State in Council have also rights for the preservation of which he is responsible. These, too, will be secured.

72. Provision is made for continued recruitment by the Secretary of State to the Indian Civil Service, the Indian Police, and the Ecclesiastical Department.

Provision is also made for securing that all persons appointed by the Secretary of State in Council or the Secretary of State are employed in India on work of the kind for which their recruitment has been considered essential.

At the expiry of five years from the commencement of the Constitution Act a statutory enquiry will be held into the question of

future recruitment for the Indian Civil Service and Indian Police and the governments in India will be associated with the enquiry. The decision on the results of the enquiry will rest with His Majesty's Government and will be subject to the approval of both Houses of Parliament. Pending the decision on this enquiry, the present ratio of British to Indian recruitment will remain unaltered.

The question of continued recruitment by the Secretary of State to the superior Medical and Railway Services is under examination. His Majesty's Government hope to submit their recommendations on this matter later to the Joint Select Committee.

73. As regards Family Pension Funds to which serving officers now contribute, His Majesty's Government consider that it must be recognised that assets constitute in all cases a definite debt liability of the Government of India and are the property of the subscribers. In these circumstances they are examining a proposal for the adoption of a new financial procedure in relation to these funds, with a view to building up gradually separate sterling funds. If such a scheme should prove to be practicable, it will, of course, be necessary to consult members of the Services regarding it before any decision is reached. The adoption of any such scheme would probably necessitate certain statutory provisions not covered by the present Proposals. His Majesty's Government hope to be in a position to submit their recommendations on this subject later to the Joint Select Committee.

The Statutory Railway Board.

74. There is one matter of importance which these Proposals do not cover, namely, the arrangements to be made for the administration of the Railways under the Federal Government. His Majesty's Government consider that it will be essential that, while the Federal Government and Legislature will necessarily exercise a general control over railway policy, the actual control of the administration of the State Railways in India (including those worked by Companies) should be placed by the Constitution Act in the hands of a Statutory Body, so composed and with such powers as will ensure that it is in a position to perform its duties upon business principles, and without being subject to political interference. With such a Statutory Body in existence, it would be necessary to preserve such existing rights as Indian Railway Companies possess under the terms of their contracts to have access to the Secretary of State in regard to disputed points and, if they desire, to proceed to arbitration. His Majesty's Government are in consultation with the Government of India on the questions of principle and detail which require settlement before a satisfactory scheme can be devised to carry out these purposes.

Fundamental Rights.

75. The question of including in the Constitution Act a series of declarations, commonly described as a statement of "fundamental rights," which would be designed to secure either to the community in general, or to specified sections of it, rights or immunities to which importance is attached, has been much discussed during the proceedings of the Round Table Conference. His Majesty's Government see serious objections to giving statutory expression to any large range of declarations of this character, but they are satisfied that certain provisions of this kind, such, for instance, as the respect due to personal liberty and rights of property and the eligibility of all for public office, regardless of differences of caste, religion, &c., can appropriately, and should, find a place in the Constitution Act. His Majesty's Government think it probable that occasion may be found in connexion with the inauguration of the new Constitution for a pronouncement by the Sovereign, and, in that event, they think it may well be found expedient humbly to submit for His Majesty's consideration that such a pronouncement might advantageously give expression to some of the propositions suggested to them in this connexion which prove unsuitable for statutory enactment.

Conclusion.

76. His Majesty's Government are fully aware that the actual drafting of the Constitution Bill, and the consequent repeal of the existing Government of India Act, will raise a number of other questions—some of importance—which these Proposals do not cover, for instance, provision will be required for an Auditor-General, for the establishment of the Secretary of State and for various other matters which the existing Act at present embraces, and which may, or may not, require perpetuation in the Act which takes its place.

15th March, 1933.

THE PROPOSALS.

1. The general principle underlying all these proposals is that all powers appertaining or incidental to the government of India and all rights, authority and jurisdiction possessed in that country—whether flowing from His Majesty's sovereignty over the territories of British India, or derived from treaty, grant, usage, sufferance or otherwise in relation to other territories—are vested in the Crown and are exercisable by and in the name of the King Emperor.

[See paragraph 9 of Introduction.]

PART I.

THE FEDERATION.

GENERAL.

2. The Federation of India will be a union between the Governors' Provinces and those Indian States whose Rulers signify their desire to accede to the Federation by a formal Instrument of Accession. By this Instrument the Ruler will transfer to the Crown for the purposes of the Federation his powers and jurisdiction in respect of those matters which he is willing to recognise as federal matters; and the powers and jurisdiction so transferred will thereafter be exercised on behalf of the Federation and in accordance with the provisions of the Constitution Act by the Governor-General, the Federal Legislature, the Federal Court (with an appeal therefrom to His Majesty in Council) and such other Federal organs as the Constitution Act may create. But in the case of every State which accedes, the powers and jurisdiction of the Federation in relation to that State and the subjects of its Ruler will be strictly co-terminous with the powers and jurisdiction transferred to the Crown by the Ruler himself and defined in his Instrument of Accession.

3. Except to the extent to which the Ruler of a State has transferred powers and jurisdiction, whether by his Instrument of Accession or otherwise—and, in the case of a State which has not acceded to the Federation, in all respects—the relations of the State will be with the Crown represented by the Viceroy, and not with the Crown represented by the Governor-General as executive head of the Federal Government. Accordingly, all powers of the Crown in relation to the States which are at present exercised by the Governor-General in Council, other than those which fall within the Federal sphere, will after Federation be exercised by the Viceroy as the Crown's representative.

4. The Federation will be brought into existence by the issue of a Proclamation by His Majesty declaring that on a date

to be appointed in the Proclamation the existing nine "Governors' Provinces," with Sind and Orissa (which will be constituted as new and separate Governors' Provinces), are to be united in a Federation of India with such Indian States as have acceded or may accede to the Federation; but the Proclamation will not be issued until—

- (a) His Majesty has received intimation that the Rulers of States representing not less than half the aggregate population of the Indian States and entitled to not less than half the seats to be allotted to the States in the Federal Upper Chamber, have signified their desire to accede to the Federation; and
- (b) Both Houses of Parliament have presented an Address to His Majesty praying that such a Proclamation may be issued.

5. The authority of the Federation will, without prejudice to the extra-territorial powers of the Federal Legislature (see paragraph 111), extend to the Governors' Provinces, to the acceding States (subject to the limitations mentioned in paragraph 3), and to those areas in British India which are administered by Chief Commissioners—namely, the Provinces of Delhi, Ajmer-Merwara, Coorg, British Baluchistan and the Andaman and Nicobar Islands. These Provinces (with one exception) will be directly subject to the jurisdiction of the Federal Government and Legislature.

In the case of British Baluchistan special provision will be made whereby the Governor-General will himself direct and control the administration of this Province (see paragraphs 57-58). Expenditure required for British Baluchistan will not be subject to the vote of the Federal Legislature, but will be open to discussion in both Chambers.

The Settlement of Aden is at present a Chief Commissioner's Province. The future arrangements for the Settlement are, however, under consideration, and accordingly no proposals in respect of it are included in this document.

THE FEDERAL EXECUTIVE.

6. The executive authority of the Federation, including the supreme command of the Military, Naval and Air Forces in India, will be exercisable on the King's behalf by a Governor-General holding office during His Majesty's pleasure, but His Majesty may appoint a Commander-in-Chief to exercise in relation to those Forces such powers and functions as may be assigned to him.

All executive acts will run in the name of the Governor-General.*

* It follows from this that, broadly speaking, where the words "Governor-General" are used without the added words "in his discretion," or "at his discretion," the Federal Government is meant, in the case of the Reserved Departments, however, the Governor-General being himself the responsible executive. A corresponding meaning attaches to the word "Governor" in the case of the Provincial executive.

7. The executive authority of the Federation will extend in relation to a State-member of the Federation only to such powers and jurisdiction falling within the Federal sphere as the Ruler has transferred to the King.

8. The Governor-General will exercise the powers conferred upon him by the Constitution Act as executive head of the Federation and such powers of His Majesty (not being powers inconsistent with the provisions of the Constitution Act) as His Majesty may be pleased by Letters Patent constituting the office of Governor-General to assign to him. In exercising all these powers the Governor-General will act in accordance with an Instrument of Instructions to be issued to him by the King.

9. The draft of the Governor-General's Instrument of Instructions (including the drafts of any amendments thereto) will be laid before both Houses of Parliament, and opportunity will be provided for each House of Parliament to make to His Majesty representations for an amendment of, or addition to, or omission from, the Instructions.

10. The Governor-General's salary will be fixed by the Constitution Act, and all other payments in respect of his personal allowances, or of salaries and allowances of his personal and secretarial staff, will be fixed by Order in Council; none of these payments will be subject to the vote of the Legislature.

THE WORKING OF THE FEDERAL EXECUTIVE.

11. The Governor-General will himself direct and control the administration of certain Departments of State—namely, Defence, External Affairs and Ecclesiastical Affairs.

12. In the administration of these Reserved Departments, the Governor-General will be assisted by not more than three Counsellors, who will be appointed by the Governor-General, and whose salaries and conditions of service will be prescribed by Order in Council.

13. For the purpose of aiding and advising the Governor-General in the exercise of powers conferred upon him by the Constitution Act for the government of the Federation, other than powers connected with the matters mentioned in paragraph 11, and matters left by law to his discretion, there will be a Council of Ministers. The Ministers will be chosen and summoned by the Governor-General and sworn as Members of the Council and will hold office during his pleasure. The persons appointed Ministers must be, or become within a stated period, members of one or other Chamber of the Federal Legislature.

14. In his Instrument of Instructions the Governor-General will be enjoined *inter alia* to use his best endeavours to select his

Ministers in the following manner, that is, in consultation with the person who, in his judgment, is likely to command the largest following in the Legislature, to appoint those persons (including so far as possible members of important minority communities and representatives of the States-members of the Federation) who will best be in a position collectively to command the confidence of the Legislature.

15. The number of Ministers and the amounts of their respective salaries will be regulated by Act of the Federal Legislature, but, until the Federal Legislature otherwise determines, their number and their salaries will be such as the Governor-General determines, subject to limits to be laid down in the Constitution Act.

The salary of a Minister will not be subject to variation during his term of office.

16. The Governor-General will, whenever he thinks fit, preside at meetings of his Council of Ministers. He will also be authorised, after consultation with his Ministers, to make in his discretion any rules which he regards as requisite to regulate the disposal of Government business and the procedure to be observed in its conduct, and for the transmission to himself and to his Counsellors in the Reserved Departments, and to the Financial Adviser, of all such information as he may direct.

17. The Governor-General will be empowered, in his discretion, but after consultation with his Ministers, to appoint a Financial Adviser to assist him in the discharge of his "special responsibility" for financial matters—see next paragraph—and also to advise Ministers on matters regarding which they may seek his advice. The Financial Adviser will be responsible to the Governor-General and will hold office during his pleasure; his salary will be fixed by the Governor-General and will not be subject to the vote of the Legislature.

18. Apart from his exclusive responsibility for the Reserved Departments (paragraph 11) the Governor-General in administering the government of the Federation will be declared to have a "special responsibility" in respect of—

- (a) the prevention of any grave menace to the peace or tranquillity of India or any part thereof;
- (b) the safeguarding of the financial stability and credit of the Federation;
- (c) the safeguarding of the legitimate interests of minorities;
- (d) the securing to the members of the Public Services of any rights provided for them by the Constitution Act and the safeguarding of their legitimate interests;
- (e) the prevention of commercial discrimination;

- (f) the protection of the rights of any Indian State;
- (g) any matter which affects the administration of any Department under the direction and control of the Governor-General.

It will be for the Governor-General to determine in his discretion whether any of the "special responsibilities" here described are involved by any given circumstances.

19. If in any case in which, in the opinion of the Governor-General, a special responsibility is imposed upon him it appears to him, after considering such advice as has been given him by his Ministers, that the due discharge of his responsibility so requires, he will have full discretion to act as he thinks fit, but in so acting he will be guided by any directions which may be contained in his Instrument of Instructions.

20. The Governor-General, in administering the Departments under his own direction and control, in taking action for the discharge of any special responsibility, and in exercising any discretion vested in him by the Constitution Act, will act in accordance with such directions, if any, not being directions inconsistent with anything in his Instructions, as may be given to him by a principal Secretary of State.

21. The Governor-General's Instrument of Instructions will accordingly contain *inter alia* provision on the following lines:—

"In matters arising in the Departments which you direct and control on your own responsibility, or in matters the determination of which is by law committed to your discretion, it is Our will and pleasure that you should act in exercise of the powers by law conferred upon you in such manner as you may judge right and expedient for the good government of the Federation, subject, however, to such directions as you may from time to time receive from one of Our principal Secretaries of State.

In matters arising out of the exercise of powers conferred upon you for the purposes of the government of the Federation other than those specified in the preceding paragraph it is Our will and pleasure that you should, in the exercise of the powers by law conferred upon you, be guided by the advice of your Ministers, unless so to be guided would, in your judgment, be inconsistent with the fulfilment of your special responsibility for any of the matters in respect of which a special responsibility is by law committed to you; in which case it is Our will and pleasure that you should, notwithstanding your Ministers' advice, act in exercise of the powers by law conferred upon you in such manner as you judge requisite for the fulfilment of your special

responsibilities, subject, however, to such directions as you may from time to time receive from one of Our principal Secretaries of State.”*

THE FEDERAL LEGISLATURE.

General.

22. The Federal Legislature will consist of the King, represented by the Governor-General, and two Chambers, to be styled the Council of State and the House of Assembly, and will be summoned to meet for the first time not later than a date to be specified in the Proclamation establishing the Federation.

Every Act of the Federal Legislature will be expressed as having been enacted by the Governor-General, by and with the consent of of both Chambers.

23. Power to summon, and appoint places for the meeting of, the Chambers, to prorogue them, and to dissolve them, either separately or simultaneously, will be vested in the Governor-General at his discretion, subject to the requirement that they shall meet at least once in every year and that not more than twelve months shall intervene between the end of one session and the commencement of the next.

The Governor-General will also be empowered to summon the Chambers for the purpose of addressing them.

24. Each Council of State will continue for seven years and each Assembly for five years, unless sooner dissolved.

25. A member of the Council of Ministers will have the right to speak, but not to vote, in the Chamber of which he is not a Member.

A Counsellor will be *ex officio* an additional member of both Chambers for all purposes except the right of voting.

The Composition of the Chambers.

26. The Council of State will consist, apart from the Governor-General's Counsellors, of not more than 260 members, of whom 150 will be elected from British India in the manner indicated in Appendix I, † not more than 100 will be appointed by the Rulers of States, ‡ and not more than ten (who shall not be officials) will be nominated by the Governor-General in his discretion.

* For other matters to be included in the Instrument of Instructions, see paragraph 14 of Proposals and paragraph 23 of Introduction.

† See paragraph 18 of Introduction.

‡ See paragraph 19 of Introduction.

27. A member of the Council of State will be required to be at least 30 years of age (this age limit not, however, being applicable to the Ruler of a State) and a British subject or a Ruler or subject of an Indian State, and to possess certain prescribed property qualifications, or to have been at some previous date a member of the Indian Legislature or of the Federal Legislature, or to possess qualifications to be prescribed by the Government of the State or Province which he represents with a view to conferring qualification upon persons who have rendered distinguished public service.

28. Casual vacancies in the Council of State will be filled, in the case of a British Indian elected representative, by election (so long as communal representation is retained as a feature of the Constitution) by those members of the body by which he was elected who are members of the community to which the vacating member belongs, and in the case of an appointed or nominated member, by a fresh appointment or nomination.

29. The Assembly will consist, apart from the Governor-General's Counsellors, of not more than 375 members, of whom 250 will be elected to represent constituencies in British India in the manner indicated in Appendix II, and not more than 125 will be appointed by the Rulers of States.

30. A member of the Assembly will be required to be not less than 25 years of age and a British subject or a subject of an Indian State.

31. Casual vacancies in the Assembly will be filled, in the case of an elected member, by the same method as that prescribed in Appendix II for the election of the vacating member, and, in the case of an appointed member, by a fresh appointment by the person by whom the vacating member was appointed.

32. Only the Ruler of a State who has acceded to the Federation will be entitled to appoint, or take part in appointing, a member of either Chamber of the Federal Legislature, and any vacancies arising out of the operation of this restriction will for the time being remain unfilled.†

† This paragraph has reference to the allotment to the States by paragraphs 26 and 29 of "not more than 100" and "not more than 125" seats in the Council of State and the House of Assembly respectively. The figures just quoted represent the total number of seats which will be available to the States when they have all acceded to the Federation, and the intention is that a seat allotted to an individual State will remain unfilled unless and until that State has entered the Federation. States under "minority administration" will necessarily be treated as non-acceding States for this and other purposes.

33. Every member of either Chamber will be required to make and subscribe an oath or affirmation in the following form before taking his seat :—

In the case of a representative of a State :—

“ I, A.B., having been appointed a member of this Council,
Assembly,
do solemnly swear (or affirm) that, saving the faith and allegiance I owe to C.D., I will be faithful and bear true allegiance in my capacity as Member of this Council
Assembly to His Majesty the King Emperor of India, His heirs and successors, and that I will faithfully discharge the duty upon which I am about to enter.”

In the case of a representative of British India :—

“ I, A.B., having been elected
nominated a member of this Council,
Assembly,
do solemnly swear (or affirm) that I will be faithful and bear true allegiance to His Majesty the King Emperor of India, His heirs and successors, and that I will faithfully discharge the duty upon which I am about to enter.”

34. The following disqualifications will be prescribed for membership of either Chamber :—

- (a) in the case of elected members or of members nominated by the Governor-General, the holding of any office of profit under the Crown other than that of Minister;
- (b) a declaration of unsoundness of mind by a competent Court;
- (c) being an undischarged bankrupt;
- (d) conviction of the offence of corrupt practices or other election offences;
- (e) in the case of a legal practitioner, suspension from practice by order of a competent Court;

but provision will be made that the last two disqualifications may be removed by order of the Governor-General at his discretion;

- (f) having an undisclosed interest in any contract with the Federal Government: provided that the mere holding of shares in a company will not by itself involve this disqualification.

35. A person sitting or voting as a member of either Chamber when he is not qualified for, or is disqualified from, membership will be made liable to a penalty of _____ in respect of each day on which he so sits or votes, to be recovered in the High Court of the Province or State which the person in respect of whom

the complaint is made represents by suit instituted with the consent of a Principal Law Officer of the Federation.

36. Subject to the Rules and Standing Orders affecting the Chamber there will be freedom of speech in both Chambers of the Federal Legislature. No person will be liable to any proceedings in any Court by reason of his speech or vote in either Chamber, or by reason of anything contained in any official report of the proceedings in either Chamber.

37. The following matters connected with elections and electoral procedure, in so far as provision is not made by the Act, will be regulated by Order in Council :—

- (a) The qualifications of electors;
- (b) The delimitation of constituencies;
- (c) The method of election of representatives of communal and other interests;
- (d) The filling of casual vacancies; and
- (e) Other matters ancillary to the above;

with provision that Orders in Council framed for these purposes shall be laid in draft for a stated period before each House of Parliament.

For matters other than the above connected with the conduct of elections the Federal Legislature will be empowered to make provision by Act. But until the Federal Legislature otherwise determines, existing laws or rules, including the law or rules providing for the prohibition and punishment of corrupt practices or election offences and for determining the decision of disputed elections, will remain in force, subject, however, to such modifications or adaptations to be made by Order in Council as may be required in order to adapt their provisions to the requirements of the new Constitution.

Legislative Procedure.

38. Bills (other than Money Bills, which will be initiated in the Assembly) will be introduced in either Chamber.

39. The Governor-General will be empowered at his discretion, but subject to the provisions of the Constitution Act and to his Instrument of Instructions, to assent in His Majesty's name to a Bill which has been passed by both Chambers, or to withhold his assent, or to reserve the Bill for the signification of the King's pleasure. But before taking any of these courses it will be open to the Governor-General to remit a Bill to the Chambers with a Message requesting its reconsideration in whole or in part, together with such amendments, if any, as he may recommend.

No Bill will become law until it has been agreed to by both Chambers either without amendment or with such amendments only as are agreed to by both Chambers, and has been assented to by the Governor-General, or, in the case of a reserved Bill, until His Majesty in Council has signified his assent.

40. Any Act assented to by the Governor-General will within twelve months be subject to disallowance by His Majesty in Council.

41. In the case of disagreement between the Chambers, the Governor-General will be empowered, in any case in which a Bill passed by one Chamber has not, within three months thereafter, been passed by the other, either without amendments or with agreed amendments, to summon the two Chambers to meet in a joint sitting for the purpose of reaching a decision on the Bill. The members present at a Joint Session will deliberate and vote together upon the Bill in the form in which it finally left the Chamber in which it was introduced and upon amendments, if any, made therein by one Chamber and not agreed to by the other. Any such amendments which are affirmed by a majority of the total number of members voting at the Joint Session will be deemed to have been carried, and if the Bill, with the amendments, if any, so carried, is affirmed by a majority of the members voting at the Joint Session, it shall be taken to have been duly passed by both Chambers.

In the case of a Money Bill, or in cases where, in the Governor-General's opinion, a decision on the Bill cannot consistently with the fulfilment of his responsibilities for a Reserved Department or of any of his "special responsibilities" be deferred, the Governor-General will be empowered in his discretion to summon a Joint Session forthwith.

42. In order to enable the Governor-General to fulfil the responsibilities imposed upon him personally for the administration of the Reserved Departments and his "special responsibilities," he will be empowered at his discretion—

- (a) to present, or cause to be presented, a Bill to either Chamber, and to declare by Message to both Chambers that it is essential, having regard to his responsibilities for a Reserved Department or, as the case may be, to any of his "special responsibilities," that the Bill so presented should become law before a date specified in the Message; and
- (b) to declare by Message in respect of any Bill already introduced in either Chamber that it should for similar reasons become law before a stated date in a form specified in the Message.

A Bill which is the subject of such a Message will then be considered or reconsidered by the Chambers, as the case may require,

and if, before the date specified, it is not passed by the two Chambers, or is not passed by the two Chambers in the form specified, the Governor-General will be empowered at his discretion to enact it as a Governor-General's Act, either with or without any amendments made by either Chamber after receipt of his Message.

A Governor-General's Act so enacted will have the same force and effect as an Act of the Legislature, and will be subject to disallowance in the same manner, but the Governor-General's competence to legislate under this provision will not extend beyond the competence of the Federal Legislature as defined by the Constitution.

43. It will be made clear by means of the enacting words of a Governor-General's Act, which will be distinguished from the enacting words of an ordinary Act (see paragraph 22), that Acts of the former description are enacted on the Governor-General's own responsibility.

44. Provision will also be made empowering the Governor-General in his discretion, in any case in which he considers that a Bill introduced, or proposed for introduction, or any clause thereof, or any amendment to a Bill moved or proposed, would affect the discharge of his "special responsibility" for the prevention of any grave menace to the peace or tranquillity of India, to direct that the Bill, clause or amendment shall not be further proceeded with.

Procedure with regard to Financial Proposals.

45. A recommendation of the Governor-General will be required for any proposal in either Chamber of the Federal Legislature for the imposition of taxation, for the appropriation of public revenues, or any proposal affecting the public debt, or affecting, or imposing any charge upon, public revenues.*

46. The Governor-General will cause a statement of the estimated revenue and expenditure of the Federation, together with a statement of all proposals for the appropriation of those revenues, to be laid, in respect of every financial year, before both Chambers of the Legislature.

* This paragraph represents the constitutional principle embodied in Standing Order 66 of the House of Commons, which finds a place in practically every Constitution Act throughout the British Empire:—

"This House will receive no petition for any sum relating to public service or proceed upon any motion for any grant or charge upon the public revenue, whether payable out of the consolidated fund or out of money to be provided by Parliament, unless recommended from the Crown."

The statement of proposals for appropriation will be so arranged

as—

- (a) to distinguish between those proposals which will, and those which will not (*see paragraph 49*) be submitted to the vote of the Legislature and amongst the latter to distinguish those which are in the nature of standing charges (for example, the items in the list in paragraph 49, marked †); and
- (b) to specify separately those additional proposals (if any), whether under the votable or non-votable Heads, which the Governor-General regards as necessary for the discharge of any of his "special responsibilities."

47. The proposals for the appropriation of revenues, other than proposals relating to the Heads of Expenditure enumerated in paragraph 49, and proposals (if any) made by the Governor-General in discharge of his special responsibilities, will be submitted in the form of Demands for Grants to the vote of the Assembly. The Assembly will be empowered to assent or refuse assent to any Demand or to reduce the amount specified therein, whether by way of a general reduction of the total amount of the Demand or of the reduction or omission of any specific item or items included in it.

48. The Demands as laid before the Assembly will thereafter be laid before the Council of State which will be empowered to require, if a motion to that effect is moved on behalf of the Government and accepted, that any Demand which had been reduced or rejected by the Assembly shall be brought before a Joint Session of both Chambers for final determination.

49. Proposals for appropriations of revenues, if they relate to the Heads of Expenditure enumerated in this paragraph, will not be submitted to the vote of either Chamber of the Legislature, but will be open to discussion in both Chambers, except in the case of the salary and allowances of the Governor-General and of expenditure required for the discharge of the functions of the Crown in, and arising out of, its relations with the Rulers of Indian States.

The Heads of Expenditure referred to above are:—

- (i) Interest, Sinking Fund Charges and other expenditure relating to the raising, service and management of loans; † expenditure fixed by or under the Constitution Act; † expenditure required to satisfy a decree of any Court or an arbitral award;
- (ii) The salary and allowances of the Governor-General; † of Ministers; † of the Governor-General's Counsellors; † of the Financial Adviser; † of Chief Commissioners; † of the Governor-General's personal and secretarial staff and of the staff of the Financial Adviser;

- (iii) Expenditure required for the Reserved Departments;* for the discharge of the functions of the Crown in and arising out of its relations with the Rulers of Indian States; or for the discharge of the duties imposed by the Constitution Act on a principal Secretary of State;
- (iv) The salaries and pensions (including pensions payable to their dependants) of Judges of the Federal or Supreme Court or of Judicial Commissioners under the Federal Government;† and expenditure certified by the Governor-General after consultation with his Ministers as required for the expenses of those Courts;
- (v) Expenditure required for Excluded Areas and British Baluchistan;
- (vi) Salaries and pensions payable to, or to the dependants of certain members of the Public Services and certain other sums payable to such persons (see Appendix VII, Part III).

The Governor-General will be empowered to decide finally and conclusively, for all purposes, any question whether a particular item of expenditure does or does not fall under any of the Heads of Expenditure referred to in this paragraph.

‡50. At the conclusion of the budget proceedings the Governor-General will authenticate by his signature all appropriations, whether voted or those relating to matters enumerated in paragraph 49; the appropriations so authenticated will be laid before both Chambers of the Legislature, but will not be open to discussion.

In the appropriations so authenticated the Governor-General will be empowered to include any additional amounts which he regards as necessary for the discharge of any of his special responsibilities, so, however, that the total amount authenticated under any Head is not in excess of the amount originally laid before the Legislature under that Head in the Statement of proposals for appropriation.

The authentication of the Governor-General will be sufficient authority for the due application of the sums involved.

51. The provisions of paragraphs 45 to 50 inclusive will apply with the necessary modifications to proposals for the appropriation of revenues to meet expenditure not included in the Annual Estimates which it may become necessary to incur during the course of the financial year.

Procedure in the Federal Legislature.

52. The procedure and conduct of business in each Chamber of the Legislature will be regulated by rules to be made, subject to the provisions of the Constitution Act, by each Chamber; but the

* See as regards Defence Expenditure paragraph 23 of Introduction.

‡ See paragraph 39 of Introduction.

Governor-General will be empowered at his discretion, after consultation with the President, or Speaker, as the case may be, to make rules—

- (a) regulating the procedure of, and the conduct of business in, the Chamber in relation to matters arising out of, or affecting, the administration of the Reserved Departments or any other special responsibilities with which he is charged; and
- (b) prohibiting, save with the prior consent of the Governor-General given at his discretion, the discussion of or the asking of questions on—
 - (i) matters connected with any Indian State other than matters accepted by the Ruler of the State in his Instrument of Accession as being Federal subjects; or
 - (ii) any action of the Governor-General taken in his discretion in his relationship with a Governor; or
 - (iii) any matter affecting relations between His Majesty or the Governor-General and any foreign Prince or State.

In the event of conflict between a rule so made by the Governor-General and any rule made by the Chamber, the former will prevail and the latter will, to the extent of the inconsistency, be void.

*Emergency Powers of the Governor-General in relation to
Legislation.*

53. The Governor-General will be empowered at his discretion, if at any time he is satisfied that the requirements of the Reserved Departments, or any of the "special responsibilities" with which he is charged by the Constitution Act render it necessary, to make and promulgate such Ordinances as, in his opinion, the circumstances of the case require, containing such provisions as it would have been competent, under the provisions of the Constitution Act, for the Federal Legislature to enact.

An Ordinance promulgated under the proposals contained in this paragraph will continue in operation for such period, not exceeding six months, as may be specified therein; the Governor-General will, however, have power to renew any Ordinance for a second period not exceeding six months, but in that event it will be laid before both Houses of Parliament.

An Ordinance will have the same force and effect, whilst in operation, as an Act of the Federal Legislature; but every such Ordinance will be subject to the provisions of the Constitution Act relating to disallowance of Acts, and will be subject to withdrawal at any time by the Governor-General.

54. In addition to the powers to be conferred upon the Governor-General at his discretion in the preceding paragraph, the Governor-General will further be empowered, if his Ministers are satisfied, at a time when the Federal Legislature is not in session, that an emergency exists which renders such a course necessary, to make and promulgate any such Ordinances for the good government of British India, or any part thereof, as the circumstances of the case require, containing such provisions as, under the Constitution Act, it would have been competent for the Legislature to enact.

An Ordinance promulgated under the proposals contained in this paragraph will have, while in operation, the same force and effect as an Act of the Federal Legislature, but every such Ordinance—

- (a) will be required to be laid before the Federal Legislature and will cease to operate at the expiry of six weeks from the date of the reassembly of the Legislature, unless both Chambers have in the meantime disapproved it by Resolution, in which case it will cease to operate forthwith; and
- (b) will be subject to the provisions of the Constitution Act relating to disallowance as if it were an Act of the Federal Legislature; it will also be subject to withdrawal at any time by the Governor-General.

Provisions in the Event of a Breakdown in the Constitution.

55. The Governor-General will be empowered at his discretion, if at any time he is satisfied that a situation has arisen which renders it for the time being impossible for the government of the Federation to be carried on in accordance with the provisions of the Constitution Act, by Proclamation to assume to himself all such powers vested by law in any Federal authority as appear to him to be necessary for the purpose of securing that the government of the Federation shall be carried on effectively.

A Proclamation so issued will have the same force and effect as an Act of Parliament; will be communicated forthwith to a Secretary of State and laid before Parliament; will cease to operate at the expiry of six months unless, before the expiry of that period, it has been approved by Resolutions of both Houses of Parliament; and may at any time be revoked by Resolutions by both Houses of Parliament.

CHIEF COMMISSIONERS' PROVINCES.

56. Each of the Provinces known as British Baluchistan, Delhi, Ajmer Merwara, Coorg and the Andaman and Nicobar Islands will be administered, subject to the provisions of the Constitution Act, by a Chief Commissioner who will be appointed by the Governor-General in his discretion to hold office during his pleasure.

57. Special provision will be made for British Baluchistan, whereby the Governor-General will himself direct and control the administration of that Province, acting through the agency of the Chief Commissioner.

58. Legislation required for British Baluchistan will be obtained in the following manner :—

No Act of the Federal Legislature will apply to the Province unless the Governor-General in his discretion so directs, and in giving such a direction the Governor-General will be empowered to direct that the Act, in its application to the Province, or any part thereof, is to have effect subject to such exceptions or modifications as he thinks fit.

The Governor-General will also be empowered at his discretion to make Regulations for the peace and good government of British Baluchistan and will be competent by any Regulations so made to repeal or amend any Act of the Federal Legislature which is for the time being applicable to the Province. Any such Regulation, on promulgation by the Governor-General in the official Gazette will have the same force and effect in relation to British Baluchistan as an Act of the Federal Legislature, and will, like such Acts, be subject to disallowance by His Majesty in Council.

The provisions of the preceding sub-paragraph will apply also to the Andaman and Nicobar Islands.

59. In the Chief Commissioners' Provinces the Chief Commissioner will have all such executive power and authority as may be necessary for the administration of the Province, and in the exercise of this power and authority he will (save in the case of British Baluchistan) be directly subordinate to the Federal Government.

60. The composition of the Coorg Legislative Council, as existing immediately before the establishment of the Federation, will continue unchanged, and special provisions will be made with regard to its legislative powers.

PART II.

THE GOVERNORS' PROVINCES.

THE PROVINCIAL EXECUTIVE.

61. A "Governor's Province" will be defined as meaning the Presidencies of Bengal, Madras and Bombay, and the Provinces known as the United Provinces, the Punjab, Bihar, the Central

Provinces,* Assam, the North-West Frontier Province, Sind, and Orissa.†

62. In a Governor's Province the executive authority will be exercisable on the King's behalf by a Governor holding office during His Majesty's pleasure.

All executive acts will run in the name of the Governor.

63. The Governor will exercise the powers conferred upon him by the Constitution Act as executive head of the Provincial Government, and such powers of His Majesty (not being powers inconsistent with the provisions of the Act) as His Majesty may be pleased by Letters Patent constituting the office of Governor to assign to him. In exercising all these powers the Governor will act in accordance with an Instrument of Instructions to be issued to him by the King.

64. The draft of the Governor's Instrument of Instructions (including the drafts of any amendments thereto) will be laid before both Houses of Parliament, and opportunity will be provided for each House of Parliament to make to His Majesty any representation which that House may desire for any amendment or addition to, or omission from, the Instructions.

65. The Governor's salary will be fixed by the Constitution Act, and all other payments in respect of his personal allowances, or the salaries and allowances of his personal and secretarial staff, will be fixed by Order in Council; none of these payments will be subject to the vote of the Legislature.

Working of the Provincial Executive.

66. For the purpose of aiding and advising the Governor in the exercise of powers conferred on him by the Constitution Act for the government of the Province, except as regards matters left by law to his discretion and the administration of Excluded Areas, there will be a Council of Ministers. The Ministers will be chosen and summoned by the Governor and sworn as Members of the Council, and will hold office during his pleasure. Persons appointed Ministers must be, or become within a stated period, members of the Provincial Legislature.

* As regards Berar, see paragraph 45 of the Introduction.

† The boundaries of the new Province of Orissa will be in accordance with the recommendations of the Orissa Committee of 1932 (following the Chairman's recommendation where this differs from that of the two members), except that the Vizagapatam Agency and the Parlakimedi and Jalantra Maliahs in the Ganjam Agency will remain in the Madras Presidency.

67. In his Instrument of Instructions the Governor will be enjoined *inter alia* to use his best endeavours to select his Ministers in the following manner, that is, in consultation with the person who, in his judgment, is likely to command the largest following in the Legislature, to appoint those persons (including so far as possible members of important minority communities) who will best be in a position collectively to command the confidence of the Legislature.

68. The number of Ministers and the amounts of their respective salaries will be regulated by Act of the Provincial Legislature, but until the Provincial Legislature otherwise determines their number and salaries will be such as the Governor determines, subject to limits to be laid down in the Constitution Act.

The salary of a Minister will not be subject to variation during his term of office.

69. The Governor will whenever he thinks fit preside at meetings of his Council of Ministers. He will also be authorised, after consultation with his Ministers, to make at his discretion any rules which he regards as requisite to regulate the disposal of Government business, and the procedure to be observed in its conduct, and for the transmission to himself of all such information as he may direct.

*70. In the administration of the government of a Province the Governor will be declared to have a special responsibility in respect of—

- (a) the prevention of any grave menace to the peace or tranquillity of the Province or any part thereof;
- (b) the safeguarding of the legitimate interests of minorities;
- (c) the securing to the members of the Public Services of any rights provided for them by the Constitution and the safeguarding of their legitimate interests;
- (d) the prevention of commercial discrimination;
- (e) the protection of the rights of any Indian State;
- (f) the administration of areas declared, in accordance with provisions in that behalf, to be partially excluded areas;
- (g) securing the execution of orders lawfully issued by the Governor-General;

and the Governors of the North-West Frontier Province and of Sind will in addition be respectively declared to have a special responsibility in respect of—

- (h) any matter affecting the Governor's responsibilities as Agent to the Governor-General in the Tribal and other Trans-border Areas; and
- (i) the administration of the Sukkur Barrage.

* See also end of paragraph 47 of the Introduction.

It will be for the Governor to determine in his discretion whether any of the "special responsibilities" here described are involved by any given circumstances.

71. If in any case in which, in the opinion of the Governor, a special responsibility is imposed upon him, it appears to him, after considering such advice as has been given to him by his Ministers, that the due discharge of his responsibility so requires, he will have full discretion to act as he thinks fit, but in so acting he will be guided by any directions which may be contained in his Instrument of Instructions.

72. The Governor, in taking action for the discharge of any special responsibility or in the exercise of any discretion vested in him by the Constitution Act, will act in accordance with such directions, if any, not being directions inconsistent with anything in his Instructions, as may be given to him by the Governor-General or by a principal Secretary of State.

73. The Governor's Instrument of Instructions will accordingly contain *inter alia* provision on the following lines:—

"In matters, the determination of which is by law committed to your discretion, and in matters relating to the administration of Excluded Areas, it is Our will and pleasure that you should act in exercise of the powers by law conferred upon you in such manner as you may judge right and expedient for the good government of the Province, subject, however, to such directions as you may from time to time receive from Our Governor-General or from one of Our principal Secretaries of State.

In matters arising out of the exercise of powers conferred upon you for the purposes of the government of the Province other than those specified in the preceding paragraph it is Our will and pleasure that you should in the exercise of the powers by law conferred upon you be guided by the advice of your Ministers, unless so to be guided would, in your judgment, be inconsistent with the fulfilment of your special responsibility for any of the matters in respect of which a special responsibility is by law committed to you; in which case it is Our will and pleasure that you should, notwithstanding your Ministers' advice, act in exercise of the powers by law conferred upon you in such manner as you judge requisite for the fulfilment of your special responsibilities, subject, however, to such directions as you may from time to time receive from Our Governor-General or from one of Our principal Secretaries of State."

THE PROVINCIAL LEGISLATURE.

General.

74. For every Governor's Province there will be a Provincial Legislature, consisting, except in the provinces of Bengal, the United Provinces and Bihar, of the King, represented by the Governor, and of one Chamber, to be known as the Legislative Assembly.

In the Provinces just named the Legislature will consist of His Majesty, represented by the Governor, and of two Chambers, to be known respectively as the Legislative Council and the Legislative Assembly.

But provision will be made enabling the Provincial Legislature at any time not less than ten years after the commencement of the Constitution Act—

- (a) where the Legislature consists of two Chambers to provide by Act, which both Chambers separately have passed, and have confirmed by a subsequent Act passed not less than two years later, that it shall consist of one Chamber instead of two Chambers; and,
- (b) where the Legislature consists of one Chamber, to present an Address to His Majesty praying that the Legislature may be reconstituted with two Chambers, and that the composition of, and method of election to, the Upper Chamber may be determined by Order in Council.

The Provincial Legislatures will be summoned to meet for the first time on dates to be specified by Proclamation.

Every Act of a Provincial Legislature will be expressed as having been enacted by the Governor, by and with the consent of the Legislative Assembly, or, where there are two Chambers, of both Chambers of the Legislature.

75. Power to summon and appoint places for the meeting of the Provincial Legislature, to prorogue it, and to dissolve it, will be vested in the Governor at his discretion, subject to the requirement that it shall meet at least once in every year, and that not more than twelve months shall intervene between the end of one session and the commencement of the next. Where the Legislature consists of two Chambers power to dissolve the Chambers will be exercisable in relation to either Chamber separately or to both simultaneously.

The Governor will also be empowered to summon the Legislature for the purpose of addressing it.

76. Each Legislative Assembly will continue for five years, and each Legislative Council, where such a Council exists, for seven years, unless sooner dissolved.

77. In the case of a Province having a Legislative Council a Member of the Council of Ministers will have the right to speak, but not to vote, in the Chamber of which he is not a member.

The Composition of the Provincial Legislature.

78. The Legislative Assembly of each Governor's Province will consist of the number of members indicated against that Province in Appendix III, Part I, who will be elected in the manner indicated in the same Appendix.

79. A member of a Provincial Legislative Assembly will be required to be at least 25 years of age and a British subject or a subject of an Indian State.

80. The Legislative Councils of Governors' Provinces will consist of the number of members indicated in Appendix III, Part II, who will be elected, or nominated by the Governor, as the case may be, in the manner indicated in the same Appendix.

81. A member of a Provincial Legislative Council will be required to be at least 30 years of age and a British subject or a subject of an Indian State.

82. Appropriate provision will be made for the filling of vacancies in a Provincial Legislature on the lines proposed for the Federal Legislature (*see paragraphs 28 and 31*).

83. Every member of a Provincial Legislature will be required to make and subscribe an oath or affirmation in the following form before taking his seat:—

“I, A.B., having been $\frac{\text{elected}}{\text{nominated}}$ a member of this Council Assembly do solemnly swear (*or affirm*) that I will be faithful and bear true allegiance to His Majesty the King Emperor of India, His heirs and successors, and that I will faithfully discharge the duty upon which I am about to enter.”

84. The following disqualifications will be prescribed for membership of a Provincial Legislature:—

- (a) the holding of any office of profit under the Crown other than that of Minister;
- (b) a declaration of unsoundness of mind by a competent Court;
- (c) being an undischarged bankrupt;
- (d) conviction of the offence of corrupt practices or other election offences;

- (e) in the case of a legal practitioner, suspension from practice by order of a competent Court; but provision will be made that this and the last preceding disqualification may be removed by order of the Governor in his discretion;
- (f) having an undisclosed interest in any contract with the Provincial Government; provided that the mere holding of shares in a company will not by itself involve this disqualification.

85. A person sitting or voting as a member of the Provincial Legislature, when he is not qualified for, or is disqualified from, membership, will be made liable to a penalty of _____ in respect of each day on which he so sits or votes, to be recovered in the High Court of the Province by suit initiated with the consent of a principal Law Officer of the Provincial Government.

86. Subject to the rules and Standing Orders of the Legislature there will be freedom of speech in the Provincial Legislature. No person will be liable to any proceedings in any Court by reason of his speech or vote, or by reason of anything contained in any official Report of the proceedings.

87. In so far as provision is not made by the Act itself for the following matters connected with elections and electoral procedure, they will be prescribed by Order in Council under the Act:—

- (a) the qualifications of electors;
- (b) the delimitation of constituencies;
- (c) the method of election of representatives of communal and other interests;
- (d) the filling of casual vacancies; and
- (e) other matters ancillary to the above;

With provision that Orders in Council framed for these purposes shall be laid in draft for a stated period before each House of Parliament.

For matters connected with the conduct of elections for the Provincial Legislature other than the above each Provincial Legislature will be empowered to make provision by Act. But until the Provincial Legislature otherwise determines, existing laws or rules, including the law or rules providing for the prohibition and punishment of corrupt practices or election offences and for determining the decision of disputed elections, will remain in force; subject, however, to such modifications or adaptations to be made by Order in Council as may be required in order to adapt their provisions to the requirements of the new Constitution.

Legislative Procedure.

NOTE.—The following paragraphs relating to legislative procedure are, with the exception of paragraph 91, framed, for the sake of brevity, to apply to unicameral Provincial Legislatures. Suitable modification of these provisions, for the purpose of adapting them to Legislatures which are bicameral would, of course, be made. In particular, provision would be made that in a bicameral Legislature, Bills (other than Money Bills, which will be initiated in the Legislative Assembly) will be introduced in either Chamber.

88. The Governor will be empowered at his discretion, but subject to the provisions of the Constitution Act and to his Instrument of Instructions, to assent in His Majesty's name to a Bill which has been passed by the Provincial Legislature, or to withhold his assent, or to reserve the Bill for the consideration of the Governor-General. But before taking any of these courses it will be open to the Governor to remit a Bill to the Legislature, with a Message requesting its reconsideration in whole or in part, together with such amendments, if any, as he may recommend.

No Bill will become law unless it has been passed by the Legislative Assembly, with or without amendment, and has been assented to by the Governor, or in cases where the Constitution Act so provides, by the Governor-General; in the case of a Bill reserved for the consideration of the Governor-General, the Bill will not become law until the Governor-General (or, if the Governor-General reserves the Bill, His Majesty in Council) has signified his assent.

89. When a Bill is reserved by a Governor for the consideration of the Governor-General, the Governor-General will be empowered at his discretion, but subject to the provisions of the Constitution Act and to his Instrument of Instructions, to assent in His Majesty's name to the Bill, or to withhold his assent, or to reserve the Bill for the signification of the King's pleasure. He will also be empowered, if he thinks fit, before taking any of these courses, to return the Bill to the Governor with directions that it shall be remitted to the Legislature with a Message to the effect indicated in the preceding paragraph. The Legislature will then reconsider the Bill and if it is again passed with or without amendment it will be presented again to the Governor-General for his consideration.

If at the end of six months from the date on which a Bill is presented to the Governor-General, the Governor-General neither assents to it nor reserves it for the signification of the King's pleasure, nor returns it to the Governor, the Bill will lapse.

90. Any Act assented to by the Governor or by the Governor-General will within twelve months be subject to disallowance by His Majesty in Council.

91. In the case of a Province having a Legislative Council, the Governor will be empowered, in any case in which a Bill passed by one Chamber has not, within three months thereafter, been passed by the other, either without amendments or with agreed amendments, to summon the two Chambers to meet in a Joint Session for the purpose of reaching a decision on the Bill. The members present at a Joint Session will deliberate and vote together upon the Bill in the form in which it finally left the Chamber in which it was introduced and upon amendments, if any, made therein by one Chamber and not agreed to by the other. Any such amendments which are affirmed by a majority of the total number of the members voting at the Joint Session will be deemed to have been carried, and if the Bill, with the amendments, if any, so carried, is affirmed by a majority of the members voting at the Joint Session, it shall be taken to have been duly passed by both Chambers.

In the case of a Money Bill, or in cases where, in the Governor's opinion, a decision on the Bill cannot, consistently with the fulfilment of any of his "special responsibilities," be deferred, the Governor will be empowered at his discretion to summon a Joint Session forthwith.

92. In order to enable the Governor to discharge the "special responsibilities" imposed upon him, he will be empowered at his discretion—

- (a) to present, or cause to be presented, a Bill to the Legislature, with a Message that it is essential, having regard to any of his "special responsibilities" that any Bill so presented should become law before a date specified in the Message; and
- (b) to declare by Message in respect of any Bill already introduced in the Legislature that it should, for similar reasons, become law before a stated date in a form specified in the Message.

If, before the date specified, a Bill which is the subject of such a Message is not passed, or is not passed in the form specified, as the case may be, the Governor will be empowered at his discretion to enact it as a Governor's Act, either with or without any amendments made by the Legislature, after receipt of his Message.

A Governor's Act so enacted will have the same force and effect as an Act of the Provincial Legislature and will be subject to the same requirements in respect of the Governor-General's assent and to disallowance in the same manner as an Act of the Provincial Legislature, but the Governor's competence to legislate under this provision will not extend beyond the competence of the Provincial Legislature as defined by the Constitution.

93. It will be made clear by the enacting words of a Governor's Act, which will be distinguished from the enacting words of an

ordinary Act (see paragraph 74), that Acts of the former description are enacted on the Governor's own responsibility.

94. Provision will also be made empowering the Governor, in any case in which he considers that a Bill introduced or proposed for introduction, or any clause thereof, or any amendment to a Bill moved or proposed, would affect the discharge of his "special responsibility" for the prevention of any grave menace to the peace or tranquillity of the Province, to direct that the Bill, clause or amendment shall not be further proceeded with.

Procedure with regard to Financial Proposals.

95. A recommendation of the Governor will be required for any proposal in the Provincial Legislature for the imposition of taxation, for the appropriation of public revenues, or any proposal affecting the public debt of the Province or affecting or imposing any charge upon public revenues.*

96. The Governor will cause a statement of the estimated revenues and expenditure of the Province, together with a statement of proposals for the appropriation of those revenues, to be laid in respect of every financial year before the Provincial Legislature, and, where the Legislature consists of two Chambers, before both Chambers.

The statement of proposals for appropriation will be so arranged as—

- (a) to distinguish between those proposals which will, and those which will not (*see paragraph 98*), be submitted to the vote of the Legislature and amongst the latter to distinguish those which are in the nature of standing charges (for example the items in the list in paragraph 98, marked †); and
- (b) to specify separately those additional proposals (if any), whether under the votable or non-votable Heads, which the Governor regards as necessary for the fulfilment of any of his "special responsibilities."

97. The proposals for the appropriation of revenues, other than proposals relating to the Heads of Expenditure enumerated in paragraph 98 and proposals (if any) made by the Governor in discharge of his special responsibilities, will be submitted, in the form of Demands for Grants, to the vote of the Legislative Assembly. The Assembly will be empowered to assent, or refuse assent, to any Demand or to reduce the amount specified therein, whether by way of a general reduction of the total amount of the Demand or of the reduction or omission of any specific item or items included in it.

* Compare paragraph 45 and the footnote thereto.

98. Proposals for appropriations of revenues, if they relate to the Heads of Expenditure enumerated in this paragraph, will not be submitted to the vote of the Legislative Assembly, but, except in the case of the Governor's salary and allowances, will be open to discussion in the Assembly.

The Heads of Expenditure referred to above are :—

- (i) Interest, Sinking Fund Charges and other expenditure relating to the raising, service and management of loans;† expenditure fixed by or under the Constitution Act;† expenditure required to satisfy a decree of any Court or an arbitral award;
- (ii) The salary and allowances of the Governor;† of Ministers;† and of the Governor's personal or secretarial staff;
- (iii) The salaries and pensions (including pensions payable to their dependants) of Judges of the High Court or Chief Court or Judicial Commissioners;† and expenditure certified by the Governor, after consultation with his Ministers, as required for the expenses of those Courts;
- (iv) Expenditure debitable to Provincial revenues required for the discharge of the duties imposed by the Constitution Act on a principal Secretary of State;
- (v) The salaries and pensions payable to, or to the dependants of, certain members of the Public Services and certain other sums payable to such persons (see Appendix VII, Part III).

The Governor will be empowered to decide finally and conclusively for all purposes any question whether a particular item of expenditure does, or does not, fall under any of the Heads of Expenditure referred to in this paragraph.

***99.** At the conclusion of the budget proceedings the Governor will authenticate by his signature all appropriations, whether voted or those relating to matters enumerated in paragraph 98; the appropriations so authenticated will be laid before the Legislature, but will not be open to discussion.

In the appropriations so authenticated the Governor will be empowered to include any additional amounts which he regards as necessary for the discharge of any of his special responsibilities, so, however, that the total amount authenticated under any Head is not in excess of the amount originally laid before the Legislature under that Head in the Statement of proposals for appropriation.

The authentication of the Governor will be sufficient authority for the due application of the sums involved.

100. The provisions of paragraphs 95 to 99 inclusive will apply with the necessary modifications to proposals for the appropriation of

* See paragraph 39 of Introduction.

revenue to meet expenditure not included in the Annual Estimates which it may become necessary to incur during the course of the financial year.

101. Provision will be made that until the Provincial Legislature otherwise determines by a decision in support of which at least three-fourths of the members have voted, no proposal for the reduction in any Province (other than a reduction pro-rata with the general educational grant-in-aid) of an existing grant-in-aid on account of the education of the Anglo-Indian and domiciled European community will be deemed to have received the consent of the Legislature unless at least three-fourths of the members have voted in favour of the proposal.

Procedure in the Legislature.

102. The procedure and conduct of business in the Provincial Legislature will be regulated by rules to be made, subject to the provisions of the Constitution Act, by the Legislature. But the Governor will be empowered at his discretion, after consultation with the President or Speaker, as the case may be, to make rules regulating the procedure of, and the conduct of business in, the Chamber or Chambers in relation to matters arising out of, or affecting, any "special responsibility" with which he is charged by the Constitution Act.

In the event of conflict between a rule so made by the Governor and any rule made by a Chamber of the Legislature, the former will prevail and the latter will, to the extent of the inconsistency, be void.

Emergency Powers of the Governor in relation to Legislation.

103. The Governor will be empowered at his discretion, if at any time he is satisfied that the requirements of any of the "special responsibilities" with which he is charged by the Constitution Act render it necessary, to make and promulgate such Ordinances as, in his opinion, the circumstances of the case require, containing such provisions as it would have been competent, under the provisions of the Constitution Act, for the Provincial Legislature to enact.

An Ordinance promulgated under the proposals contained in this paragraph will continue in operation for such period, not exceeding six months, as may be specified therein; the Governor will, however, have the power to renew any Ordinance for a second period not exceeding six months, but in that event it will be laid before both Houses of Parliament.

An Ordinance will have the same force and effect, whilst in operation, as an Act of the Provincial Legislature; but every such

Ordinance will be subject to the provisions of the Constitution Act relating to disallowance of Acts and will be subject to withdrawal at any time by the Governor.

104. In addition to the powers to be conferred upon the Governor at his discretion in the preceding paragraph, the Governor will further be empowered, if his Ministers are satisfied, at any time when the Legislature is not in session, that an emergency exists which renders such a course necessary, to make and promulgate any such Ordinances for the good government of the Province or any part thereof as the circumstances of the case require, containing such provisions as, under the Constitution Act, it would have been competent for the Legislature to enact.

An Ordinance promulgated under the proposals contained in this paragraph will have, while in operation, the same force and effect as an Act of the Provincial Legislature, but every such Ordinance—

- (a) will be required to be laid before the Provincial Legislature and will cease to operate at the expiry of six weeks from the date of the reassembly of the Legislature unless in the meantime the Legislature (or both Chambers, where two Chambers exist) has disapproved it by Resolution, in which case it will cease to operate forthwith; and
- (b) will be subject to the provisions of the Constitution Act relating to disallowance as if it were an Act of the Provincial Legislature; it will also be subject to withdrawal at any time by the Governor.

Provisions in the event of a Breakdown in the Constitution.

105. The Governor will be empowered at his discretion, if at any time he is satisfied that a situation has arisen which renders it for the time being impossible for the government of the Province to be carried on in accordance with the provisions of the Constitution Act, by Proclamation to assume to himself all such powers vested by law in any Provincial authority as appear to him to be necessary for the purpose of securing that the government of the Province shall be carried on effectively.

A Proclamation so issued will have the same force and effect as an Act of Parliament; will be communicated forthwith to the Governor-General and to a Secretary of State and laid before Parliament; will cease to operate at the expiry of six months unless before the expiry of that period it has been approved by Resolutions of both Houses of Parliament; and may at any time be revoked by Resolutions of both Houses of Parliament.

Excluded Areas.

106. His Majesty will be empowered to direct by Order in Council that any area within a Province is to be an "Excluded Area" or a "Partially Excluded Area," and by subsequent Orders in Council to revoke or vary any such Order.

107. In respect of Partially Excluded Areas the Governor will be declared to have a special responsibility (*see paragraph 70*).

The Governor will himself direct and control the administration of any area in a Province for the time being declared to be an Excluded Area.

108. Legislation required, whether for Excluded Areas or Partially Excluded Areas, will be obtained in the following manner:—

No Act of the Federal Legislature or of the Provincial Legislature will apply to such an area unless the Governor in his discretion so directs, and in giving such a direction the Governor will be empowered to direct that the Act, in its application to the area, or to any specified part thereof, is to have effect subject to such exceptions or modifications as he thinks fit.

The Governor will also be empowered at his discretion to make Regulations for the peace and good government of any area which is for the time being an Excluded Area or a Partially Excluded Area and will be competent by any Regulation so made to repeal or amend any Act of the Federal Legislature or of the Provincial Legislature which is, for the time being, applicable to the area in question.

Regulations made under this provision will be submitted forthwith to the Governor-General and will not have effect until he has assented to them; but, when assented to by the Governor-General, will have the same force and effect as an Act of the Legislature made applicable to the area by direction of the Governor, and will be subject to disallowance in the same manner as a Provincial Act. but will not be subject to repeal or amendment by any Act of the Provincial or of the Federal Legislature.

109. Rules made by the Governor in connexion with legislative procedure will contain a provision prohibiting the discussion in the Provincial Legislature of, or the asking of questions on, any matter arising out of the administration of an Excluded Area, and enabling the Governor, at his discretion, to disallow any resolution or question regarding the administration of a Partially Excluded Area.

PART III.

RELATIONS BETWEEN THE FEDERATION AND THE
FEDERAL UNITS.POWERS OF THE FEDERAL LEGISLATURE AND OF PROVINCIAL
LEGISLATURES.

110. It will be outside the competence of the Federal and of the Provincial Legislatures to make any law affecting the Sovereign or the Royal Family, the sovereignty or dominion of the Crown over any part of British India, the law of British nationality, the Army Act, the Air Force Act, the Naval Discipline Act and the Constitution Act (except, in the case of the last mentioned Act, in so far as that Act itself provides otherwise).

111. The Federal Legislature will, to the exclusion of any Provincial Legislature, have power to make laws for the peace and good government of the Federation or any part thereof with respect to the matters set out in Appendix VI, List I.*

Laws so made will be operative throughout British India, but in the States which have acceded to the Federation only in so far as the Ruler of the State has by his Instrument of Accession accepted the subject with which the law is concerned as a Federal subject. Federal laws will be applicable to British subjects and servants of the Crown within any part of India and to all Indian subjects of His Majesty outside India. The Federal Legislature will also be empowered to make laws regulating the discipline of His Majesty's Indian Forces, in so far as they are not subject to the Army Act, the Air Force Act, or the Naval Discipline Act, which will be applicable to those Forces wherever they are serving.

112. A Provincial Legislature will, to the exclusion of the Federal Legislature, have power to make laws for the peace and good government of the Province or any part thereof with respect to the matters set out in Appendix VI, List II.

113. Nothing in paragraph 111 or 112 will operate to debar the Federal Legislature, in legislating for an exclusively federal subject, from devolving upon a Provincial Government or upon any officer of that Government, the exercise on behalf of the Federal Government of any functions in relation to that subject.†

* NOTE.—The lists contained in this Appendix are illustrative only, and do not purport to be either exhaustive or final in their allocations.

† NOTE.—Any cost which falls in virtue of this provision on any Provincial Government, and which that Government would not otherwise have incurred, will be borne by the Federal Government. In the event of disagreement as to the amount or incidence of any charges so involved the question will be referred for decision (which will be final) of an arbitrator to be appointed by the Chief Justice of the Federal Court.

114. The Federal Legislature and the Provincial Legislatures will have concurrent powers to make laws with respect to the matters set out in Appendix VI, List III, but laws made by Provincial Legislatures under these powers will be confined in their operation to the territories of the Province. The intention of providing for this concurrent field is to secure, in respect of the subjects entered in the List referred to in this paragraph, the greatest measure of uniformity which may be found practicable, but at the same time to enable Provincial Legislatures to make laws to meet local conditions.

The Federal Legislature will not in respect of the subjects contained in List III be able to legislate in such a way as to impose financial obligations on the Provinces.

In the event of a conflict between a Federal law and a Provincial law in the concurrent field, the Federal law will prevail, unless the Provincial law was reserved for, and has received, the assent of the Governor-General. The Federal Legislature will have no power to repeal or amend a Provincial law to which the Governor-General has thus assented, save with the prior sanction of the Governor-General.

115. It is intended that the three lists of subjects indicated in Appendix VI shall be as exhaustive as is reasonably possible. But it has been found on examination that it is not possible to enumerate every subject of a local and private character with regard to which the legislative power can appropriately rest with the Provinces only. It is accordingly proposed to include in the Provincial List a general power to legislate on any matter of a merely local and private nature in the Province not specifically included in that List and not falling within List I or List III; but in order to provide for the possibility that a subject which is in its inception of a merely local or private character may subsequently become of all-India interest, it is proposed to make that power subject to a right of the Governor-General in his discretion to sanction general legislation by the Federal Legislature on the same subject-matter.

Provision will also be made enabling either the Federal Legislature or any Provincial Legislature to make a law with respect to a residual subject, if any, not falling within the scope of any of the three lists, by means of an Act to the introduction of which the previous sanction of the Governor-General, given at his discretion, has been obtained, and to which (in the case of a Provincial Act) the assent of the Governor-General has been declared.

116. The Federal Legislature will be empowered, at the request of two or more Provinces, to pass a law which will be operative in those Provinces and in any other Province which may subsequently adopt it on a subject which would otherwise fall within the legislative competence of a Province only. Such a Federal Act will be

subject, as regards any Province to which it applies, to subsequent amendment or repeal by the Legislature of that Province.

117. If any provision of a law of a State is in conflict with an Act of the Federal Legislature regulating any subject which the Ruler of that State has by his Instrument of Accession accepted as a Federal subject, the Act of the Federal Legislature, whether passed before or after the making of the law of the State, will prevail.

118. In order to minimise uncertainty of law and opportunities for litigation as to the validity of Acts, provision will be made limiting the period within which an Act may be called in question on the ground that exclusive powers to pass such legislation were vested in a Legislature in India other than that which enacted it, and enabling a subordinate Court before which the validity of an Act is called in question on that ground within the time limit to refer the question to the High Court of the Province or State for its decision, and also enabling the High Court of a Province or State to require a subordinate Court to make such a reference.

119. The consent of the Governor-General, given at his discretion, will be required to the introduction in the Federal Legislature of legislation which repeals or amends or is repugnant to any Act of Parliament extending to British India, or any Governor-General's or Governor's Act or Ordinance,* or which affects any Department reserved for the control of the Governor-General, or the coinage and currency of the Federation, or the powers and duties of the Federal Reserve Bank in relation to the management of currency and exchange, or religion or religious rites and usages, or the procedure regulating criminal proceedings against European British subjects.

120. The consent of the Governor-General given in his discretion will be required to the introduction in a Provincial Legislature of legislation on such of the matters enumerated in the preceding paragraph as are within the competence of a Provincial Legislature, other than legislation which repeals, amends or is repugnant to a Governor's Act or Ordinance†; or which affects religion or religious rites and usages. The introduction in a Provincial Legislature of legislation on these latter subjects will require the consent of the Governor of the Province given in his discretion.

121. The giving of consent by the Governor-General or any Governor to the introduction of a Bill will be without prejudice to

* A Governor-General's or Governor's Ordinance for the purpose of this paragraph means an Ordinance as described in paragraphs 53 and 103.

† This relates only to an Ordinance of the kind described in paragraph 103.

his power of withholding his assent to, or of reserving, the Bill when passed; but an Act will not be invalid by reason only that prior consent to its introduction was not given, provided that it was duly assented to either by His Majesty, or by the Governor-General or Governor, as the case may be.

122. The Federal Legislature and the Provincial Legislatures will have no power to make laws subjecting in British India any British subject (including companies, partnerships or associations constituted by or under any Federal or Provincial law), in respect of taxation, the holding of property of any kind, the carrying on of any profession, trade, business or occupation, or the employment of any servants or agents, or in respect of residence or travel within the boundaries of the Federation, to any disability or discrimination based upon his religion, descent, caste, colour or place of birth; but no law will be deemed to be discriminatory for this purpose on the ground only that it prohibits either absolutely or with exceptions the sale or mortgage of agricultural land in any area to any person not belonging to some class recognised as being a class of persons engaged in, or connected with, agriculture in that area, or which recognises the existence of some right, privilege or disability attaching to the members of a community by virtue of some privilege, law or custom having the force of law.

A Federal or Provincial law, however, which might otherwise be void on the ground of its discriminatory character will be valid if previously declared by the Governor-General or a Governor, as the case may be, in his discretion, to be necessary in the interests of the peace and tranquillity of India or any part thereof.*

†123. The Federal Legislature and the Provincial Legislatures will have no power to make laws subjecting any British subject domiciled in the United Kingdom (including companies, &c., incorporated or constituted by or under the laws of the United Kingdom) to any disability or discrimination in the exercise of certain specified rights, if an Indian subject of His Majesty, or a company, &c., constituted by or under a Federal or Provincial law, as the case may be, would not in the exercise in the United Kingdom of the corresponding right be subject in the United Kingdom to any disability or discrimination of the same or a similar character. The rights in question are the right to enter, travel and reside in any part of British India; to hold property of any kind; to carry on

* Without a qualification of this kind, legislation such as, *e.g.*, the Indian Criminal Tribes Act, would be invalidated by the provisions of this paragraph.

† A question which will require separate consideration arises with regard to the registration in India of medical practitioners registered in the United Kingdom. A Bill which has an important bearing on this question is at present under consideration in the Indian Legislature.

any trade or business in, or with the inhabitants of, British India; and to appoint and employ at discretion agents and servants for any of the above purposes.

Provision will be made on the same lines for equal treatment on a reciprocal basis of ships registered respectively in British India and the United Kingdom.

124. An Act of the Federal or of a Provincial Legislature, however, which, with a view to the encouragement of trade or industry, authorises the payment of grants, bounties or subsidies out of public funds will not be held to fall within the terms of the two preceding paragraphs by reason only of the fact that it is limited to persons or companies resident or incorporated in India, or that it imposes on companies not trading in India before the Act was passed, as a condition of eligibility for any such grant, bounty or subsidy, that the company shall be incorporated by or under the laws of British India, or conditions as to the composition of the Board of Directors or as to the facilities to be given for training Indian subjects of His Majesty.

ADMINISTRATIVE RELATIONS BETWEEN THE FEDERAL GOVERNMENT AND THE UNITS.

Relations with the Provinces.

125. It will be the duty of a Provincial Government so to exercise its executive power and authority, in so far as it is necessary and applicable for the purpose, as to secure that due effect is given within the Province to every Act of the Federal Legislature which applies to that Province: and the authority of the Federal Government will extend to the giving of directions to a Provincial Government to that end.

The authority of the Federal Government will also extend to the giving of directions to a Provincial Government as to the manner in which the latter's executive power and authority shall be exercised in relation to any matter which affects the administration of a Federal subject.

126. The Governor-General will be empowered in his discretion to issue instructions to the Governor of any Province as to the manner in which the executive power and authority in that Province is to be exercised for the purpose of preventing any grave menace to the peace and tranquillity of India or any part thereof.

Relations with the States-Members of the Federation.

127. It will be the duty of the Ruler of a State to secure that due effect is given within the territory of his State to every Act of the Federal Legislature which applies to that territory.

128. The Governor-General will be empowered and, if the terms of any State's Instrument of Accession so provides, will be required to make agreements with the Ruler of any State for the carrying out in that State, through the agency of State authorities, of any Federal purpose. But it will be a condition of every such agreement that the Governor-General shall be entitled, by inspection or otherwise, to satisfy himself that an adequate standard of administration is maintained.

129. The Governor-General will be empowered in his discretion to issue general instructions to the Government of any State-member of the Federation for the purpose of ensuring that the Federal obligations of that State are duly fulfilled.

FINANCIAL POWERS AND RELATIONS.*

Property, Contracts and Suits.

130. All legal proceedings which may be at present instituted by or against the Secretary of State in Council will, subject to the reservations specified below, be instituted by or against the Federal Government or the Government of a Governor's Province as the case may be.

131. All property in India which immediately before the date of the establishment of the Federation was vested in His Majesty for the purposes of the government of India will continue to be vested in His Majesty, but for the respective purposes of the Federal Government and the Governments of Governors' Provinces, and will, subject to any special provisions which may be made in relation to Railways, be allocated between the Federal and Provincial Governments accordingly. Property vested in His Majesty for purposes of the government of India which are outside the Federal and Provincial spheres will not be affected by this allocation.

Appropriate provision will also be made with regard to property outside India vested in His Majesty for the purposes of the government of India.

132. Existing powers of the Secretary of State in Council in relation to property allocated under the preceding paragraph and in relation to the acquisition of property and the making of contracts for purposes of government which are not outside the Federal and Provincial spheres will be transferred to and become powers of the Governor-General of the Federation and Governors of the Provinces respectively. All contracts, &c., made under the powers so transferred will be expressed to be made by the Governor-General or the

* See also paragraphs 45-51 and 95-100 for legislative procedure with regard to financial proposals.

Governor, as the case may be, and may be executed and made in such manner and by such person as he may direct, but no personal liability will be incurred by any person making or executing such a contract.

133. The Secretary of State will be substituted for the Secretary of State in Council in any proceedings instituted before the commencement of the Act by or against the Secretary of State in Council.

134. Rights and liabilities arising under any Statute or contract in existence at the commencement of the Act, including existing immunities from Indian Income Tax in respect of interest on sterling loans issued or guaranteed by the Secretary of State in Council, will be maintained and any remedies which, but for the passing of the Act would have been enforceable by or against the Secretary of State in Council, will after the commencement of the Act be enforceable by or against the Secretary of State; and all obligations arising under any such statute or contract which imposed a liability on the revenues of India will remain a liability on all the revenues of India, whether Federal or Provincial.

135. Money required to meet any judgment or award given against the Secretary of State will, in the first instance, be a charge on the revenues of the Federation with the right of recovery by the Federal Government, where necessary and appropriate, from Provincial revenues. The Secretary of State will have power to secure the implementing of any judgment or award obtained against him.

Allocation of Revenues.

NOTE.—Legislative powers in relation to taxation and raising of revenue will be defined by the legislative schedules in Appendix VI (see in particular items 34–37 and 49–54 of List I, and 66 and 67, with Annexure, of List II).

136. Revenues derived from sources in respect of which the Legislature of a Governor's Province has exclusive, or concurrent, power to make laws will be allocated as provincial revenues.

Revenues derived from sources in respect of which the Federal Legislature has exclusive power to make laws will be allocated as federal revenues; but in the cases specified in the following paragraphs the Federation will be empowered or required to make assignments to Provinces or States from Federal revenues.

137. The Federal Legislature will be empowered to assign to Salt. Provinces and States in accordance with such schemes of distribution Federal Excises as it may determine the whole or any part of the net revenues Export Duties. derived from any one or more of the sources specified in the margin ;

in the case, however, of export duties on jute or jute products, an assignment to the producing units will be compulsory, and will amount to at least 50 per cent. of the net revenue from the duty.

Duties on property passing on death (other than land).
Taxes on mineral rights and on personal capital (other than land).

Terminal taxes on railway, water, or air-borne goods and passengers, and taxes on railway tickets and goods freights.

Stamp duties which are the subject of legislation by the Indian Legislature at the date of federation.

Taxes on income (other than agricultural income) except taxes on the income of companies.

138. The net revenues derived from the sources specified in the margin will be assigned to the Governors' Provinces. The Federal Legislature will, in each case, lay down the basis of distribution among the Provinces, but will be empowered to impose and retain a surcharge on such taxes for federal purposes.

139. A prescribed percentage, not being less than 50 per cent. nor more than 75 per cent., of the net revenues derived from the sources specified in the margin (exclusive of any surcharges imposed by the Provinces, and of revenues derived from taxes on the official emoluments of Federal officers or taxes on income attributable to Chief Commissioners' Provinces and other Federal areas) will be assigned on a prescribed basis to the Governors' Provinces.

Provision will be made enabling this arrangement, with such modifications as may be found necessary, to be extended to any State-member of the Federation which has agreed to accept federal legislation regarding the taxes on income referred to in the margin as applying to the State.

For each of the first three years after the commencement of the Constitution Act, however, the Federal Government will be entitled to retain in aid of federal revenues out of the moneys which would otherwise be assigned to the Provinces (the amount distributed to the Provinces being correspondingly reduced) a sum to be prescribed and for each of the next seven years a sum which is in any year less than that retained in the previous year by an amount equal to one-eighth of the sum originally prescribed. But the Governor-General will be empowered in his discretion to suspend these reductions in whole or in part, if after consulting the Federal and Provincial Ministers he is of opinion that their continuance for the time being would endanger the financial stability of the Federation.

140. Legislation concerning any of the forms of taxation mentioned in the three preceding paragraphs which directly affects any revenues assigned to the Provinces under those paragraphs will

require the previous consent of the Governor-General given in his discretion after consultation with the Federal and Provincial Ministers.

141. The Federal Legislature will have power to impose surcharges for Federal purposes on taxes on income (other than agricultural income), no part of the proceeds of which will be assigned to Governors' Provinces (or other units). While such surcharges are in operation, each State-member of the Federation (unless it has agreed to accept Federal legislation regarding taxes on income as applying to the State) will contribute to Federal revenues a sum to be assessed on a prescribed basis. But States will not be required to contribute any counterpart to the special addition to taxes on income imposed in September 1931, if and so long as those additions are still being imposed; though the latter will in other respects be deemed to be Federal surcharges.

142. The powers of the Federal Legislature in respect of the imposition of taxes on the income or capital of companies will extend, but not until the expiry of ten years from the commencement of the Constitution Act, to the imposition of taxes on companies in any State-member of the Federation. Any taxes so imposed will, if any State so elects, be collected directly from the State by the Federal Government and not from the company.

143. Any assignment or distribution of revenues from Federal sources to State-members of the Federation will be subject to such conditions as may be laid down by Act of the Federal Legislature for the purpose of effecting adjustments in respect of any special privilege or immunity of a financial character enjoyed by a State.

144. Provision will be made for subventions to certain Governors' Provinces out of Federal revenues of prescribed amounts and for prescribed periods.

145. "Prescribed" in the above paragraphs means prescribed by His Majesty by Order in Council, and the draft of the Orders will be laid before both Houses of Parliament for approval.

Borrowing Powers.

146. The Federal Government will have power to borrow for any of the purposes of the Federation upon the security of Federal revenues within such limits as may from time to time be fixed by Federal law. [9 & 10 Will. III, c. 44, Sections 75 and 86, which necessitates the existing East India Loans Acts procedure in relation to Indian sterling borrowing, will cease to have effect.]

147. The trustee status of existing India sterling loans will be maintained and will be extended to future sterling Federal loans.

148. The Federal Government will be empowered to grant loans to or to guarantee a loan by any Governor's Province or State-member of the Federation on such terms and under such conditions as it may prescribe.

149. The Government of a Governor's Province will have power to borrow for any Provincial purpose on the security of provincial revenues, within such limits as may from time to time be fixed by provincial law, but the consent of the Federal Government will be required if either (a) there is still outstanding any part of a loan made or guaranteed by the Federal Government or by the Governor-General in Council before the commencement of the Constitution Act; or (b) the loan is to be raised outside India.

General.

150. Provision will be made securing that Federal and Provincial Revenues shall be applied for the purposes of the government of India alone.

PART IV.

THE JUDICATURE.

THE FEDERAL COURT.

151. The Federal Court will consist of a Chief Justice and not less than Judges, together with such further Judges not exceeding as His Majesty may from time to time, after considering any Address from the Federal Legislature submitted to him by the Governor-General, think fit to appoint.

The Chief Justice and Judges of the Federal Court will be appointed by His Majesty and will hold office during good behaviour. The tenure of office of any Judge will cease on his attaining the age of 62 years; and any Judge may resign his office to the Governor-General.

152. The salaries, pensions, leave and other allowances of Judges of the Federal Court will be fixed by Order in Council. But neither the salary of a Judge nor his rights in respect of leave of absence or pension will be liable to be varied to his disadvantage during his tenure of office.

153. A person will not be qualified for appointment as a Judge of the Federal Court unless he—

- (a) has been for at least five years a Judge of a Chartered High Court; or

- (b) has been for at least five years a Judge of a State Court in India and was, at the date of his appointment as such, qualified for appointment as a Judge of a Chartered High Court; or
- (c) has been for at least five years a Judge of any Court, other than a Chartered High Court, and was, at the date of his appointment as such, qualified for appointment as a Judge of a Chartered High Court; or
- (d) is a barrister of England or Northern Ireland, or a member of the Faculty of Advocates in Scotland, of at least fifteen years standing; or
- (e) has been for at least fifteen years an Advocate or Pleader of any High Court or of two or more High Courts in succession.

154. The Federal Court will sit at Delhi and at such other place or places, if any, as the Chief Justice, with the approval of the Governor-General, from time to time appoints.

155. The Federal Court will have an exclusive original jurisdiction in—

- (i) any matter involving the interpretation of the Constitution Act or the determination of any rights or obligations arising thereunder, where the parties to the dispute are—
 - (a) the Federation and either a Province or a State; or
 - (b) two Provinces or two States, or a Province and a State;
- (ii) any matter involving the interpretation of, or arising under, any agreement entered into after the commencement of the Constitution Act between the Federation and a Province or a State, or between two Provinces, or a Province and a State, unless the agreement otherwise provides.

A matter brought before the Federal Court under the provisions of this paragraph will be heard in the first instance by one Judge or such number of Judges as may be prescribed by rules of Court, and an Appeal will lie to a Full Bench of the Court constituted of such number, not being less than _____, of Judges as may be determined in the same manner.

156. The Federal Court will have an exclusive appellate jurisdiction from any decision given by any High Court or any State Court, so far as it involves the interpretation of the Constitution Act or of any rights or obligations arising thereunder. - No appeal

will lie under this provision, except with the leave of the Federal Court or of the High Court of the Province or State or unless in a civil case the value of the subject-matter in dispute exceeds Rs.

157. An appeal to the Federal Court will be by way of Special Case on facts stated by the Court from which the appeal is brought. The Federal Court may on application for leave to appeal require a Special Case to be stated, and may return a Special Case so stated for a further statement of facts.

158. An appeal will lie without leave to the King in Council from a decision of the Federal Court in any matter involving the interpretation of the Constitution Act, but, subject always to the grant of special leave by His Majesty, in any other case only by leave of the Federal Court, unless the value of the subject-matter in dispute exceeds Rs.

159. There will be no appeal, whether by special leave or otherwise, direct to the King in Council against any decision of a High Court in cases where, under the Constitution Act, an appeal lies to the Federal Court, either as of right or by leave of the Court.

160. The process of the Federal Court will run throughout the Federation, and within those territories all authorities, civil and judicial, will be bound in any place within their respective jurisdictions to recognise and enforce the process and judgments of the Federal Court; and all other Courts within the Federation will be bound to recognise decisions of the Federal Court as binding upon themselves.

161. The Governor-General will be empowered, in his discretion, to refer to the Federal Court, for hearing and consideration, any justiciable matter which he considers of such a nature and such public importance that it is expedient to obtain the opinion of the Court upon it.

162. Provision will be made conferring on the Federal Court powers, similar to those enjoyed by High Courts, enabling the Court to grant remedies; and the Court will be empowered, with the approval of the Governor-General, to make rules of Court regulating the practice and procedure of the Court, including the fees to be charged in respect of proceedings in the Court.

THE SUPREME COURT.

163. Provision will be made enabling the Federal Legislature to establish a Supreme Court of Appeal for British India with a jurisdiction not exceeding that indicated in the following paragraphs

and to confer on it powers to grant remedies, to regulate procedure and to prescribe fees similar to those enjoyed by a High Court :

But the introduction of any Bill promoted for this purpose will require the previous sanction of the Governor-General given at his discretion.

164. The President and Judges of the Supreme Court will be appointed by His Majesty and will hold office during good behaviour. The tenure of office of any Judge will cease on his attaining the age of 62 years; and any Judge may resign his office to the Governor-General.

The provisions relating to the qualifications for appointment of Judges will be the same as in the case of the Federal Court, and, as in the case of that Court, the salaries, pensions, leave and other allowances of the Judges will be regulated by Order in Council.

165. The Supreme Court will be a Court of Appeal from the High Courts in British India, whether established by Letters Patent or otherwise.

166. Appeals to the Supreme Court in civil cases will be subject to the provisions now applicable to appeals to His Majesty in Council, including appeals by special leave, but power will be reserved to the Federal Legislature to limit the right of appeal, so far as it depends on the value of the subject matter in dispute, to cases in which the value exceeds a specified amount not being less than Rs. 10,000 (the existing limit in the case of appeals to the King in Council).

Appeals in criminal cases will lie only where a sentence of death has been passed or where an acquittal on a criminal charge has been reversed by a High Court, and also where leave to appeal has been given by the Supreme Court on consideration of a certificate by a High Court that the case is a fit one for a further appeal.

167. On the establishment of the Supreme Court, a direct appeal from a High Court to His Majesty in Council in either a civil or a criminal case will be barred. An appeal from the Supreme Court to His Majesty in Council will be allowed in civil cases only by leave of the Supreme Court or by special leave. In criminal cases no appeal will be allowed to His Majesty in Council, whether by special leave or otherwise.

THE PROVINCIAL HIGH COURTS.

168. The existing High Courts established by Letters Patent, usually known as the Chartered High Courts, will be maintained.

169. The Judges of High Courts will continue to be appointed by His Majesty and will hold office during good behaviour. The tenure of office of any Judge will cease on his attaining the age of 62 years, and any Judge may resign his office to the Governor-General.

170. The qualifications for appointment as a Chief Justice or Judge will remain as at present, but the existing provision, which requires that one-third of the Judges of a Court must be barristers or members of the Faculty of Advocates in Scotland and that one-third must be members of the Indian Civil Service will be abrogated.

Any person qualified to be a Judge will be eligible for appointment as Chief Justice.

171. The salaries, pensions, leave and other allowances of Judges of the High Courts will be regulated by Order in Council. But neither the salary of a Judge nor his rights in respect of leave of absence or pension will be liable to be varied to his disadvantage during his tenure of office.

172. The power to appoint temporary additional Judges and to fill temporary vacancies in the High Courts will be vested in the Governor-General in his discretion.

173. Subject to any provision which may be made by the Federal Legislature or by any Provincial Legislature within their respective spheres, as determined by the provisions of paragraphs 111, 112 and 114, the High Courts will have the jurisdiction, powers and authority vested in them at the time of the commencement of the Constitution Act.

174. His Majesty will be empowered to establish additional Chartered High Courts as required, and the Governor-General will, as at present, have power to transfer areas from the jurisdiction of one High Court to that of another, and to authorise a High Court to exercise jurisdiction in parts of British India not included within the local limits of its jurisdiction, and in respect of British subjects in parts of India outside British India.

175. The Federal Legislature will have power to regulate the powers of superintendence exercised by High Courts over subordinate Courts in the Province.

PART V.

THE SECRETARY OF STATE'S ADVISERS.

176. After the commencement of the Constitution Act the Council of India as at present constituted will cease to exist. But the Secretary of State will be empowered to appoint not less than three, nor more than six, persons (of whom two at least must have held office for at least 10 years under the Crown in India) for the purpose of advising him.

177. Any person so appointed will hold office for a term of five years, will not be eligible for re-appointment, and will not be capable, while holding his appointment, of sitting or voting in Parliament.

178. The salary of the Secretary of State's advisers will be £ a year, to be defrayed from monies provided by Parliament.

179. The Secretary of State will determine the matters upon which he will consult his advisers, and will be at liberty to seek their advice, either individually or collectively, on any matter. But so long as a Secretary of State remains the authority charged by the Constitution Act with the control of any members of the Public Services in India (see paragraph 187) he will be required to lay before his advisers, and to obtain the concurrence of the majority of them to, any draft of rules which he proposes to make under the Constitution Act for the purpose of regulating conditions of service, and any order which he proposes to make upon an appeal admissible to him under the Constitution Act from any such member.

PART VI.

THE PUBLIC SERVICES.

GENERAL.

180. Every person employed under the Crown in India will be given a full indemnity against civil and criminal proceedings in respect of all acts before the commencement of the Constitution Act done in good faith and done or purported to be done in the execution of his duty.

181. Every person employed in a civil capacity under the Crown in India will hold office during His Majesty's pleasure, but he will not be liable to dismissal by any authority subordinate to the authority by whom he was appointed; or to dismissal or reduction without being given formal notice of any charge made against him and an opportunity of defending himself, unless he has been convicted in a criminal Court or has absconded.

PERSONS APPOINTED BY THE SECRETARY OF STATE IN COUNCIL BEFORE
THE COMMENCEMENT OF THE CONSTITUTION ACT, AND PERSONS TO
BE APPOINTED BY THE SECRETARY OF STATE THEREAFTER.

182. Every person appointed by the Secretary of State in Council before the commencement of the Constitution Act will continue to enjoy all service rights possessed by him at that date or will receive such compensation for the loss of any of them as the Secretary of State may consider just and equitable. The Secretary of State will also be empowered to award compensation in any other case in which he considers it to be just and equitable that compensation should be awarded.

A summary of the principal existing service rights of persons appointed by the Secretary of State in Council is set out in Appendix VII, Part I.* These rights will be in part embodied in the Constitution Act and in part provided for by rules made by the Secretary of State.

†183. The Secretary of State will after the commencement of the Act make appointments to the Indian Civil Service, the Indian Police and the Ecclesiastical Department.‡ The conditions of service of all persons so appointed, including conditions as to pay and allowances, pensions, and discipline and conduct, will be regulated by rules made by the Secretary of State. It is intended that these rules shall in substance be the same as those now applicable in the case of persons appointed by the Secretary of State in Council before the commencement of the Act.

184. Every person appointed by the Secretary of State will continue to enjoy all service rights existing as at the date of his appointment, or will receive such compensation for the loss of any of them as the Secretary of State may consider just and equitable. The Secretary of State will also be empowered to award compensa-

* The rights referred to in items 14, 15 and 16 of this Appendix will be extended to persons appointed by the Secretary of State in Council before the commencement of the Constitution Act and to persons appointed by the Secretary of State thereafter serving under the Federal Government, the Governor-General being substituted for the Governor.

† Under existing conditions the personnel required for External Affairs and for conducting relations with the States belong to a common department—the Indian Foreign and Political Department. After the commencement of the Constitution Act, the latter will be under the Viceroy and their recruitment will be controlled by His Majesty's Government. The personnel of the Department of External Affairs will be under the Governor-General, who will himself direct and control that Department. The method of recruitment to it has not yet been determined by His Majesty's Government. For some time at any rate it may, for practical reasons, be found desirable to make the two Departments interchangeable.

‡ See also end of paragraph 72 of Introduction.

tion to any such person in any other case in which he considers it to be just and equitable that compensation should be awarded.

185. The Secretary of State will be required to make rules regulating the number and character of civil posts to be held by persons appointed by the Crown, by the Secretary of State in Council or by the Secretary of State, and prohibiting the filling of any post declared to be a reserved post otherwise than by the appointment of one of those persons, or the keeping vacant of any reserved post for a period longer than three months without the previous sanction of the Secretary of State or save under conditions prescribed by him.

186. Conditions in regard to pensions and analogous rights will be regulated in accordance with the Rules in force at the date of the Constitution Act and the Secretary of State will have no power to make any amending rules varying any of these conditions so as to affect adversely the pension, &c., of any person appointed before the variation is made. An award of pension less than the maximum pension admissible will require the consent of the Secretary of State.

Claims in respect of pensions will be against the Federal Government only; it will be for the Federal Government to make any necessary adjustments with the Provinces. The pensions of all persons appointed before the commencement of the Constitution Act will be exempt from Indian taxation if the pensioner is residing permanently outside India. The pensions of persons appointed by the Secretary of State or by the Crown after that date will also be exempt from Indian taxation if the pensioner is residing permanently outside India.

187. The existing rule-making powers of the Secretary of State in Council will continue to be exercised by the Secretary of State in respect of persons appointed by the Secretary of State in Council or to be appointed by the Secretary of State until His Majesty by Order in Council made on an Address of both Houses of Parliament designates another authority for the purpose. Any rule made by the Secretary of State will require the approval of the Secretary of State's Advisory Council, unless and until both Houses of Parliament by resolution otherwise determine.

188. Provision will be made whereby any person appointed by the Crown who is or has been serving in India in a civil capacity and any person who, though not appointed by the Secretary of State in Council before the commencement of the Constitution Act or by the Secretary of State after its commencement, holds or has held a post borne on the cadre of the Indian Civil Service may be given such of the rights and conditions of service and employment of persons appointed by the Secretary of State in Council or by the Secretary of State, as the Secretary of State may decide to be applicable to his case.

189. A statement of the vacancies in, and the recruitment made to, the Services and Departments to which the Secretary of State will appoint after the commencement of the Constitution Act will be laid annually before both Houses of Parliament.

At the expiration of five years from the commencement of the Constitution Act, a statutory enquiry will be held into the question of future recruitment for those Services, except the Foreign Department and the Ecclesiastical Department. The decision on the results of this enquiry, with which the Governments in India concerned will be associated, will rest with His Majesty's Government, and be subject to the approval of both Houses of Parliament.

PERSONS APPOINTED OR TO BE APPOINTED OTHERWISE THAN BY THE SECRETARY OF STATE IN COUNCIL OR THE SECRETARY OF STATE.

190. The Federal and Provincial Governments respectively will appoint, and subject to the following paragraphs, determine the conditions of service of all persons in the Federal and Provincial Services other than persons appointed by the Crown, by the Secretary of State in Council, or by the Secretary of State.

191. Every person in those Services at the commencement of the Constitution Act will continue to enjoy all service rights existing as at that date. A summary of the principal existing rights is set out in Appendix VII, Part II.

192. No person appointed by an authority other than the Secretary of State in Council who was serving in India in a civil capacity before the commencement of the Constitution Act will have his conditions of service in respect of pay, allowances, pension or any other matter, adversely affected, save by an authority in India competent to pass such an order on the 8th March, 1926, or with the sanction of such authority as the Secretary of State may direct.

193. No rule or order of the Federal or a Provincial Government affecting emoluments, pensions, provident funds, or gratuities, and no order upon a memorial will be made or passed to the disadvantage of an officer appointed to a Central Service Class I, or to a Provincial Service, before the commencement of the Act, without the personal concurrence of the Governor-General or the Governor, as the case may be. No post in a Central Service Class I, or any Provincial Service shall be brought under reduction, if such reduction would adversely affect any person who, at the commencement of the Constitution Act, was a member of those Services, without the sanction of the Governor-General or the Governor, as the case may

be, or, in the case of any person appointed by the Crown or by the Secretary of State in Council, of the Secretary of State.

194. Every person, whether appointed before or after the commencement of the Constitution Act, who is serving in a civil capacity in a whole-time permanent appointment, will be entitled to one appeal against any order of censure or punishment, or against any order affecting adversely any condition of service, pay, allowances, or pension, or any contract of service, other than an Order made by the Federal Government in the case of officers serving under the control of that Government or an order made by a Provincial Government in the case of officers serving under the control of Provincial Governments.

PUBLIC SERVICE COMMISSIONS.

195. There will be a Federal Public Service Commission and a Provincial Public Service Commission for each Province; but by agreement the same Provincial Commission will be enabled to serve two or more Provinces jointly.

196. The members of the Federal Public Service Commission will be appointed by the Secretary of State, who will also determine their number, tenure of office, and conditions of service, including pay, allowances, and pensions, if any. The Chairman at the expiration of his term of office will be ineligible for further office under the Crown in India; the other members will be eligible for appointment as Chairman of the Federal Commission or as Chairman of a Provincial Commission, and their eligibility for other appointments under the Crown in India will be subject to regulations made by the Secretary of State.

197. The members of a Provincial Public Service Commission will be appointed by the Governor, who will also determine at his discretion their number, tenure of office, and conditions of service, including pay, allowances, and pensions, if any. The Chairman at the expiration of his term of office will be ineligible for further office under the Crown in India, save as Chairman or member of the Federal Public Service Commission. The other members will be eligible for appointment as Chairman or members of the Federal Commission or of any Provincial Commission, and their eligibility for other appointments under the Crown in India will be subject to regulations made by the Governor.

198. The emoluments of the members of all Public Service Commissions will not be subject to the vote of the Legislatures.

199. The Federal and Provincial Public Service Commissions will conduct all competitive examinations for appointments to Federal and Provincial Services respectively. The Governments will be required to consult them on all matters relating to methods of recruitment, on appointments by selection, on promotions, and on transfers from one service to another, and the Commissions will advise as to the suitability of candidates for such appointments, promotions or transfers.

200. The Federal and Provincial Governments will also be required, subject to such exceptions (if any) as may be specified in regulations to be made by the Secretary of State or a Governor, as the case may be, to consult the Public Service Commissions in connection with all disciplinary orders (other than an order for suspension) affecting persons in the Public Services in cases which are submitted to the Governments for orders in the exercise of their original or appellate powers; in connection with any claim by an officer that a Government should bear the costs of his defence in legal proceedings against him in respect of acts done in his official capacity; and in connection with any other class of case specified by regulations made from time to time by the Secretary of State or a Governor, as the case may be. But no regulations made by a Governor will be able to confer powers on a Provincial Commission in relation to any person appointed by the Secretary of State without the assent of the Secretary of State, or, in relation to any other person who is not a member of one of the Provincial Services, of the Governor-General.

201. The Federal and Provincial Governments will be empowered to refer to the appropriate Commission for advice any case, petition, or memorial, if they think fit to do so; and the Secretary of State will be empowered to refer to the Federal Commission any matter relating to persons appointed by him on which he may desire to have the opinion of the Commission.

PART VIII.

TRANSITORY PROVISIONS.

202. *The Constitution Act, though treating the Federation as a whole, will contain provisions enabling the Provincial Constitutions, for which it provides, to be brought into being, if necessary, before the Constitution as a whole comes into being. Transitory provisions,

* This paragraph should be read in relation to paragraphs 12 and 13 of the Introduction.

also to be included in the Constitution Act, will enable in that event temporary modifications to be made in the provisions of the Constitution Act for the purpose of continuing the existence of the present Indian Legislature, of removing the limit to the number of Counsellors whom the Governor-General may appoint, of placing the administration of all Departments of the Central Government under the Governor-General's exclusive control, and of suspending the operation of the provisions relating to the Council of Ministers. Broadly stated the effect of these transitory provisions will be that the Executive of the Central Government, though necessarily deprived of much of its present range of authority in the Provinces, would for the time being be placed in substantially the same position as that occupied by the Governor-General in Council under the existing Act.

APPENDIX I.

COMPOSITION OF AND METHOD OF ELECTION TO THE BRITISH INDIA SIDE OF
THE FEDERAL COUNCIL OF STATE.*(See paragraph 18 of the Introduction and paragraph 26 of the Proposals.)*

The British India seats in the Council of State will be filled in the following manner: 136 seats will be filled by election by means of the single transferable vote by the members of the Provincial Legislatures, the number of seats elected by each being as follows:—

Madras, Bombay, Bengal, United Provinces, Punjab and Bihar	18 each.
Central Provinces (with Berar)*	8.
Assam, North-West Frontier Province, Sind and Orissa	5 each.

In Provinces where there is an Upper Chamber, its members will participate jointly with the members of the Provincial Assembly for the purpose of election to the Council of State.

Indian Christian, Anglo-Indian and European members of the Provincial Legislatures will not be entitled to vote in the elections for the above-mentioned seats in the Council of State. Ten non-Provincial communal seats will be reserved in the Council of State, 7 for Europeans, 2 for Indian Christians, 1 for Anglo-Indians, these seats being filled by election by three electoral colleges, consisting respectively of the European, Indian Christian and Anglo-Indian members of the above-mentioned Provincial Legislatures, voting for the European and Indian Christian seats being by the method of the single transferable vote.

One seat each will be provided in the Council of State for Coorg, Ajmer, Delhi and Baluchistan. Members of the Coorg Legislature will elect to the Coorg seat. Special provision will be made for election in the other three of these Chief Commissioners' Provinces. (It may be necessary to resort to nomination in the case of Baluchistan.)

* See paragraph 45 of Introduction.

APPENDIX II.

FEDERAL ASSEMBLY: BRITISH INDIA SIDE.

(See paragraph 17 of the Introduction and paragraph 29 of the Proposals.)

The British India side of the Federal Assembly will be composed as shown in the annexed table. The constituencies will all be provincial, except for the four seats shown in the table as non-provincial.

Election to the seats allotted to the Sikh, Muslim, Indian Christian, Anglo-Indian and European constituencies will be by voters voting in separate communal electorates. All qualified voters who are not voters in one of these constituencies will be entitled to vote in a general constituency.

Seats will be "reserved" for the Depressed Classes out of the general seats to the extent indicated in the table. Election to these seats will be by joint electorates in plural-member constituencies, subject to the following procedure: All members of the Depressed Classes registered in the general electoral roll of a constituency will form an electoral college, which will elect a panel of four candidates belonging to the Depressed Classes for each of such reserved seats by the method of the single vote, and the four persons getting the highest number of votes in such primary election will be the only candidates for election by the general electorate qualified for the reserved seat.

Election to the woman's seat in each of the provinces to which one is allocated will be by the members of the Provincial Legislature voting by means of the single transferable vote.

The special seats allotted to Commerce and Industry will be filled by election by Chambers of Commerce and other similar associations.

The special seats allotted to Landholders will be filled by election in special landholders' constituencies.

The special seats allotted to Labour will be filled from non-communal constituencies; the electoral arrangements have still to be determined.

APPENDIX II—(continued).
Composition of Federal Assembly (British India side).

Province (and Population in Millions).	Total.	General.	Number of General Seats Reserved for Depressed Classes.	Sikh.	Muslim.	Indian Christian.	Anglo-Indian.	Euro-pean.	Women, Special.	Com-merce and Industry, Special.†	Land-holders, Special.	Labour, Special.
Mudras (45·6) ...	37	19	4	0	8	2	1	1	2	2	1	1
Bombay (18·0) ...	30	13	2	0	6	1	1	1	2	3	1	2
Bengal (50·1) ...	37	10	3	0	17	1	1	1	1	3	1	2
U. P. (48·4) ...	37	19	3	0	12	1	1	1	1	0	1	1
Punjab (23·6) ...	30	6	1	6	14	1	0	1	1	0	1	0
Bihar (32·4) ...	30	16	2	0	9	1	0	1	1	0	1	1
C.P. (with Berar§) (15·5)	15	9	2	0	3	0	0	0	1	0	1	1
Assam (8·6) ...	10	4	1	0	3	1	0	1	0	0	0	1
N.W.F.P. (2·4) ...	5	1	0	0	4	0	0	0	0	0	0	0
Sind (3·9) ...	5	1	0	0	3	0	0	1	0	0	0	0
Orissa (6·7) ...	5	4	1	0	1	0	0	0	0	0	0	0
Delhi (0·6) ...	2	1	0	0	1	0	0	0	0	0	0	0
Ajmer (0·6) ...	1*	1	0	0	0	0	0	0	0	0	0	0
Coorg (0·2) ...	1*	1	0	0	0	0	0	0	0	0	0	0
Baluchistan|| (0·5)	1*	0	0	0	1	0	0	0	0	0	0	0
Non-Provincial	4	0	0	0	0	0	0	0	0	3†	0	1
Total (257·1) ...	250	105	19	6	82	8	4	8	9	11	7	10

* Non-communal seats.

† These 3 seats are to be filled by (1) Associated Chambers of Commerce, (2) Federated Chambers of Commerce, (3) Northern India Commercial Bodies.

‡ The composition of the bodies through which election to these seats will be conducted will not be statutorily fixed. It is accordingly not possible to state with certainty how many Europeans and Indians respectively will be returned. It is, however, expected that initially the numbers will be approximately 6 Europeans and 5 Indians.

§ See paragraph 45 of Introduction.

|| It may be necessary to resort to nomination in the case of Baluchistan.

APPENDIX III.

PART I.

Provincial Legislative Assemblies.

(See paragraph 49 of Introduction and paragraph 78 of the Proposals.)

1. Seats in the Legislative Assemblies in the Governors' Provinces will be allocated as shown in the annexed table (page 93).

2. Election to the seats allotted to Muhammadan, European and Sikh constituencies will be by voters voting in separate communal electorates covering between them the whole area of the Province (apart from any portions which may in special cases be excluded from the electoral area as "backward").

3. All qualified electors, who are not voters either in a Muhammadan, Sikh, Indian Christian (see paragraph 5 below), Anglo-Indian (see paragraph 6 below) or European constituency, will be entitled to vote in a general constituency.

4. Seats will be reserved for the Depressed Classes out of the general seats to the extent indicated in the table. Election to these seats will be by joint electorates, in plural member constituencies, subject to the following procedure: All members of the Depressed Classes registered in the general electoral roll of a constituency will form an electoral college which will elect a panel of four candidates belonging to the Depressed Classes for each of such reserved seats by the method of the single vote, and the four persons getting the highest number of votes in such primary election shall be the only candidates for election by the general electorate who are qualified for the reserved seats.

5. Election to the seats allotted to Indian Christians will be by voters voting in separate communal electorates. It seems almost certain that practical difficulties will, except possibly in Madras, prevent the formation of Indian Christian constituencies covering the whole area of the Province, and that accordingly special Indian Christian constituencies will have to be formed only in one or two selected areas in the Province. Indian Christian voters in these areas will not vote in a general constituency. Indian Christian voters outside these areas will vote in a general constituency. Special arrangements may be needed in Bihar, where a considerable proportion of the Indian Christian community belong to the aboriginal tribes.

6. Election to the seats allotted to Anglo-Indians will be by voters voting in separate communal electorates. It is intended, subject to investigation of any practical difficulties that may arise, that the Anglo-Indian constituencies shall cover the whole area of each Province, a postal ballot being employed.

7. The method of filling the seats assigned for representatives from backward areas is still under investigation, and the number of seats so assigned should be regarded as provisional.

8. The precise electoral machinery to be employed in the constituencies for the special women's seats is still under consideration.

9. The seats allotted to "Labour" will be filled from non-communal constituencies. The electoral arrangements have still to be determined, but it is likely that in most Provinces the Labour constituencies will be partly trade union and partly special constituencies.

10. The special seats allotted to Commerce and Industry, Mining and Planting will be filled by election through Chambers of Commerce and various Associations. The details of the electoral arrangements for these seats must await further investigation.

11. The special seats allotted to Landholders will be filled by election by special Landholders' constituencies.

12. The method to be employed for election to the University seats is still under consideration.

PART II.

Provincial Legislative Councils.

(See paragraph 49 of Introduction and paragraph 80 of the Proposals.)

The Legislative Councils (Upper Chambers) in the Provinces of Bengal, United Provinces and Bihar, will be constituted as follows:—

Bengal.—Total seats—65.

- 10 nominated by the Governor in his discretion.*
- 27 elected by method of the single transferable vote by the members of the Bengal Legislative Assembly.
- 17 directly elected from constituencies for which only Muslim voters will be qualified.
 - 1 directly elected from constituencies for which only European voters will be qualified.
- 10 directly elected from general constituencies for which all qualified voters other than Muslims and Europeans will be entitled to vote.

The United Provinces.—Total seats—60.

- 9 nominated by the Governor in his discretion.*
- 17 directly elected from constituencies for which only Muslim voters will be qualified.
- 34 directly elected from general constituencies for which all qualified voters other than Muslims will be entitled to vote.

Bihar.—Total seats—30.

- 5 nominated by the Governor in his discretion.*
- 12 elected by method of single transferable vote by the members of the Bihar Legislative Assembly.
- 4 directly elected from constituencies for which only Muslim voters will be qualified.
- 9 directly elected from general constituencies for which all qualified voters other than Muslims will be entitled to vote.

* Serving officials will not be eligible for nomination.

Composition of Provincial Legislative Assemblies (Lower Houses).

Province. (Population in Millions shown in brackets.)	General.	Number of General Seats Reserved for Depressed Classes.	Represent- atives from Back- ward Areas.	Sikh.	Muhamma- dan.	Indian Christian.	Anglo- Indian.	Euro- pean.	Commerca and Indus- try, Mining and Plant- ing, Special (a).	Land- holders, Special.	Univer- sity, Special.	Labour, Special.	Total.
Madras (45·6)	152 (including 8 women)	30	1	0	29 (including 1 woman)	9 (including 1 woman)	2	3	6	6	1	6	215
Bombay (18·0)	119 (b) (including 5 women)	15	1	0	30 (including 1 woman)	3	2	3	7	2	1	7	175
Bengal (50·1)	80 (including 2 women)	30	0	0	119 (including 2 women)	2	4 (including 1 woman)	11	19	5	2	8	250
United Provinces (48·4)	144 (including 4 women)	20	0	0	68 (including 2 women)	2	1	2	3	6	1	3	228
Punjab (23·6)	43 (including 1 woman)	8	0	32 (including 1 woman)	86 (including 2 women)	2	1	1	1	5(c)	1	3	175
Bihar (32·4)	89 (including 3 women)	15	7	0	40 (including 1 woman)	1	1	2	4	4	1	3	152
Central Provinces (with Berar (e)) (15·5)	87 (including 3 women)	20	1	0	14	0	1	1	2	3	1	2	112
Assam (8·6)	48 (including 1 woman) (d)	7	9	0	34	1	0	1	11	0	0	4	108
North-West Frontier Province (2·4)	9	0	0	3	36	0	0	0	0	2	0	0	50
Sind (3·9)	19 (including 1 woman)	0	0	0	34 (including 1 woman)	0	0	2	2	2	0	1	60
Orissa (6·7)	49 (including 3 women)	7	2	0	4	1	0	0	1	2	0	1	60

93

(a) The composition of the bodies through which election to these seats will be conducted, though in most cases either predominantly European or predominantly Indian, will not be statutorily fixed. It is, accordingly, not possible in each Province to state with certainty how many Europeans and Indians respectively will be returned. It is, however, expected that, initially, the numbers will be approximately as follows.—Madras, 4 Europeans, 2 Indians; Bombay, 4 Europeans, 3 Indians; Bengal, 14 Europeans, 5 Indians; United Provinces, 2 Europeans, 1 Indian; Punjab, 1 Indian; Bihar, 2 Europeans, 2 Indians; Central Provinces (including Berar), 1 European, 1 Indian; Assam, 8 Europeans, 3 Indians; Sind, 1 European, 1 Indian; Orissa, 1 Indian.

(b) Seven of these seats will be reserved for Mahrattas.

(c) One of these seats is a Tumandar's seat. The four Landholders' seats will be filled from special constituencies with joint electorates. It is probable, from the distribution of the electorate, that the members returned will be 1 Hindu, 1 Sikh and 2 Muhammadans.

(d) This woman's seat will be filled from a non-communal constituency at Shillong.

(e) See paragraph 46 of Introduction.

APPENDICES IV AND V.

FRANCHISE.

Introductory Note.

1. The qualifications proposed for the Franchise for the Provincial Legislatures and for the seats allotted to the provinces of British India in the Federal House of Assembly are set out in the Schedules which follow. It should be emphasised that the qualifications in question are necessarily subject to modification in details on the preparation of an electoral roll. They are essentially based on existing franchise qualifications for legislative or municipal bodies.

2. *General Qualifications.*—Apart from the qualification of race, community, or religion, in the case of certain seats, voters in respect of any of the qualifications shown in these schedules must be British subjects, must have attained the age of 21 years, and, save in the case of certain special constituencies, must reside in the constituency in which they claim to vote.

3. For the first two elections under the new constitution, and thereafter unless and until a local Government modifies this requirement in respect of the area under its control, claimants in respect of an educational qualification, or of property held by a husband, will be required to make application to be entered on the electoral roll to the returning officer. The proportion of women to men in the electorate will depend upon the number of women who are actually registered under the qualifications in question. There are practical difficulties in placing on returning officers the whole responsibility for registration of those qualifications. But His Majesty's Government are very anxious to secure that the proportion of women electors should be adequate and further consideration of the above arrangements may be necessary.

4. *The Scheduled Castes (Depressed Classes).*—It is the intention of His Majesty's Government to make provision for the inclusion on the Electoral rolls for the Provincial Legislative Assemblies of approximately 10 per cent. of the population of the Depressed Classes (whom it is proposed in future to designate Scheduled Castes) in all Provinces save Bihar and Orissa (where the percentage will be in the neighbourhood of 7 per cent.) and the North-West Frontier Province and Sind, where the numbers of the Scheduled Castes are negligible. In the case of the Federal House of Assembly, the approximate general percentage aimed at is 2 per cent. (save in the case of Bihar and Orissa and of the North-West Frontier Province and Sind). Certain provinces are satisfied that it will be possible to attain these percentages under the operation of the general franchise qualifications. In certain other provinces it appears open to question whether this will be the case, and, if on the preparation of the Electoral Roll a marked deficiency is found to exist, special steps to make it up will be called for. The differential franchise contemplated in such circumstances by certain provinces is provisionally included in the Schedules which follow. The Scheduled Castes are enumerated by Provinces in Appendix VIII.

5. *The Educational Qualification.*—Owing to the marked differences in the educational system in different provinces, and the absence of records which could be used to support a claim to an educational qualification in certain cases, it has proved impossible to lay down any common educational standard for the provincial legislatures which would apply to the whole of India, and in certain provinces it has been found necessary to fix a standard identical with that laid down for the Federal House of Assembly. His Majesty's Government, in accepting in these circumstances a high educational standard as an electoral qualification for certain provincial

legislatures, do so with the reservation that it shall be open to the Local Governments concerned to lower it once the administrative difficulties involved are overcome.

6. *Sind and Orissa*.—While it has been decided that Sind and Orissa shall be established as separate provinces, the framing of a detailed scheme for the franchise for the Provincial Legislative Assembly in those provinces has not yet been completed. While the franchises in question will probably closely resemble (allowance being made for the special conditions of the new provinces) those laid down in the Schedules which follow for Bombay and Bihar and Orissa respectively, it has been thought preferable at the present stage to make no specific provision for either Sind or Orissa in the Schedules.

7. *Special Constituencies*.—In the interest of presenting as complete a picture as possible of the franchise qualifications proposed, the Schedules which follow set out in detail the *existing* qualifications for the various Special Constituencies (representing Landholders, Commerce, Industry, Mining, Planting, Universities) in each province in the case of the Provincial and Federal Legislatures alike. The qualifications in question should, however, be regarded as provisional, pending the closer investigation of the existing electorates for these seats which is contemplated at the stage of the general delimitation of constituencies. Pending further investigation at the same stage no specific proposals are included in the Schedules in respect of the seats now for the first time assigned to Labour in the Provincial and Federal Legislatures and to Backward areas in certain provincial legislatures, or of certain other constituencies to be brought into being consequent on the Communal decision. Nor has any separate provision been made for the special seats reserved for women. Election to those seats in the Provincial Legislatures will be on the basis of the general franchise qualifications; while election in the case of the Federal Lower House will be by members of Provincial Legislatures.

APPENDIX IV.

Franchise for the British-Indian seats in the House of Assembly.

- I.—Madras.
- II.—Bombay.‡
- III.—Bengal.
- IV.—United Provinces.
- V.—Punjab.
- VI.—Bihar and Orissa.‡
- VII.—Central Provinces with Berar.¶
- VIII.—Assam.
- IX.—North-West Frontier Province
- X.—Delhi.
- XI.—Ajmer-Merwara.
- XII.—Coorg.
- XIII.—British Baluchistan.
- XIV.—Non-Provincial Special Constituencies.

I.—MADRAS.

1.—Qualifications* for Electors for Constituencies other than special constituencies.

(a) Payment of not less than Rs. 3 per annum taxation in a municipality in respect of property, company, or profession tax.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

‡ See paragraph 6 of the Introductory Note to Appendices IV and V.

¶ See Introduction, paragraph 45.

(b) Holding of land of annual rental value of Rs. 10.

(c) *In urban constituencies*—

(i) payment of property tax, company tax, or profession tax (subject to a minimum of Rs. 3, save in the case of Madras City),

(ii) in Madras City only, occupation of a house of rental value of Rs. 60.

(d) Assessment to income tax.

(e) Having passed the examination for Matriculation or for the Secondary School Leaving Certificate or an examination accepted as its equivalent by the Local Government.

(f) Being a retired, pensioned or discharged officer, non-commissioned officer, or soldier of His Majesty's Regular Forces.

(g) The differential qualifications to be prescribed in order to produce an electorate of approximately 2 per cent. of the population of the scheduled castes are under consideration.

2. Franchise for Special Constituencies.

(a) *Landholders*.†—Registration on the electoral roll of any Landholders' constituency in the Madras Provincial Legislative Council.

(b) *Indian Commerce*† (South India Chamber of Commerce).—Every Indian, and one duly authorised representative of every Indian partnership, if he or the partnership, as the case may be, has been assessed to income tax in the previous year on an income of not less than Rs. 10,000 derived from business within the meaning of the Indian Income Tax Act, 1922.

(c) *Madras Chamber of Commerce*.—Being a member of the Chamber with a place of residence in India.§

(d) *Labour*.—The question of the method of election and the franchise are under consideration.

II.—BOMBAY.

1.—Qualifications* of Electors in Constituencies other than special constituencies.

(a) *In rural areas*—

(i) The ownership or occupation of land assessed at Rs. 32 land revenue (Rs. 16 in the Upper Sind Frontier, the Panch Mahals, and the Ratnagiri districts).

(ii) Occupation as owner or tenant in any municipal district, cantonment, or notified area in the constituency, of a building or part of a building separately occupied of an annual rental value of not less than Rs. 36 in Sind, or in any other constituency where tax is based on the annual rental value of houses or buildings of an annual rental value of not less than Rs. 24 in the Panch Mahals and Ratnagiri districts and Rs. 36 elsewhere, or, where no such tax is leviable, of a capital value of not less than Rs. 1,000 in the Panch Mahals and Ratnagiri Districts and Rs. 1,500 elsewhere.

(iii) Being the alienee of the right of Government to the payment of rent or land revenue, or a Khot or sharer in a Khoti village or a sharer in a bhagdari or narvadari village responsible for the payment of land revenue, subject in all cases to the minima set out in (i) and (ii) above.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of the Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation in connection with the general delimitation of constituencies, they should be regarded as provisional.

§ Provisional.

(b) *In Bombay City and other urban areas.*—Occupation as owner or tenant of a building of the annual rental value of not less than Rs. 120 in Bombay, Rs. 60 in Karachi; and in any other urban constituency where any tax is based on the annual rental value of houses or buildings of an annual rental value of not less than Rs. 36 or, where no tax so based is levied, a capital value of not less than Rs. 1,500.

(c) Assessment to income tax.

(d) Having passed the examination for matriculation or for the school-leaving certificate or an examination accepted as the equivalent thereof by the Local Government.

(e) Being a retired, pensioned, or discharged officer, non-commissioned officer or soldier of His Majesty's Regular Forces.

2. Franchise for Special Constituencies.

(a) Landholders†—

- (i) Being a First- or Second-Class Jagirdar in Sind, or a Zamindar, who, in each of the three revenue years preceding the publication of the electoral roll, has paid not less than Rs. 1,000 land revenue on land in Sind.
- (ii) For the Deccan and Gujerat Sardars and Inamdars constituency, entry on the list for the time being in force under Bombay Government, Political Department, Resolutions 2363 of the 23rd July, 1867, and 6265 of the 1st April, 1909, or being the sole alienee of the right of Government to land revenue in respect of an entire village in the presidency of Bombay, excluding Sind and Aden, or being the sole holder on talukdari tenure of such a village.

(b) *Indian Commerce.*†—Members of the Indian Merchants' Chamber and Bureau of the Bombay Millowners' Association, and of the Ahmedabad Millowners' Association, are qualified as electors respectively for the constituency comprising the Association of which they are members.

(c) *European Commerce.*††—Being a member of the Bombay Chamber of Commerce having a residence in India.

(d) *Labour.*—The question of the method of election and franchise is under consideration.

III.—BENGAL.

1. Qualifications* of Electors in Constituencies other than Special Constituencies.

(a) Payment of not less than Rs. 1.8 per annum in Municipal or cantonment taxes (Rs. 3 in the Howrah Municipality).

(b) Payment of Re. 1 per annum or over as road or public works cess or Rs. 2 Chaukidari tax (under the Village Chaukidari Act, 1870), or Union rate (under the Bengal Village Self-Government Act, 1919).

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of the Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation in connection with the general delimitation of constituencies, should be regarded as provisional.

‡ This constituency is at present a Council of State constituency, but will be transferred to the Lower House of the new Federal Legislature.

(c) In Calcutta—

- (i) Ownership and occupancy of land or building assessed at Rs. 150 per annum.
- (ii) Ownership or occupancy of land or building assessed at Rs. 300 per annum.
- (iii) Payment of Rs. 24 per annum or over as corporation tax.

(d) Assessment to Income tax (or, in Calcutta only, being a member of a firm assessed to income tax whose share of the firm's income on which income tax was so assessed is certified to have been not less than the minimum on which tax is leviable).

(e) Having passed the examination for Matriculation or for the School-leaving Certificate or an examination accepted by the Local Government as the equivalent thereof.

(f) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's Regular Forces.

2. Franchise for Special Constituencies.

(a) Landholders—

- (i) In the Burdwan and Presidency Divisions proprietorship of property assessed to land revenue of not less than Rs. 6,000, or road and public works cesses of not less than Rs. 1,500.
- (ii) In the Dacca, Rajshahi, and Chittagong Divisions proprietorship in own right, or tenure direct from such a proprietor, of property assessed to land revenue of not less than Rs. 4,000, or road and public works cesses of not less than Rs. 1,000.

(b) Commerce—

- (i) § Membership of Bengal National Chamber of Commerce, the Marwari Association or the Bengal Mahajan Sabha.
- (ii) Bengal Chamber of Commerce. § † Having a place of residence in India, and being a Chamber member of the Bengal Chamber of Commerce, or a person entitled to exercise the rights and privileges of Chamber membership on behalf of and in the name of any firm, company or other corporation.
- (iii) Jute Mills Association Constituency. The question of the method of election to and the franchise for the new seat to be created is under consideration.

(c) *Labour.*—The question of the method of election and of the franchise is under consideration.

IV.—UNITED PROVINCES.

1. Qualifications* of Electors in Constituencies other than Special Constituencies.

- (a) Ownership or tenancy of a building of rental value of not less than Rs. 36 per annum.
- (b) Payment of Municipal tax on an income of not less than Rs. 200 per annum.

* Other than those referred to in paragraph 2 of the Introductory Note Appendices IV and V.

† This is at present a Council of State constituency, but will be transferred to the Lower House of the new Federal Legislature.

§ See paragraph 7 of the Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation in connection with the general delimitation of constituencies, should be regarded as provisional.

(c) Ownership of land paying or assessed to not less than Rs. 25 per annum land revenue.

(d) Payment of rent of not less than Rs. 25 per annum as a permanent tenure holder or a fixed rate tenant as defined in the Agra Tenancy Act, 1901, or an under-proprietor or occupancy tenant as defined in the Oudh Rent Act, 1886.

(e) In the hill pattis of Kumaon ownership of a fee-simple estate or assessment to payment of land revenue or cesses of any amount, or being a Khaikar.

(f) Being a tenant (other than a sub-tenant), as defined in the Agra Tenancy Act, 1901, or the Oudh Rent Act, 1886, paying rent of not less than Rs. 50 per annum or its equivalent in kind, or over.

(g) Assessment to income tax.

(h) Having passed the Matriculation or School-leaving Certificate examination, or an examination accepted by the Local Government as the equivalent thereof.

(i) Being a retired, pensioned or discharged officer, non-commissioned officer or soldier of His Majesty's Regular Forces.

2. Franchise for Special Constituencies.

(a) *Landholders*.—Land revenue of not less than Rs. 5,000 per annum.‡

(b) *Labour*.—The question of the method of election and the franchise is under consideration.

V.—PUNJAB.

1. Qualifications* of Electors in Constituencies other than Special Constituencies.

(a) Ownership of immovable property, not being land assessed to land revenue, of a value of not less than Rs. 4,000 or an annual rental value of not less than Rs. 96, or tenancy of such property of an annual rental value of not less than Rs. 96.

(b) Payment of direct municipal or cantonment taxes of Rs. 50 or over.

(c) Ownership or tenancy with right of occupancy as defined in Chapter II, Punjab Tenancy Act, 1887, of land paying land revenue of Rs. 25 or over.

(d) Tenancy of Crown land on a lease of not less than 3 years rented at Rs. 25 per annum or over.

(e) Being the assignee of land revenue amounting to not less than Rs. 50 per annum.

(f) Being a village officer or headman (Zaildar, inamdar, sufedposh or lambardar) in the constituency.

(g) Assessment to income tax.

(h) Having passed the examination for Matriculation or for the School-leaving certificate or an examination accepted by the Local Government as the equivalent thereof.

(i) Being a retired, pensioned, or discharged officer, non-commissioned officer or soldier of His Majesty's Regular Forces.

(j) *Scheduled Castes*.—The differential qualifications to be prescribed in order to produce an electorate of approximately 2 per cent. of the population of the Scheduled Castes are under consideration.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

‡ See paragraph 7 of the Introductory Note to Appendices IV and V. The qualification shown is the existing qualification, but, pending closer examination in connection with the general delimitation of constituencies, it should be regarded as provisional.

2. Franchise for Special Constituencies.

Landholders†—

- (i) Ownership of land assessed to land revenue of not less than Rs. 1,000 per annum.
- (ii) Being the assignee of land revenue of not less than Rs. 1,000 per annum.

VI.—BIHAR AND ORISSA.

1. Qualifications* of Electors for Constituencies other than Special Constituencies.

(a) In all Rural Areas of the province except the districts of Sambalpur and the Santal Parganas and the Khondmals sub-division of Angul, payment of Chaukidari tax at the rate (save in the case of the Scheduled Castes (see (h) below)) of not less than Rs. 2.8 annually.

(b) In Sambalpur and the Santal Parganas—

- (i) holding of an estate or estates or portion or portions thereof for which a separate account has been opened, paying an aggregate amount of not less than Rs. 12 per annum local cess, or
- (ii) tenure of land assessed for purposes of local cess to an aggregate amount of not less than Rs. 100 per annum, or
- (iii) holding of land as a raiyat liable to an annual aggregate rent or local cess amounting respectively to Rs. 24 and to As. 12 in constituencies in the Santal Parganas, and to Rs. 48 and Rs. 1.8.0 respectively in Sambalpur, or
- (iv) assessment to not less than Rs. 1.8.0 under § 118 C of the Bengal Local Self-Government Act, 1885, or § 47 of the Bihar and Orissa Village Administration Act, 1922.

(c) *Khondmals Sub-division.*—The basis and method of enfranchisement is still under investigation.

(d) *Urban Areas.*—Save in the Jamshedpur urban area, for which a special franchise is under consideration, payment of municipal or cantonment rates or taxes to an aggregate amount of not less than Rs. 3.

(e) Assessment to income tax.

(f) Having passed the examination for matriculation, or for the school-leaving certificate, or an examination accepted by the Local Government as the equivalent thereof.

(g) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's Regular Forces.

(h) *Scheduled Castes.*—Payment of Chaukidari tax of not less than Rs. 1.4.0 in rural areas.‡

2. Franchise for Special Constituencies.

(a) *Landholders.*†—Assessment to land revenue or local cess to an aggregate annual amount of not less than Rs. 10,000 or Rs. 2,500 respectively.

(b) *Labour.*—The question of the electorate and of the franchise is under consideration.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of the Introductory Note to Appendices IV and V. The qualification shown is the existing qualification, but, pending closer examination in connection with the general delimitation of constituencies, it should be regarded as provisional.

‡ Provisional.

VII.—CENTRAL PROVINCES WITH BERAR.§§

1. *Qualifications* of Electors for Constituencies other than Special Constituencies.*(a) *For classes other than the Scheduled Castes.*(i) *Rural Areas.*—Payment of a rent or revenue of Rs. 20 or over.(ii) *Urban Areas.*—Occupation of a house of rental value of Rs. 30 or payment of an equivalent Haisiyat.(b) *For the Scheduled Castes.*

(i) In rural areas, payment of a rent or revenue of Rs. 10 or over.

(ii) In Urban areas, occupation of a house of a rental value of Rs. 18.

(c) Assessment to income tax.

(d) Having passed the examination for matriculation or for the school-leaving certificate or an examination accepted by the Local Government as the equivalent thereof.

(e) Being a retired, pensioned or discharged officer, non-commissioned officer, or soldier of His Majesty's Regular Forces.

2. *Franchise for Special Constituencies.*(a) *Landholders†—*

(i) Holder of a hereditary title recognised by Government, who holds agricultural land in proprietary right; or

(ii) Being the owner of an estate as defined in § 2 (3) of the Central Provinces Land Revenue Act, 1917; or

(iii) Being the holder in proprietary right of land, the land-revenue or Kamil-jama of which is not less than Rs. 5,000.

(b) *Labour.*—The question of the method of election and of the franchise is under consideration.

VIII.—ASSAM.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

(a) Assessment to an aggregate of not less than Rs. 3 municipal or cantonment rates or taxes (Rs. 2 in the case of the Nowgong, and Rs. 1.80 in the case of the Sylhet, Municipality).

(b) Assessment to not less than Re. 1 per annum as union or chaukidari tax.

(c) Ownership of land assessed to or assessable at land revenue of not less than Rs. 15 per annum.

(d) Liability to local rate of not less than Re. 1 per annum.

(e) Assessment to Income Tax.

(f) Having passed the examination for Matriculation or for the school leaving certificate, or an examination accepted by the Local Government as the equivalent thereof.

(g) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's Regular Forces.

(h) *Scheduled Castes.*—Necessity for any special franchise to bring the scheduled caste electorate up to 2 per cent. of population is under investigation.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of the Introductory Note to Appendices IV and V. The qualification shown is the existing qualification, but, pending closer examination in connection with the general delimitation of constituencies, it should be regarded as provisional.

§§ See Introduction, paragraph 45.

2. Franchise for Special Constituencies.

Labour.—The question of the method of election and of the franchise is under consideration.

IX.—NORTH-WEST FRONTIER PROVINCE.

Qualifications* of Electors—

- (a) Ownership of immovable property, not being land assessed to land revenue, but including any building on such land, value Rs. 600 or over.
- (b) Tenancy of immovable property of annual rental value of not less than Rs. 48.
- (c) Payment of rate, cess, or tax to a District Board of not less than Rs. 4 per annum.
- (d) Assessment to any direct municipal or cantonment tax of not less than Rs. 50.
- (e) Income of Rs. 40 per mensem or over.
- (f) Ownership, or occupancy as occupancy tenant or tenant or lessee under a written lease for a period of not less than three years, of land assessed to land revenue of Rs. 10 per annum or over.
- (g) Being an assignee of land revenue of not less than Rs. 20 per annum.
- (h) Assessment to income-tax.
- (i) Having passed the examination for matriculation or the school leaving certificate, or any examination accepted by the Local Government as the equivalent thereof.
- (j) Being a *zaildar*, *inamdar*, village headman or chief headman in the constituency.
- (k) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's regular forces.

X.—DELHI.

XI.—AJMER-MERWARA.

XII.—COORG.

XIII.—BRITISH BALUCHISTAN.

The electoral arrangements in respect of the seats allotted to these four provinces in the Federal House of Assembly are still under consideration.†

XIV.—FRANCHISE FOR NON-PROVINCIAL SPECIAL CONSTITUENCIES IN THE FEDERAL LEGISLATURE.

(a) Commerce—

- 1. Associated Chambers of Commerce of India.
- 2. Federation of Indian Chambers of Commerce.
- 3. Northern India Commercial Bodies.

(b) Labour—

- 1. All India Trades Union Federation.

The method of election to all the seats specified above is under consideration.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† It may be found necessary to resort to nomination in the case of British Baluchistan.

APPENDIX V.

PART I.

Franchise for the Provincial Legislative Assemblies.†

- I.—Madras.
- II.—Bombay.
- III.—Bengal.
- IV.—United Provinces.
- V.—Punjab.
- VI.—Bihar and Orissa.
- VII.—Central Provinces with Berar.‡
- VIII.—Assam.
- IX.—North-West Frontier Province.
- X.—Coorg.

I.—MADRAS.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

(a) Payment of tax under the Madras Motor Vehicles Taxation Act for the whole official year immediately before the electoral roll is prepared or revised; or

(b) Being a registered landholder, inamdar, ryotwari pattadar, or occupancy ryot under the Madras Estates Land Act; or

(c) Assessment to ground-rent payable to Government; or

(d) Payment of property tax for the two half-years immediately prior to the preparation or revision of the roll under the Madras City Municipality Act or the Madras District Municipalities Act or the Madras Local Boards Act; or

(e) Payment of profession tax for the two half-years immediately prior to the preparation or revision of the roll under the Madras City Municipality Act or the Madras District Municipalities Act; or

(f) Being during the whole of the previous *fasli* a kanamdar or kuzhikanamdar or the holder of a kudiyiruppu or a verampatamdar having fixity of tenure, each of these terms bearing the meaning defined in the Malabar Tenancy Act, 1929; or

(g) Being for the whole of the *fasli* immediately preceding the preparation or revision of the electoral roll a mortgagee with possession, lessee or tenant of immovable property (other than a house property) of an annual value of Rs. 100 in Madras City or a municipality and Rs. 50 elsewhere in the Presidency; or

(h) Being a guardian of a minor possessing one of the above property qualifications; or

(i) Occupying during the whole of the previous year as sole tenant house property on which property tax or house tax has been duly paid for the year; or

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 6 of Introductory Note to Appendices IV and V.

‡ See Introduction, paragraph 45.

(j) Being a registered joint landholder, inamdar, pattadar, or occupancy ryot entitled to an additional vote on an application signed by a majority of the registered joint-holders, votes being allowed to joint holders on the following scale:

for landholders and holders of whole inam villages of Rs. 1,000 and above annual rental—one vote for every complete Rs. 500 of annual rental, and for joint holders of minor inams, ryotwari pattas and estate pattas of Rs. 100 and over—one vote for every complete Rs. 50 of assessment, rent or kist.

The additional votes will be given only to persons included among the registered joint holders, and the registration should have been made no later than the *fasli* previous to the one in which the rolls are under preparation or revision.

(k) Assessment to income tax;

(l) Literacy (*i.e.*, ability to read and write in any language) certified by village officers in certificates to be countersigned by the Tahsildars, or alternatively, the holding of the Elementary School Certificate issued by the headmaster of a school recognised by the Government;

(m) Being the wife of a person possessing the property qualifications a present entitling to a vote for the Provincial Legislative Council. On elector only to be enfranchised under a husband's property qualification, in addition to the husband himself, but a woman who is once placed on the roll in respect of a husband's property to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.

(n) Being a retired, pensioned or discharged officer, non-commissioned officer, or soldier of His Majesty's regular forces.

(o) *Scheduled Castes*.—If on the preparation of the electoral roll the electorate of the Scheduled Castes does not amount to approximately 10 per cent. of their population, special qualifications will be prescribed in order to make up the deficiency.

2. Franchise for Special Constituencies.

(a) *Landholders*.†—Being a zamindar, janmi, or malikanadar who—

- (i) Possesses an annual income of not less than Rs. 3,000 derived from an estate within the Presidency of Madras.
- (ii) Is registered as the janmi of land situated within the Presidency of Madras, and assessed at not less than Rs. 1,500.
- (iii) Receives from Government a malikana allowance of not less than Rs. 3,000 per annum.

(b) *University*.†—Being a member of the Senate or an Honorary Fellow or a graduate of over seven years' standing of the University of Madras.

(c) *Planters*.†—Being a member of one of the associations affiliated to the United Planters' Association of Southern India.

(d) *Madras Chamber of Commerce and Industry*.†—Being a member of the Madras Chamber of Commerce or of a Chamber affiliated to it.

(e) *Other Commerce Constituencies*.†—Members of the Madras Trade Association, the Southern India Chamber of Commerce and the Nattukottai Nagarathars' Association are qualified respectively as electors for the constituency comprising the Chamber or Association of which they are members.

(f) *Labour*.—The question of the franchise for these constituencies is under consideration.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending close investigation at the stage of the general delimitation of constituencies, the should be regarded as provisional.

II.—BOMBAY.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

- (a) Payment of land revenue of Rs. 8 and over.
- (b) Payment of house rent of Rs. 60 in Bombay City, Rs. 30 in Karachi, and Rs. 18 in other urban areas.
- (c) Assessment to income tax.
- (d) Being a Hari in Sind.
- (e) Having passed the examination for the matriculation or the school-leaving certificate, or an examination accepted by the Local Government as the equivalent thereof.
- (f) Being the wife of a person possessing the property qualifications at present entitling to a vote for the Provincial Legislative Council. One elector only to be enfranchised under a husband's property qualification in addition to the husband himself, but a woman who is once placed on the roll in respect of a husband's property qualification, to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.
- (g) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier, of His Majesty's regular forces.
- (h) *Scheduled Castes.*—In the case of the scheduled castes, literacy and being a village servant are proposed as differential qualifications. If on the preparation of the electoral roll the electorate of the scheduled castes does not come up to 10 per cent. of their population, a reduced property qualification sufficient to make up the deficiency will be prescribed for them in addition.

2. *Franchise for Special Constituencies.*

- (a) *Landholders†*—
 - (i) *For the Deccan Sardars and Inamdars Constituency.*—Being a person entered in the list for the time being in force under Bombay Government Political Department, Resolution No. 2363, dated 23rd July, 1867, or being the sole alienee of the right of Government to the payment of rent or land revenue in respect of an entire village situate within the constituency.
 - (ii) *For the Gujarat Sardars and Inamdars Constituency.*—Being a person entered in the list for the time being in force under Bombay Political Department, Resolution No. 6265, dated 21st September, 1909, or being the sole alienee of the right of Government to rent or land revenue in respect of an entire village situate within the constituency, or being the sole holder on Talukdari tenure of such a village.
 - (iii) *For the (Sindi) Jagirdars and Zamindars Constituency.*—Being a jagirdar of the first or second class in Sind, or having in each of the three revenue years preceding the publication of the electoral roll, paid not less than Rs. 1,000 land revenue on land in Sind.
- (b) *University of Bombay.†*—Being a member of the Senate, or an Honorary Fellow, or a graduate of seven years' standing, of the University of Bombay.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

(c) *Commerce and Industry*.†—Being entered on the list of members for the time being in force of the association forming such constituency, or being entitled to exercise the rights and privileges of membership on behalf of and in the name of any firm or company or corporation entered in such list of members.

(d) *Labour*.—The question of the franchise for these constituencies is under consideration.

III.—BENGAL.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

(a) Payment of not less than 6 annas chaukidari tax or 6 annas Union Board rate, or 8 annas cess or 8 annas Municipal tax or fee.

(b) Having passed the examination for the Matriculation or the School-leaving certificate or an examination accepted by the Local Government as the equivalent thereof.

(c) Assessment to income tax.

(d) Being the wife of a person possessing the property qualification at present entitling to a vote for the Provincial Legislative Council, one elector only, in addition to the husband himself, to be enfranchised under the husband's property qualification, but a woman once placed on the roll in respect of that qualification to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.

(e) Being a retired, pensioned, or discharged officer, non-commissioned officer or soldier of His Majesty's regular forces.

2. *Franchise for Special Constituencies.*

(a) *Landholders*†—

(i) In the Burdwan Landholders' and the Presidency Landholders' constituency area, payment of land revenue of not less than Rs. 4,500, or road and public work cesses of not less than Rs. 1,125, in respect of estates held in own right.

(ii) In the Dacca Landholders', Rajshahi Landholders' and Chittagong Landholders' constituency area, payment of land revenue of not less than Rs. 3,000, or road and public work cesses of not less than Rs. 750, in respect of estates held as, or direct from, a proprietor.

(b) *Calcutta University*.†—Being a member of the Senate or an Honorary Fellow, or a graduate of not less than seven years' standing, of the University.

(c) *Dacca University*†—

(i) Being resident in Bengal and a member of the Court or a registered graduate.

(ii) Being a resident in the Dacca or Chittagong Divisions, who would be qualified to be registered as a graduate of the University if he had not, before the 1st April, 1920, been registered as a graduate of any other Indian University.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

(d) Commerce and Industry†—

- (i) Chamber members of the Bengal Chamber of Commerce and permanent members of the Indian Jute Mills Association, of the Indian Tea Association, and the Indian Mining Association, with a place of residence in India, are qualified respectively as electors for the constituency comprising the Chamber or Association of which they are such members.
- (ii) Members of the Calcutta Trades Association, life and ordinary members of the Bengal National Chamber of Commerce and the Bengal Mahajan Sabha, life, ordinary and Mofussil members of the Marwari Association, Calcutta, with a place of residence in India, are qualified respectively as electors for the constituency comprising the Association, Chamber, or Sabha of which they are such members.

(e) Labour.—The question of the franchise for these constituencies is under consideration.

IV.—UNITED PROVINCES.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

- (a) Payment of land revenue of not less than Rs. 5.
- (b) Payment of rent of not less than Rs. 10 in rural areas.
- (c) Payment of rent of not less than Rs. 24 in urban areas.
- (d) Assessment to income tax.
- (e) Having passed the Upper Primary Examination, or an examination accepted by the Local Government as the equivalent thereof.
- (f) Being the wife of a person possessing the property qualifications at present entitling to a vote for the Provincial Legislative Council. One elector only to be enfranchised under a husband's property qualification in addition to the husband himself; but a woman once placed on the roll in respect of a husband's property qualification to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.
- (g) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier, of His Majesty's regular forces.

2. *Franchise for Special Constituencies.**(a) Landholders†—*

- (i) *Taluqdars Constituency.*—Ordinary membership of British Indian Association of Oudh.
- (ii) *Agra Landholders' Constituencies.* Ownership of land in the Constituency assessed to land revenue of not less than Rs. 5,000.

*(b) Commerce and Industry.†—*Persons being ordinary full members of the Upper India Chamber of Commerce or of the United Provinces Chamber of Commerce with a place of business within the United Provinces, or being entitled to exercise the rights and privileges of such membership on behalf of and in the name of any firm, company, or other corporation, are qualified as electors for the constituencies comprising their respective Chambers.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

(c) *Allahabad University*†—

- (i) Residence in India and Membership of the Court of the Executive Council or Academic Council of the University.
 - (ii) Residence in the United Provinces, and being a graduate of not less than seven years' standing, a Doctor or a Master.
- (d) *Labour*.—The question of the franchise for these constituencies under consideration.

V.—PUNJAB.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

- (a) Payment of land revenue of Rs. 5 and upwards.
- (b) Tenancy of 6 acres irrigated or 12 acres unirrigated land.
- (c) Being a *zaildar*, *inamdar*, *sufedposh*, or *lambardar* in the constituency.
- (d) Payment of house rent of Rs. 5 or over in towns.
- (e) Assessment to municipal or cantonment tax of not less than Rs. 1.
- (f) Payment of *Haisiyat* tax at its minimum rate of Rs. 2; or in districts in which no such tax exists, of any other direct tax imposed under the Punjab District Board Tax, and not below Rs. 2.
- (g) Assessment to income tax.
- (h) Having passed the primary educational standard or a standard accepted by the Local Government as the equivalent thereof.
- (i) Being the wife of a person possessing the property qualifications present entitling to a vote for the Provincial Legislative Council. Or an elector only to be enfranchised under a husband's property qualification in addition to the husband himself, but a woman who is once placed on the roll in respect of her husband's property qualification to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.
- (j) Being a retired, pensioned, or discharged officer, non-commissioned officer or soldier of His Majesty's regular forces.
- (k) *Scheduled Castes*.—If, on the preparation of the electoral roll, the electorate of the scheduled castes does not come up to 10 per cent. of the population, the local government propose to meet the deficiency by the following differential franchise:—

- (i) Mere literacy.
- (ii) Ownership of immovable property not being land assessed to land revenue, or of *malba* of a house of the value of not less than Rs. 50.

2. *Franchise for Special Constituencies.*(a) *Landholders*†—

- (i) *Baloch Tumandars Constituency*.—Being a *Tumandar* recognised by the Government or a person performing the duties of a *Tumandar* with the sanction of the Government.
- (ii) *Other Landholders' Constituencies*—

Ownership of land assessed to land revenue of not less than Rs. 500 per annum; or
Being the Assignee of land revenue of not less than Rs. 500 per annum.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending close investigation at the stage of the general delimitation of constituencies they should be regarded as provisional.

(b) *University*.†—Being a Fellow or Honorary Fellow or graduate of not less than seven years' standing of the Punjab University, resident in the Punjab.

(c) *Commerce*.††—Being a member of the Punjab Chamber of Commerce or of the Punjab Trades Association having a place of business, or working for gain, in the Punjab.

(d) *Labour*.—The question of the franchise for these constituencies is under consideration.

VI.—BIHAR AND ORISSA.

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

(a) Save in the districts referred to in (b), (c) and (d) below:—

(i) In *rural areas* payment of Chaukidari tax at the minimum rate of 6 annas per annum, and

(ii) In *urban areas* of a corresponding rate of municipal tax (Rs. 1/8/0).

(b) In the districts of Sambalpur and Santal Parganas, where chaukidari tax is not levied, the following qualifications:—

(i) *Sambalpur*.—Annual payment of not less than 1 rupee as rent or 9 pies as local cess.

(ii) *Santal Parganas*.—Status of resident jamabandi raiyat, paying annually not less than Rs. 2 as rent or 1 anna as local cess.

(c) *Khondmals Sub-division*.—Under consideration.

(d) *Jamshedpur City*.—A special franchise for this area is under investigation.

(e) Assessment to income tax.

(f) Having passed the examination for Matriculation or the school-leaving certificate or an examination accepted by the Local Government as the equivalent thereof.

(g) Being the wife of a person possessing the property qualifications entitling to a vote for the future Federal House of Assembly.* One elector only to be enfranchised under the husband's property qualification in addition to the husband himself, but a woman who is once placed on the roll in respect of her husband's property qualification, to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.

(h) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's regular forces.

2. *Franchise for Special Constituencies.*

(a) *Landholders*.†—Liability to payment of not less than Rs. 4,000 land-revenue or Rs. 1,000 local cess in the Patna Division, Tirhut Division, and Bhagalpur Division Landholders' Constituencies, or of Rs. 6,000 land-revenue or Rs. 500 local cess in the Orissa Division and Chota Nagpur Division Landholders' Constituencies.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

‡ The previously existing Industry constituency was not retained in the Communal Decision, and the franchise for it is accordingly omitted.

(b) *Patna University*.†—Being a member of the Senate or of the Syndicate or a registered graduate of the University, with a place of residence in Bihar and Orissa.

(c) *Planting*.†—Membership of the Bihar Planters' Association, Limited, entitled to vote as such, and for the time being resident in India.

(d) *Mining*.†—Membership of the Indian Mining Association and of the Indian Mining Federation entitles to a vote for the Association or the Federation Constituency respectively, provided that a person who is a member of both bodies shall be qualified as an elector for such one only as he may elect.

(e) *Labour*.—The question of the franchise for these constituencies is under consideration.

VII.—CENTRAL PROVINCES WITH BERAR.§§

1. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

(a) *Rural Areas*.—Payment of Rs. 2 rent or revenue.

(b) *Urban Areas*.—Occupation of a house with a rental of Rs. 6 or the possession of an equivalent Haisiyat.

(c) Assessment to income tax.

(d) Being a Watandar Patel or a Watandar Patwari holding office, or a registered Deshmukh or Deshpande, or a Lambardar.

(e) Having passed the Matriculation examination, or an examination accepted by the Local Government as the equivalent thereof.

(f) Being the wife of a male voter with a rural property qualification of payment of Rs. 35 rent or revenue or over, or occupying a house of rental value of Rs. 36 or over in an urban area. One elector only to be enfranchised under a husband's property qualification in addition to the husband himself, but a woman who is once placed on the roll in respect of her husband's property qualification to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.

(g) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's regular forces.

(h) Being a village servant (applicable in the case of the Scheduled castes only).

2. *Franchise for Special Constituencies.*

(a) *Landholders*.†—Holding of agricultural land in the constituency in proprietary right and being:—

(i) Holder of a hereditary title recognised by Government; or

(ii) In the Central Provinces, owner of an estate as defined in § 2 (3) of the Central Provinces Land Revenue Act, 1917; or

(iii) In the Central Provinces, holder in proprietary right of land of which the land revenue or kamiljama is not less than Rs. 3,000 per annum.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

§§ See Introduction, paragraph 45.

- (iv) In Berar, §§ a Jagirdar, Palampatadar, Izaradar, Inamdar, or a registered Deshmukh or Deshpande, holding in other than tenancy right land assessed or assessable to land revenue of not less than Rs. 500.
- (v) In Berar, §§ a holder of land in other than tenancy right assessed or assessable to land revenue of not less than Rs. 1,000.
- (b) *Nagpur University*.†—Being a registered graduate of the University resident in the Central Provinces or Berar. §§
- (c) *Commerce and Industry*. †‡
- (i) Ownership of a factory situated in the Central Provinces or Berar §§ and subject to the provisions of the Indian Factories Act, 1911, or in which not less than 200 persons are ordinarily employed, or a person appointed by the owner of such a factory to vote on his behalf.
- (ii) A person appointed to vote by any company having a place of business in the Central Provinces or Berar, §§ and having a paid-up capital of not less than Rs. 25,000.
- (d) *Labour*.—The question of the franchise for these constituencies is under consideration.

VIII.—ASSAM.

I. *Qualifications* of Electors in Constituencies other than Special Constituencies.*

- (a) Payment of municipal or cantonment rates or taxes to an aggregate amount of not less than Rs. 2, or, in the case of Sylhet municipality, of not less than Rs. 1/8/0;
- (b) Tax of not less than 1 rupee in a small town under Chapter XII of the Assam Municipal Act I of 1923;
- (c) In the case of constituencies in the districts of Sylhet, Cachar and Goalpara, chaukidari tax of not less than 8 annas under the Village Chaukidari Act, 1873;
- (d) In the case of any constituency other than those referred to in (c)—
 - (i) payment of land revenue, on periodic or annual lease, of not less than Rs. 7/8/0; or
 - (ii) payment of local rate of not less than 8 annas; or
- (iii) in the districts of Lakhimpur, Sibsagar, Darrang, Nowgong, Kamrup, and in the plains mouzas of the Garo Hills and of the Mikir Hills, payment of rent to a landlord of not less than Rs. 7/8/0;
- (e) Assessment to income tax;
- (f) Successful completion of the educational course immediately below the old Upper Primary stage, or its equivalent;
- (g) Being the wife of a person possessing the property qualifications at present entitling to a vote for the Provincial Legislative Council. One elector

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

‡ The existing Mining seat has not been retained in the Communal Decision; the franchise for it is accordingly omitted.

§§ See Introduction, paragraph 45.

only to be enfranchised under a husband's property qualification in addition to the husband himself, but a woman who is once placed on the roll in respect of her husband's property qualification to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.

(h) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's regular forces.

2. Franchise for Special Constituencies.

(a) *Planting*.†—Being the superintendent or manager of or an Engineer or medical officer employed on, a tea estate in the Assam or the Surma Valley, as the case may be.

(b) *Commerce and Industry*†—

(i) Being the owner of a factory, other than a tea factory, situated in Assam and subject to the provisions of the Indian Factories Act, 1911, or a person appointed by the owner of such a factory to vote on his behalf, or

(ii) Being a person appointed to vote by any company other than a company principally engaged in the tea industry, having a place of business in Assam and a paid-up capital of not less than Rs. 25,000.

(c) *Labour*.—The question of the franchise for these constituencies is under consideration.

IX.—NORTH-WEST FRONTIER PROVINCE.

1. Qualifications* of Electors in Constituencies other than Special Constituencies.

(a) Payment of land revenue of Rs. 5 and upwards;

(b) Tenancy of 6 acres irrigated or 12 acres unirrigated;

(c) Payment of house rent of Rs. 4 and upwards in towns;

(d) Being a zaildar, inamdar, sufedposh, or lambardar in the constituency;

(e) Assessment to municipal or cantonment tax on not less than Rs. 50.

(f) Payment of Haisiyat tax or district board tax of not less than Rs. 2.

(g) Assessment to income tax.

(h) In urban areas the passing of the Middle School Examination; in rural areas of the Upper Primary Standard; or of an examination accepted by the Local Government as the equivalent of either.

(i) Being the wife of a person possessing the property qualifications at present entitling to a vote for the Provincial Legislative Council. One elector only to be enfranchised under a husband's property qualification in addition to the husband himself, but a woman who is once placed on the roll in respect of her husband's property qualification to continue on the roll during widowhood or until remarriage, when she will cease to be qualified in respect of her late husband.

(j) Being a retired, pensioned, or discharged officer, non-commissioned officer, or soldier of His Majesty's regular Forces.

* Other than those referred to in paragraph 2 of the Introductory Note to Appendices IV and V.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

2. Franchise for Special Constituencies.

Landholders.† Being—

- (i) Owner of land assessed to land revenue of not less than Rs. 250 per annum.
- (ii) Assignee of land revenue of not less than Rs. 250 per annum.
- (iii) The recipient of a muajib, inam, barat or pension sanctioned by orders passed in settlement operations amounting to not less than Rs. 250 per annum.

X.—COORG.

The question of the franchise for the Provincial Legislature is under consideration.

APPENDIX V.

PART II.

Franchise for the Upper House of the Provincial Legislature in Bengal, the United Provinces and Bihar.

1. In so far as the seats in the Upper House in the three Provinces in question are to be filled by Proportional Representation (as in Bengal and Bihar) or by nomination (as in all three Provinces) no question of franchise arises.
2. The franchise for the seats to be filled by direct election is under examination, and detailed proposals cannot yet be made. It is, however, intended that the franchise shall be based on high property qualifications somewhat lower than those for the existing Council of State, combined with a qualification based on service in certain distinguished public offices, such as High Court Judge, Minister, Member of an Executive Council, Vice-Chancellor of a University, &c.

APPENDIX VI.

See Proposals, paragraphs 111, 112 and 114.

LIST I (*Exclusively Federal*).

1. The common defence of India in time of an emergency declared by the Governor-General.
2. The raising, maintaining, disciplining and regulating of His Majesty's naval, military and air forces in India and any other armed force raised in India, other than military and armed police maintained by local governments, and armed forces maintained by the Rulers of Indian States.

† See paragraph 7 of Introductory Note to Appendices IV and V. The qualifications shown are the existing qualifications, but, pending closer investigation at the stage of the general delimitation of constituencies, they should be regarded as provisional.

3. Naval, Military and Air Works.
4. The administration of cantonment areas by organs of local self-government, and the regulation therein of residential accommodation.
5. The employment of the armed forces of His Majesty for the defence of the Provinces against internal disturbance and for the execution and maintenance of the laws of the Federation and the Provinces.
- 6.—(a) Chiefs' Colleges and Educational Institutions for the benefit of past and present members of His Majesty's Forces or of the children of such members.
(b) The Benares Hindu University and the Aligarh Muslim University.
7. Ecclesiastical affairs, including European cemeteries.
8. External Affairs, including International Obligations subject to previous concurrence of the Units as regards non-Federal subjects.
9. Emigration from and Immigration into India and Inter-Provincial Migration, including regulation of Foreigners in India.
10. Pilgrimages beyond India.
11. Extradition and Fugitive Offenders.
- 12.—(a) Construction of Railways in British India and, with the consent of the State, in a State, but excluding light and feeder railways and extra-municipal tramways being wholly within a Province, but not being in physical connection with federal railways.
(b) Regulation of railways in British India and Federal railways in States.
(c) Regulation of other railways in respect of—
 - (i) Fares.
 - (ii) Rates.
 - (iii) Terminals.
 - (iv) Interchangeability of traffic.
 - (v) Safety.
13. Air Navigation and Aircraft, including the regulation of Aerodromes.
14. Inland Waterways, passing through two or more units.
15. Maritime Shipping and Navigation, including carriage of goods by sea.
16. Regulation of fisheries in Indian waters beyond territorial waters.
17. Shipping and Navigation on Inland Waterways as regards mechanically-propelled vessels.
18. Lighthouses (including their approaches), beacons, lightships and buoys.
19. Port Quarantine.
20. Ports declared to be Major Ports by or under Federal legislation.
21. Establishment and maintenance of postal, telegraphic, telephone, wireless and other like services, and control of wireless apparatus.
22. Currency, Coinage and Legal Tender.
23. Public Debt of the Federation.
24. Post Office Savings Bank.
25. The incorporation and regulation of Banking, Insurance, Trading, Financial and other Companies and Corporations.
26. Development of Industries in cases where such development is declared by or under a federal law to be expedient in the public interest.
27. Control of cultivation and manufacture of opium and sale of opium for export.
28. Control of petroleum and explosives.
29. Traffic in arms and ammunition and, in British India, Control of arms and ammunition.
30. Copyright, Inventions, Designs, Trademarks and Merchandise Marks.
31. Bankruptcy and Insolvency.
32. Negotiable instruments.
33. Control of motor vehicles as regards licences valid throughout the Federation.

34. The regulation of the import and export of commodities across the customs frontiers of the Federation, including the imposition and administration of duties thereon.
 35. Salt.
 36. The imposition and regulation of duties of excise, but not including duties of excise on alcoholic liquors, drugs or narcotics (other than tobacco).
 37. Imposition and administration of taxes on the income or capital of corporations.
 38. Geological Survey of India.
 39. Botanical Survey of India.
 40. Meteorology.
 41. Census; Statistics for the purposes of the Federation.
 42. Central Agencies and Institutes for research.
 43. The Imperial Library, Indian Museum, Imperial War Museum, Victoria Memorial, and any other similar Institution controlled and financed by the Federal Government.
 44. Pensions payable out of Federal revenues.
 45. Federal Services and Federal Public Service Commission.
 46. Immovable property in possession of the Federal Government.
 47. The imposition by legislation of punishment by fine, penalty or imprisonment for enforcing any law made by the Federal Legislature.
 48. Matters in respect of which the Act makes provision until the Federal Legislature otherwise provides.
-
49. Imposition and administration of taxes on income other than agricultural income or the income of corporations, but subject to the power of the Provinces to impose surcharges.
 50. The imposition and administration of duties on property passing on death other than land.
 51. The imposition and administration of taxes on mineral rights and on personal capital other than land.
 52. The imposition and administration of terminal taxes on railway, water or air-borne goods and passengers and taxes on railway tickets and goods freights.
 53. Stamp duties which are the subject of legislation by the Indian Legislature at the date of federation.
 54. The imposition and administration of taxes not otherwise specified in this List or List II, subject to the consent of the Governor-General given in his discretion after consulting Federal and Provincial Ministers or their representatives.
 55. Naturalisation and status of aliens.
 56. Conduct of elections to the Federal Legislature, including election offences and disputed elections.
 57. Standards of weight.
 58. All matters arising in Chief Commissioners' Provinces (other than British Baluchistan) not having a legislature.
 59. Survey of India.
 60. Archæology.
 61. Zoological Survey.
 62. The recognition throughout British India of the laws, the public Acts and records and judicial proceedings of the Provinces.
 63. Jurisdiction, powers and authority of all courts in British India, except the Federal Court and the Supreme Court with respect to the subjects in this list.
 64. Matters ancillary and incidental to the subjects specified above.

LIST II (*Exclusively Provincial*).

1. Local self-Government, including matters relating to the constitution and powers of municipal corporations, improvement trusts, district boards, mining settlements and other local authorities in the Province established for the purpose of local self-government and village administration, but not including matters covered by item No. 4 in List I.
2. Establishment, maintenance and management of hospitals, asylums, charities and eleemosynary institutions in and for the Province (other than marine hospitals).
3. Public health and sanitation.
4. Pilgrimages other than pilgrimages beyond India.
5. Education other than the Universities and institutions covered by item No. 6 in List I.
6. Public works and buildings in connection with the administration of the Province.
7. Compulsory acquisition of land.
8. Roads, bridges, ferries, tunnels, ropeways, causeways and other means of communication.
9. Construction (query—regulation) and maintenance of light and feeder railways and extra-municipal tramways not being in physical connection with federal railways.
10. Tramways within municipal areas.
11. Water supplies, irrigation and canals, drainage and embankments, water storage and water power.
12. Land Revenue, including—
 - (a) assessment and collection of revenue.
 - (b) maintenance of land records, survey for revenue purposes and records of rights.
13. Land tenures, title to land and easements.
14. Relations of landlords and tenants and collection of rents.
15. Courts of Wards and incumbered and attached estates.
16. Land improvement and agricultural loans.
17. Colonisation, management and disposal of lands and buildings vested in the Crown for the purposes of the Province.
18. Alienation of land revenue and pensions payable out of Provincial revenues (query—frontier remissions).
19. Pre-emption.
20. Agriculture, including research institutes, experimental and demonstration farms, introduction of improved methods, agricultural education, protection against destructive pests and prevention of plant diseases.
21. Civil veterinary department, veterinary training, improvement of stock and prevention of animal diseases.
22. Fisheries.
23. Co-operative Societies.
24. Trading, literary, scientific, religious and other Societies and Associations not being incorporated Companies.
25. Forests.
26. Control of production, manufacture, possession, transport, purchase and sale of alcoholic liquors, drugs and narcotics.
27. Imposition and regulation of duties of excise on alcoholic liquors, drug and narcotics other than tobacco.
28. Administration of justice, including the constitution and organisation of all Courts within the Province, except the Federal Court, the Supreme Court and a High Court, and the maintenance of all Courts within the Province, except the Federal Court and the Supreme Court.
29. Jurisdiction of and procedure in Rent and Revenue Courts.

30. Jurisdiction, powers and authority of all Courts within the Province, except the Federal Court and the Supreme Court, with respect to subjects in this list.
31. Administrators-General and Official Trustees.
32. Stamp duties not covered by item No. 53 in List I.
33. Registration of deeds and documents other than the compulsory registration of documents affecting immovable property.
34. Registration of births and deaths.
35. Religious and charitable endowments.
36. Mines and the development of mineral resources in the Province, but not including the regulation of the working of mines.
37. Control of the production, supply and distribution of commodities.
38. Development of industries, except in so far as they are covered by Item No. 26 in List I.
39. Factories, except the regulation of the working of factories.
40. Electricity.
41. Boilers.
42. Gas.
43. Smoke nuisances.
44. Adulteration of foodstuffs and other articles.
45. Weights and measures, except standards of weight.
46. Trade and Commerce within the Province, except in so far as it is covered by any other subject in these lists.
47. Actionable wrongs arising in the Province.
48. Ports other than Ports declared to be Major Ports by or under a federal law.
49. Inland waterways being wholly within a Province, including shipping and navigation thereon, except as regards mechanically-propelled vessels.
50. Police (including railway and village police), except as regards matters covered by the Code of Criminal Procedure.
51. Betting and gambling.
52. Prevention of cruelty to animals.
53. Protection of wild birds and wild animals.
54. Regulation of motor vehicles, except as regards licences valid throughout the Federation.
55. Regulation of dramatic performances and cinemas.
56. Coroners.
57. Criminal tribes.
58. European vagrancy.
59. Prisons, Reformatories, Borstal Institutions and other institutions of a like nature.
60. Prisoners.
61. Pounds and the prevention of cattle trespass.
62. Treasure trove.
63. Libraries (except the Imperial Library), Museums (except the Indian Museum, the Imperial War Museum and the Victoria Memorial) and other similar institutions controlled and financed by the Provincial Government.
64. Conduct of elections to the Provincial Legislature, including election offences and disputed elections.
65. Public Services in a Province and Provincial Public Service Commission.
66. The authorisation of surcharges, within such limits as may be prescribed by Order in Council, upon income tax assessed by the Federal Government upon the income of persons resident in the Province.
67. The raising of provincial revenue—

(i) from sources and by forms of taxation specified in the Annexure appended to this list and not otherwise provided for by these lists; and

- (ii) by any otherwise unspecified forms of taxation, subject to the consent of the Governor-General given in his discretion after consulting the Federal Ministry and Provincial Ministries or their representatives.
68. Relief of the poor.
 69. Health insurance and invalid and old-age pensions.
 70. Money-lenders and money-lending.
 71. Burials and burial grounds other than European cemeteries.
 72. Imposition by legislation of punishment by fine, penalty or imprisonment for enforcing any law made by the Provincial Legislature.
 73. Matters with respect to which the Act makes provision until the Provincial Legislature otherwise provides.
 74. The administration and execution of federal laws on the subjects specified in List III, except No. 22.
 75. Statistics for provincial purposes.
 76. Generally, any matter of a merely local or private nature in the Province not specifically included in this list and not falling within List I or List III, subject to the right of the Governor-General in his discretion to sanction general legislation on that subject.
 77. Matters ancillary and incidental to the subjects specified in this list.

ANNEXURE (see item 67).

(Compare Appendix IV of Report of Federal Finance Committee.—
Cmd. 4069.)

1. Revenue from the public domain, including lands, buildings, mines, forests, fisheries, and any other real property belonging to the Province.
2. Revenue from public enterprises such as irrigation, electric power and water supply, markets, slaughter houses, drainage, tolls and ferries, and other undertakings of the Province.
3. Profits from banking and investments, loans and advances and state lotteries.
4. Fines and penalties arising in respect of subjects administered by the Government of the Province.
5. Fees levied in the course of discharging the functions exercised by the Government of the Province and local authorities, such as court fees, including all fees for judicial or quasi-judicial processes, local rates and dues, fees for the registration of vehicles, licences to possess fire-arms and to drive automobiles, licensing of common carriers, fees for the registration of births, deaths and marriages, and of documents.
6. Capitation taxes other than taxes on immigrants.
7. Taxes on land, including death or succession duties in respect of succession to land.
8. Taxes on personal property and circumstance, such as taxes on houses, animals, hearths, windows, vehicles; chaukidari taxes; sumptuary taxes; and taxes on trades, professions and callings.
9. Taxes on employment, such as taxes on menials and domestic servants.
10. Excises on alcoholic liquors, narcotics (other than tobacco) and drugs, and taxes on consumption not otherwise provided for, such as cesses on the entry of goods into a local area, taxes on the sale of commodities and on turnover, and taxes on advertisements.
11. Taxes on agricultural incomes.
12. Stamp duties other than those provided for in List I.
13. Taxes on entertainments and amusements, betting, gambling and private lotteries.
14. Any other receipts accruing in respect of subjects administered by the Province.

LIST III (*Concurrent*).

1. Jurisdiction powers and authority of all Courts (except the Federal Court, the Supreme Court and Rent and Revenue Courts) with respect to the subjects in this List.
2. Civil Procedure, including the Law of Limitation and all matters now covered by the Indian Code of Civil Procedure.
3. Evidence and Oaths.
4. Marriage and Divorce.
5. Age of majority and custody and guardianship of infants
6. Adoption.
7. Compulsory registration of documents affecting immovable property.
8. The law relating to—
 - (a) Wills, intestacy and succession, including all matters now covered by the Indian Succession Act.
 - (b) Transfer of property, trusts and trustees, contracts, including partnership, and all matters now covered by the Indian Specific Relief Act.
 - (c) Powers of attorney.
 - (d) Relations between husband and wife.
 - (e) Carriers.
 - (f) Innkeepers.
 - (g) Arbitration.
 - (h) Insurance.
9. Criminal Law, including all matters now covered by the Indian Penal Code, but excluding the imposition of punishment by fine, penalty or imprisonment for enforcing a law on a subject which is within the exclusive competence of the Federal legislature or a Provincial legislature.
10. Criminal Procedure, including all matters now covered by the Indian Code of Criminal Procedure.
11. Control of newspapers, books and printing presses.
12. Lunacy, but not including Lunatic Asylums.
13. Regulation of the working of Mines, but not including mineral development.
14. Regulation of the working of factories.
15. Employers' liability and Workmen's compensation.
16. Trade Unions.
17. Welfare of labour, including provident funds and industrial insurance.
18. Labour disputes.
19. Poisons and dangerous drugs.
20. The recovery in a Province of public demands (including arrears of land revenue and sums recoverable as such) arising in another Province.
21. Regulation of medical and other professional qualifications.
22. Ancient and historical monuments, including administration thereof.
23. Matters ancillary and incidental to the subjects specified in this list.

NOTE.—The word "now" in Nos. 2, 8, 9 and 10 is intended to refer to the date on which the list takes effect.

APPENDIX VII.

(See Proposals, paragraphs 182 and 191.)

(PART I.)

List of principal existing rights of officers appointed by the Secretary of State in Council.

NOTE.—In the case of Sections the reference is to the Government of India Act, and in the case of Rules to Rules made under that Act.

1. Protection from dismissal by any authority subordinate to the appointing authority (Section 96 B (1)).
2. Right to be heard in defence before an order of dismissal, removal or reduction is passed (Classification Rule 55).
3. Guarantee to persons appointed before the commencement of the Government of India Act, 1919, of existing and accruing rights or compensation in lieu thereof (Section 96 B (2)).
4. Regulation of conditions of service, pay and allowances and discipline and conduct, by the Secretary of State in Council (Section 96 B (2)).
5. Power of the Secretary of State in Council to deal with any case in such manner as may appear to him to be just and equitable notwithstanding any rules made under Section 96 B (Section 96 B (5)).
6. Non-votability of salaries, pensions and payments on appeal (Sections 67 A (3) (iii) and (iv) and 72 D (3) (iv) and (v)).
7. The requirement that rules under part VII-A of the Act shall only be made with the concurrence of the majority of votes of the Council of India (Section 96 E).
8. Regulation of the right to pensions and scale and conditions of pensions in accordance with the rules in force at the time of the passing of the Government of India Act, 1919 (Section 96 B (3)).
- 9.—(i) Reservation of certain posts to members of the Indian Civil Service (Section 98).
(ii) Appointment of persons who are not members of the Indian Civil Service to offices reserved for members of that service only to be made subject to rules made by the Governor-General in Council with the approval of the Secretary of State in Council (Section 99), or in cases not covered by these rules to be provisional until approved by the Secretary of State in Council (Section 100).
10. Determination of strength (including number and character of posts) of All-India Services by the Secretary of State in Council, subject to temporary additions by the Governor-General in Council or local Government (Classification Rules 24 and 10).
11. Provision that posts borne on the cadre of All-India Services shall not be left unfilled for more than three months without the sanction of the Secretary of State in Council (Classification Rule 25).
12. Appointment of anyone who is not a member of an All-India Service to posts borne on the cadre of such a Service only to be made with the sanction of the Secretary of State in Council, save as provided by any law or by rule or orders made by the Secretary of State in Council (Classification Rule 27).
13. Sanction of the Secretary of State in Council to the modification of the Cadre of a Central Service, Class I, which would adversely affect any officer appointed by the Secretary of State in Council, to any increase in the number of posts in a Provincial Service which would adversely affect any person who was a member of a corresponding All-India Service on 9th March, 1926, or to the creation of any Specialist Post

which would adversely affect any member of an All-India Service, the Indian Ecclesiastical Establishment, and the Indian Political Department.

(Provisos to Classification Rules, 32, 40 and 42.)

14. Personal concurrence of the Governor required to any order affecting emoluments, or pension, any order of formal censure, or any order on a memorial to the disadvantage of an officer of an All-India Service (Devolution Rule 10).
15. Personal concurrence of the Governor required to an order of posting of an officer of an All-India Service (Devolution Rule 10).
16. Right of complaint to the Governor against any order of an official superior in a Governor's Province and direction to the Governor to examine the complaint and to take such action on it as may appear to him just and equitable (Section 96 B (1)).
17. Right of appeal to the Secretary of State in Council, (i) from any order passed by any authority in India, of censure, withholding of increments or promotion, reduction, recovery from pay of loss caused by negligence or breach of orders, suspension, removal or dismissal, or (ii) from any order altering or interpreting to his disadvantage any rule or contract regulating conditions of service, pay, allowances or pension made by the Secretary of State in Council, and (iii) from any order terminating employment otherwise than on reaching the age of superannuation (Classification Rules 56, 57 and 58).
18. Right of certain officers to retire under the regulations for premature retirement.

(PART II.)

List of principal existing rights of persons appointed by authority other than the Secretary of State in Council.

NOTE.—In the case of Sections the reference is to the Government of India Act, and in the case of Rules to Rules made under that Act.

1. Protection from dismissal by any authority subordinate to the appointing authority (Section 96 B (1)).
2. Right to be heard in defence before an order of dismissal, removal or reduction is passed, subject to certain exceptions (Classification Rule 55).
3. Regulation of the strength and conditions of service of the Central Services, class I and class II, by the Governor-General in Council and of Provincial Services by local Government subject, in the case of the latter, to the provision that no reduction which adversely affects a person who was a member of the Service on the 9th March, 1926, should be made without the previous sanction of the Governor-General in Council (Classification Rules, 32, 33, 36, 37, 40 and 41).
4. Personal concurrence of the Governor required to any order affecting emoluments or pension, an order of formal censure, or an order on a memorial to the disadvantage of an officer of a Provincial Service (Devolution Rule 10).
5. Right of appeal from any order of censure, withholding of increments or promotion, reduction, recovery from pay of loss caused by negligence or breach of orders, suspension, removal or dismissal, and any order altering or interpreting to his disadvantage a rule or contract regulating conditions of service, pay, allowances or pension, and in the case of subordinate services the right of one appeal against an order imposing a penalty (Classification Rules 56, 57, 58 and 54)

(PART III.)

NON-VOTABLE SALARIES, &c. (CIVIL).

(See *Proposals, paragraphs 49, item (vi), and 98, item (v).*)

The salaries and pensions of the following classes of persons are non-votable:—

- (a) persons appointed by or with the approval of His Majesty or by the Secretary of State in Council before the commencement of the Constitution Act or by a Secretary of State thereafter;
- (b) persons appointed before the first day of April, 1924, by the Governor-General in Council or by a Local Government to Services and posts classified as superior;
- (c) holders in a substantive capacity of posts borne on the cadre of the Indian Civil Service;
- (d) members of any Public Service Commission.

The following sums payable to such persons fall also under item (vi) of paragraph 49, and item (v) of paragraph 98, namely:—

Sums payable to, or to the dependants of, a person who is, or has been, in the service of the Crown in India under any Order made by the Secretary of State in Council, by a Secretary of State, by the Governor-General in Council, or by the Governor-General or by a Governor upon an appeal preferred to him in pursuance of Rules made under the Constitution Act.

For the purposes of the proposals in this Appendix the expression "salaries and pensions" will be defined as including remuneration, allowances, gratuities, contributions, whether by way of interest or otherwise, out of the revenues of the Federation to any Provident Fund or Family Pension Fund, and any other payments or emoluments payable to, or on account of, a person in respect of his office.

APPENDIX VIII.

(See paragraphs 21 and 50 of Introduction, and paragraph 4 of Introductory Note to Appendices IV and V.)

SCHEDULED CASTES.

I.—MADRAS.

Race, Tribe or Caste.

- | | |
|---------------------------------|-------------------------------|
| 1. Adi-Andhra. | 44. Kudumban. |
| 2. Adi-Dravida. | 45. Kuravan. |
| 3. Adi-Karnataka. | 46. Kurichchan (also *P. T.). |
| 4. Ajila. | 47. Kuruman (also *P. T.). |
| 5. Aranadan (also *P. T.). | 48. Madari. |
| 6. Arunthuthiyar. | 49. Madiga. |
| 7. Baira. | 50. Maila. |
| 8. Bakuda. | 51. Mala. |
| 9. Bandi. | 52. Mala Dasu. |
| 10. Bariki. | 53. Malasar (also *P. T.). |
| 11. Battada. | 54. Matangi. |
| 12. Bavuri. | 55. Mavilan (also *P. T.). |
| 13. Bellara. | 56. Moger. |
| 14. Byagari. | 57. Muchi. |
| 15. Chachati. | 58. Mundala. |
| 16. Chakkiliyan. | 59. Nalakeyava. |
| 17. Chalavadi. | 60. Nayadi. |
| 18. Chamar. | 61. Paga dai. |
| 19. Chandala. | 62. Paidi. |
| 20. Cheruman. | 63. Paimda. |
| 21. Dandasi. | 64. Paky. |
| 22. Devendrakulathan. | 65. Pallan. |
| 23. Dombo (also *P. T.). | 66. Pambada. |
| 24. Ghasi. | 67. Pamidi. |
| 25. Godagali. | 68. Panchama. |
| 26. Godari. | 69. Paniyan. |
| 27. Godda. | 70. Panniandi. |
| 28. Gosangi. | 71. Pano (also *P. T.). |
| 29. Haddi. | 72. Paraiyan. |
| 30. Hasla. | 73. Paravan. |
| 31. Holey. | 74. Pulayan. |
| 32. Jaggali. | 75. Puthirai Vannan. |
| 33. Jambuvulu. | 76. Raneyar. |
| 34. Kadan (also *P. T.). | 77. Relli. |
| 35. Kalladi. | 78. Samagara. |
| 36. Kanakkan. | 79. Samban. |
| 37. Karimpalan (also *P. T.). | 80. Sapari. |
| 38. Kattunayakan (also *P. T.). | 81. Semman. |
| 39. Kodalo. | 82. Thoti. |
| 40. Koosa. | 83. Tiruvalluvar. |
| 41. Koraga. | 84. Valluvan. |
| 42. Kudiya (also *P. T.). | 85. Valmiki. |
| 43. Kudubi (also *P. T.). | 86. Vettuvan. |

* P.T. = Primitive Tribe.

II.—BOMBAY.

- | | |
|---------------------------------|--|
| 1. Asodi. | 21. Kotegar (North Kanara only). |
| 2. Bakads. | 22. Lingaders. |
| 3. Bhambi. | 23. Mahar or Mhar. |
| 4. Bhangis. | 24. Mang and Madig. |
| 5. Chakrawadya-Dasar. | 25. Mang Garudi. |
| 6. Chambar or Mochigar. | 26. Meghwal or Menghwar. |
| 7. Chelwadi. | 27. Mini-Madig. |
| 8. Chena-Dasaru. | 28. Mukris. |
| 9. Chuhar (Chuhra). | 29. Nadias. |
| 10. Dakleru. | 30. Samagars. |
| 11. Dhed. | 31. Shindawa or Shenwas. |
| 12. Dhegu-Megu. | 32. Shingdav. |
| 13. Dhors or Tanners. | 33. Sochi or (Mochi except Gujerat where they are touchables). |
| 14. Garoda. | 34. Timalis. |
| 15. Halleers. | 35. Turis or Drummers |
| 16. Halsar (Haslars) Halsavars. | 36. Vitholia. |
| 17. Holiya. | 37. Wankars. |
| 18. Khalpas | |
| 19. Koli Dhor. | |
| 20. Kolghas or Kolchas. | |

III.—BENGAL. §

Agariya.	Jhalo Malo or Malo.	Mech.
Bagdi.	Kadar.	Mehtor.
Bahelia.	Khaira.	Muchi.
Baiti.	Kalwar.	Munda.
Bauri.	Kan.	Musahar.
Bediya.	Kandh.	Nagar.
Beldar.	Kandra.	Nagesia.
Berua.	Kaora.	Naiya.
Bhatiya.	Kapali.	Namasudra.
Bhuimali.	Kapuria.	Nath.
Bhuiya.	Karenga.	Nuniya.
Bhumij.	Kastha.	Oraon.
Bind.	Kaur.	Paliya.
Binjhia.	Khandait.	Pan.
Chamar.	Khatik.	Pasi.
Dhenuar.	Kichak.	Patni.
Dhoba.	Koch.	Pod.
Doai.	Konai.	Pundari.
Dom.	Konwar.	Rabha.
Dosadh.	Kora.	Rajbanshi.
Gar.	Kotal.	Raju.
Ghasi.	Lalbegi.	Rajwar.
Gonrhi.	Lodha.	Santal.
Hadi.	Lohar.	Shagirdpesha
Hajang.	Mahar.	Sukli.
Halalkhor.	Mahli.	Sunri.
Hari.	Mal.	Tiyar.
Ho.	Mallah.	Turi.
Jalia Kaibartta.	Malpahariya.	

§ Provisional.

IV.—UNITED PROVINCES.

<i>Luniya group—</i>	<i>Kolarian group</i>	<i>Vagrant Tribes:</i>
Beldar.	(contd.)—	<i>Habura group—</i>
Kharot.	Kol.	Habura.
<i>Chamar group—</i>	Korwa.	Bengali.
Chamar.	Majhwar.	Beriya.
Dabgar.	Pankha.	Bhantu.
Gharami.	Parahiya.	Kanjar.
	Patari.	Karwal.
		Sansiya.
<i>Bhangi group—</i>	<i>Bayar group—</i>	<i>Nat group—</i>
Balmiki.	Banmanus.	Nat.
Hari.	Dhangar.	Badi.
Hela.		Bajaniya.
Rawat.	<i>Dom group—</i>	Bajji.
Dhanuk.	Balaha.	Gual.
Turaiha.	Bansphor.	Kalabaz.
Lalbegi.	Basor.	
	Dharkar.	<i>Badhik group—</i>
<i>Kolarian group—</i>	Dom.	Badhik.
Agariya.	Domar.	Barwar.
Bhuiya.	Pasi.	Bawariya.
Chero.		Boriya.
Ghasiya.	<i>Hill Dom group—</i>	Saharya.
Khairaha.	Hill Dom or Shilp-	Sanauriya.
Kharwar (excluding	kar.	Kapariya.
Benbansi).	Saun.	

V.—PUNJAB.

Ad Dharmis.	Marija (Marecha).	Khatik.
Bawaria.	Bangali.	Kori.
Chamar.	Barar.	Nat.
Chuhra.	Bazigar.	Pasi.
Dagi and Koli.	Bhanjra.	Perna.
Dumna.	Chanal.	Sapela.
Od.	Dhanak.	Sirkiband.
Sansi.	Gagra.	Meghs.
Sarera.	Gandhila.	Ramdasis.

VI.—BIHAR AND ORISSA.

*Bauri.	Godra.	Mangan.
*Bhogta.	Gokha.	Mochi.
*Bhuiya.	Halalkhor.	Mushahar.
*Bhumij.	Hari.	Nat.
Chamar.	Irika.	*Pan.
Chaupal.	Kandra.	Pasi.
Dhobi.	Kanjar.	*Rajwar.
Dosadh.	Kela.	Siyal.
Dom.	Kurariar.	*Turi.
*Ghasi.	Lalbegi.	
Ghusuria.	Mahuria.	

* Scheduled castes in those localities which are not treated as "backward tracts" for the purpose of special representation of the aboriginals.

VII.—CENTRAL PROVINCES WITH BERAR.*

- (1) Throughout the Central Provinces and Berar:—
 Mehra or Mahar (except in the Harda tahsil and Sohagpur tahsil of Hoshangabad district), Basor or Burud, Mehtar or Bhangi, Dom, Chamar, Satnami, Mochi, Ganda, Mang.
- (2) Throughout the Jubbulpore and Nerbudda divisions:—
 Kori (except in the Harda and Sohagpur tahsils of Hoshangabad district), Mala, Balahi.
- (3) Throughout the Nagpur and Berar divisions:—
 Balahi, Madgi, Pradhan (except in Balaghat district), Ghasia, Katia, Panka, Khatik, Kaikari (except in Balaghat district), Dohar.
- (4) Throughout the Chhattisgarh division:—
 Ghasia, Katia, Panka, Dewar.
- (5) Additional castes scheduled in the districts specified after their name:—
 Panka (Saugor, Damoh, Chhindwara).
 Katia (Saugor, Hoshangabad (only in Hoshangabad and Seoni-Malwa tahsils), Nimar, Betul, Chhindwara).
 Khatik (Saugor, Hoshangabad (only in Hoshangabad tahsil), Chhindwara).
 Dhobi (Saugor, Damoh, Hoshangabad (only in Hoshangabad and Seoni-Malwa tahsils), Bhandara, Raipur, Bilaspur, Buldana).
 Khangar (Saugor, Damoh, Bhandara, Buldana, Hoshangabad (only in Hoshangabad and Seoni-Malwa tahsils)).
 Chadar (Saugor, Damoh, Bhandara).
 Dhanuk (Saugor).
 Kumhar (Saugor, Damoh, Hoshangabad (only in Hoshangabad and Seoni-Malwa tahsil), Bhandara and Buldana).
 Dahayat (Damoh).
 Nagarchi (Mandla, Seoni, Chhindwara, Nagpur, Bhandara, Balaghat, Raipur).
 Ojha (Mandla, Hoshangabad (only in Hoshangabad tahsil), Bhandara, Balaghat).
 Pardhi (Narsinghpur).
 Rujjhar (Hoshangabad (only in Sohagpur tahsil)).
 Pradhan (Nimar, Chhindwara, Raipur).
 Holiya (Bhandara, Balaghat).
 Kori (Bhandara, Balaghat, Raipur, Amraoti, Buldana).
 Audhelia (Bilaspur).
 Chauhan (Drug).
 Koli (Chanda, Bhandara).
 Jangam (Bhandara).
 Bedar (Amraoti, Akola, Buldana).
 Bahna (Amraoti).
 Dhimar (Bhandara, Buldana).
 Mala (Balaghat).

* See Introduction, paragraph 45.

VIII.—ASSAM.

1. *Assam Valley*—

Namasudra.	Hira.
Kaibarta.	Sweeper.
Bania (Brittial-Bania).	

2. *Surma Valley*—

Mali (indigenous).	Sutradhar.
Dhupi (Dhobi).	Muchi.
Dugla or Dholi.	Patni.
Jhalo and Malo.	Namasudra.
Yogi (Jugi or Nath).	Kaibarta (Jaliya).
Mahara.	Sweeper.

3. The inclusion of the Suts (Borias) and Naths (Jogis or Katonis) of the Assam Valley in the scheduled castes is under investigation.



EAST INDIA (CENSUS 1931)

Abstract of Tables
giving the main Statistics of the Census
of the Indian Empire of 1931, with
a brief introductory note

*Presented by the Secretary of State for India
to Parliament by Command of His Majesty,
November, 1932*

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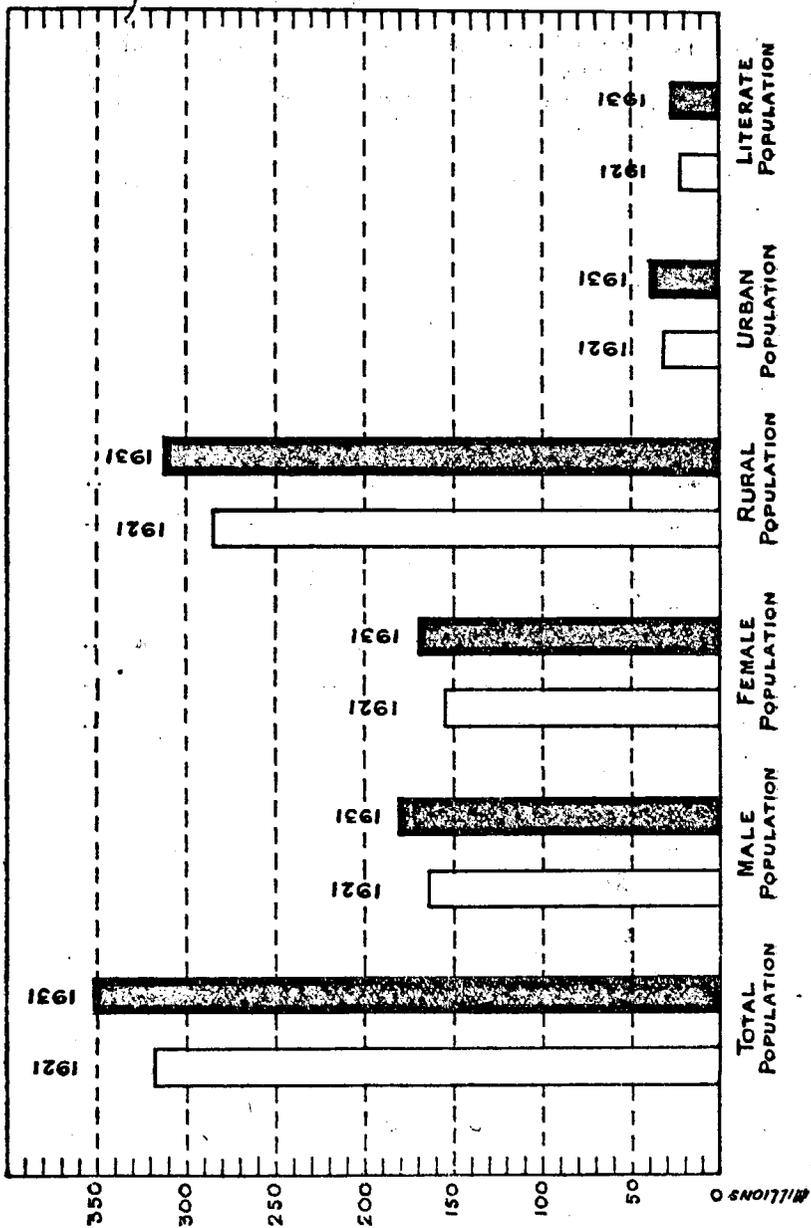
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NOTE.

The general Report on the Census of India, 1931, will be published in the Government of India series of Official Publications and will be obtainable from the High Commissioner for India, India House, Aldwych, London, W.C.2.

CONTENTS.

	PAGE.
Introductory Note	3
Table I.—General Statement of Population and Area	7
„ II.—Population for the last 50 years	8
„ III.—Population by Provinces, States and Agencies	8-9
„ IV.—The Chief Cities and their Population	9
„ V.—Civil Condition by Religion and Age	10
„ VI.—Infirmities	11
„ VII.—Occupation or means of Livelihood	12
„ VIII.—Literacy by Religion and Age	13
„ IX.—Exterior Castes by Literacy	14
„ X.—Language	14-15
„ XI.—Religion	16



Introductory Note.

The Census of the Indian Empire was carried out on the nights of the 24th of February 1931 in Burma and of the 26th of February in India proper. The results are embodied in a series of volumes the particulars of which are given below :—

Province, etc.	Serial No.	Province, etc.	Serial No.
India	Vol. I	Delhi	Vol. XVI
Andamans and Nicobars ..	Vol. II	Punjab	Vol. XVII
Assam	Vol. III	United Provinces of Agra and Oudh	Vol. XVIII
Baluchistan	Vol. IV	Baroda State	Vol. XIX
Bengal	Vol. V	Central India Agency ..	Vol. XX
City of Calcutta	Vol. VI	Cochin State	Vol. XXI
Bihar and Orissa	Vol. VII	Gwalior State	Vol. XXII
Bombay and Aden	Vol. VIII	Hyderabad State	Vol. XXIII
Cities of Bombay	Vol. IX	Jammu and Kashmir State	Vol. XXIV
Western India States Agency	Vol. X	Mysore State	Vol. XXV
Burma	Vol. XI	Ajmer-Merwara	Vol. XXVI
Central Provinces and Berar	Vol. XII	Rajputana Agency	Vol. XXVII
Coorg	Vol. XIII	Travancore State	Vol. XXVIII
Madras	Vol. XIV		
North-West Frontier Province	Vol. XV		

These volumes, which are issued from the offices of the Government of India and of the Provinces to which they relate, are or will be available at most public libraries and institutions and kept for sale by the Government of India, Central Publication Branch, Calcutta, and by authorized official agents. Some of the main statistics of the population of India, the Provinces and States are given in the statements appended.

2. The taking of the 1931 Census coincided with a wave of political agitation and in one or two places a boycott of the census operations was attempted. Outside Gujarat, however, the boycott was totally ineffectual, and while the probable total error caused by this boycott is estimated at 0.04% of the total population of India, it is not likely to have been less, the maximum error due to this cause may be put at 0.085%. The census is carried out for the most part by the voluntary agency of the people themselves and outside Ahmadabad City there was no break down in the arrangements.

Tables I, II
and III.

3. The area of the Indian Empire is according to the latest estimate 1,808,679 sq. miles. It lies between 61° and 101° of longitude east and between 6° and 37° of latitude north, thus including every variety of climate from well within the temperate zone to tropical and sub-equatorial. The annual rainfall varies from 5" to 500" so that every sort of physical feature is included and there is a corresponding diversity of flora, fauna and inhabitants. The population returned at the census is 352,837,778 showing a rise of 10·6 per cent. since 1921. The number of males is now 181,828,923 and females 171,008,855 giving a proportion of 940 females per 1,000 males. The variations in the population in the last fifty years are :—

		Increase (actual and percentage).					
		1921-1931.	1911-1921.	1901-1911.	1891-1901.	1881-1891.	1881-1931.
Total	..	33,895,298 10·6	3,786,084 1·2	20,795,340 7·1	7,046,385 2·5	33,418,341 13·2	98,941,448 39·0
Male	..	17,833,369 10·9	2,656,619 1·6	11,387,111 7·6	3,182,195 2·2	16,820,329 12·9	51,879,623 39·9
Female	..	16,061,929 10·4	1,129,465 0·7	9,408,229 6·5	3,864,190 2·7	16,598,012 13·4	47,061,825 38·0

The mean density per square mile in the whole of India is 195 varying from a maximum of 814 in Cochin State, and in British India of 646 in Bengal, to a minimum of 5 in the Baluchistan States and 9 in British Baluchistan. The decade was one generally free from pestilence, plague or famine in India as a whole, with the result that the growth of the population has been comparable to that in the last similar decade 1881—1891, when the natural rate of increase was 9·6 per cent. The figures in the table above include the increase due to the population in areas not previously censused.

Table IV.

4. The urban population is now 11·0 per cent. of the total, an addition of 0·9 per cent. in this population since 1921. The variations per cent. since 1921 of this population in the nine largest cities are as follows :—

Calcutta (including Howrah and suburbs)	..	..	+11·9
Bombay..	..	..	— 1·2
Madras ..	..	..	+22·8
Hyderabad	..	..	+15·5
Delhi ..	..	..	+44·3
Lahore ..	..	..	+52·5
Rangoon	..	..	+17·1
Ahmadabad	..	..	+14·5
Bangalore.	..	..	+29·0

Table V.

5. In the population classified by Civil Condition and Age almost half the males and a little above one-third of the females are unmarried, 46·7 per cent. of the males and 49·3 per cent. of the females are married, while 5·4 and 15·4 per cent. respectively are widowed. The relative proportions of the population under 15 years, aged 15 to 50, and 50 and over are 39·9, 50·5 and 9·6 per cent.

6. Infirmities are shown in Table VI, which contains the actual figures of those returned at the census as insane, deaf and dumb, blind of both eyes or lepers. These returns must be accepted with the greatest reserve, and there has obviously been much concealment particularly in the case of females. Figures of leprosy should probably be multiplied by eight or even ten. The only return the value of which can be regarded as other than merely comparative is that of blindness. Even here the returns cannot claim a high degree of accuracy, and the fluctuations and anomalies found suggest the reverse of this. Table V

7. The proportion of the working population engaged in agriculture is 66.4 per cent. Those engaged in trade number 5.13 per cent., in industries 9.95 per cent., and in transport 1.52 per cent. In 1921, the persons employed in mines, plantations and organized industrial establishments having 10 or more employés numbered 2,681,125, out of a total of 23,236,099 persons engaged in Mines, Industry and Transport. The total under these three heads comes to 25,005,280 in 1931 and though no general return has been obtained from industrial establishments employing organized labour it is believed that the maximum number of organized employés, corresponding to the 2½ million of 1921, cannot exceed 5,000,000, and if the rate of increase be the same as in the previous decade the figure will be about 3,250,000, of which 1,553,169 are employed in establishments governed by the Factories Act. Table V

8. The number per mille of the population of India aged five and over who can read and write any language is males 156, females 29, the corresponding proportions (of all ages) in 1921 having been males 122 and females 18, and in 1881 males 81 and females 3. The proportion literate in English is males 25 and females 3 per mille of 20 years and over only. The total literate population of India including children is 23,962,279 males and 4,169,036 females. The corresponding figures in 1901 were 14,690,080 and 996,341. The total illiterate population in 1931 was 156,243,305 males and 165,384,698 females. Table V

9. In Table IX figures are given for the number of Exterior Castes ("Depressed Classes") and their percentage of literacy. As no special sort was made for the literacy of these castes unless they happened to be in the list of castes selected for tabulation by literacy, complete figures are not available. The total figures available for the literacy of castes treated as 'depressed' have been given, and the percentage shown as the percentage of literacy in the Exterior Castes has been worked out on that basis, the actual figures being given in columns 4 and 5. Table I

The totals given for the population of the Exterior Castes will not necessarily be found to correspond to the totals given by the Local Governments or to the totals accepted by the Franchise Committee, nor precisely with the totals given by the Provincial Census Superintendents. In the last case the totals of certain castes whose depressed position is to be regarded as doubtful have been here excluded, as the figures are given as minima figures from the point of view of the Census Department. In the case of Local Governments some Governments, e.g., that of the United Provinces, have excluded figures which the Census Superintendent and Commissioner consider should be included; in the case of others, e.g., of that of Bengal, the

Local Government has included castes which we consider should be excluded. In the case of the Franchise Committee figures have been excluded for franchise purposes of the tea-garden coolie castes in Assam, which will presumably be represented in a labour constituency; many of these castes are, however, no longer engaged on gardens but are independent cultivators outside. They have also in the Punjab excluded the Ad-Dharmis on the ground that they are not Hindu. As the Ad-Dharmis are identical in caste, in religion and in social disability with the remainder of the Punjab Exterior Castes who have returned themselves as Hindu, they have been included in this table. As a test of what constitutes an exterior caste the following disabilities have been considered:—

- (1) obstacles in the way of using public conveniences such as schools, wells or bathing places;
- (2) prohibition on entry into Hindu temples or, in some cases, on the use of burning ghats;
- (3) refusal of services such as those of barbers, tailors or washermen on account of caste;
- (4) refusal of water at the hands of the caste in question;
- (5) pollution by contact or proximity.

The case of each caste treated as exterior has been examined individually on its merits in the area dealt with by each Census Superintendent, and the numbers of each such caste shown in the table are limited to those found in the areas in which the Census Superintendents have treated them as exterior.

Table X.

10. There are some 225 languages, exclusive of dialects, spoken in the Indian Empire, about 150 of which are confined to Assam and Burma. For the purposes of this abstract these languages have been shown in groups of allied tongues as classified, roughly, that is, by Sir George Grierson. With three exceptions the aggregate of speakers of any one of the indigenous groups shown comes to not less than 2 millions. At least 20 different scripts are employed in writing these languages, the two most important being Urdu and Nagari; Bengali, Telugu, and Tamil follow in that order in point of numbers of users; how many use Modi (the Marathi script) is not certain. For Burma the Burmese is the only vernacular script of any importance. Speakers (by mother tongue) of languages foreign to India recorded at the census of 1931 numbered 646,535, the number of English speakers being 319,312.

Table XI.

11. The proportion in the population returned under the main religions, and the variations since 1921 are as follows:—

					Proportion per 1,000 of population.	Percentage of in- crease or decrease in actual number since 1921.
Hindu	..	..	..	..	682	+10.4
Muslim	..	..	..	..	222	+13.0
Buddhist	..	..	..	..	36	+10.5
Tribal Religions	..	..	..	..	24	-15.3
Christian	..	..	..	..	18	+32.5
Others	..	..	..	..	18	+38.0

The figures are given by provinces in the table, which is followed by maps of distribution and density. 'Minor Religions' includes for the Punjab some 400,000 persons of the depressed classes who returned their religion as *Ad-dharmi* ("original religion") but whose beliefs are similar to those of their class elsewhere returned as Hindus. The use of the term *Ad-dharmi* was probably employed to avoid inclusion in the Hindu total. With this exception the figures for Hindus include not only those of the various reforming sects which have not broken away but also the remaining figures of the depressed classes who must be regarded as Hindus by religion even while they are not admitted into Hindu temples. The figures for tribal religions do not of course represent the actual numbers of primitive tribes, many of which are included in the figure for Christians and more in that of Hindus.

The number of Europeans is 168,134 (males 117,336, females 50,798), and of Anglo-Indians 138,395 (males 71,247 females 67,148). The figures of Europeans show a decrease in India proper of 10,883 since 1921 and of 3,309 since 1901. There has, however, been a rise of 2,986 persons, 1,585 males and 1,401 females, in Burma since 1921. This increase is partly to be attributed to the presence of tourists in greater numbers in 1931.

TABLE I.

General Statement of Population and Area.

	India.	British Provinces.	Indian States.
1	2	3	4
Area in square miles	1,808,679	1,096,171	712,508
Population	352,837,778	271,526,933	81,310,845
(a) Urban	38,979,211	29,652,253	9,326,958
(b) Rural	313,858,567	241,874,680	71,983,887
Number of Towns	2,575	1,698	871
Number of Occupied Houses ..	71,062,228	54,533,192	16,529,036

TABLE II.
Population for 50 years.

	India.	British Provinces.	Indian States.	
	2	3	4	
Total population in	1931	352,837,778	271,526,933	81,310,845
	1921	318,942,480	246,856,191	72,086,289
	1911	315,156,396	243,797,647	71,358,749
	1901	294,361,056	231,142,489	63,218,567
	1891	287,314,671	220,765,285	66,549,386
Males in	1881	253,896,330	198,448,631	55,447,699
	1931	181,828,923	139,931,556	41,897,367
	1921	163,995,554	126,798,887	37,196,667
	1911	161,338,935	124,641,244	36,697,691
	1901	149,951,824	117,426,782	32,525,042
Females in	1891	146,769,629	112,335,393	34,434,236
	1881	129,949,290	101,119,118	28,830,172
	1931	171,008,855	131,595,377	39,413,478
	1921	154,946,926	120,057,304	34,889,622
	1911	153,817,461	119,156,403	34,661,058
	1901	144,409,232	113,715,707	30,693,525
	1891	140,545,042	108,429,892	32,115,150
	1881	123,947,040	97,329,513	26,617,527

The above figures are inclusive of the population of areas newly enumerated at successive censuses.

TABLE III.
Population by Provinces, States and Agencies.

Province, State or Agency.	Area in square miles.	Population.			1921 (Both sexes).
		1931.			
		Persons.	Males.	Females.	
1	2	3	4	5	6
INDIA	1,808,879	352,837,778	181,828,923	171,008,855	318,942,480
Provinces	1,818,346	289,491,241	149,063,439	140,427,802	263,400,806
1. Ajmer-Merwara	2,711	560,292	296,081	264,211	495,271
2. Andamans and Nicobars.	3,143	29,463	19,702	9,761	27,086
3. Assam	67,334	9,247,857	4,844,133	4,403,724	7,990,246
4. Baluchistan ..	134,638	868,617	488,414	380,203	799,625
5. Bengal	82,955	51,087,338	26,557,860	24,529,478	47,599,233
6. Bihar and Orissa.	111,702	42,329,583	21,082,560	21,247,023	37,955,087
7. Bombay Presidency (including Aden).	151,673	26,398,997	13,824,526	12,574,471	23,216,038
Aden	80	51,478	32,345	19,133	56,500
8. Burma	233,492	14,667,146	7,490,601	7,176,545	13,212,192
9. C. P. and Berar.	131,095	17,990,937	8,997,203	8,993,734	15,979,660
10. Coorg	1,593	163,327	90,575	72,752	163,838
11. Delhi	573	636,246	369,497	266,749	488,452
12. Madras	143,870	47,193,602	23,301,145	23,892,457	42,794,155
13. North-West Frontier Province.	36,356	4,684,364	2,528,165	2,156,199	5,076,476
14. Punjab	105,020	24,018,639	13,109,800	10,908,839	21,093,497
15. United Provinces.	112,191	49,614,833	26,063,177	23,551,656	46,509,950

TABLE III—*concl'd.*
Population by Provinces, States and Agencies—cont'd.

Province, State or Agency.	Area in square miles.	Population.			1921 (Both sexes).
		1931.			
		Persons.	Males.	Females.	
1	2	3	4	5	6
States and Agencies.	490,333	63,346,537	32,765,484	30,581,053	55,541,874
16. Baroda State ..	8,164	2,443,007	1,257,817	1,185,190	2,126,522
17. Central India Agency.	51,697	6,632,790	3,405,438	3,227,352	6,002,551
18. Cochin State ..	1,480	1,205,016	589,813	615,203	979,080
19. Gwalior State ..	26,367	3,523,070	1,867,031	1,656,039	3,193,176
20. Hyderabad State.	82,698	14,436,148	7,370,010	7,066,138	12,471,770
21. Jammu and Kashmir State.	84,516	3,646,243	1,938,338	1,707,905	3,320,518
22. Mysore State ..	29,326	6,557,302	3,353,963	3,203,339	5,978,892
23. Punjab States Agency.	31,241	4,472,218	2,451,394	2,020,824	4,008,017
24. Rajputana Agency.	129,059	11,225,712	5,885,028	5,340,684	9,831,755
25. Sikkim State ..	2,818	109,808	55,825	53,983	81,721
26. Travancore State.	7,625	5,095,973	2,565,073	2,530,900	4,006,062
27. Western India States Agency.	35,442	3,999,250	2,025,754	1,973,496	3,541,610

NOTE.—The figures for the Provinces include those of the States attached to them except in the case of Madras where they exclude Cochin and Travancore.

TABLE IV.
The Chief Cities and their Population.

Town.	Population.	Town.	Population.
1	2	1	2
*Calcutta	1,485,582	Srinagar	173,573
Bombay	1,161,383	Patna	159,690
Madras	647,230	Mandalay	147,932
Hyderabad	466,894	Sholapur	144,654
Delhi	447,442	Jaipur	144,179
Lahore	429,747	Bareilly	144,031
Rangoon	400,415	Trichinopoly	142,843
Ahmadabad	313,789	Dacca	138,518
Bangalore	306,470	Meerut	136,709
Lucknow	274,659	Indore	127,327
Amritsar	264,840	Jubbulpore	124,382
Karachi	263,565	Peshawar	121,866
Poona	250,187	Ajmer	119,624
Cawnpore	243,755	Multan	119,457
Agra	229,764	Rawalpindi	119,284
Nagpur	215,165	Baroda	112,862
Benares	205,315	Moradabad	110,562
Allahabad	183,914	Salem	102,179
Madura	182,018		

*With Suburbs and Howrah.

The above city figures include details for Cantonments (e.g., Lahore City = Municipality + Cantonment), and those for Delhi include Shahdara, New Delhi and Cantonment.

TABLE V.
Civil Condition by Religion and Age.

Religion.	Unmarried.						Married.					
	Males.			Females.			Males.			Females.		
	0-15.	15-50.	50 and over.									
1	2	3	4	5	6	7	8	9	10	11	12	13
*INDIA ..	66,136,388	19,623,334	578,299	55,209,630	4,324,200	164,153	5,537,625	66,300,324	12,377,018	12,271,594	66,719,515	4,616,114
1. All Religions (<i>India proper</i>).†	63,397,795	18,230,697	514,751	52,493,031	3,358,810	112,066	5,525,228	63,966,325	11,782,012	12,253,559	64,409,179	4,263,608
2. Hindu ..	43,599,559	12,524,850	380,596	36,235,079	2,084,405	72,485	4,288,575	46,028,134	8,346,865	9,049,079	46,245,158	3,058,845
3. Muslim ..	15,643,127	4,299,208	81,497	12,500,501	799,249	24,468	1,087,775	14,497,244	2,715,794	2,876,801	14,502,113	862,496
4. Tribal ..	1,590,198	356,386	7,453	1,499,686	168,602	5,805	83,857	1,361,520	246,257	161,225	1,447,856	119,004
5. Christian ..	1,242,181	476,651	7,175	1,172,564	200,453	6,128	18,783	983,093	217,545	52,495	1,064,631	96,249
6. Sikh ..	898,505	404,877	30,487	720,677	63,524	1,723	24,135	700,889	170,835	62,594	746,110	89,316
7. Buddhist ..	88,354	30,854	829	81,121	15,000	451	1,785	75,262	18,621	4,414	78,759	10,111
8. Others ..	335,871	137,861	6,714	283,403	27,577	1,006	20,318	320,383	66,095	46,951	324,552	27,587
Religion.	Widowed.						Total.					
	Males.			Females.			Males.			Females.		
	0-15.	15-50.	50 and over.	0-15.	15-50.	50 and over.	0-15.	15-50.	50 and over.	0-15.	15-50.	50 and over.
1	14	15	16	17	18	19	20	21	22	23	24	25
*INDIA ..	136,436	5,146,872	4,375,808	321,701	14,817,488	11,609,279	71,803,429	91,071,030	17,331,125	67,802,985	85,361,203	16,889,546
1. All Religions (<i>India proper</i>).†	136,283	4,976,252	4,195,605	320,326	13,979,763	11,196,571	69,059,276	87,173,264	16,492,368	65,066,918	81,747,752	15,572,245
2. Hindu ..	111,171	3,760,385	3,132,399	253,036	10,860,355	8,567,877	47,999,305	62,313,369	11,859,860	45,537,194	59,189,918	11,699,007
3. Muslim ..	21,210	953,756	799,492	58,777	2,560,624	2,060,099	16,752,112	19,750,208	3,596,783	15,436,079	17,861,986	2,947,063
4. Tribal ..	1,816	83,047	57,748	4,928	220,593	195,822	1,675,871	1,800,953	311,458	1,665,839	1,837,051	320,631
5. Christian ..	615	50,901	57,636	1,295	157,857	157,747	1,261,579	1,510,645	282,356	1,226,354	1,422,941	260,124
6. Sikh ..	847	86,241	107,122	794	84,037	131,217	923,487	1,191,807	308,444	784,065	893,671	222,256
7. Buddhist ..	49	4,208	4,270	233	10,278	11,258	90,188	110,324	23,720	85,768	104,037	21,820
8. Others ..	545	37,714	36,938	1,263	86,019	72,751	356,734	495,958	109,747	331,617	438,148	101,344

*Excludes all estimated population and persons who failed to make the return or who were not enumerated by civil condition and age.

†Excludes Burma where the sort for civil condition was by Race instead of by Religion.

TABLE VI.

Infirmities.

Provinces and States.	Population afflicted.			Insane.			Deaf-Mutes.			Blind.			Lepers.		
	Persons.	Males.	Females.	Persons.	Males.	Females.	Persons.	Males.	Females.	Persons.	Males.	Females.	Persons.	Males.	Females.
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
India ..	1,095,678	601,402	494,276	120,304	74,002	46,302	230,895	137,680	93,215	601,370	284,741	316,629	147,911	107,892	40,019
Provinces ..	874,634	486,741	387,893	98,449	60,424	38,025	190,592	113,977	76,615	462,805	221,552	241,253	126,867	93,281	33,596
States ..	221,044	114,661	106,383	21,855	13,578	8,277	40,303	23,703	16,600	138,565	63,189	75,376	21,044	14,611	6,433

The figures in columns 2—4 do not correspond with the sum of the figures in columns 5—16 as the latter exceed the former by the total of multiple infirmity cases returned by the respective provinces and states.

TABLE VII.
Occupation or Means of Livelihood.

Occupation. 1	Number of workers i.e., Earners + Working dependants.		
	Persons. 2	Males. 3	Females. 4
INDIA	154,390,612	105,562,494	48,828,118
Pasture and Agriculture	102,454,147	73,763,185	28,690,962
*Landlords	3,257,391	2,419,817	837,574
Cultivating Owners	27,006,100	22,469,143	4,536,957
Cultivating Tenants	34,173,904	26,896,149	7,277,755
Agricultural Labourers	31,480,219	17,110,466	14,369,753
Others	6,536,533	4,867,610	1,668,923
Fishing and hunting	1,308,292	1,145,817	162,475
Mines, quarries, salt, etc.	346,000	259,583	86,417
Industry—	15,361,933	10,807,507	4,554,426
Textiles	4,102,132	2,531,407	1,570,725
Dress and Toilet	3,380,824	2,565,594	815,230
Wood	1,631,723	1,289,419	342,304
Food Industries	1,476,995	706,281	770,714
Ceramics	1,025,030	727,759	297,271
Building Industries	618,527	528,344	90,183
Metals	713,070	659,635	53,435
Chemicals, etc.	603,504	400,985	202,519
Hides, Skins, etc.	312,074	265,904	46,170
Other Industries	1,498,054	1,132,179	365,875
Transport (including Postal, Telegraph and Telephone Services).	2,341,406	2,099,198	242,208
Trade—	7,913,797	5,785,816	2,127,981
Hotels, Cafés, etc., and other trade in foodstuffs.	4,326,737	2,850,904	1,475,833
Trade in textiles	458,902	411,315	47,587
Banks, Exchange, Insurance, etc.	329,482	292,739	36,743
Other trades	2,798,676	2,230,858	567,818
Army and Navy	318,036	316,300	1,736
Air Force	1,863	1,838	25
Police	521,675	516,415	5,260
Public Administration	995,284	962,741	32,543
Professions and Liberal Arts—	2,310,141	1,986,260	323,881
Religion	1,026,894	907,163	119,731
Instruction	501,652	443,239	58,413
Medicine	318,581	222,536	96,045
Law	133,089	132,591	498
Others	329,925	280,731	49,194
Domestic Service	10,858,254	2,094,487	8,763,767
All Others	9,659,784	5,823,347	3,836,437

*Includes all non-cultivators taking rent in any form, many of whom are intermediate tenure holders.

TABLE VIII.
Literacy by Religion and Age.

Provinces and States.	Total Literates aged 5 and over.	Hindu.		Muslim.		Buddhist.		Tribal.		Christian.		Others.	
		5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
*INDIA ..	23,485,227	5,302,370	11,798,362	1,257,466	2,838,804	7,262	25,943	14,560	29,791	511,993	884,338	241,010	569,179
*British India ..	18,913,080	4,215,249	9,750,543	1,093,908	2,481,276	8,812	23,267	12,684	26,990	246,805	476,825	166,870	407,904
Ajmer-Merwara ..	59,261	10,815	25,102	2,855	7,028	..	2	1	2	1,844	3,160	2,478	5,974
Andamans and Nicobars ..	74,149	..	..	..	..	..	..	..	..	..	..	..	..
Assam ..	697,498	149,369	332,985	52,893	103,757	319	1,231	4,215	9,879	13,441	26,935	569	1,905
Baluchistan ..	33,234	4,000	11,101	2,212	6,185	9	36	2	8	1,140	4,229	1,217	8,095
Bengal ..	4,743,281	951,457	2,099,934	480,627	1,103,083	5,885	19,460	1,080	2,794	21,807	46,780	2,969	7,405
Bihar and Orissa ..	1,853,094	455,051	1,140,811	58,610	141,711	49	171	4,364	8,235	16,379	24,513	832	2,368
Bombay Presidency (including Aden.)	2,278,044	543,088	1,156,890	89,950	223,005	295	1,471	263	340	33,107	75,069	43,289	111,297
Central Provinces and Berar	913,428	239,456	517,355	29,795	63,785	9	24	2,375	5,155	10,415	16,019	8,848	20,192
Coorg ..	25,336	7,001	15,417	390	1,429	..	..	..	..	270	781	19	29
Delhi ..	89,472	14,714	36,105	7,487	19,003	4	31	..	..	1,760	5,593	1,294	8,481
Madras ..	4,367,545	1,063,785	2,620,858	97,108	250,267	156	402	384	577	116,836	205,722	3,263	8,187
North-West Frontier Province.	117,438	11,452	29,819	15,153	33,242	..	..	..	..	2,078	9,966	4,222	11,506
Punjab ..	1,421,942	188,549	473,998	145,150	276,059	60	390	..	..	10,842	24,588	89,937	212,369
United Provinces of Agra and Oudh.	2,309,358	576,532	1,280,168	111,676	262,722	26	49	..	..	16,886	33,470	7,733	20,096
States ..	4,572,147	1,087,121	2,047,819	183,580	857,528	450	2,676	1,876	2,801	265,188	407,513	74,840	161,275

*Excludes figures for Burma, as in that province Literacy was not sorted for by Religion but by Race. Details available are as follows:—

Province.	Total Literates aged 5 and over.	Burmese.		Other Indigenous Races.		Chinese.		Indian Hindus.		Indian Muslims.		Other Indians.		Indo-Burman Races.		Others.	
		5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.	5-20.	20 & over.
BURMA ..	4,646,088	1,011,014	2,383,698	232,814	616,323	14,721	46,937	23,322	119,821	18,695	79,689	6,042	17,089	15,406	28,287	7,659	19,531

†Literacy according to Religion by Age was not sorted for in the Andamans & Nicobars, but the following figures of Literacy by Religion are available:—

Hindu ..	1,395
Muslim ..	929
Buddhist ..	1,014
Christians ..	520
Tribal ..	5
Others ..	286

TABLE IX.
Exterior Castes by Literacy.

Province.	Total Popu- lation Depressed.	Percentage of Literacy.	Actual num- bers on which per- centage of literacy has been calculated.	Actual numbers found literate.
1	2	3	4	5
Ajmer-Merwara	76,735	2.2	76,735	1,691
Assam	1,830,430	3.1	1,829,009	56,849
Baluchistan	6,889	6.9	6,889	472
Bengal	7,999,373	5.0	4,566,023	230,206
Bihar and Orissa	5,760,071	0.6	5,760,071	32,150
Bombay	1,750,424	2.8	1,750,424	49,012
Central Provinces and Berar	2,927,343	1.5	2,927,343	43,886
Coorg	25,343	1.5	25,343	376
Delhi	72,883	1.4	72,883	1,051
Madras	7,268,157	1.5	7,268,157	107,817
N.-W. F. Province	6,027	3.6	5,468	197
Punjab	1,228,180	0.8	1,228,180	10,384
United Provinces	11,531,145	0.5	9,244,277	42,858
Total Provinces	40,254,576	1.6	37,078,857	576,949
Total States	11,399,341	3.1	11,399,341	857,258

No figures for Exterior Castes are available from Burma or the Andaman Islands.

TABLE X.

Language.

Language Group.	Number of Classified Languages.	Number of Speakers.	Where chiefly spoken.
1	2	3	4
Indian Languages ..	225	849,883,022*	
1. Mon-Khmer and Malay Languages.	12	733,006	Burma, Assam and the Nicobar Islands.
2. Munda Languages ..	7	4,605,071	Assam, Bengal, Bihar and Orissa, C. P., and Madras Agencies.
3. Tibeto-Burmese Languages	128	12,989,606	Assam, Burma, Bengal and Sikkim.
(a) Burmese (and nearly allied).	13	9,874,467	Burma.
(b) Others	115	3,115,139	Burma, Assam, Sikkim and Bengal.
4. Tai-Chinese, Karen and Man Languages.	28	2,369,947	Burma and Assam.

TABLE X—*concl'd.**Language—cont'd.*

Language Group.	Number of Classified Languages.	Number of Speakers.	Where chiefly spoken.
1	2	3	4
5. Dravidian Languages	14	71,642,653	
(a) Tamil	1	20,411,652	Madras and Mysore.
(b) Malayalam	1	9,137,615	Madras.
(c) Kanarese	1	11,206,380	Bombay, Mysore, Madras and Hyderabad.
(d) Telugu	1	26,373,514	Madras, Hyderabad and Mysore.
(e) Others	10	4,513,492	Madras, Coorg, Bihar and Orissa, Central Provinces and Berar, Hyderabad and Baluchistan.
6. Indo-European Languages.	27	257,488,286	
(a) Eranian and Dardic Languages	8	3,788,967	North-West Frontier Pro- vince, Baluchistan and Kashmir.
(b) Sindhi	1	3,729,399	Bombay (Sind).
(c) Punjabi and Lahnda	2	24,660,680	Punjab, Kashmir, N.-W. F. Provinces and Sind.
(d) Marathi and Konkani	2	21,361,399	Bombay, C. P. and Berar and Hyderabad.
(e) Hindustani Languages	3	121,254,898	United Provinces, Central Provinces, Central India, Punjab and Rajputana.
(f) Pahari Languages	3	2,752,432	Assam, Bengal, United Provinces, Kashmir and Punjab.
(g) Oriya	1	11,194,265	Orissa and Madras.
(h) Bengali	1	53,468,469	Bengal and Assam.
(i) Assamese	1	1,999,057	Assam.
(j) Others	5	13,278,720	Baroda, Bombay, Bihar and Orissa, Central India and Rajputana.
7. Unclassed Languages	9	54,453	
(a) Andamanese	2	466	Andaman Islands.
(b) Other Unclassed Languages.	7	53,987	Kashmir, Hyderabad, Bom- bay, Central Provinces and Berar and Mysore.
8. Foreign Languages	..	646,535	..
(a) English . . . . .	..	319,312	..
(b) Others . . . . .	..	327,223	..

* Excludes 2,308,221 persons for whom details by Language are not available, as the figures were not obtained by individual enumeration.

TABLE XI.

Religion.

Province.	Hindus.	Muslims.	Buddhists.	Tribal.	Christians.	Sikhs.	Jains.	Zoroas- trians.	Jews.	Minor Religions and Religion not returned.	Not enumerat- ed by religion.
1	2	3	4	5	6	7	8	9	10	11	12
INDIA	239,195,140	77,677,545	12,786,806	8,280,347	6,296,763	4,335,771	1,252,105	109,752	24,141	571,187	2,308,221
Provinces	177,727,988	67,020,443	12,693,089	5,779,709	3,866,660	3,220,997	453,569	98,549	21,206	551,339	95,334
1. Ajmer-Merwara	434,509	97,133	4	1,509	6,947	341	19,497	301	49	2	..
2. Andamans & Nicobars	7,618	6,719	2,912	9,955	1,461	649	..	1	..	148	..
3. Assam	4,931,760	2,755,914	14,955	711,432	202,536	2,497	2,636	7	18	446	..
4. Baluchistan (<i>Districts & Administered Territories</i>).	41,432	405,309	68	66	8,044	8,368	32	167	15	7	..
5. Bengal	21,570,407	27,497,624	316,031	528,037	180,299	7,320	9,167	1,520	1,867	1,730	..
6. Bihar and Orissa	31,011,474	4,264,790	919	2,048,809	341,894	5,653	3,734	241	24	38	..
7. Bombay (<i>including Aden</i>)	16,621,221	4,456,897	2,204	129,135	317,042	20,893	200,015	89,544	17,739	176	75,735
8. Burma	570,953	584,839	12,348,037	650,388	331,106	10,907	721	419	1,218	148,909	19,649
9. C. P. and Berar	13,338,223	682,854	66	1,351,615	50,584	4,241	77,895	2,092	153	..	..
10. Coorg	148,007	13,777	3	..	3,425	..	83	27	..	5	..
11. Delhi	399,863	206,960	76	..	16,989	6,437	5,345	128	11	439	..
12. Madras	41,277,370	3,305,937	1,359	348,763	1,774,276	537	31,206	507	23	129	..
13. North-West Frontier Province (<i>Districts & Administered Territories</i>).	142,977	2,227,303	2	..	12,213	42,510	..	60	11	..	..
14. Punjab	6,328,588	13,332,460	5,723	..	414,788	3,084,144	35,284	546	12	399,307	..
15. United Provinces of Agra and Oudh.	40,905,586	7,181,927	730	..	205,006	46,500	67,954	991	66	3	..
States	61,467,152	10,657,102	93,717	2,500,638	2,430,103	1,114,774	798,536	13,203	2,935	19,848	2,212,837

**REPORT OF THE INDIAN MILITARY
COLLEGE COMMITTEE,**

A PPOINTED in pursuance of Resolution No. (2) (c) of Sub-Committee No. VII (Defence) of the Indian Round Table Conference, as a Committee of Experts to work out the details of the establishment of a military college in India.

Dated the 15th July 1931.

CONTENTS.

	Page.
Report -- -- -- -- -- -- --	1—18
Appendices -- -- -- -- -- -- --	19—26
Minutes -- -- -- -- -- -- --	27—29

SECTION.	REPORT.	PAGE.
1—4. Introductory		1
CHAPTER I.		
5. Nature of the College		2
6. The educational system in India		4
10. Length of course		4
11. Age of entry		4
CHAPTER II.		
13. Selection of candidates		5
15. Proportional allotment of vacancies		6
CHAPTER III.		
Entrance.		
18. Preliminary qualifications		7
20. Medical tests		8
21. Entrance examination conducting authority		8
22. Subjects of examination		8
29. Interview and Record Test		9
CHAPTER IV.		
Course and organisation of the Military College.		
33. Preparatory measures		10
34. Power to remove unsuitable candidates		10
35. Cadets' contract with the State		10
36. Vacations		10
37. Servants and messing arrangements		11
CHAPTER V.		
Fees and expenses.		
40. Indian Army cadets		12
41. Sons of military officers and soldiers		12
42. King's India cadetships		12
43. Scholarships		12
44. Fees recommended by the Committee		12
CHAPTER VI.		
Indian States Forces Cadets.		
45. Vacancies and qualifying conditions		13
46. Fees and expenses		13
CHAPTER VII.		
Indian Air Force Cadets.		
48. Flying Training School		14
49. Retention of Cranwell for the present		14

SECTION.		PAGE.
	CHAPTER VIII.	
	Miscellaneous.	
51.	Post-graduate courses	14
52.	Attachment to British units	15
53.	Preparatory Institutions. Prince of Wales' Royal Indian Military College, Dehra Dun	15
55.	Recommendation for the future of the Prince of Wales' Royal Indian Military College, Dehra Dun	16
56.	King George's Royal Indian Military Schools	16
57.	Auxiliary and Territorial Forces Cadets	16
58.	Retention of Sandhurst and Woolwich	17
59.	Location	17

REPORT.

Introductory.

The Indian Military College Committee was formed by the Government of India, with the approval of the Secretary of State, in pursuance of the resolution contained in paragraph 4 (2) (c) of the report of Sub-Committee No. VII (Defence) of the Round Table Conference. The resolution ran as follows :—

“ In order to avoid delay the Government of India be instructed to set up a committee of experts, both British and Indian (including representatives of the Indian States) to work out the details of the establishment of such a college”.

2. The orders appointing the committee were published in the following notification in the *Gazette of India* (No. 312, dated the 23rd May 1931) :—

“ In accordance with the recommendation of the Defence Sub-Committee of the Round Table Conference, the Governor-General in Council, with the approval of the Secretary of State for India, has been pleased to constitute a committee of experts, including representatives of Indian States, in order to work out the details of the establishment of a military college in India to train candidates for commissions in all arms of Indian Defence services.

The Committee will consist of the following :—

CHAIRMAN.

His Excellency the Commander-in-Chief in India.

MEMBERS.

Officials.

- The Chief of the General Staff.
- The Adjutant General in India.
- The Secretary to the Government of India in the Army Department.
- The Deputy Military Secretary, Army Headquarters.
- Sir GEORGE ANDERSON, Kt., C.I.E., Director of Public Instruction, Punjab.
- Khan Bahadur SHARBAT KHAN, C.I.E.

Non-Officials.

- Sir ABDUR RAHIM, K.C.S.I., Kt., M.L.A.
- Sir P. S. SIVASWAMY AYYER, K.C.S.I., C.I.E.
- Rao Bahadur Chaudhri CHHOTU RAM, M.L.C.
- * Lieut.-Colonel H. A. J. GIDNEY, M.L.A.
- Dr. B. S. MOONJE.
- S. N. MUKARJI, Esq., Principal, St. Stephen's College, Delhi.
- Captain SHEER MOHAMMAD KHAN, M.B.E., M.L.A.
- † Lieutenant NARAIN SINGH BAHADUR, M.C., I.D.S.M.

* Now Sir Henry Gidney.

† Now Captain.

Members from Indian States.

Major-General Rao Raja GANPAT RAO RAGHUNATH RAJWADE,
C.B.E., Inspector General of Gwalior Army.

Colonel LACHMAN SINGH, Quartermaster-General, Patiala State Forces.

Lieut.-Colonel Mirza KADER BEG, Sardar Bahadur, Commandant,
1st Hyderabad I. S. Lancers.

2. The Committee will assemble in Simla on the 25th May, 1931."

3. The Committee assembled on the date mentioned above. The chairman in an opening speech, which is attached as Appendix I to this report, informed the Committee of the Government's proposals for an immediate extension of the field of Indianization in the army to a force equivalent to a complete division of all arms and a cavalry brigade, with proportionate provision for ancillary services, staff *et cetera*. These proposals involve an output of about 60 Indian King's commissioned officers a year. Our task as a committee, therefore, is to draw up a scheme for a military college capable of producing this output, in addition to training a certain number of cadets for service in the Indian State Forces.

4. The Committee concluded its agenda on the 20th June. The report was signed on the 15th July. Expenditure on the Committee amounts to about Rs. 17,500, exclusive of the cost of printing and publishing the report.

CHAPTER I.

5. *Nature of the College.*—In the preparation of our scheme for a Military College the first point that calls for a decision is whether the length of the course at the College should conform to those of cadet colleges in Great Britain, or to those of the Dominions and the United States. The course at Woolwich and Sandhurst extend over three half-yearly terms, or eighteen months in all. The course at Cranwell, which includes, besides general education, a certain amount of technical instruction, lasts for two years. The courses at the colleges at Kingston in Canada, Duntroon in Australia, and West Point in the United States, on the other hand, last for four years. These courses include a considerable element of technical education. The Indian Sandhurst Committee of 1925-26, in their scheme for an Indian Military College, recommended a course of three years of which the first year should be devoted mainly to academic study, and the last two years mainly to military training. The Skeen Committee made this recommendation after an exhaustive inquiry into the military training systems of other countries, conducted by a special sub-committee which visited Great Britain, France, Canada and the United States for the purpose. We would invite attention to paragraphs 36 and 37 of that committee's report, which contain an admirable and concise survey of the systems at the military colleges in the various countries mentioned, and the reasons for the different lengths of the courses adopted in each of them. Paragraphs 38 and 39 of the report summarize the conclusions of the committee and contain their specific recommendations on the length and nature of the course which they considered suitable for an Indian Military College. We think it worth while to quote these paragraphs in full:—

"38. *Combined general and military education.*—While India is on the same footing as England and France in that she requires a regu-

lar supply of officers for service in a large standing army, she has something in common also with Canada and the United States in that the civil educational system is at present defective and cannot be so improved in the near future as to ensure that the generality of cadets, when they first arrive at the military college, can be turned into really efficient officers after only a short period of military training. We feel therefore that the course at the Indian military college should be longer than the course at Sandhurst and should in addition to the military subjects include a period of academic study as well, by means of which the cadets will be enabled to improve their general education and their knowledge of colloquial English. It is also important that the academic standard attainable at the end of the course should be so framed as to secure specific recognition from the Universities and to enable cadets who for one reason or another are found unfit for commissions in the Army, but are suitable for other careers, to continue their education at a University without interruption and on a level with their contemporaries in age.

39. *A three years' course.*—Our recommendation, therefore, is that the course should last for three years, of which the first year should be devoted mainly to academic study and the last two mainly to military training. A longer course of this nature will have the further advantage that it will give those cadets who are drawn from the ordinary Indian schools a better opportunity of developing in character and physique than would be afforded if they were to remain at those schools for a further year and a half and then undergo a short course of a purely military nature. Our intention is that boys should be eligible to enter the military college after passing the Matriculation standard. This will enable them to obtain their commissions at approximately the same age as British cadets passing out of Sandhurst; and the task of completing the formation of their character will be rendered less difficult by the fact that on entering the college they will still be comparatively young”.

6. *The educational system in India.*—We gather from educational reports and from other sources of information that, in recent years, the ordinary Indian schools have shown considerable improvement in the directions indicated by the Skeen Committee, especially in the provision of better buildings and playgrounds, in a larger supply of trained teachers, in better organised games and physical training, but Indian boys still suffer from many disadvantages. The financial resources of the schools are often inadequate; the schools are sometimes overcrowded by boys who are unable to benefit by the training, as is shown by the large proportion of failures at Matriculation (which is a lenient test); the pupils are overstrained by being expected from an early age to study an excessive number of languages; and the use of English as the medium of instruction is a very serious handicap to a proper understanding of the subjects of study and to a quickening of the intelligence of the pupils, while even in the collegiate stage many students are so deficient in English that they are unable to follow the lectures which are delivered in that language.

7. But there are other disadvantages which appear to us to result from an imperfectly devised system of education.

It is essential that professional education should be based on the firm foundation of general education. We have noticed from certain university calendars that there is a tendency towards premature specialisation, and that subjects such as biology, philosophy and economics may be taken by students at what would appear too early an age. There does not seem to us sufficient guarantee that boys have always received an adequate grounding in what are usually considered to be the basic subjects of school education.

8. Again, such general education should be given, in our opinion, in a good and well-regulated school, but we observe that many boys pass Matriculation at the early age of fifteen (or even younger) and then proceed to a college. They thus lose the bracing stimulus of school life, and are denied suitable training in those qualities which are so valuable to success in life. However beneficial it may be in other directions, a college education is no substitute for good school education (with its school discipline, its school games, and its school methods of work) for boys who are on the threshold of professional study.

9. We are glad, therefore, that something has been done to remedy this defect. The Prince of Wales' Royal Indian Military College at Dehra Dun has already gone far to prove that Indian boys readily respond to the type of training which is given in that institution and that many Indian parents appreciate its value; and we have been impressed by the favourable opinions voiced by the Skeen Committee and by many of their witnesses in support of that institution. The Chiefs' Colleges have a good record in certain directions but it is doubtful whether the training imparted therein is conducive to the proper encouragement of self-reliance and other such qualities. The King George's schools at Jhelum, Jullundur and Ajmer give promise of providing that type of school training which we consider to be desirable in this connection. Some of the European schools are now giving to boys up to eighteen years of age good training for life. It is also hoped that the intermediate colleges of the type recommended by the Calcutta University Commission will be successful in providing good school training up to the Intermediate standard.

We also hope that the aims of the late Mr. S. R. Das will soon be realised and that a school or schools of the type desired by him will be established.

10. *Length of course.*—We are in general agreement therefore with the Skeen Committee as regards the length of the course. We consider that until such time, at any rate, as the defects pointed out by us in the civil educational systems of India are overcome, the normal course of training of Indian military cadets should be a full three years. Indian army cadets by reason of their previous military training will however require a course of two years only.

Mr. Mukarji and Sir Sivaswamy Aiyer considered that Indian Army cadets should undergo the full three years' course.

11. *Age of entry.*—We are however in favour of a later age of entry than that contemplated by the Skeen Committee and we recommend that it should

be the same as laid down for Indian candidates for Sandhurst at present, namely 18 to 20 years.

The retention of these limits should ensure a reasonably high standard of general education from the successful candidates; it should afford good scope to institutions of the type discussed above for providing the character training which is so desirable; and it should be beneficial to those who may prove themselves at a later stage to be unsuitable to a military career that they will have had a chance of obtaining the Intermediate qualification before admission to the Military College. Good opportunity should also be thus given to those who, for one reason or another, "came late" in life to make good their early shortcomings. We would also observe that if boys were admitted at an earlier age, the Military College would be somewhat difficult to administer in view of the comparatively late age at which the Indian Army recruits will be admitted. Indian Army cadets will ordinarily be eligible for nomination as at present up to the age of 25. As, for some years to come at any rate, it may be difficult to obtain from the ranks young men of 25 or under possessing sufficient educational qualifications, it is desirable that the condition of age should be waived, as is also the present practice for the next few years.

12. The arguments that can be urged against the adoption of a three year course, combined with a late age of entry are, first, the expense to the individual and the State, and, second, the relatively late age at which the cadet receives his commission. We shall deal with the general question of expense in another part of this report. We need only say here that our recommendations have been framed in a manner which we believe will obviate this difficulty. The second point requires very careful consideration. We must ensure that graduates from the Indian Military College do not come under any handicap as the result of our proposals, in the matters of ordinary promotion, attainment to command, and pension. The military members of the committee, however, assured us that there would be no insuperable difficulty in altering the existing regulations that govern these matters. After much discussion, therefore, we adopted the following formula, which constitutes our definite recommendation.—

"We agree to a course of 3 years and an age of entry of 18—20 years provided that the regulations as to service are suitably modified so as to ensure that in regard to the age and prospects of attaining command of units and for the purposes of promotion, seniority and pension, officers graduating from the Indian Military College will not be prejudiced in comparison with British officers entering the Indian army from the British cadet colleges, but will be on an equal footing with such officers in all respects. The same principle should be maintained if the time-scale of promotion is ever hereafter abolished."

CHAPTER II.

13. *Selection of candidates.*—The next point that we have to consider is the method of selection of candidates for the college. There are at present 20 vacancies at Sandhurst offered annually by competition to Indians. In addition

to these vacancies a number of Viceroy's Commissioned officers not exceeding 5 in any one year may be nominated to Sandhurst, subject to their satisfying certain standards. Of 20 vacancies open to competition, a certain proportion, not exceeding 20 per cent. may be filled by nomination of candidates who have qualified at the examination, but have not succeeded in obtaining a place by competition. This power of nomination was conferred on the Commander-in-Chief in accordance with a recommendation of the Skeen Committee, which had reference, however, to the Indian Military College, rather than to Sandhurst. It involves the somewhat invidious procedure of rejecting candidates, who have succeeded in open competition, in favour of others who have merely qualified. It is probably for this reason that the power was not exercised on the only occasion, (at the examination of November 1929) when the number of qualifying candidates exceeded the total vacancies offered. The number of Viceroy's Commissioned officers so far nominated to Sandhurst is only 2 and both of these were over the normal age limit of 25 when they were nominated.

14. We found great difficulty in reaching a substantial measure of agreement as to the proportions of the 60 vacancies which should be allotted to open competition and nomination respectively. Most of us consider it essential to reserve a large number of vacancies for the classes that furnish recruits to the army, in order to encourage those classes generally, to ensure to them their due representation in the King's Commissioned ranks, and to offer adequate prospects of promotion to the rank and file. In this last connexion, some of us were greatly influenced by the decision of Government gradually to reorganise the officer establishments of Indianising units on the British pattern, consisting of 28 King's Commissioned Officers in a battalion, as compared with the existing establishments of 12 King's Commissioned and 18 or 19 Viceroy's Commissioned Officers. This decision involves the eventual elimination of the Viceroy's Commissioned Officer, no less than the British Officer, from Indianizing units. Although it was taken, we understand in 1928, the stage has not yet been reached at which it has been necessary to post an Indian King's Commissioned officer in displacement of a Viceroy's Commissioned officer in any of the units concerned. This stage will, however, be reached very shortly. We need hardly point out that, in the Indian Army as at present constituted, every enlisting Indian soldier can, and probably does, aspire to attain the Viceroy's Commission. If this goal is to be withdrawn from him under the new organization, it will clearly be necessary to substitute for it prospects, at least as attractive as those which the Indian soldier has hitherto enjoyed, of attaining to commissioned ranks. The present Viceroy's commissioned officers, and the more senior of the Non-Commissioned officers will not be seriously affected, since the change will be a gradual one. We must look rather to the interests of the younger serving soldier and of those who enlist hereafter.

15. *Proportional allotment of vacancies.*—The majority of us are in favour of allotting half the vacancies at the Indian Military College, i.e., 30 a year, to cadets from the ranks of the Indian Army. Of the remaining 30 vacancies, we recommend that 24 a year should be open to competition, and that the Commander-in-Chief should have the right to fill six vacancies by nomination from among those candidates who have qualified at the entrance examination, but

failed to secure a place in open competition. We suggest that in making these nominations special consideration should be given to candidates who are members of the Auxiliary and Territorial Forces, including the University Training Corps. We are all agreed that, in the event of the Commander-in-Chief being unable, owing to lack of suitable candidates either to select Indian army cadets up to the proportion decided upon, or not requiring to exercise his power of nomination to the full extent, the resulting balance should be added to the competitive vacancies and allotted to candidates according to the examination results.

Mr. Mukarji would prefer that the allotment should be at least 30 vacancies for open competition, not more than 24 for Indian Army cadets, and not more than 6 for nomination. These were the proportions originally proposed by Sir Abdur Rahim as well as the official members of the Committee.

16. Sir P. S. Sivaswamy Aiyar, Dr. Moonje, and Major-General Rajwade, dissenting from the views of the majority, recommended the allocation of a much higher proportion of the vacancies to open competition. Sir Sivaswamy Aiyar and Dr. Moonje would reserve 48 out of the 60 vacancies for competition, and 12 altogether for Indian Army cadets and nominated candidates. Major-General Rajwade would allot 40 to competition, 20 to Indian Army cadets, and none to nominated candidates. These members contend that the recommendations of the majority would unduly favour the classes at present recruited in the Army at the expense of all other classes. They point out that even in the open competition in force since 1928, a large proportion of the successful candidates have come from the enlisted classes, and they see no reason to apprehend that this proportion will diminish under the new conditions.

17. In making our definite recommendation in accordance with the view accepted by the majority, we need only add that we do not intend that these proportions should be regarded as unalterable. They can, and obviously should, be revised in either direction, if experience at any time proves them to be unsuitable.

CHAPTER III.

ENTRANCE.

18. *Preliminary qualifications.*—The age limits that we have recommended for the entrance examination, namely 18 to 20, are, as already stated, the same as those at present in force for Indian candidates in the British cadet colleges. Other essential qualifications required are that a candidate must be medically fit, unmarried, and either a British Indian subject or the subject of an Indian State. We recommend that these conditions be maintained.

19. We are of opinion that it would be inadvisable to insist on specified educational qualifications for admission to the entrance test, especially in view of the variation in university standards and of the fact that many schools do not prepare boys for Indian university examinations. While a high level of general attainments will naturally be expected from candidates, we consider that the entrance examination itself will provide all that is necessary by a way of an educational standard.

20. *Medical tests.*—Under the present system military medical boards are held at local centres about six weeks before each entrance examination. This is a convenient arrangement, and we recommend that it be continued. A candidate who is dissatisfied with the verdict of a medical board has the right to demand an appeal board, which is thereupon convened, as soon as possible, and before the entrance examination takes place. We recommend that, in cases where a specialist opinion is required, a specialist, preferably a civilian, should be included in the appeal board in future.

21. *Entrance Examination conducting authority.*—The examination of Indian candidates for the British cadet colleges is at present conducted, both in England and in India, by the Civil Service Commissioners of Great Britain. The papers set are the same as those for British candidates, with a few modifications to suit Indian requirements, *e.g.*, the substitution of Indian for European Modern History, the inclusion of some oriental languages in the list of subjects and of a number of special questions, suitable for Indians, in the general knowledge paper.

With the inauguration of an Indian Military College, the task of conducting the examinations must clearly be transferred to an authority in India. We recommend accordingly that the Public Service Commission be asked to undertake this duty, with the stipulation that the general standard of the examination should be maintained at its present level. Indian candidates, who are already in the United Kingdom, should be allowed to appear at a simultaneous examination, the papers being sent from India under sealed cover.

22. *Subjects of examination.*—We have considered carefully the subjects prescribed for the present examination, and are of opinion that they should be adopted as far as possible. We recommend, however, a few deviations, which we explain below. The following are our proposed list of subjects and scales of marks :—

	Marks.	
I. Interview and Record	500	500
II. The English Language	300	
III. General knowledge	300	
IV. Elementary Mathematics	150	
V. Main subjects (two to be taken)—		
(a) A modern European Language	300	
(b) Lower Mathematics	300	
(c) Higher Mathematics .. .. .	.. .. .
(d) English History from 1485 .. .. .	.. .. .
(e) Indian History .. .. .	.. .. .
(f) Physics .. .. .	.. .. .
(g) Chemistry .. .. .	.. .. .
VI. A subsidiary subject (one to be taken)—		
(a) Outlines of English History from 1485	150	
(b) Elementary Science .. .. .	.. .. .
(c) Geography .. .. .	.. .. .
VII. Freehand or Geometrical Drawing. (Optional)	50	1,550
Grand Total		2,050

23. We have included Elementary Mathematics as an obligatory subject, we are proposing some reduction in the scope of the history papers, as an intimate knowledge of European History is somewhat beyond the capacity of an Indian boy. We have included Geography as an optional subject. The standard in English should be high. The examination should be a test of a good working knowledge of the English language, and should not include set books in English literature. The General Knowledge paper should be designed "to test the knowledge and interest of candidates in the more important topics of the day, in literary, geographical and other questions".

24. A candidate should be required to obtain a minimum of 35 per cent. of the marks in I, and a minimum of 500 marks (or $33 \frac{1}{3}$ per cent.) in the aggregate of the written tests in order to qualify for admission to the Military College.

25. A candidate who takes (d) in V should be precluded from taking (a) in VI and a candidate who takes (f) or (g) in V should be precluded from taking (b) in VI.

26. In order to discourage superficial work, we propose that, in any paper, marks below 15 per cent. should not be counted towards the aggregate.

27. Candidates who aspire to commissions in the Artillery or the Engineers will be well advised to offer Mathematics and Physics as their optional subjects.

28. The syllabuses prescribed for V in the admission examination to the R. M. A., Woolwich, or the R. M. C., Sandhurst, will obtain generally for this examination. We hope that the Public Service Commission will scrutinise the subjects of study and the syllabuses, in order to ensure that they are in conformity with the present Sandhurst examination.

29. *Interview and Record Test.*—This test is now conducted by a Board consisting of two Indian Army officers, who must have commanded Indian units, and of whom the senior (generally the Adjutant-General in India) presides over the Board; one civil official, normally of the Education Department; and one non-official Indian gentleman nominated by the Governor-General. This last appointment follows a recommendation of the Skeen Committee, who, no doubt, foresaw that possibly none of the three official members of the Board would be an expert in the art of drawing out a candidate's knowledge and bent, and considered therefore that the presence of a non-official would compensate for this deficiency, and tend to inspire some confidence in the candidate. If, however, as we hope, the entire examination will be conducted by the Public Service Commission, the need for a non-official member of the Board will disappear. Our recommendation is that the Board should include one or two members of the Public Service Commission, as the Commission itself may decide on each occasion. If there is one, he should be an Indian, if there are two, one at least should be an Indian. There should be two senior officers of the Indian Army appointed as at present. The member of the Commission, or the senior of the two members, as the case might be, should preside.

30. Captain Sher Mohammad Khan, and Captain Narain Singh are of opinion that the Board should not contain more than one member of the Public

Service Commission. Dr. Moonje, Sir Abdur Rahim and Major-General Rajwade recommend that the Board should consist of one member of the Commission and two non-official gentlemen, besides the two military officers. Chaudhuri Chhotu Ram recommends that if there are two members of the Public Service Commission on the Board, a third member belonging to the enlisted classes should also be appointed.

31. We attach much importance to this test, in which due attention should be paid not merely to the record, but even more to the several activities of each candidate outside the class room.

CHAPTER IV.

COURSE AND ORGANIZATION OF THE MILITARY COLLEGE.

32. We have described in Appendices II and III the detailed course and organisation which we propose for the College. We shall content ourselves here with some general observations on these subjects.

33. *Preparatory Measures.*—It will be advisable to appoint the Commandant and the Assistant Commandant some months before the opening of the College in order to enable them to work out the administrative and instructional details as thoroughly as possible. Other senior members of the staff should also be appointed at such time as will ensure a full discussion of the timetable, etc., and the preparation of lectures. In our opinion, it is essential that the Commandant should be in close touch with all arrangements regarding the construction of buildings and the provision of equipment, furniture, etc., on the permanent site.

34. *Power to remove unsuitable candidates.*—In our opinion, the main desideratum is to eliminate 'wastage' as far as possible and to ensure that a high percentage of cadets shall be successful in the final examination. In the early stages, it will probably be difficult to decide whether or not a candidate for admission will prove himself at a later stage to be suited to a military career. We are keenly anxious that, in the first place, a cadet who appears to the authorities to be unsuitable, will be removed from the College at as early a date as possible so that he will be able to continue his studies elsewhere, and, in the second place, that his vacancy in the College will be filled by another as soon as possible. We therefore recommend that, before the end of the first year, a serious test should be conducted by the college authorities with the object of deciding on the suitability of each cadet in that year. The Commandant's proposals for the removal of cadets should be subject to the sanction of the Commander-in-Chief on the advice of the principal staff officer or officers concerned.

35. *Cadets' contract with the State.*—In this connexion we propose further that, on passing the test above mentioned, the cadet should be called upon to decide finally whether he will follow a military career. If he decides to do so the parent or guardian and the cadet should enter into a contract with the State, in which the cadet should engage to serve in the army for a period of five years from the date of his Commission. In default Government should be empowered to recover the cost of his education at the College up to a limit which we suggest should be fixed at Rs. 5,000.

36. *Vacations.*—Until the site of the College has been selected it is not possible to offer more specific proposals under this head. We suggest that

during term-time, the number of religious and other holidays should be reduced to a minimum; and that even in the case of those observed, cadets should not be permitted to absent themselves from College. Leave of absence during term-time should be granted only in exceptional circumstances.

37. *Servants and messing arrangements.*—We desire to make three recommendations in regard to the organisation of the College, which appear to us of great importance:—

- (a) It is essential that the cadets should be trained in a spirit of self-reliance. We therefore suggest that no private servants should be permitted in the institution. The necessary number of College servants will be provided.
- (b) It is essential that a spirit of unity should prevail in the College, and we therefore suggest that the feeding and other arrangements should be placed on a common basis.
- (c) The average age of the students who have entered by direct competition will be 21 years and the average age of Indian army cadets will be considerably higher. It is very necessary from all points of view that students of this standing should enjoy adequate privacy. We recommend therefore that every cadet should have a room to himself.

CHAPTER V.

FEES AND EXPENSES.

38. In making our recommendations on the question of fees and other expenses to be paid by a cadet of the Indian Military College, we have to bear in mind that 30 out of 60 vacancies will be reserved for the Indian Army cadets, hitherto known as 'Y' cadets. The Army cadets will be selected from among men who are serving in the ranks, and belong in the main to a class with limited means. The question of payment in their case is necessarily governed by special considerations, as stated below. We have further to determine the payment to be made normally by a cadet who enters by open competition. We have tried to make the payment as moderate as possible, with a view to widening the door for a sufficiently large number of candidates, at the same time ensuring that the burden to the tax-payer is not excessive.

39. We have two standards to guide us in framing an estimate. The cost to an Indian cadet at Sandhurst of one and a half years' course amounts to £677 towards which the Indian Government contributes about £200, so that the cost to a cadet's parents or guardian comes to about £477, that is nearly Rs. 6,500. Then we have the example of the Royal Military College at Dehra Dun, which provides a public school education on British lines. Here the normal expenses to the parents or guardian for a student, inclusive of everything, amounts to Rs. 1,700 per annum as against the cost to Government of Rs. 2,600 per annum. The course at Dehra Dun extends over 7 years so that the total cost to a student's parents amounts to Rs. 11,900 before he becomes eligible to compete for a vacancy at Sandhurst. If the candidate is successful at the examination he has to find between Rs. 6,000 and Rs. 6,500 for the Sandhurst course, that is to say, the total cost to him comes to Rs. 18,400

in 8½ years.' That gives us a little over Rs. 2,000 per annum and for three years about Rs. 6,500. We do not know yet what the cost of running the Indian Military College will be to Government, and we have to consider the question of cost to the cadet's parents entirely on its own merits.

40. *Indian Army Cadets.*—We consider that, like Army cadets at the cadet colleges in England, Indian Army cadets should receive their education at the Indian Military College free of charge. We recommend, further, that these cadets, on admission to the College, should be granted pay at the rate of Rs. 60 per mensem. We would leave it to the military authorities to decide whether any part of this should be treated as deferred pay.

41. *Sons of military officers and soldiers.*—We recommend that cadets who are the sons, or in very exceptional circumstances, the grandsons in the male line of military officers and soldiers of the Indian Army or Indian State Forces, should be eligible for a remission of fees, according to circumstances, up to one-half of the total.

42. *King's India cadetships.*—We are of opinion, subject to the concurrence of the Army Council, that a due proportion of the King's cadetships, King's India cadetships and cadet scholarships for which Indian cadets are eligible at the cadet colleges in England, should be transferred to the Indian Military College.

43. *Scholarships.*—We recommend that the various scholarships now offered to Indian cadets at Sandhurst and Woolwich should be transferred to the new College. These are the Sir Pratap Singh Memorial, Silver Wedding Fund, and Birdwood-Tehri scholarships and the special scholarships instituted by the Government of Bombay for cadets of that Presidency. We express a hope that other local Governments and private individuals will found similar scholarships in future. We recommend, that the Central Government also should devise some system, either of scholarships or remission of fees, to assist deserving Indian cadets of limited means, other than the sons of military officers or soldiers.

44. *Fees recommended by the Committee.*—We feel it to be important that the cost of the full course at the Indian Military College should be substantially less than that incurred by Indian parents in sending their sons to cadet colleges in England, and that the annual cost also should be less than at the Royal Military College at Dehra Dun. We have attempted to work out detailed figures and to arrive at an estimate of the normal expenses of a cadet at the new College, but we have not been able to produce any results of value. We must, therefore, content ourselves with a general recommendation that the fees and other expenses should be so calculated that the average annual cost to the individual should be not much more than Rs. 1,500, and that the total for the whole course should not exceed Rs. 4,600. This figure includes tuition, board and lodging, uniform, books, pocket money fixed at a reasonable amount, games, subscriptions. It does not include vacations or private clothes. Dr. Moonje, dissenting from this recommendation, considers that the total expenses of a cadet should not in any case exceed Rs. 75 a month.

CHAPTER VI.

INDIAN STATE FORCES CADETS.

45. *Vacancies and qualifying conditions.*—Under the Resolution of the Defence Sub-Committee of the Round Table Conference, our College is also to train prospective officers of the Indian State Forces. After some discussion we came to the unanimous conclusion that 20 vacancies a year in addition to the 60 vacancies for British India would be a reasonable provision for Indian State Forces cadets. We consider, subject of course to the consent of the Rulers of the States concerned, that the 20 vacancies should be allotted among the various Indian States that maintain State Forces in the proportions of the strengths of their troops as shown in the Indian State Forces Army List. We think that it should be left to individual States to decide how many of the vacancies allotted to them in any year should be filled by competition within the State and by selection of army cadets respectively. Those candidates who entered by open competition would have to reach the same qualifying standard as candidates from British India. Army cadets from the Indian State Forces would similarly be required to pass tests of the same general standard as those demanded from Indian Army cadets. It is obvious that all candidates from Indian States must be sufficiently well educated to take full advantage of the course and to assist in maintaining the general level of efficiency at the college. Competitive candidates should be required to pass the medical test conducted under the authority of the Army Department. Army cadets should be required to produce a certificate to show that they fulfil the same standards of physical fitness as the Indian Army cadets.

46. *Fees and expenses.*—We do not recommend that Indian States should be invited to contribute any funds towards the establishment of the College, or its maintenance when established. In view of this, the majority of us consider that the full expenses of the course should be payable in respect of all Indian State Forces cadets whether entering the College by competition within the State or as army cadets. The cost of any remission of fees granted to individuals should be borne by the State concerned.

Dr. Moonje, Sir H. Gidney, Major-General Rajwade, Colonel Lachman Singh and Captain Narain Singh dissent from the above opinion, and consider that some concessions should be granted to Indian State Forces cadets at the expense of the Government of India as the States have always taken their due share in the military responsibilities of the Empire.

CHAPTER VII.

INDIAN AIR FORCE CADETS.

47. It appears from Resolution (2) (b) in paragraph 4 of the Report of the Defence Sub-Committee of the Round Table Conference that the Conference intended that cadets should be trained for the Indian Air Force at the Indian Military College. In view however of the great difficulties of providing adequate flying training and technical instruction in this country such as are obtained at Cranwell, we have carefully considered, as an open question, whether the existing arrangements for Indian Air Force cadets should not be maintained

for some time to come. In our discussions on this subject we have had the benefit of the presence and advice of the Air Officer Commanding in India, Air Vice Marshal Sir John Steel. He is of opinion that the course which we propose at the Indian Military College would form a suitable foundation for training for officers of the Indian Air Force, assuming that there will be adequate instruction in mechanics. He is further of opinion that it would not be feasible for Air Force candidates to do anything less than the complete course as much of the work done would not then be properly consolidated before the cadet left the college. Officers commissioned from the college would have to undergo a year's course at a flying training school as pilot officers on probation. In this way Indian cadets would become pilot officers between the age of 21 and 23.

48. *Flying Training School.*—The cost of establishing a Flying Training School in India under present conditions would be prohibitive. We are informed that the cost of a Flying Training School in England, containing on an average 60 pupils under training, amounts to approximately £200,000 a year and that allowing for wastage, the average cost to the State of each pupil who passes out is about £4,000. It is obvious that India cannot afford to pay on this scale for the training of the very small number of pilot officers that she requires.

49. *Retention of Cranwell for the present.*—We recommend therefore, that until the number of pilots required justifies the expenditure on a Flying Training School in India, Indian cadets should continue to go to Cranwell for the complete course of two years. They should then be attached to a Service Squadron in England for six months (to include a short course at the school of Army Co-operation): and subsequently be attached to a Service Squadron in India for a further period of 6 months. We recommend further that the Government Ministry should be asked to allow the present reduced rates for Indian cadets at Cranwell to continue as a temporary measure.

50. We consider that Indian flying officers should be sent to England for specialist courses as required: that the possibility of starting a small flying training school in India should be very carefully investigated: and that it should be the policy of the Government of India to establish such a school as soon as the number of pilots to be trained justifies such expenditure, provided that the financial situation permits. When this stage is reached, the question whether Indian cadets should pass through the Indian Military College before going to a flying training school in India should be reconsidered.

CHAPTER VIII.

MISCELLANEOUS.

51. *Post Graduate Courses.*—We were asked to consider whether graduates of the Indian Military College who enter the technical arms of the service should continue to receive post graduate instruction in the United Kingdom. We were informed that there would be no difficulty in organising an adequate course of instruction at Kakul to take the place of Larkhill for the Artillery, at Jubbulpore to take the place of Catterick for the Corps of Signals. Officers of the Royal Engineers at present take a course at Cambridge University.

and Chatham, lasting altogether about two years. At Cambridge they are required to take an honour's degree in mechanical engineering. We think that the Thomason College at Roorkee and perhaps other colleges should be able to provide all that is necessary in the way of general training, and that the requisite special courses, in subjects such as electricity and railway construction, could also be arranged.

52. *Attachment to British units.*—We consider that all young Indian officers before joining their own units should be attached to British units in this country for one year, as is already the practice in the cavalry and infantry. We do not recommend that they should be attached to British units in the United Kingdom, although this suggestion had the support of the Skeen Committee. All the benefits derived from associating with British officers in the daily routine of regimental life can, in our opinion, be obtained as easily in this country as in England, while in the former the young Indian officer has the advantages also of the society of his own countrymen and of being able to visit his home.

53. *Preparatory institutions. Prince of Wales' Royal Indian Military College, Dehra Dun.*—We have already drawn attention to certain disadvantages from which Indian boys suffer in their education, and to certain defects in the educational system. It is mainly on account of these defects, that we have agreed to recommend a three years' course at the Indian Military College. We have also alluded to the admirable training which is now given at the Prince of Wales' Royal Indian Military College, Dehra Dun. The main cause of the success of this institution is that it supplies the opportunity and the resources to provide good school education to boys up to 18 or 19 years of age. It is unfortunate that, for our purposes, there are few, if any, other schools which have similar opportunities and resources. This is due very largely, as already shown, to the fact that the majority of boys pass Matriculation before the age mentioned above and thus leave school prematurely.

54. The question that now confronts us is whether, after the establishment of a cadet college, the army authorities should continue to maintain a secondary school to act as a feeder to it. The Dehra Dun College is being gradually expanded at present to the full capacity of its existing buildings and staff. As regards its future development we may quote the recommendations of the Skeen Committee, which were accepted in principle by Government at the time :—

“ The material success achieved by the Dehra Dun College has been so great that we consider it should be gradually expanded up to a total capacity of 250 to 300 cadets or whatever figure is regarded by educational experts as the most suitable limit for an institution of this character. And later, if circumstances demand it, another school on the same lines as the Dehra Dun College should be opened in some other part of India. We recommend that the first step should be the expansion of Dehra Dun rather than the establishment of other small schools of the same kind, because we find that the existing Dehra Dun College has rendered valuable service amongst other things in diminishing inter-provincial

differences and fostering unity of sentiment such as is indispensable in a national army.

The control of the Dehra Dun College should continue as at present to be in the hands of the military authorities. But while the main object of the College must always be borne in mind, *viz.*, to produce boys for the Army and Navy, those responsible for its administration should be careful to adjust the curriculum and standard of teaching with a view to securing that the course of education given at the College confers a qualification recognised by the University authorities responsible for recruitment to the other Public Services. It might be advantageous to set up an advisory committee, which should include educational authorities of high reputation, to guide the military authorities in regard to the courses of study and the conduct of examinations."

55. *Recommendation for the future of the Prince of Wales's Royal Indian Military College, Dehra Dun.*—We agree that the College should be enlarged as soon as possible up to the maximum limit of its present accommodation and staff, and thereafter gradually enlarged up to the limit suggested by the Skeen Committee. We would add that, in our opinion, the cost of training should be reduced to Rs. 100 a month. We recognise, however, that as expansion takes place, it will become increasingly difficult, if not impossible for the military authorities to remain responsible for the management of the college. A college of the size suggested will be turning out about 40 boys annually, a number one-third as large again as the total vacancies obtainable by open examination for the Indian Military College in the initial stage. We must moreover, expect increasing competition from other institutions with the result that eventually only a small proportion of Dehra Dun boys will have a reasonable prospect of entering the Indian Military College. At that stage, definite provision will have to be made for preparing the majority of the students for admission to advanced university courses and to civil careers—a task which the military authorities could not undertake. Our recommendation can therefore only be that the military authorities should remain in control of the Dehra Dun College for so long as is found practicable. Dr. Moonje was of the opinion that the cost of training should not exceed Rs. 75 per month.

56. *King George's Royal Indian Military Schools.*—As regards other institutions we note with satisfaction that the military authorities intend to improve the standards of education at the King George's Royal Indian Military Schools at Jhelum, Jullundur and Ajmer, particularly in the teaching of English, with a view to increasing the number and quality of candidates for Indian Army cadetships.

57. *Auxiliary and Territorial Forces cadets.*—We recommend that members of the Auxiliary and Territorial forces should be eligible for nomination to the college as Indian Army cadets, provided that they are within the same age limits and satisfy the same educational tests as are prescribed for cadets from the regular army. We think that it would be desirable also to insist that candidates from these forces should undergo a period of attachment to a regular unit for, say, six months before proceeding to the college. We do not make a similar recommendation for members of the University Training Corps.

as these will generally speaking be within the age limits of the open examination, and there is no reason, therefore, why they should not enter the College by that examination or through the Indian Territorial Force as Indian Army cadets. Moreover, the military training imparted in the University Training Corps is necessarily of a lower standard than in the Auxiliary Force and the other Territorial units all of whom are liable for military service.

Sir Abdur Rahim, Mr. Mukarji, Major-General Rajwade, Dr. Moonje, Sir H. Gidney and Sir Sivaswamy Aiyer, dissenting from the majority, are of opinion that members of the University Training Corps should be eligible for direct appointment to Indian Army cadetships.

58. *Retention of Sandhurst and Woolwich.*—The Skeen Committee, as well as the Defence Sub-Committee of the Round Table Conference, proposed that after the opening of the Indian Military College, Indian cadets should continue to be admitted to cadet colleges in England. We find ourselves unable to support this recommendation. It is our object to give the new College a good start, and to encourage its successful development to the utmost. During its earlier stages the greater prestige of Sandhurst would undoubtedly attract a certain number of candidates who could afford to go there; and these, when commissioned in the Indian Army, would tend to regard themselves as superior to their contemporaries from the Indian College. Such an attitude would have the worst possible effect upon the *esprit de corps* of young Indian officers. Nor do we think that it would be justified in actual fact. The new College, planned and organized, as it will be, exclusively for Indian cadets in their own country, must surely provide a more suitable and efficient training for the Indian officer of the future than a course designed for British youths in England, however thorough and however carefully adapted the latter course may be. Sir Abdur Rahim, Dr. Moonje and Mr. Mukarji dissent from this recommendation.

59. *Location.*—We have considered a number of possible sites for the College. The ideal site for our purpose would be in a place occupying a central or at any rate easily accessible position, with a temperate climate all the year round, with adequate room for expansion and for training purposes, and with a military garrison in the neighbourhood. It should not be situated in a large town, nor on the other hand too far in the country. It should, if possible, possess some vacant buildings which could be utilized temporarily to start the College while the main and permanent buildings were being erected. We did not expect to light upon any place in India fulfilling all these requirements nor have we done so. Bearing them however in mind, we have considered the possibilities of a variety of places including Bangalore, Satara, Poona, Deolali, Mhow, Pachmarhi, Shillong, Saugor, Dehra Dun and Abbottabad. We eventually reduced the choice to three places, Satara, Mhow and Dehra Dun. All these have the advantages of a moderate climate and relative accessibility. Satara possesses a certain number of buildings which could be utilized, but there are no troops in the neighbourhood. In all three places the question of water supply would require careful consideration. The majority of us are inclined to favour Dehra Dun, where a large and suitable site could probably be obtained without difficulty. We are content however to leave the final selection to the Government of India on the understanding that every

effort will be made, to establish the College by the autumn of 1932, if possible, on its permanent site.

Philip W. Chetwode.

*Abdur Rahim.	Kenneth Wigram.
*P. S. Sivaswamy Aiyer.	C. Norman Macmullen.
*Chhotu Ram.	G. M. Young.
H. A. J. Gidney.	George Anderson.
*B. S. Moonje.	H. L. Haughton.
*S. N. Mukarji.	Sharbat Khan.
Sher Mohammad Khan.	Narain Singh.
*G. R. Raghunath Rajwade.	
Lachhman Singh.	
Mirza Kader Beg.	

*Subject to separate minute (s).

APPENDICES.

- I. His Excellency the Commander-in-Chief's address May 25th, 1931.**
- II. Course at the College.**
- III. Organisation of the College.**

APPENDIX I.

His Excellency the Commander-in-Chief's address, 25th May 1931.

In accordance with the Resolution adopted by the Round Table Conference, this Committee is a Committee of Experts, and our task is to work out the details for the establishment of a Military Training College in India for the purpose of training candidates for commissions in all arms of the Indian Defence Services, and prospective officers for the Indian State Forces.

We have done our best to collect as representative a body as possible but I am afraid we have not succeeded in pleasing everybody. May I therefore remind you that, in our deliberations, we must not forget the interests of those who are not directly represented here, and must try to take an impartial view of the claims and counter-claims of all who may be concerned.

Before proceeding with the business in front of us, I should like to say a few words on the subject of Indianization generally.

We all know the history of Indianization, and how, after many Committees and much discussion between the Home and Indian Governments, it was decided that an experiment should be started in which eight units are earmarked for Indianization, consisting of Infantry, Cavalry and a Pioneer Battalion. It was also decided that these units, and any other units that would be subsequently Indianized, should be organized on the British basis of officers, that is to say, that all officers down to platoon commanders, amounting to about 27 for each Battalion, should be King's Commissioned Officers. This involved the gradual elimination of the present Viceroy's commissioned officers.

This apparently, although it was announced by my predecessor in the Assembly and in an article in the Royal United Service Journal, has not been grasped either by the public or by the army. Nor had people realized that, if the present Indian King's commissioned officer is to continue to receive British rates of pay, it would considerably increase the cost of each Indianized unit—in the case of an Indian Infantry Battalion, for instance, by something like Rs. 50,000 per annum.

I myself had given close attention to the problem of further Indianization during the time I was Chief of the General Staff. I realized that, although the experiment of the eight units had not had time to prove itself, it was impossible to stand still, and that we must go on and Indianize further as soon as the eight units began to fill up with Indian King's commissioned officers.

I also realized that the eight units were not popular with either the Indian public or the young Indian officer. They used the term "segregation". This I never agreed with. The Indianizing of the Indian Army by putting into units officers who in many cases did not belong to the same class as the men in the ranks was obviously an experiment. Some of them, I think, are making good now; others are not—but it was an experiment which we who were responsible for military affairs in India had to recognise involved a certain amount of risk, and the only way it could prove itself was by completely Indianizing units as soon as possible and giving the Indian full responsibility without the aid of British officers.

Further, we do not fight in modern war by means of a heterogeneous collection of units. We fight in what are known as formations—Brigades, Divisions, Corps; and each Division has to be complete and self-supporting in itself, with its Cavalry, Infantry, Engineers, Artillery and possibly Tanks or Armoured Cars, and all its administrative services.

I have therefore proposed to the Government that we shall at once start to Indianize a complete Division of the Indian Army of all arms and *et ceteras*. This means that, for the first time we make a real start with an Indian Army as a fighting proposition and not merely an experiment.

Some may say that, although we hope to arrange for an intake into the new Sandhurst, of 60 or thereabouts, this is going far too slow. I, however, am quite unable to advise Government to experiment with a larger number of units than this will mean, until such time as we can see a little more clearly whether an Army officered by Indians is going to be a fighting proposition.

At the present moment, the young Indian officers in the eight units have seven years' service. That is obviously not long enough for us to tell whether they are going to be fit to administer and train a unit in peace and lead it in war. In seven more years, however, they will have had fourteen years' service, and by that time I feel pretty certain we shall be able to give a definite opinion whether they are going to be a complete success or not; and we need not wait until a further seven years, which would bring young officers now in the Army up to 21 years' service and approaching the time when they would command units, before we decide to carry the experiment further.

With fourteen years' service, I feel convinced that these young officers will have shown themselves fit or not fit, and it will then be an easy matter to increase Indianization by Brigades or Divisions, as the authorities of the moment think fit, because by that time they will have no doubts in their minds as to whether they are conducting an experiment or building up an Indian Army that will be a reliable instrument for carrying out the onerous duties of the military forces in India.

In dealing with the expansion of Indianization, our object is to create a recognised combatant force on a purely Indian basis, which would in time replace a force of a similar size in the Imperial Army. For it is by the gradual replacement of Imperial fighting formations alone that India will be able eventually to assume responsibility for her own defence.

A programme that takes no account of indeterminate factors cannot be of any real value; for instance, between 1918 and 1930, 175 vacancies have been offered, and only 153 have been filled. Excluding 42 now at Sandhurst, that leaves 111 who ought to have passed through Sandhurst. Of these, 86 received commissions, but only 71 are actually serving in the Army to-day. That represents a wastage of 64 per cent., which I think you will agree with me is high.

Our first task is to create a steady flow of fine young officers. Once that is established, we can then proceed to expand as much as you like. Up to that point, however, I see no alternative to developing Indianization within a definite field. Accordingly we must fix our intake to start with, and trust to increasing that figure as soon as we are assured that a regular supply of candidates of the requisite qualifications is forthcoming, and that the class of candidate we are getting is of the right type.

I would ask the Committee, therefore, to concentrate particularly on the question of the supply of suitable candidates, as this seems to me to be the crux of the whole problem. It is the preliminary training of the boy between the years of nine and eighteen that counts. What we require in military officers is not only education but the qualities of character, leadership, and a sense of responsibility; these can be developed only by a regular system of discipline in schools. Such a system exists in British Public Schools, and we have done our best to introduce it into Dehra Dun and the King George's Schools.

APPENDIX II.

COURSE AT THE COLLEGE.

1. *General Remarks.*—The same standard on passing out of the College should be maintained as at the R. M. C., Sandhurst.

The object of the course should be the same ; namely,—

- (a) To give the cadet a broad view of his profession as a whole and his responsibilities as a servant of the State ;
- (b) To inculcate and develop the essential military characteristics of leadership, discipline and physical fitness, and a high sense of duty.

No attempt should be made to turn out a cadet as a trained executive officer. It is with his unit that his training in the details of his professional and technical duties must be completed.

2. *Division of year.*—It is proposed that—

- (a) the year be divided into two terms ;
- (b) the whole course should consist of six terms ;
- (c) each year's course be divided into two terms, and two periods of vacation, totalling three months. Several of us, however, including Sir George Anderson, Mr. Mukarji, and Colonel Haughton are of opinion that a total of three months in the year will prove to be too short a period for vacations. They point out that terms of excessive length are likely to engender staleness in teachers and pupils alike ; and they fear that the vacations will not be long enough to enable instructional and administrative staffs to prepare adequately for the next term's work.

3. *Subjects.*—These should be divided into two main sections as follows :—

Section I.—“ General Military Education ”, including the study of Organization and Administration.

Section II.—“ Detailed Military Education.”

Each Section should consist of certain obligatory and certain voluntary subjects, as follows :—

(a) *Obligatory subjects* :—

History, Geography and Strategy.

Civil Organisation and Administration, Book-keeping and Accountancy leading to Military Organisation and Administration.

Law.

Drawing (Engineer candidates should be required to pass a qualifying test in this subject at the end of the second year).

Elementary Mathematics.

Mechanics (Workshops).

Tactics, Map Reading and Field Sketching and Field Engineering.

English.

(b) *Voluntary subjects*, of which two only may be taken :—

Higher Mathematics.

Economics, including Modern History.

Electricity, Physics and Chemistry.

(c) In addition there will, of course, be the following :—Drill, Shooting, Physical Training and Equitation. (Equitation should not commence until the third term.)

(d) *Weapon training.*—The cadet will be taught the theory, tactical application and co-operation of all arms and weapons with the object of enabling him readily to assume the position of a leader and instructor within his unit.

He will not be taught such details of his weapons as can be learned in his unit's training cadre, except in so far as are required for the carrying out of tactical schemes.

4. *Allotment of work.*—The week should consist of 30 hours work, Wednesdays and Saturdays should be half holidays, and Sundays whole holidays.

5. *Examination and allotment of marks.*—The system carried out at the R. M. C. with regard to the examination and allotment of marks should be followed, viz. :—

(a) Only one examination will be held, and will be carried out by external examiners at the end of the course.

Papers in this examination will consist of alternative questions covering the whole period of the course.

(b) Certain marks are at the disposal of the General Staff officers, in their roles as Chief Instructors and as Company Commanders.

(i) Chief Instructor's marks are allotted for work carried out in their sections during each term.

(ii) Company Commander's marks are awarded, on the progress made by the cadet in general behaviour, drill, physical training, and equitation, and on the manner in which he has carried out the duties of his rank.

6. A table showing the examination and allotment of marks, as suggested, is shown below :—

NOTE.—This allotment is proportionate to the number of hours given to each subject during the course.

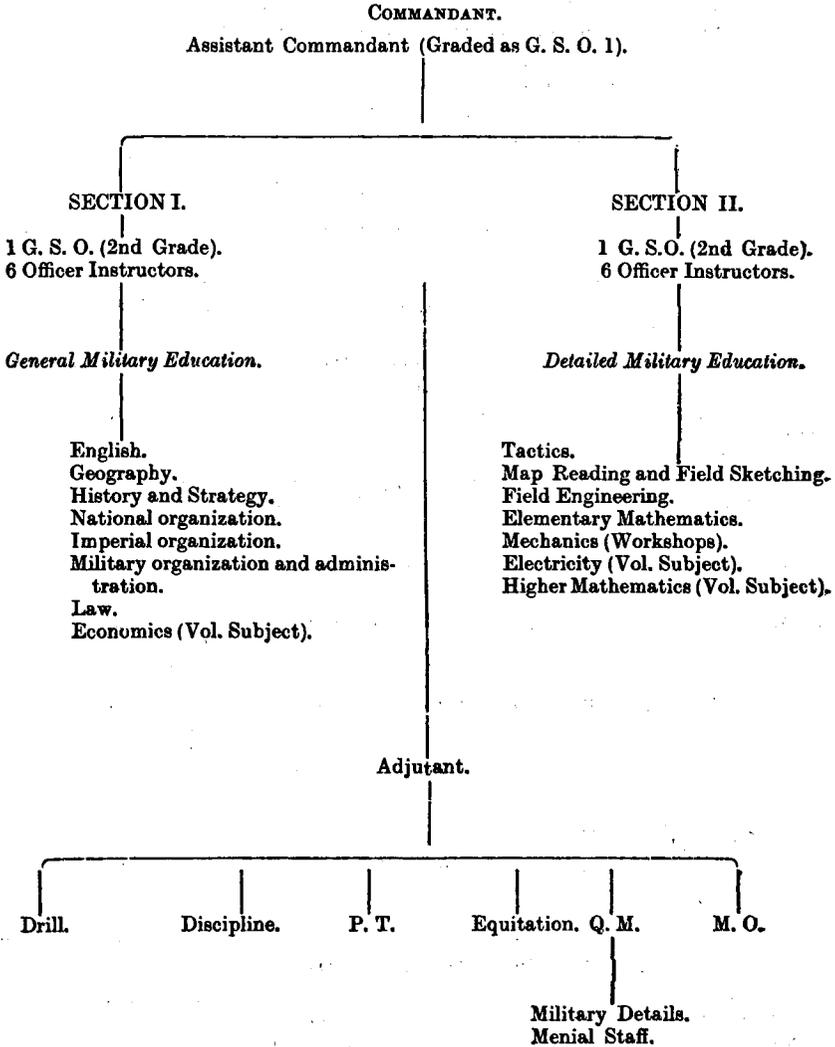
Period.	1st Term.	2nd Term.	3rd Term.	4th Term.	5th Term.	6th Term.	Final Examination.	Total marks for Course.
(1) Section I ..	200	300	400	300	600	600	800 (Two indoor papers.)	3,200
(2) Section II ..	100	200	400	400	700	700	600 (One indoor paper and one outdoor examination.)	3,100
(3) Voluntary subjects.	(a) { ..	..	50	100	150	200	400	900
	(b) { ..	..	50	100	150	200	400	900
(4) Company Commander ..	200	200	400	400	600	600	..	2,400
Total Marks ..	500	700	1,300	1,300	2,200	2,300	2,200	10,500

7. A cadet should obtain at least forty per cent. of the total marks in each subject, and at least sixty per cent. of the total marks in all subjects taken together.

APPENDIX III.

Organisation of the College.

1. It is suggested that the College, when in full working order, *i.e.*, after 2½ years, should be organized as follows:—



This makes a total of 19 officers:—

Commandant	..	..	..	..	..	..	1
Assistant Commandant (G. S. O. 1)	..	..	..	..	..	..	1
Adjutant	..	—	..	..	..	..	1
Quartermaster	..	..	..	..	..	..	1
Medical Officer	..	..	..	..	..	..	1
G. S. O., 2nd Grade	..	..	..	..	..	..	2
Officer Instructors	—	—	—	—	—	—	12

2. The above instructional staff of officers has been worked out for total establishment of 150 cadets, with an average strength in each class of 12. Any increase up to a total establishment of 225 cadets will not require any additional staff, as extra numbers up to a maximum of 18 can be taken into each class.

3. The steps considered necessary to work up to the full establishment are shown in the table below :—

	1st year.	2nd year.	3rd year.
Commandant	1	1	1
Assistant Commandant	1	1	1
Adjutant	1	1	1
Quartermaster	1	1	1
Medical Officer	1	1	1
G. S. O., 2nd Grade	2	2	2
Officer Instructors	4	8	12
Total	11	15	19

4. The proportion of officers to cadets at the various Military Colleges are shown below for comparison :—

	Number of Officers.	Number of Cadets.	Proportion of officers to cadets.	Remarks.
R. M. C., Sandhurst ..	47	550	1 : 12	
R. M. A., Woolwich ..	34	180	1 : 5½	
R. A. F. College, Cranwell ..	30	100	1 : 3½	
Indian Sandhurst—				
(a)	19	150	1 : 8	(a) Without I. S. F. cadets.
(b)	19	225	1 : 12	(b) With I. S. F. cadets.

It is proposed that the normal tenure of appointments should be :—

- (a) Commandant, Assistant Commandant, and Adjutant .. 4 years.
- (b) Officer Instructors 3 years.
- (c) O. R. Instructors 2 years.

Note.—It is realized that the above may have to be modified for the original staff to ensure continuity.

6. The Assistant Commandant should be responsible to the Commandant for the organization and supervision of all educational training.

7. The two General Staff Officers, as chief instructors in each section, each with six officer instructors to assist, should be responsible for all subjects in their respective sections.

8. Of the officer instructors, one should be qualified to supervise equitation, and one to supervise physical training.

9. *Other Ranks.*—The following *British* instructional staff is considered essential when the College is in full working order, in addition to the above :—

For drill—

- one R. S. M. (H. Q. Staff).
- two C. S. Ms. } one each per company.
- two C. Q. M. Ss. }

For equitation—

One W. O. and two N. C. Os. (H. Q. Staff).

In addition, two Indian N. C. Os. for stable supervision, and 40 horses.

For P. T.—One W. O. and two N. C. Os. (H. Q. Staff).

10. The steps considered necessary to work up to the full establishment are shown in the table below :—

	1st Term.	2nd Term.	3rd Term.	3rd Year.
<i>Drill—</i>				
R. S. M.	1	1	1	1
C. S. M.	1	1	2	2
C. Q. M. S.	1	1	2	2
<i>P. T.—</i>				
W. O.	1	1	1	1
N. C. O.	1	1	2	2
<i>Equitation—</i>				
W. O.		1	1	1
N. C. O. .. .. .	..	1	1	2
Horses .. .. .	..	..	20	40
Total W. Os. and N. C. Os. ..	5	7	10	11
Horses .. .. .	..	..	20	40

11. To start with, a band is not considered necessary.

The establishment of religious teachers, clerks, buglers, Q. M. establishment, grounds men, syces and servants can be worked out later.

12. *General*—Particular stress is laid on the necessity for the provision of the following :—

Rifle and revolver ranges.

Drill sheds.

Open air riding schools.

Well equipped sports grounds, squash and tennis courts, gymnasium and swimming baths.

A good library.

Up-to-date laboratories and workshops.

Electric installation throughout.

MINUTES.

	PAGE.
1. His Excellency the Commander-in-Chief's covering minute ..	28
2. Minute by Sir Abdur Rahim, Rai Bahadur Chaudhri .. Chhotu Ram and Mr. S. N. Mukarji.	29—34
3. Minute by Sir Abdur Rahim and Mr. S. N. Mukarji ..	35—36
4. Minute by Mr. S. N. Mukarji	37—38
5. Minute by Dr. B. S. Moonje -- -- . . .	39—65
6. Minute by Sir P. S. Sivaswamy Aiyer and Major-General Rao Raja Ganpat Rao Raghunath Rajwade ..	66—95
7. Appendix to No. 6	96—99

COVERING MINUTE.

I have had some difficulty in deciding upon the manner in which I, as Chairman of the Committee, should present these minutes to the Government of India, and through them to His Majesty's Government. Some of the minutes, or portions of them, are clearly expressions of dissent from recommendations in the Report. But the greater part of the material contained in these minutes consists either of criticisms of the terms of reference to the Committee, as laid down by the Government of India under instructions from His Majesty's Government, or of dissertations upon matters which have nothing to do with the details of the establishment of a military college, such as the rate and methods of Indianization, and the class composition of the ranks of the Indian Army. The decision of all such questions rests with those responsible for the defence and safety of India, namely, His Majesty's Government on the advice of the Committee of Imperial Defence, and the Government of India on the advice of the Commander-in-Chief. These questions are not within the terms of reference, and have accordingly not been discussed by the Committee, nor dealt with in the Report. The position, therefore, is that six unofficial members of the Committee have submitted, in the form of minutes of dissent, opinions on technical matters which are outside the terms of reference, while the remaining twelve members of the Committee, including officials who are experts in these matters, have had no opportunity of discussing, and are even precluded from commenting upon, those opinions.

I am not in a position, however, to discriminate between one minute and another. I therefore forward them as they stand.* I must again emphasise that the portions of them to which I have referred have no connexion with the Report of the Committee, and that I and the majority of the Committee have necessarily had nothing to do with them, and are in no way associated with what they contain.

PHILIP W. CHETWODE,
General.

*NOTE.—One of the minutes contains quotations from an unpublished and secret official document. These quotations have been omitted from the printed report, and their places indicated by asterisks.

Minute by Sir Abdur Rahim, Rai Bahadur Chaudhri Chhotu Ram and Mr. S. N. Mukarji.

1. As the establishment of a Military College is the first important step taken towards evolution of a national army in the country, we have naturally given our whole-hearted co-operation in working out the details of a proper scheme. We have signed the report, however, subject to the minutes of dissent, in which we have recorded our views on certain conditions and limitations which have been attached to the scheme by the majority of our colleagues, and which in our opinion tend to frustrate the object in view of the Round Table Conference in establishing this College.

This Committee was appointed by the orders of the Government of India, notified in the Gazette of the 23rd May 1931, quoted in the report, in order to work out the details of the establishment of a Military College in India "to train candidates for Commissions in all arms of Indian defence services" in accordance with the following definite Resolution of the Defence Sub-Committee of the Round Table Conference. We set out here in full this Resolution as it must be taken to be an integral part of the terms of reference.

"(1) The Sub-Committee consider that with the development of the new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people, and not of the British Government alone.

(2) In order to give practical effect to this principle they recommend :—

(a) That immediate steps be taken to *increase substantially the rate of Indianization* in the Indian Army to make it commensurate with the main object in view, having regard to all relevant considerations, such as the maintenance of the requisite standard of efficiency. (Mr. Jinnah dissented and desired a clear indication of the pace of Indianisation.)

(b) That in order to give effect to (a) a training college in India be established at the earliest possible moment, in order to train candidates for commissions in all arms of the Indian defence services. This college would also train prospective officers of the Indian State Forces. Indian cadets should, however, continue to be eligible for admission as at present to Sandhurst, Woolwich, and Cranwell.

(c) That in order to avoid delay the Government of India be instructed to set up a Committee of Experts, both British and Indian (including representatives of Indian States) to work out the details of the establishment of such a college.

(3) The Committee also recognise the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and consider that the question should form the subject of early expert investigation."

2. In our opinion the scheme put forward by the official members of the Committee does not fulfil the requirements of the above resolution.

“ The defence of India must to an increasing extent be the concern of the Indian people and not the British Government alone.”

The first question that we have to consider under this head is : does the official scheme “ increase substantially the rate of Indianisation in the Indian Army ”, the main object which the conference had in view in recommending the establishment of a military college in India. Clearly it does not. The Indian Army has an officer establishment of between 7 and 8 thousand of whom about two-thirds are Indians holding the Viceroy’s Commission and the rest are King’s Commissioned officers of whom 105 are Indians. These last received their training within the last ten years at Sandhurst and Woolwich, under an arrangement with the authorities in Britain by which 20 Indian cadets are admitted to Sandhurst, 6 to Woolwich and 3 to Cranwell every year, *i.e.*, 29 in all. The scheme favoured by our military colleagues is that the College should be so designed as to give an annual output of about 60 officers which would be obtained if the intake allowed sufficient margin for wastage. No allowance has however been made in the Report for wastage. We are not taking into account the 20 cadets for the State Forces whom this College will also train. An output of 60 officers a year at the first sight would appear to double the present rate of Indianisation and it might indeed produce that effect if it were not accompanied with the condition that the graduates of the College will displace the present Viceroy’s Commissioned officers in the Indianised units, a condition which makes the apparent increase in Indianisation by means of this College entirely illusory. It is taking away with one hand what is given by the other. We shall explain this more fully presently.

3. In the meantime we wish to record our belief that even if the output of 60 officers a year were guaranteed as a genuine contribution towards *increased* Indianisation, public opinion might not be satisfied with the scheme, especially having in regard the impending “ development of the new political structure in India ”. Even the schemes of the Shea Committee and the Skeen Committee were conceived on more generous lines. The College, as designed, would, if the present composition of the Indian Army units were to be retained, bring about Indianising of a little more than 1/3rd of the total officer establishment of the Indian Army which, as we are informed, consists of 4 divisions of the Field Army and 2 divisions of the covering and internal security troops and 6 Cavalry Brigades. In addition to the Viceroy’s Commissioned officers 874 King’s Commissioned officers will suffice to Indianise more than 2 complete divisions of all arms and 2 cavalry brigades including the administrative and ancillary services, the staff and ordnance, etc. With an output of 60 a year the Indianising process, we understand, will take about 20 years, allowing for wastage, to produce its full effects provided things run their normal course, and at the end of that period we shall have about 4 more divisions and 4 more cavalry brigades still to be provided for. Unless, therefore, we have a definite provision for considerable expansion and for increasing the intake at the college, at short stated intervals, there is no possibility of completing the Indianisation of the essential services of the Army at any time.

4. Remote as the prospects of Indianisation would be with the addition only of 60 Indian King’s Commissioned officers a year even in the present composition of the Indian Army, consisting as it does of 12 to 14 King’s Commissioned officers and about 19 Viceroy’s Commissioned officers in each unit

we should be prepared to agree that the College, with a definite provision for considerable expansion from time to time, would ensure a fairly substantial increase in the rate of Indianisation so as to fulfil the requirements of the Round Table Conference. But the proposals of the military authorities require that each Indianised unit should in future be officered by 28 King's Commissioned officers, about half of them taking the place of the Viceroy's Commissioned officers who will then be abolished from these units. It is obvious that under such a scheme there would be no addition whatever to the strength of the Indian officer personnel and hence the chief end in view of the Round Table Conference, stated in no ambiguous terms, would not be attained. Public opinion would certainly object to the establishment of a College, hedged round with the conditions proposed, for the simple reason that the heavy cost which the State would have to incur would in no way advance India to a position when the defence of the country "would to an increasing extent be the concern of the Indian people and not of the British Government alone". In fact under the official scheme the rate of progress of Indianisation of the officer establishment of the Indian Army will remain as at present, for, if the present composition of the units were not to be altered, the 29 Indian King's Commissioned officers trained annually at the English Colleges, supplemented by the Viceroy's Commissioned officers, would suffice to Indianise one complete division and one cavalry brigade in the same period of time.

5. We were informed by His Excellency the Chairman that both the number of cadets to be trained at the college and the abolition of the Viceroy's Commissioned officers have been finally decided upon by the Indian and the British Governments and hence he ruled that the Committee is precluded from making any recommendations which would affect that decision. He further held that we were not even entitled to have an opportunity to discuss these questions. Nevertheless, the Committee is bound by the terms of reference, as set out in the report itself, and these terms, which must be read along with the resolution of the Sub-Committee of the Round Table Conference, do not impose any such limitations as suggested. It is clearly within our province and it is in fact our duty to see that the object which the Round Table Conference had in view in establishing this College is achieved and to point out that if certain conditions are introduced that object would be frustrated. The effect of the conditions, sought to be imposed, will be as we have shown above, that the establishment of the College will lead to no increase whatever in the rate of Indianisation as the resolution of the Round Table Conference demands and the only result will be to substitute one class of Indian officers for another. No doubt the 14 King's Commissioned officers who will displace the Viceroy's Commissioned officers will have better salaries and conditions of service than the latter, and that indeed is considerable gain to them individually. But, what the College is intended to secure is not merely a certain career for its graduates but to help in increasing proportions the Indianising of the units of the Indian Army in order that the defence of India may effectively become the concern of the Indian people. From the financial point of view as well, the official scheme, with its implications and assumptions cannot at all be justified, for, if the Viceroy's Commissioned officers are not abolished, the College with the output of 60 officers a year would serve the Indianising of 2 complete divisions and 2 cavalry brigades with a little more cost than

what would be required to Indianise one division and one cavalry brigade under the official proposals.

“ Maintenance of the requisite standard of efficiency.”

6. Now let us examine the scheme from this point of view. It is not even suggested that the substitution of 12 or 14 Indian King's Commissioned officers in the place of 19 Viceroy's Commissioned officers will enhance the efficiency of an Indian unit. On the other hand, the Commander-in-Chief himself assured us that the latter are the back-bone of the Indian Army. Besides, the Viceroy's Commissioned officers will be retained in the Indian Army units officered by British officers. We fully recognise that the British officers cannot be expected to know the habits, customs and temperaments of the men in their charge and they therefore stand in need of support of the Viceroy's Commissioned officers. All the same, one certain result of the elimination of the Viceroy's Commissioned officers from the units proposed to be Indianised and their retention in the rest will be that the Indianising units will suffer in popularity, for every recruit in the ranks naturally aspires to attain the Viceroy's Commission some day and it is much to be feared, therefore, that the recruits to the Indianised units will not be of the same standard as those in the other units.

7. The only reason that we could gather from our military colleagues for the abolition of the Viceroy's Commissioned officers is that neither in the English nor in any European army is there any such class, and the Indian King's Commissioned officers should not be in need of support of another body of officers intermediate between themselves and non-commissioned officers. But we fail to see why in the face of a time-honoured practice which has been amply justified by the results, we should go out of our way to copy the British or any other pattern for the composition of the Indian Army units. We are not writing on a clean slate and we have to bear in mind that army traditions, which have acquired a distinctive value, should be cherished and not discarded. We are indeed asked to take a big leap in the dark and I fail to see why, because we are establishing a College with a view to increasing substantially the rate of Indianisation, we should eliminate an already existing Indian element in the officer establishment which has admittedly proved its worth. We are not in this connection losing sight of the fact that under the scheme that has been adopted men who have served in the ranks or as non-commissioned officers will have 50 per cent. of the vacancies in the College reserved for them. But they will be all young men chosen for their promise while the Viceroy's Commissioned officers are men of achievements. We do not share the fear of some of our colleagues that the Viceroy's Commissioned officers will not easily fit into the new scheme and in support of our position we have the example of the Indian officers of the Indian Civil Service working side by side with the officers of provincial and subordinate services. It seems therefore that from every point of view the abolition of Viceroy's Commissioned Officers should not be contemplated, unless it appears at any time hereafter that they have ceased to make sufficient contribution to the efficiency of the Army, owing to a change in the circumstances.

Segregation of the Indianising units.

8. Another basic assumption of the official proposals is that the Indian King's Commissioned officers will be posted in separate units so that a complete formation consisting of one division of all arms and one cavalry brigade may be wholly Indianised in its official personnel before a similar process is applied to other divisions. It has been plainly put to us that the officering of the Indian Army with Indians is an experiment and hence what is proposed should suffice for the purpose. We should be prepared to agree with this point of view if we could accept the proposition that the College, which we are asked to help in establishing is only an experiment. The resolution of the Round Table Conference makes it quite clear that no mere experiment is intended but a definite scheme of Indianising the leadership and command of the Indian Army. In our opinion an *experiment* of this character and on this scale could not possibly have been in the contemplation of those British and Indian statesmen who participated in the deliberations of the Round Table Conference. Indian public opinion will, we are certain, reject the whole scheme if it were to be regarded as an experiment. We must treat it as a serious and substantial step in a definite policy of Indianisation which has to be carried out and all that we are concerned with is to see that it be carried out under conditions which would ensure success.

9. We hold that the process of Indianising should go on simultaneously in all the divisions of the Indian Army. We are decidedly of the opinion that a general policy of segregating Indian and English officers in different divisions of the Indian Army is certain to give rise to considerable difficulties, hampering the development of that feeling of comradeship which at this stage is so essential in the interests of efficiency. It is calculated to breed mistrust and jealousies and to give rise to embarrassments when questions of promotions to higher Commands will arise in a concrete form. With the experience that we had in the Civil Departments of Government, we feel it our duty to impress upon the Government the necessity for guarding at the very outset against such risks as the policy of segregation is bound to involve. No one can be more anxious than we are that our Indian officers should accept full responsibility for leadership of the Indian Army as soon as possible, but so long as at least half of the officer establishment of the army is not Indianised the proper policy is to encourage co-operation and not to enforce segregation. The Skeen Committee, I find, also expressed the same view in no ambiguous language.

10. This College should, it is laid down, cater for all the arms, but there will be at present no provision in our institution for the training of officers even of a Flying squadron, an essential and most important arm of a modern army. The Air Vice Marshal has advised us that the cost of training a few flying officers, needed for one division, will be disproportionately heavy and in fact prohibitive and he has informed us that Cranwell which trains 60 flying pilots costs £200,000 a year. It is agreed that a proper estimate will be obtained of the cost of establishing a military flying school in India. But we feel certain that the Indian public will be greatly disappointed if Government did not at least establish an institution of the nature and scale of what is maintained by the Cambridge and Oxford Universities. We must make a beginning in this respect however modest.

11. The Committee have had no opportunity of considering the very important questions relating to the cost of the building and the requisite equipment, the salaries and conditions of service generally of the staff of the College or the pay, prospects, pensions and other similar terms of employment of the graduates of the College in the military service. All that we can do therefore is to express our general but clear opinion that in all these matters the interests of the tax-payer should be safeguarded on the one hand and no invidious distinction be made, on the other, between the Indian officers and British officers.

12. We have been influenced, we should mention, to reserve a large percentage of cadetships for the enlisted men by the assurance given to us that a sufficient number of such men with the requisite educational qualifications will be available in the ranks of the Army, and also by the fact that the Indian Army is at present composed entirely of men belonging to what are called the 'martial classes' for it is felt that an undue number of cadets belonging to the more educated but 'non-martial classes', entering by open competition even with all the checks provided by the Interviewing and Record Board, might under the existing circumstances cause embarrassments. Mr. Mukarji, who thinks that 50 per cent. is too large a percentage to be so reserved, has appended to the report a separate note on the subject.

13. We take this opportunity to draw the attention of Government to one anomaly which it is extremely inexpedient from the national view point to perpetuate in our Army, viz., the recruitment of non-nationals from territories outside the boundaries of India. At present we have no less than 17,000 such men in the Indian Army. No one who is not a British Indian subject or subject of an Indian State is eligible under the rules for appointment as an officer of the Indian Army and would not be admitted to the Indian Military College. It is not suggested that the field for recruitment to the 'other ranks' even if confined to the martial classes is not sufficiently wide to supply the entire demand. Under these circumstances it is not easy to see what necessity there can be for the Recruiting Officer being sent outside the limits of India at all. A large standing Army, such as that of India, is an extremely heavy burden on its exchequer, exiguous as it is even with people so heavily taxed, and the only justification for its maintenance is the need for the country being in a state of constant preparedness to meet all possibilities of aggression, even though remote, on the part of its neighbours. It is thus impossible for us to understand how any conceivable national policy could justify us in training and employing men in our Army who owe allegiance to States whose relations with this country, however friendly at present, we cannot always be in a position to control.

The 1st July 1931.

ABDUR RAHIM.

N. MUKARJI.

HOTU RAM.

Minute by Sir Abdur Rahim and Mr. S. N. Mukarji.

1. *Graduates of the Indian Military College should be attached to British Units in England.*—Partly because we attach great importance to the policy of co-operation and partly in order to enable the officers graduating from our College to keep abreast of the development of military ideas and conventions in Europe—the home of modern military scientific methods and tactics—we are also strongly of opinion that the attachment for a year of our cadets to British units should be carried out in appropriate units in England. In that way alone the apprehension which has been expressed by some of our military colleagues of any class of cadets suffering from what is called the inferiority or superiority complex will be fully met. It will be up to the Secretary of State for India to see that the Indian attached officers receive in every way the same treatment in the regimental social life and get the same opportunities for gaining military experience and knowledge as the colonial officers similarly attached.

2. *Sandhurst and Woolwich should not be closed to Indian cadets.*—On the question whether the British Sandhurst should for the future be definitely closed to Indian cadets the position is this. For the next 3 years our cadets have necessarily to go to Sandhurst and Woolwich and probably for a few years longer to Cranwell for training. When our College is in full working order and has gained the confidence of the public, which we hope it will very soon, the Indian parents, we believe, will no longer think of sending their sons to English Military Colleges. Further it is our duty to stand up for our own College. At the same time for a few boys who are living with their parents in England or who have been sent there for a good English public school education and who might seek a military career it is desirable that the doors of the English Military Schools should be still left open, these cases being treated as exceptional.

3. *Recruitment to the ranks of the Indian Army.*—The deliberations of this Committee have brought into prominence one important feature of the Indian army organisation which in our opinion must necessarily retard the development of a truly national army. Recruitment for the Indian Army is now confined to certain specified classes and selected areas, namely, the North-West Frontier Province, Baluchistan, the Punjab, the Western parts of the United Provinces, the Maharashtra tracts of the Bombay Presidency and Central India, and to some small extent in Madras and the Deccan. No recruitment takes place among large classes of the populations of United Provinces, the Bombay and the Madras Presidencies and the Central Provinces and not at all in the provinces of Bihar, Bengal and Assam. We fully recognise the fact that suitable material for the army is to be found more easily and in greater abundance and of a superior quality in the Punjab and the neighbouring tracts, and we do not wish to make any proposal which would tend to lower the standard of efficiency of the fighting units. But we must remember that the times are now changing and we have to take note of the passionate feelings of the national patriotism which are developing so fast in all parts of India among the populations now under the military ban in the excluded areas. There is a growing and earnest desire that adequate opportunities should be afforded to them to make their contribution to national defence. The justice of this demand has been recognised in so far that the

cadets' ranks have been thrown open to general competition. Nor can there be any doubt that a fair number of successful candidates will be obtained from what are now known as the non-martial classes. Some of them are already holding the King's Commission. It is to us quite evident that the rank and file of the Indian Army should no longer be closed to those who desire to enlist and are found to be physically and otherwise fit for a soldier's life simply on the ground that they belong to certain classes. We recognise that the Recruiting Officers operating in these areas will have to be careful in making selections and may have even to apply severer tests in the beginning than in the case of men belonging to the classes which have been supplying the army hitherto. Whether at the commencement separate companies should be formed of such recruits or whether they should be mixed up in some of the existing units is a question which must obviously be left to the military authorities to decide. In the present excluded areas which form the greater part of British India, the military authorities having altogether given up recruiting for a century or more, military traditions have naturally disappeared and it is not therefore surprising that when during the Great War sudden efforts at recruitment were made in those areas the results obtained were not uniformly satisfactory. A tradition has now to be built up afresh and the process, I am persuaded, will be very materially helped by the new forces of nationalism. Healthy and sturdy men with considerable powers of physical endurance are to be found among the peasantry and labouring classes in all these provinces including Bengal and not a few of the educated classes will be ready to join the ranks. Once a suitable atmosphere is created, progress will become automatic, and the fighting propensities of these populations, which find such frequent and unfortunate expression in anarchist and revolutionary activities and in deadly agrarian and communal riots will, under military discipline, be enlisted in the service of the State. We need hardly point out that the removal of this serious slur on the manhood of a large class of India's population deserves careful and sympathetic attention of Government and should not be brushed aside with gibes and sneers. Government are fully aware, we believe, that public opinion on this point has for some time been growing very strong and sensitive.

ABDUR RAHIM.

1st July 1931.

S. N. MUKARJI.

Minute by Mr. S. N. Mukarji.

In the selection of candidates to the Indian Military College, the majority of the Committee favour the allotment of half the vacancies, *i.e.*, 30 a year to cadets from the ranks of the Indian Army. Of the remaining thirty vacancies, they recommend that 24 a year should be open to competition and that the Commander-in-Chief should have the right to fill six vacancies by nomination from among those candidates who have qualified at the entrance examination but have failed to secure a place in open competition. This proportion between the nominated candidates and those who may enter by competition is far in excess to what has existed so far. At present, a number not exceeding five of Viceroy's Commissioned Officers may be nominated to Sandhurst, while as many as 20 vacancies at Sandhurst are offered annually by competition. Actually this power of nomination has been so far exercised in the case of two Viceroy's Commissioned Officers only.

The proposed regulation makes it imperative for the Commander-in-Chief to select as many as thirty cadets each year from the ranks of the Indian Army out of the total intake of 60. That during the last three or four years, only two persons from the Indian Army were considered fit for nomination for a course at Sandhurst forces one to the conclusion that men of the proper standard for King's Commissioned ranks are not forthcoming in the existing army. If it is intended to recruit new men of a higher type into the Army by offering them the bait of an early nomination to a course at the Indian Military College, the question naturally arises why such men should not be persuaded to sit at the open competition. They have not fared worse in the past than members of the non-enlisted classes at the open Army Entrance Examination. Of all the Indian cadets that have gained admission into Sandhurst, Woolwich and Cranwell so far, over 70 per cent. belong to the enlisted classes and these found their way there not by nomination but through open competition. This should eliminate a great deal of the fear which appears to exist among certain sections of the people that if a larger proportion were admitted into the Military College on the result of open competition, the officer ranks of the army will be swamped by members of the non-enlisted classes.

The suggested high proportion of nominated candidates from among Indian Army Cadets can hardly be justified as long as the ranks of the Indian Army are not thrown open to all classes. The objective ought to be the creation of a national army for the defence of the country and for this purpose, all the available talent should be made use of. After all, to a considerable extent, the difference between enlisted and non-enlisted classes is an artificial one. It is not that the so-called non-enlisted classes do not wish to enter the army but the fact is that they are definitely debarred from doing so. It is difficult to realise the justice of it when King's Commissioned ranks have been thrown open to members of the non-enlisted classes if they choose to come through the door of open competition. Whatever difference existed between the two classes a few decades ago, education with its leavening effect has been helping to remove it and the difference is fast disappearing. A glance at the University terms or even at the University Training Corps in the Punjab and Delhi which are the homes of most of the enlisted classes will show that except

perhaps in Tug-of-War, in most of the events, members of the non-enlisted classes have by no means played an insignificant part. In fact, in certain games and even in the U. T. C. sometimes, it is members from such classes that have shown better results than members from enlisted classes.

There is another reason why I find it difficult to accept this high proportion. If it is true that the efficiency of the British army is due to the fact that its officers have had their early training in Public Schools in England, and that we may expect such high efficiency for our Indian Army, provided we can have more schools of the type of Prince of Wales' College in Dehra Dun, where, as in the Public Schools of England, a definite effort is made in developing character, power of leadership and initiative, and provided our cadets receive their early training in such Schools before they go on to the Indian Military College, it will certainly not be in the interests of the future army of India if as many as 50 per cent. of the cadets for the Military College are taken from the Indian Army ranks, which can hardly boast of having recruits from among the Dehra Dun College boys or from any other institution of a similar type. Most of the recruits in the Indian Army are likely to be men with little education or if they are educated, they have in most cases received their education in schools which are far from the Public School type. In the Army, they are brought up in an atmosphere where they acquire the habit of receiving orders and carrying them out. There are few opportunities for the development of the powers of leadership and initiative. If it is argued that the Indian Military College with its three years' course will give such men the necessary character, it must be remembered that such men will come to this institution at the mature age of 23 to 25 years and cannot be expected to acquire traits of character which young lads in institutions like the Prince of Wales' College can acquire before they come to the Military College at the age of 18 to 20.

But I would like to record my very strong objection to the principle of nomination itself. In an ideal state, where various sections are more or less homogeneous from the point of view of education, culture and even military traditions, nomination ought to be reduced to a minimum and should be exercised sparingly. I admit that, situated as we are, there has to be for some time to come a considerable place assigned to nomination. This should be reduced to its minimum as soon as education imparted on right lines in institutions scattered all over the country is able to produce merit and character which should be the only two necessary requirements for admission to the college. I would therefore be inclined to favour as a temporary measure one-third of the vacancies to be filled up by nomination and two-thirds by competition, as against 40 per cent. by competition at present, in the hope that before long when members of the enlisted classes have equally taken advantage of the educational facilities, there shall be only one-fifth of the places reserved for nomination. This, I feel confident, will not hit the members of the enlisted classes, for under my proposal, and in view of the successes they have hitherto achieved in open competition, they will have at least 40 to 45 members of their classes in the Indian Military College out of the total of 60.

S. N. MUKARJI.

1st July 1931.

Minute by Dr. B. S. Moonje.

1. It is a great pity that the Government of India took it upon itself to fix the number of yearly intake of cadets for the Indian Military College, instead of allowing it to be fixed by the Expert Committee set up by it to settle the details of the proposed College, as was clearly the intention of the Defence Sub-Committee of the Round Table Conference.

The Government do not seem to have fully appreciated the significance of the general political situation in the country and particularly do not seem to comprehend the mentality of the people in respect of the problem of Defence of India, embittered as it has been by frequent repetitions, in season and out of season, of the allegation that the people of India cannot defend their country and that the Indian youth will not come forward to make the Army its profession, giving up lucrative positions in civil life.

I am positive that, when the Report of the Committee will be out and the points, on which I am painfully obliged to write this note of dissent, become widely known, there will be a great out-cry all over the country against those points.

2. Briefly, the general political situation in the country, if it could be said to be indicative of one thing more than anything else, is indicative of the mentality of the people not to accept anything in the shaping of which they had no voice. They want themselves to be the architects of their own destiny.

The Government of India Act of 1919 had provided for a review of the entire working of the Act after 10 years. A Royal Commission, called the Simon Commission, was appointed for the purpose but the country refused to accept it for the simple reason that it was composed entirely of British Statesmen and the people were not allowed a chance to shape their own destiny within the Empire for which, they said, they have shed their blood and spent their money like water and which they are still prepared to call their own if allowed.

3. That high-minded English gentleman of Christian width of mind and capacity to realise in practice the eternal Law of "Do unto others as you would wish others do unto you", Lord Irwin, feeling the pulse of the popular sentiment in the matter, brought about what is known as the Round Table Conference to make amends for the wounded pride of the people, so that the representatives of the people of India and of the British Parliament might sit together as equal partners in the Commonwealth and collaborate with frankness and sympathy in framing a constitution for India.

4. The Conference, even though meeting in most adverse circumstances, has borne fruits to the extent that on its results, so far formulated, the struggle that had begun between the people and the Government has been suspended in the hope that the present truce will be finally implemented on the occasion of the next conference into peace and friendship between the two countries—England and India.

5. One of the results of the conference is the practical unanimity on the resolutions and recommendations of its Defence Sub-Committee. The value of this unanimity was greatly reinforced by the ruling of the Chairman, Right Hon'ble J. H. Thomas which endows these resolutions with a comprehensive meaning from an eminently practical point of view. The Right Hon'ble Mr. Shastri asked a very pertinent question—"Does this classification cover the question of the rate of Indianisation? I am not clear".

Chairman :—" Obviously it does for this reason"

(Defence Sub-Committee Report, page 4.)

It, therefore, led the people to hope that a new era was dawning and the people felt that ultimately the day has arrived when the stigma, which they really never deserved, of their being incapable of defending their own country, would be wiped out.

6. Now, what are the resolutions and recommendations of the Defence Sub-Committee which contributed to the creation of this sentiment in the people? If we carefully study these in the spirit of the discussions that prevailed in the meetings of the Sub-Committee, the following points stand out :—

- (a) That "with the development of the new political structure in India the defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone".
- (b) That "in order to give practical effect to this principle immediate steps be taken to increase substantially the rate of Indianisation in the Indian Army to make it commensurate with the main object in view".
- (c) That "in order to give effect to (b) a training college be established in India to train candidates for commissions in all arms of the army".
- (d) That "the Government of India be instructed to set up a Committee of Experts to work out the details of the establishment of such a college".

7. If we read (a) and (b) together, it gives a fairly correct idea of the spirit that was pervading the entire Conference and I cannot define the nature of the spirit in better words than in those of Lord Sankey, the President of the Federal Structure Committee, in which he lays stress on what he calls "the basic assumption that the constitution will recognise the principle that the responsibility for the Federal Government of India will in future rest upon Indians themselves".

It must, therefore, be remembered here that it was under such a spirit prevailing in the Conference that the Defence Sub-Committee has adopted the resolutions and recommendations. I should not fail to emphasise here the assurance given by no less a person than the Right Hon'ble Mr. J. H. Thomas, the Chairman of the Defence Committee, himself, when replying to my speech pressing for the acceptance of my proposal "that immediate steps be taken to arrange for all recruitment henceforth for the commissioned ranks of the Army, Navy and Air Force to be made in India from amongst Indians,

provided that it shall be open to the Government of India to provide for recruitment in England to fill up such of the vacancies as cannot be filled up in India, and that due regard should always be had to the relevant considerations such as the maintenance of the requisite standard of efficiency". The assurance was as follows :—

"First of all, I should like to say this to Dr. Moonje and I say it as one who has had many years' experience in negotiations. I am indifferent to the wording of a resolution. I attach infinitely more importance to the spirit behind the declaration than to anything else." Further on he repeats at the end of his speech :—

"I solemnly tell you, never mind what the words say, the spirit behind these words is a genuine attempt to solve the question. That is the appeal I would make." Page 74.

And this assurance of the genuineness of the attempt of the Government to solve the question is contained in the resolutions and recommendations of the Defence Sub-Committee, to give practical effect to which this Expert Committee has been appointed and is meeting.

8. In view of these facts the ruling of the Chairman of this Expert Committee, His Excellency the Commander-in-Chief, that the Government has fixed the annual intake at 60 only, has come to me as a sad though highly instructive disillusionment.

9. The questions, therefore, arise :—

- (a) Who should have the authority to fix and recommend the annual intake of cadets for the College, the Government of India or this Expert Committee ?
- (b) And in respect of the recommendations of the Defence Sub-Committee, what is the relation of this Expert Committee with the Government of India on one hand and the Round Table Conference on the other ?
- (c) What are the terms of reference of this Expert Committee and who is the authority to define the terms of reference ?

10. The appointment of this Expert Committee is the direct out-come of the most clear recommendation in respect thereof of the Defence Sub-Committee of the Round Table Conference, as contained in its Resolution No. 2 (c) which is as follows :—

"That in order to avoid delay, the Government of India be instructed to set up a Committee of Experts, both British and Indian (including representatives of Indian States), to work out the details of the establishment of *such* a College."

The resolution itself, particularly in view of its pointed reference to "such a College", has thus fixed the purpose and the terms of reference of this Expert Committee. The Government of India, therefore, plays the part merely of an agent of the Round Table Conference, and has no explicit or implicit authority to fix any of the details connected with the College. The

Government of India also on their part plainly admit this point in their resolution appointing this Expert Committee which is as follows :—

“ In accordance with the recommendation of the Defence Sub-Committee of the Round Table Conference, the Governor General-in-Council with the approval of the Secretary of State for India, has been pleased to constitute a Committee of Experts, including representatives of Indian States, in order to work out the details of the establishment of a Military College in India to train candidates for commissions in all arms of Indian Defence Services.”

There being here in this resolution an emphatic reference to the recommendation of the Defence Sub-Committee for the establishment of “ such a College ” it, therefore, clearly follows that it is this Expert Committee which has the direct authority to work out and settle all the details of the establishment of a military College in India. The fixing of the annual intake of the Cadets is the one fundamental detail which this Expert Committee should have been allowed to work out. In this respect there can be no more clear proof in support of my contention than in the reply given by the Chairman of the Defence Sub-Committee, Right Hon’ble Mr. J. H. Thomas, to the direct question of Mr. Jinnah :

Mr. Jinnah :—“ We agreed in principle with the question that the Army should be Indianised Then the next question is how effect is to be given to the rate or the pace of Indianisation. That is a question which must be discussed by this Committee and some principle must be laid down ”.

Chairman :—“ I will try and apply myself to answering that question Now my answer to the last question which is the fundamental one, is that there should be, as a consequence or as a net result of any recommendation, *an Expert Committee set up to give immediate effect to this*. Now, I put it to you that no one round this table—and I am not speaking as a military man at all ; but common sense tells that the first thing to do is to secure the site of the building, *number of men you are prepared to train*, the accommodation and all these things. The period is all dependent upon that.”

Lord Reading :—“ Yes .”

Mr. Jinnah still pressed on his point and said :—“ If you mean to appoint a special Committee for the purpose of considering the question of the pace of Indianisation are you going to give any guide ; are you going to lay down any principles for that Committee or are you going to give them a blank cheque and say : ‘ Now you decide as you think proper ’. That is the next question which I ask I want your ruling, Sir.”

Lord Reading :—“ I suggest that is not a matter for ruling. That is a matter for this (the Expert) Committee. ”

(Defence Sub-Committee Report, pages 41-42.)

Thus, it will be seen that even Lord Reading along with the Chairman is of the same opinion, that I am contending for, that it is the business of this Expert Committee to settle the fundamental detail of fixing the intake.

The decision of the Government of India in respect of fixing the annual intake of cadets is, therefore, most unfortunate. They are not justified in depriving this Expert Committee of its legitimate function of settling and fixing the intake.

11. Now, the questions are :—

- (a) How should the annual intake be fixed and what are the objects that should inspire the fixing of it? and
- (b) What expert authorities should serve as guide in fixing the intake?

12. The entire trend of the discussions in the Defence Sub-Committee was to press for Indianisation of the Indian Army as early as practicable. The British section of the Committee, though not so keen as the Indian, still did not vehemently oppose it. What, however, they opposed was the fixing of the actual pace of Indianisation by the Committee. They were prepared to leave it to the decision of the Expert Committee that would be set up, as will be seen from the following quotations from the Report of the Defence Sub-Committee :—

When Mr. Jinnah was pressing his point for "clear indication as to the pace" of Indianisation and wanted in the Resolutions of the Defence Sub-Committee "some words so definite that it will convey to your Expert Committee that that was the intention of this Conference" the Chairman replying eventually said that "it has been pointed out that this is a matter for the experts".

Further in order to respond to the "strong affirmation of one section of the Sub-Committee" to the effect that complete Indianisation of the officers in the Indian Army should take place within a specified period, as proposed in the Government of India's scheme of Indianisation of 1922 known as the Shea Scheme, the Chairman (the Right Hon'ble Mr. J. H. Thomas) further undertook that when in pursuance of the resolutions of this Sub-Committee, Expert Committees were appointed, those Expert Committees would, as a matter of course, take into consideration the proceedings of the Military Requirements' Committee of 1921, and the Committee on the Indianisation of the Army (known as the Shea Committee) of 1922.

This is further proof, if any be still needed, to substantiate my contention that it was the business of this Expert Committee to settle and fix the annual intake for the College and not of the Government of India.

13. The reports of these two Committees are very particularly referred to, so that they may serve as a guide in interpreting resolution 2 (a) of the Defence Sub-Committee, that is, in defining the exact meaning of the words of the resolution "to increase substantially the rate of Indianisation in the Indian Army". Even the Chairman on the Defence Sub-Committee himself admits that "we want them as material for our guidance".

(Defence Sub-Committee Report, page 17.)

Though these Reports will admirably serve as a guide the interpretation of these words should be such as it should be "commensurate with the main object in view". Now, the main object to Indianisation is clearly defined in Resolution (1) of the Defence Sub-Committee which provides that "with the development of the new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone".

14. Full significance of this definition of "the main object in view" with all its implications cannot be comprehended unless two things inherently involved in the development of the new political structure in India are clearly borne in mind :—

First.—That the development of the new political structure in India provides for full provincial autonomy and for entire responsibility for the Federal Government of India being thrown on the Indians themselves, except in respect mainly of the Army and the Foreign relations during a period of transition.

This means that the federating units, the autonomous Provinces, having a common federal army would like to have their due quota both in the rank and file and the officer ranks of the Army and would press for the removal of the present bar to recruitment from certain classes and practically from certain parts of India.

Second.—That the Defence of India must to an increasing extent be the concern of the Indian people.

15. Now, taking these two things together, it becomes an axiomatic truth—

- (a) that a time must come sooner or later when after the period of transition has come to an end, entire responsibility for the Government of India as well as for the control and administration also of the Army and the Foreign relations will devolve on the Indians, and
- (b) that during the period of transition there must be progressive Indianisation in the Indian Army, so that Indianisation be completed by the time the period of transition comes to an end.

16. The transition period, however, has not yet been clearly defined but we hope to be able to have it done in the forthcoming session of the Round Table Conference. We may guess, however, that it may be of 10, 15, 20, 25, 30 years, but I am sure the people are not contemplating the period of transition to be as long as 30 years.

17. Assuming, however, for the sake of argument the transition period to be as long as 30 years, we come to the conclusion that the entire Indian Army should be Indianised within 30 years, so that India with its entirely Indianised Army and England with its British Army in India may collaborate as equal partners of the Commonwealth for the defence not only of India but also of the whole Empire.

18. This may be said to be the view of a layman, but what does a Committee purely of military experts like the one known as the Shea Committee say, to which pointed reference was made by the Chairman of the Defence Sub-Committee as providing a guide in the matter ?

19. This Committee was appointed in 1921 by the then Commander-in-Chief, the late Lord Rawlinson, in accordance with a resolution of the Legislative Assembly accepted by the Government of India and was entirely composed of high military officers, that is, 3 Lieutenant-Generals, 3 Major-Generals, 3 Colonels and 2 Lieutenant-Colonels, one of whom was the Secretary of the Committee.

20. Such a Committee of Experts after mature deliberations considered complete Indianisation of the Indian Army within 30 years a feasible and practicable proposition as far back as 10 years, which in other words meant replacing of 6,864 British Officers by as many Indian Officers. The Committee in their report actually drew up a scheme of such Indianisation and recommended the establishment of a military college in India with an average annual output of—

- (a) 81 cadets during the first period of Indianisation of 14 years.
- (b) 182 cadets during the second period of Indianisation of 9 years, and
- (c) Cadets ranging between 88 and 106 in number during the third period of Indianisation of 7 years.

These numbers do not include the cadets for the Indian State Forces which were fixed at 30.

If the annual output was required to be as much as mentioned above, the annual intake must be still higher. In this respect the Committee says, "to the above must be added for wastage amongst the first period officers, say 3 per cent. per annum or 50 per cent. for the full period of 14 years".

This means that the Committee recommended an annual intake of—

- (a) 81 *plus* 3, that is, 84 cadets during the first period of Indianisation of 14 years.
- (b) 182 *plus* 6, that is, 188 cadets during the second period of Indianisation of 9 years, and
- (c) Proportionate increase over a number ranging between 88 and 106 in the third period of 7 years.

These numbers do not include the cadets for the Indian State Forces.

Accordingly, the Committee (page 7, paragraph 21) prescribed the strength of the military college for India as follows :—

"During the first period approximately 330, during the second and third periods approximately from 750 to 1,000, giving an average annual output of 110 during the first period to meet the requirements of the Indian Army and the Indian State Forces and in the succeeding periods such output as will meet the increased demand."

21. Taking all these figures recommended by the purely Military Expert Committee as our guide, if I were to suggest that the figure of annual intake of

the proposed Military College should be fixed at say 110, or 115 or 120 in order to give effect both in spirit and letter to the resolution of the Defence Sub-Committee which "provides for "substantial increase" in the rate of Indianisation, it could not be called a rash over-estimate of an irresponsible enthusiast.

22. In connection with the Shea Committee, it is well worth to note two points :—

First—that Lord Reading, during whose Viceroyalty the Committee was appointed, admits that "the matter was examined with very great care at the time", and

Second—that Sir M. Shafi, a member of the then Government of India of Lord Reading, made a statement in the Defence Sub-Committee as follows :—

"I entirely agree that the scheme (of Indianisation) which was framed (by the Shea Committee) in 1922 and the conclusions which were arrived at in 1922 were the result of very careful consideration and in that lies the value of the conclusions then arrived at; that is the reason why I said that that scheme—having been very carefully considered and revised and after revision adopted unanimously by the Government of India, including Lord Reading, the late Lord Rawlinson, and all the members of the Executive Council—is a scheme worthy of the serious consideration of this Sub-Committee". (Defence Sub-Committee Report, page 58.)

Lord Reading who was present in the meeting did not challenge the statement. Consequently, we cannot conceive of a more authoritative Expert Committee than the Shea Committee.

23. Now, let us calculate the figure of annual intake by another method. The Skeen Committee from whom the report of the Shea Committee was kept absolutely secret, recommended another scheme of progressive Indianisation. According to the recommendations of the Skeen Committee, we should have been entitled to the annual intake of 60 cadets in 1933, that is, when the proposed Military College will be actually started.

If on the basis of this figure of 60, the recommendation of the Defence Sub-Committee "to increase substantially the rate of Indianisation in the Indian Army" were to be made to operate then the figure of the annual intake should have been fixed, say, at 80, 85 or 90, if the measure of substantial increase be fixed at 33 per cent. or 50 per cent.

Thus, taking the mean of these two sets of figures calculated on the basis of the recommendation of the Shea Committee and of the Skeen Committee, the annual intake should have been fixed at say 100 or 105, at least.

24. There is yet another way of calculating to fix the annual intake. The Legislative Assembly in 1921 adopted a resolution which was accepted by the Government to the effect that 25 per cent. of the vacancies for India Army Cadetships at Sandhurst should be thrown open to Indian youths. The Military Requirements' Committee of 1921 over which the then Commander-in-Chief,

the late Lord Rawlinson presided, taking this resolution of the Legislative Assembly into consideration recommended :—

“ We consider that this percentage should be increased by $2\frac{1}{2}$ per cent. annually, so that in 10 years from now the proportion of British and Indian entering the Indian Army will be equalised.”

Now, taking the annual intake at the average rate of 120, as given by His Excellency the Chairman of the present Expert Committee, we should have been entitled to the annual intake of 66 in the year 1933 when our College is to be started. Thus, it will be seen that the Government, in fixing the annual intake of 60, has treated us so parsimoniously that we are actually deprived of as many as 6 vacancies out of 66 to which we would be entitled when the College is actually set going.

But, if the resolution of the Defence Sub-Committee which provides for a substantial increase in the rate of Indianisation were to be made operative on this by increasing the rate by 50 per cent. in order to make it a “substantial” increase, then 66 *plus* 50 per cent. increase, *i.e.*, 99 should mean an annual intake of 99.

It is highly instructive to calculate the intake of cadets other than those classed as Army Cadets according to the scheme of Indianisation recommended by the Shea Committee. The scheme provides :—

- (a) that, during the first 7 years of Indianisation, two-thirds of the King's Commissions be reserved for the Indian Officers holding the Viceroy's Commission.
- (b) that, during the remaining 23 years, 50 per cent. of the King's Commissions be reserved for them,
- (c) that the rest be thrown open to competition for outsiders.

Calculating on this basis, I arrive at the following results in regard to the intake of outsiders for the proposed Military College :—

- (a) First period of 14 years, at the rate of 34 intake per annum.
- (b) Second period of 9 years at the rate of 141 intake per annum.
- (c) Third period of 7 years at the rate of 228 intake per annum.

Thus 34×14 *plus* 141×9 *plus* 228×7 makes the grand total, for the three periods, of 3,331 Commissions to be filled up by the outsiders in 30 years.

Accordingly, the average annual intake for outsiders comes to 111.

Thus, calculating from any point of view and taking a mean of the figures arrived at we are entitled to the annual intake of not less than 110 at the least. The Government has done a great injustice in fixing the annual intake at such a low figure as 60. Besides, provision should have been made for annual increment in the annual intake at a certain fixed rate as recommended by the Skeen Committee and also the Resolution of the Defence Sub-Committee.

25. *Open Competition versus Nomination.*—The question should not have been given the aspect of mutual contrariety. The normal course in all

countries including England is to obtain Cadets mainly by open competition which is supplemented by nomination for certain purposes.

This Expert Committee of the Indian Military College with the approval of the Chairman, His Excellency the Commander-in-Chief and his Military members has parcelled out the annual intake of 60 as follows :—

- (a) 24 for open competition, *i.e.*, 40 per cent.
- (b) 36 for nomination, *i.e.*, 60 per cent.

Though such is now the decision of the majority of the committee which includes the solid block of the officials, it must be stated here that even the military members in their original proposition had proposed 50 per cent. for open competition presumably under the impression that 40 per cent. would be too low a figure.

This is against all canons of rationalism and actual practice in all countries, including England. Competition is intended for finding out the best material so that there may be no room for allegations of malpractice or favouritism inherent in the system of nomination if practised on a large scale, but in India one has to further provide against communalism which is incompatible with or rather actually undermines all efficiency and which generates tension and antipathy between different sections of people recruited and to be recruited from. Nominations, however, within proper limits have got their own value so far as they are intended to provide for possible shortcomings of competition but they should never be allowed to supervene competition.

If England is followed in the matter of selection of proper cadets, the healthy method of competition is complemented by nomination which works out generally at the rate of $6\frac{2}{3}$ p.c. of nominations; the rest, *i.e.*, $93\frac{1}{3}$ p.c. being reserved for competition. The Skeen Committee fixes the percentage of nomination at not exceeding 20 per cent., and says :—

“ We contemplate that the Commander-in-Chief should exercise the power of nomination sparingly and in conformity with the principles followed by the Army Council in their exercise of a corresponding power of nomination for Sandhurst and Woolwich.”

This caution is most significant but in the case of the Indian Military College, it is thrown to the winds.

There is no precedent to this system of nomination on such a large scale in any country in the world. In the American Military College at West Point, of the full establishment of 1,334 Cadets only 180 are chosen from among the enlisted men of the Regular Army and the National Guard in equal numbers. It must be noted here that equal opportunity is given to the men of the National Guard which are of the nature of our Territorial Forces and the U. T. Cs. in India.

It is very instructive to note, from the point of view of India, how the full establishment of 1,334 Cadets at the West Point Military College is obtained. I quote here from the Skeen Committee's Report, Volume I, p. 183 :—

“ The system of admission to the West Point calls for close attention. Of the full establishment of 1,334 Cadets, 1,072 are admitted by nomination from the various States, Congressional Districts,

etc., upon the recommendation of their respective Senators and Representatives in Congress; 60 are appointed from the United States at large upon the President's own selection, and 2 upon the recommendation of the Vice-President; 20 are selected from among the honour graduates of those educational institutions which have officers of the Regular Army detailed to them as professors of military science and tactics and which have been approved by the War Departments as "honour military schools".

As regards the recommendation of the Cadets by respective Senators and Representatives in the Congress, the system is as follows:—

"In these cases the selection of candidates by competitive examination or otherwise is entirely in the hands of the Senator or Representative in Congress who has the vacancy at his disposal, and all applications for appointment to these vacancies have to be addressed to the Senator or Representative. For each vacancy the Senator or Representative nominates three candidates, one as "Principal", one as "first alternate" and one as "second alternate". The first alternate is admitted, if qualified, in the event of the failure of the principal, and the second alternate in the event of the failure of both the principal and the first alternate".

From the above stand out the following points:—

- (a) That so far as real nomination is concerned, only 62 out of 1,334 are nominated by the President and the Vice-President, that is the percentage of nomination is only about 4½.
- (b) That out of the total 1,334 Cadets as many as 1,072 Cadets are admitted from the various States, Congressional Districts, etc., according to the quotas fixed.
- (c) That 20 are selected as Honour Graduates which may be compared with the university boys of our U. T. Cs

In this connection it may be stated that many more such University men may have been included in (b).

At the Military College, Kingston, system of selection of cadets is similarly organised. It is that "each province receives a quota of vacancies each year, according to its population". These "vacancies are allotted by a Selection Board at Defence Headquarters to the most suitable candidates on each provincial list of recommendation".

Some such system is absolutely necessary in India in view of the provinces being soon converted into autonomous federating units of the Central Federal Government. Without it, it is impossible to create a really national army. Besides the provinces would not tolerate the present Army policy of monopolies in favour of a few so-called martial classes to the exclusion of others.

Besides, there being only 12 vacancies available at each half-yearly examination for open competition, I am afraid it will not be a sufficient incentive

for boys combining best brain with leadership and physique to volunteer to take the doubtful chances in such a highly restricted field of competition.

26. This system of nomination perpetuates the myth of the artificial distinction of martial and non-martial classes. It serves as a handle for the people to charge the Government with the policy of "Divide and Rule". It propagates the poison of communalism in the body politic of India. It emasculates large sections of the people and as a reaction serves to create what may be called swelled-headedness in those who are generally enlisted in the Army. It strikes at the very root of the conception of a national Army, and perpetuates the system of a mercenary Army which is the inevitable concomitant of a foreign government.

27. Besides, historically it has no substratum of truth in it; the fact is quite otherwise. In this connection what I said in my speech in the Minorities' Sub-Committee is quite pertinent. I quote it as follows:—

"But there are also other communities which are inherently capable of undertaking responsibility for the defence of India. If you look to the history of British rule and British sovereignty in India from its inception up to the time when the whole Indian Empire came into the hands of the British, you will find that the British people came to Madras, recruited their armies from the people of Madras, conquered Madras and the country surrounding Madras. When this surrounding country was conquered then this army went to a neighbouring province, and the British with the help of the Madras soldiery, conquered the neighbouring province. When the neighbouring province was conquered, soldiers were recruited in that neighbouring province, and the province next to that was conquered with the help of those soldiers. In that way it went on in mathematical progression as far as the North-West Frontier Province. They then forgot their old friends the Madrasis, their old friends the Telugus, their old friends the Beharis, their old friends, I may add here, the Bengalees, their old friends the depressed classes, who contributed largely to the success of the British arms in India. Of course, we Marathas could not lay claim to that because we were ourselves fighting the English people in those days. But at least this is true that, if the recruitment is to be made throughout India, there are communities in India which can offer you soldiers, which can offer you fit people for recruitment in the Army."

In support of what I have said above, I quote from an eminent English historian who says:—

"The founders of the Native Army had conceived the idea of a force recruited from among the people of the country and commanded for the most part by men of their own race, but of higher social position, men, in a word, of the master class accustomed to exact obedience from their inferiors. But it was the inevitable tendency of our increasing power in India to oust the native functionary from his seat, or to lift him from his saddle, that the white might fix himself there."

This is what Lord Elphinstone, Governor of Bombay, says :—

“ I agree with those who think that it is not judicious to train any native of India to the use of guns. They make excellent artillerymen, and they attach great value and importance to guns but these very circumstances make it dangerous to place them in their hands”. (Peel Report-Papers, Page 45.)

In this opinion Lord Ellenborough concurred. He said :—

“ It appears to be the concurrent opinion of all men that we should keep the artillery wholly in our hands ”.

“ The natives have a genius for casting and working guns, and we should not afford them means of enjoying it. The natives die at their guns. Their practice in this War ”—namely the Mutiny—“ is allowed to have been at least as good as our own ”.

Sir Fredrick Haines, Commander-in-Chief of the Madras Army, says :—

“ I cannot admit for one moment that anything has occurred to disclose the fact that the Madras sepoy is inferior as a fighting man. The facts of history warrant us in assuming the contrary. In drill, training and discipline the Madras sepoy is inferior to none while in point of health, as exhibited by returns, he compares favourably with his neighbours.

General Warre, Commander-in-Chief of the Pombay Army, says :—

“ History has proved that the whole of the Western Coast is a military country producing a warlike population. The Southern Mahratas have proved themselves in former days and are still equal to any other race in India as a fighting people. Their power has been broken and their military ardour quenched by almost total disarmament, but they are still a hardy people, in a mountainous district, inured to toil, and especially good in tracing their steps over the rough and impracticable ghats. What more can you require to make soldiers ? ”

These quotations I have taken from the speech in the Defence Sub-Committee of my colleague, the Hon'ble Sir Pheroz Sethna, pages 22—24.

This is the opinion of none other than the British Experts, military and otherwise, about the fighting capacities of the natives of India other than those of the Punjab and the N.-W. F. province with its tribal territory ; for up to this period of British history of conquest in India, Punjab and the N.-W. F. Province had not been incorporated into the British India and the field of recruitment in these provinces were not freely opened to the British.

As for Bengal, history records that the army under the Nawabs of Bengal was composed mostly of Bengalees. Bengali heroism and especially of one of their generals named Mohan Lal at the battle of Plassey has inspired one of the classical epics of Bengali literature. Raja Mansing had to fight hard against Raja Pratapaditya and his generals before he could establish Moghal domination over Bengal. If readiness to die for the cause of the country under an overpowering sentiment of patriotism, however mistaken

and misapplied it may be regarded, intrepidity of conception and skill and leadership in carrying out preconcerted movements in a general plan of action be regarded as the essential qualifications of a soldier, who can say that the Bengali youth of late, have not shown them in remarkable contrast with their caricatured pictures as given by Macaulay. In short, if honourable openings for the fervour of patriotism can be devised, Bengali intellect will not fail to make its mark particularly in the scientific departments of the Army, while taking their due share on the battlefields along with officers of other classes of Indians.

28. Thus, by fixing such an unprecedentedly large proportion of nomination double injustice is done to other parts of India as Madras, Maharastra, Bihar, etc. They are not allowed to offer recruits in the Army in their due proportion and now their right of offering candidates for open competition to prove their real worth without favour is being extensively curtailed.

29. *Annual wastage and total number of officers in the Indian Army.*—As regards the figures of the annual total wastage in the cadre of the officers with King's commissions and of the total number of such officers in the Indian Army that have been supplied to us, it is not possible to feel sure about their accuracy. The figures supplied to us in this Committee are as follows:—

(a) 120 annual total wastage.

(b) 3,200 total number of officers with King's Commissions in the Indian Army.

The need of accuracy about these figures is essential in order to evolve a scheme "to increase substantially the rate of Indianisation in the Indian Army", by eliminating the British element to make room for the Indian, so that the "Defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone". This definition of the object in view permits of even the total elimination of the British element from the Indian section of the Army in India. The British section of the Indian Army will collaborate with the entirely Indianised Indian section of the Army, thus giving effect to the view expressed in the resolution that the defence of India should not be the concern "of the British Government alone".

As against the figure of 120 for annual wastage, I quote below the opinion of Colonel Brownrigg, Deputy Director of Staff Duties, War Office, London, who expressed the opinion as the representative of the War Office, London:—

"In conclusion Colonel Brownrigg, confirmed the Sub-Committee's view that 180 was an approximately accurate estimate of the annual wastage among officers serving with Indian units."

(Skeen Committee's Report, Volume No. 1, p. 41.)

Therefore, the question is—which figure should be taken as correct, 120 as told to us in this Committee or 180 as confirmed by Colonel Brownrigg?

Now, against the figure of 3,200 which we are told in this Committee represents the total number of officers holding King's Commissions in the Indian Army, I have to mention three different figures—one of 3,141 as given in the Report of the Defence Sub-Committee p. 88; the second of 3,600 given by the Skeen Committee and the third of 6,864 mentioned by the Shea

Committee, as will be evident from the following quotation from the Report of the Shea Committee, p. 14, paragraph 4 :—

“ The Committee direct attention to the fact—*vide* Appendix I (C) of their main report—that the grand total of King's Commissions to be granted completely to Indianise the Army in 42 years (on reconsideration reduced to 30 years) would be 6,864.”

Now, the question is—which is the correct figure 3,141, as given in the Report of the Defence Sub-Committee ; 3,200 as given to us in this Committee ; or 3,600, as given by the Skeen Committee ; or 6,864, given by the Shea Committee ?

30. Having dealt so far with my fundamental objections to the ruling of the Chairman fixing the intake for the College and to the proportions of nominations and competition, as fixed, I now proceed to deal with other points in the order in which they are mentioned in the report.

31. *Nature of the College.*—I am of opinion that the course at the College should not be fixed for three years. The course at Cranwell is of two years and that at Sandhurst and Woolwich is of 1½ years. I, therefore, propose that the course in this College should be for two years only. Extension of the course to three years would involve the parent in needless extra expense of about Rs. 2,000 for fees and vacation. The first year of this course of three years is intended to be devoted mainly to academic study. What is called academic study is particularised as improving their general education and their knowledge of colloquial English. Boys generally go through enough of this kind of academic study in their high schools and colleges before appearing for the entrance examination for the Cadet Colleges. This is so particularly in the case of boys trained in the Dehra Dun College where the parent has to spend from Rs. 15,000 to Rs. 18,000 over a course of academic study of from 7 to 9 years under the best of circumstances. Besides, experience of the competitive entrance examinations has shown that, of the successful students a large majority comes from the Dehra Dun College. The remaining are from schools and colleges other than the Dehra Dun. Thus, it is not justicé to victimise the majority for the so-called shortcomings of the minority.

The special competitive entrance examination of the College puts to severe test the progress made by the student in the academic studies in his High School or College. Medical examination by the Government Medical Board ascertains if the boy is medically fit for the profession of the Army. Then what more is needed ? Why put an extra burden of about Rs. 2,000 or even more on the parent ? The Army Cadets are required to stay in the College for only two years, so that they may improve their academic studies because they have already had sufficient military training. Similarly, two years ought to be enough for non-army cadets for military training as they have already had sufficient academic training in their high schools and colleges.

32. *Interview and Record Test.*—In view of the vital importance of this test under the rules which provide that, however high a position a boy may attain in the results of his written examination, he will not be admitted into the college, if he were to fail to secure the minimum number of marks fixed for this test, I am of opinion that the Interview and Record Board should have two non-officials on it. My personal experience as a member of the Board strengthens me in my conviction that unless two non-officials are included, it with

not command the confidence of the people. It should be composed of, say, 5 members,* which may be distributed as follows :—

- (a) A member of the Public Service Commission as President.
- (b) Two senior military officials having experience of command of Indian units.
- (c) Two non-officials, preferably members of the Central Legislature.

In England, when a nominated boy does not pass the examination he “has to come before a War Office Board which is composed of a Major-General, a member of Parliament, a distinguished clergyman and two other soldiers”.

(Skeen Committee Report Volume No. 1, page 30.)

In connection with the examination by the Interview Board, I would suggest that the examination be divided into two parts—one concerning his record in school and outside and the other about ascertaining his personality, temperament and aptitude for the profession of arms by drawing him out into a free conversation. Marks should be separately given for these two parts and then totalled for the whole test under Interview and Record. This will minimise the chances for erring in assessing the personality, resourcefulness and leadership of a boy.

33. *Power to remove unsuitable cadets.*—The power in the interest of discipline should be vested in the Commander-in-Chief, but a convention should be established by which the Commander-in-Chief would exercise the power in concurrence with the Army Council, whenever it may be established, and until such a Council is established, in consultation with the Chief of the General Staff and the Adjutant General.

34. *Fees.*—The Committee by majority has decided that the fee to be paid by a cadet for his training in the College for the full course of 3 years should not exceed Rs. 4,600, *i.e.*, at the rate of Rs. 127-8-0 per month.

I regard it as very high. In support of my contention, I quote from the “*Statesman*” of the 14th June, 1931.

“That the cost of education at the Indian Sandhurst should be kept as low as possible is only right and proper, and as a principle, it has numerous precedents. Most countries recognise the State’s obligation to bear a large part of the cost of training cadets for a profession which has small material prospects to offer, and which exists solely for national defence. European countries which maintain conscript armies draw their officer personnel largely from the ranks, and where charges are made for training at military academies, as in the case of direct entry cadets, they are more or less nominal. Even in the case of the British Army, which still provides a profession for what are loosely termed the leisured classes, the cost of education at Sandhurst and Woolwich is below that of the two senior English Universities, and in the case

of sons of regular officers is purely nominal. Thanks to liberal State support, an Indian University education is relatively cheap, and if, as has been suggested, the fees at India's Sandhurst are to conform with this scale, a military education will be within the means of a large class."

It is worth noting that even in England which is a far more wealthy country than India, known for its proverbial poverty, the cost of education at Sandhurst and Woolwich is below that of the two senior Universities. Similarly, if we keep the cost of education in this military college below that of the three senior Universities of India, i.e., of Calcutta, Madras and Bombay, then my proposal of fixing fees not exceeding Rs. 75 per cadet per month is most natural.

Let us now see what the fees are like in Calcutta, Madras and Bombay Universities. In Calcutta University,

1. Law College and Hostel—

	Rs.	A.	P.
(a) Tuition fee Rs. 7/8 per month.. .. .	7	8	0
(b) Hostel charges including messing, electricity, furniture and seat rent, etc., for Anglo-Indians ..	26	0	0 per mensem.
(c) Games and Library, and other sundries ..	4	0	0 per mensem.
Total ..	37	8	0 per mensem.

2. Medical College, Madras :—

	Rs.	A.	P.
Tuition fee for a course of 6 years Rs. 970, i.e., ..	13	1	3 per mensem.

3. Engineering College, Madras :—

	Rs.	A.	P.
(a) Fees for a course of 4 years at Rs. 140, i.e. ..	11	2	3 per mensem.
(b) Fees for games extra for tennis	7	0	0 per year.

4. Law College, Madras :—

	Rs.	A.	P.
(a) Fees for M. L.	5	0	0 per mensem.
(b) Fees for B. L.	15	0	0 per mensem.

5. Hostel charges in Madras :—

	Rs.	A.	P.
(a) Boarding charges for Europeans	26	0	0 per mensem.
(b) Room rent	2	to	5 per mensem.
(c) Establishment	3	8	0 per mensem.
(d) Water, electricity, medical, etc.	2	4	0 per mensem.

The information so kindly supplied to me by the Superintendent of the office of the Public Service Commission generally tallies with my own information as stated above. According to his information also the hostel and messing cost in the Bengal Engineering College is Rs. 30 per mensem for Anglo-Indians, and Rs. 15 for Hindus, with extra for room rent, lighting, furniture, municipal rates, and taxes. For athletics and games the monthly fee for Anglo-Indians is Re. 1-14-0.

In conclusion, the Superintendent says "the approximate cost of living in hostels affiliated to the Bombay University is Rs. 50 per mensem. In the University of Calcutta, the cost of living or messing and seat rent varies in different hostels and messes. The messing charge is about Rs. 16 per mensem. Seat rent varies from Rs. 5 to Rs. 7 per mensem and in some cases Rs. 10 per mensem, including electric charges". Bombay, of course, is known for its high cost of living.

Thus, if the principle of keeping the cost of training in the military college lower than that at the Senior Universities like Bombay, Madras and Calcutta be followed in India also, then it will be quite reasonable to fix the charges per cadet as follows :—

Rs.		
10	..	.. Tuition fee per month.
30	..	.. Boarding charges per month.
5	..	.. Light and rent per month.
5	..	.. Library and games per month.
15	..	.. Pocket money per month.
<hr/>		
65	..	.. Total per month, i.e., Rs. 780 per year.

Thus, at Rs. 780 per year, the total cost of training for the full course of 3 years would be Rs. 2,340. Supposing now the cost of uniform to be, say, Rs. 500, and of books to be, say, Rs. 250, then the total cost for a full course of 3 years including tuition, board, lodging, pocket money, books and uniform should not exceed Rs. 3,090. We may thus take it at the round figure of Rs. 3,000 for a full course of 3 years.

If this figure of Rs. 3,000 be deducted from Rs. 4,600, which is the amount of fees fixed by the majority of the Committee, then the extra cost per cadet, for 3 years is Rs. 1,600, i.e., Rs. 1,44,000 for 3 years for 90 cadets. Therefore, the extra cost of 90 cadets per year will be Rs. 48,000.

Now the question is, who can bear this extra burden of Rs. 48,000 a year without feeling it? The State or the poor parents? If the State feels that it has a claim on the patriotism of the youths, who can maintain that the poor parents have not still greater claim on the revenues of the State? And after all, the extra cost is a paltry sum of Rs. 48,000 a year.

The sociological conditions in England are quite different from those in India. In England officers are recruited mostly from what are called the leisured classes who are never in want of money, but in India it is the parents of middle classes who will mostly supply the officers. In India, if a father earns from Rs. 250 to Rs. 500 per month, and has three or four children to educate, he will not be able to pay Rs. 125 per month for the training of one of his sons at this military college, while paying for the education of his other children, and also having to maintain a household.

I am, therefore, strongly of opinion that the total cost of education at the college per cadet for a full course of 3 years should not exceed Rs. 3,000. This figure should include tuition, board, lodging, pocket money, books and uniform. It should not include vacation and private clothes.

This proposal of mine compares very favourably with the fees charged at St. Cyr, Kingston, and West Point.

At St. Cyr Military College, France, "fees are charged at the school, but there are numerous categories of boys who escape payment of fees in whole or part. Out of 300 boys in each class 50% pay nothing at all, and only 40 boys pay full fees. The remainder pay at varying rates according to their parents' means and services to the country, so that even the poorest boy is not debarred from entering the School."

(Skeen Committee Report, Volume I, page 151.)

My latest information in this matter about St. Cyr and French Polytechnique as supplied to me by General Needham, Military Attaché to the British Embassy at Paris in his letter dated Paris, the 8th April 1931, is as follows:—

"about the expense to which a boy's parents are put, the following is the official reply to my enquiries:

St. Cyr.

- (a) By the law of April 16th, 1930, education, etc., is free, if ten years Army service in all is given by the pupil. If not, he must repay £100 for each year completed at the school, i.e., £200 in all.
- (b) The family pays £40—45 for the boy's clothes and kit but Government loans in aid are given in case of need.

Polytechnique.

- (a) As for St. Cyr and applicable to those who do not enter military service (a considerable percentage) or who fail to pass out. Amount repayable £130 for each year, i.e., £260 in all.
- (b) Clothes as for St. Cyr but cheaper, about £30.

At Kingston Military College, Canada, "the cost to the parent of educating a boy for the full four years' course at the R. M. C. is 1,450 dollars, which is rather less than half the average estimated cost (3,000) dollars of giving a boy a 4 years' education at a Canadian University."

(Skeen Committee Report, Volume I, page 173.)

At the present rate of value of a dollar in rupees which is Rs. 2-14-0 the whole cost of a full 4 years' course to a cadet comes to Rs. 4,168-12-0, i.e., at the rate of Rs. 1,042 per year. My proposal also is exactly the same, i.e., Rs. 1,000 per year.

At the Military College at West Point, America, "the State pays the whole cost of the institution and in addition pays each cadet 1,072 dollars a year, out of which he has to purchase his uniform, etc., as a cadet, and can also without difficulty save enough money to buy his outfit when he gets his first Commission."

"In return for his free education at West Point, each cadet has to agree to serve for 8 years; for 4 years as a cadet at the Academy, and for a further 4 years as an officer after leaving it. If, however, in his early years at West Point, an individual cadet decides that he wishes to revert to civil life, he is usually allowed to do so", and is I suppose not made to pay back the cost of his training.

(Skeen Committee Report, Volume I, page 186.)

It this is so in the richest country of the world, why should Indians in a poor country like India be made to pay a heavy rate of fees ?

35. *Indian Air Force Cadets.*—We are told that it was in 1928 that it was decided to raise an Indian squadron of the Air Force. We were further told that India has 8 such British squadrons which with the Indian Squadron when completed will make 9 squadrons in all. Thus it will be seen that the decision of the Round Table Conference to increase substantially the rate of Indianisation has not been given effect to in respect of the Air Force in India. We wanted Indianisation of the existing force and not an addition to it of an Indian section. It means an increase in the military forces which was possibly not needed by India. We were further told that wastage in the Indian squadron will be 3 per year, and that this is such a small number that it will be more economical to send these 3 cadets for training to Cranwell than to establish a Flying Training School for them in India. We were also told that the minimum number of cadets required to justify the incurring of expenditure in establishing a fully equipped Flying School is 10. Then the question is—why were not the 8 British Squadrons reduced by 3 and why was it not decided to raise 3 Indian squadrons in substitution thereof, instead of adding to them one Indian Squadron ? Here I know I am trespassing into a field which has been precluded from us by the ruling of H. E. the Chairman in respect of the terms of reference of this Expert Committee.

In Civil Aviation in spite of many handicaps Indian boys have shown eagerness to learn flying, originality, leadership, and pluck. Large sums of money are being voted every year for the development of civil aviation. Besides, we know the Indian Territorial Forces are anxious to have the air arm added to them. Under the circumstances is it a pertinent question to ask why should not a fully equipped Flying School be established in India on the combined contributions from the Budget grants for civil aviation and the military budget ? I appeal to the Government to explore the problem in the direction mentioned.

According to the calculations given in paragraph 48 of the Report, it will cost about £100,000, i.e., 13 lacs a year for establishing a Flying Training School for, say, 30 pupils. Thus 13 lacs a year is not a big sum if divided in due proportion between the budget grants for Civil Aviation and the Military Budget. If the School be established in connection with any of the Flying Clubs, say, of Bombay or Karachi, a part of the running expenses will be recovered from the civilians desiring to have a training in flying.

36. *Attachment to British units and retention of Sandhurst and Woolwich.*—This Expert Committee has by majority recorded its opinion against both these items. I am however strongly in favour of continuing both these systems. If I am erring, I have the consolation to know that I am erring in very good company. The Skeen Committee supports me all through. The Chairman of the Defence Sub-Committee and Lord Reading also support me in respect of the existing scheme of reserving a few vacancies at the British Sandhurst for Indian cadets, as will be evident from the following quotation from the Report of the Defence Sub-Committee, page 19 :—

“ *Chairman.*—The establishment of a Sandhurst in India need not prevent the existing scheme from continuing whereby a number of (Indian) students

attend Sandhurst in this country. On the contrary I see advantages in that continuing.

Lord Reading.—Yes.

Chairman.—I do not want it to be assumed that one is necessarily a substitute for the other; on the contrary they can run concurrently and indeed, I see advantages in that.” * * *

37. *Auxiliary and Territorial Forces Cadets.*—In England and countries of Europe military authorities love to offer all inducements for university men to enter the army, so that the scientific branches of their fighting machines may be kept on a high level of efficiency and abreast of the latest scientific inventions in competition with their rivals.

In India, however, the contrary is the case. Peculiar delight is taken in talking with feelings of contempt for the university men who are nicknamed as babu classes. But those of us who can envisage a day not very far distant in the future, when responsibilities for control and administration of the army and particularly for bringing it to the level of scientific efficiency of the European countries will devolve upon Indians after the elimination of the British Officers, feel impelled to provide for the caution from the very commencement that, as the British officer is eliminated, his place is taken by an Indian of the same intellectual capacity and width of mind, born of the same standard of preliminary academic education; otherwise, we may have a fine fighting machine without the trained brain for directing strategy and tactics and above all for feeding the machine with products of latest scientific developments. I feel that our national army cannot afford to do without the scientific intellect of Bengal, academic and sentimental though it may be, and the mathematical intellect of Madras, philosophical, though it is.

I am, therefore, strongly in favour of giving equal opportunities to the men of the U. T. Cs. for being nominated as Army Cadets. I may at once state here that; if the nomination had been restricted to their legitimate limits and wide scope had been left for open competition, I would not have pressed for the inclusion of men of the U. T. C. in the Army Cadets. Fortunately I find that ultimately a majority of the non-official members of the Committee have seen the importance of thus providing for the men of the U. T. Cs. and Territorial Forces and have joined in disagreeing with the Report in this respect. I hope and trust the Government will attach due importance to our protest.

38. *Location.*—The college should be located at a more or less central place so that no Province may be at a disproportionately greater disadvantage in respect of railway journeys than the other. I, therefore, suggest the following places in order of my preference :—

Mhow, Saugor, Jubbulpore, Deolali, Poona and Satara.

Climate in these places is very bracing generally all the year round except in Jubbulpore where the month of May and the first half of June is hotter than in others; but we are providing for the summer vacation of two months.

39. *Method of Indianisation.*—As I read the Resolutions and Recommendations of the Defence Sub-Committee and the Resolution of the Government of India appointing this Expert Committee, I have no doubt that the question of the method of Indianisation could legitimately be included in the

terms of reference. But H. E. the Chairman has ruled otherwise, instead of following the example in generosity and sympathy set up by no less a person than the Prime Minister himself as President of the Round Table Conference, as will be evident from the following quotation from the Report of the Round Table Conference,

“ after the opening ceremony, the Conference decided.....to proceed to a general discussion in plenary session on the question whether the future constitution of India should be on a federal or unitary basis.”

“ The Chairman stated that he would put a liberal interpretation on the subject thus placed before the Conference and would allow reference to cognate questions and to questions which the Conference might think were involved in the decision between a constitution of the federal or unitary type”.

(Proceedings of the Round Table Conference, page 1.)

* * *

However, even supposing that H. E. the Chairman was right in his interpretation of the terms of reference, I feel it would have been really graceful if the Chairman relying on precedents like these had allowed us to express our opinion on the method and pace of Indianisation.

40. By Indianisation is meant the gradual Indianisation of commissioned and other appointments now held in the Indian Army by British personnel and the rendering of India more and more self-supporting as regards all arms and services. In other words it means the elimination of the British element from the Indian Army and substitution of it by Indian officers, so that “ the defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone ”. It does not necessarily involve inevitable elimination of the Viceroy’s Commissions, though expediency and the necessity of keeping military budget within its legitimate limits may eventually lead to the gradual elimination of the Viceroy’s Commissions also.

41. Indianisation can be carried out in two ways :—

First.....By expanding the present Government scheme of Indianisation of eight Units, so as to cover what is called, by H. E. the Chairman, one whole division.

Second.....By the method recommended by the Shea Committee of 1922.

The first method has been universally condemned and there is entire agreement with what has been said by the Skeen Committee in its condemnation in paragraph 17 of their Report from which I quote as below :—

“ For reasons which appear to us to be convincing, the scheme had been extremely unpopular almost from its inception not merely with general public in India but with the Indian officers whom it directly affects and with most of the commanding officers of the Indianising units. The first and almost universal criticism provoked by the inquiries we have made is that to confine

Indian officers to these units is an invidious form of segregation and that every Indian officer should be given the same chance of selecting the unit to which he wishes to be sent as a British officer."

Thus, if the 8 unit scheme was an invidious form of segregation, the present scheme of Indianisation of a whole division is the same segregation practised, at this time, on a very much wider scale. The Government have paid no heed to the popular condemnation of this method of segregation. The Government ought to have known that this scheme of segregation will never be acceptable to the people and that it will keep the ferment of discontent and agitation perpetually alive.

42. The second method recommended by the Shea Committee appears to carry out Indianisation in its true spirit. To give a clear idea of what the method is like, I quote from the Committee's Report as below :—

" *Indianisation by definite stages.*—The Committee recommends, therefore, that the complete Indianisation of all arms and services (excluding Gurkhas for whom special arrangements will be necessary) of the Indian Army be carried out in three definite stages, each of 14 years, commencing from 1925 :—

This period of 42 years was reduced to 30 years after reconsideration.

- (a) First period : 1st to 14th year.
- (b) Second period : 15th to 28th year.
- (c) Third period : 29th to 42nd year.

They recommend that during the first period of fourteen years :—

First period of Indianisation—

- (a) One regiment per group of cavalry, one battalion per group of Infantry, and a corresponding proportion of other services be selected for Indianisation.
- (b) The average number of commissions in fighting formations in the Indian Army to be given to Indians in each year should amount to approximately 81.
- (c) The establishment of a cavalry regiment and infantry battalion and a pioneer battalion selected for Indianisation be fixed at 28 officers.
- (d) The establishment of a pack battery selected for Indianisation be fixed at 6 officers.
- (e) The establishment of engineer units selected for Indianisation be fixed as under :—

Headquarters companies	..	..	..	3	per company
Field companies	..	..	..	6	per company.
Field troops	..	..	..	4	per troop.
Railway companies	..	..	..	7	per company.
Army Troops companies	..	..	..	7	per company.

- (f) The number of officers to be posted to the Quartermaster-General's services be approximately 148.
- (g) The number of officers to be posted to the Indian Army Educational Corps be approximately 54.

The officers will be posted to units as follows :—

- (a) Cavalry, infantry and pioneers :—Two Indian officers would enter each such unit yearly displacing one British officer and one Indian officer as at present commissioned.
- (b) Artillery :—One Indian officer would enter each battery biennially (every second year) displacing either one British officer or one Indian officer as at present commissioned.
- (c) Engineer units :—Indian officers would enter engineer units as follows :—
- (i) Headquarters companies : One officer every fourth year.
 - (ii) Field companies : One officer every second year.
 - (iii) Field troops : One officer every third year.
 - (iv) Railway and Army Troops companies : One officer every second year.

This officer would displace either one British officer or one Indian officer commissioned as at present.

In this way, after twelve years, all British officers in 7 cavalry regiments, 20 infantry battalions, 3 pioneer battalions, 6 pack batteries, 1 headquarters company, engineers, 6 field companies, engineers, 2 field troops, engineers, 1 railway company and 1 Army Troops company undergoing Indianisation would have disappeared and such units would be completely officered by Indians.

“ The Committee further recommend that, with a view to ensuring the necessary supply of militarily qualified officers for the Quartermaster-General's and Educational Services a number—approximately 16—of Indian officers should be appointed annually and posted as supernumeraries one to each of certain selected units undergoing Indianisation.”

Indian officers to be posted to units of class.—“ The Committee think that it will be necessary ultimately to post Indian officers to units irrespective of class, but they are of opinion that the point is not one upon which a definite decision can now be given and that experience gained during the progress of Indianisation will alone indicate the course to be followed with a view to reconciling the requirements of military efficiency and possible class feeling.”

Test of units undergoing Indianisation to be continuous.—“ The Committee consider it essential as a condition and test of efficiency that units undergoing Indianisation should receive in every respect precisely similar treatment to that accorded to other units

and should be employed as Covering Troops, in the Field Army and for purposes of Internal Security as occasion may demand."

Second period of Indianisation.—"It is recommended that during the second period the numbers of commissions to be given annually should be increased to approximately 182, and this should provide for the Indianisation of the following units:—

Cavalry regiments	..	..	--	--	--	7
Infantry battalions	..	..	--	--	--	40
Pioneer battalions	..	..	..	--	..	3
Pack batteries	..	..	..	..	..	6
<i>Engineer units—</i>						
i. Headquarters companies	..	..	--	..	..	2
ii. Field companies	..	..	..	..	..	6
iii. Field Troops	..	..	..	..	..	1
iv. Army Troops companies	..	..	..	..	..	2

Together with a proportion for the Quartermaster-General's and Educational Services, and an allowance for wastage among first period officers.

Third period—completion of Indianisation.—The remaining units of the Indian Army would be Indianised during the third period—which if justified by experience might be shortened.

Ancillary Services, Quartermaster-General's Services. Officers to be trained in fighting units.—The Committee recommend that all ancillary services be Indianised on the same lines as the fighting troops.

They think it essential that all officers appointed to the Quartermaster-General's Services, other than those of extra-professional character (*e.g.*, Veterinary officers), should be obtained as volunteers from fighting units, with whom they will have been trained and disciplined, with whose traditions they will have been imbued, and with whose requirements they will be acquainted. The Committee, therefore, direct attention to the fact that the Indianisation of these services must await a supply of officers trained with cavalry, artillery, infantry, etc., and consequently cannot progress at a rapid rate during the first period of Indianisation."

43. In this method, while real Indianisation will be proceeding according to the time-scale recommended the newly recruited Indian officer, holding King's Commission, will have the guidance and co-operation, in his new position, of his British colleague on the one hand and of the experienced Indian officer on the other. * * *

44. It will thus be clear that as we are pressing for rapid Indianisation of the Indian Army compatible with efficiency, we are counting upon the military potentialities of many of the communities of India, which had, not in the very long past, subverted foreign Empires and established their own with entirely indigenous material and skill. I am glad to find confirmation of our belief in the feasibility of rapid Indianisation without affecting efficiency in quarters least

expected and at the same time highly authoritative—I mean the Shea Committee of the late Lord Rawlinson. I cannot better conclude this note than by quoting the last paragraph of the Shea Committee's Report which fills us with hope as it justifies our faith in our potentialities and, what is more, indicates the spirit of genuineness which ought to inspire the Government in dealing with this matter :—

Committee's recommendations the basis of a workable scheme.—“The Committee submit that their recommendations, contained in this their report, provide the basis of a workable scheme for the most rapid practicable Indianisation of the Indian Army, while safeguarding efficiency as far as possible. The scheme which they project is deliberate and allows for the maintenance of the existing organization, formations and grouping, and obviates the necessity for costly reorganization on the one hand and expensive forms of experiment on the other ; it clearly indicates the method and time of the process of Indianisation up to final completion thus assuring the Indian people that honest and purposeful endeavour is being made to give effect to their aspirations. The interests of British officers will be adequately safeguarded, while Indians under their immediate guidance, will have the incentive that they are serving in units permeated with fighting traditions and fit for any form of military duty.”

P.S.—The whole system of warfare has been revolutionised since the last Anglo-German War. It is not the standing armies of nations that fight now, but the entire people supported by even the mercenaries, if available. Thus, when the entire responsibility for the Government of India will devolve on the Indians, as it must in the immediately near future as a consequence of the attainment of Dominion Status, India must be prepared to control her own defences and foreign relations. In the management of her foreign relations, if an emergency were to arise—which God forbid—who knows what combinations of nations of the world India may have to fight ? Of course, we will always count on the co-operation and friendship of England. Our present standing army will not be of much help if the military regeneration of the entire people of the land is not immediately taken in hand rigorously to make up for the time lost during the period of the last about a century of the British policy of enforced disarmament.

This can be done in the following way :—

1. Removal of the ban upon recruitment of rank and file from certain communities of the people so that all federating provinces may be enabled to contribute their quota of men in the composition of the standing army, so far as they can in consonance with the essentials of efficiency.
2. Every encouragement should be given for the growth and extension of Territorial Forces. Their training must be made more efficient and embrace all arms of the army ; so that they may in

comparison with the Territorial Forces of the other countries of the world really form the second line of defence.

3. The U. T. Cs. in their training must be made to conform as closely as possible to the O. T. Cs. of England, for these will form the main source of supply of intelligent and well educated officers for the army. Their training and discipline must be made more efficient.

The U. T. Cs. may be divided into two categories—the Junior U. T. Cs. for the boys in the High Schools and the Senior U. T. Cs. for the boys of the Universities.

4. With a view to show the way how to improve the present educational system and to remove the defects in the system as pointed out by the Skeen Committee, physical training, organised games, rifle practice and drill be made compulsory to start with in a few selected High Schools with hostels by offering special inducements in the shape of special grants earmarked for the purpose. Such schools will serve as feeders to the military College.
5. Every encouragement should be given to establish rifle clubs particularly in connection with High Schools and Colleges.

In this connection it is often said that Indians are by nature divided into what may be called martial and non-martial races. This is a mere myth as I have said in the body of the Report. Japan, hardly 75 years ago, was in a similar position in this respect. But when by the law of the land military service was made compulsory for every able bodied man of whatever caste, fighting or non-fighting, he may belong, soon the artificial distinction of martial and non-martial classes vanished automatically. Mr. Roher P. Parter in his Book called "Japan, the rise of Modern Power" page 315 says :—

"But in the field the latter (Samurai, the so-called fighting classes) showed no superiority to the conscripts (people of the non-Samurai castes) and experience in fact proved that efficiency as a soldier depended entirely on adequate military training and not on any martial spirit or instinct supposed to be inherited by the Samurai and not by the Heimim (the common folks, the civilians who had not previously the right to bear arms)."

I need say no more in this matter. The idea carries its own condemnation.

B. S. MOONJE.

The 3rd July 1931.

*Minute by Sir P. S. Sivaswamy Aiyer and Major-General Raja Ganpat Rao
Raghunath Rao Rajwade.*

HEADINGS.	PAGE.
1. The Committee's task as indicated by the Round Table Conference ..	68
2. The Committee's task restricted by the Commander-in-Chief in his circular letter and by his interpretation	69
3. Vital issues as to pace and method of Indianisation	70
4. Arguments in support of slow policy	70
5. Requirements of proof of fitness	70
6. Postulates of dilatory policy	71
7. Arguments for dilatory policy examined	72
8. Indian capacity for military leadership not unknown in the History of India	72
9. Past policy directed to the suppression of capacity of leadership ..	72
10. Tests proposed impracticable	72
11. Theory of martial and non-martial classes examined	73
12. Simon Commission's remarks of no value	73
13. Circumstances favouring recruitment from the North	75
14. Climatic reasons urged for non-enlistment	76
15. Geographical variation within a country not decisive ground	76
16. Financial argument no justification of enlistment policy	76
17. Political dangers of the present enlistment policy	76
18. Policy of open door for enlistment called for	76
19. Change of political out-look and its bearings upon the defensive organisation	77
20. Importance of national army under modern conditions	78
21. Need for new orientation of military organisation	78
22. Scepticism as to supply of candidates unwarranted	79
23. Ability of officers of non-enlisted classes to inspire confidence in men of martial classes	79
24. Alleged risks of too large experiment	79
25. Salient features of new scheme of Indianisation	80
26. Segregation	80
27. Arguments in favour of segregation	80
28. Arguments against segregation	83
29. Advantage of working with officers of equal status	83
30. Generalisations about classes unsafe	84
31. Quality of British Officers	84
32. Segregation inconsistent with Indian self-respect	86
33. The elimination of the Viceroy's Commissioned officers	86
34. Arguments in favour of elimination	86
35. Onus of making out a case for changing an organisation which has stood the test of time	87

	Page
36. First argument considered	87
37. Second argument considered	87
38. Third argument considered	88
39. Fourth argument considered	88
40. Objections to elimination of Viceroy's Commissioned officers; adverse effect on recruitment generally	89
41. Adverse effect on recruitment to Indianised units in particular	89
42. Retardation of Indianisation	90
43. Differentiation in prospects	90
44. Question premature in any event	91
45. Pace of Indianisation	91
46. Recruitment by competition and nomination	92
47. Conclusion	95

1. *The Committee's task as indicated by the Round Table Conference.*— This Committee has been appointed by the Government of India in accordance with the recommendation of the Defence Sub-Committee of the Round Table Conference to work out the details of the establishment of an Indian Military College in order to train candidates for commissions in all arms of the Indian defence services. In order to understand clearly what exactly was meant to be included under the term 'details', it is necessary to refer to the proceedings of Sub-Committee No. VII (Defence) of the Round Table Conference and to the resolutions which were passed by the Sub-Committee and accepted by the committee of the whole Conference. During the discussions of the Sub-Committee it was strongly urged by several members that, subject to the requirements of efficiency and the availability of suitable candidates for recruitment as officers, some definite indication should be given as to the rate of Indianisation of the officers of the Indian army, or some period fixed within which the Indianisation should be completed. It is stated in the report of the proceedings that the majority of the members of the Sub-Committee considered it impossible, for practical reasons, to lay down any definite rate of Indianisation. Mr. J. H. Thomas, the chairman of the Committee, deprecated any precise specification of the rate or period. His remarks upon the subject are of importance. After stating that an expert committee should be set up to give immediate effect to the object of Indianisation, the chairman remarked that the first thing to do was "to secure the site of the building, the number of men you are prepared to train, the accommodation and all those things. The period is all dependent upon that" (page 41 of the Report). Lord Reading observed that the expert committee to be appointed should have before them the reports of the committees appointed during his Viceroyalty in India (the Military Requirements Committee of 1921 and the Shea Committee of 1922 on the Indianisation of the Indian Army) and that they should consider those reports. This suggestion was accepted by the chairman, who undertook that, when, in pursuance of the resolutions of the Sub-Committee, expert committees were appointed, those committees would, as a matter of course, take into consideration the proceedings of previous committees and in particular, the proceedings of the Military Requirements Committee of 1921 and the committee of 1922 on the Indianisation of the Indian Army (*vide* page 86 of the Report). There were two expert committees referred to in this undertaking and in Resolutions II (c) and III. It is obvious that the expert committee which was to be appointed to investigate the reduction of the number of British troops in India to the lowest possible figure was not primarily, if at all, concerned with the subject of Indianisation of the officers of the Indian units. Resolution II (a) recommended that immediate steps be taken to increase substantially the rate of Indianisation in the Indian army to make it commensurate with the main object in view, *viz.*, the increase of the defence of their country. Resolution II (b) recommended the establishment of a training college at the earliest possible moment to give effect to Resolution II (a). If any committee has to consider the reports of the previous committees on the subject of Indianisation of officers in the Indian units, it is the present committee rather than the committee for the reduction of the British troops. It is a legitimate inference from the proceedings and resolutions of the Defence Sub-Committee that notwithstanding the use of the word 'details' in Resolution

II (c), the principles as to the pace and method of Indianisation were not intended to be excluded from the purview of this committee. Otherwise what purpose is served by placing the reports of the committee of 1921 and 1922 before this committee? And how could the expert committee determine the number of men "you are prepared to train"? The order of the Government of India appointing the committee as published in the *Gazette of India* follows the language of Resolution 4 (II) (c) of the Sub-Committee (Defence) of the Round Table Conference.

2. *The Committee's task restricted by the Commander-in-Chief in his circular letter and by his interpretation.*—But in his circular to the members of the committee, His Excellency the Commander-in-Chief stated that the committee would be concerned with all the *technical* details of the military, financial and educational problems involved in establishing an Indian military college. It was also stated that the Government of India further proposed to invite the committee to give their advice regarding the scales of pay of officers who enter the Indian army through the college, though this was not, strictly speaking, one of the problems involved in establishing the college. As regards the size of the college, it was stated that the Government of India would be in a position to indicate the annual output that would be required from the college, in order to meet the increase of Indianisation contemplated by themselves and His Majesty's Government and that the committee would probably be asked to prepare a scheme for a college of 200 to 250 students with an annual output of about 60 to 80, including a proportion of cadets for Indian State Forces. It must be first pointed out that the Commander-in-Chief was not warranted in restricting the scope of the committee's work by introducing the word 'technical' to qualify details. Is this restrictive interpretation of the scope of the reference justified? One of the questions mentioned by Mr. J. H. Thomas as requiring preliminary investigation is "the number of men you are prepared to train". This was obviously contemplated by him as a question for the expert committee. The determination of the number of cadets to be trained depends on a number of interdependent factors, (a) the number of suitable candidates likely to be forthcoming, (b) the strength of the staff and the equipment of the college, (c) the number of cadets who can be efficiently trained by the staff and (d) the number of cadets who can be absorbed into the cadre of officers, the maximum limit being set by the annual number of vacancies. Is the last factor a question of detail or of principle or of both? Even if it is a question of principle is it necessarily outside the purview of this committee or is it a matter on which the opinion of the committee has to be taken? In opening the proceedings of the committee His Excellency the Commander-in-Chief made an important exposition of the policy of Indianisation which he had proposed to the Government of India. He asked the committee to concentrate their attention particularly on the question of a steady supply of suitable candidates for the college. This announcement of policy contained several important features, the nature of which was for the first time clearly explained to the committee. It was ruled by His Excellency that the question of what should be regarded as a substantial increase in the rate of Indianisation commensurate with the main object of Resolution No. 1 of the Round Table Conference was not within the competence of the committee. In excluding this important question from the consideration of the committee and

treating it as a matter for the decision of the Government without any advice or assistance from the committee, the scope of the committee's task as indicated by the Round Table Conference has been unduly narrowed. The work of the committee has been practically restricted to a consideration of the educational and financial details relating to the establishment of the college and its opinion has not been required on any of the important military problems connected with the establishment of the college. The correctness of His Excellency's ruling with regard to the scope of the committee's work is at best seriously open to question.

3. *Vital issues as to pace and method of Indianisation.*—But apart from any question of the correctness of the ruling, the decision arrived at on the principles underlying the policy of Indianisation is very unfortunate. Questions regarding the pace and method of Indianisation have a most important bearing upon the capacity of the college and upon the speedy development of the defensive capacity of India. They are questions upon which there is a fundamental difference between the military authorities and the Indian public. The attitude of the military authorities is in favour of a very slow policy of progress. On the other hand, Indian opinion favours a bold and liberal advance with a view to the speedy attainment of responsibility for defence, with all due regard to the conditions of efficiency and safety.

4. *Arguments in support of slow policy.*—Let us first refer to the arguments which have been advanced by the military authorities in support of a slow policy of Indianisation :—

- (1) While there is plenty of fine fighting material, it has not been proved that Indians possess any capacity for military leadership.
- (2) There is a sharp contrast in India between the martial classes and the non-martial classes, the former being deficient in intellectual endowment and the latter in martial spirit. It has yet to be proved that there are classes possessed of martial spirit and intellectual capacity combined.
- (3) It is uncertain whether there will be a steady supply of suitable candidates for training for King's commissions.
- (4) Whether Indian officers of non-martial classes can command the confidence of the martial classes has yet to be proved.

In the face of so many indeterminate factors any experiment by way of Indianisation of the officer ranks is held to be a leap into the unknown and must therefore proceed very cautiously, until it is proved that Indian officers can face their responsibility.

5. *Requirements of proof of fitness.*—The degree of proof required to convince the military authorities as to the efficiency and fitness of Indian officers for command has been stated differently at different times. The Sub-Committee of the Skeen Committee were informed by the India Office that it was desired to test the worth of the Indian King's commissioned officer in a time of crisis. In the report of the Simon Commission it is stated, presumably on the authority of some official memorandum, that the Indian King's commissioned officer must stand the only test which can possibly determine his efficiency and must

qualify himself by a successful army career for high command. These statements imply that no test short of actual experience under war conditions could be accepted. On the other hand, it was stated by the present Commander-in-Chief that after a period of 14 years' service, it might be possible to judge of the fitness of the Indian King's commissioned officer for command and that it might be possible to ascertain whether the Indian officer can train his unit in peace and lead it in war. Any experiment on a large scale without waiting for the lessons of experience must, it is alleged, be attended with serious risks to the safety of India arising from external danger or internal disturbances. The validity of these arguments will be examined later on. They are considered by Indians to be more specious than sound, but they appeal to the average British layman. The British mind is essentially empirical and wishes to build upon the results of experience and is content to solve the problems of the day without looking forward beyond tomorrow. "Sufficient unto the day is the evil thereof" is a maxim which more or less accurately expresses the mentality of the average Englishman.

6. *Postulates of dilatory policy.*—Before examining in detail the reasons urged in favour of a dilatory policy, it is necessary to point out that they are all based upon a postulate which no Indian will be prepared to grant. The assumption is that so long as the capacity of the Indian for leadership is not proved to the satisfaction of the military authorities, the organisation of the army cannot be changed in character, that British officers must continue to remain in position of command and that the responsibility for the military administration cannot be transferred to Indian hands. There is even the further implication that the defence of India may conceivably have to remain for all time in British hands. Indians are quite alive to the necessity for maintaining the efficiency of the army and to the importance of not imperilling the safety of India. They are however naturally anxious to assume responsibility for the control of the army within a reasonable period. What then is a reasonable period for the Indianisation of the officers' ranks? It has been pointed out that even if British recruitment to the officers' ranks were stopped to-day, it would take 35 years for the army to be completely Indianised. The Shea Committee of 1922 which was appointed by Lord Rawlinson first recommended a period of 42 years but on further consideration submitted the shorter period of 30 years which was unanimously accepted by the Government of India as then constituted including Lord Rawlinson. The refusal of the military authorities and the British Government to commit themselves to any indication of the probable period of Indianisation, subject to the necessary conditions of efficiency and the availability of suitable candidates, is one which it is impossible for Indians to appreciate. They refuse to contemplate the contingency of India proving unequal to the task of defending herself within a reasonable period. That the country is now unable to defend itself, no one is concerned to deny. But we believe that, if the policy of Indianisation were started in right earnest and carried out on sound national lines, it should be possible for us to train ourselves and undertake the responsibility for defence within a period of something like 35 years. If the Empire had to face the danger of another world war on the same scale as the Great War, there can be little doubt that England would be obliged to train India for her own defence within a much shorter period.

7. *Arguments for dilatory policy examined.*—Let us now proceed to consider the arguments urged by the military authorities in support of a dilatory policy of Indianisation. The plea that Indian capacity for leadership has to be proved by trial is one which cannot carry conviction to any reasonable mind. That a country like India, with its historical traditions and civilisation and with its vast population and varied classes, many of whom are not inferior in intelligence or martial spirit to the people of the West, cannot produce men with gifts of military leadership is a proposition which would *prima facie* be incredible.

8. *Indian capacity for military leadership not unknown in the history of India.*—Capacity for military leadership was not unknown to Indian history. The numerous kingdoms into which India was divided often carried on wars with each other and maintained armies of their own. The Hindus, Mahomedans and Sikhs all had their armies, led by their own generals. The Tamils and Telugus of Southern India, the Mahrattas of the Dekhan, the Rajputs of Central India and Rajputana and the Sikhs of the Punjab were not wanting in military leaders of ability.

9. *Past policy directed to the suppression of capacity of leadership.*—If it is at all true that the capacity for military leadership has not been displayed in recent times in the Indian units of the army (see *per contra* Lord George Hamilton's tribute to the native officers in the Tochi Valley operations in his despatch of the 3rd February 1898), it is entirely due to the fact that Indians have been denied all opportunities for entering the commissioned ranks of the army and of cultivating any gifts of leadership. The successive changes in the organisation of the Indian army since the time of Lord Clive, and especially the changes introduced after the Great Mutiny, were all dictated by one supreme consideration, how to prevent the possibility of any rising on the part of the Indian soldiers and how to prevent them from acquiring any capacity for leadership.

The Army in India Committee of 1912-13 referred to the risk of revolt having been reduced by the retention of the higher command and administration in the hands of British officers and by the consequent lack of opportunity for Indian officers to acquire the leadership and the initiative which practice and responsibility could alone impart; and they regarded this as a most important safeguard. It was considered necessary to impress upon the mind of the Indian soldier a conviction of his permanent racial inferiority to the British soldier. The steps which were taken with the object of crushing the capacity of the Indian for leadership and the reasons which induced the authorities to take these steps will be found described in the report of the Peel Commission of 1858-59, the Eden Commission of 1878-79 and the Army in India Committee of 1912-13 and the evidence given before these committees. As observed by an English writer, it would have been a phenomenon, if the system adopted by the authorities in the training of their Indian soldier developed any capacity for leadership at all. It is adding insult to injury to suggest that the capacity of the Indian for military leadership is an unknown quantity and has yet to be established.

10. *Tests proposed impracticable.*—If the fitness of Indians for command can only be tested by experience of war conditions, it is obvious that the ful-

filment of this test depends upon contingencies not within the control of Indians. It has been said that after a period of 14 years' service it may be possible to judge of the fitness of Indians for command. The command of a unit is normally attained only after a period of 26 years' service and it is quite as likely as not that even after 14 years' service, it may be urged that the efficiency of the Indian soldier has not been subjected to the crucial test of war.

11. *Theory of martial and non-martial classes examined.*—The distinction drawn by the military authorities between martial and non-martial classes is very largely artificial and the result of the military policy which has been followed by the Government with regard to recruitment for the army. This policy was founded not so much upon innate differences in the characteristics of the people as upon the distrust engendered by the participation of particular classes of soldiers in the Mutiny. Recruitment after the Mutiny to the army was determined by the opinion of the military authorities as to the reliability or otherwise of particular classes of people for loyalty to the Government. Several classes of people who used to furnish some of the finest material to the pre-Mutiny army came under the disfavour of the Government and were no longer drawn upon for purpose of recruitment. It is just as true that military qualities can be evoked or revived by suitable opportunities and training as it is that they may languish under unfavourable conditions.

12. *Simon Commission's remarks of no value.*—The fact that the Simon Commission have endorsed this theory of the Military Authorities furnishes no proof of its correctness. Internal evidence shows that their remarks are an uncritical reproduction of some official memorandum. The soundness of this theory of martial and non-martial classes has been the subject of an elaborate and critical study by Mr. Nirad C. Chaudhuri, who has contributed a series of very able and illuminating articles to the *Modern Review*. (See the numbers for July and September 1930, January and February 1931.) It would be useful to give a summary of the facts gathered from an impartial study of the history of recruitment of the British Indian Army.

(1) The theory of martial and non-martial classes was unknown in the pre-Mutiny organisation of the Indian Army. The three great Presidency armies which grew up in the three centres from which British power spread over the whole of India obtained their fighting material from their natural sources, viz., the Madras army from the Tamil and Telugu countries, the Bombay army from Western India and the Bengal army from Bihar and the United Provinces and, to a limited extent, Bengal.

(2) The principles of army organisation which were adopted after the Mutiny had regard not solely, or perhaps even mainly, to military efficiency. Political consideration relating to the method of securing the safety of British rule played the most important part.

(3) The maintenance of equilibrium between different regions and classes and the prevention of preponderance of any class were recognised as important principles in the organisation of the Army. Every feature of Army organisation that would have promoted *esprit de corps* and a sense of national unity and would have been regarded as a merit in a country enjoying national self-Government was obnoxious to our British rulers. Among the sources of danger which the authorities sought to remove were (1) the admission of the

higher castes and the aristocratic classes who enjoyed a prestige in the social organisation; (2) the homogeneity of the units; (3) the too indiscriminate mixture of soldiers in the units which tended to break down mutual differences, jealousies and exclusiveness and promoted regimental solidarity and (4) intelligence, education and capacity for initiative and leadership. Lack of intelligence and education, lack of any intelligent interest in the concerns of the outer world, came to be prized as virtues in the soldier.

(4) The measures which were adopted to avoid these dangers were (a) the formation of class companies in such a manner as to foster mutual prejudices and jealousies, (b) the intensification of diversity among the component elements of units and (c) the admission of the lower castes and classes.

(5) When it was found that military discipline and service in distant parts of the country tended to obliterate religious and caste differences and promote bonds of fellowship, the expedient was suggested that regiments should be, as far as possible, confined to the provinces in which they were raised so that they might continue to retain their traditional prejudices and mutual antipathies.

(6) It was during the time of Lord Roberts as Commander-in-Chief that the theory of martial classes was finally evolved.

(7) The military authorities were not, even in Lord Robert's time, advocates of the principle of combining maximum efficiency with maximum economy, but they were prepared to recognise higher or more important considerations like the avoidance of the preponderance of particular classes in the Army.

(8) The Bengal army, which before the Mutiny was regarded as a fine fighting machine, was almost exclusively composed of Hindustanees from Behar and the Doab, except that latterly a proportion of Sikhs and Punjabees had been introduced. The principal castes of Hindus in the army were Brahmins, Rajputs and Ahirs. The Hindus formed the great majority. The Bengal Presidency ceased to be a recruiting area and the high-caste Beharees and the U. P. men were no longer considered to be one of the martial races of India.

(9) The decline in the efficiency of the Hindustanee sepoy referred to by Lord Roberts and Lord Dufferin was not due to the decline of the martial quality of the ordinary Hindustanee sepoy who fought so gallantly for the British both before and after the Mutiny and again during the Great War of 1914-18, but to the inclusion, after the Mutiny, out of political considerations and as a counterpoise to the high-caste soldiers, of unsuitable low class men such as Pasis, Dhanuks, Lodhas, Chamars and Mehtars who had never before or after served as soldiers.

(10) The disparaging opinion of Lord Roberts regarding the Mahrattas is contradicted by the opinion of General H. J. Warre, the Commander-in-Chief of the Bombay Army, and by their achievements during the Great War.

(11) The decline in the efficiency of the Madras Army was explained by General Sir Neville Chamberlain as follows:—

“ I admit that some Madras Infantry regiments do not come up to the proper standard; but this is not because of any inherent deficiency or defect in the material available. It has been because of

the regiments being badly commanded, partly arising from a rigid adherence to the claims of seniority partly to the British officers having been constantly changed and partly to a loss of feeling of *esprit de corps* created by large reductions and a flood of supernumeraries and partly because the army has not had its fair chance of field service."

Sir Frederick P. Haines, the Commander-in-Chief, felt bound to reject the assertions ascribing comparative inefficiency to Madras troops.

(12) Whatever the truth behind the theory of the martial races, it is not proved by anything in the military practice followed in this country. The latter has never been sufficiently free from considerations of political safety to permit us to take it as a genuine test of the military potentialities of India and of the military capacity of the various tribes and castes. In their policy of combining absolute political safety with the maximum of military efficiency, Government have categorically denied the right of serving their country to millions of Indians who have forfeited their confidence or roused their suspicions by their political activities, educational progress or intellectual ability.

(13) Statistics relating to the proportion of soldiers from the different parts of India with regard to selected classes actually serving in the Indian Army on the 1st of January 1914, 1919 and 1930 show that the present-day proportions of the various classes bear no relation either to their war efforts or to their ratios in the army before the war. This want of correspondence is particularly noticeable with regard to the United Provinces, Madras and Behar. The Sikhs who formed the most numerous class in the army in 1893 have come down to the third place and the Punjabi Musalmans have now taken the first place.

(14) The comments of the Simon Commission on the war efforts of the different classes in India show no intelligent analysis or appreciation of the various causes affecting recruitment.

Mr. Chaudhuri's conclusions are amply supported by reference to official documents and I reproduce in the appendix a few of the copious extracts which he has furnished in his articles.

13. *Circumstances favouring recruitment from the North.*—As pointed out by Mr. Chaudhuri, the whole attitude of the British authorities in India in favour of the men of the north was due to the circumstance that, owing to the growth of the Russian menace by 1880, the North-West Frontier had become the principal theatre of operations for the Indian Army. The numerous tribal risings on the North-West Frontier and the necessity for guarding this vulnerable frontier which has been the gateway of invading hordes induced the Government to mass a large portion of our army in the Punjab. The military authorities found it more convenient to recruit their soldiers from the people who are near at hand, easily available and familiar with the terrain. The Government have also supplied the army of Northern India with the ablest and the most energetic officers who were most fitted to bring out the latent qualities of their men by training and organisation. As pointed out in Arthur's "Life of Lord Kitchener" (Volume II, p. 1 125), "All this tended to damp the zeal and mar the efficiency of the Madras and Bombay armies, and not a little to

foster jealousies between them and the Bengal army. Nor did the post-Mutiny reorganisation of the Indian military system do anything to abate these heartburnings, and service in the other Presidencies became increasingly unpopular. Young officers who were ambitious, or could wield influence, strained every nerve to be posted to the Bengal Staff Corps, with the result that the Madras and Bombay Staff Corps were always considerably under strength. The amalgamation of the three Staff Corps in 1891, the abolition of the Presidential armies in 1895 and the creation of Four Commands failed to popularise military service in Madras and Bombay, the conditions of which remained unhealthily stagnant."

14. *Climatic reasons alleged for non-enlistment.*—One argument urged in support of the present policy of enlistment is that the men belonging to South India and other areas from which recruitment is barred cannot stand the climate of the north-western frontier and are averse to service there. Adaptability to climatic environments is one of the characteristics of human beings and service for a period of one or two years is likely to bring about the necessary adaptation. If this were a valid argument the British and the Gurkha soldier should not be enlisted for service in India or in expeditions to other tropical countries. During the wars in foreign lands in which Indian troops were employed, nothing was heard of the unadaptability of the Indian soldiers to the climatic conditions of other countries.

15. *Geographical variations within a country not decisive ground.*—We are not concerned to deny the existence of geographical differences in physique, temperament or aptitudes. Differences are to be found even in the different parts of the United Kingdom and between county and county. The advocates of enlistment from select areas and races forget how much improvement is, and can be, effected in the physique and morale of the soldier by the conditions of service in the army which ensure a nutritious diet and regularity of habits, drill and discipline, military surroundings and regimental traditions. The troops which played a part in the Peninsular War were described by the Duke of Wellington as having been recruited from the scum of the earth enlisted for drink.

We have dwelt at some length on the history of recruitment and it may be said, that it is unnecessary to dwell on the sins of omission or commission of the Government in the past. Our object is not to sit in judgment on the past policy of the Government, but to point out the unfairness of blaming the people for the effects of a policy deliberately and systematically followed by the Government. These effects have been disastrous and the policy requires a change.

16. *Financial argument. No justification of enlistment policy.*—Whatever value may have to be attached to the professional arguments, the professional point of view is a narrow one and fails to take note of the requirements of the safety and progress of the nation all round. From this larger point of view financial economy is not the only consideration. Even the military authorities were not un-alive to the importance of considerations overriding the claims of economy. (See the remarks of Lord Dufferin in his minute of 8th December 1888, Collen's Army in India during the Viceroyalty of Lord Dufferin, page 19). The welfare of all parts of India and the development of their self-sufficiency

is an object which cannot be lost sight of by any national Government. Economy for the moment is not economy in the long run from the point of view of India as a whole. The provinces whose interests have been neglected in recruitment for the Army would be morally justified in refusing to contribute to the pecuniary burden of defence. It cannot be maintained that the provinces and classes which have ceased to supply recruits have so irretrievably declined that their martial qualities cannot be revived by throwing open the door of the army to all. Making allowance for the deteriorating effects of stoppage of recruitment among particular classes, it is an extravagant contention that entire provinces have so far deteriorated in martial qualities that they do not contain any classes capable of furnishing soldierly material for the army.

17. *Political dangers of the present enlistment policy.*—Unfortunate as its past policy has been in its effects upon particular classes of people, the present policy of the Government is calculated to perpetuate these differences and expose the peoples and provinces shut out from enlistment to the danger of domination by the classes listed as martial. This is one of the risks referred to by the Simon Commission as likely to follow the withdrawal of British troops and British officers. But the lesson drawn from this circumstance by the Simon Commission is not the urgent need of training all provinces to bear their share of responsibility for defence. The lesson which for obvious reasons they draw is that the present military policy and the presence of British troops and officers must remain more or less permanent features of the Indian administration.

The remarks of the Simon Commission that the military authorities are taking their share in the work of reducing the martial disparity between classes and races is just, as incorrect as their inferences from the figures of recruitment to the army are fallacious. Apparently the formation of a territorial force and urban battalions is referred to. But the territorial force is treated in a step-motherly way, especially as compared with the Auxiliary Force, and the formation of an urban battalion was delayed for four years after the report of the Territorial Force Committee and only launched at an inauspicious time when the political unrest in the country had become intensified.

18. *Policy of open door for enlistment called for.*—The proper remedy for the existing state of things is to throw open enlistment in the army to all provinces, classes and individuals, subject of course to the condition of suitability of the individual. It would be a tardy reparation for the injury caused by past policy. The removal of the bar against particular provinces and classes is one of the most urgent reforms called for in the organization of the army. We plead only for the policy of an open door and not for the admission of the unfit. There need be no fear that persons with no military aptitude or inclinations will enter the army in large numbers and dilute the strength and impair the efficiency of the army. It is only those individuals that have any martial aptitude and instincts that will care to enter the army and be prepared to undergo the discipline and hard life of a soldier.

19. *Change of political out-look and its bearings upon the defensive organisation.*—Political considerations have always had a share in all countries in determining the military policy of the country and India has been no exception to the rule. But the point of view from which the problem of defence should

be now approached is entirely different from that which has been hitherto adopted by the Government. The consideration which has hitherto influenced the authorities has been the best method of maintaining British rule over an alien population and for that purpose preventing the growth of martial spirit and leadership to an extent which might prove inconvenient and embarrassing to the Government. Now that responsible Government has been promised and that constitutional changes for the attainment of the goal are in sight, the angle of vision must necessarily be shifted and the primary consideration hereafter must be the evolution of a national army within a reasonable period.

20. *Importance of National Army under modern conditions.*—Apart from the constitutional and political aspects of the organisation of the army it must be realised that modern war implies a conflict not merely between the armies of the belligerent countries, but between nations. War under modern conditions is carried on on a tremendously larger scale than in the past and the successful conduct of it requires the utilisation of the whole of the man-power and the material resources of the nations engaged in the conflict. It is therefore essential that the army should as far as possible be drawn from all classes and areas and should assume a national character and that the responsibility for the defence of the country should be brought home to all sections of the population. This responsibility cannot be discharged merely by the payment of taxes to meet the military expenditure. Every class and community must be prepared to shoulder the burden of defence by willingness to serve in the army. It is a matter of familiar experience that for purposes of defence against external danger a national army possesses far greater moral strength and staying power than a merely professional army drawn from particular classes only. The military situation of India with its long frontiers is more analogous to that of the continental powers of Europe than to that of Britain. It is perhaps premature and inadvisable at the present moment to think of conscription.

21. *Need for new orientation of military organisation.*—It is absolutely necessary to give a new orientation to the policy of military organisation. Till the inauguration of the Montagu-Chelmsford reforms, the authorities gave no thought to the question of defence from the national point of view. The Esher Committee on the organisation of the army in India paid no attention to the national aspect of the question. The only committee, which at all approached the problem from the national point of view, was the Auxiliary and Territorial Forces Committee presided over by Sir John Shea. But it dealt only with the organisation of the non-regular forces and its recommendations have not been carried out except in the most half-hearted manner. The appointment of a committee to examine the military organisation of India from a national point of view is one of the most urgent measures to be undertaken by a responsible, or even a semi-responsible Government of India. Such a committee must be charged with the duty of devising measures for uplifting the martial capacity of all provinces creating a national army imbued with a sense of patriotism and responsibility for the defence of the motherland, and preventing the domination of one area by another or of the civil population by the soldiery. Public opinion will refuse to accept the dilemma posed by the Simon Commission that for the purpose of defence India must remain for

generations either under the heel of Britain or under the heel of the enlisted classes.

22. *Scepticism as to supply of candidates unwarranted.*—Another reason advanced in support of a slow policy of Indianisation is that we are not sure of a steady supply of recruits for the King's Commissions. We believe that when the field of recruitment is thrown widely open, there will be no difficulty in finding suitable recruits for the commissions to be thrown open to competition. The causes of the paucity of candidates in the past have been fully set forth in the report of the Skeen Committee. With the increase in the number of commissions to be offered every year, the opening of an Indian Military College and the reduction in the cost of military education to parents, there is no room for any misgivings as to the supply of suitable candidates. Even if the other provinces failed to respond to the offer, there would be no lack of suitable candidates from the enlisted areas. Sir John Maynard, the retired member of the Executive Council in the Punjab, informed the Skeen Committee that in the Punjab alone "There are many boys who do not appear for the Sandhurst examination, but are of better quality than the accepted Sandhurst candidates whom he himself had seen." We may refer also to similar testimony given by other witnesses before the Skeen Committee.

23. *Ability of officers of non-enlisted classes to inspire confidence in men of martial classes.*—A further argument urged in favour of the policy is that it remains to be seen whether Indian King's Commissioned officers, particularly of the non-enlisted classes, can command the confidence of men belonging to the enlisted classes, in the same way as the British Officers. So far as the King's Commissioned officers of the martial classes are concerned, there is no ground for any apprehension. But even in regard to Indian officers of the so-called non-martial classes, there is no reason to fear that if he has got the requisite capacity, training, tact and sympathy, he will fail to inspire confidence in the ranks: moreover, there will be the British King's commissioned officer over him, and if the former is worth his salt, it would be his duty to support his Indian subalterns in the same way as he would support his British subalterns. Much of the success of the British officer whether in the civil service or military service of the Crown, is due to his confidence that he will be backed up by his superior officers in the discharge of his duties and receive their moral support.

24. *Alleged risks of too large experiment.*—It has been suggested that the experiment on a larger scale will expose India to risks with regard to Internal security and protection against external danger. We cannot regard these risks as probable or likely. The maintenance of internal security is normally a matter for the police organisation and the main argument advanced in favour of the presence of a large number of British troops and officers is that their impartiality would not be open to suspicion. With the growing national consciousness of the people and their aspirations to self-Government, there will be less and less danger of a feeling of distrust as to the impartiality of Indian Officers as a class. As regards the fear of external danger arising from a large addition of the Indian element to the King's commissioned officers of the army, it seems to be equally fanciful. It seems to be forgotten that during the transition period, which must elapse before the Indian Army can be fully

Indianised, the Indian King's commissioned officers will be trained and guided by the British officers above them, not to speak of the Viceroy's commissioned officers who have been described as the back-bone of the Indian Army. This preliminary survey, we have been obliged to make at some unavoidable length, as it is the indispensable back-ground of our remarks on the new scheme.

25. *Salient features of new scheme of Indianisation.*—We may now proceed to examine the main features of the scheme of Indianisation which has been put forward by His Excellency the Commander-in-Chief, and which are all intimately connected with the question of the annual output of cadets from the College. The three features of his scheme which are most open to criticism are (1) the principle of posting Indian King's Commissioned officers only to the units selected for Indianisation, (2) the elimination of the Viceroy's commissioned officers and the organisation of these units on the pattern of the British Army, and (3) the pace of Indianisation of the officers' ranks. We will consider each of these features in order.

26. *Segregation.*—The policy of posting the Indian King's commissioned officers only to the units selected for Indianisation is the continuation of the principle which underlay the Eight Units Scheme and an extension of that principle to the larger number of units, comprised in one whole division of Infantry and one Cavalry Brigade, with all their auxiliary and ancillary services. This policy of differential treatment of Indian King's commissioned officers evoked universal criticism in India. It was strongly condemned by public opinion in this country and received with feelings of profound dissatisfaction by the Indian King's commissioned officers. It has been disapproved by the British officers of the units selected for Indianisation and has been unanimously condemned by the Skeen Committee, who recommended its abandonment. A distinguished and disinterested soldier like His Highness the Maharaja of Bikaner found so many demerits in it that he considered it unnecessary to go into details. (See proceedings: Sub-committee No. 7, page 73.)

27. *Arguments in favour of segregation.*—We may first consider the arguments which have been adduced in favour of the principle of the Eight Units Scheme which is now proposed to be extended to a whole fighting formation. It was explained by Mr. Brown, the representative of the India Office, before the Skeen Sub-committee that there was a certain amount of uncertainty about the way in which Indian officers might develop, that it was conceivable that an Indian officer in a time of crisis might prove unequal to his responsibilities and that if young Indian officers served side by side with British officers of the same age, rank and standing, it was possible that the shortcomings of the Indian officer might be covered up by the British officers and his defects might be concealed. This was said to be one of the main considerations which led to the adoption of the scheme. It is impossible to accept this explanation as furnishing the real reason for the principle of the Eight Units Scheme, which, for brevity's sake, we may call the scheme of segregation. It must be first pointed out that the principle of segregation cannot furnish the test proposed, as for a long time to come the Indian King's commissioned officer will always be serving under British officers and, even if the Indian officer played up to his responsibilities and stood the test of the crisis, his successes could

always be ascribed to the guidance and leadership of the British officer above him, just as it has become the fashion with English officers and historians to remark that the Indian soldier is excellent fighting material, provided he is led by British officer. If the argument really had any weight, it should tell even against the mixture of British officers of superior rank, just as much as against the mixture of British officers of equal rank in the Indian units. The real reason for the principle of segregation is the reluctance of British young men to take the chance of having to serve under an Indian officer and taking orders from him. This explanation was not vouchsafed at first, when the Eight Units Scheme was publicly announced by Lord Rawlinson in the Legislative Assembly or at any subsequent time. It was left to Mr. Young, the present Army Secretary to lift the veil partially from the genesis of the scheme in a speech in the Assembly in 1928. He deprecated the idea of attributing the reluctance of the British officer to racial arrogance but contended that the British boys would cease to come out to the Indian Army if they had to face the prospect of serving under Indian officers. The explanation that he gave was ingenious, but not even plausible. He stated on the authority of the highest military opinion in India and in Britain that in fighting units an officer establishment of persons of widely different nationalities was not a practical proposition and could not be efficient. Even in the units proposed to be Indianised, the British officer would continue and would be quite willing to serve so long as he was above the Indian officers. The objection of the British officer is not really to the mixture of persons of widely different nationality in the same unit; it is to the possibility of having to serve under a senior Indian officer that the British officer cannot reconcile himself. Though the true explanation has not been given to the Assembly, it has been frequently admitted by high military authorities that racial prejudices would never allow the British officer to take orders from a senior Indian officer and that if they had to undergo this risk, the flow of British officers to the Indian Army would stop. This fear and the device of segregating the Indian officer to counteract it were mentioned by Gen. Chesney (in his "Indian Polity", first published in 1868) by Lord Roberts and by Lord Kitchener. Lord Roberts fought against Gen. Chesney's proposal to grant commissions to Indians. He referred to the strong feeling inveterate to all ranks of the British army that natives were neither physically nor morally their equals and remarked as follows:—

"It is this consciousness of the inherent superiority of the European which has won for us India. However well educated and clever a native may be and however brave he may have proved himself, I believe that no rank that we could bestow upon him would cause him to be considered as an equal by the British officer, or looked up to by the British soldier in the same way that he looks upto the last joined British subaltern".

(Arthur's "Life of Lord Kitchener", Volume II, p. 177.) Lord Kitchener himself who was probably one of the most broad-minded Commander-in-Chief who ever served in India, and was in favour of the establishment of an Indian Military College and the admission of natives of India for higher military employment, referred to the deep-seated racial repugnance to any step which brought nearer the day when Englishmen in the army might have to take orders from Indians (Arthur's "Life of Lord Kitchener", Volume II, p. 181).

It may be said that whether justifiable or not we strike here upon the bedrock of racial prejudice and that some weight must be attached to the fear of high military officers who are acquainted with the prejudices of their countrymen, and many of whom share those prejudices, that the admission of the Indian officer to serve alongside of British officers in the same units might have an adverse effect upon British recruitment. But is there a real danger of such a result? The prospect of having to serve under Indian officers has not deterred Englishmen from joining the Civil Service. It goes without saying that the Englishmen who enter the Indian Civil Service are, as a rule, men of superior educational attainments to the English men who enter the army. Why then should there be any falling off in the supply of English recruits in the Army? The difficulties of obtaining employment are probably nearly as keen in England as they are in this country. Economic motives largely influence the choice of a career and they are asserting themselves more and more even in the military profession. Having regard to the emoluments open to a military career in the Indian army it is difficult to believe that they will fail to attract an adequate supply of suitable candidates. In his book on "The Army", Genl. Macmunn sums up the advantages of a military career and points out that they include "a start in life at 20 years that is almost self-supporting and therefore comparing most favourably with other professions, a living wage from early days and a moderate pension otherwise only obtainable by prolonged heavy premia and some allowances to widow and children". The emoluments in the Indian army are now better than in the British, and if British young men consider the situation coolly, they will be able to appreciate the advantages of a career in the Indian army. Genl. Macmunn himself expresses the opinion "that the correct view is that if an Indian can negotiate fairly the tests and scrutinies that a British officer has to pass and that the army authorities alone are to settle, the senior Indian will be a remarkable man under whom any one may gladly serve". According to him, the British officer of the right type has an even brighter future than formerly but the lesser vessels may have a poorer one. It may, however, be said that the British public school boy class from whom the officers of the army are mainly recruited is one full of feelings of aristocratic superiority and racial pride and possessed of private means (report of the Lytton Committee on Indian Students, p. 18) and that any change in the conditions of army service may deter boys of this class from entering the army. But, as remarked by the Haldane Committee on the education and training of officers, "The type of education in the secondary schools available for children of parents in comparatively humble circumstances is now higher than it has been at any time in the past; and barriers social and intellectual, have been, and daily continue to be, broken down". If the haughty young aristocrat with his superiority complex does not care to enter the Indian Army, there are sure to be plenty of boys who have received a sound secondary school education and who are likely to be more free from social prejudices and will be attracted by the solid advantages of a career in the Indian Army and the change will be probably all to the good. But assuming, for the sake of argument, that British recruits cannot be attracted on the basis of equality with Indians and on terms consistent with Indian self-respect, India should be prepared to face the situation and learn to do without British recruitment.

28. *Arguments against segregation.*—Let us now consider the arguments against the policy of segregation of the Indian King's commissioned officer. They have been summed up in the report of the Skeen Committee. For the purpose of making this note self contained, it is desirable to reproduce a summary of the criticisms which have been emphatically endorsed by the Skeen Committee. The first and almost universal criticism is that to confine Indian officers to the Indianised units is an invidious form of segregation and that every Indian officer should be given the same chance of selecting the unit to which he wishes to be sent, as a British officer. Several Indians who now qualify for King's commissions have family connections with particular units extending over many years and it is natural and laudable that they wish to continue their family tradition. In the case of British officers such a tendency is definitely encouraged.

In the next place, the test is, as formulated by the authorities, an unfair one and too severe to impose upon the first generation of the Indian King's commissioned officers who already have sufficient disadvantages of other kinds to overcome.

The scheme is also in conflict with the principle of co-operation between the British and Indian which is applied in every other sphere of the Indian administration for the purpose of securing harmonious work and to increase the efficiency of Indian personnel. With Indianisation proceeding in the army in any measure, the only means of ensuring successful Indianisation and concomitantly the maximum degree of attainable military efficiency is to allow Indian officers to serve shoulder to shoulder with British officers, each learning from the other in every unit of the Indian army.

There is one other practical consideration to which the Skeen Committee attach great importance. The Indian King's commissioned officer is still a new element in the Indian army to which the Indian rank and file have not yet had time to become fully accustomed. By the distribution of this element in all the units alongside of the British officers the new element can be absorbed with the least degree of questioning and the least derangement of the existing system of the Indian army taken as a whole. The committee were of opinion that both for psychological and practical reasons the continuance of the scheme could only conduce to failure. The Committee therefore advised the abandonment of the Eight Units scheme and of the principle of segregation.

29. *Advantage of working with officers of equal status.*—It has been urged that the Indian King's Commissioned officer will even in the Indianised units have the opportunity of moving with his British superiors. But that cannot possibly have the same advantage as the opportunity of moving with equals of one's own age and status. This great advantage is claimed, from the psychological point of view, as one of the benefits of a system of public school education as distinguished from education at home in the society of elders only. The system of posting Indian and English officers of the same rank in one unit will promote a healthy spirit of emulation and feelings of camaraderie and brotherhood which must be beneficial to the English and Indian officer alike. It is an irony of fate that the very authorities who have been loudest in insisting upon the training of the Indian cadets in the English Sandhurst as affording the opportunity of rubbing shoulders with British

cadets of the same age and status should be so keen to deprive the Indian King's commissioned officer of a continuance of these advantages during the whole period of his service. As pointed out by Sir Valentine Chirol, in "India", "the real explanation of the policy of segregation is something which goes even deeper than the racial objection of British officers to being placed in the position of having to take orders from Indian officers". He stated that responsible and experienced British officers who were proud of the confidence and personal affection of their native officers as well as their men were afraid that the Englishmen's prestige with the native troops themselves would be gone, if they were ever placed under other than British command. (V. Chirol's "India", p. 279). The fact is there is far more affinity by culture and tradition between members of eastern races than between members eastern and western and it is much easier for one Indian to get into the skin of another Indian than for an Englishman. The late Lord Birkenhead remarked (The Indian Corps in France by Merewether and Smith, p. 472). "The intuitive and sympathetic British officer of an Indian Battalion can never be quite sure whether his outlook upon events, where those events have transcended their experience and his, retains any contact with that of his men. East is still East and West is still West".

30. *Generalisations about classes unsafe.*—To the objections pointed out by the Skeen Committee, we may add a few more of at least equal importance. The assumption underlying this principle of segregation and the proposal of a means of testing the value of the experiment of Indianisation is that every British King's commissioned officer is bound to make good and that the Indians as a class are likely to prove unequal to their responsibilities. We consider that, while individuals may fail among Indian as well as English officers, it is unjust to a class accordingly to relegate them to separate units. The Indian officer should be and is quite willing to face his responsibilities. But he is in justice entitled to ask that he should be tried under exactly the same conditions as the English subaltern. The system of differential treatment would lend itself to the suspicion that, while the defects and failures of the English subaltern will be covered up and concealed by the superior officers of his race, they would not regret the occurrence of opportunities for saying that the Indian subalterns were not equal to their responsibilities or could not command the confidence of their men. In view of the fact that high English officers are in the habit of constantly harping upon the inability of Indian officers, and especially of the so-called non-martial classes, to inspire the confidence of their men in the same way as an English officer, this suspicion may be easily created in the minds of the Indian officers. The extent to which *esprit de corps* may lead English officers to stand by each other has been happily portrayed in Galsworthy's "Loyalties".

31. *Quality of British officers.*—We may be permitted to quote a few extracts from authoritative opinions on the quality of British officers. After the disaster at Tweebosch (6th of March 1902) during the Boer War, Brodrick wrote to Kitchener that the public were insistent on the punishment of those whose carelessness or incompetence was responsible for the mishaps. Lord Kitchener replied to him that he quite agreed with Brodrick as regards punishment of those officers and men who by their carelessness or through other

causes did so much harm. He considered it most necessary for the good of the army as a whole. He wrote, "one of the great faults in British officers is that they do not look upon their work sufficiently seriously at all times. They are in many cases spasmodic and do not realise the serious nature of their responsibilities and if they do so at one time, they easily forget them. If this is due to some extent to training, it seems to be a national defect based a good deal on over-confidence". (Arthur's "Life of Lord Kitchener" Vol. III, pages 66—69).

The Akers-Douglas Committee of 1902 on the training and qualities of British officers reported that the witnesses were unanimous in stating that the junior officers were lamentably wanting in military knowledge and, what is perhaps even worse, in the desire to acquire knowledge and in zeal for the military art. The Committee had been informed by a very high authority that the majority of young officers would not work, unless compelled; that "keenness is out of fashion", that "it is not the correct form; the spirit and fashion is rather not to show keenness and that the idea is, to put it in a few words, to do as little as they possibly can". By no part of the evidence laid before them had the committee been more impressed than by that which showed in the clearest manner the prevalence among junior commissioned ranks of a lack of technical knowledge and skill and of any wish to study the science and master the art of their profession. General Sir James Moncrief Grierson expressed the following opinion on the training of British officers:—"Until the body of British officers becomes convinced that the days of playing at soldiers were over and that work in the fullest sense of the word must now be the watch-word, we despair of any attempt at reorganisation. By the work we do not mean the daily duty, but study, hard study, which must be encouraged and fostered in every way by the authorities".

Giving evidence before the committee of enquiry into the conduct of the Boer War, Lord Roberts said that he had been compelled to remove five generals of divisions, six brigadiers of cavalry, one brigadier of infantry, five commanders of cavalry regiments and four commanders of infantry battalions for incompetence, which was a very large number considering the number of troops employed. He went on to say "whether it is inherent in the British character, or whether it is owing to something faulty in the training of our officers, I cannot say, but the fact remains that surprisingly few of them are capable of acting on their own initiative many of them do very well, if you can tell them exactly what to do and how to do it, but left to themselves they fail". (Report of the Royal Commission on the war in South Africa: Minutes of Evidence, Volume I., p. 446; Questions 10520, 10522, and 10524).

Our object in making these quotations is not to disparage British officers as a class or to ignore their merits. It is for the purpose of giving point to our remark as to the danger of generalising about classes from the conduct of individuals in times of crisis. It would be as unfair to disparage Indians as a class as it would be to disparage British officers as a class from particular instances.

32. *Segregation inconsistent with Indian self-respect.*—If Englishmen cannot tolerate a position of equality with Indians even in this country the talk and the promise of equal partnership of India in the British Empire are meaningless. The whole policy underlying the scheme of posting Indians to separate Indianised units is utterly incompatible with the self-respect of the Indians and nothing will ever persuade them to the contrary. England will have to make up her mind whether she would prefer the certain risk of offending Indian sentiment to the very doubtful risk of a check to the flow of English recruits.

33. *The elimination of the Viceroy's commissioned officers.*—We shall now proceed to the second essential feature of the scheme of Indianisation outlined by His Excellency the Commander-in-Chief. His Excellency informed us that it was decided that all units included in the Indianisation scheme should be organised on the British basis of officers, that is to say, that all officers down to platoon and troop commanders amounting to about 28 for each battalion or regiment should be King's commissioned officers. This involved the gradual elimination of the present Viceroy's commissioned officers. His Excellency was right in stating that, though it was announced by his predecessor in the Assembly, this feature of the scheme had not been grasped either by the public or by the army. Possibly this was a part of the Indianisation scheme as conceived by the authorities from the beginning. But implications of the scheme as to the elimination of the Viceroy's commissioned officers were never clearly pointed out till now. The proposals of the Shea Committee of 1922 for Indianisation proceeded upon this basis of abolition of the Viceroy's commissioned officers. But their report was secret and nobody knew anything about it till it was brought out from cold storage in 1928. In his speech in the Assembly in February 1923, when he explained the features of the Eight Units Scheme, Lord Rawlinson made no reference to this aspect of the scheme. It was for the first time referred to by Field Marshal Sir William Birdwood and by Mr. Young in their speeches in the Assembly in March 1928. But the full significance of the scheme was not realised by the public. In no country with even a shadow of responsible Government would such an important measure affecting the organisation of the Army have been hatched without the knowledge of the people. The fact that the Government have decided in favour of the adoption of the British pattern does not render the decision sacrosanct or immune from criticism by the public. This proposal for adoption of the British pattern in the Indianised units makes a revolutionary change in the existing organisation of the Indian Army.

34. *Arguments in favour of elimination.*—Let us first consider the arguments which have been advanced in favour of the proposal:—

- (1) It is said that the Viceroy's commissioned officer is indispensable as an intermediary between the British King's commissioned officer who belongs to another race, and the Indian rank and file, but is unnecessary in the case of the Indian King's commissioned officer. It is also said that in no other country are there two types of commissioned officers in the Army.
- (2) It is said that all commissioned officers must take part in the training and leading of platoons and troops, and that if the Indian

King's commissioned officer is unwilling to dispense with the intermediary Viceroy's commissioned officer he must be deemed to shirk his responsibility.

- (3) As both the King's commissioned officer and the Viceroy's commissioned officer belong to the same race and the same class, the Viceroy's commissioned officer would not obey the King's commissioned officer and friction might arise, making the position of the King's commissioned officer intolerable. It is also said that, if there is any difference between the Indian King's commissioned officer and Viceroy's commissioned officer in the matter of social status, the difference is in favour of the latter.
- (4) It is also said that the Viceroy's commissioned officer is the backbone of the army and that his interests and prospects must be carefully maintained.

35. *Onus of making out a case for changing an organisation which has stood the test of time.*—The present organisation of the Indian army has existed for a long time and there has been no complaint that it was defective or inefficient. On the other hand, it has been repeatedly acknowledged that the Viceroy's commissioned officer is the backbone of the army, just as the permanent non-commissioned officers in the British army who come midway between the King's commissioned officer and the men in the ranks are said to form a wonderful body. It lies upon those who wish to introduce a radical change in the *status quo* to make out a strong case in favour of the change. The mere fact that the British army is organised on a different basis is not a sufficient reason for departure from the existing organisation. There is no reason to assume that the British pattern is a model of perfection and should be slavishly imitated elsewhere. Even supposing that the existence of an intermediate link between the King's commissioned officer and the ranks is unnecessary it would furnish no argument for a change, unless it could be shown that the existing system has produced any evil results.

36. *First argument considered.*—We do not wish to embark upon a discussion of the system of organisation of the army in other countries. The organisation in every country is adapted to its own circumstances and requirements, and there is no rule of abstract logic compelling any country to adopt the pattern of any other without regard to its own administrative necessities and other conditions. Whether the removal of any intermediate links between the King's commissioned officers and the other ranks is an improvement or not, we consider that it would be most inexpedient to introduce a change in the Indianised units without introducing it in the rest of the Indian army. We feel also that for financial and other cogent reasons, to be pointed out later on, the policy of eliminating the Viceroy's commissioned officers must be abandoned in the best interests of the country.

37. *Second argument considered.*—It has also been suggested that the Indian King's commissioned officer should take charge of his men and train them, just like the British subaltern in a British unit. Whatever may be the case in the British units, there is no justification for differentiating between the Indian King's commissioned officer and the British King's commissioned

officer and imposing upon the former duties that are not laid upon the latter. If the Viceroy's commissions were abolished throughout the Indian army, both in the Indianised and the non-Indianised units, there might be something to be said in support of this plea. But if Viceroy's commissioned officers are maintained in the non-Indianised units and eliminated in the Indianised units, the maintenance of an individious dual system would cause untold harm. It would certainly be treated as a brand of inferiority upon the Indian officer, lower his status and prestige in the eyes of the other ranks and render it impossible for him to discharge his duties properly or maintain his self-respect. The unwillingness of the young Indian officer to accept different treatment from that accorded to the British King's commissioned officer of the same standing cannot in justice be interpreted as a desire to shirk responsibility.

38. *Third argument considered.*—The argument based upon the social position and status of the Viceroy's commissioned officer and the likelihood of friction between him and the King's commissioned officer will not hold water. The higher social position of the Viceroy's commissioned officer as compared with that of the direct recruit to the King's commission exists only in the imagination of the Government and the military authorities. A superiority conferred by educational qualifications must always tell in favour of the King's commissioned officer and will be recognised and accepted by the Viceroy's commissioned officer who is wanting in such qualifications. Our colleagues who are representatives of the martial classes do not apprehend the possibility of any such friction.

39. *Fourth argument considered.*—The argument that the interest and prospects of the Viceroy's commissioned officers who form a valuable element in the army should be protected may be conceded. But it really does not help the contention that the Viceroy's commissioned officers should be gradually eliminated. So far as the prospects of the Viceroy's commissioned officers are concerned, they consist in the chances of promotion to King's commissioned ranks, whenever they may be found to possess suitable qualifications. So far as the prospects of the men in the ranks are concerned, their interest lies in the maintenance of the class of Viceroy's commissioned officers to which they may expect promotion by meritorious service and conduct. The military authorities are so full of tenderness for the Viceroy's commissioned officer that they wish to improve his class out of existence. It is not by abolishing the class of Viceroy's commissioned officers, but by giving them an opportunity for the King's commission that they must be encouraged to acquire higher intellectual qualifications. The private and the non-commissioned officer must be encouraged by maintaining the Viceroy's commission class and giving them a chance of rising to that class which alone the large majority would be fit for. In the case of the exceptional few men in the ranks who may possess sufficient ability and education, they may be given opportunities of securing appointment to King's commissions by admission to the military college. The abolition of the class of Viceroy's commissioned officers would remove all prospects of promotion for the other ranks. Individual Viceroy's commissioned officers may be benefited by appointment to King's commissions, but it is difficult to understand how the class of men who now rise to Viceroy's commissions can possibly benefit by the abolition of this class of commissions.

Some light is thrown by paragraph 14 of the Report of the Committee upon the genesis of the idea of the elimination of Viceroy's commissions. It had not taken shape in the mind of Lord Rawlinson in February 1923, though it had been put forward by the Shea Committee in 1922. The reason why the idea was not seriously considered by anyone was this. If the officers' cadre in the Indian units could be wholly Indianised in 30 years, even if the Viceroy's commissioned officers had to be replaced by King's commissioned officers, it was not worth the while of any member of Lord Reading's Government to examine the soundness of this proposal for elimination. Though the abandonment of this proposal might by itself tend to shorten the process of Indianisation, the need for protecting the rights of the existing British officers would prevent full Indianisation for about 30 years. The Indian members of Lord Reading's Government were, therefore, quite satisfied with the period and did not care to worry themselves about this proposal. Lord Rawlinson had definitely made up his mind about the policy of segregation so far as the 8 units were concerned. He could defend it in the Assembly as a device for testing the fitness and efficiency of the Indian King's commissioned officers. He went on to point out that "simultaneously with the Indianisation of these selected 8 Indian units, Indians who qualified for King's commissions will continue as at present to be posted to the other units of the Indian army. The number of Indian cadets now sent to Sandhurst each year, if all pass out successfully is more than sufficient to replace the normal wastage in the 8 units alone. I draw attention to this matter, as it has a significance which the house, I am sure, will not fail to appreciate". But his successor began to consider what should be done with the Indian King's commissioned officers after the 8 units had been Indianised under the present system. Should they be posted to other units with British King's commissioned officers or should they be posted to fill up Viceroy's commissioned vacancies? He must have evidently thought that the policy of segregation should be continued and must have evidently preferred the elimination of Viceroy's commissioned officers as the lesser of two disagreeable alternatives to the course of allowing the Indian King's commissioned officers to be distributed in the other units.

40. *Objections to elimination of Viceroy's commissioned officers; adverse effect on recruitment generally.*—The objective contemplated (the elimination of the Viceroy's commission) is bound to have a very detrimental effect upon recruitment to the other ranks, for their educational qualifications would be too poor to permit them to aspire to King's commissions and the only class to which they now look forward for promotion would have disappeared.

41. *Adverse effect on recruitment to Indianised units in particular.*—Another serious consequence of this proposal is that it would affect recruitment to the Indianised units and young men of mettle and ambition who wish to enter the ranks would prefer to enlist in the non-Indianised units which hold out prospects of promotion to Viceroy's commissions. Recruitment to the Indianised units is bound to suffer in comparison and the efficiency of the Indianised units is thus bound to suffer.

The notion that, as education makes progress, educated young men will enter the other ranks of the army in considerable numbers with the ambition of rising to King's commissions through this avenue is unwarranted. In the

first place, there are not a sufficient number of King's commissions to attract any considerable number of men to the ranks. In the second place, experience shows that, save under exceptional circumstances, young men of education, even in England, do not care to be recruited in the ranks. General MacMunn observes in his book that "In Great Britain, for reasons explained, it is usually the lad of the humblest classes, the least educated classes, who selects the military life. It would be safe to say that not 20 per cent. do so from love of soldiering and adventure. Want of employment, love quarrels, *Res angusta domi* and the like, still must account for a far larger percentage of enlistment than is dignified, yet gives illogically the finest soldiery in the world". ("The Army", page 70.)

Apart from the demoralising consequences of the proposed change on the Indian army and the Indian officers, there are two most serious objections to the proposal, one relating to the cost of the scheme and the other to the time required for complete Indianisation. The number of Viceroy's commissioned officers in one infantry division and one cavalry brigade is 312 and the cost of converting them into King's commissioned officers will throw a very considerable additional burden upon the finance of the country. But very probably the intention of the military authorities is to fix the pay of the Indian King's commissioned officers on a much lower scale than that in force for the British officers in the Indian units. What exactly is the scale of pay proposed, we have not been informed. The adoption of a differential scale of pay is bound to deter young men of self-respect and spirit from entering the commissioned ranks and doom the scheme of Indianisation to failure.

42. *Retardation of Indianisation.*—The next objection to the scheme proposed is that it will indefinitely prolong the period taken to completely Indianise the officers ranks of the division and the brigade selected for the purpose, not to speak of the Indianisation of the whole army. It has been stated that if British recruitment is completely stopped, it would take 35 years for the army to be completely Indianised. This is based on the normal figures of annual wastage among the King's commissioned officers. But if the Viceroy's commissioned officers are also to be Indianised, it must necessarily take a much longer period. Out of the 60 cadets proposed to be admitted into the military college, the annual output of commissioned officers, after making allowance for wastage, is expected to be 53. The number of commissions required to replace the vacancies in the British King's commissioned ranks of the Indianised division and brigade every year would only be about 20. The remainder of the output from the college must therefore be utilised for replacement of the Viceroy's commissioned officers. How many of the graduates of the college would replace British officers and how many of them would replace the Viceroy's commissioned officers, we have not been informed. But it is quite likely that they may first be posted to fill all the vacancies in the Viceroy's commissioned ranks, the surplus only being drawn upon to replace the English officers.

43. *Differentiation in prospects.*—Yet another objection to the scheme is that side by side with the Indianised units there will be non-Indianised units in which the British King's commissioned officers will have opportunities for promotion and command, denied to the Indian King's commissioned officers

in the Indianised units and any differential treatment would be invidious. The considerations we have adduced above should be sufficient to condemn the whole scheme in the eyes of the Government.

44. *Question premature in any event.*—In any event the question of the adoption of the British pattern is one which should be left to the decision of the future Government of India after all the Indian units have been completely Indianised on the present basis. We have discussed this question of a change in the organization at some length in the hope that the Government may be induced to reconsider the decision instead of treating it as a settled fact. The zeal for imitation of the British pattern is liable to be ascribed, and not without a show of reason, to the sinister object of retarding the process of Indianisation as much as possible and not to the love of ideal perfection.

45. *Pace of Indianisation.*—We now come to the third important feature of the proposed Indianisation scheme, and this relates to the time required for the Indianisation of all the Indian units. It has been already pointed out how the adoption of the British pattern of organisation and the proposal to convert all the Viceroy's commissioned officers into King's commissioned officers will necessarily tend to the prolongation of the total period of Indianisation. Apart from the bearing of the change of organisation on the length of the period required, it has been said that it would take 35 years from the date of stoppage of British recruitment. *Prima facie* it might be supposed that no harm would be done even if British recruitment was stopped from to-morrow, for there would be British officers in the superior ranks of the Indian army to train, guide and direct the Indian officers for over a generation. His Excellency the Commander-in-Chief remarked that he could not take the responsibility of going beyond the Indianisation of one division of infantry and one cavalry brigade for the present. No doubt His Excellency observed that his proposals were not of a static or rigid character, that after a period of 14 years commencing from 1924, it would be possible to form a definite opinion as to the success of the experiment and that it would not be necessary to wait for a further period of 7 years before deciding to carry the experiment further and that it would then be an easy matter to increase Indianisation by brigades or divisions. Assuming that on the lapse of 7 years from this date, the authorities would recommend the entire stoppage of British recruitment, the time required for complete Indianisation would be 7 plus 35, or 42 years. If, on the other hand, it was decided to stop British recruitment not completely, but only piecemeal, it would prolong the period still further. A scheme of this indefinite character will fail to satisfy Indian aspirations. If there was no proposal to abolish the Viceroy's commissioned officers or to segregate the Indian King's commissioned officer in separate units and if there was also a proposal for a liberal initial intake of Indians and a progressive annual increment of Indian recruits and a corresponding decrease of British recruits for the commissioned ranks, it might be possible to satisfy the demands of public opinion. There was undoubtedly a difference of opinion in the sub-committee of the Round Table Conference as to the stoppage of British recruitment and the laying down of a definite time table. But there can be no reasonable doubt that all the members of the Round Table

Conference would have been in favour of starting the process of Indianisation with a liberal percentage of initial recruitment. This is apparent from the unanimous resolution in favour of a substantial increase in the rate of Indianisation, commensurate with the main object in view. Having regard to the opinions expressed at the Conference it would not be proper to suggest the immediate abandonment of British recruitment. It is still open to us to express an opinion on the question whether the Indianisation of one division and one brigade now proposed is, or is not a substantial increase in the rate of Indianisation, commensurate with the object in view. Putting it crudely it may be said that compared with the 8 unit scheme the proposal to Indianise one Infantry Division and a Cavalry Brigade is a substantial increase, but considering the entire strength of the Indian Army now the increase is neither substantial nor commensurate with the object in view. In coming to a conclusion upon this question, regard may legitimately be had to the proposals of the Government of India in 1922. The resolution of the Legislative Assembly in March 1921 which was accepted by the Government was that not less than 25 per cent. of the King's commissions granted every year should be given to His Majesty's Indian subjects to start with. We may also take it that the principle of an annual increment was not unacceptable to the Government, though they were not willing to commit themselves openly to any specific rate. Had a scheme of Indianisation been started immediately, we should now have reached an annual Indian recruitment of 50 per cent. on the assumption of an increment of $2\frac{1}{2}$ per cent. every year. We do not think that an initial intake of less than 50 per cent. of the total number of commissions thrown open every year would satisfy public opinion. As to the further steps to be taken to carry on the process, two methods of progression might be suggested, either an annual increase of 5 per cent. in the Indian recruitment and a corresponding decrease of British recruitment, or a stoppage of British recruitment to be completed in two steps, one after a period of five years and the next, after ten years. The first alternative would work automatically and bring about the cessation of British recruitment after a period of ten years. But if the automatic principle is considered objectionable and it is necessary to be satisfied as to the flow of a steady supply of suitable candidates, the latter alternative would serve the purpose. According to either of these schemes, the progress of Indianisation of the Indian Army will be completed within a period of 45 years. It must be remembered in this connection that according to the original proposals of the Shea Committee of 1922, the period suggested was only 42 years. Their revised programme, which was accepted by the Government of India, reduced the period to 30 years. We must not forget that in their supplementary report the committee expressed the opinion that it was impossible to produce the very large number of educated, trained and experienced officers in a shorter time than 42 years. But this opinion was expressed upon the basis that the Viceroy's commissioned officers would be eliminated from the army, a proposal which has already evoked a storm of disapproval.

46. *Recruitment by competition and nomination.*—Perhaps the most important question included in the agenda placed before the committee is the proportion of vacancies to be filled up by competition and nomination respectively. The importance of general education among the qualifications

of officers is now being more and more largely recognised. Even in England, where the system of purchase once prevailed, selection by competition has become the rule and selection by nomination, the exception. Though a certain number of commissions are given to men from the ranks, the number of such commissions is very limited and the proportion of the vacancies filled up by nomination to those filled up by competition is very small.

The representatives of the enlisted classes on our committee have pleaded for a large majority of the commissions being given to the members of these classes by the system of nomination. The grounds on which they base their advocacy are that it would not be possible for the Viceroy's commissioned officers and the non-commissioned officers and the private to reach the standard of general education prescribed for competition and that the boys belonging to these classes start their education at a comparatively late age and would not be able to satisfy the age requirement for entry into the military college. The argument necessarily proceeds upon the admission of backwardness in general educational attainments. No one would wish to deny opportunities for promotion to men of capacity in the ranks, provided they come up to the required level of fitness in point of education. There is no objection to the concession of special educational facilities to the sons of soldiers and officers who may be in need of help. Nor would any one be disposed to raise any objection to some relaxation of the upper limit of age for the grant of King's commissions. In spite of the educational progress which is claimed to have been made in the Punjab and among the enlisted classes of this province during recent years, it cannot be denied that their education has not sufficiently advanced to enable them to compete in the entrance examination. It is because the enlisted classes cannot come in by the open door of competition, that they plead for entry by the back-door of nomination. It is admitted by the military authorities that for several years to come, very few of the Viceroy's commissioned officers will be fit to be recommended for entrance into the military college. The same remark must hold good of the non-commissioned officers and the privates. A private cannot be recommended for admission to the college until he has put in a certain number of years of service and attained the rank of a non-commissioned officer. It has been stated by military authorities that the lowest age at which a private can become a non-commissioned officer is 30, though it is generally 40. Viceroy's commissions too are attained by non-commissioned officers only at a later age. These two factors relating to the age and the educational qualifications of the non-commissioned officers and the privates have a most important bearing upon the successful Indianisation of the officers' ranks in the army. Even taking into consideration the provision recently made for the special enlistment of promising young men of ability, the age at which non-commissioned officers and the Viceroy's commissioned officers can obtain King's commissions must ordinarily prevent them from rising to the higher ranks of the King's commissioned officer in the army; and the process of Indianisation must therefore be necessarily delayed. The admission of officers who are below the level of general educational qualifications prescribed must seriously interfere with the success of Indianisation. To admit a large proportion of such officers to commissioned ranks would be to court the failure of the whole scheme. It is on these grounds that we are unable to

agree to any large proportion of the King's commissions being offered for appointment by nomination.

The contention that King's commissions must be distributed in proportion to the number of recruits furnished by different classes of the population is untenable. In countries which have not adopted the system of conscription recruits are generally furnished by the labouring and the uneducated classes and not the educated or the upper classes. If it is contended that the upper ranks of the martial classes should be rewarded, because the lower classes of these communities furnish recruits the claim rests on no principle. To reward one man for service done by another is absurd. The only principle upon which commissions should be awarded is the basis of individual fitness and not membership of a class which furnishes recruits. In paper No. 4 of the supplementary papers to the Peel Commission Report, General Jacob strongly condemned recruitment on the basis of membership of any race, tribe or caste. (See page 77.) Mere military training or membership of a military caste cannot make up for deficiencies in general education. According to the existing practice, 16 out of 25 commissions are filled up by competition. Of the remaining 9, five are given to the Viceroy's commissioned officers and four are filled up by nomination by the Commander-in-Chief out of those who have obtained qualifying marks in the entrance examination. This works out to a proportion of 16 for competition out of 25 or a little over two-thirds. The Skeen Committee recommended that 80% of the King's Commissions should be filled up by competition and 20% by nomination by the Commander-in-Chief from among those who have obtained qualifying marks in the entrance examination. The necessity for enlarging the field of recruitment was emphasised by Sir Malcolm Hailey and by the Skeen Committee. Sir Malcolm Hailey expressed the opinion that it was not advisable to make the preference in favour of landowning and military classes a fixed item in the policy of recruitment, and he thought that the process of education among the other ranks would produce its inevitable result in reducing the preference which the other ranks may feel for officers of particular classes. It was also emphasised by the Round Table Conference. Unless the number of commissions available for competition is largely increased, we cannot expect young men to come forward in sufficiently large numbers for the competitive examination. Nor is it possible to expect educational institutions to introduce any changes to adapt themselves to military requirements. We are therefore of opinion that the proportion of competitive vacancies should be fixed in accordance with the recommendations of the Skeen Committee, i.e., at 80%.*

Having regard to the low educational qualifications of the Viceroy's commissioned officers and the Y cadets we think that the reservation of 20% of the commissions for nomination from among both these classes is ample. We may mention that according to the recommendations of the Lee Commission on the Superior Civil Services the proportion reserved from promotion from the Provincial Civil and Police Services was only 20 per cent. The fear of the enlisted classes that they will not

*On a fuller consideration I now agree with Sir Sivaswamy Aiyer in fixing the proportion of competitive vacancies at 80% as against 66% which I had previously suggested in the Committee.
G. R. R. RAJWADE.

be able to obtain an adequate number of King's commissions by competition is not well grounded. It must be remembered that candidates with military inclinations are more likely to come forward from these classes than from others. The very high maximum allotted to the test of Interview and Record is also bound to weight the scales very considerably in favour of candidates belonging to the enlisted classes. In the second place, the advocates of this view ignore the educational progress which is being made in the Punjab. Lastly, a policy of protection for particular classes is not merely unjust to other classes, but deprives the former of all stimulus to progress. We do not consider it necessary to dwell upon the well-known arguments in favour of open competition as the means of excluding favouritism and attracting the best talents. One argument which weighed with the official members (see paragraph 14 of the Report of the Committee) in deciding to allot 50% of the vacancies to Viceroy's commissioned officers is that if the Viceroy's commissions are abolished, prospects at least as attractive must be substituted for them for the benefit of the young soldier. But if Viceroy's commissions are not abolished, as we contend they should not be, this argument falls to the ground. The military members of the Committee were at first inclined to allot not more than 40% of the vacancies to the Viceroy's commissioned officers and proposed 50% for open competition.

47. *Conclusion.*—We regret that we have been obliged to take a different view from our colleagues on the fundamental principles underlying the scheme for an Indian Military College. The issues involved are of such vital consequence to the best interests of the country that we have been compelled to deal with them at considerable, though not unnecessary, length, in the hope that our arguments may induce the Government to reconsider and examine their policy. We have endeavoured to discharge our duty with a desire to appreciate the official point of view and with a due sense of responsibility informed by such study as we have been able to bestow, in the case of one of us during a long period of service in the profession and in the case of the other during such opportunities as have been available in the last ten years in connection with Lord Rawlinson's Military Requirements Committee of 1921 and otherwise.

SIMLA ;
2nd July 1931.

P. S. SIVASWAMY AIYER.
G. R. R. RAJWADE.

APPENDIX.

1. Giving evidence before the Eden Commission of 1878-79, Sir Richard Temple remarked :—

“ In India under British rule, the former martial tendencies of the native population gradually become lessened till they almost disappear and this circumstance is considered to be one of the safeguards of our rule. So conscious has the Government been of this, that within the present generation the native population has been generally disarmed, that is, the people have been enjoined to give up their arms. The Government never passed its Indian subjects through the ranks, nor sent them to their homes in the vigour of life. On the contrary it has heretofore never parted with its native soldiers till they were pensioned in the evening of life. Therefore, to train them, to keep them for a limited time, either with the colours or in reserve, and then altogether to discharge them without pension to their homes in numbers increasingly large. . . . would be to ensure a constant influx into the civil population of military men no longer bound to Government and to infuse again into the people a part of that martial spirit which has been disappearing, and the disappearance of which is still advantageous to us. This would be different from the past policy of the Government, which is still as sound as it ever was, and would militate against these maxims of political safety which are likely to continue as imperative in the future as they have been in the past and are in the present.” (Appendix to the report of Army Committee of 1878, Volume I, pages 191-2.) Lieutenant-General Warre, the Commander-in-Chief of the Bombay Army, stated, “ I have always been under the impression that the restoration of the martial spirit in India would be fatal to our supremacy.”

2. Speaking of the Bengal Army, Lord Ellenborough wrote :—

“ It is distressing to think that we must abandon the hope of ever seeing a native army composed like that we have lost. It was an army which under a general it loved and trusted, would have marched victorious to the Dardanelles.” [Report of the Commissioners appointed to inquire into the organisation of the Indian Army (Peel Commission Report), 1895. Appendix to Minutes of Evidence, page 6.]

3. Sir John Lawrence's memorandum on the homogeneity of the Bengal Army :—

“ Amongst those defects (of the pre-Mutiny Army) unquestionably the worst, and the one which operated most fatally against us, was the brotherhood or homogeneity of the Bengal Army ; and for this particular defect the remedy is counterpoise. Firstly, the great counterpoise of Europeans, and secondly, that of the various native races. Had the old Bengal Army had all these remedies applied to it ten years ago. . . . it would have been a much better army. [Report of the Peel Commission (1859), Papers connected with the re-organisation, etc., page 14.]

4. Sir John Lawrence's remarks on the importance of keeping up rivalries and differences :—

“ To preserve that distinctiveness which is so valuable, and which while it lasts makes the Mohomedan of one country despise, fear or dislike the Mohomedan of another, corps should in future be provincial, and adhere to the geographical limits within which differences and rivalries are strongly marked. Let all races, Hindu or Mohomedan, of one province be enlisted in one regiment and no others, and having created distinctive regiments, let us keep them so against the hour of need. By the system thus indicated two great evils are avoided ; firstly that community of feeling throughout the native army and that mischievous political activity and intrigue which results from association with other races and travel in other Indian provinces.” (Peel Commission Report, Papers, etc., page 30.)

General Mansfield's proposals for the heterogeneity of the regiment :—

“ Let all castes and let the Musalman share and share alike in the regiments of the local armies.

There may be low caste corps, and Musalman Corps.

Other regiments may be formed of companies of different castes and in all these should probably be a company or two of Musalmans. Uniformity in these respects is neither desirable nor advisable. The more diversity that can be introduced into the constitution of the different corps the better, so that in case of any future combination the heterogeneous character of the various regiments may present an effective bar to it.” (Peel Commission Report, appendix to minutes of evidence, page 100.)

6. Major-General Tucker's memorandum on the introduction of factors for separation :—

“ Talk as we will of the beneficial effects and the paternal character of our rule, we can never alter that fact that in India we are foreigners and interlopers ; and while we remain what we are, the natives of Hindustan what they are, the haughty and offensive conscious manner—the consequence of our superiority, morally and intellectually—will remain indelibly stamped in the bearing and character of the European, outweighing all the material benefits we can confer ; and it is opposed, therefore, to all experience and to common-sense, to suppose that ever under any circumstances the natives in their inmost hearts can become reconciled to our rule as a class. This has never been sufficiently understood or insisted upon. Nevertheless, it is and will be found ultimately to be the truth ; and it speaks forcibly for the strong necessity which exists for so dividing and separating into distinct bodies the ‘ different nationalities or castes’, the rulers in our eastern dominions may deem it safe and expedient to entertain in our armies, so as to render them as little dangerous as possible to the State which they undertake so solemnly and faithfully to serve, but to which solemnity they, be it always remembered, attached little or no real meaning or importance, and by which, as we have seen, they are in no way really bound.

Seikhs, Rajpoots and Goorkhas constitute perhaps the best description of men for soldiers in Bengal and there are endless varieties of others ; while the low castes will doubtlessly meet with great favour, after the events we have experienced so recently. It is, however, essential to be alike cautious with them all, and we should be most guarded and watchful with the Seikhs. Of these, one fourth part would prove an ample proportion, of Goorkhas and hill-men generally a like number, if procurable, but the real Goorkha is not to be found in any large numbers ; another fourth part, of low caste men of all sorts, and the rest must, it is presumed, be made up of the endless varieties of Hindustances and Musalman usually employed. The introduction, however, of other different elements would be advisable, if it can be done, Africans, Malays and Arabs ; anything in short, to divide and so neutralise the strength of the castes and nationalities which composed of our armies in the East.” (Peel Commission Report, appendix to minutes of evidence, page 10.)

7. On the degradation of the native officer :—

“ The founders of the native army had conceived the idea of a force recruited from among the people of the country, and commanded for the most part by men of their own race, but of higher social position—men, in a word, of the master-class, accustomed to exact obedience from their inferiors. But it was the inevitable tendency of our increasing power in India to oust the native functionary from his seat, or to lift him from his saddle, that the white man might fix himself there. So it happened, in due course, that the native officers, who had exercised real authority in their battalions, who had felt an honourable pride in their battalions, who had enjoyed opportunities of personal distinction, who had felt an honourable pride in their position, were pushed aside by an incursion of English gentlemen, who took all substantive power into their hands, and left scarcely more than the shadow of rank to the men

whom they had supplanted. An English subaltern was appointed to every company, and the native officer then began to collapse into something little better than name.

As the degradation of the native officer was thus accomplished, the whole character of the Sipahi army was changed. It ceased to be a profession in which men of high position, accustomed to command, might satisfy the... aspirations and expend the energies of their lives. Thenceforth, therefore, we dug out the materials of our army from the lower strata of society and the gentry of the land, seeking military service, carried their ambitions beyond the red line of the British Frontier and offered their swords to the Princes of the Native States." (Kaye and Mallsen—History of the Indian Mutiny, Volume I, pages 153-54.)

8. On the exploitation of the Sikhs' animosity towards the Hindustanees:—

"It was not because they loved us, but because they hated Hindustan and hated the Bengal Army that the Sikhs had flocked to our standard instead of seeking the opportunity to strike again for their freedom.

They wanted to revenge themselves and to gain riches by the plunder of Hindustani cities. They were not attracted by meagre daily pay, it was rather the prospect of wholesale plunder and stamping on the heads of their enemies. In short we turned to profit the *esprit de corps* of the old Khalsa army of Ranjit Singh in the manner which for a time would most effectually bind the Sikhs to us as long as the active service against their old enemies may last." (General Mansfield in appendix to the minutes of evidence, Peel Commission Report, 1859), page 97, cf. also General Hancock's evidence before the Peel Commission: "The feeling of the Punjabees and the heart with which they served us, was partly owing to this sort of national quasi-national feeling on the part of the Punjabees against the Hindustanee people; they had no compunction in plundering their cities and working against them." (Peel Commission Report, minutes of evidence, page 242).

9. General Hearsey on the stoppage of recruitment in Oudh, the Doab, etc.—

"I am strongly of opinion recruiting should cease in Oudh, the Doab of the Ganges and Jumna, in Shahabad and Bhojpur, and in Rohilkund and Bundelkund, that no soldiers from these districts should remain in the regular army of Bengal.

That recruiting from the Punjab Seikhs, Punjabee Musalmans, hill tribes of Kamaon, Ghurwal, Sirmoor, Bussaihir, Chumba, Lahool, the Dogras of the lower Kashmere hills, men from the hills of Muree, the Hazarah hills, even the wilder tribes of Kohat, Khyberes, Mohamands and the hillmen of Demun Koh, the tribes that herd cattle on the Punjab rivers, the Jats of Kausi Kissat, the Daud Pootras of Bhawalpur, the inhabitants of the Shekawat country, the Rajputs of Rajputana, the Beloches—all might be entertained for the regular army.

No more Brahmins, no more Musalmans of Hindustan proper to be entertained in the regular native force." (Peel Commission Report, supplementary papers connected with the organisation of the army, page 159.)

10. Major-General Cotton on the North-West Frontier recruits:—

"The newly raised troops of the Peshawar and Mooltan frontiers, and of the adjacent countries in and bordering on our territory, who have so well served us in our difficulties, and by adhering to or espousing our cause saved us at a most critical moment, are no more to be depended upon than any others. Already do they feel their importance as the saviours of our tottering government. Already do they feel the power which we have placed in their hands and they have before their eyes the baneful example of rebellion, which has been shown them by their Hindustanee neighbours, tending to prove that our Government has hitherto been placed on an insecure foundation." (Peel Commission Report, supplementary papers on the reorganisation of the army, page 121.)

11. Upon the desirability of recruiting ill-educated, lower classes of Nepal:—

“The Brahmins and Thakurs may be considered the aristocracy of the country, and together with the Khas represent its intelligence. The lower castes are, as a rule, ill-educated and somewhat obtuse. . . . Magars and Gurangs are invariably soldiers or agriculturists; they are far and away the best classes from which to enlist. The Gurungs are the least civilised and least Hinduised of all Gurkhas. They eat both beef and pork, which the Magars and others do not. The Khas are more or less under Brahmanical influence, and more national than the Magar and Gurung, and therefore less suited for employment in the Bengal Army.” [Barrow—Sepoy Officer’s Manual (2nd edition), 1887, page 100.]

12. Sir Frederic Haines on the principle of equilibrium:—

“Distinct in race, language and interests from the more numerous Army of Bengal, it is, in my opinion, eminently politic and wise to maintain these armies (the Madras and Bombay armies) as a counterpoise to it; and I would on no account diminish their strength in order that a reserve composed of what is called ‘the most efficient fighting men whom it is possible to procure’ may be established. If by this it is meant to replace sepoy of the Madras and Bombay by a reserve of men passed through the ranks of the Bengal Army, and composed of the same classes of which it is formed, I would say that anything more unwise or more impolitic could hardly be conceived.” (Appendices to the Report of the Special Committee of 1879, Volume I, page 151.)

13. Lord Dufferin on the principle of economy:—

“Here also there is a great deal to be said against the proposal to reduce them. I have brought this question several times to notice, but hitherto my military colleagues have not seen their way to effect any reduction. Undoubtedly there are many considerations besides those of economy, which present themselves in discussing this question. Although some of the regiments of these armies are not well adapted for severe campaigns, it is considered by some that they are sufficiently good to act as the police and garrison of the country, and that it would be a mistake to trust entirely to the best fighting classes in India, while it would certainly be dangerous to allow any great preponderance of one particular class.” (Collen—Armies of India during the Viceroyalty of Lord Dufferin, page 19.)

P. S. SIVASWAMY AIYER.

G. R. R. RAJWADE.

SIMLA :

The 2nd July 1931. }