

Monday, 20th November, 1950

Par. S. II. V. 50 (1)

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PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT



THIRD SESSION (FIRST PART)

of the

PARLIAMENT OF INDIA

(1950)

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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PARLIAMENT OF INDIA

Monday, 20th November, 1950

*The House met at a Quarter to Eleven
of the Clock.*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

EAST BENGAL DISPLACED PERSONS
(RETURN FROM ORISSA)

*131. **Shri B. K. Das:** Will the Minister of Rehabilitation be pleased to state:

(a) how many East Bengal displaced persons who had been sent to Orissa for rehabilitation came back to Calcutta and elsewhere in September last and after;

(b) what were the reasons for their return; and

(c) what steps have been taken for their rehabilitation?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) 2156—(713 from Rehabilitation Centres; and 1,443 from Relief Camps.)

(b) They were unwilling to settle in settlements which were offered to them.

(c) 47 families who wished to go back to East Pakistan were provided with free Railway warrants and other necessary facilities. Others will have to return to Orissa where they can be resettled.

Shri B. K. Das: Is it a fact, Sir, that many of these displaced persons are still living in the Howrah Station?

Shri A. P. Jain: Yes. Some of them are in Howrah Station and some in the Sealdah Station.

Shri B. K. Das: How many persons are at present in the Howrah Station and in the Sealdah Station?

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Shri A. P. Jain: I have not got the exact figures with me. The latest telegram from the Bengal Government says that about 200 persons are in the Sealdah Station.

Shri B. K. Das: Is it a fact that due attention was not paid in respect of their previous occupations when these persons were sent to Orissa for rehabilitation?

Shri A. P. Jain: In some cases it may have been so, but in most of the cases the persons who were sent to the settlements were actually agriculturists and they have decamped. As for the persons who were not agriculturists and had been sent to the settlements, the Orissa Government was prepared to reconsider their cases and settle them in other avocations.

Shri Sondhi: In view of the fact that wrong selections were made, will the Government reconsider the whole question in conjunction with the Bengal Government?

Shri A. P. Jain: I have been constantly in touch with the Bengal and Orissa Governments and everybody concerned, and I have been watching very carefully the situation from day to day as it develops.

Shrimati Renuka Ray: Is it a fact that before a decision was taken by the Government of India to rehabilitate the refugees and ask them to return to their homes in Pakistan, a number of leaflets prepared in Bengalee were distributed in the Orissa Camps by inadvertence and when they received these leaflets, it was this which frightened them to leave the Orissa Camps?

Shri A. P. Jain: At an early stage I believe some months ago some pamphlets of the nature—I cannot exactly recollect the contents at the moment—were distributed perhaps at a wrong time, but all kinds of propaganda have been made in the Orissa camps

that the rehabilitation facilities in Bengal are better. There were some Communist influences. There were also some Hindu Mahasabhaites working there who asked them not to settle in Orissa.

Pandit Balkrishna Sharma: May I know if there was any scheme evolved for the dispersal of these refugees in consultation with the West Bengal Government as also with the Orissa and Bihar Governments?

Shri A. P. Jain: West Bengal does not come into the picture at all. The arrangement is this that men from Bengal Camps were sent to Orissa and once they had been sent to Orissa, they became the care of the Orissa Government. Of course, from time to time the Orissa Government and their representatives met me and discussed the question. These persons were first kept in transit camps. Meanwhile lands were reclaimed, hutments built and equipment provided for agriculturists and for those who were not agriculturists shops were provided and when everything was ready, these persons were asked to go. Some of them went to the settlements and decamped from the settlement. Others refused to go to the settlement and these are the two types who have left Orissa and come to Bengal.

Shri M. L. Gupta: Is it a fact that about 50,000 people who were proposed to be sent to Hyderabad have refused to go there?

Shri A. P. Jain: Sir, in fact ever since these desertions have taken place, we have become shaky about the arrangements that we should make for taking out the displaced persons from Bengal to other provinces. Dr. Roy met me a few days ago and I made it perfectly clear to him that unless people from East Bengal are prepared to move out of Bengal and to settle in other provinces, it would be difficult for the Government of India to sponsor any scheme for the settlement of the Bengalees outside Bengal.

Sardar B. S. Man: Is it possible at this stage or have any steps been taken to estimate how many persons will stay in Bengal and will not go to East Bengal? Has any scheme been formulated to accommodate them?

Shri A. P. Jain: I think, Sir, any estimate of that kind is impossible, because human minds made as it is, change from time to time. In fact these people who have now deserted the Orissa camps had voluntarily gone

to Orissa and later on changed their minds and deserted the camps.

Shri B. Das: Is it not a fact that most of the East Bengal refugees in Orissa camps are not anxious to rehabilitate themselves; they want to draw their monthly allowances of twelve rupees plus rice. Is it not a fact that some of these refugee camps are in hilly areas which do not suit the East Bengal people and these people want to settle down in river-side tracts or marshy areas?

Shri A. P. Jain: It is a fact that the camp life has very great demoralizing effect not only in Bengal but in the rest of India and everywhere in the world. A man who begins to live on doles without doing anything in many cases becomes reluctant to go out to settle and to work. That perhaps is the mentality which has been generated in Orissa. As for the settlement, it is true that the re-creation of the physical conditions, climate, rain and other things is beyond human power and it is impossible to provide them the same kind of environment as they were enjoying in East Bengal. Nonetheless good care has been taken to see that those who were near the rivers or the sea should have only such settlements as are near the rivers or the sea, but no one can guarantee that everybody will be given the same type of land, climate, rainfall as he had in East Bengal.

HOUSES FOR DISPLACED PERSONS

*132. **Shri B. K. Das:** Will the Minister of Rehabilitation be pleased to state:

(a) the number of houses so far built for East Bengal displaced persons;

(b) the cost of building such houses; and

(c) the housing schemes ready for execution or in course of preparation?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) and (b). 5,153 houses have so far been built in West Bengal for East Bengal Displaced Persons at a cost of Rs. 64,99,500/-; 1,024 houses have been built in Orissa at a cost of Rs. 1,96,300/-, and 1,800 huts have been built by the displaced persons settled on surplus tea gardens, land in Cachar (Assam) out of the housing loans given to them and another 600 are in process of construction.

In addition, 23,884 homestead plots have been allotted to displaced persons on Khas Mahal and Government acquired lands in Kachrapara and

other places in West Bengal and loans amounting to Rs. 2,21,92,658/- have been given to displaced persons to construct houses.

(c) In West Bengal, a scheme for the construction of 2,600 houses is under progress and another scheme for the construction of 400 houses at Fulia is ready for execution. In Orissa, schemes for the construction of 1,000 houses in urban areas and 1,045 houses in rural areas are being implemented. In Assam, a scheme for the construction of 500 houses and 400 stalls at Gauhati is ready for execution. In Bihar and Tripura, housing schemes are under preparation.

Shri B. K. Das: May I know whether the houses built in West Bengal are mostly in townships that have been built for the refugees?

Shri A. P. Jain: Some of them are in townships; others are spread all along the border. The total number of houses in the townships is 1153; 4,000 houses have been built along the border at different places.

Sardar B. S. Man: In view of the fact that most of the refugee population is going back from Bengal to Pakistan and the whole situation is mobile, may I know what are the bases on which Government is proceeding so far as the housing problem is concerned?

Shri A. P. Jain: We are trying to undertake as many housing schemes as we possibly can. The number of refugees who have come from East Bengal is so large that even if a very substantial number goes back, still the problem at our hands will be so big, and whatever may be the speed at which we may proceed, we cannot catch it up.

Shri Kamath: Have Government considered any scheme of prefabrication in this connection?

Shri A. P. Jain: If the hon. Member so desires, we will take note of it.

Shri Kamath: May I.....

Mr. Speaker: Order, order, Dr. Deshmukh.

Dr. Deshmukh: May I know if there are any instances where houses which have been built still continue to be unoccupied?

Shri A. P. Jain: Not so far as I know in Bengal.

Shri Deshbandhu Gupta: May I know whether figures are available of the number of houses which were left

behind by the evacuees from West Bengal and which have been occupied by refugees from East Bengal?

Shri A. P. Jain: I have not got the figures with me at the moment.

Dr. M. V. Gangadhara Siva: May I know whether it is a fact that there has been any discrimination made against scheduled classes and other communities, and whether the Minister will please investigate into it?

Shri A. P. Jain: I emphatically deny that any discrimination has been made against Harijans.

Shri Dwivedi: May I know whether any houses have been built for the refugees in Vindhya Pradesh, Bhopal,—

Mr. Speaker: Order, order; that question does not arise.

Maulvi Wajed Ali: How many houses have been built for the refugees in Gauhati, in Assam, and how many have been allotted to the refugees?

Shri A. P. Jain: I have said that no houses have so far been built. A scheme for the construction of 500 shops and 400 houses is being worked in Assam and some earth works had been done when I went there about five months ago.

Maulvi Wajed Ali: How long, it is expected, will.....

Mr. Speaker: Order, order; Pandit Balkrishna Sharma.

Pandit Balkrishna Sharma: Have the Ministry any information regarding a lot of building materials and water-pipes lying with the Disposals and have the Ministry taken any advantage of this information?

Shri A. P. Jain: This question has been raised more than once outside this House. A similar suggestion was also made by the Estimates Committee. I sent round one of my officers to the various Disposals Depots; unfortunately, I could not find the C.I. sheets which were alleged to be there. I requested the Chairman of the Estimates Committee to send me a list and he has been good enough to send me one. I personally went through the list; unfortunately, even after my investigation, I found that there were only one or two places where fairly big stocks were said to be located. I have sent that list to my Calcutta Branch and the Calcutta Branch is examining the whole question and will be sending its officers to look into those depots.

Mr. Speaker: I am going to the next question.

MINIMUM WAGES ACT

*133. **Shri Kesava Rao:** (a) Will the Minister of Labour be pleased to state whether it is a fact that certain State Governments are not co-operating in the working of the Minimum Wages Act?

(b) If the answer to part (a) above be in the affirmative, which are the States concerned and what are the reasons given by them for their inability to do so?

The Minister of Labour (Shri Jagjivan Ram): (a) and (b). All the State Governments have taken steps to fix minimum wages for workers in employments specified in Part I of the Schedule appended to the Minimum Wages Act, 1948. So far as the fixation of wages for agricultural workers is concerned, the matter is under negotiation with State Governments and it would not be in the public interest to disclose the information at present.

Shri Kesava Rao: What are the States that have actually fixed the minimum wages?

Shri Jagjivan Ram: So far as the industries in the Schedule are concerned, practically all the State Governments have fixed.

Shri Kesava Rao: What is the maximum and minimum rate fixed?

Shri Jagjivan Ram: It is very difficult to give one figure. It is different in different industries, and in States.

Shri Kesava Rao: What are the industries in which minimum wages have been fixed?

Shri Jagjivan Ram: Most of the industries described in the Schedule to the Minimum Wages Act.

Shri Harihar Nath Shastri: In order to ensure adequate progress, is the Ministry calling for periodical reports on the working of the Act from the various States?

Shri Jagjivan Ram: Yes; we are getting periodical reports from the States as to the number of industries in which they have fixed minimum wages and the various steps that they have taken under the Act.

Shri Kamath: Is it a fact that at a Conference called by Government recently, the question of the application of this Act to Agricultural labour was discussed and the principle

adopted by a majority of Members present?

Shri Jagjivan Ram: Yes; it is a fact.

Pandit Balkrishna Sharma: Have minimum wages been fixed industry-wise or in accordance with the index number of the cost of living prevailing in the particular locality where labour is employed?

Shri Jagjivan Ram: That is exactly what is provided in the Act. Wages in a particular industry are fixed on a regional basis and they are related to the cost of living index.

Shri Sonavane: Does this Act apply also to the sweeper class workers?

Shri Jagjivan Ram: If the hon. Member refers to the Act, he will find that employees under local bodies are also covered.

Shri Tyagi: In the case of agricultural labour, will the income of the agriculturists also be taken into account in fixing the minimum wages of labourers?

Shri Jagjivan Ram: It will be taken into consideration; but minimum wages are apart from the paying capacity of any industry.

Shri Chandrika Ram: Is it a fact that the Government of Bihar has agreed to fix minimum wages for agriculture by 31st March 1951?

Shri Jagjivan Ram: I could not follow the question.

Mr. Speaker: He is giving some information that Bihar Government has agreed to fix minimum wages by 31st March 1951.

Shri Syamaandan Sahaya: In fixing the minimum wages for agricultural labour, are Government also keeping in view the prices at which foodgrains will be sold as a result of this wage fixation?

Shri Jagjivan Ram: Of course, that will be taken into consideration. As I said, the whole question is at present under negotiation with the State Governments. But, the Act itself provides for all these things.

Mr. Speaker: I think we have sufficiently discussed this. Next question.

GENERAL ELECTIONS

*134. **Shri Deshbandhu Gupta:** (a) Will the Minister of Law be pleased to state whether Government have finally fixed the month for the next General elections and if so, what is the month?

(b) Will the elections be held simultaneously for the Parliament and Legislatures of States?

(c) What opinions have been expressed by each State Government on the subject?

(d) What is the total number of voters for the House of the People, the Council of States and States Legislatures respectively enrolled and when will the electoral rolls be finally published?

(e) What is the estimated expenditure which will be incurred on the elections?

(f) How many officers will be employed for the purpose and for what period?

The Minister of Law (Dr. Ambedkar): (a) This part of the question has been dealt with in the President's opening address on the 14th November, 1950.

(b) Elections are proposed to be held simultaneously for the House of the People, constituencies in a State and the Legislative Assembly constituencies, if any, of that State. Elections to the State Legislative Councils will also be held about the same time, but it may not be exactly at the same time.

(c) The States are all in favour of holding the elections to the House of the People and the State Legislative Assemblies simultaneously.

(d) The electorate for the House of the People and the Legislative Assemblies of the States are the same. A statement is laid on the Table giving the total number of voters for the House of the People so far enumerated. [See Appendix I annexure No. 29.]

Figures in respect of supplementary voters are still awaited from Uttar Pradesh, West Bengal, Bhopal, Bilaspur, Coorg and Himachal Pradesh. The electorate for the seats allotted to Part A States and Part B States (except Jammu and Kashmir) in the Council of States is 3,055. The method of election to fill the seats in the Council of States allotted to Part C States is to be determined by Parliament and it is proposed to introduce during the current session a Bill to amend the Representation of the People Act, 1950 for this purpose. The electoral rolls for the Legislative Councils in Part A States and in Mysore are still under preparation and it is not possible to give any idea as to that electorate. Electoral rolls will be finally published as soon as constituencies have been delimited and claims and objections to the preliminary rolls have been disposed of.

This is expected to be late in January, or early in February, next.

(e) On a rough estimate, the total expenditure that has so far been incurred, and may hereafter be incurred by the Government of India in connection with the elections may be about 520 lakhs; and the total expenditure for all the State Governments may be about 490 lakhs.

(f) If the hon. Member is referring to officers who will be employed for the actual conduct of elections, it is not possible at present to estimate their number or the period for which they will have to be employed for the purpose.

Shri Deshbandhu Gupta: May I know whether complaints have been received from various States as to omissions or incorrect entries—a large number of them—in the electoral rolls, and if so what steps have been taken by Government to remove these defects?

Dr. Ambedkar: Well, really speaking, that is a matter which must be within the cognizance of the Election Commissioner, and I am sure if any irregularities have been reported to the Election Commissioner, he will exercise his powers to set them right.

Shri Deshbandhu Gupta: Has it come to the notice of the Election Commissioner or the Government that in the State of Delhi itself as many as 40,000 women are required to file objections to get themselves enrolled as voters for the simple reason that they have been enrolled as "Mrs. so-and-so" or "Miss so-and-so"?

Dr. Ambedkar: It is possible.

Shri Deshbandhu Gupta: Sir, in view of the fact that the elections have now been postponed, will Government consider the desirability of getting such incorrect entries corrected of its own accord, rather than require the objectors to file objections?

Dr. Ambedkar: I shall convey the suggestion to the.....

Mr. Speaker: Order, order. It is a suggestion for action.

Shri Syamaandan Sahaya: In view of the fact that the Constitution lays down that there is to be adult franchise, will Government please state whether they shall take into consideration the results of the next census in the matter of drawing up the electoral rolls?

Dr. Ambedkar: It is not necessary, as it is provided in the Constitution that if the elections take place within three years of the inauguration of the

Constitution, the population of 1941 census may be taken into account, or in certain other cases the population may be determined by the President by order.

Dr. Deshmukh: Is the hon. Minister aware that in some States the price proposed for the voters' list is exorbitant and may I know whether Government would issue any orders to the effect that these lists should not be so very costly?

Dr. Ambedkar: I have heard that this matter has been agitated in some of the local Assemblies, and I hear some State Governments have already reduced the price of the electoral rolls.

Shri T. N. Singh: May I know whether the word "simultaneously" used by the hon. Minister in his reply means that all the elections will be held on one day in all the different States or whether it will be spread over three or four days?

Dr. Ambedkar: It should take place on the same day for expenditure to be economised.

Shri K. Velayudhan: May I know if any final date has been fixed for the Delimitation Committees to submit their reports?

Dr. Ambedkar: I think the date was at one time fixed, as it was the intention of the Election Commission to submit the Elections Constituency Order to the President and place it before this House in this Session. But in view of the fact that the date of the election has been postponed, probably he desires to have more time in order to enable him to prepare the constituencies more in consonance with the facts of the case.

Shri K. Vaidya: Sir, should not the elections take place in April in the case of States where there is no legislature at all?

Dr. Ambedkar: If my friend will resume his seat I will give the reply. So far as the House of the People is concerned, the Legislature of the State is not involved, because the election is by the people. Where there are Upper Chambers, there, by the Bill which I am presenting to the House to-day they are making provisions for election in such States where Legislatures do not exist.

Shri Dwivedi: Sir, may I know whether any minimum qualifications are to be fixed for persons standing for election?

Dr. Ambedkar: That matter is under debate by a Resolution moved by Prof. K. T. Shah.

Shri Radhelal Vyas: In view of the fact that the general elections have been postponed by one year, will the qualifying date and the qualifying period also be changed by suitable amendments to the People's Representation Act?

Mr. Speaker: It is to be the subject of discussion in this House.

Shri Deshbandhu Gupta: Sir, may I know whether it is correct that some device has been found out to detect impersonation?

Dr. Ambedkar: Yes, I hear our scientific laboratories are finding out some kind of device.

REHABILITATION

*135. **Shri Kamath:** Will the Prime Minister be pleased to state:

(a) the number of Hindu migrants who returned to East Pakistan and have been resettled and rehabilitated by Pakistan Government since the conclusion of the Indo-Pakistan Agreement of the 8th April, 1950;

(b) the number of Musliim migrants from West Bengal who have returned from East Pakistan or elsewhere to West Bengal, and have been resettled and rehabilitated in West Bengal; and

(c) the number of Hindu displaced persons from East Pakistan since 8th April, 1950 who have been settled and rehabilitated in India?

The Prime Minister (Shri Jawaharlal Nehru): (a) 13,13,886 Hindus have gone from India to East Bengal during the period from the 8th April, 1950, upto the 14th November, 1950. Quite a number of them were normal travellers and others. It has not been possible to maintain statistics separately of Hindu migrants returning to their homes in East Pakistan.

The Government of India have no exact information as to the number of returning migrants who have been rehabilitated by the East Bengal Government. From time to time official notes have been issued by that Government saying that the majority of the returning migrants have got back their lands and houses. On the other hand, complaints have reached us of non-restoration of houses and lands and these we have referred to the Pakistan Government for necessary action.

(b) 5,47,492 Muslims have travelled from East Bengal to West Bengal since the date of the Agreement upto 14th November, 1950, including normal

travellers and others. It is not possible to state precisely how many of them were returning Muslim migrants. Exact up-to-date information is not available as to how many of the returning migrants have been rehabilitated. Up to July 31, 1950 the Government of West Bengal rehabilitated 7,907 Muslim families among the returning migrants.

(c) Between April 8 and October 31, about 7,500 families were permanently rehabilitated. In addition about 82,000 families rehabilitated themselves on a temporary basis with assistance from Government. More than 10,000 families have also been rehabilitated in Assam and Tripura.

Shri Kamath: Sir, is the Prime Minister in a position to say that the statement which he made on August 1st, 1950 that "I think it is true to say that there is no sense of security in the minds of the minority community in East Bengal" is no longer applicable?

Shri Jawaharlal Nehru: I think I can safely say that conditions are better than before, conditions are not perfect anywhere, but they are certainly better and there is a greater sense of security now. These questions, as hon. Members know, really depend largely on the larger question of Indo-Pakistan relations.

Shri Kamath: Sir, how many conferences or meetings and at what levels, were held during the post-Agreement period in order to review the working of the Agreement?

Shri Jawaharlal Nehru: I cannot give the exact number; but there were various meetings, on two or three occasions the two Prime Ministers met; and then our two Ministers of State who are in special charge of it are frequently meeting. They visited Delhi, they visited Karachi and various conferences also were held on specific matters—the Press Conference, the Conference on Information, etc.

Shri Kamath: What steps have been taken to set up a joint checking agency for compiling figures of movement by train at the border stations? Has any thing been done in this matter?

Shri Jawaharlal Nehru: I believe that was done then. I am not quite sure as to what is happening at the present moment.

Shri Hussain Imam: Is it a fact that the law is found to be defective in restoring properties to the migrants both in Pakistan and in India? What steps are Government taking to improve the position in this respect?

Shri Jawaharlal Nehru: I think some difficulties have arisen in regard to the law; but I cannot say what the difficulties are at the present moment.

Shri Deshbandhu Gupta: Is it a fact that assurances were given by the East Bengal Government that with a view to restore confidence in the minorities some representation would be given to them in the magisterial and other Government posts paid or honorary? If so, what progress has been made in that direction? .

Shri Jawaharlal Nehru: I do not quite know what the assurances were to which the hon. Member refers. But these questions have been generally raised and it has been stated by both the Governments that some such steps should be taken and would be taken. Exactly what the result of that has been I do not know. At one time it was said, I believe, that while they were perfectly willing to do so they found it a little difficult to find suitable men for the purpose.

Shri Kamath: May I know if the returning migrants move in either direction at their own expense or at the expense of the Government concerned? Are the railway fares being paid by the Governments concerned in each case?

Shri Jawaharlal Nehru: My colleague tells me that they did so mostly at their own expense and sometimes they are helped.

Shri Kamath: Is it not a fact that a report appeared recently that several refugees have been invited by the U.P. Government from West Pakistan to come back at the expense of the Government concerned?

Shri Jawaharlal Nehru: Part of the Delhi Agreement is that certain persons who had gone away in February or March from U.P. should be permitted to come back and certain facilities to come back were offered to them in regard I think to free passes on railways for certain journeys.

گیانی - جی - ایس - مسافر :-
 زیر بحث سوال کا جو پہلا جز ہے اسکے
 سببندہ میں میں پوچھنا چاہتا ہوں
 کہ آٹھ اپریل کے پھٹک کے بعد وہست
 پاکستان کے کسی حصہ میں بھی کوئی
 ہندو یا سکھ دوبارہ جا کر آباد ہوا ہے -

[Giani G. S. Musafir: With regard to part I of the question I would like to ask whether any Hindu or Sikh has gone back to settle in any part of the

West Pakistan after the Pact of April 7.]

شری جواہر لال نہرو : مسجود علم
نہروں سے -

[Shri Jawaharlal Nehru: I have no information.]

Shri T. N. Singh: What is the truth in the report which appeared in the papers that only unfit persons not capable of earning their living were being allowed to come from West Pakistan to India and able-bodied persons are being held up there?

Shri Jawaharlal Nehru: We have laid down a process of checking, that is to say, only those who went away in February or March from certain areas to West Pakistan can come back. They are supposed to be checked, first of all, by the Pakistan authorities and then to some extent by our own High Commissioner there. May be that the checking is not very perfect and it may be that people who are good artisans are kept back and others are permitted to come. It is difficult to know the exact position.

Shri Kamath: In how many cases of returning migrants have the East Pakistan Government paid railway fare or issued free passes?

Shri Jawaharlal Nehru: I have no idea. I imagine that probably the East Bengal Government has not paid many fares just as the West Bengal Government has not but there may be cases of destitutes. The House will remember that after this Agreement people were allowed to return back with their movable property, cash, etc. This movement has not been that type of forced movement with nothing left with the migrants. They bring some property with them, as much as they can and they are able to pay their way.

Shri Kamath: Does the agreement throw obligations only upon us, and not upon Pakistan in respect of payments of railway fares or giving the migrants passes? We paid the fares of the refugees from West Pakistan?

Shri Jawaharlal Nehru: The hon. Member has somewhat mixed up East and West Pakistan. In East and West Bengal the conditions are identical. That is to say no payment is made anywhere. In regard to those people who went to West Pakistan we had to face a certain contingency. They stayed at the frontier; they could not move between the two countries and so we arranged for them to get free tickets to come here to avoid difficulties. The number involved is relatively small.

EVACUEE PROPERTY

*136. **Shri Kamath:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that Government have proposed to Pakistan the appointment of a tribunal for the settlement of the question of evacuee property; and

(b) the reaction of Pakistan Government to the proposal?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes.

(b) The matter is still under correspondence.

Shri Kamath: What approximately is the total value of the evacuee property as computed on the claims recently filed by the refugees from West Pakistan?

Shri Jawaharlal Nehru: That is a question which my hon. colleague for Rehabilitation might be able to answer. As far as I know the various statements often made in the press and sometimes even by hon. Members of this House are grossly exaggerated.

Sardar B. S. Man: May I know whether the question of Gurudwaras and their huge properties has been taken up as distinct from the general question of evacuee property in West Pakistan and whether the Government are aware of the acute feeling among people about Sikh Gurudwaras and other temples?

Shri Jawaharlal Nehru: When we deal with the evacuee property problem we deal with it as a whole. The question of Gurudwaras is not so much a question of property as a question of sacred places. Importance is given to it because of that aspect and I understand that a separate committee is sitting and considering that matter.

Shrimati Durgabai: Since how long ago has this proposal been made by our Government to Pakistan and when is their final decision expected?

Shri Jawaharlal Nehru: Which proposal?

Shrimati Durgabai: The proposal to have the dispute settled by a tribunal.

Shri Jawaharlal Nehru: I cannot give the date but I should imagine that it should be possible in the course of the next week or ten days to place before the House the correspondence which has taken place on the subject.

Pandit Kunzru: Have the negotiations that have been going on now for more

than two years between the Government of India and the Government of Pakistan in regard to the settlement of the question of evacuee property led so far to any result? Has any agreement been arrived at on any point so far?

Shri Jawaharlal Nehru: There have been many agreements on minor aspects of the problem but I do not think any major agreement dealing with the problem as a whole has been achieved thus far and that is why ultimately we have proposed to the Pakistan Government a tribunal which might finally decide and both parties might agree to the decision of the tribunal. This matter has not been finalised yet and I hope, as I said, to place the papers before the House in the course of a few days.

Shri Kamath: What exactly are the details regarding the composition and status of the tribunal that was suggested to the Pakistan Government?

Shri Jawaharlal Nehru: If the hon. Member likes I will indicate it. It will be a tribunal of the highest standing consisting of, we have suggested, two judges appointed by India and two judges appointed by Pakistan; four in all, with complete power to deal with these matters. They will make out their own rules and regulations.

PREFAB. HUTS

*138. **Shri Kesava Rao:** (a) Will the Minister of Rehabilitation be pleased to state whether it is a fact that when Government ordered 1,000 prefabricated huts from a Swedish firm, the intention was to utilise them for residential purposes?

(b) If so, why were these huts later on made into shops?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) These huts had been ordered for use by displaced persons during the Monsoon of 1949. The delivery of these huts was, however, delayed for various reasons. It was subsequently found necessary to build temporary shops on the Queensway, Irwin and Panchkuin Roads and 300 huts out of the 1,000 imported were used for construction of 600 stalls.

131 huts have been utilized for residential purposes.

Shri Kamath: How many huts are still lying unused?

Shri A. P. Jain: I have given the figure of the huts used and the figure of the total huts imported. The balance

between the two is the number of huts unused.

Shri Kamath: Is there any demand for these huts as suggested by Shri Krishnamachari in his enquiry report?

Shri A. P. Jain: We have not received any demand so far.

Shri Kamath: Is it not a fact that 6,000 roofings were also imported along with the 1,000 huts from Sweden?

Shri A. P. Jain: The hon. Member is quite correct.

Shri Kamath: Is it a fact that these roofings were attempted to be given to the Faridabad Development Board and they refused to take these roofings?

Shri A. P. Jain: Well, I am speaking from memory, I think it was Rappura for whom these roofs were imported and they were not used there.

Shri Kamath: Is the legal action that is being taken by Government, or contemplated to be taken by Government against the Swedish firm in respect of both these huts and roofings?

Shri A. P. Jain: I think the hon. Member will remember that I said something about this aspect of the question the other day when a similar question was put by him. That is, we are investigating the possibilities of taking legal action.

Shri Kamath: What stage has it reached so far?—this legal action business?

Shri A. P. Jain: It is being considered by the Law Ministry.

Shri Kamath: Oh, my God!

Shri Tyagi: Is any action proposed to be taken against those officials who took part in the negotiations?

Shri A. P. Jain: I would refer the hon. Member to the answer which I gave the other day that the Industry and Supply Ministry is enquiring into the part played by its representative in London.

Shri Raj Bahadur: May I know when this prefab. affair is going to be closed?

Shri A. P. Jain: That will depend upon Mr. Kamath.

Shri Kamath: Have Government washed their hands of the matter entirely?

Mr. Speaker: Next question.

AGRICULTURE LABOUR (MINIMUM WAGES)

*142. **Shri B. R. Bhagat:** (a) Will the Minister of Labour be pleased to state the progress of work regarding the fixation of minimum wages for agricultural workers in different States?

(b) How many of the States have agreed to fix up such minimum wages?

(c) When is the collection of necessary data for such fixation expected to be completed?

The Minister of Labour (Shri Jagjivan Ram): (a) The agricultural labour enquiry is in progress in 805 villages. The collection of all the General Village Schedules containing information pertaining to these villages is almost complete. Necessary materials required for the fixation of wages are being furnished to the various State Governments.

(b) The matter is under discussion with the State Governments.

(c) The collection of data for the fixation of minimum wages is nearing completion.

Shri B. R. Bhagat: May I ask how the work of collection has been organised? What organisation has been set up for collecting such data?

Mr. Speaker: It is perhaps too wide a question to answer.

Shri Jagjivan Ram: It has been answered on a previous occasion as well.

Shri B. R. Bhagat: May I know whether the number of agricultural workers in the whole country has been determined so far?

Shri Jagjivan Ram: No. No separate census has been taken. Advantage will be taken of the ensuing census to collect those statistics as far as possible.

Shri Shankaraiya: May I know whether any interim reports have been received?

Shri Jagjivan Ram: Yes, we have received them from certain units and we have been forwarding these to the State Governments concerned.

Shri Shankaraiya: Have the State Governments or the Central Government taken any action on those interim reports?

Shri Jagjivan Ram: We have been forwarding these reports to the State Governments concerned.

Shri Somavane: Have instructions been issued to the various States in order to fix minimum wages for sweepers?

Mr. Speaker: I think he is going beyond the scope of the question.

TEA GARDENS (DAMAGE)

*143. **Shri B. R. Bhagat:** Will the Minister of Commerce be pleased to state:

(a) the extent of damage caused by the Assam Earthquake to the Tea Gardens;

(b) whether damage is heaviest in the case of gardens, buildings and labourers' houses or in the case of crops; and

(c) the extent of damage caused to the buildings and to the crops?

The Minister of Commerce (Shri Sri Prakasa): (a) The damage caused to the tea gardens by the recent Assam Earthquake has been estimated at about Rs. 1 crore.

(b) The heaviest damage has been caused to the garden buildings accounting for about 75 per cent. of the total loss.

(c) The cost of renewal or repairs to the damaged buildings is estimated to be Rs. 75 lakhs. The damage to the tea crop has been estimated at 1.5 million lbs. representing 0.3 per cent. of the estimated North East India crop for the year.

Shri B. R. Bhagat: May I know how many persons have been affected by this damage?

Shri Sri Prakasa: I have figures about the loss in money and lands; but not about persons. I should like to have notice. I am sorry I have not that information.

Shri B. R. Bhagat: May I know whether any death has taken place in these tea gardens?

Shri Sri Prakasa: Not that I am aware of.

Shri Kamath: Has the hon. Minister, Sir, with his reported faith in astrology, been disconcerted by the fact that the earthquake occurred on Independence Day—15th August?

Mr. Speaker: Order, order.

Shri T. N. Singh: May I know whether these buildings and gardens etc. were insured, and if they were insured whether they were insured with Indian or foreign companies and

what was the extent of the insurance liability?

Shri Sri Prakasa: I fear I cannot give the information required by the hon. Member.

Shri J. N. Hazarika: How many of the gardens affected by the earthquake are Indian concerns?

Shri Sri Prakasa: We have not classified the gardens damaged in accordance with the colour of the proprietor.

श्री ज्ञानी राम : इन पीड़ितों को सरकार किस प्रकार की सहायता देना चाहती है ?

[**Shri Jnani Ram:** What sort of relief do the Government propose to give to these sufferers?]

श्री श्री प्रकाश : जिस प्रकार की सहायता की उन को आवश्यकता होगी और जो सहायता देना मुनासिब होगा उस प्रकार से और उस हिसाब से दी जायगी ।

[**Shri Sri Prakasa:** They would be given due help and would be given such relief as they require.]

Shri Harihar Nath Shastri: Has any compensation been given, or is it proposed to be given, for constructing the houses damaged by earthquake and floods in Assam, and particularly in plantation areas?

Shri Sri Prakasa: If the buildings are insured the insurance companies would be responsible.

Shri Harihar Nath Shastri: No, if they are not insured.

Shri Sri Prakasa: The matter will have to be looked into when the question arises; but I do not think the Government can be called upon to compensate for buildings of private owners.

Shri Deshbandhu Gupta: Have Government estimated the loss in the yield of tea due to this damage?

Shri Sri Prakasa: The estimated loss of production of tea is 16,273 maunds and the damage to tea crops 2,669 maunds.

Prof. Banga: Is anything being done to provide housing accommodation to these workers whose huts have been destroyed?

Shri Sri Prakasa: So far as my information goes, the proprietors are taking every step to provide suitable accommodation to their workers.

HAND-LOOM INDUSTRY

*145. **Shri Iyyanmi:** Will the Minister of Industry and Supply be pleased to lay on the Table a statement showing:

(a) how many hand-loom there were in the years 1948-49 and 1949-50 in each of the States and how many were working;

(b) the total quantity of yarn necessary to work all the looms to the maximum capacity;

(c) the quantity of yarn that was allotted to the hand-loom weavers by the Directorate in Madras in 1948-49 and the quantity given to them in the year 1949-50;

(d) the varieties which are reserved for production by hand-loom weavers;

(e) the quantity of each of the varieties produced by the textile mills in the years 1948-49 and 1949-50; and

(f) wherefrom the hand-loom weavers get their yarn?

The Minister of Industry and Supply (Shri Mahtab): (a) The total number of looms is according to a rough estimate 23,26,000. In this connection hon. Member's attention is invited to reply given on 8th March 1950 in reply to Question No. 689 by Mr. R. K. Sidhva, in which were indicated the number of looms in each State. No separate statistics have been maintained in regard to the number of looms in the years 1948-49 and 1949-50.

(b) The Standing Handloom Committee of the Cottage Industries Board estimated that the handloom industry would be satisfied with the supply of 480 million lbs. of yarn per annum.

(c) The total yarn deliveries to Madras during 1949-50 amounted to 2,99,160 bales out of which about 89 per cent. was allotted to the Handloom industry. As regards 1948-49, the information is being collected from the State of Madras and will be furnished as soon as received.

(d) and (e). A statement indicating both the varieties of fabrics reserved for the Handloom industry and the monthly estimated production of the varieties just before the reservation is placed on the Table of the House. [See Appendix I, annexure No. 30.]

(f) The bulk of the yarn requirements of the handloom industry is met from production by mills. These supplies by mills are made through trade channels or such other machinery as State Governments have set up for the internal distribution of yarn.

Shri M. L. Gupta: Are there any proposals to set up only spinning mills without weaving sections, and would any proposal of that type be economic?

Shri Mahtab: It is not the proposal at present. In order to help the handloom weavers, we have decided to allow only 25 per cent. of the extended spindleage for mill-weaving and the rest for handloom weaving.

Shri M. A. Ayyangar: May I know if the quantity of yarn distributed to each loom varies from State to State?

Shri Mahtab: Quotas are allotted according to the demands of the States and the availability of yarn.

Shri M. A. Ayyangar: Have the quotas been fixed according to the number of looms in any particular State?

Shri Mahtab: Yes, the State takes into consideration the handlooms working there.

Shri M. A. Ayyangar: Out of the thirty days in a month, may I know for how many days the yarn supplied to the weaver is sufficient on an average?

Shri Mahtab: The State Governments must be taking all these factors into consideration.

Shri M. A. Ayyangar: Is it a fact that the yarn supplied now is only sufficient for ten or eight days in a month? If so, are any steps being taken to supplement it by hand spinning and is hand spinning encouraged?

Shri Mahtab: I entirely agree that the amount of yarn which is now supplied to each handloom is not quite sufficient. As to how many days it lasts for, can be easily calculated. We are willing to encourage hand spinning provided it is done as an industry.

Shri Tyagi: In view of the fact that there is shortage of yarn and thousands of handlooms are lying idle, may I know what arrangements Government are making to eliminate the shortage of yarn?

Shri Mahtab: Steps which have been taken to meet the present situation are that the export of yarn up to 30's has been completely stopped and in the case of the rest only 25 per cent. of the production will be allowed to be exported. By stopping this export, it is expected that the needs of the handlooms will be met.

Shri Iyyunni: May I know whether the quantity of yarn that is allotted is being given to the weavers?

Shri Mahtab: The State Governments distribute the yarn. So far as our information goes, 78 per cent. on an average, of the yarn supplied to the State Governments is being given to the weavers.

Shri Iyyunni: May I know what is the quantity of sarees exceeding 24" width borders that is being manufactured by the mills?

Shri Mahtab: Probably, the hon. Member is referring to the reservation which we have made for the handloom industry and his suggestion is that these reservations are not being followed by certain mills. If he will give me specific information, I shall look into the matter.

Shri M. A. Ayyangar: May I know if any subsidies are being granted to the All-India Spinners' Association for increasing the production of hand-spun yarn?

Shri Mahtab: If the All-India Spinners' Association comes forward to manufacture yarn on an industrial scale, subsidy will be given to them.

Prof. Ranga: Is it the policy of Government to take adequate steps to supply all the yarn that is needed by the handloom weavers, so that production can be stopped up?

Shri Mahtab: The Handloom Committee has said that 480 million lbs. of yarn are required by the weavers. If we stop export completely, we can supply that yarn.

Prof. Ranga: Is it a fact that in most of the States the handloom weaver is supplied only with 5 lbs. of yarn per month per loom?

Shri Mahtab: The fact that there is shortage of yarn is well known and is admitted. The weavers today are suffering for want of yarn and we are taking all possible steps.

KASHMIR DISPUTE

*148. **Shri Dwivedi:** Will the Prime Minister be pleased to state the stage at which the U.N.O.'s mediation on Indo-Pakistan dispute over Kashmir has reached?

The Prime Minister (Shri Jawaharlal Nehru): The hon. Member will be aware that the U.N. Mediator, Sir Owen Dixon, has submitted his report to the Security Council, which has not yet taken it up for consideration.

Shri Dwivedi: May I know if any cases of infringement of the Cease Fire Line have been reported so far?

Shri Jawaharlal Nehru: Not recently. There have been many petty infringements sometime back. I have not come across any such report for some months.

Shri Brajeshwar Prasad: As the matter has been pending before the U.N.O. since the last so many months, do the Government of India propose to walk out of that body?

INDO-TIBETAN BOUNDARY

*147. **Dr. M. M. Das:** (a) Will the Prime Minister be pleased to state whether India has got any well-defined boundary with Tibet?

(b) Are Government aware that a large number of wealthy Tibetans have begun coming into India for permanently settling here?

The Prime Minister (Shri Jawaharlal Nehru): (a) Tibet is contiguous to India from the region of Ladakh to the boundary of Nepal and from Bhutan to the Irrawady—Salween divide in Assam. The frontier from Bhutan eastwards has been clearly defined by the McMahon line which was fixed by the Simla Convention of 1914. The frontier from Ladakh to Nepal is defined chiefly by long usage and custom.

(b) The Government of India have no information on this point.

Dr. M. M. Das: May I know whether this boundary is recognised by the existing Tibetan Government?

Shri Jawaharlal Nehru: I think parts of it have not been recognised. It depends on what part the hon. Member is considering. It is a long story which I repeated, I think, on the last occasion in this House. There were past Agreements etc. which were signed and it is hardly possible to give an answer in a sentence or two.

Dr. M. M. Das: May I know whether, in view of the present trouble in Tibet, Government think it necessary to take some defensive measures along the more vulnerable points of this boundary?

Shri Jawaharlal Nehru: It is the Government's duty always to protect its frontiers.

Shri Kamath: Have any reports been received by Government from our Embassy at Peking to the effect that the new map of China shows the

South-eastern boundary as coming up to the Brahmaputra river?

Shri Jawaharlal Nehru: No, Sir. There is no new map of China so far as we know. But all the maps of China for the last thirty years have shown a certain portion of that north eastern area which is now India as not a part of India.

Shri Kamath: Is there what may be called 'No man's land' along this boundary?

Shri Jawaharlal Nehru: It is not exactly 'No man's land', but it is highly mountainous territory, very sparsely populated.

Shri Tyagi: Is it a fact that the maps issued by the Survey of India Office show our boundary beyond the boundaries shown in the latest Chinese map, namely, extending up to the Brahmaputra banks near Sadia?

Shri Jawaharlal Nehru: That is what the hon. Member is suggesting. Our maps show that the McMahon line is our boundary and that is our boundary—map or no map. That fact remains and we stand by that boundary and we will not allow anybody to come across that boundary.

WRITTEN ANSWERS TO QUESTIONS

MIGRANTS WHO HAVE RETURNED TO EAST PAKISTAN

*137. **Shri Jhunjhunwala:** (a) Will the Prime Minister be pleased to state whether any non-official agency went to East Pakistan and gave any report to Government regarding the condition of displaced persons who have gone back to East Pakistan from West Bengal and the sense of security these Pakistani Hindus feel in East Pakistan?

(b) Does this report differ in any respect from the report received through official agency?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). Government are not aware of any particular non-official agency paying a visit to East Bengal recently. Non-officials have sometimes gone there and sent their impressions, which have not been markedly different from our other reports.

MAINTENANCE ALLOWANCE

*139. **Sardar Hukam Singh:** Will the Minister of Rehabilitation be pleased to state:

(a) the number of applications received from 'old refugees' for maintenance allowances;

(b) the number of applications considered and sanctioned so far; and

(c) the number of persons who have actually been given any allowances?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The total number of applications received by the Ministry of Rehabilitation so far is 28,825. This number includes applications from aged and infirm Displaced Persons, widows, unattached women and minors. No separate record is kept of applications received from old aged refugees.

(b) Out of 22,484, applications so far disposed of sanction has been issued in 10,476.

(c) Payment is being made to 9102 applicants.

DECK PASSENGER COMMITTEE (REPORT)

*140. **Shri Sidhva:** Will the Minister of Commerce be pleased to state:

(a) whether the Deck Passenger Committee appointed by Government has made its report;

(b) if not, when the report is likely to be submitted; and

(c) whether there is any member representing the Passengers' Association on the Committee?

The Minister of Commerce (Shri Sri Prakasa): (a) and (b). The report has just been received by Government.

(c) No member representing any Passenger Association as such was included in the Committee but the Committee did have representatives who were interested in deck passengers and who had adequate knowledge of their requirements.

GURDWARAS AND TEMPLES IN PAKISTAN

*144. **Sardar Hukam Singh:** (a) Will the Minister of Rehabilitation be pleased to state whether the question of proper maintenance and supervision of Gurdwaras and temples left in West Pakistan has been discussed with the representatives of Pakistan during the last six months?

(b) Is there any proposal to direct our High Commissioner to visit these shrines and to report to Government about the condition of important historical shrines and institutions?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) No.

HINDUSTAN AIRCRAFT LTD.

*148. **Dr. M. M. Das:** (a) Will the Minister of Industry and Supply be pleased to state the total number of non-Indian employees in Hindustan Aircraft Ltd. and their terms of service?

(b) What is the policy of Government regarding the complete Indianisation of the said factory?

The Minister of Industry and Supply (Shri Mahtab): (a) The total number of non-Indian employees in Hindustan Aircraft Limited is four. They are employed on contract basis.

(b) Policy of the Government is to run the factory efficiently with Indian hands exclusively if possible and with the assistance of a few non-Indians if necessary.

ASSAM EARTHQUAKE AND FLOODS

*149. **Shri A. B. Gurung:** Will the Prime Minister be pleased to lay on the Table of the House a statement relating to the assessment of damages of properties and persons in Assam, brought upon by the recent earthquake and flood and the amount given by way of help to the State of Assam by the Government of India?

The Prime Minister (Shri Jawaharlal Nehru): A statement is placed on the Table of the House. [See Appendix I, *annexure No. 31.*]

POTTERY AND PORCELAIN WORKS

*150. **Dr. Deshmukh:** Will the Minister of Industry and Supply be pleased to lay on the Table a statement showing:

(a) the number of pottery and porcelain works in India with the year of their establishment, share capital and annual value of production of each; and

(b) the value of these goods imported per annum in 1948-49, 1949-50 and 1950-51 up to 1st November, 1950?

The Minister of Industry and Supply (Shri Mahtab): (a) A statement showing the number of pottery and porcelain works, their location and capacity is placed on the Table of the House. [See Appendix I, *annexure No. 32.*]

The other details asked for are not readily available

(b) 1948-49 1949-50 1950-51
(up to 31st August 1951—later figures not available)

<i>Earthenware</i>	Rs.	Rs.	Rs.
<i>Pipes of Earthenware</i>	200	1,46,793	164
<i>Sanitaryware</i>	17,39,564	20,33,264	707,938
<i>Other kinds</i>	6,97,787	21,72,365	203,832
<i>Porcelain (other than electrical)</i>	2,54,260	15,57,501	35,861

TRADE MARKS REGISTRY OFFICES

*151. **Shri M. V. Rama Rao:** Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that the Trade Marks Registry Office at Bangalore is proposed to be closed down;

(b) if so, the reasons for the same;

(c) the expenditure incurred on the Trade Marks Registry offices at Bombay, Calcutta and Bangalore during the years 1947, 1948 and 1949;

(d) the number of Trade Marks registered at each of these offices during these years; and

(e) the income derived from each of these offices during these years?

The Minister of Commerce (Shri Sri Prakasa): (a) No, Sir.

(b) Does not arise

(c) The figures are as follows:

Year	Expenditure incurred at		
	Bombay Rs.	Calcutta Rs.	Bangalore Rs.
1947-48	5,02,172	87,976	16,637
1948-49	5,75,300	97,287	13,523
1949-50	5,81,557	1,04,534	14,239

(d) The figures are as follows:

	1947-48	1948-49	1949-50
Bombay	7,610	7,635	20,244
and Calcutta			
Bangalore	Nil	1,732	124

(e) The income derived from the offices at Bombay, Calcutta and Bangalore was as follows:

	1947-48	1948-49	1949-50
Bombay	1,34,044	2,10,686	6,20,763
Calcutta	1,40,600	1,47,558	3,31,586
Bangalore	14,694	15,767	11,412

GALVANISED IRON PIPE FOR BIHAR

*152. **Shri Kshudiram Mahata:** Will the Minister of Industry and Supply be pleased to state:

(a) the quantity of Galvanised Iron Pipe allotted to Bihar for 1950;

(b) whether it is a fact that one single individual was given permit for 50,000 ft. G. I. Pipe in September, 1950 upon some Calcutta firm;

(c) whether it is a fact that the Government of India intervened in not allowing the stock to be purchased;

(d) if the answer to part (c) above be in the affirmative, what led the Government of India to intervene in this matter;

(e) whether it is a fact that the person in whose favour the permit was issued did not know of this at all; and

(f) whether it is a fact that an attempt was made to take delivery of the G. I. Pipe under permit at Calcutta?

The Minister of Industry and Supply (Shri Mahtab): (a) 8,06,734 ft.

(b) to (f). Presumably, the hon. Member is referring to the report which appeared in 'The Indian Nation' of Patna of the 7th September 1950 under the heading "Bihar Pipe Scandal". The facts of the case, in brief, are that on 29th July 1950 a person who stated that he was a representative of Shrimati Rampyari Devi of Patna, holder of permit No. 417P, dated 21st July 1950, for 24,340 ft. of G.I. Pipes, saw an officer in the Office of the Iron and Steel Controller, Calcutta, and requested that the firm on which the permit was issued, be asked to give delivery of the material at Calcutta. As the material would normally have been railed to Patna, this unusual request for delivery at Calcutta roused the suspicions of the Iron and Steel Controller. Seeing that matters were not proceeding as he wished, the person who had brought the permit disappeared all of a sudden. The Controller brought the matter to the notice of the Government of Bihar who requested him to keep the permit in his custody. The Bihar Government and the police authorities are conducting enquiries in the case. I have requested them to give me a full report which is still awaited.

DISPLACED PERSONS IN SATNA BARRACKS

*153. **Shri Dwivedi:** Will the Minister of Rehabilitation be pleased to state:

(a) whether the displaced persons occupying the Satna barracks have requested for their permanent lease to them ;

(b) if so, whether Government have accepted the proposal; and

(c) if the answer to part (b) above be in the negative, what alternate accommodation is to be provided to the displaced persons residing there?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) The matter is under consideration of the Vindhya Pradesh Government.

(c) Does not arise.

HOUSES FOR DISPLACED PERSONS

*154. **Shri Raj Bahadur:** Will the Minister of Rehabilitation be pleased to state:

(a) the number of houses constructed for displaced persons during the period 1st April, 1949 up to date;

(b) the number of such houses sold to displaced persons on payment of the cost price in one instalment together with the average cost price of these houses;

(c) the number of such houses sold to displaced persons on payment of cost price in instalments together with the average number of instalments agreed to and the average cost price of such houses; and

(d) what steps Government have taken to ensure that displaced persons with meagre resources who are unable to pay the cost price in one instalment, are enabled to buy such houses on small instalments without the payment of an advance?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Approximately 48,000 up to 31st August 1950.

(b) and (c). Information is being collected and will be placed on the Table of the House in due course.

(d) Houses in certain localities are being sold on instalments without charging any lump sum at the time of hire-purchase agreement. Government, however, does not accept the position that everybody must necessarily own a house.

COTTAGE INDUSTRIES

*155. **Shri Raj Bahadur:** (a) Will the Minister of Industry and Supply be pleased to state what is the progress made so far in the work of planning for the development of cottage industries after the setting up of the Cottage Industries Board?

(b) Have any funds been placed at the disposal of the Board for the development of cottage industries?

(c) Have Government taken any decision on the proposal to make obligatory the use of Khadi in place of mill-made cloth wherever it is used for the purposes of Government?

The Minister of Industry and Supply (Shri Mahtab): (a) Attention of the hon. Member is invited to the reply given on the 4th August 1950 to Starred Question No. 217 by Shri S. C. Samanta which gives the progress of the work done, since the setting up of the Cottage Industries Board, up to June 1950. The Board was re-constituted on the 6th July 1950 and an Executive Committee was also constituted on the same date. The first meeting of the Executive Committee was held on the 5th and 6th August 1950, when the Committee suggested what the functions of the Board should be. They recommended that the immediate programme of the Board should be to arrange the marketing of cottage industries products in India and abroad, and to encourage and expedite the development of cottage industries on a co-operative basis. They also recommended that a special examination of certain selected industries like jute spinning, edible oils, wool spinning and weaving etc. should be undertaken. The second meeting of the Executive Committee was held on the 13th November 1950, when the progress of action taken on the various recommendations of the Committee made at the first meeting was reviewed. The Committee also considered the reports on the four industries taken up for special examination viz., wool, leather, edible oils and rice-husking. At this meeting, the Committee recommended that a small committee under the Chairmanship of the hon. Minister for Industry and Supply, charged with executive powers, should be constituted to carry out the functions of the Board.

(b) The answer is in the negative, but the budget provides Rs. 10,00,000 for the purpose.

(c) The Government of India have not made it obligatory for Government requirements of cloth being met in Khadi. They have, however, directed both the Central Government offices and State Governments that the requirements of cloth should, as far as possible, be met from the handloom products, provided it is possible to get cloth in suitable qualities and in adequate quantities.

क्लीनिकल धर्मापीटर

*१५६. डा० देवी सिंह : उद्योग तथा रतब मन्त्री यह बतलाने की कृपा करेंगे कि:

(क) भारत में विदेशों से कितने क्लीनिकल थर्मामीटर आयात किये गये ;

(ख) क्या भारत में क्लीनिकल थर्मामीटर बनाने का कोई कारखाना है ;

(ग) यदि नहीं है, तो क्या सरकार भारत में उनका बनाना प्रारम्भ करने के सम्बन्ध में कोई कार्यवाही करने का विचार करती है ?

CLINICAL THERMOMETERS

[*156. Dr. Devi Singh: Will the Minister of Industry and Supply be pleased to state:

(a) the number of clinical thermometers imported into India from abroad;

(b) whether any factory exists in India for the manufacture of clinical thermometers; and

(c) if not, whether Government propose to take steps to start their manufacture in India?]

The Minister of Industry and Supply (Shri Mahtab): (a) The information asked for is not readily available, as this item is not specified separately in the import trade returns.

(b) The answer is in the negative.

(c) Government do not propose to start manufacture themselves, but the need for establishing indigenous production has already been impressed upon the industry.

अपहृत स्त्रियाँ

* १५७. डा० देवी सिंह : क्या प्रचलित ख़ात्री यह बतलाने की कृपा करेंगे कि देहली में ८ अप्रैल, १९५० को हुए नेहरू-लियाकत समझौते के पश्चात्, पाकिस्तान ने अब तक पूर्वी बंगाल से अपहृत की गई कितनी हिन्दू लड़कियों को भारत को लौटाया है ?

ABDUCTED WOMEN

[*157. Dr. Devi Singh: Will the Prime Minister be pleased to state how many Hindu girls abducted from East Bengal have so far been restored by Pakistan to India after the Nehru-Liaquat pact concluded at Delhi on the 8th April, 1950?]

The Prime Minister (Shri Jawaharlal Nehru): 193 cases of alleged abduction were reported to the East Bengal Search Service Bureau by the Search Service Bureau of West Bengal. Up to

the end of October 1950 reports were received from the East Bengal Government in 47 cases. Only one of these was established as an abduction case, according to the East Bengal Government, and in this case the woman was recovered. There were 9 cases of women who were alleged to have embraced Islam and gone to Muslims of their own free will. Out of these one was allowed by the East Bengal Government to join her relatives in India. The remaining cases were reported to be either of incorrect addresses or of persons who were traced with their relatives or had left for India.

Purana Quilla HUTMENTS

*158. Giani G. S. Musafir: (a) Will the Minister of Rehabilitation be pleased to state whether it is a fact that Government received Rs. 60,000 (or near about that) from the displaced persons of Purana Quilla Camp, at the time of constructing the hutments for them at Purana Quilla?

(b) If so, why was this amount taken in advance from the displaced persons?

(c) If it was counted towards the cost of construction, do Government propose to receive the balance of the cost of construction and give out the hutments to the displaced persons permanently?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) to (c). No advance was collected towards the cost of construction of the tenements in Purana Quilla, as it is not possible to sell them to anybody. Advantageous terms were, however, offered to displaced persons who paid rent in advance. It was decided that those who paid Rs. 150 as advance of rent will have to pay as rent only Rs. 2-8-0 p.m. for the first year, and Rs. 7 p.m. for the second year, as against the rent demand of Rs. 12 per month. Thus, they would have to pay only Rs. 264 besides the advance as against Rs. 288 due in the first two years. A sum of Rs. 39,000 was collected as advance of rent.

Purana Quilla HUTMENTS (RENT)

*159. Giani G. S. Musafir: (a) Will the Minister of Rehabilitation be pleased to state what is the total cost of construction of the hutments built for the displaced persons at Purana Quilla Camp?

(b) What should be the monthly rent, assessed on the basis of the C.P.W.D. calculations?

(c) What is the rent Government propose to charge from these displaced persons?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Rs. 7.61.116.

- (b) Rs. 15 per mensem.
(c) Rs. 12 per mensem.

VISAKHAPATNAM SHIP-BUILDING YARD

*160. **Prof. K. T. Shah:** Will the Minister of Industry and Supply be pleased to state what decision has been arrived at regarding the taking over by Government of the Ship-building Yard at Visakhapatnam or, in the alternative, what measures Government contemplate to adopt or have already taken, to keep alive this enterprise in the interests of national commerce and defence?

The Minister of Industry and Supply (Shri Mahtab): On account of the difficult budgetary position, Government decided early this year not to take over the Visakhapatnam yard. In order, however, to keep the yard going, an order for three cargo ships of 8000 tons each was placed with Scindias on Government account. These ships are now under construction. Pending further consideration of the future of the yard, the question of placing a further order on Government account is under examination.

INTERNATIONAL ORGANISATIONS (MEMBERSHIP)

*161. **Shri Raj Kanwar:** Will the Prime Minister be pleased to state:

(a) the names of International Organisations of which India is a member; and

(b) the names of Indian Officers, if any, who are office-bearers on these organisations?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). A statement showing the required information is placed on the Table of the House. [See Appendix I, annexure No. 33]. The list of office-bearers shown in the statement excludes those Indians, who are paid employees of the International Organisations as well as those who have been elected as Chairmen, Rapporteurs, etc. of different Committees etc. of the main organs.

TEA CHESTS (IMPORT)

*162. **Prof. S. N. Mishra:** Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that imports of tea-chests from the Scandinavian countries are routed *via* London and there is no direct contract with India; and

(b) the percentage of Indian and non-Indian firms getting import quota?

The Deputy Minister of Commerce (Shri Karmarkar): (a) Since January-June 1950 licensing period, licences for import of tea chests from Scandinavian countries have been granted subject to the condition that imports would be made direct from the country of origin.

(b) It is not possible to furnish figures of licences granted to Indian and non-Indian firms as licences are granted through recognized Association.

SALT DEPARTMENT

*163. **Shri Jagannath Mishra:** (a) Will the Minister of Industry and Supply be pleased to state whether there is any necessity of running the Salt Department in its separate existence since the salt tax has been abolished?

(b) what are the functions of the Salt Department at present with its establishment at the Headquarters and at different salt areas throughout India?

The Minister of Industry and Supply (Shri Mahtab): (a) Yes. A Salt Organisation is considered necessary for the development of the Industry on proper lines and to improve the quality of salt. The question whether this Organisation should continue in its present form is being reviewed by Government.

(b) The function of the Headquarters office is to assist the Ministry in framing and implementing policy regarding the manufacture, supply and distribution, import and export of salt. The regional offices are required for carrying out the decisions of Government and to guide the technical officers posted at the factories.

SALT BILL

*164. **Shri Jagannath Mishra:** (a) Will the Minister of Industry and Supply be pleased to refer to the reply to my starred question No. 1623, asked on the 11th April, 1950 and state whether "self-contained Salt Bill" referred to therein has been drafted?

(b) If not, when do Government contemplate to introduce such a bill in Parliament?

The Minister of Industry and Supply (Shri Mahtab): (a) No.

(b) A Salt Experts Committee was appointed in 1948 and submitted its report in April 1950. Government have examined the recommendations of this Committee. The recommendations, briefly, are:

(i) Government should further improve the efficiency and volume of production in their salt sources, manage their salt works on a commercial basis and make a reasonable profit; and

cial basis and make a reasonable and assist private enterprise to improve the quantity and quality of production and to regulate the industry to the extent required.

Government generally accepted these recommendations and will introduce legislation, if necessary, to implement them.

CONSTRUCTION OF QUARTERS BY SALT LICENSEES

*165. **Shri Jagannath Mishra:** (a) Will the Minister of Industry and Supply be pleased to state why the salt licensees are required to pay cess and to construct and maintain quarters for the guarding staff?

(b) Are the members of the guarding staff technical experts in salt manufacture and do they supply any technical advice to the factory owners?

The Minister of Industry and Supply (Shri Mahtab): (a) The cess is levied to cover the expenditure incurred by Government in maintaining staff in the licensed salt factories. The salt licensees are also required to construct and maintain quarters for the guarding staff as this staff is posted in the interest of the licensees. However, the whole question of cess and watch and ward staff is under review.

(b) The supervising officers have got the necessary technical training and they give advice to the licensees for realigning factories on proper lines with a view to increase the production and to improve the quality. The peons and Jamadars of the guarding staff are not technical experts.

CENSUS OF MEOS

*166. **Shri M. H. Rahman:** Will the Minister of Rehabilitation be pleased to state:

(a) whether any order for the census of displaced Meo Muslims in Gurgaon District of the Punjab State and Alwar and Bharatpur of Rajasthan State, were issued by Government and if so, when;

(b) for what purpose the census of the Meos was recorded;

(c) what steps were taken by the Government of India or the State Governments to make known the object, procedure, time and date of recording the census;

(d) whether Government will lay on the Table of the House a copy of the instructions issued by the Government of India or State Governments for publishing the aims and objects of the census;

(e) whether Government are aware that there were displaced Muslims other than Meos living in other districts of the Punjab and Rajasthan States when the census of the Meos was recorded;

(f) if so, whether they were included in the census records and if not, the reasons therefor;

(g) whether Government are aware that in the Punjab and Rajasthan States, properties are being restored to the Meos on the basis of the aforesaid census records; and

(h) if so, what procedure has been laid down by the Government for the restoration of properties to the displaced Muslims other than Meos and if no procedure has been laid down, what are the reasons therefor?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The decision to conduct a census of displaced Meos in the Districts of Gurgaon, Alwar and Bharatpur was taken at a meeting of the Joint Rehabilitation Board held on 25th June, 1948.

(b) The Government of India had decided to resettle Meos who, belonging to areas in the Indian Union, had left their homes and lands, but had either not left the Union or having left it, had already returned to it. The purpose of the census was to collect full facts about Meos over the whole of the affected region and bearing on problems connected with their rehabilitation.

(c) and (d). The census was not conducted by the Government of India. A Fact Finding Committee of three members appointed at the meeting of the Joint Rehabilitation Board held on 25th June, 1948 conducted the census through the agency of the local District Officers. No instructions were issued by the Government of India about publicity. Steps were however taken to make known the decision through the revenue staff of districts

concerned and some leading officials and non-officials who had been working among the Meos were also associated with the census.

(e) The answer is in the affirmative.

(f) No; because the census was confined to the displaced Meos only.

(g) The Punjab Government have resettled all the Meos who were enumerated in the census. In Alwar and Bharatpur lands and houses have been restored not only to the Meos who were included in the census but also to a large number of those who secured restoration on false declarations of having been included in the census. A large number of Meos who were not included in the census but can prove that they never left India are also being resettled as far as possible on their own lands and houses.

(h) The only Muslims other than Meos in Alwar and Bharatpur were the Gaddi Muslims. Their properties are being restored to them. The Custodian of Evacuee Property has the discretion to release property of such Muslims who have been displaced from their homes but have not gone to Pakistan.

DISPLACED MUSLIMS IN RAJASTHAN (RESETTLEMENT)

*167. **Shri M. H. Rahman:** Will the Minister of Rehabilitation be pleased to state:

(a) whether the displaced Muslims who have been resettled in East Punjab and East Punjab States Union have been restored their original holdings of land and homes with full proprietary rights; and

(b) whether the displaced Muslims of Alwar and Bharatpur Districts of Rajasthan who have been resettled, have been restored their original holdings of land and home with full proprietary rights as in the Punjab and PEPFU States and if not, the reasons therefor?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The answer is in the affirmative.

(b) The answer is in the affirmative, with the exception that where such lands had already been allotted to displaced persons, the Muslims were given lands as close to their original holdings as possible.

REHABILITATION EXPENDITURE

*168. **Pandit Thakur Das Bhargava:** Will the Minister of Rehabilitation be pleased to state:

(a) how much money has been spent so far on the rehabilitation of displaced persons who have come to India from East Bengal after 1st January, 1950; and

(b) how many of the displaced persons are still in camps?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The expenditure as booked by the Accountant-General from April, 1950, to September, 1950 is as follows:—

West Bengal	Rs. 1,59,96,000/-
Bihar	Rs. 1,93,400/-
Orissa	Rs. 2,71,000/-
Cachar	Rs. 23,36,000/-
Total:	Rs. 1,87,96,400/-

(b) About 2½ lakhs.

SETTLEMENT OF DISPLACED PERSONS IN VILLAGES

*169. **Pandit Thakur Das Bhargava:** (a) Will the Minister of Rehabilitation be pleased to state how far has the Bengal Scheme of settling displaced persons in Union of Panchayat Villages succeeded?

(b) What is the number of displaced persons so far rehabilitated?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The West Bengal Scheme of settling displaced persons in Union Boards, which has been in operation since August, 1950, has the target of resettling 12,000 families by March, 1951. Out of them, 4,047 families have so far been resettled.

(b) 20,235 persons.

SINDHI DISPLACED WOMEN (WORK)

*170. **Pandit Thakur Das Bhargava:** (a) Will the Minister of Rehabilitation be pleased to state whether there is any scheme for providing work for middle-class Sindhi ladies living in camps in Bombay and other places?

(b) Is it a fact that these Sindhi ladies are well-versed in the work of embroidery?

(c) Is it a fact that these ladies do not earn even 8 annas a day, whereas an ordinary worker engaged in embroidery work in Bombay gets no less than Rs. 7 a day?

(d) Have Government explored the possibilities of providing embroidery work to these ladies on commercial scale?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Yes. There are 16 Narishalas in the State of Bombay where training and work are provided to displaced women, including middle class Sindhi ladies.

(b) Yes.

(c) According to available reports the monthly earnings of these ladies are Rs. 10-0-0 to Rs. 15-0-0 p.m. Government have no information about wages earned in Bombay by ordinary workers engaged in embroidery work.

(d) Demand for such articles is extremely limited and it is doubtful whether there is sufficient internal market for providing embroidery work to these persons on a commercial basis.

Possibilities for the export of such goods outside India are being explored.

IMPORT CONTROL

*171. **Maulvi Haneef:** (a) Will the Minister of Commerce be pleased to state whether a Committee has been appointed by the Government to inquire into Import Control?

(b) If so, what are the terms of reference?

(c) What was the date from which the Committee began to function?

(d) If the Committee has reported, what are the recommendations of the Committee for improving the efficiency of the Import Control Organisation?

(e) Have their recommendations been carried out and if not, why not?

The Deputy Minister of Commerce (Shri Karmarkar): (a) to (d). The attention of the hon. Member is invited to the Ministry of Commerce Resolution No. (1)26-ITC/50, dated the 3rd July 1950, and to the report of the Import Control Enquiry Committee, copies of which are available in the Library of Parliament.

(e) The recommendations of the Committee are under examination.

TEXTILE CONTROL

*172. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Industry and Supply be pleased to state the strength of the Governmental machinery at the Centre now engaged in administering controls over Textiles?

(b) What has been the total expenditure over the said staff during the years 1948-49 and 1949-50?

The Minister of Industry and Supply (Shri Mahtab): (a) The total strength is 1304 which consists of 78 gazetted officers, 914 class III servants and 312 class IV servants.

(b) The total expenditure incurred during the years 1948-49 and 1949-50 was Rs. 33½ lakhs and Rs. 46 lakhs respectively.

IRON AND STEEL SCRAP

*173. **Shri Kishorimohan Tripathi:** Will the Minister of Industry and Supply be pleased to state whether there is control over the distribution and sale of iron and steel scrap?

The Minister of Industry and Supply (Shri Mahtab): Yes, Sir.

EXPORT ENQUIRY COMMITTEE REPORT

*174. **Shri Chandrika Ram:** (a) Will the Minister of Commerce be pleased to state what are the main recommendations of the Export Enquiry Committee?

(b) How far have they been implemented?

The Deputy Minister of Commerce (Shri Karmarkar): (a) and (b). My hon. friend is possibly referring to the Export Promotion Committee which was set up in July 1949, under the Chairmanship of Shri A. D. Gorwala to recommend measures for promoting our export trade. I place on the Table of the House a statement showing the main recommendations of that Committee and the action taken thereon. [See Appendix I, annexure No. 34.]

SALT, CEMENT AND COAL (DE-CONTROL)

*175. **Shri Chandrika Ram:** (a) Will the Minister of Industry and Supply be pleased to state whether Government propose to de-control Salt, Cement and Coal?

(b) What is the increase in the production of these commodities in 1950 compared to the figures of production in 1948 and 1949?

The Minister of Industry and Supply (Shri Mahtab): (a) Government do not propose to de-control coal as they are satisfied that continuance of control is necessary. The question of relaxing or removing control on salt and cement is under consideration.

(b) I lay on the Table of the House a statement giving the required information. [See Appendix I, annexure No. 35].

LEATHER INDUSTRY

*176. **Shri Chandrika Ram:** (a) Will the Minister of Industry and Supply be pleased to state whether it is a fact that Leather Industry is run both on large scale as well as on cottage scale?

(b) If so, what steps are Government taking to help the industry in its cottage scale?

The Minister of Industry and Supply (Shri Mahtab): (a) The reply is in the affirmative.

(b) Information is placed on the Table of the House. [See *Appendix I, annexure No. 36.*]

TRADE DELEGATIONS

*177. **Shri Biyani:** Will the Minister of Commerce be pleased to lay on the Table of the House, a statement showing how many trade delegations have been sent abroad in the year 1949-50 and their personnel?

The Deputy Minister of Commerce (Shri Karmarkar): A statement showing the required information is laid on the Table of the House. [See *Appendix I, annexure No. 37.*]

LOSS DUE TO BOMBAY TEXTILE STRIKE

*178. **Shri Alexander:** Will the Minister of Industry and Supply be pleased to state the approximate loss in yards of cloth and in money caused due to the last Bombay Textile strike?

The Minister of Industry and Supply (Shri Mahtab): The loss is 203 million yards of cloth valued at Rs. 15 crores, 20 lakhs.

LABOUR IN TEA GARDENS

*179. **Shri Balmiki:** Will the Minister of Labour be pleased to state:

(a) the number of workers in tea gardens State-wise;

(b) the minimum and maximum daily wages in respective States given to them; and

(c) how far they will be affected by the recommendations made by Industrial Committee which was in session in November, 1950?

The Minister of Labour (Shri Jagjivan Ram): (a) A statement furnishing the required information is placed on the Table. [See *Appendix I, annexure No. 38.*]

(b) Figures are available only for the more important tea garden areas and the rates of wages are different for men, women and children. A statement containing the available particulars is placed on the Table. [See *Appendix I, annexure No. 39.*]

(c) Questions relating to wages of plantation labour were not discussed at the recent session of the Industrial Committee on Plantations. The decisions of the Committee will not, therefore, affect in any way the present wage structure of tea garden labour.

TIBETAN WOOL

*180. **Shri Balmiki:** Will the Minister of Industry and Supply be pleased to state:

(a) the total wool received from Tibet in the years 1949 and 1950; and

(b) how far the prices of raw wool and woollen clothes are affected by the Chinese invasion of Tibet?

The Minister of Industry and Supply (Shri Mahtab): (a) Exact information is not available, but it is estimated that about 8 million lbs. of Tibetan wool comes to India annually.

(b) The prices of Indian raw wool and woollen clothes have not so far been affected by the Chinese invasion of Tibet.

EXPLOSION OF Indian Enterprise

5. **Shri Kamath:** Will the Minister of Commerce be pleased to refer to the answer given by him to my starred question No. 192, asked on 4th August 1950 regarding the explosion of the commercial freighter "Indian Enterprise" in the Red Sea, and state:

(a) whether the enquiry held by the U. K. Ministry of Transport has concluded; and

(b) if so, with what result?

The Minister of Commerce (Shri Sri Prakasa): (a) and (b). No. The enquiry has not yet concluded.

DISPLACED PERSONS (CLAIMS)

6. **Pandit Thakur Das Bhargava:** (a) Will the Minister of Rehabilitation be pleased to state how many claims have so far been received from displaced persons for compensation?

(b) What is the value of these claims?

(c) What is the last date for making such claims and is it proposed to extend the date further?

(d) How much time will it take to adjudicate these claims?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) According to the information received upto date the number of claims received from the displaced persons is 4,59,064. This figure is, however, incomplete as reports are still awaited from some of the Registering Centres.

(b) Figures are not yet available.

(c) The last date initially fixed was 30th September, 1950; but it was found necessary to extend it upto the 31st October, 1950. Those who for good reasons were unable to submit their claims by the 31st October 1950, have been permitted to submit their claims to the Joint Chief Claims Commissioner by 30th November, 1950.

(d) Government shall make every effort to have the claims verified within the shortest possible time, but how much time the verification will take, will partially depend upon the co-operation of the displaced persons.

Monday, 20th November, 1950

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सत्यमेव जयते

PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

Part II—Proceedings other than Questions and Answers.

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THE
PARLIAMENTARY DEBATES
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PARLIAMENT OF INDIA

Monday, 20th November, 1950

The House met at a Quarter to Eleven of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-45 A. M.

DEATH OF DR. P. K. SEN.

Mr. Speaker: I have to invite the attention of the House to the sad and unexpected demise of one of our colleagues, Dr. P. K. Sen, which took place in Delhi two days back.

As we all know, he had a distinguished career as a lawyer. He was a Judge of the Patna High Court and was also Prime Minister of Mayurbhanj State in Orissa. He was a Member of the Judicial Board of Advisers there as also in the Jammu and Kashmir State. He was elected Member of the Constituent Assembly from Bihar State on 22nd July 1946 and was a sitting Member of Parliament.

We are sorry that we have lost the benefit of his wide experience and I am sure the House will join with me in expressing its sorrow by standing in silence for half a minute.

MESSAGE FROM THE PRESIDENT

Mr. Speaker: I have to inform the House that I have received the following message from the President:

"I have received with great satisfaction the expression of thanks by the Members of Parliament for the address I delivered to them on the 14th November, 1950."

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PROHIBITION OF MANUFACTURE AND IMPORT OF HYDROGENATED VEGETABLE OILS BILL

Mr. Speaker: The Secretary will report to the House the petitions relating to the Bill to provide for the prohibition of manufacture and import of hydrogenated vegetable oils which was introduced in the Constituent Assembly of India (Legislative) on the 16th December, 1949, by Pandit Thakur Das Bhargava.

Secretary: Under Rule 106 of the Rules of Procedure and Conduct of Business in Parliament, I have to report that two petitions, as per statement laid on the Table, have been received relating to the Bill to provide for the prohibition of manufacture and import of hydrogenated vegetable oils which was introduced in the Constituent Assembly of India (Legislative) on the 16th December, 1949 by Pandit Thakur Das Bhargava.

STATEMENT

No. of Signatories	District or town	State
67 (M.L.A.s)	Amritsar, Ludhiana etc.	Punjab
31 (M.L.A.s)	Ratlam, Indore etc.	Madhya Bharat

PAPERS LAID ON THE TABLE

CONSTITUTION (REMOVAL OF DIFFICULTIES) ORDERS NOS. VI TO VIII.

The Minister of Law (Dr. Ambedkar): I beg to lay on the Table the following documents under clause (2) of article 392 of the Constitution:

(1) **The Constitution (Removal of Difficulties) Order No. VI (Made**

[Dr. Ambedkar]

by the President on 2nd September, 1950;

(ii) The Constitution (Removal of Difficulties) Order No. VII (Made by the President on 7th October, 1950) and

(iii) The Constitution (Removal of Difficulties) Order No. VIII (Made by the President on 25th October, 1950).

[Placed in Library. See No. P-116/50]

PRESIDENT'S PENSION BILL

The Minister of Finance (Shri C. D. Deshmukh): I beg to move for leave to introduce a Bill to provide for the payment of pensions to retiring Presidents.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the payment of pensions to retiring Presidents."

The motion was adopted.

Shri C. D. Deshmukh: I introduce the Bill.

REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL

The Minister of Law (Dr. Ambedkar): I beg to move for leave to introduce a Bill to amend the Representation of the People Act, 1950.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Representation of the People Act, 1950."

The motion was adopted.

Dr. Ambedkar: I introduce the Bill.

INDIAN TARIFF (FOURTH AMENDMENT) BILL

The Minister of Commerce (Shri Sri Prakasa): I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

Shri Sri Prakasa: I introduce the Bill.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK (TRANSFER) BILL.

The Minister of Commerce (Shri Sri Prakasa): I beg to move:

"That the Bill to provide for the transfer of the business of the Allianz Und Stuttgarter Life Insurance Bank, Limited, to the United India Life Assurance Company, Limited, and for matters connected therewith, be taken into consideration."

In moving this Bill for the acceptance of the House, I have to relate a story which is both short and pleasant; and I am sure the House will realise that what might have proved a tragedy has been by action of Government, turned into a comedy. This happens to be the very first Bill that I am privileged to present to the House; and I am sure that you, Sir, and the House will pardon any lapses which I might commit both in propriety and in procedure because of inexperience.

The Allianz Und Stuttgarter Life Insurance Bank, Limited, Delhi, is the Indian branch of the pre-war German firm of that name with headquarters in Berlin. It has been carrying on business in India, Pakistan, Burma and Ceylon; and at the end of 1948 they were dealing with nearly ten thousand policies in force and insuring over a crore and a quarter of rupees. At the outbreak of the World War II their property under the Defence of India Rules, was vested in the Custodian of Enemy Property; and to protect the interests of the Indian policy-holders the Government of India appointed Messrs. Ferguson & Company, Chartered Accountants of Bombay, with a branch at Delhi, to carry on the business of this company under the Defence of India Rules. Government also appointed an advisory committee so that all the work may be done under Government direction. The main conditions imposed by Government on Messrs. Ferguson & Company were that no new policies were to be taken and that the policy holders were to be paid 20 per cent. less than the amount insured. Messrs. Ferguson & Company did their work very well; and I should like to take this opportunity of paying a tribute on behalf of Government, for the work that they have done for us.

Government, however, anxiously kept on considering the future of this company. A number of courses were open to Government. One was to give the firm back to the old German pro-

[Shri T. Husain]

prietors, but this was found impracticable. Then, as desired by some of the policy holders, the company could have been turned into a mutual company, but our advisory board thought that this was a risky proposition. The third course was to wind up the business which we were advised would harm the policy-holders. The only course then left, after disposing of the three I have mentioned, was that the assets and liabilities of the company should be merged with a sound Indian insurer. In the circumstances this course was regarded as the best.

We addressed a number of Indian insurers asking them if they would take up this work, and the offer of the United India Life Insurance Company of Madras appeared best to us; and their offer was thus finally accepted.

In July of this year it was thought that it would be best to issue an ordinance so that this merger could take place at once. A session of Parliament, as the House will remember, was unexpectedly summoned at that time, and so we thought that it would be best to get a Bill through Parliament; for in any case legislation was needed. This Bill I introduced in the House in the last session, but because the session concluded soon afterwards the Bill could not be passed; and as delay was thought to be dangerous, the President issued an Ordinance. Now this Bill is before the House to finalise the process.

The main purposes of the Bill are that there is going to be an outright merger of this Allianz Und Stuttgarter Life Insurance Bank with the Indian company. Then, all the claims of the policyholders are to be paid in full. And, what is most pleasing, this company has agreed to reimburse the twenty per cent. of losses that the policy-holders had suffered under our earlier agreement with Messrs. Ferguson & Company. I am sure that the House will find all this very satisfactory and will readily pass the Bill I am presenting before it.

There are some amendments on the Order Paper. Some of them are of a formal nature which have been necessitated because an Ordinance was passed while the Bill was pending before the House. Then, there are other amendments. And I must express my regret at my inability to accept them. I feel hurt that that should be so, because in the earlier days whenever I moved any amendments to any Bills and they were not accepted by the Government of the day, I did not feel very happy about it. But I shall be able, I hope, to satisfy my hon. friends

when they move those amendments, that their purposes are fully covered by the clauses of the Bill itself, and so those amendments are really not necessary.

I should, however, like, with your permission, to refer beforehand to some of the matters that are to be dealt with in the amendments. I can understand the anxiety of my hon. friends for the interest of the old Company's agents, but we terminated all the contracts with these agents as far back as July 1942; and we do not propose to revive their claims. But I might say that the United India Life Assurance Company, with which this German company is to be merged, has invited all the agents of the old company to serve as agents of this new company. I think this is a very generous offer; and I am sure most of the agents would be able to avail themselves of it.

Hon. Members may also be anxious about the staff that was employed by the German company. The new company, that is taking over the assets and liabilities of the old company, has offered to employ this staff as well, but so far as I am aware, the staff is not willing to travel so far down from Delhi to Madras, and therefore the Government of India itself has decided to recognize the staff as being on the same level as retrenched Government servants for purposes of re-employment.

12 Noon.

Shri Joachim Alva (Bombay): Before the hon. Member goes on I would like to put two questions.

Mr. Speaker: Order, order. That will come later. I have yet to place the motion before the House.

Shri Sri Prakasa: One amendment on the order paper, requires for the payment to the policyholders of all profit that may accrue under the terms of the original policies. This, I fear, will not be fair to the Indian company that is taking over the German company because then they might have to share their own profits with the policyholders of the merging company. But, as hon. Members will see from the relevant clauses in the Bill, there would be various actuarial valuations from time to time; and any profits made on the transferred business, will be at the disposal of the policyholders.

There is also an amendment to the effect that any assets realised from foreign countries pertaining to the German company should be shared between the policyholders and the agents. But I regret I am not able to accept this amendment because we feel

[Shri Sri Prakasa]

that the policyholders should come first, and if any money is realized from any of the assets of this company from foreign lands, of which I am very doubtful, the money should be given to the policyholders.

I hope that in these few words I have been able fully to explain the objects of the Bill; and now it is for me only to commend it to the unanimous acceptance of the House.

Mr. Speaker: Motion moved:

"That the Bill to provide for the transfer of the business of the Allianz Und Stuttgarter Life Insurance Bank, Limited, to the United India Life Assurance Company, Limited, and for matters connected therewith, be taken into consideration."

What are the questions which the hon. Member wanted to put?

Shri Joachim Alva: In the first place, what were the assets of the Allianz Und Stuttgarter Company when the Custodian of Enemy Property took them over?

Secondly, what is the state of the assets at the time of the merger or when the United India Life Assurance Company is going to take over?

And thirdly, the hon. Member said just now that the Advisory Board—I hope I am right—had advised them that the United India Life Assurance Company should take over. What were the other offers received—the second and the third company that made the offer to take over this company?

Shri Sri Prakasa: Shall I answer these questions, Sir?

Mr. Speaker: He may do so at the end or now. If he answers now start might help others also.

Shri Sri Prakasa: It would be a long list but I shall give it to the House for what it may be worth:

Countries in which the Company is transacting business: India, Pakistan, Burma and Ceylon;

Number of policies in force as on 31-12-49 and the sum assured there under: 9,763 and Rs. 1,28,00,031 respectively;

Premium income during 1948:
Rs. 5,57,894.

Interest income during 1948:
Rs. 2,02,157;

Total amount of expenses of management during 1948: Rs. 76,280

Realisable assets as shown in the Balance Sheet of the Company as at 31-12-1948: Loans on Policies Rs. 7,34,634;

Deposit with Reserve Bank.
Rs. 3,87,809;

Government of India Securities.
Rs. 73,90,345;

Indian Port Trust Debentures
Rs. 33,225;

U. K. Government Securities.
Rs. 48,172;

Outstanding premium. Rs. 17,098;

Outstanding and accrued interest and rent. Rs. 53,281;

Other Debtors and deposits after writing off those doubtful. Rs. 1,270;

Total Cash balance. Rs. 2,43,572 ;

A sum of about Rs. 10 lacs shown in the Balance Sheet mainly under the head 'Head Office Berlin' is not included in the above as being unrealisable.

Results of the company's last valuation as at 31-12-1948: The valuation has disclosed a net-policy liability of Rs. 83,44,804 as against the life insurance fund (less unrealisable assets) of Rs. 78,13,141. The deficiency, therefore, amounted to Rs. 5,31,662 only as against a deficiency of about Rs. 10 lacs shown by the valuation as at 30-9-1940 which necessitated the imposition of a cut of 20 per cent. on all policy benefits.

Actuary's recommendations: By comparing the realisable assets of the company with its policy and other liabilities the actuary recommended, in view of the improvement in the financial position, the imposition of a cut of 4% only on the policy benefits to be paid in future in place of the present cut of 20%;

He also recommended the refund of 80% of the amount of cut imposed in respect of past claims. That is the cut in policy benefits should be 4% only (instead of 20%) with retrospective effect.

Now we have done that. Hon. Members wanted the names of the various companies. They are:

The United India Life Assurance Company Ltd., Madras.

The Sterling General Insurance Company Ltd., New Delhi.

The Bharat Insurance Company, Ltd., Delhi.

The Hindustan Co-operative Insurance Society Ltd., Calcutta.

The Bombay Mutual Life Assurance Society Ltd., Bombay.

The New India Assurance Company Ltd., Bombay.

The Oriental Government Security Life Assurance Company Ltd., Bombay.

These are the Companies that had responded to our letters.

Shri M. A. Ayyangar (Madras): I would only like to say a few words on this subject. The hon. Minister said that it was not found convenient or that it was even dangerous to convert this into a mutual company. I do not know why the hon. Minister came to that conclusion. There is a provision in the amended Insurance Act enabling even joint-stock insurance companies to be converted into mutual companies. When the earliest opportunity occurred, I do not know why the Government has not taken that step particularly in view of the fact that the Bombay Mutual Insurance Company has offered to take over the Allianz Company. I would also like to know why the United India was chosen and now its offer compares more favourably with the other offers. I would also like to know if there is any capital of this company invested in any portion in India, and whether there was any Indian directorate in charge of the management of the Indian share of the business, and how the United India Life Assurance Company agreed to restore the cut of 20 per cent. to policyholders with retrospective effect. As read out by the hon. Minister the actuarial calculation showed a deficit of Rs. five lakhs. I want to know how the United India Life Assurance Company agreed to take over this deficit, and not only this but also to pay the arrears, whatever was denied to the policy holders under the previous cut of 20 per cent. When it was in the hands of Messrs. A. F. Ferguson & Company, it was suggested to all the policyholders that they must agree to

a cut of 20 per cent. in the policy payments. In the Schedule, it is stated that in future the full policy amounts ought to be paid by the United India Life Assurance Company but even in the case of those policies, which matured and monies have been refunded, that amount which was cut down, that is, 20 per cent., should also be paid to the previous policyholders. I would like to know what amount that would involve and why the United India Life Assurance Company agreed to pay back that amount and from what fund? After all if one particular company has not been able to see its way to pay in full the amounts due under various policies how could another company pay? Its management also must be safeguarded. In the interest of the policyholders it ought not to be allowed to take undue risk. How was the United India Life Assurance Company prepared to take over the liability, both past and present?

Clause 5 speaks about the cessation of payment of commission to past insurance agents. The hon. Minister said that an assurance has been given to those agents or field workers who were responsible for carrying on the business and who expanded it. I want to know if these people would be taken over or would be absorbed by the United India Life Assurance Company, or whether this business will work as a separate concern and their services utilized. Why their past commission ought not to be allowed to them, I am not able to understand. The hon. Minister stated that the profits if any that might accrue would not be distributed to the policyholders. I would like the hon. Minister to refer to paragraph 4 in the First Schedule on page 3 and explain what that means if it is not for a distribution of profits.

Paragraph 4 reads as follows:

"If the transferee company recovers or receives any money from outside India which relate to the assets now transferred to the transferee company the same shall be applied by the transferee company for the benefit of the life policies of the transferor company issued in India."

This means that whether the amounts are realized or not the transferee company undertakes the obligation to pay in full the amounts that might mature or might become liable or due on the policies. The necessary implication of paragraph 4 is that when all the assets belonging to the transferor company are transferred to the transferee company, not only the assets which are in-

[Shri M. A. Ayyangar]

vested in India, but the assets which are elsewhere outside India would become part and parcel of, and would be transferred to, or become vested in, the transferee company.

Shri Himatsingka (West Bengal): Not necessarily.

Shri M. A. Ayyangar: When all the assets of a particular company are transferred: that is my interpretation. If there is a particular clause to pay the policies in full, there seems to be an obligation under this clause to pay profits also which might accrue by reason of the additional assets being realised in the hands of the transferee company. On these points, I would like to have some clarification from the hon. Minister.

Shri Kamath (Madhya Pradesh): This Bill proposes to transfer the business of the Allianz Und Stuttgarter Life Insurance Bank, Delhi, to the United India Life Assurance Company Ltd., Madras. The business, along with the assets, obligations and liabilities of the Allianz Und Stuttgarter Life Insurance Bank, are sought to be transferred to or merged or amalgamated with the United India Life Assurance Company. Along with the transfer of this business, assets and obligations, there are, to my mind, certain human problems to which I would like to draw the attention of the House and of Government.

At the outset, taking the Statement of Objects and Reasons, we find that this Allianz Und Stuttgarter Life Insurance Bank, Delhi, is an Indian branch of a pre-war German firm of the same name with its headquarters or head office in Berlin. After the outbreak of war in 1939, it was taken over by the Custodian of Enemy Property, and Messrs. Ferguson and Company carried on the business under the direction, control and superintendence of Government. The first question that arises in my view is, why, upon the cessation of hostilities in 1945 or sometime thereafter, this branch was not re-transferred to the German firm, considering that Germany, neither West Germany nor East Germany is now an enemy State; I do not know where the headquarters are situated, whether in East Berlin or West Berlin. In any case, neither East Germany nor West Germany is an enemy State. Why was no attempt made to re-transfer the business of this branch in India to the German firm and ask them to reopen the business and do business as they think fit? Is it because that the German firm of the same name has ceased to exist, has liquidated itself or has become de-

funct? If that were not so, Government should have made every effort to restore the business of this branch to the German firm and asked them to start business in India on such terms and conditions as they deem fit. As a matter of fact, negotiations could have been carried on by Government soon after 1945. Why that was not done, we are completely in the dark. I hope the hon. Minister will throw some light on this aspect of the matter in the course of his reply to the debate.

The hon. Minister was good enough to state that what was apprehended might turn out to be a tragedy has been transformed, or is about to be transformed into a comedy; if I heard him right, those were the words he used. I hope that it will not turn out to be a comedy of errors, and that it will turn out for the good of all the interests concerned. Because, I would like Government to avoid, at this moment, when things are getting slightly worse, any comedy of errors. Let alone tragedy; we do not want tragedies at all. Even a comedy of errors must be avoided by all means in our power. In this connection, there are one or two aspects of the matter that have got to be stressed.

The hon. Minister stated that the employees of the Allianz Company were rather reluctant or were unwilling to go from Delhi, where they have been employed, to areas down south. But, the information that I have is to the effect that out of the 24 employees of the Bank, some of whose dates of appointment go as far back as 1929, 1930 and 1931, only three have already been taken for appointment in the new concern. I do not think it is correct to say that anyone of the others has expressed unwillingness or reluctance to proceed wherever they might be appointed. They are willing to serve even in Madras or near Kanya Kumari if a branch is opened there. Justice demands that all these—there are not very many after all, there are only 24 employees—should be provided suitable alternative employment, especially in view of the fact that assets to the extent of one crore of rupees or so are sought to be transferred under this Bill. The hon. Minister also stated that this merger Bill provides for the payment of all claims of the policy-holders in full. Therefore, there is no reason whatever for overlooking the claim of these few employees to be engaged in the new concern, and for throwing them on the streets. In this connection, the Ministry of Commerce assured the Allianz Company staff as far back as 25th May, 1950; it was not a complete

guarantee; but there was an assurance extended to these employees. The Assistant Superintendent of Insurance wrote to the Allianz Und Stuttgarter Life Insurance Bank, Delhi in the following terms:

"I have to invite reference to the representation dated 10th May, 1950 made by the staff of Allianz Und Stuttgarter Life Insurance Bank, and to say that you may inform the representationists that every effort will be made to secure employment for the existing members of the staff of the Allianz if and when the proposals for the transfer of the Allianz business materialises, although no guarantee can be given in this respect."

The hon. Minister has told the House that so far as the employees are concerned, they will be treated as if they are Government servants, that is, on a par with other Government servants. The obvious implication of this directive is, to my mind at any rate, perfectly clear. But no negotiations have been made and no steps have been taken for the absorption of this staff of a little over 24 in the new concern. This, to my mind, has been rather unwise, that along with the transfer of assets and liabilities, Government did not deem it fit to insist upon making arrangements for the employment of these members of the staff. The impression is gaining ground, all over the country, on account of various matters and various events that have taken place, that Government is rather indifferent to the increasing volume of unemployment in the country. I may even go to the length of saying that people are feeling that Government is becoming more and more callous and apathetic to the misery and suffering of the people. And this present instance is only an index, a straw in the wind, so to say, but even then it is an index to the attitude of Government, towards the sufferings of the people. It was a very reasonable demand that these people, the staff of this concern put forward, and the financial commitment or rather the financial obligation involved in this was very little, considering the assets transferred, and the hon. Minister owes an explanation to the House why, when this whole matter was being negotiated and when a decision is also about to be taken now,—the Ordinance was issued even in September last soon after the last session was prorogued—why Government did not deem it fit to make arrangements for these employees also, simultaneously with the transfer of the

business, and see that in any case they were not thrown on the streets.

One word more and I have done. The business of this Company was administered during the war by Messrs. Ferguson and Co., and the Minister—if I heard him aright—said some losses had been incurred under the management by Messrs. Ferguson and Co. But at the same time, he was good enough to pay a tribute to Messrs. Ferguson and Co., for the efficient management of this concern during war time. It is rather difficult for me, with my limited intelligence, to reconcile these two statements, as regards losses incurred during the management of Messrs. Ferguson and Company and also the efficiency of the management by the same company. I hope the hon. Minister will throw some light on this. Be that as it may, let us hope that the new management will administer this concern very soundly without incurring any loss and with efficiency too, and above all, that Government will take steps even now, and see that the staff of this concern are re-employed in the United India Life Assurance Company, or in any of the Government Departments, or, if neither is possible, to see that each of them is paid a handsome sum by way of compensation or gratuity. That is the least that should be done in this matter and Government will be making a very serious mistake if they do not take any action at all in this matter.

Shri Hussain Imam (Bihar): I welcome the manner in which the hon. Minister—a valued colleague of ours for long—Shri Sri Prakasa has moved the motion for consideration. It was a very welcome attitude to the Opposition and that is what we expected of him, having been on this side for such a long period and having done so much in the past. We also hope that this side will continue to get better consideration.

The reason why there is some criticism from this side of the House is, that Government has not come out with all the information. Bills of this nature should be preceded by a full statement of the facts and not by a mere speech. Whenever we are dealing with commercial concerns, the best thing is to give a general picture, what was the position at the beginning, how it was managed in the interim period, and how it is proposed to be dealt with in the future. It is from this angle that the present criticism is made. It is not sufficient that Government are satisfied that things have been done in the best manner possible. In democracy it is necessary that

[Shri Hussain Imam]

the people should be satisfied that everything has been done, not only in a manner which is above board, but in the best interests of all the people concerned.

I would also like the hon. Minister to throw some light on one or two small matters. Firstly, I would like to know what is going to happen to the liabilities of the head office of this concern? Are Government taking any step at government level, from the Commerce Ministry or from the Foreign Affairs Ministry, to bring about a just settlement of the claims of the Indian Branch from the head office? The hon. Minister mentioned some sum of Rs. ten lakhs. If that is realised, that would make all the difference between the present condition and future prospects. It will be possible even to give to the agents something by way of compensation if that amount materialises, or at least a substantial part of it comes forward. I don't think Government were actuated by any desire to harm the agents. They probably thought—and I think it is perfectly correct to think so, that the first claim is that of the insured persons. An insurance company is a trustee company and people give their life's savings and also provisions for the future, in the hands of companies, and it is therefore expected that they should receive the first consideration and all possible help.

I would also like that we should have some statement as to how much the 20 per cent cut that was made during the time of the management by Messrs. Ferguson and Co., comes to. I mean what was the amount of insurance money paid during that time so that we may know exactly what is the liability—additional liability—which the United India Life Assurance Co. is taking over. In this connection, we would like that while we do our best for those who have insured with this company, we should not in any way harm the interests of the policy holders of the transferee company, and if anything comes out, it does not come out of the shareholder's share, but that it comes out of the funds of the insurers. It is therefore necessary that a perfect balance is maintained between these two sides.

And the third point on which some light is needed is this. Out of the sum insured amounting to above one crore, what part belongs to India and what part belongs to Pakistan and what part to Ceylon, because these are the three countries which are covered.

We would also like some light to be thrown on the question whether the

formation of a mutual company was considered. As was pointed out by the Deputy-Speaker whenever an insurance company is improperly conducted, it would be better if mutual companies are formed so that as great a part of the profit may be transferred to the persons insured and their heirs as is possible.

I would also like, if not by statute, at least by a sort of assurance from the Minister that should we realise any assets, though the agents have been deprived—and rightly deprived as I said—of their due, if any windfall comes, they should also share it along with the insured persons.

Shri Syamnandan Sahaya (Bihar): While I associate myself with the feeling of gratification expressed by the hon. Minister in charge with regard to the position of the insured in the Allianz Und Stuttgarter Life Insurance Co., there are one or two points which would require further clarification and I trust that the hon. Minister when replying will be able to clarify those points over which I have some doubts and improve the Bill if the present Bill does not cover the points which I will place before the House for its consideration.

[MR. DEPUTY-SPEAKER *in the Chair*]

The wording of clause 4 of the Bill is:

"Every contract of life insurance, entered into between the transferor company and the holder of any life policy before the commencement of this Act, shall have effect as if from such commencement....."

By reading this opening sentence of clause 4 it is not clear what will happen to the policies which have not matured. Policies which might have matured by a certain time will secure the benefits which are contemplated in paragraph 2 of the first Schedule but I want clarification about the policies which have not matured.

Shri T. T. Krishnamachari (Madras): If the benefit will extend to the policies which have already matured, it will also extend to policies which are yet to mature.

Shri Syamnandan Sahaya: It is quite true but there is one lacuna, that it is possible that, considering the condition in which the company was placed, certain policy-holders might not have continued payment of their premiums.

Shri T. T. Krishnamachari: That is a different question.

Shri Syamnandan Sahaya: But these different questions arise. If you will remain a little patient you will see that there is nothing wrong in bringing them up. My view is that such policies which have already matured are taken into consideration duly in the proposals under this Bill but I do not know whether it was considered as to what will happen to those policy-holders who for obvious reasons failed to carry on their commitments but are now willing to renew or revive their policies.

The second point to which I desire to draw the attention of the hon. Minister and your attention too, Sir, is clause 6. Here it will be seen that the Central Government have taken very wide powers and I do not know why it was necessary for them to take such wide powers, because this matter has been long under the consideration of the Government and they are fully aware of the requirements of the situation, the matter having been dealt with by Government in one way or another for the last several years. I fully appreciate the normal rule-making power of the Government but the provision for facilitating transfer in the clause goes much further than that. I do not know if the House will be well advised to grant such powers, even if it is necessary in this case, as it would be a bad precedent. The clause reads:

"The Central Government may, by order notified in the Official Gazette, make such incidental, supplementary or consequential provisions as, in its opinion, are necessary to secure that the transfer of the assets and liabilities of the transferer company to the transferee company are fully and effectively carried, and in particular and, without prejudice to the generality of such power....."

I say that the transfer is being effected by this law. Under rule-making powers Government could take certain powers which they might consider necessary but this is a kind of subsidiary law to the law which we are passing and I would ask the Minister to seriously consider whether such a provision is at all called for.

Take clause 7 and here again we find a kind of general provision which I will not be happy to pass under this law. It reads:

"If any difficulty arises in giving effect to the provisions of this Act, the Controller of Insurance may, with the approval of the Central Government give such

directions to the transferee company as he may consider necessary and the transferee company shall be bound to comply with such directions."

I should have thought that provisions like this should have been more explicit. The matter has been dealt with for five years and Government are expected to know what difficulties there have been and are likely to crop up. (Interruption) My hon. friend is a little too fond of hearing his own voice so that he does not speak loud enough for others to hear him. I have not heard what he has said.

I have also suggested a small amendment in sub-clause (c) of clause 6. It is only an attempt at improving the draft. I do not know whether the Minister's attention has been drawn to my amendment. If he considers that the amendment improves the draft I shall move it.

Shri Himatsingka: I welcome this Bill, as it is an attempt on the part of Government to transfer certain assets of a company which does not exist. That perhaps explains clauses 6 and 7 which have been criticised by my hon. friend Mr. Syamnandan Sahaya. Because the parties are not here and are absent and all the assets of that party are being transferred to a transferee company, necessary powers must be taken by Government, so that any difficulty that might arise hereafter in having the transfer recorded, the securities transferred and so on, would be met by using these powers. Without these powers there might be difficulty and the Minister might have to come again before the House. Therefore these provisions seem to me to be very necessary.

I want to invite the attention of the hon. Minister to clause 3. I have not been able to follow the implications of the qualifying clause "carried on immediately before the commencement of this Act by Messrs A. F. Ferguson and Company...". Will it not necessarily limit the scope of the policies that will be transferred? Is this clause at all necessary, in view of the provisions in clause 4 which are quite enough to cover the transfer of all the assets of this particular company. I feel that this qualifying clause might create some difficulty and if it is not necessary, as I feel it is not, it might be deleted.

As regards the criticism of my hon. friend Mr. Hussain Imam, Government has placed before us all the facts

[Shri Himatsingka]

and it seems that the arrangements proposed under this Bill are the most satisfactory that could possibly be got and no question of the liability of the head office could possibly arise because the assets in India and the liabilities so far as the policies in force are concerned are being transferred in terms of the stipulation to the transferee company.

One point should be taken into consideration regarding the question of commission to the agents. I do not know whether it is at all necessary to terminate their rights. May be by efflux of time on account of the fact that the agents have not worked after 1942 their rights might have become barred. Even so I do not think you should provide that their rights shall be terminated by an express provision in this clause unless it is one of the conditions made by the transferee company and they are not willing to take on this business without this condition. Otherwise I do not see any justification in terminating the rights of third parties who may have certain rights even now subsisting.

Dr. Deshmukh (Madhya Pradesh): I think the complaint made by some of the hon. Members of this House that the information given by the hon. Minister, while moving the Bill, was insufficient, is quite justified and correct. We have not been told since what particular date this German company has ceased to carry on business, what was the number of policies in force then, what were the liabilities on account of these policies, how many of them have matured and have been paid, how many have lapsed because of non-payment etc. For all these things there should have been at least a brief statement giving us all the facts.

Secondly, we should also have been told as to why the choice fell on the Company to which the business has now been transferred, as to what the terms were which were offered by the other Companies, what were the reasons which led Government to accept the offer of this Company and why the other Companies' offers were not accepted.

Then, thirdly, I have at least one more complaint to make, and that is with regard to the cessation of payment of commissions to past insurance agents. I agree with the comments which have been offered by my friend Mr. Himatsingka, and I think it was not fair that *ipso facto* all the commissions earned and all the agreements which were made by the Company with the insurance agents

should have been sort of snapped without giving them any relief whatsoever. At least so far as the business they had transacted, they were entitled to payments under their contracts and there is no justification why they should have been deprived of it. There is also nothing to show—although there is also nothing to debar it—what will happen to those agents to whom any commissions may be due. That was also one of the items on which information should have been made available to this House namely, whether there were any agents whose commissions had accrued and payments had not been made. We should have also been told the number of people affected by such a policy and whether there are any people complaining against this? If all these facts had been mentioned, that would have placed the hon. Members of this House in a better position to judge the various provisions that have been suggested here.

Then, as regards the employees who were with the Allianz Und Stuttgarter Company formerly and are not there at the present moment, I would say that one is not satisfied merely by the mention of the fact, that they were not prepared to go to Madras. We would like to know what offers were made, whether there were any negotiations or whether the terms offered to them were in any sense fair. It is very easy to say: "You will draw only the salaries which you have been drawing so far. We will not give you any travelling allowance. If you want to join at Madras you can do so and take your chance. We are not prepared to do anything more." If that was the case, certainly the vehemence with which my friend Mr. Kamath spoke would be justifiable. Only on being properly informed shall we be able to judge whether any fair terms were offered to these people when they were asked to join at Madras? These are the points on which the hon. Minister should, at any rate before this motion is put to the House and carried, be pleased to give information so that we will be in a better position to judge the various provisions incorporated in this Bill.

Shri T. T. Krishnamachari: In rising in support of the motion made by my hon. friend the Minister of Commerce, I would like to point out that while the House is entitled to all the information that it wants in regard to this transfer of the assets of Allianz Und Stuttgarter Company to an Indian Company, I think the claims that have been put forward by some hon. Members on behalf of certain interests

associated with the Allianz Und Stuttgarter in the past are a trifle beside the mark. I would for instance take the question of cessation of payment of commission to past insurance agents. My hon. friends who put in a plea on behalf of the insurance agents have forgotten the one fact that this Company ceased to function as a Company from almost the outbreak of the war, and the assets of the Company were vested in Messrs. A. F. Ferguson and Company who were merely caretakers and did not canvass any new business. In fact, all these insurance agents have, during all these years, done no work at all; and normally if an insurance agent of any company which is functioning ceases to do any work, well, he loses his rights.

Dr. Deshmukh: Was it not due to circumstances beyond the control of the insurance agents?

Shri T. T. Krishnamachari: They were all due to circumstances beyond the control of anybody concerned because nobody wanted Germany to go to war, nobody wanted.....

Babu Ramnarayan Singh (Bihar): Sir, on a point of order. May I know how long the struggle for seats will continue? In the morning I was sitting here. Now Shrimati Durgabai does not allow me to sit here.

Mr. Deputy-Speaker: There is a seat vacant to the hon. Member's right. The hon. Member will kindly take his seat to the right.

Babu Ramnarayan Singh: That is not my seat.

Mr. Deputy-Speaker: I wish hon. Members will adjust among themselves instead of calling for aid. Hon. Members are aware that this matter was brought up before the hon. Speaker and it was suggested that seats might be allotted. Of course, the seats may be allotted, but the hon. Speaker thought that it may be left to the discretion of hon. Members themselves. There is so much of space behind, there need not be a scramble for seats only in front. Surely, older gentlemen should be given preference over younger ones—sex exempted.

Babu Ramnarayan Singh: May I say one thing?

Mr. Deputy-Speaker: Yes, but the point of order does not arise with respect to the subject-matter of this Bill.

Babu Ramnarayan Singh: It is a point of order for the whole House. May I suggest here that the hon. Speaker may allot seats, in whatever way he thinks proper, and the Members will be satisfied with the seats allotted? But this struggle every day and every minute is not proper.

Mr. Deputy-Speaker: I shall certainly inform the Speaker of the opinion that has been expressed by the hon. Member.

Shrimati Durgabai (Madras): Sir, on a point of explanation. First of all, I had taken this seat but this gentleman had displaced me. Anyhow I will respect his age and darhi and I will give the seat to him.

Shri T. T. Krishnamachari: To resume where I had left. In regard to clause 5 of this Bill, my hon. friends do not understand one particular point. That is, they are trying to revive a right which has been lost altogether. Secondly, irrespective of the fact whether it is right to transfer the assets of Allianz Und Stuttgarter to the United India Life Assurance Company or to any other Indian Company, it must be recognised, and I think it is recognised by hon. Members, that the assets of the Allianz Bank do not entirely cover their liabilities. There is a certain amount of deficit. Any Company that takes it over has to undertake a burden in view of the fact that the Government have all along tried to see that not merely do policyholders get the entire amount due to them, but also that policyholders who in the past have been paid and the amounts to whom have been cut by 20 per cent now get back what they have lost. Under these conditions if my hon. friends in this House think that all kinds of rights could be resuscitated and imposed upon any Company, no matter which Company that is.....

Dr. Deshmukh: Nobody suggested such a thing.

Shri T. T. Krishnamachari: Well, I don't know. I understand the English language probably not as well as my hon. friend who holds a Doctorate, but that is my understanding of what he and some other friends said. My own feeling is that, if the Government or some other company because of the interference of Government is going to do something decent to these unfortunate policyholders who had taken a policy in a foreign company, there is no use putting additional burdens on the parties that are helpful. I am sorry that although my hon.

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friend Mr. Sahaya talked at length on this point I could not understand what he talked about. He felt that I liked the sound of my own voice. Perhaps I do. I think it was Mr. G. K. Chesterton who said that there are some people who like the sound of their own voice and therefore speak, but there are yet some other people who do not know the sound of their voice and therefore speak. Perhaps, I belong to the former category and my hon. friend, who is not here at the moment, belongs to the latter!

Another question has been raised, I think by my hon. friend Shri Himatsingka. He is a very competent solicitor having a lot to do with business, but I do feel that he has not bestowed as much attention on these two clauses as he would if a client presented a document to him on which a fee was marked. The position is that clauses 3 and 4 are in effect mutually exclusive. They overlap to a very, very small extent, and clause 3, where it refers to A. F. Ferguson and Co. is descriptive. I therefore think that both clauses are necessary.

One other matter which I would like to refer to is the point which you were good enough to raise. You asked why there should be a special mention in regard to paragraph 4 of the First Schedule where there is already paragraph 2 therein. Now, I am not an apologist for the Government or for the Draftsman but my own reading is that it is put in by way of abundant caution. The fact that there is paragraph 2 in the First Schedule does not mean that paragraph 4 need not be there.

Some queries have been raised which are rather factual and can only be answered by the hon. Minister. But I shall refer to the question of mutualisation. You, Sir, perhaps know that most of us are with you in so far as what we want the future of the insurance companies in this country to be. We have no difference of opinion at all there. We would like them all to be either nationalised or mutualised. But in this particular instance, it seems that admittedly the offer of the company to which the Allianz assets have been transferred is perhaps the best, considered from the point of view of the policyholders. But we should remember that mutualisation could not be affected in regard to this company whose assets are not very considerable. There is also the fact that we do not want the company to be in the same state in which it was when its management was vested in A. F. Ferguson and Co., but we want it to be a live and progressive com-

pany, getting new business and therefore expanding. In such a case, it would be rather difficult for a company to function with small assets. Of course, the point may be glossed over if the Government had decided that notwithstanding the fact that the offer from a mutual company is not very good, they would transfer it to a mutual company. That is a matter of fact which the hon. Minister only can deal with, but on the face of it, it looks to me as if the Allianz Bank could not have existed on its own as a separate company and most of us in this House, including the Chair, would agree that small companies mean a lot of waste and therefore take away by way of overheads amounts which are legitimately due to the policyholder.

I would like to add one or two more remarks, if I may, after Lunch.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

(MR. SPEAKER in the Chair)

Shri T. T. Krishnamachari: Before the House adjourned for lunch I was dealing with the criticisms voiced by my hon. friend Mr. Himatsingka in respect of clauses 3 and 4 of this Bill. Mr. Himatsingka felt that the wording of clause 3 in so far as it precisely defines the assets transferred by the company that was administered by Messrs. A. F. Ferguson and Company was unduly restrictive and in any event as this has been dealt with in clause 4, clause 3 is redundant.

Shri Himatsingka: I did not say clause 3 is redundant. What I asked was whether those words cannot be deleted.

Shri T. T. Krishnamachari: In fact if the words are deleted in effect it takes away the purpose of the clause. If you do not have the words "A. F. Ferguson and Company", one can really presume that the entire assets and liabilities of the company that was functioning before Messrs. Ferguson and Company took over is being transferred.

In fact the draftsman has to be complemented in this particular regard, because what has happened relates to a period of about ten years back or thereabouts during which the Allianz Und Stuttgarter ceased to function and Fergusons came in as more or less caretakers. They did no new busi-

ness. If any claims or any such thing against Allianz Und Stuttgarter remained and if they were barred by limitation, naturally we cannot by an Act of Parliament give life to it. I am coming back to this particular point in another connection.

My hon. friend from Bihar Shri Syamnandan Sahaya took exception to clauses 6 and 7. I would only like to mention to my hon. friend who is very well-versed not merely in company law but also in insurance and banking business, that he has failed to take note of the provision in section 35 of the Insurance Act, as amended by the amending Act of 1950 where courts powers have been transferred totally to the Controller of Insurance in respect of amalgamation and any residual power given to the courts in other regards in the original Act has also been transferred to the Central Government. Section 35 as it is today applies to all companies covered by the definition in section 2(9) in respect of Indian insurers. If Allianz Und Stuttgarter was an Indian company coming within the mischief of clause (9) of section 2, there would have been no necessity for this Bill. Government could have dealt with this matter in the executive sphere. The Central Government could have instructed the Controller of Insurance to proceed and he might have arranged for the amalgamation. He has ample powers to proceed, to remove difficulties, to smoothen all difficulties which might come in the way and also to deal with rights of parties, and in so far as the powers which section 35 gives him to determine the rights of parties in case of amalgamation. My hon. friend will find, if he goes through section 35 as amended, that the initiative in respect of amalgamation of two companies, as defined in clause (9) of section 2, lies ordinarily with the Board of Directors. Here it happens that there are no Boards of Directors to take the initiative. It also happens that the Insurance Act as it is does not confer the power upon the Controller to effect the amalgamation. That is why we have this Bill.

Secondly as the company is not covered by the provisions of the Insurance Act, the powers mentioned in clauses 6 and 7 which are those already enjoyed by the Controller of Insurance and the Central Government under the Act have to find a place in the Bill. It is merely a reiteration of what the Act contains in respect of Indian Insurance so as to remove the difficulties. Does my hon. friend want that if there should be any difficulty in regard to the transfer of assets to the new company the

rights of policyholders to that extent should be vitiated or the amount of benefit that they get should be circumscribed by omitting these two clauses.

As I followed the trend of the speeches of some hon. Members I felt that they took this as an isolated Bill of Parliament unrelated to the Insurance Act, as it has been amended early this year. They proceeded to deal with from the point of view of opposition, with all that Government does, actuated probably by doubts in regard to the *bona fides* of Government's intentions. If that is the position I have nothing to say. My hon. friends have got a perfect right to question the *bona fides* of Government. But this is a peculiar case in which the Act does not confer any power on Government or the Controller of Insurance to deal with amalgamation. Where the measure has to come before Parliament for special sanction all the provisions in the Insurance Act giving special powers either to the Central Government or Controller of Insurance have got to be enumerated in some form or other in the body of the Bill and that is the only justification, I feel, for such an elaborate Bill for the purpose of effecting a transfer which in ordinary circumstances would not have come before the House and no Member of Parliament would have even known that two Insurance companies have been amalgamated. In fact, amalgamations and changes are going on today in the insurance world in a manner which is breathtaking notwithstanding all the hedges that Government and Parliament have created. But in this particular case my view is that it is so simple that the time that has been taken by hon. Members of this House in order to safeguard the interests of either policyholders or of agents or of employees is to such an extent as is not justifiable.

So far as the question as to why Government chose this particular company to transfer the assets of Allianz Und Stuttgarter is concerned, my hon. friend the Commerce Minister did indicate it in his opening speech and I have no doubt that when the time comes for his reply he will be able to tell the Members of this House what the nature of the offers of other companies was. So far as I am concerned, I feel that it is quite possible, while for that matter it is quite certain, that other companies would not have made the offer that this company has made, namely that they would pay in full the dues of the policyholders, also make good the shortfall that some of them have suffered when the Company was

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being administered by Messrs. Ferguson and Company, and not merely that, that if there is a further valuation of the Allianz Co. assets at a later date, the benefits of that valuation if any would go to the policyholders of the Allianz Und Stuttgarter. That I understand is the general nature of the offer of this company which the Government has ultimately accepted. In fact holding the views that I do on company management of insurance business, I have no reason to feel particularly partial to this company or that company. But in the circumstances, with the Act as it is, with the Government policy as it is today, I feel that the Government have done their very best so far as the interests of the policyholders of Allianz Und Stuttgarter are concerned.

One word about the employees about whom my hon. friend Mr. Kamath waxed eloquent. In fact he himself has supplemented the information that the Commerce Minister has given in regard to the position of the employees in that he has stated that a certain number of employees of Allianz Und Stuttgarter are being taken over in the United India Assurance Company. Again the assurance given by the Commerce Minister that those employees of the Allianz Und Stuttgarter who are not provided for by the company that takes over the assets of Allianz will be treated on the same footing as retrenched Government servants for purposes of re-employment is an assurance which I think is as generous as any assurance that could possibly come out of the mouth of any Government Minister. I do not think the point need be laboured further. Actually the position and status of the ex-employees of the Allianz Und Stuttgarter company have been considerably enhanced so that they are now in the position of any Government employee who has been retrenched, to provide an opportunity for service to whom is an obligation on the part of Government. Therefore I feel that most of the points raised by my hon. friends either arise from a misapprehension of facts or because of a certain type of zealotness unrelated to the facts of the Bill that is before the House.

I therefore feel that this is a very small measure dealing with a microscopic portion of the insurance world in this country and it need not engage the time of the House any more as I think on reflection my hon. friends will be convinced that Government have done the best not merely for the policyholders but also for the future of insurance in this country.

Shri T. N. Singh (Uttar Pradesh): I am really surprised that this measure which is a very minor measure dealing with one company's affairs should have aroused so much discussion. The precarious position in which the assets and the business of this company were placed as a result of the war are somehow at this stage being put in order. But I would like to stress that a company like the United India Life Assurance Company in agreeing or offering to take over the assets and liabilities of this concern has not been moved by any charitable considerations, and to make out that this offer is something very great and generous is not giving the correct picture. I feel I am sure Government are also aware that by this transaction the United India Life Assurance Company also happens to benefit. That is the real fact. So it will be better to consider this Bill from the purely business point of view—the give and take of the whole transaction.

I feel that one or two points the hon. Minister may consider especially relating to the position of the policyholders and insurance agents and whether they can do something to ensure that whatever assurances the company has given are duly kept. That is certainly a thing on which the House can insist and should insist. With regard to the policyholders I want to urge that it has certainly been an act of some courage for these policyholders knowing that the company would be in a position to honour 20 per cent. less than the actual value of the policies that they continued to pay the premia for all their policies. It also redounds to the credit of those insurance agents who were responsible for getting in these policyholders with this company to see that the insured continue the payments of their policy premia. So as a matter of fact they deserve some very good treatment which I am sure Government want to ensure for them, and I think we shall not be in anyway over-stressing the matter if we urge that the interests of the policyholders and the insurance agents or the employees of this concern should be protected.

Secondly, since there is nothing wrong in assuming that this is purely a business transaction in which the insurance company stands to benefit as much as the policyholders, if it is going to be a really joint and merged concern I want to know why the policyholders should not benefit from the United India Life Assurance Company's overall business turnover and be treated on the same footing as other policyholders of that company?

After all they have been duly meeting their due liabilities on the policies. And once the company has taken over the entire business of this concern Allianz Und Stuttgarter—it is a German name and I need not try to pronounce it either in German or English, you will please excuse me—then I think they deserve to be treated on a par. I would urge the Government in any further negotiations or talks that may take place after the passage of this legislation to see that no difference is made between the benefits accruing to the policyholders of the erstwhile company and the policyholders of the United India company.

Thirdly, I no doubt feel that this measure has been long delayed—after all for five years after even the closure of the war this concern has been in a static condition and the business has suffered and it will not be proper to delay it still further. At the same time I would like to ask Government since they could delay it for five years and no measure was passed why were they in such a hurry to promulgate an Ordinance about this small thing? Could it not have been possible to wait for another three months and get things done right now at present?

Then I would like to draw the attention of the House to the proviso to clause 4. It says:

“Provided that no provision in any such contract for the payment of any bonus, profit, interest or dividend on any life policy shall have effect against the transferee company except on the basis of an actuarial valuation of the business of the transferor company made after the commencement of this Act.....”

After all it is none of the policyholders' fault that this insurance dividend has not been earned. The Government should see to it that the policyholders of this company are put on a par with the policyholders of the absorbing company. Otherwise this proviso may act to the detriment of the policyholders. The full implications of this may be considered by the hon. Minister.

Clause 6 says:

“The Central Government may, by order notified in the Official Gazette, make such incidental, supplementary or consequential provisions, as in its opinion, are necessary to secure that the transfer of the assets and liabilities of the transferor company to the transferee company are fully and effectively carried out.....”

I have drawn attention to this because it is likely that it may cause some misunderstanding later on. If the company were to say that the Government have not fulfilled their obligations as envisaged in this clause and they are not bound by the subsequent commitments, I want the policyholders to be protected against any such misuse of the provisions of this clause 6. I have nothing further to say except that I was sorry that so much heat has been created over this Bill. After all, there is no need to charge anybody, Government or anyone else with callousness or anything like that. It is not such a vital measure that such a hue and cry should be raised.

Shri T. Husain (Bihar): My only source of income has been from *zamindari* and when I found that Government were going to take away all the *zamindari* from all the *zamindars*, I was very much perturbed and I opposed the Government then. I was told that it was in the interests of the public that all these things which belonged to private individuals in any shape or form must ultimately belong to the State and all of them must be nationalised. When I read this Bill, I was surprised that Government were not following their policy which they followed when they wanted to make me a pauper by nationalising my *zamindari*. My hon. friend, Mr. B. Das, wants to know what this has got to do with *zamindari*. I am afraid, my friend has not understood the policy of Government. The policy of Government is to nationalise everything, insurance companies, *zamindari*s and everything and therefore this is as much relevant as speaking on the clauses of the Bill itself. I thought that this was the best opportunity for Government. They should have started with this insurance company. Nobody would have had a grievance. When they started nationalising transport and *zamindari*, people had grievances; cases were fought in the High Courts; they are still being fought in the High Courts and the Supreme Court but in the case of this German Company there would have been no grievance by any party. I therefore fail to understand why Government did not start nationalising this very small company to begin with.

Now, this German Company has been transferred to a company called the United India Life Assurance Company, Ltd. I would like to know from the hon. Minister the assets of the latter company and the assets and liabilities of the former that are going

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to be transferred to the latter. I would like to know whether by transferring the business to the United India Life Assurance company the shareholders' interests will not be jeopardized thereby. Has the United India Life Assurance Company sufficient assets to maintain themselves and the German Company?

I want to know what the standing of the company is. Are they sufficiently old and have they got a good reputation? All these things I would like to hear from the hon. Minister when he replies. The last point that I would urge before the hon. Sri Prakasa is this: Many policies of the policyholders had lapsed. At present in nearly all the companies there is an automatic revival policy whereby the policies cannot lapse. In this particular case it was a German company which ultimately became an enemy company and so was taken over by the Custodian and now it is being transferred in the interests of policyholders to an Indian company. I therefore submit that the policies which have lapsed should be revived on good terms so that the Indian Policyholders may not suffer. These are the only three points that I wanted to raise.

Pandit Thakur Das Bhargava (Punjab): I am rather surprised at the manner in which the previous speakers have dealt with this question. The gentleman, speaking before Mr. Hussain, was surprised at the manner in which we were behaving and I understand our learned friend Mr. T. P. Krishnamachari also complained against the manner in which criticism was levelled against this Bill. While I was hearing all this, I was still hearing from these Members some of the objections to the Bill. The previous speaker said that the policyholders of this company—Allianz Und Stuttgarter Life Insurance Bank, Limited may be so placed that they ultimately become more or less the policyholders of the United India Life Assurance Company, Ltd. I do not agree with that proposition. At the same time he complained of clause 2 and proviso to clause 4 and complained in other ways clearly proving that though this might appear to be an innocuous Bill it was not really so. I do think that the principle involved in clause 5 sub-clauses (1) and (2) is certainly very unfair. To say that the services of the agents etc. should be taken to have been terminated in 1942 and to say that those persons who had earned something by way of commission or bonus are not entitled to it and giving this decision without consulting or hearing them and without

their being a party to any agreement is to say the least unconscionable. In all laws whether retrospective effect is given, some reason is given why this exceptional course is adopted. I find from the Statement of Objects and Reasons that nothing has been said about this. Again under clause 5(2) for future also those persons who did the field work or secured the policies etc. were entitled on every renewal to the same commission or the same remuneration. In future also in the interests of this new company the rights of those persons have been taken away. This is rather too much. The effect of a transfer of a company is that the new company takes over the rights and liabilities which have already accrued and the original basis and the original terms could not be tampered with. The result will be those persons cannot go to a civil court; they cannot just recover their dues, if we pass this Bill. When it is said that the effect of this transfer is very good, that the policyholders would be benefited, there is no reason why these field workers should be stabbed from behind. Further, I do not understand why the United India Life Assurance Company is ready even to pay 20 per cent. in respect of the matured policies except on the basis that they are gainers; they get all the money which belonged to the other company. I am given to understand that about Rs. 80 lakhs are there and in addition the new Company gets all the custom. But I cannot understand why the persons who have worked for the company should be deprived of their rights. At least in regard to clause 5(1) I can understand and there is the Controller of Insurance who may be given powers to see that they get something, whatever he thinks proper; at least 50 per cent. they may get but in regard to the future, clause 5 is most objectionable. There is absolutely no reason why we should go out of the way and take away the rights of those people. In regard to these two matters, the matter is worth considering and it is not as if we have wasted our time in regard to this Bill.

As regards clauses 3 and 4 I beg to submit one simple point. I agree that there should be absolutely no inconsistency between the two clauses, and that one should flow from the other. It is stated in paragraph 3: "carried on immediately before the commencement of this Act by Messrs. A. F. Ferguson & Company, Chartered Accountants of Bombay, under the Defence of India Rules." These words are certainly descriptive but they are also restrictive. Clause.

3 has no reference to the business which was not carried on by Messrs. Ferguson & Company and which existed before Ferguson & Co. took charge. In my humble opinion, if these words are taken away, we do not lose anything. The effect of the transfer is to be seen from clause 4. These words which are unduly restrictive should be taken away.

3 P.M.

Next, some expectation has been taken to the proviso to clause 4 I for one do not object to that. This is a fair thing, after all. I have also tabled an amendment to clause 5. I would beg the hon. Commerce Minister to give the matter his sympathetic consideration and see that those persons who are in law entitled to something, should not be deprived in this manner without consulting them, and without considering what the future effect on them will be. When the policyholders and others gain, there is no reason why these people alone who really were instrumental in bringing prosperity to the company should be treated in this manner.

Shri Joachim Alva: As was said by my hon. friend, Mr. Husain Imam, we heartily welcome the new Commerce Minister; but we offer a lesser welcome to the measure he has sponsored today.

There are a number of reasons, the first reason being in regard to clause 5 to which my hon. friend has already referred. I find that the interests of the company which takes over the Allianz has been perhaps well protected in this sense. When the hon. Minister read out the list of the names of the companies which were willing to take over the company, he read the names of some bad and indifferent companies—I shall not mention them—and the names of the best companies came at the end, the New India Life Insurance Co., the Bombay Mutual Insurance Co., and the Oriental Life Insurance Co., which are three out of the six leading companies in India. They also put in their offers to buy over the Allianz. We do not know what were the terms that they offered and how this United India Life Assurance Company, which belongs to Madras, came to get the offer, and now some of the companies of Bombay, the centre of the Insurance world, which made the offers were ignored or rejected.

Secondly, my hon. friend said that clause 5 is objectionable. I would say, scrap it, because it does not take note of the interests of the poor canvassers. After all, an insurance company has been built by the blood,

sweat and toil of the canvassers. They may get 30 or 40 per cent. when the proposal is first canvassed; thereafter they get nothing substantial. Their claims have been completely ignored. The life-blood of an insurance company depends on the strength of the canvassers. They are so numerous and they built up an insurance company, especially in the early days of insurance in India. Their interests have been completely ignored. You have cut 20 per cent from the people who have insured their life; but these people have been completely neglected. I would strongly urge on the hon. Commerce Minister to see that something is given to these men. First by an Ordinance and then by force of legislation, nothing has been given to them and you say that their contract is terminated. They shall have no recourse to a court of law and they can only go to the Controller of Insurance. The claims of these people which are sought to be buried by clause 5, should be revived in some shape or other and they ought to be given something. It seems to me that the interests of the United India Life Assurance company, which takes over have been paramount. The rights of the workers have nowhere been conceded. The rights of the people who have insured their lives have also been ignored and you cut 20 per cent. from their dues. But, who are benefited? My hon. friend Mr. Singh said that this is a small matter. If you are watchful in small matters, bigger matters will take care of themselves.

Here is an international company with headquarters in Berlin. The hon. the Commerce Minister has not enlightened us about this fact whether any communication was sent to the German firm to ascertain whether they would revive their trade in India. Western Germany is not an enemy country; nor is Eastern Germany. I gather that most of the prosperous big concerns in Germany and Berlin have transferred their assets and their activities to the Anglo-American sectors in Berlin or Western Germany. If that is the case, certainly, the Commerce Department should have communicated with the headquarters of the firm in Berlin as to whether their company was prepared to continue their business after the war. What does not belong to us, we should not grab; what belongs to others should be respected. Under that scheme I feel that we have violated a kind of international principle by seizing the assets of this company and passing them over first by ordinance and then by legislation. Out of ordinary decency we should have asked this company

[Shri Joachim Alva]

whether they were prepared to carry on their activities in India. There were many German firms. I can give instances. Take for instance the Ritz hotel in Bombay, which was owned by an Italian. The owner was in jail for some time. He sold his concern. Ordinary decency, I say, you should have extended to the German firm.

The last point is this. After all is said and done, the assets represent a pot of gold. We have seen during the last ten years, a few people always try to grab the assets. They have no love for the business, they have no love for the manufacturers, they have no love for the newspapers. They always try to seize the funds, with no benefit to the shareholders, with no benefit to the workers who have built up the company. I shall not name any concern. One concern took over huge funds and seized three textile mills and bought over a journal. I shall not name it. These facts are well known. Only the funds of the concerns were important. The rest does not matter. In this case, as my hon. friend Pandit Thakur Das Bhargava said, eighty lakhs of rupees are the prize for the United India Insurance Company. There is the New India Insurance Co., which has got branches and offices and representatives in every part of the world and it was reported in newspapers that the largest insurance business in South East Asia was taken up by the New India Insurance Co. Then there is the Oriental Insurance Co., which is a very big company and there is the Bombay Mutual Company run in Bombay on a cooperative basis. All these three companies offered to take over or absorb the German concern. We have got respect for the hon. Commerce Minister; we see the team in action for the first time; Mr. Karmarkar is there. We like them very much. If people in the Secretariat are more busy and want to rush this proposed Bill through we shall resist it.

Shri Sri Prakasa: It is indeed good of the House to have taken such interest in what was otherwise a small and innocent measure. I am particularly grateful to all hon. friends who have made kindly references to myself personally. I shall try to answer the various points that have been made in the course of the debate this morning and afternoon.

My hon. friend the Deputy-Speaker particularly expressed the opinion that this Company might have been turned into a mutual company. This suggestion was also made by some

policyholders of the Allianz when we were going over the various courses open to us. The proposal did not commend itself to the Advisory Board and to Government because it meant the utilisation of the existing funds for the acquisition of new business, a very hazardous and often profitless task even for an experienced insurance management while, perhaps, the proposed mutual company would have been run in all probability by comparatively inadequately experienced people. That is how we rejected this proposal.

Then my friend also asked why this company—The United India Life Assurance Company—was chosen. The reason is that this company was the only one that offered not only to pay in full the 20 per cent. that had been deducted in the older arrangement, but also offered to keep the accounts of Allianz separate and pay bonuses on profit policies if future valuation justified it. No other company offered these favourable terms; and therefore the offer of the United India was accepted. I have before me the offers made by the various other companies that I named this morning; and if any hon. Member should be interested, I shall be glad to hand over all these papers to him so that he may be able to study the various offers made by the companies to whom we addressed our letters. But I fear it will take too long a time to read all these papers here in the House and will serve no useful purpose either.

The question has also been asked as to why the United India Life Assurance Company should have made such offers, and how they are likely to run the business when others could not do so. The reason I can think of is that there would be economy in expenditure. While Messrs. Ferguson had to maintain a large staff, this company would not have to maintain that much of staff, and they would have no losses. Surely, as my friend Shri Tribhuvan Narayan Singh said, the company has not made its offer in any charitable spirit. They naturally wanted to come in touch with the clientele of the Allianz Company which would be of help to them in their own business. That is why I take it, they have made the comparatively generous offer that they did.

My hon. friends the Deputy-Speaker and Mr. Kamath want to know what the amount was that was involved in the 20 per cent. cut. I find that the amount was Rs. 5,86,000.

Many hon. Members have spoken about the agents. I have full sympathy both with the agents and those of my friends who have spoken for them. When the original Insurance Bill was being discussed in the old Central Assembly, I also put in many a kind word for the agents who are the field workers, and I entirely agree with my friend Mr. Alva who said that every Insurance company depends very much on the activities of these agents. But as ill-luck would have it, the terms that we offered to the various companies when we communicated with them as to whether they would be prepared to take over the Allianz, included one which said that no commission will have to be paid to the ex-agents of the Allianz; and this was issued by the Ministry as far back as the 10th November, 1949. Because of this, the various offers were made, and as this has been a condition precedent to our negotiations with them, I fear we cannot go back on it now. It is not now possible to revive the old negotiations and call for fresh offers.

My friend Mr. Kamath has said that we might have gone back to the old German firm. This was one of the courses that was discussed, and Mr. Alva has also this afternoon stressed that point. But we are advised that under Article 6 (a) of the Final Act of the Paris Reparation Conference, it is not possible for any assets of German firms in India to be transferred to the original holders. How the hotel to which Mr. Alva referred, has managed to get round this proviso, I cannot say. I have also been asked by my friend Mr. Kamath as to the condition of the company in its original home. I understand that the firm is practically defunct; but one or two directors are still alive and they are trying to take some interest in it.

As regards the staff, Mr. Kamath obviously knows more than I do; but my own information is that the staff consisted of one officer, 18 clerks and five peons. The company thought that there would be no point in trying to take the peons to Madras; but they did make an offer to the other 19 persons. Originally three offered to go to Madras; but now only two are willing to go. Notice has been given to 12 out of the 24. So only 12 are now working in the office. In due course these 12 will also be served with notices of termination of their appointment, unless they accept the offers, that have been made to them.

Shri Kamath: Has the offer been made to all the employees?

Shri Sri Prakasa: That is so.

Shri Joachim Alva: I want a little explanation. Does the clause of the Paris Treaty prevent the funds here in India being transferred to the original company, to be managed directly in India, in the interests of the company and the shareholders?

Shri Sri Prakasa: The assets of the company that are with us in India would now be utilised by the company that is taking them over. So far as I am advised, we cannot transfer the assets we have, to any foreign firm outside India,—any so-called enemy firm—we cannot send these assets back to the company's original home.

I must confess that I have every sympathy with the staff that has been working for this company; but as my friend Mr. Kamath himself said, no definite guarantee was given by the Ministry for the re-employment of the staff. We stand by every word that we wrote to them then; and as the House will agree, we are trying to do our best for them. But the House will surely appreciate that it would not be possible to give a higher status to the employees of this Allianz company than what Government gives to its own retrenched employees; and I must say that in all these negotiations, the interests of the policyholders have to be regarded as paramount.

Mr. Kamath also told us that Messrs. Ferguson & Co. could not have done very well when they showed a loss—or what he called a loss—of five lakhs. The fact is that according to the actuarial calculations, the original loss when the company took over, was ten lakhs; and now it has been reduced to five lakhs. This I think, is a good record. The calculations by the actuary were based on the full payments of the policies; and this amount of 20 per cent. was cut because of this loss. The House will readily recognise that when a business has been closed and no new business is being taken and naturally the expenses go up, because the staff has got to be maintained and policies paid off as they mature.

I should like to assure my hon. friend Mr. Himatsingka that clause 3 is only a descriptive clause; and we have been assured by the Law Ministry that there is no restriction involved such as he suspects.

Dr. Deshmukh asked for the date of termination. That was 14th

[Shri Sri Prakasa]

December 1939. The number of policies in 1948, as I have already said, was 9,763. We do not know what exactly the number of policies was at the beginning of the war. We also do not know what were the terms that were offered to the employees.

My hon. friend Mr. T. N. Singh asked why we have been in a hurry. It was because we were not sure that the company will keep its offer open; and as soon as the terms were finalised we wanted to carry out the scheme of merger.

My friend Mr. Tajamul Hussain has proposed nationalisation. We could not begin nationalisation at once and in the case of only one company. It is a matter of general principle; and when all the companies are being nationalised then this will also be taken into consideration. He referred to the nationalisation of zamindari. On that point, for personal reasons, I may have my own sympathy with him!

In short the main purpose of the Bill is the protection of the policy-holders; and I take it that that is the main purpose of all insurance Acts. As far as I can see, we have tried to protect the interests of all; and if some have to suffer, they, I fear, must suffer. It is quite clear that if we went about asking for more generous terms for agents and others, the policy holders are bound to suffer, because no company would agree to the terms that this company has given to us.

I do not think there are any other points made in the course of the debate that require any reply and I have every confidence that the Bill will be passed by the House.

Shri Syamnandan Sahaya: Is there any prospect of the revival of the policies that have lapsed under the scheme?

Shri Sri Prakasa: The general insurance law will cover that point and the same rules will apply to the lapsed policies of this company as apply to the lapsed policies of other companies. For the satisfaction of my hon. friend I should like to say that those policies that had matured and been paid off at 20 per cent. less, will now come under the purview of this new agreement, and the 20 per cent. cut imposed will be restored.

Shri Kamath: With regard to the offer that has been made by the transferee company to the members of the staff is it a fact, firstly, that they have been offered less remuneration than they have been drawing so far; and, secondly, what is the difficulty in asking the transferee company to absorb these members of the staff in the branches of the United India Life Assurance Co. elsewhere than in Madras? They have branches all over India. Is it a fact that they have been offered remuneration which is far less than they have been drawing so far?

Shri Sri Prakasa: I could not say exactly what terms have been offered to the members of the staff; but I will undertake to write to this company and see if it is not possible for them to be more generous than they have been. But my hon. friend must also use his undoubted influence with the members of the staff whom he evidently knows well, so that they might respond and co-operate.

Shri Kamath: Oh, yes: They are only too eager to do so.

Mr. Speaker: The question is:

"That the Bill to provide for the transfer of the business of the Allianz Und Stuttgarter Life Insurance Bank, Limited, to the United India Life Assurance Company, Limited, and for matters connected therewith, be taken into consideration."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 4.—(Effect of transfer of assets etc.)

Shri Jnani Ram (Bihar): I beg to move:

Omit Proviso to sub-clause (1) of clause 4.

This proviso prevents the policyholder from getting any bonus, interest, etc. A policy is a contract between the company and the policyholder and in this transaction the Allianz Und Stuttgarter Company and the United India Life Assurance Company are parties and the policyholders are not parties. I do not think that it is proper to deprive the policyholders of the benefit of bonuses and interests. I therefore press my amendment.

Mr. Speaker: Amendment moved:

Omit Proviso to sub-clause (1) of clause 4.

Shri Sri Prakasa: I regret that I am unable to accept this amendment, because that would mean that the transferred policies would be entitled to profits, on the same scale as the with-profit policies of the United India Life Assurance Co. It was one of the agreed terms that these policies would be taken over as non-profit policies and we cannot go back on that. The proviso itself is a concession, as it provides for payment of bonuses if actuarial valuation later will justify it and, as I have already said, we selected this company, because it was willing to give profits to the policyholders—no other company was willing to do it—if actuarial calculations of the assets and liabilities of this company justified the same.

Mr. Speaker: The question is:

Omit Proviso to sub-clause (1) of clause 4.

The motion was negatived.

Mr. Speaker: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5.—(Cessation of payment of commission etc.)

Shri Jaani Ram: I beg to move:

In sub-clause (1) of clause 5, omit all the words occurring after "deemed to have been terminated".

It is proposed that all agreements with agents will be terminated. While moving the Bill the hon. Minister said that there has been a compromise with the agents but this does not find any place here and therefore these amendments are being moved. Some hon. members said that by termination of the services their interests in the company ceased but as far as I remember the agents get commissions from all the premia paid to the company and by accepting service in some other company they do not lose their interest in the premia to be paid in future to the transferee company. I, therefore, think it proper that these amendments should be accepted. The poor agents who have taken so much trouble and expect to get something from the premia should not be placed at a disadvantage.

Mr. Speaker: Amendment moved:

In sub-clause (1) of clause 5, omit all the words occurring after "deemed to have been terminated".

Shri Sri Prakasa: I regret I am unable to accept this amendment. I have already read out to the House the terms that we had originally framed when we negotiated with various companies for the merger of the Allianz Company. There we definitely said that they would not be liable for payment of any commission to ex-agents of the Allianz Company. This clause is particularly meant to make sure that all the contracts were validly terminated in 1942 when the necessary notice was served on them and I fear we cannot now go back on that.

Shri M. A. Ayyangar: I am exceedingly sorry I have to differ from my hon. friend, the Minister in charge of this Bill. In negotiating it was wrong for the hon. Minister or anybody in his Department to have ignored the claims of the agents. They are the field workers. The hon. Minister has laboured hard to show, in reply to what Mr. Kamath had said, that even the lowest *chaprassi*, who was employed somewhere in Delhi, was offered services in Madras and it was left to him to accept or not accept. Only in those cases he tried to make the passage easy for the ex-workers and when it was inconvenient for them it was open for them to stay away. But I don't know why he makes a discrimination between the field workers and the other workers.

Shri Sri Prakasa: As I have already said, the Company has offered to re-employ all these agents also.

Shri M. A. Ayyangar: I agree, I have heard that. I am on another point. Without fault of theirs, the field workers who had gathered policyholders for the Company, and who in the ordinary course are entitled to renewal commission, under this Bill are not entitled to get any renewal commission from the 31st July, 1942, under ordinary circumstances and under the Insurance Act of 1938 they are entitled to it.

Now, not only does this Bill seek to avoid payment of the renewal commission that they are entitled to from 1942 up to this date, but so far as the future also is concerned all their contracts *ipso facto* get terminated. So far as new policies are concerned, you accept them as agents for entering into new contracts—that is another matter. So far as policies already taken by policyholders are concerned, you want to terminate their contracts and deny them the fruits of their labour. What is the justification? This was the manner in which the poor field workers were treated before 1938. In 1938 a section was added to the Act—Section 44—wherein it was laid down that

[Shri M. A. Ayyangar:]

except in cases of fraud, an agent's contract shall not be terminated, and if it is terminated he shall be entitled to the renewal commission. If he should go after ten years, even of his own accord, for those ten years of dutiful service he is entitled to renewal commission wherever he be. The only exception was that he should not take up service under any rival company. Barring that, whatever policies he has been responsible for during the ten years, their renewal commission he is entitled to get perpetually so long as the policies are in force. That was the provision that was inserted in the Act in 1938. That was a wholesome provision. Our friends here may think that without an agent there can be a policyholder. Without an agent nobody can work an insurance company just as without a manager or a clerk nobody can work an office. Therefore, I ask the hon. Minister to consider this matter: if before 1942 some persons were engaged as agents, or even after 1942 they continue to work, are they not entitled to renewal commission on the policies which they have secured? Is any Court of Law prepared to accept the position that they are not entitled to get it? No. In this case, so far as the agents are concerned they have done good work. Before 1942 they brought some persons into this Company and made them policyholders in the Company.

You are aware that when the amount of insurance premium is settled there is this item of renewal commission payable to the insurance agents, also included in it as one of the ingredients that go to make up the amount of insurance premium paid by the policyholder. For Rs. 1,000 for a period of 20 years, normally Rs. 40 is the annual premium that is likely to be paid. That amount of Rs. 40 includes the amount of renewal commission paid to the agent year after year. But now what are you doing? You are taking the renewal commission that is due to the agents for the honest work already done, and making a free gift of it to the United India Life Assurance Company. For what? They find that under the previous management they could not, with all good intentions, pay the policyholders cent. per cent. of the amount that was due. And it was suggested at an earlier stage that 20 per cent. of the amount of the policy ought to be cut down. Now, under the agreement with the United India Life Assurance Company, it has been arranged that they should hereafter pay, for the matured policies, the full amount of those policies. In addition, they must pay with

retrospective effect the full money—that is that 20 per cent. which had been withheld—on policies matured already. From what sources is this money being taken? We have drawn it from the insurance agents, the field workers. The field workers have no pension or provident fund scheme, they have no security of service. In spite of that, we know how a field worker works. He goes any number of times to an individual to get a policy. The renewal commission on that is at the most five per cent. Under the Amending Bill of 1950, the renewal commission is only to be 2½ per cent. You have reduced even that. In the face of this 2½ per cent. to a field worker who has no sense of security so far as service is concerned, who spends a lot of money during his work, who gets no travelling allowance, who has no pensionary or provident fund benefit, in the face of all these our friend here introduces clause 5 and denies to them what exactly is their due. He takes away what has been legitimately earned by them and makes it a free gift to the United India Company. He says that the reason is that the policyholders' safety and security is the primary concern of all of us. It means as if even those agents that work in the United India Company or any other insurance company, the hands and feet that sustain the Company, must not get the benefits—the policyholder must be pampered. There is no justification for this. What has been earned by the agents has been taken away from them. This is opposed to any constitution. How can we do that? Not only that, but for future also these contracts get terminated. Why should they not continue for the future? My hon. friend says it is open for them to accept them and that they have agreed to do. If they have agreed, don't interfere with the contract. Let the contract continue. Let them accept it. You are placing a whole body of field workers, without whom no life insurance company can work or thrive, at the mercy of a Company which has come into being not for charitable purposes. It wants to make money at the expense of the poor workers. I can't see any justification for this. My hon. friend Pandit Thakur Das Bhargava and I have tabled an amendment, rather late, to the following effect. I find there is some misunderstanding in the argument that as during the suspension period these agents did not work at all they need not be paid, but to insist upon it is not to understand the position properly. When once a policyholder takes a policy, what is the further work that is expected of the

agent? If the policyholder does not remit his premium in time or allows his policy to lapse, the insurance agent may go once again to him and advise him kindly to revive the policy. Nothing more need be done. It is possible that sometimes, on account of some disturbance or bad propaganda against a company, the policyholders may convert their policy into a paid-up policy and try to insure in some other place. In such a case, the insurance agent of this company has to carry on propaganda himself. But has it been suggested that these people worked against their company? Or that they did not address themselves to this task? In my opinion, the renewal commission is in consideration of what these agents once did. For keeping it alive, they also get this commission. But so far as those policies which have not been kept alive are concerned, they are not entitled to renewal commission. Therefore, let us not say here that even in cases where they are legitimately entitled to small pittances they should be deprived. Let alone this particular case. In an earlier stage, when we addressed ourselves to insurance law, we made provision in 1944 that the rights of these individual workers shall not be touched. Again, in 1950, section 44 has been amended and we have made it doubly secure for them. We have said in the latest enactment that it is open to the court to find whether it is impossible for an agent to work under an insurance company, in which case he can give up that company. If he does, he is entitled to renewal commission fully. Here, you have made it impossible for him to work. A number of people were paying insurance premia possibly on account of his going to them. I do not see any justification for keeping clause 5. I am opposed to it. It should be so amended as to read that notwithstanding any contract to the contrary, in the case of those people who have earned and to whom commission is due, the Controller of Insurance may reduce the commission by 50 per cent. During this period, much has not been earned. Therefore, you may give power to the Controller to reduce the amount by 50 per cent. This is the substance of my amendment and if there is no objection under the rules, either I shall move it or I shall ask my hon. friend Pandit Thakur Das Bhargava to move it.

Mr. Speaker: I may make the position clear. I have received notices of certain amendments to clauses 4 and 5; one to clause 6; and an amendment tabled by the Deputy-Speaker and Pandit Thakur Das Bhargava, received in office at 2-15 P.M. Obviously, all

these notices are beyond time and as the House knows, it has been my practice not to allow any last-minute amendments, unless they are amendments substantially agreed to by the parties concerned. In this case, if the hon. the Commerce Minister and the other parties concerned agree that some amendment should be made, then I shall be prepared to consider the question of waiving notice, not otherwise.

Then there is another point. Of course, it is not for me to enter into the arena of discussion, but when I was hearing the Deputy-Speaker's arguments, it appeared to me that the approach of the sponsors of this amendment is from a wrong point of view. I may be corrected if I am wrong, but the question, to my mind, is not so much one of deciding the equities or legal position under the insurance law as it is of choosing between two evils. You must either arrange to safeguard the greatest interest of the policyholders or you must leave them alone to suffer such colossal and huge losses as may have to be incurred. When I use the word 'wrong approach', what I mean is that this legislation is not based on any considerations of that type, but purely on an agreement entered into between the United India Life Insurance Company and the Government, in the interest of securing the maximum possible benefit to the policyholders under the circumstances. Therefore, any discussion as regards the equities of the case or the legal position appears, to my mind, to be off the mark. Obviously, Government must have tried all that they could do, but they had to accept what the United India Life Insurance Company had to offer, because I believe the position must have been 'either take it or leave it' and they have chosen, in the interests of the policyholders, to take it. So no fresh arguments on that basis need be advanced, unless of course hon. Members want the whole thing to go on the ground that Government have acted unwisely in accepting the agreement.

Shri Sri Prakasa: May I say with all respect, Sir, that you have put the whole position so succinctly and fully that I have nothing more to add. As Government are not prepared to accept the amendments proposed to be moved, naturally I feel that at this late stage no new amendments need be taken up; and for the satisfaction of my hon. friend the Deputy-Speaker, I may only

say that he may take comfort in the injunction of *niti*:

Sarva-nashé samut-panne

ardham tyajati panditah.

[The wise man faced with the danger of losing the whole, abandons one-half to save the rest.]

Pandit Thakur Das Bhargava: As you have been pleased to point out, Sir, there is absolutely no doubt that it is useless now to go into the merits of the question or advance further arguments. We have just now heard the reply of the hon. the Commerce Minister wherein he was pleased to say that Government advertised and asked the companies to come forward and give their offers. Now, when they did this, they started with the assumption that these agents did not exist. When the advertisement was given, they thought that these people need not be cared about. When the act of the Government is such, how can we condone it? Why should they bring this measure? They entered into an agreement and they are responsible for it, but they want this Parliament to put its seal on their action. Now, my humble submission is that when there was an agreement, the persons who were affected by the agreement were not even heard. This agreement was entered into at the back of those who are interested. Government did not think of their interests. If Government want to see this measure through, let them pay compensation out of their own pocket. These persons who had earned valuable rights of remuneration should be provided for and under the Constitution no Government can, in this way, play with the rights of people who are affected by such agreements. I therefore suggest that this clause may stand over and after considering the position, if the hon. Minister wants to get through this measure, let him come forward on the basis that Government is responsible for giving compensation to these people.

Shri B. Das (Orissa): Let this stand over till tomorrow morning.

The Minister of State for Transport and Railways (Shri K. Santhanam): I would like humbly to point out to the House that under Section 27(2), any insurer, incorporated or domiciled elsewhere, has to keep up on the life fund an amount equal to the entire amount necessary to discharge the obligations to the policyholders. It is only when the assets exceed the amount necessary for these obligations that other creditors, agents, etc., have got any kind of right. Therefore, when Government was placed in the

position that the assets were not even sufficient to pay the policyholders, naturally the other people had no rights. Government's obligation was primarily to the policyholders. Therefore, they had to negotiate with other companies so that they could get the maximum benefit to the policyholders. Whether the policyholders themselves would get the full amount of policy was a matter of grave doubt. There was a deficit of ten lakhs. Even after the caretaker company had managed properly there was a deficit of five lakhs. If Government had insisted on payment of full remuneration to the agents and fulfilment of other obligations, naturally the companies would never have agreed to pay the policyholders in full. That Government has been able to get a contract by which policyholders get their amount in full, I think, is a significant achievement for which Government deserves praise and not this cantankerous criticism.

Shri M. A. Ayyangar: I would ask my hon. friend whether what he means to say is that to safeguard the interests of the policyholders rents and taxes need not be paid by the company?

Shri T. N. Singh: I would like to know what is the number of field-workers who are affected by this clause and the amount involved.

Shri Sri Prakasa: I am sorry I am unable to give that information.

Mr. Speaker: I think all this discussion becomes unnecessary, unless you are prepared to say that the Government was entirely wrong in starting negotiations on this basis.

Shri Hussain Imam: We are talking about a thing which does not exist. All the rights were terminated not today, but in 1942 and those rights only which can survive eight years of limitation are in existence. All the other rights if they exist have to be enforced through the courts; or they have lapsed by limitation. So the rights do not subsist at the moment.

Pandit Thakur Das Bhargava: They do.

Shri Shiv Charan Lal (Uttar Pradesh): Will it be legal at the same time? Once these persons have entered into a contract with the company that these persons will get their commission and that company is transferring its rights to another company, then the transferee company is bound to pay the agents their commission. There is no question of their being time-barred, because it is a right which is continuing. I think under the Constitution they have a right to go to the courts and have their claims

decreed. Many Acts are passed by us and when the matter is taken to the High Court or Supreme Court some of them are declared *ultra vires*. That does not bring a good name on the Government. So it has to be considered whether according to the terms of the contract the company is not bound to pay to the agents for the business they have done.

Shri Kamath: On a point of order, Sir. Is it quite fair or dignified for a Minister to refer to criticism made in the House as "cantankerous" as was said by my hon. friend Mr. Santhanam?

Mr. Speaker: It is rather a hard word which he used. Insistence on that particular line of argument made him believe so. Whatever that may be let us drop it there.

Now, the question is whether it is proposed to keep over the consideration of this clause or the hon. Minister wishes me to put it as it is.

Shri M. A. Ayyangar: I had a talk with the hon. the Prime Minister and I requested him, if it is possible, that this clause may be held over for tomorrow.

Mr. Speaker: I do not wish to interfere in the course of Government business; it is for the hon. Minister to say whether he agrees or not. But, as I said, if it is a question of agreement between the company and the Government, I do not know how any postponement just for twenty-four hours is going to help us. They will have no time to consult the company again on this question.

Shri Sri Prakasa: I should have mentioned that we tried to keep the question of the agents open, but then no company was prepared to accept the restoration of the 20 per cent. cut. Therefore we had to agree to give that point up. If this matter is adjourned, we shall have to go back to all the companies and ask for fresh offers and the whole purpose of the measure will be defeated.

Shri Joachim Alva: May I suggest one thing? May I appeal to the hon. Commerce Minister to use his influence to see that at least an *ex gratia* payment is made to all persons affected by this clause. He could use his good offices to induce the company to make an *ex gratia* payment.

Mr. Speaker: I do not know, but perhaps field-workers themselves may not like to have it at the cost of policy-

holders, because their permanent interest in business will compel them to see that the policyholders are more satisfied than they are.

So, I will put this amendment to the House.

The question is:

"In sub-clause (1) of clause 5, omit all the words occurring after 'deemed to have been terminated'."

The motion was negatived.

Shri B. K. Das (West Bengal): I beg to move:

In sub-clause (1) of clause 5, at the end, add:

"subject to the provisions of paragraph 4 of the First Schedule".

In respect of this amendment I beg only to point out that I intend to move another amendment to the First Schedule:

In paragraph 4 of the First Schedule, at the end, add:

"and for the payment of an equitable commission to the past insurance agents."

In paragraph 4 of the First Schedule it has been provided that if the transferee company recovers or receives any money from outside India, then the assets will be utilised for the benefit of the life policies of the transferor company issued in India. I only want that a part of these assets be paid to the past agents. I think the hon. Minister will have no difficulty to accept this, because the company will not be burdened with anything. If they get the assets from outside, then they may be shared between the policyholders and the past agents.

Shri Sri Prakasa: I am afraid I am unable to accept even this amendment. First of all it is very doubtful if we shall be able to get any assets of the Allianz Company that are outside India. Many Powers will have to be consulted, including Russia. Even if we get some portion of the assets that have been earmarked by the Allianz Company for their Indian business, I fear we shall have to give that to the policyholders and not to the Agents. I have already explained that the United India Life Assurance Company have agreed to accept 'with profit' policies and to make all possible profits available in order to meet their liabilities. I do not think we can include the

[Shri Sri Prakasa]

agents as participants in any possible gains in the future.

Mr. Speaker: Does Mr. Das wish to press his amendment?

Shri B. K. Das: No, Sir. I do not press it.

4 P.M.

Mr. Speaker: That means the next amendment also goes off.

Shri Jnani Ram: Sub-clause (1) of clause 5 terminates the contract. Under sub-clause (2) it is open to the agents to file suits or claims. I have therefore suggested an amendment:

In sub-clause (2) of clause 5,—

(i) for "no compensation" substitute "such compensation"; and

(ii) at the end, add: "as may be determined by the Controller of Insurance".

Shri T. T. Krishnamachari: This is only consequential to the first one.

Mr. Speaker: Of course it is consequential to the first one.

Shri Jnani Ram: The hon. Member says that it is the same as in sub-clause (1). To my mind, however, it appears a different thing.

Mr. Speaker: His point is that it is consequential to the first, though it is different.

Shri Jnani Ram: Under sub-clause (2) as it is, the agents are stopped from claiming their compensation from any place. The sub-clause runs as follows:

"Notwithstanding anything to the contrary contained in any law for the time being in force, no compensation shall be payable to any person for the termination, in pursuance of this section, of any contract of agency or other appointment".

According to the amendment which I have suggested the sub-clause will run as follows:

"Notwithstanding anything to the contrary contained in any law for the time being in force, such compensation shall be payable to any person for the termination, in pursuance of this section, of any contract of agency or other appointment as may be determined by the Controller of Insurance".

By this it remains open to the Controller of Insurance to determine

their claims if he so likes in future, and therefore I think that it is not unwise to have this amendment.

Mr. Speaker: I am afraid after once having rejected the amendment it becomes rather difficult to reconcile the two positions. Whether the compensation is such as is to be determined by the Controller of Insurance or not, the principle of payment of compensation still remains there. That is the effect of the amendment. But I feel doubtful whether it is directly contradictory to the first clause.

Shri T. T. Krishnamachari: It arises out of it.

Shri M. A. Ayyangar: The first clause only says that the contract may be terminated, but the second says that no compensation will be paid. It is open consistently with the termination of a contract . . .

Mr. Speaker: I am allowing it.

Shri Sri Prakasa: Sir, the same problem is coming over and over again in different forms. I need not say anything more on it. I oppose it.

Mr. Speaker: Is the hon. Member pressing his amendment?

Shri Jnani Ram: No, Sir. I am not pressing it.

Mr. Speaker: The question is:

"That clause 5 stand part of the Bill".

The motion was adopted.

Clause 5 was added to the Bill.

[MR. DEPUTY-SPEAKER in the Chair]

Clause 6.—(Provision for facilitating transfer).

Shri Jnani Ram: I beg to move:

In clause 6, after "by order", occurring in line six, insert "published in the Official Gazette".

I only want to add the words "published in the Official Gazette". "By order" means that the officials may pass any order whereas if it is published in the Official Gazette the matter will be known to all the public and it will have a wide publication. I think this amendment may be accepted.

Mr. Deputy-Speaker: The words "notified in the Official Gazette" are already there. I do not think it is necessary. Anyhow I shall place the amendment before the House.

Amendment moved:

In clause 6, after "by order" occurring in line six, insert "published in the Official Gazette".

Shri Sri Prakasa: The original purpose of the clause was not to publish all the orders in the Official Gazette. That is really not necessary. But as I have had the misfortune of opposing all the amendments moved in the House to this Bill, my first measure, I will accept this amendment!

Shri Kamath: It is redundant.

Mr. Deputy-Speaker: I have no objection, whatever might be the interpretation that it is not necessary. But the hon. Minister as shown some "concession" to the House!

Shri Syamnandan Sahaya: I want to draw attention to one point. Sub-clause (c) of clause 6 says "for the continuation by or against the transferee company of any legal proceedings pending by or against the transferor company". "By" could be understood in relation to the transferee company, but what have we to do with the proceedings "against" the transferee company? Why are we to provide for the continuation of legal proceedings against the transferee company? The words "or against" before "transferee company" do not appear to be necessary.

Mr. Deputy-Speaker: When it takes over the legal rights and liabilities it becomes the representative of the other company.

Shri Syamnandan Sahaya: We would have no objection if the words had been "for the continuation by the transferee company of any legal proceedings pending by or against the transferor company". That would be all right. But the sub-clause goes further and says "for the continuation by or against the transferee company of any legal proceedings pending by or against the transferor company". I suggest the words "or against" before the words "transferee company" are not only useless but they have no meaning.

Mr. Deputy-Speaker: It means continuation against the transferee company of any legal proceedings against the transferor company. Any legal proceedings should be continued against the transferee company. If these words are deleted there would be no provision for that.

Shri Syamnandan Sahaya: The word "by" is there.

Shri J. R. Kapoor (Uttar Pradesh): So far as the amendment of Mr. Jnani Ram is concerned, instead of saying "published in the Official Gazette" we might say "notified in the Official Gazette" if these words are necessary. Even in unnecessary things we might have some uniformity.

Shri Sri Prakasa: I will accept anything on this.

Mr. Deputy-Speaker: So we shall substitute the word "notified" for the word "published" in Mr. Jnani Ram's amendment.

The question is:

In clause 6, after "by order" occurring in line six, insert "notified in the Official Gazette".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 7 was added to the Bill.

Clause 8.—(Repeal of certain notifications)

Shri Sri Prakasa: I beg to move:

For clause 8, substitute:

"8. Repeals.—(1) The Allianz Und Stuttgarter Life Insurance Bank (Transfer) Ordinance 1950 (XXIV of 1950) is hereby repealed.

(2) The notifications specified in the Second Schedule shall cease to have effect on the commencement of this Act, except as respects things done or omitted to be done before such commencement."

This is a purely formal amendment necessitated by the fact that the Ordinance was promulgated while the Bill was pending before this House.

Mr. Deputy-Speaker: The question is:

For clause 8, substitute:

"8. Repeals.—(1) The Allianz Und Stuttgarter Life Insurance Bank (Transfer Ordinance 1950 (XXIV of 1950) is hereby repealed.

(2) The notifications specified in the Second Schedule shall cease to have effect on the commencement of this Act, except as respects things done or omitted to be done before such commencement."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 8, as amended, was added to the Bill.

First Schedule

Shri Himatsingka: In the heading of the First Schedule it is stated: Terms and conditions relating to the transfer of the business of the transferee company. I think the word "transferee" is a mistake for "transferor".

Mr. Deputy-Speaker: I think it must be "transferor company."

Shri Sri Prakasa: The hon. Member is right.

Mr. Deputy-Speaker: It should be "transferor company". I take it that the hon. Member will move an amendment.

Amendment made:

In the heading of the First Schedule, for "transferee" substitute "transferor".

[Shri Himatsingka]

The First Schedule, as amended, was added to the Bill.

The Second Schedule was added to the Bill.

Clause 1.—(Short title etc.).

Shri Sri Prakasa: I beg to move:

For sub-clause (2) of clause 1, substitute:

"(2) It shall be deemed to have come into force on the 1st day of September, 1950."

This is the date on which the Ordinance came into force and therefore, this has to be inserted here.

Mr. Deputy-Speaker: The question is:

For sub-clause (2) of clause 1, substitute:

"(2) It shall be deemed to have come into force on the 1st day of September 1950".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri Sri Prakasa: I beg to move:

"That the Bill, as amended, be passed."

I will only add my word of sincere gratitude to the House for the kind reception they have given to this Bill and I move that the Bill be accepted.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

AJMER TENANCY AND LAND RECORDS (AMENDMENT) BILL.

The Minister of Food and Agriculture (Shri K. M. Munshi): I beg to move:

"That the Bill to amend the Ajmer Tenancy and Land Records Act, 1950, be taken into consideration."

I have only a few words to say. This motion of mine is designed to place on the statute-book the Act in the place of the Ordinance which was promulgated in August last. This Bill was on the Order Paper during the last session of Parliament, but could not be taken up owing to pressure of business. Meanwhile, as the period prescribed in section 204 of the Act expired on the 10th of August, an Ordinance had to be promulgated to give effect to the provisions of the Bill. The point is very narrow. Under section 204 of the Ajmer Tenancy Act any tenant, who has been ousted from his holding between 1st June 1942 and date of coming into force of this Act i.e., 10th of May 1950, can apply for re-instatement within three months. The conditions were these, that in the application for re-instatement the applicant had to mention various things and also furnish such other particulars as may be prescribed. The "prescribed" rules are a very complicated affair and took about 3 months for preparation and they came into force only on the 10th of August. Evidently there was a mis-

conception and the ousted tenants did not apply imagining that they could apply only after the rules had been published. Therefore it was intended to extend the period laid down in section 204 by three months so that they could have three months more i.e., up to the 10th of August, in order to make application. That was why the Bill had to be brought forward at the last session of Parliament. The 10th of August being the day on which the prescribed period of three months expired, an Ordinance had to be promulgated and the period has been extended now to six months. This is sought to be regularized, but I find that my hon. friend Mr. Mukut Bihari Lall had given notice of an amendment during the last session that the prescribed period for application should not be six months but nine months and that means that the tenant will get six months from the 10th of August in order to make application. I have no objection to accept this amendment. As a matter of fact, I am moving an amendment to this effect myself. The only other point is that the Act had omitted to provide that rules could be made for the purpose of levy of fee in respect of mutations etc. The general clause which is found in many of the revenue Bills empowering levy of fees in suitable cases is omitted in the Act as it now stands and this omission is sought to be rectified. Those are the only two amendments and I hope the House will accept them.

Mr. Deputy-Speaker: Motion moved:

"That the Bill to amend the Ajmer Tenancy and Land Records Act, 1950, be taken into consideration."

Shri Syamnandan Sahaya (Bihar): It appears from the Statement of Objects and Reasons, that the rules have not yet been published and the Minister's impression that on the 10th of August the rules came into force, does not appear to be borne out by the Statement of Objects and Reasons.

Shri K. M. Munshi: The hon. Member will see that the Statement of Objects and Reasons is dated the 9th August 1950. The rules came into force on the 10th August.

Shri Syamnandan Sahaya: So, the rules are already in operation now.

Mr. Deputy-Speaker: The question is:

"That the Bill to amend the Ajmer Tenancy and Land Records Act, 1950, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3.—(Amendment of section 204, Act XLII of 1950)

Amendment made:

In clause 3, for "six months" substitute "nine months".

—[K. M. Munshi].

Clause 3, as amended, was added to the Bill.

New clause

Shri K. M. Munshi: I beg to move:

After clause 3, add new clause:

"4. **Repeal and Saving.**—(1) The Ajmer Tenancy and Land Records (Amendment) Ordinance, 1950 (XXIII of 1950) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done, or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken.

(3) References in this Act to any of the provisions of the principal Act shall be construed as references to those provisions as in force immediately before the commencement of the said Ordinance."

This is a formal clause regularising the repeal of the Ordinance and saving action which has been taken under the Ordinance.

Mr. Deputy-Speaker: The amendment is non-controversial. I shall put it to the House straightaway.

The question is:

After clause 3, add new clause:

"4. **Repeal and Saving.**—(1) The Ajmer Tenancy and Land Records (Amendment) Ordinance, 1950 (XXIII of 1950) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done, or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken.

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(3) References in this Act to any of the provisions of the principal Act shall be construed as references to those provisions as in force immediately before the commencement of the said Ordinance."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That the new clause 4 stand part of the Bill".

The motion was adopted.

New Clause 4 was added to the Bill

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri K. M. Munshi: I beg to move:

"That the Bill, as amended, be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

ADMINISTRATION OF EVACUEE PROPERTY (AMENDMENT) BILL.

The Minister of State for Rehabilitation (Shri A. P. Jain): I beg to move:

"That the Bill to amend the Administration of Evacuee Property Act, 1950, be taken into consideration."

This House passed an Act known as the Administration of Evacuee Property Act No. XXXI of 1950 in April last. That Act extends to the whole of India including the Hyderabad State, except Assam, West Bengal, Tripura, Manipur, Jammu and Kashmir. That Act replaced the Ordinance which was known as the Evacuee Property Ordinance XXVII of 1949. At the time when the Ordinance was promulgated the Central Government had no power to legislate for Hyderabad. In Hyderabad, there was a Regulation for the administration of evacuee property. Inadvertently it so happened that that Regulation was not repealed by the new Act XXXI of 1950 although it was applicable to the whole of India including Hyderabad. It created an anomalous position that there was the Administration of Evacuee Pro-

perty Act XXXI of 1950 which was applicable to Hyderabad and at the same time, the Regulation of Evacuee Property was also alive. Now, under the Government of India Act, if there is a Central legislation on the same subject, it repeals the State Regulation or law to the extent that the State Regulation or law is repugnant to the Central Act. Therefore, for all practical purposes the new Act XXXI of 1950 was applicable to Hyderabad.

But another difficulty arises. All acts and things done under the Hyderabad Regulation were not validated. There was no saving clause and therefore that created a very difficult position. That is, many things which had been done under the Regulation were not validated under the new law. Therefore in the last session, a Bill was introduced in this House, not only to repeal the Hyderabad Evacuee Property Regulation, but also to save the acts and things done under that Regulation. Unfortunately, that Bill could not become law in the last session and therefore Government had to promulgate an Ordinance No. XVII of 1950 to achieve the objects of that Bill. That Ordinance is in force today. I have tabled certain amendments to the original Bill to deal with the situation arising by the promulgation of the Ordinance. I believe that this is a non-controversial measure, the necessity for which has arisen because of an inadvertence at the time when the main Act XXI of 1950 was passed.

Mr. Deputy-Speaker: Motion moved:

"That the Bill to amend the Administration of Evacuee Property Act, 1950, be taken into consideration".

Shri J. R. Kapoor (Uttar Pradesh): I have been at pains to persuade myself to believe that there was really any necessity or justification for this measure being placed before the House. I must confess that I have absolutely failed so far. I feel that there is neither any occasion nor any necessity for us to enact this Bill. I have carefully listened to the hon. Minister of State for Rehabilitation and I have also carefully gone through the aims and objects of this Bill as enunciated here. But, still I contend that there is absolutely no justification or occasion for considering this Bill at all. I think that this Bill is born out of ignorance of the provisions of the Administration of Evacuee Property Act XXXI of 1950. If

[Shri J. R. Kapoor]

section 3 of that Act were merely looked into, the hon. Minister of State for Rehabilitation would have felt convinced that that particular section amply meets the difficulty which he imagines has crept up. I think the Ministry of Rehabilitation has created an imaginary difficulty and is trying to solve it.

The hon. Minister of State for Rehabilitation and his Ministry appear to be labouring under a misapprehension. That misapprehension is that since the Ordinance of 1949 was not applicable to the State of Hyderabad, and because of its inapplicability, the Hyderabad State had promulgated another enactment under the name and style of Hyderabad Administration of Evacuee Property Regulation, and since by the Act XXXI of 1950, though the Ordinance of 1949 was repealed, the particular Regulation in force in the State of Hyderabad had not been specifically repealed, the Hyderabad Regulation is still in force. That seems to be the difficulty of the hon. Minister of State for Rehabilitation. Another difficulty which he just now mentioned which seems to face him is that even though that Regulation may not be in force, the new Act XXXI of 1950 having been passed, whatever had been done under the provisions of the Hyderabad Regulation, unless and until they are also covered by the saving provisions of the Act, some difficulties might arise. I think there is no foundation for this apprehension at all. Section 3 of Act XXXI of 1950 to which I have just referred, reads thus:

"In the application of this Act to any part B State".

And Hyderabad is a Part B State,

"unless the context otherwise requires, references to any enactment in force in Part A States; but not in force in that Part B State shall be construed as references to the corresponding enactment, if any, in force in that Part B State."

Now, this Section 3 clearly enunciates that "in the application of this Act" to any Part B State, references to any enactment in force in any Part A State, but which enactment is not in force in Part B, i.e., which have references to that enactment which is in force in Part A and not in Part B State, shall be construed as references to any other corresponding law which may be in force in the Part B State. Now, admittedly, the

Hyderabad Regulation is an enactment corresponding to the Repealed Ordinance of 1949. That is an admitted fact. It has been admitted in the Statement of Objects and Reasons also. So we have two parallel and corresponding enactments, one in force in Part A State and another in Part B State of Hyderabad. The Ordinance of 1949 was in force in Part A States, but not in Hyderabad. The Hyderabad Regulation corresponding to that Ordinance was in force in Hyderabad State. Therefore in the application of this Act any reference made in this Act XXXI of 1950, to the old Ordinance of 1949 should be construed as a reference to the Hyderabad Regulation also. Under Section 58 of this Act XXXI of 1950, we say:

"The Administration of Evacuee Property Ordinance, 1949 (XXVII of 1949), is hereby repealed."

Now, this sub-clause (1) of Section 58, read with Section 3, clearly means and there can be no ambiguity about it, that along with this Ordinance, the Hyderabad Regulation, which was an enactment corresponding to the Evacuee Property Administration Ordinance 1949, is also repealed simultaneously. Therefore, there is absolutely no reason, no justification for bringing forward this Bill and for asking us to pass it into an Act.

As regards the second difficulty, if only the hon. Minister of State for Rehabilitation would care to read sub-clause (2) of section 58, he will find that that difficulty of his also is easily met. This saving clause applying to acts done under the Ordinance of 1949 equally applies to acts done under Hyderabad Regulation.

I submit, therefore, that this Bill is absolutely unnecessary and redundant. Of course, it might be asked, what is the harm if we enact it. Well, I do not think we are anxious to earn the credit of enacting unnecessary and redundant and useless legislations. Therefore, I submit very earnestly to the hon. Minister of State for Rehabilitation that he should carefully consider this aspect of the question.

Having said that, with your permission, Sir, I would say one thing more, that there is necessity for bringing in some amending legislation to amend certain provisions of Act XXXI of 1950, and the Minister will be well-advised to take into consideration the very widespread feeling and desire on the part of many hon.

[Shri J. R. Kapoor]

Members of this House that some amending Bill might be brought forward by Government, amending the definition of "intending evacuee". With your permission, Sir, I would submit that so far as the definition of "intending evacuee" is concerned, it is given in clause 2 of the old Act...

Mr. Deputy-Speaker: Is this germane to the discussion? Some Section in the Act is now sought to be amended. Can we get into a discussion of other sections which have not even been touched upon in this Bill?

Shri J. R. Kapoor: My position is, I have given notice of an amendment to the other section, but am apprehensive whether that will be in order and...

Mr. Deputy-Speaker: It will not be in order.

Shri J. R. Kapoor: But since it is a very important thing, I thought I might take this opportunity to bring it to the notice of the hon. Minister.

Mr. Deputy-Speaker: But there are other methods of expressing the desire of hon. Members regarding amendments that may seem necessary. I would not allow this kind of discussion.

Shri J. R. Kapoor: In that case, I will not deal with that point any further. I will only close by making one more appeal to the Minister to seriously consider what I have submitted and also you, Sir, the eminent jurist and lawyer that you are, I would appeal to you to give this subject your consideration and give the necessary directions to the House.

Shri Husain Imam (Bihar): I would also touch on the constitutional issue. When we have got the general provision that the Central Act over-rides the Provincial Act, that does not imply that all previous actions under the Provincial Act become *ipso facto* void. What is provided for is that any action taken under the Provincial Act after the coming into effect of the Central Legislation, would be void. But all actions that have been taken previous to the passing of the Central Act are not void, they are not even voidable. If they are inconsistent with the provisions of the Central Act, they can be questioned in a law court. Otherwise what is the need of having a general provision of the nature, as we have it that all Central Acts over-ride the Provincial or State Acts.

I would also like to stress one point in this connection. Government seems to be always in a hurry to pass Bills into Acts and if they are not passed, to issue Ordinances. All the three Bills here are really validations of Ordinances. We had a session in August and we are having a session in November now. If only the Government would wait for a few months, much of the need for such Ordinances could have been avoided, as also the need for the previous Act. The Act which has been drafted abounds in features which have been found to be unsuitable. I am not going to dilate upon it, but I only wish to remind him that if he would consult the Members of this House who have been taking interest in this Act, they would be able to help him and give him advice, and we do hope that he would bring in an amending Bill soon enough. There is need for amendments which are not being taken up and those parts which are not to be amended are sought to be amended twice over.

Shri Naziruddin Ahmad (West Bengal): With regard to the argument of Mr. Kapoor I think he is right. The question is whether the Hyderabad Regulation has been actually repealed by the parent Act XXXI of 1950. In that Act by section 58 the Administration of Evacuee Property Ordinance, 1949 was thereby repealed. So the Administration of Evacuee Property Ordinance 1949 which is applicable to Part A States was repealed. Supporting Mr. Kapoor my contention is that read with section 3 of the Act the Hyderabad Regulation has also been repealed. Section 3 says:

"References to enactments not in force in Part B States.—In the application of this Act to any Part B State, unless the context otherwise requires, references to any enactment in force in Part A States but not in force in that Part B State shall be construed as references to the corresponding enactment, if any, in force in that Part B State."

The effect of this section is if there is a reference to any enactment which applies to Part A States but does not apply to Part B States, there is an implied reference also to any enactment which applies to Part B States but not to Part A States. The Hyderabad Regulation is an enactment which was in force in a Part B State. By virtue of section 3 repeal

[Shri Naziruddin Ahmed]

of the Hyderabad Regulation is automatic and implied. The policy under section 3 is that Part A and Part B States are integrated. What applies to Part A States, unless the contrary is suggested, also necessarily applies to Part B States. This inter-relation between Part A and Part B States is to be accepted, unless the contrary is shown. As there is no reservation in favour of the retention of the Hyderabad Regulation the repeal of the corresponding Ordinance applicable to Part A States by section 58 automatically repeals the Hyderabad Regulation by virtue of section 3. It seems therefore that the provision is absolutely unnecessary. As a very experienced Member of the House just now emphasised the Government does not seem to proceed with legislation which is necessary and for which there is demand but proceeds with legislation which is not quite necessary.

Shri A. P. Jain: One very experienced Legislator and lawyer and another eminent lawyer have urged that this Bill should not have been brought before the House and that it was an unnecessary Bill. If I were not fully convinced of the hollowness of their argument I would have felt shaky. There is a world of difference between the rule of interpretation laid down in section (3) of the Act, and a specific provision repealing a law. For instance, if there is a provision in this law which refers to a particular section of the Indian Penal Code and that Code is not applicable in a particular State, then that reference will apply to the corresponding provision of the Penal Code applicable in the State. Supposing for instance a certain thing is declared to be an offence under section 193 of the Indian Penal Code but in the State Code the corresponding provision is contained in section 183. Then the reference to section 193 of the Indian Penal Code would mean reference to section 183 of the State Penal Code. But when a specific law is being repealed it will not mean that a corresponding law in the State is also repealed. I would draw attention to section 58 of Act XXXI of 1950 which runs: "the Administration of Evacuee Property Ordinance No. 27 of 1949 is hereby repealed." Here one specific piece of legislation is being repealed by section 58. It will not cover the Hyderabad Regulation.

Shri J. R. Kapoor: The words of section 3 are: "In the application of this Act."

Shri A. P. Jain: It relates only to references and not to specific repeal.

There is a lot of difference between reference and specific repeal.

Shri Hussain Imam: I was referring to articles 251 and 252 of the Constitution, under which the Central Acts always precede the provincial Acts if there is any repugnancy and if there is no repugnancy, the provincial law prevails.

Mr. Deputy-Speaker: The question is:

"That the Bill to amend the Administration of Evacuee Property Act, 1950, be taken into consideration."

The motion was adopted.

Clause 2—Substituted of new Section for section 58, Act XXXI of 1950

Mr. Deputy-Speaker: The first amendment of Mr. Kapoor is not in order. As regards the second amendment

Shri J. R. Kapoor: You need not spend any time over my second amendment. Only if it is accepted by the hon. Minister I would move it. My substantive amendment is the first one which you have been pleased to declare as not being in order.

Shri A. P. Jain: I beg to move:

In clause 2, in sub-section (2) of the proposed section 58 of the Administration of Evacuee Property Act, 1950, for "corresponding to this Act", substitute "which corresponds to this Act and which is not repealed by sub-section (1)".

It will be seen that sub-section (1) repeals two enactments, the Evacuee Property Ordinance 1949 and also the Hyderabad Administration Evacuee Property Regulation. Those two specific pieces of legislation are repealed by sub-section (1). Sub-section (2) repeals other laws in general, because those two laws have been specifically repealed by sub-section (1). Therefore this amendment has been proposed with a view to confine the repeal under sub-section (2) only to the laws which have been repealed by sub-section (1).

Mr. Deputy-Speaker: That is true, but my difficulty is this. In the case of subjects in the Concurrent List after the Central legislation is passed any law in the State which is repugnant to the provisions of the Central law shall become inoperative. But if

it corresponds to this law, how can that be repealed? We will assume that there is a provision in the Hyderabad law which corresponds exactly, word for word, to this law or a provision in this Bill. How can that Hyderabad law be repealed? Sub-section (2) here says:

"If, immediately before the commencement of this Act, there is in force in any State to which this Act extends any law corresponding to this Act, that corresponding law shall stand repealed."

I agree that if there is a State law repugnant to this law it shall be void. But if there is a law which corresponds exactly, word for word, with this law then how can you repeal it?

Shri A. P. Jain: Under the Government of India Act, if the Centre legislates on a matter in the Concurrent List, then by virtue of that legislation the State law is repealed to the extent that it is repugnant to the Central Act. But it is also open to the Legislature to repeal any State Law pertaining to a subject in the Concurrent List. We are repealing the corresponding law that is the evacuee property laws which were in force in different States.

Mr. Deputy-Speaker: Repealing means that you are not accepting it. Now, there is a provision in this Act relating to a particular matter. We will assume that you copy in the Central Act the very provision that finds a place in the State Act. Can you say that that legislation in the State becomes repugnant or void?

Shri A. P. Jain: The whole law of the State may not be repugnant but only a portion of it may be repugnant. By this sub-section we are repealing the entire corresponding law.

Mr. Deputy-Speaker: How can you repeal any provision in a State law which corresponds to this law?

The Minister of State for Transport and Railways (Shri Santhanam): In the case of litigation, a Punjab litigant may quote the Punjab law in support of his case though that provision may not be repugnant. We don't want him to quote the Punjab law but only the Central law. It is for that purpose that the entire local law is sought to be repealed.

Mr. Deputy-Speaker: How can that be repealed?

Shri Santhanam: So long as it is a matter in the Concurrent List, we

can deal with similar legislation in any manner. We may pass any law on a Concurrent subject—we can also repeal any State law dealing with a Concurrent subject.

Shri A. P. Jain: Repealing is also enacting. It is open to this Parliament to legislate merely for the repeal of State laws.

Shri Hussain Imam: It is rather doubtful. This is a very important issue, namely of the division of functions between the States and the Centre.

Mr. Deputy-Speaker: Anyhow the Courts will take care of it.

Shri J. R. Kapoor: I have yet another difficulty. That relates to sub-section (2) of the proposed new section. According to that sub-section what we are asked to do is not something definite, not something specific, not something which we know of, but we are asked to repeal something the existence of which we are absolutely in ignorance of. Is it open to us to repeal something the existence of which we don't know yet? Will the hon. Minister for Rehabilitation be pleased to tell us what particular corresponding Act which is in force in any State is intended to be repealed by this sub-clause? It would be advisable on his part to enlighten us on that aspect of the thing. If there are certain specific laws which are in force there which are intended to be repealed by this section, then they may be specifically mentioned here, and not that we should merely be asked to say, in a hypothetical manner, that if possibly there exists in the whole of this country, in any corner, any particular Act we are going to repeal it. Possibly, that Act, if it is brought to our notice, may be of such a good nature that we may not like to repeal it at all. That seems to me, if I may submit with due respect, a very funny way of enacting.

Shri A. P. Jain: If this is a funny way then this House has long been used to enacting in a funny way, because this is a reproduction of what the House has been legislating in so many cases. Secondly, this Act, Act XXVI of 1950, was intended to replace all the evacuee property laws which prevailed in the country immediately before but through a mistake specific reference to the Hyderabad Regulation was not made and this trouble arose. Thus a comprehensive clause of that kind is necessary in order that no troubles may arise hereafter.

Dr. Pattabhi (Madras): How can it be enforced?

Shri Hussain Imam: As the hon. Minister has himself suggested earlier, reference in section 3 to applicability is different from repeal. The instance he gave was of applicability. Here he is asking for the repeal of probably a non-existing Act. My friend Mr Kapoor's objection is that there may not be an Act of the nature which you are referring to. If there is an Act, name it. If there is nothing drop this provision. It is an issue pure and simple. There is no need to go into arguments about this matter.

Mr. Deputy-Speaker: I think it is done by way of abundant caution. The two Ordinances have been specifically referred to. If there is any other provision in any other State law, repugnant to the law which we have passed in this Bill, to the extent of that repugnancy it is void. It is only for abundant caution that this provision is introduced.

Shri T. T. Krishnamachari (Madras): May I mention that the fact remains that an Act can be repealed which a Legislature enacting the particular Act has passed previously. So far as an Act of a subordinate legislature is concerned in respect of a subject in the Concurrent List, no repeal is necessary. The mere fact that an Act is passed by the Centre makes the State Act fall and become void. No court can uphold the provisions of a State Act as against an Act which a superior legislature has passed in different terms. So, there is absolutely no need for us in this House to say that we are repealing a State Act.

Shri Hussain Imam: An unnamed Act!

Mr. Deputy-Speaker: My own view is that there is no right for this Parliament to repeal a local Act. We can only pass another Act whereby to the extent of the inconsistency of the local Act the local Act becomes void.

Shri J. R. Kapoor: May I submit, Sir, that that being your view we may have the views of the Minister of Law on this subject, or of the Advocate-General of India. It is an important thing. We as the supreme Legislature in this country should not enact our laws in such light-hearted

manner. Not that this particular legislation is of very great importance, but this point is of very great importance. We are not going to gain or lose much over this legislation, but certainly we should not create a precedent which obviously does not appear to be a right precedent.

Mr. Deputy-Speaker: Enough has been said on this matter. After all, the discussion seems to be academic. If any provision of that law is repugnant to the provisions of this law, to the extent of such repugnancy, it will stand void, whether we call it "repealed" or not, whether we have the right or not. After all, all the Bills which were placed before the House would have passed the Ministry of Law. So, I don't think it is necessary once again to ask the Minister of Law to go into this matter. If it is redundant, let it be. There are so many surplus Acts and this will be another one.
5. p.m.

Shri Hussain Imam: It is not the Act that we are thinking of. It is the principle involved as to whether you can repeal a Provincial Act without naming it. That is the point at issue and you should allow the Law Minister to express an opinion.

Mr. Deputy-Speaker: There is no new power which Government want to take under this legislation through the aid of this Parliament. All that they say is that they have passed a particular Act called the Administration of Evacuee Property Act. If any provisions exist in any State law repugnant or contrary to the provisions of this Act, to the extent of the repugnancy they will stand void. That is so in the Constitution itself. By way of abundant caution, Government have brought this. I do not think there is really any point in this controversy.

Dr. Pattabhi: May I suggest that the matter may lie over for a clearer examination tomorrow?

Mr. Deputy-Speaker: I do not think this must stand over till tomorrow. However, if that is the wish of the House, let it stand over.

The House then adjourned till a Quarter to Eleven of the Clock on Tuesday the 21st November 1950.