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PART V.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Extract from the Proceedings of the Governor of Bombay, in the Legislative Department, is published for general information:—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations under the provisions of "THE INDIAN COUNCILS' ACT, 1861."

The Council met at Bombay on Tuesday, the 11th February 1873, at noon.

PRESENT:

His Excellency the Honourable SIR PHILIP EDMOND WODEHOUSE, K.C.B., Governor of Bombay, *presiding*.

His Excellency the Honourable SIR AUGUSTUS ALMERIC SPENCER, K.C.B.

The Honourable A. ROGERS.

The Honourable the ADVOCATE-GENERAL.

The Honourable MUNGULDASS NUTHOOBHoy, C.S.I.

The Honourable COLONEL M. K. KENNEDY.

The Honourable SIR JAMSETJEE JEJEEBHoy, Bart., C.S.I.

The Honourable E. W. RAVENSCROFT.

The Honourable J. A. FORBES.

The Honourable NARAYAN VASUDEVJEE.

The Honourable J. K. BYTHELL.

THE BOMBAY PORT TRUST BILL.

Before the motion that the Bombay Port Trust Bill be read a third time was put to the vote, the Council proceeded with the consideration of the amendments which were proposed in the Bill.

At the suggestion of His Excellency the President, the Council proceeded to do as they did upon the third reading of the Municipal Bill, *viz.*, go over the Bill, and take up the notices of motion in the order of the sections to which they alluded.

The Honourable the ADVOCATE-GENERAL apologized to the Council for bringing up a number of verbal amendments on the third reading of the Bill. The reasons why he had not done so before were his arriving from home so recently, and that during the discussions on the second reading, he had not had time to go through the Bill as carefully

as he had since done. He then proposed that in the first line of the second section "and of any rules and bye-laws made in pursuance thereof" should be inserted between "Act" and "the"; that in line 15 "shall" should be inserted after "vessel" and that "denotes" should be made "denote"; that in the 51st line "hard" should be inserted before "or"; that in line 1 of section 4 "of" should be substituted for "for"; that in the 9th and 10th lines "and shall have power to hold land" should be omitted, there being no use for these words, since the power to which they alluded was specifically given in section 30; that in the 44th line of section 8 "said" should be inserted between "the" and "Secretary"; that in line 45 "for India in Council" should be omitted; and that in the 64th line "and Pilotage" should be inserted before "Board," Harbour and Pilotage Board being the correct designation.

All the proposed alterations were agreed to.

The Honourable Colonel KENNEDY then moved that the following words be added

Colonel Kennedy proposes, as a compromise, that the Trustees should pay an annual sum of Rs. 50,000 to the municipality in lieu of all municipal taxes, except service rates.

to section 9—"And inasmuch as certain parts of the lands and property vested in the Trustees under the preceding section of this Act have heretofore been liable to be rated and taxed for the purposes of the Municipality of Bombay, there shall be payable to the said Municipality of Bombay

out of the revenues of the Trustees of the Port of Bombay the annual sum of Rs. 50,000 in lieu of all municipal rates and taxes, except rates and taxes for the supply of water and halalcore service; and in consideration of such annual payment the said Municipality of Bombay shall, when and as soon as any roads and public thoroughfares have been levelled, paved, metalled, flagged, channelled and sewered to the satisfaction of the Municipal Commissioner, and have been declared by the Trustees to be public thoroughfares, maintain and keep in repair and light and cleanse all such roads and public thoroughfares and places devoted to the use of the public, in and upon the said lands and property vested in the Trustees under this Act in such and the same manner and with the same liabilities in respect thereof as if the said roads and public thoroughfares and places devoted to the use of the public were vested in the Municipality of Bombay. Any dispute between the Municipal Commissioner and the said Trustees as to any road being in a fit state according to the provisions of the Bombay Municipal Act in force for the time being to be declared a public street, such dispute shall be determined by the Government, whose decision shall be final in the matter. The said sum of Rs. 50,000 shall be payable and paid to the said Municipality of Bombay on the 30th day of September in every year."

He (the Honourable Colonel KENNEDY) said—I move this in consequence of the recent vote in this Council upon the section referring to the taxation of the property of the Trust for municipal purposes, and my present object is not that the Municipality should be in any way defrauded, but merely that both parties should accept what I consider a reasonable compromise. As matters now stand, although the Trustees will have to make certain roads upon their property, they may be compelled to pay the Municipality for maintaining them in repair, although the Municipality may possibly refuse to do this duty. When the question of exempting the Trust from municipal taxation was formerly considered, I understood the Honourable the Advocate-General to say—and I think other members of this Council understood him to say—that the Trust property would, although transferred to the Trustees, still remain the property of Government; and we are aware that by the new Municipal Bill Government property is to be exempted from municipal taxation. I may be mistaken, but I believed His Excellency to have indicated a similar opinion to the effect that the Trust property would not be taxable by the Municipality. I saw Mr. Pedder, the Municipal Commissioner, on Friday last, and we had a conversation about the subject of the present amendment. I then understood him to agree that a payment by the Port Trust to the Municipality of Rs. 50,000 annually would be a fair compromise, and I am now surprised to read in the concluding paragraph of his statement that "the sum of 50,000 per annum as a lump assessment by way of compromise appears to me to be altogether too low. Considering prospective increase of assessment, I doubt if the municipal rates can be fairly compounded for less than a lakh of rupees." I repeat that I am taken by surprise by this statement, because if the full amount of municipal assessment on the Port Trust estate had been levied last year, it would only have amounted to about Rs. 77,000. It is surely an extraordinary kind of compromise that would propose to take Rs. 1,00,000 a year from the Trust for what, it has been shown, is at the utmost worth only between Rs. 70,000 and Rs. 80,000. I may state that the old Elphinstone Company actually paid to the Municipality an actual sum of Rs. 26,000, which is only a little more than half of the

sum which my amendment offers as a compromise ; and even upon the settlement against them of a dispute regarding their liability to pay rates upon Carnac Bunder rent, they would have had to pay in all only about Rs. 38,000. If the property had been assessed according to the present Municipal Bill, the amount to be paid would have been only Rs. 53,750. This matter of taxing the property of the Trustees is, I need hardly say, one of great importance. There is at present a very small margin calculated in favour of the Trust—that is to say, the estimated income is just slightly above the liabilities at the present moment—but if the property is to be made liable to the extent which Mr. Pedder suggests, that small balance will be converted into a deficit. I hope this Council will not lose sight of this fact in the course of any discussions upon the question now at issue. Rs. 50,000 is a fair sum to offer as a lump assessment. It is true that the property may become more valuable, but it may also become less valuable ; and another thing to look at is this, that if the Trust does prosper, the Trustees will be able to relieve the burdens upon the trade of the port, and as they sell land their assessable income will diminish.

The Honourable NARAYAN VASUDEVJEE—His Excellency is aware that after the second reading of the Municipal Bill, the Rate-payers' Committee submitted a memorial, to which were appended the opinions of two leading members of the Bombay Bar, in which they controverted the exposition of the law by the Acting Advocate General, as regards the immunity of Government property from municipal taxation. The learned Advocate-General, the

Mr. Narayan opposes Colonel Kennedy's compromise, and holds that the Trustees should pay municipal rates in the same way as the general public.

Honourable Mr. Scoble, appears to concur in these opinions, and the Municipality has reason to regret that the Council had not the benefit of his advice during the discussion on that Bill. However, the subvention kindly promised by His Excellency removed to a certain extent the grounds of dissatisfaction felt on this subject, and it would have been unnecessary to re-open the question if Government still retained absolute possession of these bunders ; but as, under the present Bill, Government part with their interest in the property, and the only obligation imposed upon the Trustees is to re-imburse the interest due on the outlay from the Imperial exchequer, it will be impossible, if the amendment proposed by the Honourable Colonel Kennedy is carried, for His Excellency to redeem the pledge in the equitable spirit in which it was given as regards the payment of rates, and the Trustees will be free to reject any overtures of the Municipal Corporation for an equitable adjustment of the claim. The tendency of the legislature in England, at the present day, is, I believe, to make the property of the Crown liable to local rates, and I submit that if, in vesting these bunders in the Trustees, this Council approved the course advised by the Honourable Colonel Kennedy, it would lay itself open to adverse but not unfair criticism. I maintain that it is the duty of this Council to consider the interest of all classes of the community alike, and that the honourable mover of the resolution has not shown why the interests of all other classes of the community should be made subservient to that one class particularly interested in trade. What the mercantile community principally object to, I believe, is the hindrance to free trade, and if under this Bill tolls or bunder fees must be recovered, surely an infinitesimal addition thereto, to meet full municipal rates, cannot reduce this town to a fishing village ! A majority of this Council recently went so far as to vote a small tax upon cotton, in view of the pecuniary wants of, and the services rendered by, the Municipality, and it would certainly be a retrograde step to deprive it of its legitimate income from the rateable value of these properties. The Honourable Colonel Kennedy seems to think that the Municipality is not entitled to claim full rates for the bunders now being vested in the Trustees, because they do not derive any benefit from local improvements ; but he has forgotten that the setting apart of one of these bunders for the landing of troops, from which the Trustees are to derive an annual income, will compel the removal of the night-soil depôt at a cost far exceeding the maximum sum of Rs. 75,000 which the Municipality could hope to collect as rates from the Trust property. The work will absorb about four lakhs of rupees, the interest on which, at 5 per cent., is equal to Rs. 20,000. The maintenance of the depôt elsewhere is estimated at Rs. 60,000, or Rs. 80,000 in all per annum. Is it fair, I ask, to impose this obligation on the Municipality, and yet deliberately deprive it of its legitimate dues from these bunders ? Again, are the Trustees to benefit by the security and protection afforded by our police and fire brigades without contributing their quota towards the maintenance of these establishments ? The Government of India, when devolving the cost of the police on the Municipality in 1864, recognized the necessity of a contribution of one-fourth of the entire cost by Government in all principal sea-port towns. I cannot doubt that the object was to provide some relief from the heavy expenditure involved in the maintenance of order among a turbulent sea-faring

population, especially such as are attracted here by trade from the Persian Gulf, and elsewhere. But as the Municipality does not enjoy such a contribution, I think it is all the more necessary that it should receive what is fairly its due. The honourable mover of the Bill now proposes to allow the Municipal Corporation an annual sum of Rs. 50,000 in lieu of all municipal rates and taxes, excepting the service rates, while I estimate the amount payable at present at Rs. 75,000, and in consideration of such annual sum the Municipality is to maintain and keep in repair and light and cleanse all such roads, thoroughfares, and places devoted to the use of the public, as now exist, or may hereafter exist. This imposes an obligation on the Municipality which the general public have not yet acquired or been able to obtain, because, as I had the honour of informing His Excellency at the second reading of this Bill, the whole of the outlying districts of Bombay, which pay *all* rates and taxes leviable under the Municipal Act, are at this moment without proper roads or a single gas lamp. The Corporation have hitherto accepted the maintenance of any road that may have been constructed by a private individual and been given up for the use of the public, and I have no doubt that they would act in the same way towards the roads of the Trust, if they receive what they are justly entitled to in the shape of rates; but if this is done, an important question arises, whether the Trust can continue to levy any tolls on conveyances using these roads. Mr. Pedder has kindly placed me in possession of a correspondence between himself and Mr. Thorburn, who was Accountant to the Elphinstone Company, which shows that the cost of repairing the roads on the Elphinstone property annually amounted to Rs. 5,800, whilst the tolls on carts passing over the roads came to Rs. 16,876. If, therefore, the obligation of repairing the roads were imposed upon the Municipality, it would be necessary to stipulate that such tolls should cease. It must not be forgotten that this Bill empowers the Trustees to acquire immovable property, and with the sanction of Government even to raise a loan for the purpose. Thus, then, while the payment to the Municipality of an annual sum of Rs. 50,000 is to be a fixture, the landed estate in, trust may not only increase in value, but may become so at the cost of the Municipality which would, by the Trustees being permitted to acquire additional property, be deprived of what it had been receiving on such property. The various reclamations on the eastern and western foreshore have seriously interfered with the drainage of the town. The recent decision of the High Court regarding the Worlee pumping station has placed the Municipality in a very awkward position. No one knows better than the Honourable Colonel Kennedy himself that several important works—take, for instance, the Sonapore Drain—which have been shelved, will have to be taken in hand by the new Corporation, and considering that the various Government resolutions with which the Municipality has been politely favoured under his own hand will necessitate an expenditure of over half a million sterling, with all deference to the honourable mover of the Bill, I cannot help expressing surprise that he, of all others, should propose any measure tending to deprive the Municipality of its legitimate income.

The Honourable the ADVOCATE-GENERAL.—It seems to me that, notwithstanding what

The Advocate-General considers the proposed compromise a fair one, and takes occasion to explain his views regarding the general question of the taxation of Government property for municipal purposes.

the Honourable Mr. Narayan has urged, the compromise proposed in the amendment is a fair one, considering all the circumstances of the case. With regard to what the honourable mover of the amendment has said, I may observe that on a previous occasion I took an opportunity of correcting a misapprehension which he had fallen into with respect to what I said upon the question of municipal taxation of Government property. I said then, and I may repeat it again, that I considered that the reversion of this property would remain with Government, but not the freehold, as the Honourable Colonel Kennedy appears to think; and I also stated then that it appeared to me that it was competent for this Council not only to subject the property of the Port Trust to municipal taxation, but also the property of Government generally. I shall not go over all that ground again, but I will only add that the liability of Trust property of this description to be taxed for municipal purposes appears to have been already recognised by the Government of India in the case of Calcutta. I see in page 2 of the Administration Report of the Calcutta Commissioners for making improvements in the Port of Calcutta, that there is an allusion to the question of the relations which should prevail between the Municipality and the Port Trust, and the Government of India state their opinion that the Trustees should have jurisdiction over the Strand Bank, "subject to the payment to the municipal funds of the same rates on buildings or works as are levied on similar descriptions of property in other parts of the Town." Now, if the Port Trust in Bombay stood upon the same footing, financially, as the Port Trust in Calcutta, I would support the Honour-

able Mr. Narayan's opposition to the amendment, and his claim that the Trust property should be assessed fully by the Municipality ; but it appears to me that there is a great money difficulty, and that this is a case in which concessions might very advantageously be yielded by both sides. The sum now proposed to be paid is two-thirds of the amount which, according to the Honourable Mr. Narayan's calculation, would be recovered by the Municipality if the whole of the property were subjected to municipal taxation ; and I think that that is a fair offer, considering, as I have said, the circumstances of the case. I have not had an opportunity yet of reading Mr. Pedder's memorandum, which unfortunately was only circulated to the members of Council when they came into this room to-day, so that it is impossible for me to refer to the arguments which he may have used ; but upon general principles I think the amendment embodies a fair compromise, and I shall give it my support. With regard to one of the observations which were made by the Honourable Mr. Narayan regarding tolls upon the roads which are to be made over at some period or other to the Municipality, I may say that under the present law no toll can be levied upon a public thoroughfare, and therefore no matter what tolls may be levied upon the roads at present, these tolls, when the roads are given over to the Municipality, must *ex necessitate* cease to be levied. I do not think that the argument used by the Honourable Mr. Narayan regarding certain misfeasances of the Municipality in some parts of the island has much force, except as showing the wisdom of guarding against similar misfeasances in regard to the roads and ways which may be taken over from the Trust.

The Honourable Mr. ROGERS, in agreeing with the Honourable Colonel Kennedy and the Honourable the Advocate-General, said—The Honourable the Advocate-General has observed that the cause of the necessity for a compromise is the impecuniosity of the Port Trust as well as of the Municipality, and after what has now fallen from some honourable members, I think we have a fair specimen of what the Municipality would proceed to do if it got full power over the property of the Port Trust. It appears from what has fallen from the Honourable Colonel Kennedy that two or three days ago Mr. Pedder agreed to accept Rs. 50,000 as a fair compromise, and now he has suddenly raised his figure to double that amount.

The Honourable Colonel KENNEDY—I only said that I understood Mr. Pedder to agree that this was a fair compromise.

The Honourable Mr. NARAYAN VASUDEVJEE—Mr. Pedder told me yesterday that he agreed to no compromise whatever.

His Excellency the PRESIDENT—This is an extremely complicated matter, and I think Mr. Pedder might very easily reconsider what he said on Friday.

The Honourable Colonel KENNEDY—That is the reason why I desired to make the explanation to the Honourable Mr. Rogers. I did not say that Mr. Pedder absolutely and definitely said he accepted the compromise ; but he told me that if he did not settle the thing in his mind before Monday he would let me know. This he said before witnesses, and up to this hour he has not given me personally any intimation of having changed his opinion.

The Honourable Mr. ROGERS—At all events there is no reason whatever why the Port

Mr. Rogers is, generally, in favour of the amendment.

Trust and the Municipality should not come to a compromise. The Honourable Mr. Narayan suggested that in consequence of troops being allowed to land at Carnac Bunder it would involve the Municipality in an expense of about four lakhs of rupees, since the night-soil depôt would have to be removed ; but he must be aware that the landing of troops can have nothing to do with this state of things, because the removal of the night-soil depôt has been already desired on the ground that it is a public nuisance.

The Honourable Mr. MUNGULDASS NUTHOOBHoy—I should have been inclined to accept the compromise, if it had not been clogged with the condition that the Municipality must for that sum repair and

Mr. Munguldass opposes the amendment.

light the roads. Rs. 50,000 will have to be spent in ob-serving that condition alone, and I feel compelled to oppose the amendment.

Mr. Ravenscroft approves of it.

The Honourable Mr. RAVENSCROFT made a few remarks, in which he was understood to approve of the amendment.

The Honourable Sir JAMSETJEE JEJEEBHAY said—I am glad to note that the Honourable Colonel Kennedy has, upon further consideration, seen fit to withdraw the motion for the exemption of the Port Trust properties from municipal taxation, of which he had given notice. I could see neither any principle of justice, nor any motive of expediency, in the proposal to exempt the Port Trust from its share of municipal taxation. I think it is

Sir Jamsetjee can see neither any principle of justice nor motive of expediency in the compromise of the mover of the Bill, and therefore opposes it.

all very well to advocate the exemption on the ground that it favours trade and therefore conduces to the good of the community, and that it is not strictly a tax, for the general public in one shape pays that which it receives in another. This argument would cut both ways. If the general public is the payer, as well as the recipient of the tax, then nobody is injured. Why then resist the imposition of the tax? So far as I can see, the framers of this Act have taken the Calcutta Port Trust Act as their model; but the honourable mover of this Bill has been advising a departure from that model, in asking us to exempt the Trust properties from municipal rates. No such immunity as was at first claimed by the Honourable Colonel Kennedy for the Port Trust here has been extended to the Port Trust at Calcutta; nor yet has any such concession been made there as he now proposes in his amendment. The Administration Report of the Commissioners of the Trust there clearly shows that they contribute their quota towards the municipal expenditure of that city, like other owners of private property. The Municipal Commissioner is under the obligation of treating the Trustees like other owners of property here, and if the Colaba or Frere Land Company have to pay municipal rates, why should the Trustees, in whom the Port Trust is to be vested, not be liable according to the rateable value of *their* property? We make these companies, and numbers of others, contribute all municipal rates, although the roads on their estates are neither lighted nor looked after by the Municipality. The bulk of the property now to be vested in Trustees used to pay all municipal rates according to the assessed valuation, when in the hands of the Elphinstone Company, and the honourable mover of this amendment has not shown any sufficient reason why the Trustees should not continue to pay the rates as heretofore. Does the right to the concession now proposed arise from the fact that the property temporarily passed into the hands of Government from the Elphinstone Company? The present amendment makes it compulsory upon the Municipality to undertake and perform certain services, as an indispensable condition of their recovering the taxes from the Port Trust property. This argument, which may be well characterized as proceeding on the principle of payment by results, is very plausible indeed; but if it were once admitted, the municipal revenue would fall by at least fifty per cent. The principle involved in the levying of taxes upon districts not served by the Municipality with lights, road repair, and the like conveniences and comforts, was discussed recently during the progress of the Municipal Bill through this Council; and the sense of the Council has decided that there is no injustice in making those districts contribute. With what justice then can we tax the poor population of these districts, if we deal upon a different principle with the Port Trust? I would submit, for His Excellency's consideration, that sufficient grounds have not been shown to us to depart from the practice which obtains at Calcutta. We are asked by this amendment—first, to make up a lump sum payable by the Port Trust to the Municipality, and that sum again is less than the proper amount. We are asked next to recognize the principle of specific service for the general taxes, and to make such service compulsory upon the Municipality. We are asked to fix an amount which shall be irrespective of the rise or fall in the assessable value of the present properties; but the amount we are asked to fix is to cover any other or further properties which the Trustees may acquire, as they are authorized to do by this Bill. We are, indeed, asked to make such acquired properties free from the rates which they would be paying before their acquisition by the Trustees—thus causing additional tax to the Municipality.

His Excellency the PRESIDENT—During the Honourable Mr. Narayan's observations,

The President considers that the proposed compromise should not be made an absolute one for all time, and thinks a period should be fixed during which the compromise should last.

one point which occurred to me was this. The compromise now proposed is defended, as I understand the arguments, almost entirely upon the one point, that the Trust would be insolvent, if it were made to pay more than Rs. 50,000. That, in short, if Mr. Pedder's sum were adhered to, the whole arrangements proposed by this Bill would be stopped.

Taking that to be the correct view of the case, is it desirable, looking to the fact that the Elphinstone estate may improve greatly within a few years, that this sum of Rs. 50,000 should stand as a fixed sum for all time, without any limitation whatever? I doubt whether it is right that, no matter how the Port Trust may be improving, the sum to be received as assessment by the Municipality should be fixed for ever.

The Honourable Colonel KENNEDY—This point was considered in Committee; but Mr. Pedder himself was against the insertion of a limitation clause which would make the whole Bill inoperative.

The Honourable Mr. RAVENSCROFT thought that if the Trust became richer it would be competent for Government to step in, and alter the terms with the Municipality.

His Excellency the PRESIDENT—Of course it is always open to this Council to amend any Bill, but I think we must look at a Bill as it stands, and (as this amendment presents itself to me) we must look at the proposed compromise as something which, if agreed to, will stand for all time as much as the rest of the Bill will.

The Honourable Mr. NARAYAN VASUDEVJEE—His Excellency has stated one of my objections to this amendment. I have heard that the Government of India have offered to advance to the Trust more than a million of money for the construction of docks, and if this loan is accepted, and the docks completed, the Trustees may find it to their advantage to acquire property in the neighbourhood of the docks, and though that property may consequently increase in value the Municipality will not gain by it.

The Honourable the ADVOCATE-GENERAL—But, as I understand the amendment, it only refers to property vested in the Trustees under Section 8, and not to property which may afterwards be acquired.

The Honourable Colonel KENNEDY—The argument as to the increased value of property, in consequence of the construction of docks, is met, I think, by the fact that if the Trustees sell any property, that property would at once cease to be the property of the Trust and would come under municipal taxation.

The Honourable the ADVOCATE-GENERAL—Supposing we give the Port Trust ten years of peace and quietness, will the Council have any objection to agree that Rs. 50,000 shall be paid to the Municipality for a period of ten years?

The Honourable Colonel KENNEDY—I have no objections—in fact, that was one of my propositions to Mr. Pedder.

The Honourable Mr. BYTHELL—I have always heard it put forward as a reason for acquiring the Elphinstone property, that it would enable the Trustees to sell land in order to enable them to decrease their debt, while now we hear that there is a danger of the Trustees buying up more land. I shall vote for the amendment.

The Honourable Colonel KENNEDY—There is also a question of equity involved. Of the full amount of Rs. 70,000, a large portion would be in consequence of additional revenue raised from the Government bunders, such as the Custom House Bunder which never yet has borne municipal taxation of any description. Yet these bunders derive no benefit whatever from the Municipality.

The Honourable Mr. BYTHELL—In the Council discussions upon the Municipal Bill I opposed the principle of Government buildings being exempted from taxation, and I pointed out that at the present time the Home Government were pledged to bring in a Bill making all Government properties, including even barracks, subject to municipal rates. The Council nevertheless agreed to exempt Government properties, and I would now ask upon what principle we are to exempt all other Government property, and yet tax to the full extent this Elphinstone estate, which really is also Government property, and is merely to be transferred to the Trustees for purposes of management? A contribution is to be made by the local Government to the Municipality regarding all other Government lands, and I would ask why the Port Trust property is to be made an exception; is to be rated as private property instead of being subject to the same arrangement as other Government property in Bombay? If this suggestion of the Honourable Mr. Narayan's is carried out, the port dues will have to be raised, and then we shall possibly see trade burdened to such an extent that our sea-trade will be driven away. I would once more remind some honourable members of this Council that the interests of the mercantile community and those of the Port Trust are not antagonistic, because if trade falls off, property must decrease in value at the same time. I think all ought to accept this compromise, as being a liberal arrangement, instead of putting the Municipality into an antagonistic position with the Port Trust at the very outset of the Trust's career.

His Excellency the PRESIDENT—I think the Council will agree to let the Rs. 50,000 assessment apply for ten years to the property now held by the Trustees, and, of course, if they acquire additional property within that time, it will be understood that the full municipal rates must be paid upon that property so acquired.

The Honourable the ADVOCATE-GENERAL—My impression is that it would be better to make this Rs. 50,000 apply to property, whether now vested in or afterwards acquired by them, for a period of ten years. If we do not agree to this, troublesome questions may be raised between the Municipality and the Port Trust, which I for one would wish to see stopped, peremptorily, for at least ten years.

The Honourable Colonel KENNEDY agreed with the Honourable the Advocate-General.

The Honourable Mr. BYTHELL asked whether there was any power given to the Trustees to compel the Municipal Commissioner to accept streets made on the Trust estate as public thoroughfares.

The Honourable the ADVOCATE-GENERAL replied that Government was to decide in case of dispute.

After some further discussion, His Excellency the PRESIDENT moved that the amendment might be carried in the following shape:—

“And inasmuch as certain parts of the lands and property vested in the Trustees under the preceding section of this Act have heretofore been liable to be rated and taxed for the purposes of the Municipality of Bombay, there shall, for the term of ten years, from and after the taking effect of this Act, be payable to the said Municipality of Bombay out of the revenues of the Trustees of the port of Bombay, the annual sum of Rs. 50,000 in lieu of all municipal rates and taxes, except rates and taxes for the supply of water and halalcure service; and in consideration of such annual payment when and as soon as any roads and thoroughfares have been duly levelled, paved, metalled, flagged, channelled, and sewered by the Trustees, the Municipal Commissioner shall, on being satisfied of the same, declare such road or thoroughfare to be a public thoroughfare, and thereupon the said Municipality shall maintain and keep in repair and light and cleanse all such roads and thoroughfares, and shall also on requisition by the Trustees maintain and keep in repair and light and cleanse the roadway of any wharf, dock, or pier vested in the Trustees under this Act, in such and the same manner and with the same liabilities in respect thereof as if the said roads and public thoroughfares and places were vested in the Municipality of Bombay. Any dispute between the Municipal Commissioner and the said Trustees as to any road being in a fit state according to the provisions of the Bombay Municipal Act in force for the time being to be declared a public street, shall be determined by the Government, whose decision shall be final in the matter.”

The Honourable Mr. FORBES—I think that under this amended section we have departed from what appeared to be the original intention of coming to a compromise between the Municipality and the Port Trust, as it now assumes the form merely of a concession on the part of the Municipality. They not only forego the revenue derivable from taxation, but they also incur the liability of keeping up roads in a better state than those already kept in many parts of Bombay, and as the greater part of these roads will be entirely for the benefit of the Trust, and not for the benefit of the general community, I think the bargain is rather a hard one for the Municipality. With regard to thoroughfares leading to the estate, it would be quite fair that the ordinary rate-payers, who have the opportunity of using them as frequently as they please, should contribute towards their lighting and repairing; but a wide distinction ought to be drawn between what may be called wharf and dock roads and thoroughfares leading to the bunders. As the amendment now stands the compromise would not be fair.

The Honourable the ADVOCATE-GENERAL—It does not seem to me that the amendment destroys the fairness of the compromise. Certain duties are to be performed by the Trustees, and in return certain concessions are to be made by the Municipality. The Trustees will increase the taxable area for the Municipality, and in consideration of this the Municipality simply compound for the rates which under ordinary circumstances they would be entitled to claim from the Trust.

The Honourable Colonel KENNEDY said it would be impracticable to draw a line defining where public roads should cease or begin to be taxed, and he dissented from the opinions expressed by the Honourable Mr. Forbes.

The Honourable Mr. BYTHELL reminded honourable members that during the discussions on the Municipal Bill the Executive Government promised that they would make a

contribution to the Municipality in lieu of those rates on Government properties, which the Municipality considered they were entitled to recover; and he now felt sure that the Executive Government would also make a contribution on behalf of bunders, as well as properties which were more directly considered to be Government properties. He also thought it ought to be borne in mind that the Port Trust would be a considerable source of revenue to the impecunious Municipality.

A short discussion took place, after which the amendment was put to the vote, and carried by a majority of two:—

Ayes—6.

Noes—4.

His Excellency the Honourable SIR AUGUSTUS ALMERIC SPENCER.
The Honourable A. ROGERS.
The Honourable the ADVOCATE-GENERAL.
The Honourable Colonel M. K. KENNEDY.
The Honourable E. W. RAVENSCROFT.
The Honourable J. K. BYTHELL.

The Honourable MUNGULDASS NUTHOOBHOY.
The Honourable SIR JAMSETJEE JEJEEBHOY.
The Honourable J. A. FORBES.
The Honourable NARAYAN VASUDEVJEE.

The Honourable the ADVOCATE-GENERAL, referring to Section 10, considered that no business should be done at any meeting unless a quorum be present.

An alteration to this effect was agreed to.

At the beginning of Section 13 the following words were inserted—"All questions which may come before the Trustees for decision shall be decided by a majority of votes." The word "taken," in line 1, was omitted, and the word "demanded" inserted in lieu thereof; and the word "taken," in line 4, was omitted, and the word "recorded" substituted. The words "conveniently may be," in line 4 of section 14, were omitted, and the words "the same have been signed by the President" inserted.

The Honourable Mr. BYTHELL said that he had given notice of an amendment to the following effect:—"That after the word 'except,' in the fourteenth line of Section 19, the following words be inserted,—'with the consent of the local Government and.'" He had been aware that many of the members of the Council were of opinion that it would be inadvisable to change this section, and he called a meeting of the merchants of Bombay a few days ago for the purpose of asking their opinion on the subject. A vote was taken, and he found that the majority of the merchants were in favour of no alteration being made in the section. Personally, he was still in favour of the alteration which he had given notice of, but in deference to the opinion expressed by the majority of the mercantile interest, he begged to withdraw it. The words "majority of the Trustees" in line 7 of Section 19 were omitted, and the words "Trustees at a meeting" inserted.

The Honourable the ADVOCATE-GENERAL moved that the words "Chairman of the Trustees" in line 14 of Section 24 be omitted, and the words "Trustees at a Meeting" inserted. He proposed this amendment, because it did not seem to him desirable to give so much patronage to the Chairman of the Trustees, and so to render him, by his power of appointing all the subordinate officers of the Trust, in a certain sense independent of his colleagues. Such a power ought to lie only with the general body of Trustees.

The Honourable Colonel KENNEDY: One of the leading principles of this Bill is to place all executive power and responsibility in the Chairman, and I think that if he were to be liable to be overruled by the Trustees in minor matters like this, he would not be able to exercise his functions rightly, so as to carry on the business of the Trust in a satisfactory manner. I think that the Chairman of this Trust should be like the Municipal Commissioner, and appoint those whom he considered most fit for the petty appointments. The differences of opinion that would prevail among a body of Trustees when the subject of a petty appointment came before them would be very great, and to avoid such a contingency I shall vote against this amendment.

The Honourable Mr. RAVENSCROFT concurred with the Honourable Colonel Kennedy.

The Honourable Mr. ROGERS supported the Honourable Colonel Kennedy by pointing out that he was in this matter merely following the analogy of all Government depart-

ments, in which the heads were always made responsible for their subordinates, so that they would naturally choose the best men they could to assist them.

The Honourable Mr. BYTHELL objected to the Port Trust being considered as a Government department. The object of the present Bill, he believed, was to place the power now in the hands of the Government in the power of a Committee, such as this Trust would be. The full Board or Trust would, he considered, be the true head of the department, and in this view he would support the Honourable the Advocate-General.

The Honourable the ADVOCATE-GENERAL admitted that there were difficulties on both sides of the question, but thought there were fewer on the side which his amendment represented.

The Council divided on the Honourable the Advocate-General's amendment :—

Ayes—6.

Noes—4.

The Honourable the ADVOCATE-GENERAL.
The Honourable MUNGULDASS NUTHOOBHROY.
The Honourable SIR JAMSETJEE JEJEEBHROY.
The Honourable J. A. FORBES.
The Honourable NARAYAN VASUDEVIJEE.
The Honourable J. K. BYTHELL.

His Excellency the Honourable SIR AUGUSTUS ALMERIC SPENCER.
The Honourable A. ROGERS.
The Honourable COLONEL M. K. KENNEDY.
The Honourable E. W. RAVENSCROFT.

The Honourable the ADVOCATE-GENERAL proposed that the following clause be inserted after Clause 2 in Section 29 :—

“(3.) Light-houses, light-ships, beacons, pilot-boats, and other appliances necessary for the safe navigation of the Port of Bombay and the approaches thereto.”

The Honourable Colonel KENNEDY approved of the alteration, which was agreed to.

The Honourable the ADVOCATE-GENERAL proposed that the following additional section be inserted after Section 29 :—

“XXX. The Trustees shall provide such number of public landing-places as shall, in the opinion of the local Government, be sufficient, from and upon which the public shall be permitted to embark and to land free of charge.”

He remarked that a similar section existed in the Calcutta Act, which the honourable mover had used generally as a model in constructing the present Bill. He held that it would be a very undesirable state of matters if the Trustees, taking advantage of the absence of definite provisions in the Bill, should close against the public any of the landing-places on their property, which had heretofore been freely used, and it was to prevent this that he now begged to propose the above amendment.

The Honourable Mr. BYTHELL expressed his opinion that the Port Trustees were absolute masters of the property vested in them.

The Honourable Colonel KENNEDY objected to the amendment as one which was uncalled for. All the Port Trust bunders were at present free, and the Trustees had no power to levy tolls upon any person upon any of them.

His Excellency the PRESIDENT pointed out that the Trust would be a body that would, in all probability, be extremely anxious to get money, and unless the Honourable the Advocate-General's purely precautionary measures were agreed to, the Trustees, whether rightly or wrongly, might decide that a tax upon passengers to and from the bunders would be a good means of increasing their receipts.

The Honourable Colonel KENNEDY : I do not know that closing their bunders to passengers could increase their receipts, because passengers must land somewhere. The reason why this amendment is in the Calcutta Act, is that certain landing-places or bathing-ghauts were appropriated for works which Government or the Harbour Commissioners were then carrying on, and it was found necessary, of course, that some accommodation should be provided in lieu of what had been taken away.

The Honourable the ADVOCATE-GENERAL : The Trustees by the present Bill will acquire a number of ancient free landing-places which formerly used to exist on that part of the foreshore, which is now being handed over to the Trustees.

After some further discussion, the Honourable the ADVOCATE-GENERAL's motion was agreed to.

His Excellency the PRESIDENT: At the last meeting of Council, it was decided to send

The President thinks it would be for the benefit of the Municipality of Bombay if land were allowed to be acquired from the Port Trust for public purposes at the cost of it to the Trust, instead of at an assessed value to be made at the time of the acquisition.

Excclency even suggested the question whether, if land were to be acquired by Government from the Port Trust for the erection of a Custom House, that land should not be given up on the mere payment of the original purchased value, instead of by an assessment of value, according to any law which might be in force when the land should be acquired. It has occurred to me also that, looking to the state of the drainage of Bombay and various other things, it might very easily be arranged, that if the Municipality required any land from the Trustees for sanitary purposes, it should be allowed to get it upon payment of the amount which it cost the Trust. This is a large and serious question as affecting Bombay, and I may say that I do not think this Port Trust should be allowed to traffic and trade with the land which it got upon such easy terms.

The Honourable Mr. BYTHELL: That does not include the question whether lands that have not been carried to the debit of the Trust should be treated in the manner suggested. Certain properties have been given to the Trust by the Government of India in mitigation of the debt; and as the section originally stood, Government might have taken back these properties, or a portion of them, without giving anything in return. If Government, when resuming possession of any of the property that has been thus given, would cancel an amount of debt equivalent to the cost of such property, that, I think, would be a fair and reasonable course. As I have already said, the section would have empowered the Government of India to take possession without cancelling any debt; and such an arrangement would have been unfair in the extreme; for the different properties, the cost of which is not placed as a debt against the Trust, are really being given in return for the Port having provided a railway station at Warea Bunder for Imperial, not local, purposes.

The Honourable Colonel KENNEDY agreed that it would place the Trust in a very awkward position, if revenue-producing property were resumed by the Government of India without an equivalent being given for it.

The Honourable Mr. BYTHELL: Government might wish to resume the whole of the ground between Grant's Buildings and Apollo Bunder without giving an equivalent, and of course the result of that would be that the Trustees, having less property and the same interest to pay, would be compelled to raise the bunder fees.

The Honourable the ADVOCATE-GENERAL: I think it is always better to adhere to general law than make particular exceptions, and therefore, as there is a law under which land may be acquired for public purposes, I think it is better to apply that law in the case of land acquired from the Port Trust. If land is at any time wanted from the Trustees, it ought to be paid for at the fair market value for the time being.

The Honourable Mr. BYTHELL repeated that it would be a serious thing for the trade of Bombay if, while the Government of India demanded payment of a certain yearly interest, the property by which that interest could be realized were to be taken away, without an equivalent being granted in return. In that case, of course, the general trade would have to make up the deficiency.

The Honourable Colonel KENNEDY: My belief is that the Government of India would never resume land without giving an equivalent.

The Honourable Mr. BYTHELL: The action taken by the present Government would justify the honourable member in that opinion; but five years hence another Government might entertain very different ideas on the subject.

The Council adhere to their decision to allow land to be acquired from the Trust for public purposes only at an assessment founded upon the value of property at the time of such acquisition.

After some further discussion, the matter dropped.

In line 11 of Section 50, "thereafter" was substituted for "also."

The Honourable the ADVOCATE-GENERAL: I propose an alteration in Section 52, which appears to me to be needed. The local Government may approve of the Trustees' estimate or "return the same, with their remarks thereupon." It will give the section a more practical turn if, for "their remarks thereupon," the words—"such modifications or alterations or remarks as may seem proper" were substituted, and after "such," in the 11th line, "modifications or alterations or" inserted.

The Honourable Colonel KENNEDY remarked that this would give the local Government considerable labour.

The Honourable the ADVOCATE-GENERAL replied that it would give the local Government just as much trouble to make remarks that could be of any value to the Trustees.

The alterations were agreed to.

His Excellency the PRESIDENT: In connection with the payment of the debts, I think there should be a section inserted in the Bill to the effect, that any action which may be brought against Government in connection with any acts hitherto done by Government shall lie not against Government, but against the Port Trustees.

The Honourable the ADVOCATE-GENERAL expressed his opinion that in taking over the estate, the Port Trustees would also be responsible for all liabilities in connection with the estate. That was provided for by Section 8.

The Honourable the ADVOCATE-GENERAL wished to know, in reference to the 54th section, whether it was intended that the Trustees should not be allowed to spend, even in a case of pressing emergency, any greater sum than Rs. 5,000, without the consent of the local Government. He proposed to omit the words "not so approved" in the eighth line.

The Honourable Colonel KENNEDY: If a pressing emergency arises that will require Rs. 5,000 to be spent, a pressing emergency may arise which will require Rs. 5,050 to be spent.

The Honourable the ADVOCATE-GENERAL: If liberty to spend more than Rs. 5,000 is wanted, Government can be reached by telegraph in a few seconds. He had, however, no objection to full discretion being left to the Trustees. He had only proposed his amendment, in order to ascertain clearly the understanding of the Council on the subject.

After some discussion the section was allowed to stand without alteration.

Between "every" and "neglect," in line 26, section 55, "such" was inserted. In line 10 of section 56 "bunder" was struck out; and in line 11 "docks" was substituted for "or hard." In line 8 of section 57, "consolidated" was inserted before "customs."

The Honourable Colonel KENNEDY said that as it was necessary to provide specially for the case of tolls upon troops landing or embarking at Bombay, he begged to move that the following section be added after section 57:—

A special toll for troops landing or embarking at Bombay.

"LVIII. On all troops, including their families, landing or embarking at Bombay, a toll at the rate of one rupee per head shall be payable by Government to the Trustees."

Toll on troops.

This section was agreed to.

The Honourable the ADVOCATE-GENERAL said that with native regiments there were generally a number of camp followers, and he desired to know if these were to be reckoned as "troops."

The Honourable Colonel KENNEDY replied in the affirmative, if they were borne on the embarkation roll.

The Honourable the ADVOCATE-GENERAL then proposed a long series of verbal amendments.

In section 58 "rents" was inserted between "rates" and "and" in line 7; in line 28 "so" was struck out, and "for the payment of such interest" were inserted after "insufficient;" in line 33 and 38 "rents" was inserted between "rates" and "and."

In line 7, section 59, "charge", was altered to "increase"; in line 8 "rents" was inserted before "rates"; in line 11 "charge" was altered to "increase," and "rents" was inserted before "rates."

In section 60 "and rents" was inserted after "rates" in line 3; in lines 8 and 9 "charges" was inserted after "tolls," and "rents" was inserted after "rates." In line 11

"charges" was inserted after "tolls"; in line 12 "rents" was inserted before "and"; in line 16 "charges" was inserted before "rates," and "rents" before "and"; in line 24, "for India" was inserted after "State."

In line 6 of section 6 "quay, stage, jetty" were struck out, and "docks" substituted; in line 19 "officer of" were struck out, and "authority of the Presidency" inserted after "Customs."

In section 63 "rents" was inserted before "dues."

In line 10, section 64 "rents, charges" were inserted after "rates" in line 14, "rents, rates, dues" were inserted after "charges."

In line 6, section 65 "bye-laws" was substituted for "orders."

In lines 3 and 4 of section 67, "quays, jetties" were struck out, and "docks" substituted; in line 11 "Police for" were inserted after "magistrate"; in line 31 "last mentioned" was inserted after "such."

In line 6, section 68, the words "quay, stage, jetty" were omitted, and "docks" substituted; in line 8 "and shipping" were inserted after "landing"; in lines 9 and 10, "act" was substituted for "enactment"; in line 13 the words "as a ware-house" were inserted after "Act"; in line 17 "quay, stage, jetty" were omitted, and "docks" substituted.

In lines 2 and 3 of section 69 the words "quay, stage, tetty, or pier" were omitted, and "docks, pier, or ware-house" substituted.

In lines 6 and 7 of section 70, the words "quay, stage, jetty" were omitted, and "docks" substituted.

In lines 4 and 5 of section 72, the words "Governor-General of India in Council" were inserted instead of "Legislative Council of India"; and in line 8 "unless and until other regulations shall be made by the Trustees under section 81 of this Act" were inserted after "Trustees."

In line 15, section 73 "said" was omitted.

In line 7 of section 76, the words "Governor-General of India in Council" were substituted for "Legislative Council of India."

In line 8, section 77, "therein" was omitted, and these words substituted—"or lying therein or using the said port."

In lines 32, 33, 38, 46, 47, 55, and 73, of section 81, the words "river or channel" were omitted; in line 39 "jetties, landing-places" were omitted; and in line 40 "quays, docks" were omitted.

In line 82 "some police" was omitted, and "a" substituted; in line 9 "Police for the city of" were inserted before "Bombay." To the end of the section these words were inserted—"All fines and penalties levied or payable under this Act or any bye-law or port rule made in pursuance thereof, shall be paid to the Trustees, and shall be applied by them to the purposes mentioned in Section 46 of this Act."

Fines and penalties to be payable to the Trustees, by whom they shall be applied either to the payment of salaries, the payment of interest, or the maintenance of the Trust property, &c.

In line 7 of section 83 "quays, jetties, sheds" were struck out, and "docks, piers," substituted; in line 20, "quays, jetties, stages" were omitted, and "docks" substituted.

In line 8 of section 87 "quays and jetties" were omitted, and "docks and piers" substituted.

In the 14th and 20th lines of section 91 "dues" was substituted for "issues."

In line 29 of section 93 the words "after the publication of such order" were inserted between "time" and "may"; in line 34 "rents" was inserted between "dues" and "rates"; and in line 44, the words "said local Government" were substituted for "him."

In line 5, section 94, the words "or of the Municipal Corporation of the City of Bombay to collect town duties" were inserted after "duties."

All these amendments were agreed to.

The Honourable Mr. ROGERS said that he wished a section introduced in the Bill, so as to protect the rights of servants at present in the Harbour Trust. He should like something like these words used—"Provided nothing in this Act shall be held

to affect the right of persons now under the Conservator of the Port, as regards their rights to pensions under the existing practice."

The Honourable the ADVOCATE-GENERAL remarked that if these servants had acquired a right to a pension from Government, their right would remain intact, so long as they paid to Government the usual 20 per cent.

The Honourable Mr. RAVENSCROFT thought that the best thing for these officers to do was to apply to Government to be allowed to remain on the pension list on the payment of the ordinary 20 per cent. upon salaries.

The feeling of the Council seeming to be in favour of the Honourable Mr. Ravenscroft's proposition, the Honourable Mr. ROGERS withdrew his amendment.

On the motion of the Honourable Colonel KENNEDY, "February 5, 1873," was added to the third paragraph of Schedule B. In Schedule C. the 9th paragraph, relating to foreshore, was struck out, as the honourable mover of the Bill considered its presence in the Bill unnecessary. "The light-house of Kennery and the light-house at Colaba" were inserted in Schedule D.

In Schedule F. "given under our corporate seal this day of " was inserted before the line relating to the "Signatures of the Chairman and two Trustees."

His Excellency the President then adjourned the Council.

By order of His Excellency the Governor in Council,

J. NUGENT,

Acting Under-Secretary to Government.

Bombay Castle, 11th February 1873.

The following Extract from the Proceedings of the Governor of Bombay, in the Legislative Department, is published for general information :—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS' ACT, 1861."

The Council met at Bombay on Thursday, the 13th February 1873, at noon.

P R E S E N T :

His Excellency the Honourable Sir PHILIP EDMOND WODEHOUSE, K.C.B., Governor of Bombay, *presiding*.

His Excellency the Honourable Sir AUGUSTUS ALMERIC SPENCER, K.C.B.

The Honourable A. ROGERS.

The Honourable MUNGULDASS NUTHOOBHOY, C.S.I.

The Honourable Colonel M. K. KENNEDY.

The Honourable SIR JAMSETJEE JEJEEBHAY, Bart., C.S.I.

The Honourable E. W. RAVENSCROFT.

The Honourable J. A. FORBES.

The Honourable NARAYAN VASUDEVJEE.

The Honourable J. K. BYTHELL.

Remarks on the question of pensioning present servants of the Harbour Trust by the Port Trust, made by the President before the motion for the third reading of the Port Trust Bill was put to the Council.

Before the motion for the third reading of the Bombay Port Trust Bill was put to the Council, His Excellency the PRESIDENT observed as follows:—The Honourable Mr. Rogers withdrew his motion the other day with regard to the

Trustees pensioning servants of the Harbour Board who are at present entitled, or about to become entitled, to pensions; but I did not think that that course was quite a fair one to these officers, who ought, I think, to have their interests protected in some way by this Bill. I have asked the Honourable Colonel Kennedy to give me a return of the officers that I allude to, and I find the more important of them to be the Master Attendant, who gets Rs. 1,400 a month; an assistant, who gets Rs. 800; and another assistant, or Harbour Master, who gets Rs. 550. It seems to me that it would fall extremely hard upon such officers as these are if they were to be thrown over, so far as their interests are concerned, whenever this Bill comes into operation, because at present as the Bill stands they have absolutely no protection whatever. Possibly we might continue the Master Attendant as the Conservator of the Port, that being one of the appointments vested in Government, but it would be difficult to dispose of the others, supposing the Trustees did not wish to take them over, but choose to employ other officers.

The Honourable Mr. ROGERS asked whether it would do to provide in this Bill for the Trustees paying pensions out of their revenue?

His Excellency the PRESIDENT—I should prefer to have it expressed in the Bill that there shall be no such thing as pensions, but that the Trustees would have to increase the pay of the officers in question by one-fifth. Government always takes one-fifth of their salaries from servants whom they mean to pension, and in this case these officers could hand over the extra one-fifth to Government in consideration of their names being allowed to remain on the pension list.

The Honourable Colonel KENNEDY thought that Government would have the power to regulate the salaries of these officers without binding the Trustees to any particular bargain.

The Honourable Mr. ROGERS—Perhaps, as I have said, we might give the Trustees legal power to apply money on account of pensions, and then leave the details to be settled by Government under the bye-laws referred to in Section 78.

The Honourable Mr. BYTHELL—Regarding the appointments which remain in the hands of Government, Government might make their own arrangements with the officers as to pensions; but with regard to the remainder of the officers, who are to be appointed by the Trustees, I presume the Trustees may pay them what they choose. To give one-fifth extra salaries to certain officers who have been mentioned, would involve an additional outlay by

the Trust of about Rs. 8,000 a year. To judge from the statements made here by the honourable mover of the Bill, the calculations of the income of the Trust are very narrow, and I do not think therefore that the Trust will be able to spare this Rs. 8,000 extra.

His Excellency the PRESIDENT—I think it would be fair to stipulate that the Trust should not be permitted to remove any of those persons now holding office under the Executive Government, and that these officers should be given an advance of 20 per cent. upon their present salary.

The Honourable Mr. BYTHELL thought Government ought to pay the pensions, and remarked that as the Government of India had made an exemption in favour of the Municipal Commissioner of Bombay, from whom they did not demand the payment of one-fifth of his salary in respect of pensionary considerations, the Government of India might do the same on behalf of the officers whose case was now under discussion.

The Honourable Colonel KENNEDY said that Government might make such an exemption in favour of the Master Attendant, but nevertheless he thought it would be better to allow the Bill to pass, and to leave the whole subject of pensions to be brought before Government to be by them considered.

His Excellency the Commander-in-Chief concurred.

The Honourable Mr. FORBES wished to know under what regulations did it appear that the position of these officers would be altered when the Port Trust was established. Why should they not still be considered Government officers.

His Excellency the PRESIDENT remarked that the consideration of that question would take the Council back to the question, What is the use of the Trust?

The Honourable Mr. FORBES looked upon the Trustees exactly in the light of managers or stewards upon a Government estate.

After some further discussion, the Council agreed to adopt the Honourable Colonel

The subject of pensions of present officers of the Harbour Board to be left to the decision of the Local Government.

Kennedy's suggestion and allow the Bill to pass as it stood, on the understanding that the matter might be settled by the Local Government when representations from those concerned should come before them.

His Excellency the PRESIDENT said that at present there was a sum of money in the

The Schooners' Expenses Fund.

Bank—at any rate, in charge of the Harbour and Pilotage Board—which is called the Schooners' Expenses Fund, amounting to about Rs. 50,000, and upon this amount the Pilots consider they have a claim. He wished to get a clause inserted in the Bill to the effect that nothing in the Act contained should affect these claims.

After some discussion, the Council expressed an opinion that the kind of clause suggested was unnecessary, since nothing in the Act could affect these particular claims.

The Honourable Colonel KENNEDY—Before I move the third reading of this Bill, I

Colonel Kennedy makes a personal explanation, and then moves the third reading of the Bill.

have a few words to say upon a personal matter. I very much regret to say that Mr. Pedder has taken exception to a remark which I am reported to have made in this Council at our last sitting. I am reported to have said

that the arrangements which I entered into with Mr. Pedder on Friday last, were made before witnesses. I do not remember exactly what I did say; but I rather think I said "in the presence of Mr. Manson." However, be that as it may, all I have to say now is, that nothing could have been further from my thoughts or intentions than to cast any reflection upon Mr. Pedder, for whom, in common with most people, I have great respect. I think I ought to take this opportunity of explaining what really did pass upon the occasion in question. I saw Mr. Pedder on Friday, and we had a long conversation, during which I showed him certain figures having reference to the assessment for municipal purposes which should be made upon the Trust property. These figures went to show that if the whole of the property were rated for municipal taxation, as if it were private property, the amount payable would be Rs. 76,000. Now, that sum corresponds very nearly with the figures given by Mr. Pedder in his memorandum, and therefore when he completed that memorandum he had arrived very much at the same conclusion which I myself pointed out at the meeting to which I have referred. When he left me upon that occasion he said that he considered the compromise which I proposed, or rather he thought the compromise which I proposed, was a fair one. However, he said he would look into the matter, and that if he saw occasion to alter his mind he would let me know on or before the Monday following. I was therefore very greatly surprised—

having received no communication whatever from Mr. Pedder on the Monday,—when I came into this room and found this memorandum of his—a memorandum which is a very elaborate one, bringing out very different results from what I anticipated, and which goes so far as to indicate that a lakh of rupees would be a fairer compromise than Rs. 50,000. That memorandum, which is a printed document, must have taken some time to prepare and some time to consider, and I think that Mr. Pedder, with all deference to him, might have let me know his general conclusions upon Monday, or, at all events, have informed me that he had seen reason to recede from the position which, I thought, he had taken up on Friday, and that he no longer considered the compromise a fair one which I put into my amendment, and which compromise I had submitted to Mr. Pedder. I think it right to make that explanation, but at the same time I repeat that I regret that anything I have said should have given offence to Mr. Pedder. Nothing could have been further from my views than to offend him. Now, Sir, I beg to move that this Bill be read a third me.

The Honourable Mr. FORBES—If the Hon'ble Colonel Kennedy has nothing further

Mr. Forbes expresses alarm at prospective liabilities of the Trust, and wishes the third reading of the Bill to be postponed. He objects particularly to power being left in the Bill by which the Trustees could increase port dues and charges.

to say, I wish to move an amendment on his motion, to the effect that the third reading of this Bill be postponed for a month. I think that, as the Bill stands, it would be rather unfortunate if it were passed, because it involves some liabilities on the Port Trust, which I do not think the Government of India ever intended it should bear. These liabilities might upon further consideration be reduced but, at all

events, they ought to be fully considered by the public before they are agreed to. I confess that a few days ago I was rather disposed to vote in favour of the Bill being passed, but upon reconsideration I now think that a month at least should elapse before we send it up to the Government of India. When the Bill was first talked of, some few years ago, the mercantile community, for the most part, if not universally, looked forward to its becoming law with very considerable anxiety, and I believe they had very good grounds for entertaining some alarm with regard to the measure. In the first place it appeared that the Trust was likely to be started with a very large burden of debt, the interest upon which would be out of all proportion to the capabilities of its income, while the time within which the capital should be paid was unreasonable. Moreover, the Trust appeared likely to be pledged, to a certain extent, to proceed with some very great and expensive works—the necessity for which was partly acknowledged and felt by the mercantile community of Bombay, although it was certainly considered that they were to some extent intended to meet requirements which, I think, were far more Imperial than local—such, for instance, as the affording of greater facilities for the receiving of the Mails for the whole of India, the landing of Government stores, and the fitting out of military expeditions, when these happened to be necessary. The dock works which it was contemplated the Port Trust should undertake, would to a great extent have met the requirements which I have mentioned, and which, I think, the Council will agree are not of such a nature as should entitle them to be charged to the town. Besides this, the mercantile community felt that previous to this Bill they had been saddled with the bunder fees, which amounted to a levy of £25,000 upon the trade of the port, without affording any facilities in return for that large sum. Then, again, the mercantile community felt that the amount of compensation which they were likely to receive from the Port Trust was extremely doubtful, and further it was felt, till recently, that the rate-payers of Bombay would also suffer by the introduction of this Bill, the loss of a large amount of rent which had been contributed to the Municipality of Bombay. The undertaking of these great harbour works has been disposed of for further consideration, and I think that it is a matter upon which all who are interested in the welfare of this harbour, or rather of the welfare of the trade of Bombay, will feel considerable satisfaction. Again, the mercantile community have now the prospect of having a very fair amount of representation in the Trust; and as to the arrangement which has been decided upon by the Council, with regard to the payment to the Municipality, although it does not come up to what I should wish, or to what the Municipal Commissioner appears to consider fair—being in fact only one-half of what he considers to be justly due to the Municipality—still it is better than what was at one time taken for granted should be paid to the Municipality, and as it is a compromise which will last only for ten years, I think it is on the whole satisfactory, so that I would not be disposed to vote against this Bill on the ground that the contribution to the Municipality is rather small. But there are one or two other points which cannot be regarded with the same satisfaction. One is the matter which was incidentally mentioned at the last meeting—namely, that there is a very heavy claim

existing at present against Government, as the present owner of the Elphinstone property, and about which it was apparently the intention of the honourable mover of this Bill to say nothing, and actually to pass the liability to the future Port Trust without in any way calling the attention of this Council to the serious responsibility that the Trustees would have to undertake: the claim is not even mentioned in the schedules which have been published. I feel for my own part—and of course I may be mistaken in saying so—that no information whatever has been afforded to the Council with regard to this Coorla claim. I have been unable to find such information for myself, but if it is true that the heavy claim that is publicly stated to exist is impending on the future Trust, I do not think this Council has been fairly dealt with. We are asked to pass this Bill on the understanding that the Port Trust should commence with a balance of somewhere about Rs. 38,000 in its favour, and yet all the time there was a liability hanging over the Trust of 11 lakhs of rupees! This may be called an absurd figure, but even though it were to turn out less the Trustees' position might be seriously damaged, and it certainly is not a matter which should be passed over without any information being given to us upon the subject, or without any guarantee that that claim, or even one-tenth of it, will not have to be borne by this new body. If the claim should hold good, it will upset all the calculations regarding the means supposed to be at the disposal of the Trust—in fact, the Trust must become useless—and I should hope, therefore, that if the third reading of this Bill were postponed for a month this claim might be settled, or the honourable mover of the Bill might be able to obtain from the Government of India some expression of their opinion as to how they would deal with this liability, supposing the claim to which I allude were proved to be tenable. Another point, which calls for consideration before the Bill is passed is the wording of section 58, to which, upon a former occasion, I drew attention. The gist of that section is that the charges which the port of Bombay may be liable to are unlimited. After I have told His Excellency's Council what I have to say upon this point, I think it will hold it to be neither a wise nor desirable thing that the charges upon the trade of Bombay should be liable to any further increase whatever. I have looked at the correspondence which has passed between the Government of India and the Government of Bombay, and I do not think that the Government of India would insist upon any further addition to the present charges; and if neither the Government of India, the Government of Bombay, nor the persons who will probably act as Trustees, are likely to consider such an increase desirable or proper, I do not think that it is desirable to make such an increase possible by retaining this section as it stands. I think that this fact should be prominently kept in view, that whereas the trade between England and India has increased considerably, the trade in the chief article of which that trade is composed has not increased between England and Bombay—in fact, I believe it can be proved that that trade has diminished. I believe that during the last five years the trade in piece-goods between the United Kingdom and India has increased just something less than 60 per cent.; whereas the trade between the United Kingdom and Bombay has been stationary, if it has not diminished. The statistics contained in the Customs Report of Bombay point to a very considerable diminution. I find that the total value of piece-goods imported to Bombay from the United Kingdom and Suez in 1867-68 amounted to about five millions and a quarter of rupees; whereas during the last year for which statistics have been published—that is, 1871-72—the figure stands at three millions and a half as the value of these goods; although I believe that, if the quantity be taken instead of the value, it will appear that there is a slight increase of $3\frac{1}{2}$ per cent. between the imports of 1867 and of 1871. This shows that the trade in that important article, piece-goods, is, as I have said, stationary, if not falling off. There is, however, a noticeable increase in the trade between Great Britain and Calcutta, grey piece-goods showing an increase between 1867 and 1871 of about 70 per cent. Now I think that these are facts which call for the most serious attention on the part of the Government of Bombay, and before passing a Bill which may make the trade of this port liable to further charges, it may be well to make more inquiry into the causes which are thus affecting the trade of Bombay. For my own part, I cannot help thinking that the charges of this port, as compared with the charges of the ports on the other side of India, together, of course, with the heavier railway charges to which goods imported into Bombay are liable when sent up-country, is producing a most injurious effect upon the trade of this place. I, therefore, think that a few weeks more time to enable us to look into this matter a little further would be most desirable. Then, again, the Council must consider, in connection with the question of charges upon the trade of Bombay, that the population appears to be decreasing. The population in 1849 was about 520,000; in 1864 it had risen to 820,000; and according to the last census it had decreased to 640,000;

and at the same rate of diminution we may have to look forward to the time when the population will return to its 1849 figure. There is no doubt that, if the trade and population of Bombay are both diminishing, it would be most injurious to leave any power in this Bill to increase the charges, and I am sure it is a proceeding to which the honourable members of this Council will not hastily lend themselves.

His Excellency the PRESIDENT—Before any member replies to what has fallen from the Honourable Mr. Forbes, I only wish to make an explanation upon one point with regard to those new works for which the Governor-General in Council stated he was prepared to provide money if the proposals were found to be sound and reasonable. I wish it to be understood that, as far as the Governor-General is concerned, the delay which has taken place is in no manner attributable to him. He takes personally a great interest in these works, and the delay is attributable to the local Government, which was induced to stop action on Mr. Ormiston's proposals, in consequence of the prospect which there was of this Port Trust coming speedily into existence. This alone is the reason why no further steps have been taken regarding Mr. Ormiston's proposals.

The Honourable Mr. ROGERS remarked that it had always been urged that the Executive Government were not in a position to understand the requirements of the trade of the port, and in order to arrange for the proper accommodation that was demanded, Government had determined to create this Port Trust, which would be largely composed of gentlemen connected with mercantile interests. Therefore, the sooner the Trust came into existence the better for the settlement of vexed questions. The Honourable Mr. Forbes had objected to section 58, because it seemed to give the Trust power to put very heavy additional burdens upon trade, but the section was merely a provision for the annual payment of interest to the Government of India, and surely that was a burden which the Port Trustees would never seek to throw overboard.

The Honourable Mr. MUNGULDASS said he believed further delay would be injurious, and intimated that he would oppose the Honourable Mr. Forbes' amendment.

The Honourable Colonel KENNEDY—I am glad to say that I gathered from the remarks of the Honourable Mr. Forbes that he really has very few objections to the main provisions of this Bill. He has two objections—one is the Coorla case liability, and the other the increase which tolls are liable to under section 58. As regards the Coorla case, the honourable member charges me with having concealed from the Council the fact that the liability which he refers to was impending. My reply to that accusation is, that I was not aware that such a claim was about to be made, and therefore I concealed nothing. It is only lately that we have had to consider the Coorla claim in the present shape, and I have seen, as the honourable member probably has seen, in the public prints that the damages are fixed at the enormous figure referred to. I do not think however, that it is desirable to discuss in this place a suit of this nature and I can only repeat, what I said upon a previous occasion, that we are acting in the matter upon the best advice. However, whatever the claim may be, it will not be the less a liability upon the trade of Bombay. Government took upon itself the liabilities incurred by the Elphinstone Company, with the object of transferring the property, together with its advantages and liabilities, to the Port Trust, and this Council cannot suppose that Government would pick out this particular liability and resolve to meet it itself. Therefore, if the claim be established, or whatever sum may have to be paid, the sum to be paid will fall upon the trade of the port, and that fact will not be affected by the passing of this Bill. As regards the alleged power to increase tolls, there is nothing in this Bill which is different from the powers given under Act V. of 1870, in which, as here, there is no limit to the tolls which may be raised. The section, however, merely gives power to the Trustees to meet the interest upon their debt, and it cannot be unjust, even if extra tolls are demanded, to effect this purpose. The Honourable Mr. Rogers has alluded to the management of the Port Trust, and I concur in what he said. I think no one knows better than myself how inconvenient it is for the officers of a Government department to be concerned in the details of managing such a property as this. I have felt the difficulties of the position very keenly at times, and one of the great reasons why I am anxious to see this Bill passed is that the mercantile community may be enabled to get, so to speak, a finger into its own pie. At this moment, we are undergoing a keen competition with other properties along the foreshore, and the nature of this competition is such that Government cannot properly enter into it, and we require the assistance of some persons who are directly interested in the trade of the port in order to cope with others who are at present exercising all their personal influence with a good deal of force. Besides this, questions of leases and sales of land are constantly arising, which the Trustees would be the best

parties to arrange. I think the honourable member would regret to see this Bill withdrawn altogether, since by such a course we should be deprived of the advantage of the service of gentlemen like himself, and I shall strongly oppose any further delay. The Bill has now been before the Council and before the public for a very long time, and neither time nor labor has been spared upon it, and I think that a deal of harm would result from any further postponement.

The Honourable Mr. BYTHELL—I also shall vote against the amendment of the

Mr. Bythell refers to the liberality of the Government of India in the past, and, believing that they will do or permit nothing in the future that will injure the port, opposes the postponement of the third reading of the Bill.

Honourable Mr. Forbes, because I, like the speakers who have preceded me, do not see what good would result to the trade of the place from any delay or from this Bill being thrown out. The Government of India throughout the negotiations with the Government of Bombay have shown a very great desire to refrain from doing

anything to burden the trade of the port or to injure the prosperity of the place; and even should it unfortunately be found afterwards that the trade of Bombay decreases, and that the interest on this debt cannot be paid without inflicting burdens which would be injurious to commerce, I think a representation to the Government of India by the Port Trust on the subject, backed by a representation from the Government of Bombay, would be just as effectual, perhaps more effectual, than a representation by the Government of Bombay alone. The Government of India have, I consider, behaved most liberally throughout, and have made reductions in the debt which are almost greater than might have been expected under the circumstances. One of the terms under which the purchase of the Elphinstone property was made and which the Government of Bombay in the first instance accepted without demur, was that all the money spent in the harbour since 1850 should be debited to the Port Trust, and on its being pointed out to the Government of India that should that condition be enforced it would injure the trade of the place, they reduced the debt from three to two millions sterling, and instead of charging interest at the rate of $4\frac{1}{2}$ per cent. or $4\frac{1}{3}$ per cent. they agreed to charge only 4 per cent. for ten years. Therefore speaking as a member of the mercantile community—and I believe I may also say on behalf of the majority of that community—I think I may safely say that we ought to accept the financial position, as in the meantime a very fair compromise, and as being perhaps more liberal than we could have expected. I have seen and heard it stated lately that the Council at the present time are proposing to find a railway station for the Imperial Government at the expense of the trade of the port just as if no concessions had been made; whereas the fact is, that although the Government of India did not write off from the debt of the port a sum equivalent to the money which was said to have been spent in building Warree Bunder, they gave valuable properties in return and a large amount of Imperial income which was derived from some of the wharves from storage—not bunder fees—but fees which were levied long before bunder fees were imposed. And as a proof that these concessions are real and not merely nominal ones, we have the statement made the other day by the honourable mover of the Bill that the reclaimed ground between Grant's Buildings and Apollo Bunder is letting for one rupee per square yard.

The Honourable Colonel KENNEDY—One word of explanation. I did not say that the whole of the land was letting at the price, but only a portion of it which is used for the storage of cotton. In point of fact, there are 20,000 yards let.

The Honourable Mr. BYTHELL—Exactly. I understood that. I ought also to state, that the bunder on the new reclamation is being largely used for the landing and also the shipping of cotton, and that the revenue thus derived is not drawn from any other Government bunder, but from private bunders, and therefore is a direct augmentation of the Government income from the port. As to the statement regarding the revenue hitherto paid to the Municipality, we have Colonel Kennedy's figures to show that the largest amount ever paid in the past by the Elphinstone Company was Rs. 39,000,—

The Honourable Colonel KENNEDY—Not so much as that, only Rs. 26,000. Rs. 38,000 was the largest amount ever claimed by the Municipality, but the actual payment was only Rs. 26,000.

The Honourable Mr. BYTHELL—I understand the Municipality received only Rs. 26,000 and never claimed more than Rs. 38,000. It is still an open question whether all Government property should not be taxed, but as regards the financial position of the Municipality it cannot be said that municipal revenue will be injured by the forma-

tion of the Trust, for the Municipality will receive Rs. 50,000 instead of only Rs. 26,000 or Rs. 28,000 as heretofore. It appears to me the Municipality will not be one pie worse off when the Port Trust is formed, because if it were not formed, Government I believe would only make a contribution, and I think it is extremely unlikely that that contribution would amount to more than Rs. 50,000. As regards the decrease of trade in piece-goods that unfortunately, is true; but I don't think this can be attributed to the bunder fees, although they are a new tax on the trade; but it is almost entirely caused by the excessive railway charges of one of the companies on this side of India. The Chamber of Commerce has been appealing to the Government and the Secretary of State on this subject for five or six years. Up to a short time ago, the charges on the G. I. P. Railway were so high, as compared with those of the East Indian Railway, that goods could be sent from Calcutta to Jubulpore and some considerable distance on the G. I. P. Railway before the rates were equalised. I think that if we could in a short time have docks or piers, or something of that kind, which would enable us to save the money spent on boat hire in landing goods, possibly it would have some effect in assisting us in competing with Calcutta. But all these are minor considerations compared with the great one, the difference in the railway charges, which is so enormous that the trade of Bombay in Manchester goods is steadily decreasing, while that of Calcutta is steadily increasing. I agree with the Honourable Mr. Rogers and the Honourable Colonel Kennedy with regard to the character of the management we have been enduring for several years past, and I think it would be well if the management were placed in the hands of a Port Trust, if only to ensure publicity, so that enormous works could not be undertaken without the merchants being asked as to whether they are likely to be profitable. Many illustrations may be given of the way in which money has been squandered,—for instance, the Mody Bay affair. That is one illustration of the disadvantage of the management being in the hands of a Government Department, and a very good one indeed. Therefore I repeat, as I cannot see how the formation of the proposed Trust could place the port in a worse position than at present, in negotiating with the Government of India for a further reduction of debt (should a falling off in the trade unfortunately make the step necessary), and as I believe that a Board of Trustees would be able to prevent a repetition of the past wasteful expenditure, I shall vote against the honourable member's amendment.

The Honourable Mr. Forbes: I am sorry that several honourable members appear to have misunderstood the drift of my remarks, because I am very far from wishing to see this Bill thrown out, since I think generally that its effect will be to afford a good deal of benefit to the trade of Bombay. At the same time, I wish to see the Bill go up to the Government of India in as perfect a form as possible, and not in a form which will probably result in a further reference to Government being made within a few months after the commencement of the operations of the Trust. I feel that the trade of Bombay cannot stand any further charges being imposed, and I am afraid that the first difficulty which the Trust will experience will be the payment of the interest upon the debt to the Government of India. I think it would be just as well to have all doubtful matters finally settled before this Bill comes into existence, and I should like to see the principle settled whether, in the event of the port revenue being insufficient, the trade will be saddled with increased charges, or whether the Government of India will diminish their claims. The Honourable M. Bythell seems to think that if the Trustees go up to the Government of India—and I rather understood him to say that it is possible they may have to go up soon—their petition will be favourably received. But I for one think it would be better to place this matter upon a satisfactory footing before we pass this Bill. The men most suited to act as Trustees will be more willing to do so if this point were settled. I do think that the principle which seems to be declared in this 58th section—that because trade falls off so that the interest on the Government of India's loan cannot be paid, therefore the charges upon the trade of the port must be increased—is a perfect absurdity.

The Honourable Mr. BYTHELL—I did not intend to say that I contemplated that the Trust would have to go up to the Government of India to ask for the reduction of the debt, because I believe the contrary—that they never will have to go up to the Government of India with such a request. I believe that there will be no difficulty in the Trust succeeding if we manage to get the different railway charges adjusted.

The Honourable Colonel KENNEDY, with reference to a remark which had fallen from the Honourable Mr. Bythell, spoke in justification of the purchase of the Mody Bay estate, which purchase, he contended, tended to prevent a private monopoly.

His Excellency the PRESIDENT did not wish it to be considered that he was a consenting party to the idea that the local Government did not know how to manage the Elphinstone property, and therefore had to create the Port Trust. Nor did he understand that to be the opinion of the Honourable Mr. Rogers. He understood that gentleman only to say that such had been alleged to be the case. The fact was, that for a long time the Government had not attempted to improve the management. They had been paralysed by the expectation of the creation of this Port Trust or Corporation, which, he thought, would prove unnecessary as well as inconvenient, and he had no doubt that the local Government could, if called upon, find means to manage the Elphinstone estate with efficiency and economy. The Honourable Mr. Bythell had blamed Government for the reckless purchase of the property, and had attributed their present difficulties to the absence in past years of mercantile influence over the proceedings of the Government. But the information which had reached him (the President) as to the past history of Bombay did not dispose him to give greater credit to the mercantile community than to the Government of the day for prudence and circumspection, nor did he see any reason for believing that if mercantile influence had been greater, our present position would have been better. He would regret any postponement of the progress of the Bill.

Mr. Forbes withdraws his motion for postponement, and the Bill is read a third time and passed.

The Honourable Mr. Forbes said that as he saw no hope of his amendment being agreed to, he would withdraw it.

The Honourable Colonel Kennedy's motion was then agreed to, and the Bill was read a third time, and passed.

His Excellency the President then adjourned the Council.

By order of His Excellency the Governor in Council,

JOHN NUGENT,

Acting Under Secretary to Government.

Bombay, 13th February 1873.