

Tuesday, 20th March, 1928

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COUNCIL OF STATE.

Tuesday, 20th March, 1928.

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax ; and of a Bill further to amend the Indian Merchant Shipping Act, 1923, in order to vest in the Governor General in Council the control of matters covered by that Act, which Bills were passed by the Legislative Assembly at its meeting held on the 19th March, 1928.

RESOLUTION *RE* NON-RATIFICATION OF THE DRAFT CONVENTIONS AND NON-ACCEPTANCE OF THE RECOMMENDATION ADOPTED BY THE TENTH INTERNATIONAL LABOUR CONFERENCE ON THE SUBJECT OF SICKNESS INSURANCE.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary) : Sir, I beg to move the Resolution which stands in my name and which reads as follows :

“ This Council having considered the Draft Conventions and Recommendation adopted by the Tenth International Labour Conference, recommends to the Governor General in Council that he should not ratify the Draft Conventions nor accept the Recommendation.”

Members of this Council will be aware from the special Bulletin which was circulated to all Members several months ago that at the Tenth International Labour Conference which was held at Geneva in May and June of last year two Conventions and a Recommendation were adopted dealing with the subject of sickness insurance. The two Conventions dealt with sickness insurance as applied firstly to workers in industry and commerce and domestic servants, and, secondly, to agricultural workers. The object of having two Conventions, both couched in identical terms but applying to different classes of workers, was no doubt that countries which might be able to adopt one Convention but might find difficulty in adopting the other, should be able to ratify at least one of them, because obviously the Convention relating to agricultural workers does present greater difficulties in some respects than the Convention which relates to workers in industry. Before dealing with the Conventions in more detail I should like to make clear two points,—first, that the Government of

[Mr. A. C. McWatters.]

India, although my Resolution is couched in negative terms, are by no means opposed to the principle and ideals which underlie these Conventions. In fact, it would be impossible for any one to disagree with those ideals since the creation and maintenance of a healthy and contented labour force is not merely in humanitarian interests but is in the obvious interests of industry and of agriculture itself, and indeed is a matter of national importance. Secondly, I should like to make it clear that although I am recommending to the House not to ratify these Conventions, the Government of India do propose to take action upon them as I will explain later on.

Turning now to the Conventions themselves, as I said, they are both in identical terms applying to different classes of workers. The first Article of both the Conventions reads as follows :

"That each Member of the International Labour Organisation which ratifies this Convention undertakes to set up a system of compulsory sickness insurance which will be based on provisions at least equivalent to those contained in this Convention."

The House will notice that the Conventions are compulsory. It is not left to the option of any Government to apply them to particular classes of workers. It is compulsory for any Government that ratifies these Conventions to apply them universally to all the classes to whom the Conventions apply. During the debate at Geneva an effort was made by some Governments which had already very successful schemes of voluntary sickness insurance in operation to get the Conventions made less rigid so as to allow for compulsory or voluntary systems to be adopted. Denmark, I think, pressed specially for that, but the majority were against it and a system of compulsory sickness insurance is therefore included in the Conventions which were adopted at the Conference. There are certain exceptions which are allowed, dealing, for instance, with temporary employment, and workers who are not paid a money wage, and a few other limited exceptions of that kind. The Conventions provide for a cash benefit for any one who falls sick for at least the first 26 weeks of incapacity. They provide also for medical treatment by fully qualified medical men. The next point is this, that the Conventions provide that insured persons and their employers shall share in providing the financial resources of the sickness insurance system ; in other words, the funds from which this sickness insurance is to be provided are to be contributed partly by the workers and partly by the employers. That is compulsory. It is optional to the Governments of the ratifying States to make some contribution, if they so desire, from Government funds. The contribution by the State is optional, but the subscriptions by the employed and by the employers are compulsory. Further, the Conventions provide that sickness insurance shall be administered by self-governing institutions although in certain cases where the employees are not sufficiently organised to administer these institutions provision is made that the State may undertake it direct. That in brief is the substance of the two Conventions. Those are really the operative clauses which I have explained to the House. The Recommendation is a corollary to the two Conventions. It explains in more detail the principles under which this system of compulsory sickness insurance is to be administered. It gives more details regarding the method of cash benefits and hospital and special treatment and so on which must be provided under these Conventions. It is a corollary to the Conventions and explains the system on which the States should administer them.

As I have explained, the Government of India are by no means opposed—they could not be opposed—to the principles which underlie these Conventions. Our difficulties are due to purely practical considerations. It is that in

India it would, we think, be exceedingly difficult, to carry out the terms of the Conventions couched as they are. The first difficulty is that agricultural labour in India is often migratory in its nature and also of a casual character. I think that any one who has experience of agricultural labour in India will realise that that is so, that agricultural labourers move about from one village to another, from one part of the country to another, and even where they are working in the same village they do not necessarily work from day to day under the same employer. Another and even greater difficulty is the absence throughout the districts of qualified medical men. The agricultural labourer in India has and understands his own systems of medicine, but so far there are few qualified medical men, such as are required under the Convention, scattered throughout the country, and it would be practically impossible in agricultural areas for the medical benefits which this Convention requires to be given at present. I think it is further for consideration whether, if it were possible to introduce a system of this kind and if the State were willing to contribute towards it, the money could not be more suitably expended in developing medical facilities for the population as a whole rather than in the interests of particular classes of it, namely, the agricultural labourers and industrial workers. The Local Governments on whom, of course, would fall the greatest amount of expense in connection with the scheme might possibly consider that any funds they had available for improving medical facilities could be better employed than in a scheme of this kind. Finally, I think the greatest difficulty of all is the compulsory provision that part at least of the benefits must be provided by contributions levied from the workers themselves. I think every one will recognise that in India at present it would be exceedingly difficult to do this, that it would not probably be understood by the workers, that a deduction from their pay might be strongly resented by them. These, then, are the *prima facie* difficulties with which we are confronted in any attempt to introduce at once a scheme of this kind in India. Most of these difficulties apply both to agricultural and to industrial workers, though not perhaps in the same degree. It is for this reason that the Government delegates at the Conference adopted the attitude which they did. They first of all pressed that instead of a Convention a Recommendation only should be adopted, because it is not permissible for Governments which ratify Conventions to ratify them with any qualifications, with any reservations. It is part of the rules and principles by which the League of Nations is governed, that ratifications must be absolute and without qualification. If only a Recommendation had been adopted it might have been possible for Government to apply it partially so far as it is applicable to the country, but taking the form it does of a compulsory Convention, the Government delegates quite rightly refrained from voting on the final Convention when it came up for adoption.

I should now like to say what Government propose to do. Assuming that these Conventions are not ratified we do propose to address the Local Governments on the subject. In India, and I think in most eastern countries, this subject of sickness insurance is practically a new one. We have not had time to consider the matter in consultation with the Local Governments in all its bearings, and they are obviously most directly interested. The action which we propose to take therefore is to write to them and to enquire whether in their opinion any system of sickness insurance either on the lines of these Conventions or on other practicable lines can be introduced in this country. I may add before I sit down that the line of action which we are proposing was placed before the Standing Advisory Committee of the Department, and the action which we propose to take is in accordance with their recommendations.

THE HONOURABLE THE PRESIDENT : Resolution moved :

" This Council having considered the Draft Conventions and Recommendation adopted by the Tenth International Labour Conference, recommends to the Governor General in Council that he should not ratify the Draft Conventions nor accept the Recommendation."

The question is that the Resolution be adopted.

The motion was adopted.

THE HONOURABLE THE PRESIDENT : Friday, Saturday and Sunday in this week are holidays and therefore the earliest day on which the two Bills, the Indian Finance Bill and the Indian Merchant Shipping (Amendment) Bill, which have been laid on the table this morning, can come before the Council for consideration will be Monday next, if the full three days' notice required by Rule 27 is insisted upon by the Chair. I have no doubt I am justified in assuming that I shall be meeting the convenience of all Honourable Members of this House if I direct, in exercise of the powers conferred upon me by Rule 27, that the motions for the consideration of these two Bills be put down for Thursday, the 22nd March. That is, assuming that the Honourable Members in charge of those two Bills give notice at once, I shall be shortening the three days' notice by one day only ; but I am quite prepared to listen to anything that any Honourable Member may have to say on the subject as to when these Bills should be taken up in this House.

(No Honourable Member stood up.)

Let it be Thursday next.

The Council then adjourned till Eleven of the Clock on Thursday, the 22nd March, 1928.
