

THE



# Bombay Government Gazette.

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Published by Authority.

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FRIDAY, 20<sup>TH</sup> AUGUST 1886.

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 Separate paging is given to this Part, in order that it may be filed as a separate compilation.

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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 Poona on Saturday the 7th August 1886, at 3-30 P.M.

#### PRESENT:

His Excellency the Right Honourable Lord REAY, LL.D., C.I.E., Governor of Bombay, *Presiding*.

His Excellency Major-General the Honourable Sir CHARLES GEORGE ARBUTHNOT, K.C.B.

The Honourable J. B. PEILE, C.S.I.

The Honourable M. MELVILL, C.S.I.

The Honourable RAO Bahádur KHUNDERAO VISHVANATH RASTE.

The Honourable KASHINATH TRIMBAK TELANG, C.I.E.

The Honourable F. FORBES ADAM.

The Honourable J. R. NAYLOR.

The Honourable DAYARAM JETHMAL.

The Honourable Mr. MELVILL, in moving the first reading of Bill No. 3 of 1886, entitled a "Bill to enable the Municipal Corporation of the City of Bombay to raise increased revenue from Town-duties," said:—My Lord,—The Council is aware that the necessity of increasing the water-supply of the City of Bombay has long been recognised. Not only is the present supply inadequate for the ordinary wants of the population, but it is also impossible satisfactorily to

carry out the proposed drainage works without a large additional supply of water for the purpose of flushing the drains. It has, therefore, been determined to construct a reservoir at Tansa, which will give a daily supply of seventeen million gallons, at an estimated cost of one crore and twenty-three lakhs. The work has already been taken in hand with an energy which reflects the highest credit on the Municipal Commissioner and the Corporation. The contracts have been almost all given out, and have been taken up at rates lower than estimates. It may, therefore, confidently be expected that the whole estimated cost of the work will not be exceeded. Provision has now to be made for paying the interest on the loan which will have to be taken up, and for repaying the principal in sixty years from the date of the completion of the work. It is calculated that, in order to do this, it will be necessary for the Corporation to raise an additional revenue of Rs. 3,70,000 annually for seven years, while the works are under construction, and for sixty years afterwards, and a further revenue of Rs. 2,30,000 for sixty years, after the works are completed. This further revenue of Rs. 2,30,000 will be obtained from the increased water supply, and need not now be considered. What we have now to provide for is a revenue of Rs. 3,70,000 per annum. Under the present Municipal Acts the Corporation has the power to increase some of the existing duties. It can raise the consolidated rate, which is now at the minimum prescribed by law, from Rs. 8 to Rs. 12 per cent. on the annual value of the property taxed. It can raise the water rate without limit. It can raise the duty on ghee, which now stands at 6 annas per maund, to 10 annas. The Corporation might, thus, without any legislation, obtain the revenue which it requires. But it is not desirable that either the consolidated rate, or the water-rate should be raised immoderately, and it is fairer to all classes that the additional taxation should be more widely distributed. What therefore the Corporation proposes to do is this. They will raise the consolidated rate from Rs. 8 to Rs. 8-12, and from this increase they will obtain one lakh of rupees. They will increase the water-rate by Rs. 70,000. They will raise the duty on ghee to ten annas a maund, which will give them Rs. 80,000. Thus, by the exercise of their existing powers, they will immediately raise a revenue of  $2\frac{1}{2}$  lakhs. This will leave Rs. 1,20,000 to be provided, and for this purpose they have asked the assistance of the Legislature, and the present Bill has been introduced. If the Council compares the schedule of the present Bill with that of the Act of 1872, they will see that we propose to raise the existing duty on two articles only, *viz.*, grain and sugar. The present duty on grain is 4 annas a candy, and this will be raised to 6 annas, as a maximum rate. The Corporation does not, however, intend at present to take more than 5 annas a candy; and it has been calculated that this extra 1 anna per candy is equivalent to a tax of 1 anna per annum upon every person in Bombay. This is certainly not an extravagant price for even the poorest to pay for the blessings of a plentiful and pure water-supply. The duty on sugar is at present  $1\frac{1}{2}$  per cent. on tariff value. This will be altered to a duty of 8 annas per cwt. This will be the maximum rate, but it is not intended for the present to take more than 7 annas per cwt. The present duty is equivalent to about 4 annas per cwt, so that the duty will be nearly doubled; indeed, if the maximum rate comes to be levied, it will be exactly doubled. But even then it will not be a high duty, being only 3 per cent. *ad valorem*, and it will fall principally upon the wealthier classes. The Council will see that two new articles have been made dutiable by the schedule, *viz.*, petroleum and firewood. The duty on petroleum will be half an anna per imperial gallon, or one pie on an ordinary quart bottle; and the most thrifty housekeeper can hardly object to so insignificant an addition to the price of the article, which is, however, estimated to bring in to the Municipality a revenue of Rs. 36,500 per annum. In this matter I doubt not that the Council and the public will be willing to adopt the motto *ex luce lucellum*, which was applied by a learned and poetical Chancellor of the Exchequer to his proposed tax on lucifer matches. The duty on firewood is fixed at 2 annas per candy, which is about 3 per cent. *ad valorem*. No objections have been taken to the Bill since it was published. One or two of the native newspapers have, indeed, declared that the Municipality ought to construct the Tansa water works, without having recourse to increased taxation, but this is manifestly an impractical proposal. They have also suggested that there should be different rates of duty upon different kinds of grain and different kinds of sugar. This is a suggestion which may, I think, be left to the Corporation to deal with. The schedule of the present Bill does not purport to do more than fix the maxima rates leviable; and it is quite open to the Corporation to levy more or less upon different articles falling within the same category. I think it right to mention that, before the present Bill was framed, but after the Corporation had adopted the rates of duties

which have been introduced into the Bill, certain sugar merchants of Bombay addressed a petition to Government, which I will read to the Council :—

“ We the undersigned sugar merchants of Bombay find from the report of the proceedings of the meeting of the Municipal Corporation held on the 10th instant, that in order to meet the expenses in connection with the proposed Tansa water scheme the Municipal authorities intend to increase among other things existing town duty on sugar to 7 annas per cwt. We are not so much concerned with the desirability or otherwise of the taxation on other articles as on sugar, and therefore we would deal here with this important commodity only. On the 29th January last, most of the signors hereof had to wait upon Mr. E. C. K. Ollivant, the Municipal Commissioner, with a view to ask him to reduce the tariff value of sugar in consequence of the low prices and the depression in trade prevailing for a considerable length of time. This request was acceded to on the 14th February last, and the value of sugar for town duty purposes was accordingly reduced from Rs. 16 to Rs. 12 per cwt., to the great relief of the merchants as well as the masses, who, from the state of native society and its customs, are more or less interested in this article of food. It was also suggested at the time to the Municipal Commissioner that if the Municipal Corporation wished to increase their revenue, no further taxation as would hamper the trade or mostly fall on the poor may be resorted to, but some other articles, such as coal, copper, brass, &c., may be fairly and equitably embraced. Nothing of the sort, however, is done with the exception of kerosine oil, on which a town duty of half an anna per case is sought to be introduced. We notice that the maximum rate of town duty on sugar for which sanction from the Government is asked by the Corporation is to be annas 8 per cwt., and it is a significant fact that the increase thus established would be the heaviest of all the other articles. Even at 7 annas per cwt. against  $1\frac{1}{2}$  per cent. on Rs. 12, the present value of a hundredweight of sugar, it would be nearly 150 per cent. We therefore consider it our duty to ask you respectfully to place this representation before His Excellency the Governor in Council, entreating that the sanction for increased town duty so far as sugar is concerned may not be granted, and instead of this the articles indicated above or others may be taxed if necessary.”

This petition is dated the 24th December 1885, and though, in framing the present Bill, the prayer of the memorialists has been disregarded, they have not thought it necessary to urge any further remonstrance. I will tell the Council why their prayer has been disregarded. The petitioners are quite in error in supposing that the concession made to them in February 1885, was made because it was thought that the duty on sugar was unduly high. Under the existing law (schedule B. of Bombay Act III. of 1872) the duty on sugar is  $1\frac{1}{2}$  per cent. on tariff value. The term “ tariff value ” had a definite meaning when the law was passed ; but when the Indian Tariff Act was repealed, and there was no longer any import duty upon sugar, it ceased to have a definite meaning, and the Corporation had to consider how it should be interpreted. They came to the conclusion, and very properly, as I think, that the Legislature intended that the duty should be  $1\frac{1}{2}$  per cent. on market value ; and as in February 1885 the market value was very low, the duty was reduced accordingly. But this was in order to adapt it to the letter of the law, and not because the duty previously levied was considered to be unduly high, when compared with the duties upon other commodities. So far was this from being the case that the Corporation, while allowing the reduction of duty, passed a Resolution on the 16th March 1885 to the effect that the Legislature should be asked in connection with the new Municipal Act to amend the schedule in respect of the sugar duty in the manner now proposed. This Resolution, I may observe, had no reference whatever to the Tansa project. It was passed simply on the merits of the question, and on the ground that sugar was an article which, perhaps better than any other, could bear an enhancement of duty. The sugar merchants naturally object, (though, I think, not very strongly), to an increase of the duty on the article in which they trade ; but to show that the native trading community generally does not regard the matter in the same light, I will read an extract from a petition addressed to the Town Council on the 21st October 1884 by the Bombay Native Merchants Association. They say :—“ If the Council concur in the recommendation of the Finance Committee to enhance the town duties, the Committee submits that the Council will find several articles of luxury which can well afford to bear the additional burden. An increase of duty on such articles as sugar, molasses, &c., can hardly be felt by the wealthier classes who consume them chiefly.” I have already informed the Council that the average maximum duty on sugar will be at the proposed rate, only 3 per cent. *ad valorem*, while the duty on ghee,

with which perhaps it may be best compared, is under the existing schedule  $5\frac{1}{2}$  per cent. on market value. I now propose that the Bill be read a first time.

The Honourable Mr. FORBÈS ADAM :—Although myself opposed in principle to the imposition of octroi duties in Bombay and elsewhere, yet I consider the special circumstances which call for their present enhancement and extension are so important as to remove all cause for adverse criticism. A full and constant supply of pure water and a drainage system which will conduce to health and remove all bad smells are priceless and inestimable advantages. Therefore, I do not intend to rise any objection to this Bill, and I have no objections to offer to the articles upon which it is proposed to levy town duty. I can only trust that the fate which befell the proposals of the statesman to which the honourable member who moved the Bill has alluded, and which gave rise to the *ex luce lucellum* witticism offer no indication of the fate awaiting petroleum legislation! I heartily endorse the laudatory remarks that fell from the honourable mover in regard to the action of the Corporation. I think that their foresight, pluck, and resolution cannot be too highly commended, and I consider that in this connection all those interested in the welfare of Bombay must not forget the indefatigable, painstaking and thorough manner in which the Municipal Commissioner has co-operated with them. I am only sorry that the Government of India has not seen fit to assist them by giving a guarantee to the required loan, and so reducing the cost upon the ratepayers of the Municipality, especially as I believe this could have been done without any risk to the Government itself, or in any way impairing or reducing its powers of borrowing in this country. But there is one matter, my Lord, which I should like to bring before the Council, and that is with regard to the article flour. Till quite recently only sufficient was produced in Bombay for local consumption, and there was no export, but during the past year or two many mills have sprung up and flour has become an article of export, and is an article of export which, I venture to predict, will one day be very important to India. There is no doubt that the increase in the manufacture of flour will spread all over the country of India, but its home and centre, as in the case of the cotton industries, by reason of many special facilities granted in Bombay, may possibly be there. I may mention that flour has recently been sent in small quantities to the Arabian Coast, to Alexandria, and the Mediterranean ports, to Moulmein and Hongkong, and to Antwerp, and in large and important quantities to Zanzibar and the Mauritius, Penang, Singapore, and England. In some ports it has to compete with exports from Australia, and in others with exports from the United States of America, and I am sure honourable members will understand at once the very great advantage that is yielded by exporting flour in its prepared state instead of wheat, owing to the immense saving made in sea-freight and land carriage after it reaches its port of destination. I may point out, my Lord, that during the last ten years in the United States the exports of wheat have risen from 19,000,000 cwts. to 24,000,000 cwts., an increase of between 2 and 3 per cent. only, while exports of flour have increased from six millions to close upon sixteen, an increase of 300 per cent. Flour, I am given to understand, contains about 75 per cent. of wheat, and therefore I should ask at some stage of this Bill that with a view to give no check or hindrance to the export trade, that provision should be made for a drawback or refund to be granted to the manufacturers of flour in Bombay in proportion to the quantity of wheat which they use in the preparation of that article for shipment to other countries.

The Honourable Mr. DAYARAM JETHMAL :—I feel some diffidence in speaking on a Bill of this character in the presence of the honourable member who is, I understand, the chairman of the Bombay Chamber of Commerce. But there is a point in connection with it as to which I feel some doubt. I should like to inquire his opinion as to the first item in the schedule, "grain of all sorts." This undoubtedly includes wheat. There is a very large trade in wheat in Bombay. It is a very young trade, and I think it should be fostered. In the mofussil no octroi is allowed to be levied without the sanction of Government, and repeated orders are issued not only prohibiting the imposition of octroi on new articles, but checking the enhancement of any existing duties by the municipalities. As regards wheat, I understand from the honourable mover there was a duty of four annas already in existence, which it is proposed to enhance. I should like to know whether this will in any way interfere with the through trade in wheat. True there must be refund rules, and I dare say they are very liberal, but my experience of these refund rules leads me to suppose that they cause a good deal of friction. Merchants complain and are dissatisfied. In Karachi it so happens the duty on wheat was strongly objected to, and although it had continued for years and years together, when the trade in wheat began to increase, four or five years ago, we were obliged, in consequence of complaints from merchants, to

abolish it, and to place wheat on the free list. I should be glad to know whether the honourable member can give an assurance that this enhancement will in no way interfere with the through trade, that the refund rules work satisfactorily, and that the merchants will not feel it.

The Honourable Mr. FORBES ADAM:—As the honourable member has asked me to express an opinion on the point, I may say that so far as my information goes, and I have made inquiries on the subject, the refund system in the past has worked smoothly and well, and causes little or no inconvenience. I therefore consider that what has happened before may be expected also to prevail in the future, and on that ground I do not think any extra objection will be raised than that always present to the members of the Chamber—the objection to the principle of octroi.

The Honourable Mr. TELANG:—My information on that subject points to the same result as the Honourable Mr. Forbes Adam has mentioned. I have always understood that the working of the refund-system of the Municipality is giving satisfaction to all parties concerned. But as to the other point made by the Honourable Mr. Forbes Adam, I confess I feel a difficulty in regard to it as well as in regard to the general framing of the schedule. The schedule has been framed with reference to the wants of the Municipality and upon an estimate of the yield of the various duties as they are in the old Act, and as it is proposed to enhance them, It seems to me that there is great difficulty in interfering with any particular portion of a schedule framed on that basis, because you can then be scarcely sure that the yield of the whole of the duties together will be as much as the needs of the Municipality will necessarily require. In view of that circumstance, I feel that this schedule ought at the present stage to be allowed to remain in the condition in which it is brought before the Council, but when the matter comes up for final decision in connection with the general Municipal Bill, this schedule will be liable to consideration and revision. The honourable mover stated that no notice of amendment had been given. I may say that it occurred to me that some points in the schedule were open to amendment, especially having regard to the fact that in the Corporation itself there were very considerable differences of opinion as to the proper framing of such a schedule. However, I gave up the intention of proposing such amendments in view of the fact that the Council would have great difficulty in making trustworthy estimates of the yield of the duties as they might be altered here, and thus the important scheme of water-works might be delayed. Besides, as the statement of objects and reasons points out, this is in a certain sense a temporary measure. The whole question will be liable to review when the Bombay Municipal Bill comes before the Council for consideration, and I think the better course under the circumstances would be to let the schedule stand, provided it is understood to be liable to revision and reconsideration in every part on that occasion. In that view I am prepared to support the Bill as it stands.

His Excellency the PRESIDENT:—I wish only to say a few words about this Bill. I am rather sorry we have to pay so heavy a price for an increased water-supply for Bombay. But the matter of water according to all living authorities on sanitary questions is of such vast importance that even my scruples as to octroi duties have vanished in consequence of the very energetic attitude which the Corporation of Bombay has assumed in the matter, and to which I should like to join my honourable friend Mr. Forbes Adam in giving full credit. With reference to the only item in the schedule which is under debate, it strikes me that it would be creating unnecessary disappointment to the Municipality, and also disturbing the economy of the schedule, if we were at this stage or at any future stage of this measure to interfere with the duties on which the calculation was made by the financial officers of the Corporation. We might delay any alteration that has to be made until the Municipal Bill comes on for discussion. At the same time, perhaps, Mr. Forbes Adam would give us some assurance that delay will not be altogether adverse to the development of the flour export trade in Bombay, because although undoubtedly the development of the trade will spread further dismay among the afflicted landowners of the United Kingdom, still in justice to the interests of the mercantile community of the city of Bombay, we are bound to pay very special attention to the objections raised by the honourable member. We have heard to-day of the competition with which Bombay is threatened by our ally and friend, the other great commercial town of the Presidency, which has no octroi on wheat, and I think that enterprising city is very much to be congratulated on this immunity. I should like to ask the honourable member if he is able to give a reply to the question whether the flour question is so urgent that it does not allow of delay until the Municipal Bill is considered here?

The Honourable Mr. FORBES ADAM :—You have asked me rather a difficult question, your Excellency, because there is no doubt in these days the keen competition in every article cuts down the profits of those engaged in trade to the utmost. Still I think the trade may possibly struggle on till the Municipal Bill has been introduced, and that without complaint if some assurance is given that the matter will have the utmost consideration at the time.

Bill read a first time.  
Standing orders suspended.

The Bill was then read a first time, and the standing orders were suspended in order that the Bill be read a second time.

The Honourable Mr. FORBES ADAM :—I do not know whether I may ask the honourable mover for the assurance which has been alluded to by His Excellency.

The Honourable Mr. MELVILL, in moving the second reading, said :—The honourable

Mr. Melvill moves the second reading of Bill No. 3 of 1886.

member may be quite sure if the matter comes up for consideration again when the Bombay Municipal Bill is before the Council, that it will receive the fullest consideration by the light of any information which may be thrown upon it. In the meantime it cannot be possible to introduce anything with regard to a refund on flour in the present Bill, because it seems to me to be clear that if there is to be a refund duty on flour there must also be an import duty on flour, which does not at present exist. I understand it to be the essence of refund that an article on which a refund is made shall be one capable of identification as an article upon which duty has been paid. If we were now to introduce any provision for refund upon flour, I do not know what is to prevent an enterprising merchant setting up a flour mill just outside the city, introducing his flour into Bombay without payment of a duty, and then asking for a refund upon it. I have no doubt the honourable member intends this matter to be considered from both points of view, *i.e.*, an import duty to be imposed in the first instance, and then a refund to be made in the same manner as is the case with the import duty on wheat. That seems to me a reasonable proposition, but hardly one to be considered at the present moment. Without an opportunity being given to the public to discuss the proposal, the Council would hardly think it right to impose an import duty upon flour. I may say that this Bill—if I may use the expression—is simply a stop gap in order to enable the Municipality to raise the necessary funds to meet the loans it has already taken up and is arranging to take up. The duties in the schedule have been very carefully considered by the Corporation and subjected to public criticism. Though I do not say they are entirely free from objection, in fact no taxation is, still I think they are the best that can be devised under the circumstances and they should at all events be sanctioned for the present, subject to reconsideration when the Municipal Bill is brought forward.

Bill read a second time,  
considered in detail, and read  
a third time and passed.

The Bill having been read a second time, was considered in detail, after which it was read a third time and passed.

The Honourable Mr. MELVILL next moved the first reading of Bill No. 4 of 1886, entitled a "Bill to vest the port of Karáchi in a Trust," and said :—

Mr. Melvill moves the first reading of Bill No. 4 of 1886.

My Lord,—The statement of objects and reasons sets forth clearly and concisely the causes which have led to the introduction of the Karáchi Port Trust Bill. The Karáchi Harbour Board has done excellent service, and the result is that the port of Karáchi, which, when I first went to Sind in 1861, was little better than a shallow creek, with a very troublesome bar of sand across the mouth of it, is now a fairly commodious harbour. The entrance to it over the bar has been deepened by 7 feet, and the anchorage area, which is of 20 feet depth and upwards, has been increased from 58 to 90 acres. At Kiamari, which is at the top of the anchorage, some wharves have been built, and an iron pile ship pier, called the Merewether Pier, has been constructed, while a creek, a mile and a half long, running up to the native town of Karáchi, has been deepened for the use of native coasting vessels and lighters bringing cargo discharged by vessels in the anchorage, and has been provided with a large jetty. The anchorage now suffices for about 20 ships, and the tonnage of steamers using the port has since 1861 more than trebled, being in 1884-85, 363,908 tons, while the value of the trade in that year was Rs 10,59,31,948 or, at present rates of exchange, about 7 millions sterling. I have not the returns for 1885-86, but I have no doubt that they will show that there has been a further large increase of trade in that year. There is still, however, a great deal to be done, in order to provide everything which the trade of the port requires. The growth of the wheat trade has already been very remarkable, and it will certainly be much increased by the opening within the next two years of the Sukkur railway bridge across the Indus, and of the Sind-Peshin and Sind-Sagar railways, comprising above 600

miles of new line. Moreover, the position of Karáchi in connection with the system of railways on the North-West Frontier renders it a matter of great consequence, on military grounds, that the port should be made in all respects as efficient as its situation and the state of the funds at the disposal of Government will permit. The removal of an obstruction called Deep Water Point, and the prolongation of the East Groyne are necessary, in order to improve the anchorage and its approaches, while an increase is also required in the facilities for landing. This last object entails an extension of wharfage and a direct railway line from the Karáchi Bandar Harbour to the ship wharves at Kiamari. In contemplation of these extensive works, and of the growing importance of Karáchi, it is considered by the Government that the time has come when the Karáchi Harbour Board, the members of which have hitherto been appointed by Government, should resign its duties into the hands of a more representative body, whose duties and powers should be defined by law. The constitution of this body is provided for by sections 5 to 7 of the present Bill, which directs that the Trustees shall be not less than seven nor more than nine in number, that one of them shall be the Manager of the North-Western Railway, or his representative, and that at least two members shall be elected by the Chamber of Commerce. The rest of the Bill I do not propose to go into in detail. I will merely say that its provisions are based partly on those of the Rangoon Port Commissioners Act, 1879, and partly on those of the Bombay Port Trust Act, 1879, with the satisfactory working of which latter institution the Council is well acquainted. The property which will be vested in the new Board is shown in detail in schedule A of the Bill. It comprises all lands, buildings, harbour-works, railway-line, machinery, plant, tools, furniture, vessels and boats, and other property whatsoever heretofore in the charge of the Port Officer of Karáchi, the Port Engineer of Karáchi, and of the Karáchi Harbour Board. The liabilities, which the Trustees will have to undertake, are shown, but not to their full extent, in Schedule B of the Bill. I say "not to their full extent," because, since the schedule was drafted, circumstances have occurred which will greatly improve the position of the Trust, though involving it in a corresponding liability. In connection with this point, I may mention that the Karáchi Chamber of Commerce, while approving generally of the Bill, and making certain minor suggestions, which will be carefully considered by the Select Committee, has shown some anxiety regarding the financial position of the new Trust. At a special general meeting held on the 11th November 1885, the Chamber recorded the following Resolution:—

"The members of the Chamber, in thanking the Commissioner in Sind for having made them acquainted with the proposed Dock Trust Bill, express their satisfaction at the decision of Government to vest the management of the port in future in the Port Trust, at which the Chamber will be represented, and also their approval of the principles upon which it is intended to frame the Port Trust Act; but beg to record it as their opinion that in order to enable the Trustees to carry out the task assigned to them with a fair share of success, it is absolutely necessary (1) that Government should undertake to complete the harbour according to the original plan by sanctioning that the removal of Deep Water Point and the extension of the East Groyne be taken in hand with the least possible delay from funds supplied by Government free of charge, and (2) that Government should grant to the Port Trust, as soon as required by them, a loan of Rs. 15,00,000 over and above the Rs. 7,11,500 already promised, at a rate of interest not exceeding 5 per cent. per annum, to complete the Napier Mole Scheme"

Now I am very happy to be able to inform the Chamber that the Secretary of State has consented to grant all, and more than all, which they ask. They ask for two things, *viz.*, (1) that the removal of Deep Water Point, and the extension of the East Groyne, may be carried out at the expense of Government, and (2) that the Port Trust may receive from Government an additional loan of 15 lákhs of rupees at a rate of interest not exceeding 5 per cent. I say "additional loan," because, as the Council will see from the Schedule B, the Government has already made to the Karáchi Harbour Board a loan somewhat exceeding 7 lákhs of rupees. Well, the Secretary of State has now sanctioned the expenditure of 3½ lákhs from Imperial funds for removing Deep Water Point, and lengthening the East Groyne, and also of 5½ lákhs for railway extension between Bándar Station and the ship wharves. This latter work has been taken up actively, and ought to be finished in the course of the current year, or shortly afterwards. The Secretary of State has further authorised an additional loan of 15½ lákhs at 4½ per cent., in order to enable the Port

Trustees to provide extended wharfage, and more moorings, warehouses, and dredging gear. This loan will constitute the additional liability which I have mentioned, and it will be necessary to include it in Schedule B of the Bill. I do not think that there is any fear that the income of the Port Trust will be insufficient to enable it to meet its liabilities; for the income of the Harbour Board for 1884-85 was Rs. 4,63,226, and in 1885-86 it has risen to Rs. 7,97,398. I move that the Bill be read a first time.

The Honourable Mr. DAYARAM JETHMAL:—There are one or two points in this Bill on which I should like to make a few observations. The first is as to the constitution of the proposed trust. It appears that according to Section 5, the Board shall consist of nine or seven members at the discretion of Government. Out of these two at least are to be elected by the Chamber of Commerce, one is to be the Manager of the North-Western Railway and the remaining four or six are to be appointed by Government. Out of these four or six, two will necessarily be the Chairman and Vice-Chairman, and there is every reason to believe the Commissioner will appoint a gentleman from the engineering and a gentleman from the Customs Departments respectively. With seven members there will be no seat left for the appointment of an independent non-official, or a native. The Chamber of Commerce is a body composed chiefly of European merchants and they are representatives of Europeans; the Manager of the North-Western Railway is a European and there will be no native whatever on the Board elected by them. I think the principle of giving representation to all considerable sections of the community interested in the trade would be conceded and the answer to me would be that the Commissioner would probably appoint one of the remaining two from the native community. But I submit that is not quite enough. There are several sections in Karáchi, the owners of native craft, and native merchants, as well as the Municipality of Karáchi, all of whom are deeply interested in the Port Trust, and its profitable and smooth working. I submit that these three bodies should be duly represented. The constitution is now such that the native public will not now be adequately represented, and the proposed Board will be chiefly composed of the European element. As regards the native merchants and owners of native craft, the chief objection is that they are a vague non-descript body and it would be difficult to give them the franchise to enable them to make a suitable election. That ought not to be an insuperable objection, for we have sufficient experience of the way in which the native public have been sending representatives before the present system of elections was introduced into the Municipality. Only up to within the last one or two years have we had a constitution of the Municipality of Karáchi where all communities as communities were represented. It seems to me on a somewhat analogous principle we can certainly give the right of representation on the Port Trust to the native public. For instance, it may be that the owners of native craft of a certain tonnage may be given the right of election and rules according to local circumstances can be made similarly for those who export goods direct to Europe by prescribing the limit of tons—the minimum—which each man exports in a year. At any rate it is possible to give them representation through the Municipality, which has not a less interest in the proposed Port Trust than the Railway. I can say from experience we have a deal of correspondence between the Municipality and the existing Harbour Board on various points which might all be saved if there were a Municipal representative on the Board, a representative who will not only represent the general interests of the Municipality, but might indirectly represent also native merchants who are now entirely unrepresented. I may mention that according to the Act that regulates the Port Trust in Bombay it is obligatory on Government to appoint not less than three natives of India as members of the Trust. There are competent natives in Karáchi who can be members of the Port Trust. I do not think a knowledge of English is essentially necessary: we have some experience of that in Bombay, where I am not quite sure that the native members of the Port Trust do possess a sufficient knowledge of English, and they are nevertheless most worthy representatives of the trade of the natives. Another point is as to the Chairman. It is proposed that Government shall appoint the Chairman, but there is no guarantee or assurance given that the Chairman shall be a gentleman who will devote his whole time to the affairs of the Trust. The present Harbour Board is managed by the Collector of Karáchi as president, but this gentleman, although an excellent Chairman, is absent for six months of the year in the districts, and the work is virtually left to the Port Officer. I have every reason to suppose it is even now proposed to appoint the Collector as Chairman and the Port Officer as Vice-Chairman. I have nothing to say as to the appointment of the



Collector as Chairman of the proposed Trust, he would be an excellent officer but he would be absent for six months of the year. As regards the Port Officer he is rather an executive officer and ought properly to be a subordinate of the Board. I submit it is most expedient in an institution of this kind that the officer at the head of the department should be a gentleman who should be chiefly responsible for the working of the Board and able to devote more time to the affairs of the institution than the Collector of Karáchi can. In saying this I think I am giving expression to the unanimous opinion of the members of the Karáchi Chamber, who are all desirous the Chairman should be a full time officer, and not the Port Officer, who will now be virtually the master of the situation. There is a third point which does not relate to the constitution but to the duties of this Port Trust. By this Bill the Trust take to themselves the monopoly of landing and shipping of goods, and the power of compelling all vessels to come to their piers. As regards this latter part I do not find there is any provision like it in the Bombay Port Trust Act; there seems to be some similar provision in the Rangoon Act and possibly there is some reason for applying a different rule to Karáchi. I shall say nothing on that at present, as I find there is a difference of opinion among the members of the Chamber of Commerce. But as regards the monopoly of landing and shipping goods, while the Trust get this monopoly no adequate provision is made in the Bill for fixing them with a liability for damage done to goods in their charge. On the contrary it appears practically secured in this Bill that they are not liable for the negligence or default of their servants, and as goods can only be damaged by negligence or default of servants, naturally the Trust will be exempt from the ordinary liability which lighterage and landing companies take upon themselves, whilst, on the other hand, the Trust will get a monopoly of the business. That I also submit to the Council and I trust it will be taken into consideration by the Select Committee that may be appointed. As to the constitution, I submit it is not quite satisfactory, for the native merchants of Karáchi are not adequately represented; as to the Chairman, I think he ought to be a full time officer; and my third point is as to the Municipality, respecting which there will no doubt be a good deal of discussion in Committee. I say that there should be definite provision made in the Act defining what the liability would be in case of loss or deterioration of goods which the Trust may land, in spite of the wish of the merchants, by virtue of the powers of this Bill.

The Honourable Mr. TELANG :—Your Excellency,—I do not profess to know anything specially about the subject matter of this Bill, but with reference to the constitution of the Board, the point which the Honourable Mr. Dayaram has made is one which occurred to me. I would suggest it for consideration whether his objection might not be met by some provision like that which is in practice as regards the Port Trust of Bombay, of which the Municipal Commissioner is always a member, so that the Municipality is represented upon the Trust. It is possible that if some provision could be made by which some of the Municipal Commissioners of Karáchi would be associated with the Board, the objections with regard to the native merchants and the Municipality not being represented upon it might be met. From section 16 I assumed that the intention was to have a full time officer apart from the other members of the Trust. But I do not know exactly what is intended. It seems to me that where there is a large trust to be presided over, a full time officer would be the proper one to have.

The Honourable Mr. FORBES ADAM :—I think the Bill is likely to promote the interests and prosperity of the port of Karáchi. Its export trade, thanks to the enterprise of the Railway Company in connection with the port which has thoroughly understood the power of low rates of freight to stimulate and induce commerce, has greatly developed and its import trade is also slowly developing. I do not think there is any doubt that in the course of a number of years we will find a very large direct import trade between Europe and Karáchi. Hitherto the Punjab has derived its supplies largely from Calcutta and to a smaller extent from Bombay, but in the course of years it is certain to turn altogether to Karáchi. The honourable mover of the Bill has referred to the opinion of the Chamber of Commerce of Karáchi. A short time ago I had a communication from them which, with your permission, my Lord, I will read to the Council. They say :—“While the members of this Chamber are in general well satisfied with the provisions of the Bill under reference, I am instructed to inform you that in the event of the membership of the Port Trust being increased at any time from seven to nine members, the outside limit allowed by the Bill, it is thought advisable in the interests of the port that provision should be made for one of the two additional members to be elected from the mercantile community, otherwise the proportion of 2 to 5

is well received, as it is believed that it is not the intention of the local authorities to appoint only officials to the remaining five seats." I would ask that consideration be given to this. With respect to what fell from the honourable gentleman on my left (Mr. Dayaram) in regard to the compulsory clauses of the Bill, I have no doubt these were framed in accordance with the Rangoon Act, and I think myself it is necessary the Port Trustees of Karáchi should have the power at any rate to order vessels to use the wharves. The harbour of Karáchi is very different from the harbour of Bombay. At Bombay you have one of the finest and the largest harbours in the world, where any number of vessels can ride at anchor likely to come to the port, whereas Karáchi is a narrow harbour and with the utmost improvements that can take place must remain somewhat less spacious than the trade may require. Therefore it might be often very inconvenient and cause obstruction to traffic if vessels had it in their discretion to use the stream and centre of the harbour and refused to come alongside the jetties and wharves. As the Bill only provides that the Trustees may order and does not say they shall order, I consider the provision is a wise and necessary one. I have much pleasure in supporting the Bill.

The Honourable Mr. MELVILL:—I can assure the Honourable Mr. Dayaram that it is the desire of myself, and I am sure of the Government, that the Port Trust of Karáchi should be as representative a body as possible. The Government has itself, of course, a very great interest in the matter, not solely on account of military considerations, but on account of the very large advances which have been made to the Port Trust. It is therefore necessary that Government should be strongly represented, but it does not desire in any way that its own interest should be paramount to those of the commercial community, and fully recognises that its interests and those of the commercial community are identical. The honourable member has made some comparison between the constitution of the Board of Trustees proposed in this Bill and that provided in the Bombay Port Trust Act. I think as far as liberality to the outside public goes, this Bill is somewhat more liberal than the Bombay Port Trust Act. It provides that there shall not be less than seven nor more than nine trustees, of which two shall be elected by the Chamber of Commerce and one be the manager of the North-Western Railway Company, so that supposing the number to be seven, Government would appoint four, whereas in Bombay they appoint eight out of thirteen. I have never heard it suggested that the appointments made by the Government in Bombay have been improper ones, or that they have not shown every desire to make them on the ground of selecting the best men for the post. Certainly they have not put in their own supporters, for I know by sad experience that when a controversial question occurs between Government and the Trustees, we find them anything but a subservient body.

The Honourable Mr. DAYARAM:—I never intended to insinuate that for a moment.

The Honourable Mr. MELVILL:—I can only say that I personally shall be very happy to consider any suggestion which may be made, especially for introducing a native on the Board, which is a very fair one. In the Bombay Act it is provided that three native residents of Bombay shall be on the Board. These natives, I believe, have always been appointed by Government, and I think that with the experience of Bombay, the Karáchi public might safely leave the matter, not as my honourable friend (Mr. Dayaram) says, to the Commissioner, but to the Government, who no doubt would consult the Commissioner as to the best native to appoint. How it would be possible to introduce provision for the election of a native I do not at present perceive, but as I hope Mr. Dayaram will be a member of the Select Committee, any proposal he may make will of course receive the fullest consideration. I do not think it is possible to take the opinion of the Council on this point at the present stage of the proceedings, but the Council will have an opportunity of considering the matter when the report of the Select Committee is presented. With regard to the appointment of Chairman, it seems to me premature to consider that question at present.

His Excellency the PRESIDENT:—With reference to what fell from the honourable member, it is not the first time I am told that it is the intention of Government to do certain things when the Government has no intention, not having considered the matter at all. This assurance I can give the honourable member, that the point has not been submitted to me, and when it comes under my consideration what has fallen from him to-day will certainly be borne in mind, and would have been taken into account even if the observations which he has made had not been made. I am very pleased that this Bill has reached this stage, and to be able to state that whenever this Government proposes to do anything to promote the prosperity of the trade of Karáchi, it is always met with a very ready response and

assistance from the Government of India, and the Secretary of State, so that in these hard times Karáchi may well consider itself the spoilt child of fortune.

Bill read a first time.

The Bill was then read a first time.

On the motion of the Honourable Mr. MELVILL the Bill was referred to a Select Committee consisting of the Honourable Messrs. Naylor, Forbes Adam, Dayaram Jethmal and the mover, with instructions that the Select Committee's report should be presented within a month and should be translated into Gujaráti.

Bill referred to a Select Committee.

His Excellency the PRESIDENT then adjourned the Council.

*By order of His Excellency the Right Honourable the Governor in Council,*

A. SHEWAN,

Acting Secretary to the Council of the Governor of  
Bombay for making Laws and Regulations.

*Poona, 7th August 1886.*