



EAST INDIA (INDIAN STATES).

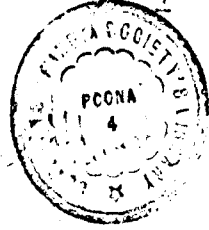
R E P O R T

O F T H E

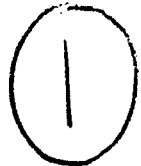
INDIAN STATES COMMITTEE,

1 9 2 8 --- 1 9 2 9

V2-2.N27t  
F9  
008564



EAST INDIA (INDIAN STATES).



# REPORT

OF THE

# INDIAN STATES COMMITTEE,

1928—1929.

Dhananjayrao Gadgil Library



GIPE-PUNE-008564

669

*Presented by the Secretary of State for India  
to Parliament by Command of His Majesty,  
March, 1929.*

V2-2. N276

F9

8564

LONDON:

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

to be purchased directly from H.M. STATIONERY OFFICE at the following addresses:  
Astral House, Kingsway, London, W.C.2, 120, George Street, Edinburgh;  
York Street, Manchester; 1, St. Andrew's Crescent, Cardiff;  
15, Donegall Square West, Belfast;  
or through any Bookseller.

1929

Price 1s. 6d. net.

## TABLE OF CONTENTS.

### INTRODUCTORY LETTER.

	Part
Appointment of our Committee and terms of reference ... ..	1
Origin of enquiry ... ..	2
Preliminary arrangements ... ..	3
Tours and assistance given ... ..	4
Representations on behalf of subjects of states, and feudatory chiefs and jagirdars ... ..	5
Divergent views of Princes ... ..	6
Voluminous documents ... ..	7
Acknowledgments to secretary and staff ... ..	8
Sections of the report ... ..	9

### REPORT.

#### SECTION I.—RELATIONSHIP BETWEEN THE PARAMOUNT POWER AND THE STATES. HISTORICAL SUMMARY. Page 10

	Part
Two Indias ... ..	10
Indian States ... ..	11
Geographical and historical features ... ..	12
Importance of states ... ..	13
Importance and services of Princes ... ..	14
Progress of states ... ..	15
Political diversity of states ... ..	16
Our proposals concerned mainly with classes I and II ... ..	17
Paramount Power ... ..	18
Fact and development of paramountcy ... ..	19
Changes in policy ... ..	20
Position of treaties and intervention. Hyderabad case cited ... ..	21
Reaction to doctrine of <i>laissez-faire</i> . Statement of Lord Canning ... ..	22
Political practice and intervention ... ..	23
Pronouncements of Paramount Power on paramountcy ... ..	24
Baroda case, 1873-75 ... ..	25
Manipur case, 1891-92 ... ..	26
Hyderabad case, 1926 ... ..	27
Lord Minto's definition of paramountcy ... ..	28
Udaipur speech ... ..	29
Lord Harding and Princes ... ..	30
Montagu-Chelmsford report ... ..	31
Recommendations in Montagu-Chelmsford report ... ..	32
Chamber of Princes. Its importance ... ..	33
Codification of political practice and attitude of Paramount Power ... ..	34
Sir Robert Holland's statement in 1919 ... ..	35
Harmony between Paramount Power and States ... ..	36
Intervention by Paramount Power ... ..	37

#### SECTION II.—RELATIONSHIP BETWEEN THE PARAMOUNT POWER AND THE STATES. MORE DETAILED EXAMINATION. Page 1

Legal opinion of eminent counsel ... ..	Cnd. 3
Criticism of legal opinion ... ..	
Validity of usage and sufferance ... ..	
Pronouncement by Government of India, 1877 ... ..	
Statements opposed to historical fact ... ..	

	Para.
Relationship between Paramount States ... ..	43
Sir Henry Maine on sovereignty ... ..	44
Activities of Paramount Power ... ..	45
External affairs ... ..	46
Interstate relations ... ..	47
Defence and protection ... ..	48
Princes and people ... ..	49
Popular demands in states ... ..	50
Intervention ... ..	51
For benefit of Prince ... ..	52
For benefit of state ... ..	53
For settlement and pacification ... ..	54
For benefit of India ... ..	55
British jurisdiction in certain cases ... ..	56
Impossible to define paramountty ... ..	57
Princes should not be handed over without their agreement to new government in India responsible to Indian legislature ... ..	58

**SECTION III.—FINANCIAL AND ECONOMIC RELATIONS BETWEEN BRITISH INDIA AND THE STATES. MACHINERY.** Page 33

	Para.
Importance of question ... ..	59
Disabilities of states ... ..	60
States and British India ... ..	61
Present constitution of Government of India ... ..	62
Political Member or Members of Council not recommended ... ..	63
Unauthorised scheme of reform ... ..	64
Objections to scheme ... ..	65
Difficulties of federation ... ..	66
Viceroy to be agent for Crown ... ..	67
Change in practice not great ... ..	68
Committees in matters of common concern ... ..	69
Formal committees in cases of disagreement ... ..	70
Recommendation of Montagu-Chelmsford report ... ..	71
Failure to use accepted procedure ... ..	72
States and Political Department ... ..	73
Services of Political Department ... ..	74
Recruitment and training of political officers ... ..	75
Position of Political Secretary ... ..	76
New spirit needful ... ..	77
Door to closer union left open ... ..	78

**SECTION IV.—FINANCIAL AND ECONOMIC RELATIONS BETWEEN BRITISH INDIA AND THE STATES. SPECIFIC PROPOSALS.** Page 41

	Para.
General treatment of question ... ..	79
Maritime customs ... ..	80
Rights of the case ... ..	81
Equity of the case ... ..	82
Zollverein ... ..	83
Difficulties of zollverein ... ..	84
Financial settlement ... ..	85
Claims of states under other heads ... ..	86
States to be consulted ... ..	87
Concession to members of the Chamber in their own right ... ..	88

	Para.
Railways ... ..	89
Strategic railways and imr at non-strategic railways ... ..	90
Civil jurisdiction on rail ... ..	91
Other railways ... ..	92
Financial questions ... ..	93
Mints and coinage ... ..	94
Loans and relations with capitalists and financial agents ... ..	95
Salt ... ..	96
Posts ... ..	97
Telegraphs, wireless and telephones ... ..	98
Financial claims in regard to posts and telegraphs ... ..	99
Profits of savings banks ... ..	100
Service stamps ... ..	101
Mail robbery rules ... ..	102
Opium ... ..	103
Excise ... ..	104
Miscellaneous claims ... ..	105
General conclusions ... ..	106

---

#### APPENDIX I.

	Page.
Questionnaire issued by the Indian States Committee ... ..	53

#### APPENDIX II.

Letter from the Viceroy and Governor-General of India to His Exalted Highness the Nizam of Hyderabad, dated Delhi, the 27th March, 1926 ... ..	56
--	----

#### APPENDIX III.

Joint opinion of counsel for the Princes ... ..	59
---	----

---

The cost of printing and publishing this Report is estimated by H.M. Stationery Office at £85; and the total cost of the Committee is estimated at about £16,000.

## INTRODUCTORY LETTER.

To The Right Honourable Viscount Peel, P.C., G.B.E.,  
Secretary of State for India.

MY LORD,

### Appointment of our Committee and terms of reference.

We were appointed by Your Lordship's predecessor, the Right Honourable the Earl of Birkenhead, P.C., G.C.S.I., on the 16th December, 1927, our terms of reference being—

(1) to report upon the relationship between the Paramount Power and the Indian States with particular reference to the rights and obligations arising from :—

- (a) treaties, engagements and sanads, and
- (b) usage, sufferance and other causes; and

(2) to inquire into the financial and economic relations between British India and the states, and to make any recommendations that the committee may consider desirable or necessary for their more satisfactory adjustment.

Part (1) refers only to the existing relationship between the Paramount Power and the states. Part (2) refers not only to the existing financial and economic relations between British India and the states but also invites us to make recommendations for the future.

### Origin of enquiry.

2. The request for an enquiry originated at a conference convened by His Excellency the Viceroy at Simla in May, 1927, when a representative group of Princes asked for the appointment of a special committee to examine the relationship existing between themselves and the Paramount Power and to suggest means for securing effective consultation and co-operation between British India and the Indian States, and for the settlement of differences. The Princes also asked for adequate investigation of certain disabilities under which they felt that they laboured.

### Preliminary arrangements.

3. When our committee assembled at Delhi on the 14th January, 1928, we found that the Princes had no case ready. The Standing Committee of the Chamber of Princes had no permanent office or secretariat; many of the states had no properly arranged archives; and without prolonged search, the Princes said, they could not formulate their claims. Eventually it was agreed between our committee and the Standing Committee of the Chamber of Princes that we should visit the states during the winter months and then adjourn to England where their case would be presented before us. Eminent counsel, the Right Honourable Sir Leslie Scott, K.C., M.P., was retained by the Standing Committee of the Chamber and a number of Princes to represent them before us. A questionnaire was issued on the 1st March, 1928, to all members of the Chamber of Princes and to the Ruling Chiefs entitled to representation therein and to the Local Governments in India. The questionnaire, which defines and explains the scope of our enquiry, forms Appendix I to our report.

### Tours and assistance given.

4. We visited fifteen states: Rampur, Patiala, Bikaner, Udairpur, Alwar, Jaipur, Jodhpur, Palanpur, Jamnagar, Baroda, Hyderabad, Mysore, Bhopal, Gwalior, and Kashmir. At each of these states we discussed locally and informally such questions as were brought before us. We also paid a flying visit to Dholpur. Altogether we travelled some 8,000 miles in India and examined informally 48 witnesses. We returned to England early in May, 1928. Their Highnesses the Rulers of Kashmir, Bhopal, Patiala, Cutch and Nawanganar, members of the Standing Committee of the Chamber of Princes, also arrived in England during the course of the summer and were present when Sir Leslie Scott in October and November formally put forward the case on behalf of the states which he represented. We desire to express our deep obligations to the Princes whose states we visited for their great, a traditional, hospitality, to express our regret to those whose invitations to visit their states we were unable to accept, and to acknowledge the unfailing courtesy and assistance which we have everywhere received from the Standing Committee, from the Princes individually, from the ministers and governments of the several states, and from their counsel, Sir Leslie Scott, assisted by others, and especially by Colonel Haksar, C.I.E. We desire also to acknowledge the ready assistance that has been given us throughout by His Excellency Lord Irwin and the Political and other Departments of the Government of India.

### **Representations on behalf of subjects of states, and feudatory chiefs and jagirdars.**

5. In the course of our enquiry we were approached by persons and associations purporting to represent the subjects of Indian States. It was quite clear that our terms of reference did not cover an investigation of their alleged grievances and we declined to hear them, but we allowed them to put in written statements, and in the course of our tours we endeavoured to ascertain the general character of the administration in the states. We also received representations from many of the Feudatory Chiefs of Bihar and Orissa requesting a reconsideration of their status and powers, as well as representations from the feudatories of the Kolhapur State. These also we have not dealt with, as they fall outside the scope of our enquiry.

### **Divergent views of Princes.**

6. It was soon obvious to us that very divergent views on important matters were held by the Princes themselves. The important states, Hyderabad, Mysore, Baroda, Travancore, as well as Cochin, Rampur, Junagadh and other states in Kathiawar and elsewhere, declined to be represented by Sir Leslie Scott and preferred to state their own case in written replies to the questionnaire. We can, however, claim that we have done our best to ascertain, so far as this is possible, the views of the Princes as a body.

### **Voluminous documents.**

7. Altogether seventy replies to the questionnaire have been received from different states. Many of these, although instructive as to the feelings of the Princes and Chiefs, refer to matters outside our enquiry, such as requests for the revision of state boundaries, claims in regard to territories settled or transferred many years back, applications to revise decisions by the Paramount Power made at almost any time during the last century, requests in the matter of precedence, salutes, titles, honours, and personal dignities. These requests and applications will be forwarded to the Political Department of the Government of India.

### **Acknowledgments to secretary and staff.**

8. In conclusion, we desire to bring to Your Lordship's notice the admirable work done by our secretary, Lieutenant-Colonel G. D. Ogilvie, C.I.E. His exceptional knowledge of the history of recent discussions, his great popularity with the Princes, his industry, zeal and ability, have very greatly impressed us and placed us under a heavy obligation.



We desire also to record our appreciation of the very satisfactory manner in which the office staff of the committee performed their duties.

**Sections of the report.**

9. We have drawn up our report in four sections :—

I.—Relationship between the Paramount Power and the States. Historical summary.

II.—Relationship between the Paramount Power and the States. More detailed examination.

III.—Financial and economic relations between British India and the States. Machinery.

IV.—Financial and economic relations between British India and the States. Specific proposals.

And we have the honour to be,

Your Lordship's Most obedient Servants,

HARCOURT BUTLER.

SIDNEY PEEL.

W. S. HOLDSWORTH.

The 14th February, 1929.