

20th September 1937

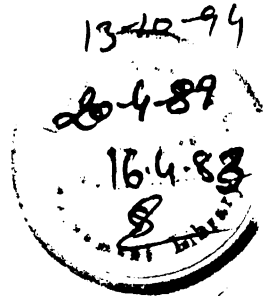
THE LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume VI, 1937

(18th September to 29th September, 1937)

SIXTH SESSION OF THE FIFTH LEGISLATIVE ASSEMBLY, 1937



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Legislative Assembly.

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Deputy President :

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MR. M. GHIASUDDIN, M.L.A.

MR. MATHURADAS VISSANJI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Monday, 20th September, 1937.

The Assembly met in the Assembly Chamber at Eleven of the Clock,
Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

MEMBERS SWORN.

Sheikh Asghar Ali, C.B.E., M.L.A., (Nominated Non-Official) ;

Mr. Arthur Eric Tylden-Pattenson, M.L.A. (Government of India :
Nominated Official) ; and

Mr. John Swithin Harvey Shattock, M.L.A. (Government of India :
Nominated Official).

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

UPKEEP OF THE CREMATION GROUND IN DELHI.

605. ***Mr. Sri Prakasa** : (a) Will the Secretary for Education, Health and Lands state if he is aware that the cremation ground in Delhi is not properly equipped and that there is no *pucca* ghat to enable mourners—men and women—to bathe and perform other necessary funeral rites with proper solemnity ?

(b) Do Government propose to take any steps to get the place properly equipped and make arrangements for a special secluded ghat where women mourners could bathe in privacy ?

(c) Under whose supervision is the existing cremation ground and what authority is responsible for its up-keep ?

(d) Is it a fact that there is absolutely no person to take down particulars of the dead brought there for cremation ?

(e) Do Government propose to make arrangements for this as well as for assistance to mourning parties to obtain the necessary articles required for obsequies ?

Sir Girja Shankar Bajpai : With your permission, Sir, I shall answer questions Nos. 605 and 606 together. Information is being obtained and will be supplied to the House as soon as possible.

GRAVEYARDS IN NEW DELHI.

†606. ***Mr. Sri Prakasa** : Will the Secretary for Education, Health and Lands state :

(a) whether Government have any record of the graveyards in New Delhi ;

†For answer to this question, *see* answer to starred question No. 605.

(1999)

- (b) whether there is any system of declaring graveyards as being closed against further use ;
- (c) what steps, if any, Government take for the proper care of such places ; and
- (d) whether any graveyards are disturbed or destroyed in the building of New Delhi ?

PROVISION OF HEAD-RESTS AT CONVENIENT PLACES IN NEW DELHI.

607. ***Mr. Sri Prakasa :** Will the Secretary for Education, Health and Lands state what steps, if any, Government have taken to provide head-rests at convenient places in New Delhi for persons carrying loads on their heads ?

Sir Girja Shankar Bajpai : The New Delhi Municipal Committee to whom the suggestion made in part (c) of the Honourable Member's question No. 581 asked on the 8th March, 1937, was referred for consideration, have decided that there is no need to provide head-rests in New Delhi.

Mr. Sri Prakasa : In view of the fact that one often finds pedlars, old in age resting on the way side and wanting passers-by to help them to put their load back on their heads ; and in view of the further fact that after many pedestrians had refused to oblige a pedlar in that condition, and when I passed him, I had to oblige him myself, will the Honourable Member kindly reconsider the matter and recommend to the Committee the desirability of having such head-rests ?

Sir Girja Shankar Bajpai : If my Honourable friend will furnish to me particulars, I shall follow the matter up with the New Delhi Municipal Committee for consideration.

Mr. Sri Prakasa : May I know whether, by particulars, the Honourable Member wants me to find out the names of all pedlars ; or whether it would be enough if I give an indication of the place where this particular incident took place : it was near the crossing of Curzon Road and Ferozeshah Road—a little further up towards the Hailey Road. I do not remember the exact date for the moment. It was morning time.

Sir Girja Shankar Bajpai : I am quite sure that my Honourable friend's overflowing sympathy is quite equal to collecting the information which he mentioned earlier, but what I wanted to say was that the New Delhi Municipal Committee say that most of this kind of traffic in New Delhi is vehicular, that is to say, very few people actually carry headloads.

Mr. Sri Prakasa : Am I to understand that the Municipal Committee think that it is undesirable to provide facilities for even the few persons who may be benefitted thereby ?

Sir Girja Shankar Bajpai : That is asking for an expression of opinion of the New Delhi Municipal Committee : I am unable to say what it is.

STANDARDISATION OF WEIGHTS AND MEASURES.

608. *Prof. N. G. Ranga : Will the Honourable Member for Industries be pleased to state :—

- (a) if it is a fact that the Eighth Industries Conference held on the 7th and 8th December, 1936, recommended that weights should be standardized, and that the weights recognized by the Bombay Act of 1932 should be adopted for use all over India ;
- (b) that representatives of several provinces and States have complained that there was still confusion between provinces, and urged the Government of India to undertake legislation fixing standards leaving the Provincial Governments to pass laws for enforcing the report on the marketing on wheat, which has also complained of the confusion now prevailing in the weights of different provinces and districts ; and
- (c) what action Government propose to take to help the peasants by standardizing the weights and measures all over India to avoid confusion between those of different provinces ?

The Honourable Sir Thomas Stewart : This question should have been addressed to the Honourable the Commerce Member.

SUBVENTION TO THE HANDLOOM INDUSTRY.

609. *Prof. N. G. Ranga : Will the Honourable Member for Industries be pleased to state :—

- (a) till what time will the present subvention to the handloom industry last ;
- (b) whether Government are aware of the growing distress of the handloom weavers in the different provinces ;
- (c) whether Government have taken notice of the admission made by the representatives of the various provinces at the last Industrial Conference that their measures for improvement of the marketing of the handloom goods have only touched the fringe of the problem ; and
- (d) if so, whether they propose to formulate their latest proposals for helping the handloom weavers by raising the subsidy and otherwise after consulting the present Provincial Ministers ?

The Honourable Sir Thomas Stewart : (a) Till 31st October, 1939. The Provincial Governments who started late have, however, been allowed to spread their schemes over a full five-year period provided that this does not extend, in the case of any scheme, beyond the 31st March, 1940, except in one province.

(b) No.

(c) So far as I can ascertain, no such admission was made by the representatives of the various provinces. The only observation at all resembling the Honourable Member's statement I can find in the proceedings of the Conference is a statement made in the memorandum of one province to the effect that a Provincial Society which had been working for about ten months when the memorandum was written had not touched the fringe of the problem of providing employment for the weavers.

(d) Does not arise.

Prof. N. G. Ranga : Are Government aware of the fact that the Premier of Madras himself has admitted in the course of his statement in the Legislature there that he was aware of the growing distress of the handloom weavers in that particular province ?

The Honourable Sir Thomas Stewart : No : that statement has not been brought to my notice.

Mr. T. S. Avinashilingam Chettiar : May I know whether Government are satisfied that this subvention has to any extent relieved the unemployment among weavers ?

The Honourable Sir Thomas Stewart : Government are satisfied that it has contributed towards the solution of the problem.

Mr. S. Satyamurti : In view of the present position of the handloom industry in Madras and several other provinces, will Government consider or have they considered the possibility of promoting an amicable arrangement between the textile mills in this country and the handloom weavers, so as to see that there is no unhealthy competition between them, and the handloom weavers get a chance ?

The Honourable Sir Thomas Stewart : I believe that some two years ago that subject was considered by certain Members of this House.

Mr. S. Satyamurti : In view of the fact that nothing came out of that, will Government revive the consideration of that question, especially considering that handloom weavers deserve every encouragement at the hands of Government ?

The Honourable Sir Thomas Stewart : In view of the outcome of that meeting, Government do not at the present moment consider that any practical scheme can be devised.

Mr. S. Satyamurti : Will Government not consult the Provincial Governments, as to the possibility and feasibility of reviving consideration of this question ?

The Honourable Sir Thomas Stewart : Government do not consider that it is necessary to do so.

Mr. T. S. Avinashilingam Chettiar : May I know in view of the fact that the former attempt was by a non-official committee, that better results may be yielded by Government stepping into the matter ?

Mr. President : (The Honourable Sir Abdur Rahim) : It is a matter of opinion, I think ; the Honourable Member has already said that he does not consider it necessary to consider the matter again.

Mr. T. S. Avinashilingam Chettiar : Is there any doubt that the Government are more influential ?

Mr. President (The Honourable Sir Abdur Rahim) : Order, order : I have given my ruling.

Mr. S. Satyamurti : Are Government satisfied that no other help or no more help is required now by the handloom weavers, and is that the reason why Government do not propose to take this matter up further ?

The Honourable Sir Thomas Stewart : Government have no such idea, but I would point out to the Honourable Member that the main responsibility in this regard lies with the Local Governments. Our efforts are merely supplementary to what is being done in the provinces.

Mr. S. Satyamurti : In view of the fact that textile mills get a protection given by the Government of India, may I know whether the Government do not feel called upon to do something by their good offices to see that the protection, instead of helping the Indian textile industry, does not kill the handloom industry ?

The Honourable Sir Thomas Stewart : The steps which have been taken represent the decision of the Government of India as to what could and should be done for the handloom industry.

Seth Govind Das : In view of the fact that the Government of India think that this is a matter chiefly for the Provincial Governments, and because the handloom weavers are scattered throughout the country, do not the Government think it advisable to initiate the matter and ask the opinion of the Provincial Governments in this respect so as to take some steps for their protection ?

The Honourable Sir Thomas Stewart : Government are of the opinion that the Local Governments themselves are sufficiently seized of this problem to initiate any measures which they may think necessary.

Prof. N. G. Ranga : Is it not a fact that the Madras Government have themselves admitted that there is a lot of unhealthy competition between the mills and handloom weavers, and that as a result the handloom weavers are suffering and therefore the Government have been obliged to levy a license fee on those shops which deal in mill made goods ?

The Honourable Sir Thomas Stewart : The Government of India have no information as regards the action taken by the Madras Government.

Mr. S. Satyamurti : Don't the Government of India get a copy of the Budget of the Madras Government in which there is a proposal to levy a license fee on shops which deal in mill-made goods.....

Mr. President (The Honourable Sir Abdur Rahim) : He says they have not received any information.

Mr. K. Santhanam : Are Government aware that a Bill has been introduced in Madras to license cloth shops, and that has been published in the newspapers ?

The Honourable Sir Thomas Stewart : No, Sir.

Prof. N. G. Ranga : Will Government be pleased to ascertain the latest position with regard to the handloom industry in the Madras Presidency and also the policy that is now pursued by the Local Government.

The Honourable Sir Thomas Stewart : The progress of the handloom weaving industry will come under review at the next Industries Conference which meets within a few months.

Mr. S. Satyamurti : May I know, Sir, why the Government are so colossally ignorant of what happens in the provinces ?

(No. reply.)

ARCHAEOLOGICAL SURVEY IN CERTAIN AREAS IN INDIA.

610. *Mr. S. Satyamurti : Will the Secretary for Education, Health and Lands be pleased to state :

- (a) the areas where archaeological survey is now being conducted in India and whether Government are aware that there are very valuable discoveries to be made in the Punjab, United Provinces, Sind, Bengal and South India ; and
- (b) whether Government have any programme of extending archaeological excavations, and if so, on what basis and when ?

Sir Girja Shankar Bajpai : (a) A statement of the sites where excavation is in progress or projected in the near future is laid on the table. As regards the second part, Government know that there are valuable sites in the areas mentioned by him and it is proposed to conduct excavations in all of them during the current year.

(b) The question of providing more funds for the expansion of exploration work during the next financial year is being considered.

Statement showing the sites where excavation is in progress or projected in the near future.

Province.	Sites already under excavations and where work is proposed to be continued during the next field season.	Sites where excavations and explorations are to be started for the first time during the next field season.	Remarks.
Punjab ..	Theh Polar in Karnal District	Khokrakot Mounds near Rohtak.	
	Harappa ..		
	Taxila .. ..	....
N. W. F. P. ..	Sari dheri and Palatu Dheri near Charnadda.	....
United Provinces		Kosam near Allahabad.	
Bihar ..	Nalanda ..		
	Rajgir .. ..	....
	Lauriya Nandangarh ..	....
Bengal .. ..	....	Neolithic site near Durgapur Burdwan District.	
Sind ..	Chandudaro ..	....
Bombay ..	....	Sopara near Bassein.	
Madras ..	....	Caves in the Kurnool District.	

Mr. S. Satyamurti : Have Government examined, or do they propose to examine the whole question of archaeological excavations, on the basis of a 5-year or 10-year programme, considering the enormous work that has got to be done ?

Sir Girja Shankar Bajpai : I think there is no difficulty in providing a programme whether on a basis of 5, 10 or even 15-years ; the difficulty is one of funds.

Mr. S. Satyamurti : May I know whether Government will prepare such a programme and place it before the relevant authorities, the Finance Department and this House, with a view to giving us the conspectus of the whole work and persuading us to pursue the whole programme, in the belief that at the end of a stated period there will be substantial work done in this very valuable direction ?

Sir Girja Shankar Bajpai : The Director-General of Archaeology has a programme of excavations under consideration. Whether he proposes to assign a time limit to it, I cannot say.

Mr. S. Satyamurti : I am simply asking whether the Government of India will take into consideration the need for placing before the relevant authorities including this House a programme with the results likely to be achieved at the end of a stated period ?

Sir Girja Shankar Bajpai : I think that, in so far as this House is concerned, the matter will come up before it at the time when the Budget for next year is being voted, and if any Honourable Member is specially interested in the details of the programme, as soon as it has been worked out, I shall be quite willing to supply him with a copy of it.

Mr. S. Satyamurti : The next year's Budget will contain next year's programme ; I am asking whether my friend will be good enough to direct his attention to the question of having a longer programme to give us an idea of the results likely to be achieved, if that programme were carried out.

Sir Girja Shankar Bajpai : I do not really know that it is necessary to have a 5 or 10 year programme, because the possibilities of excavations and the historical sites where excavations are likely to yield satisfactory results are already known to the Archaeological Department ; it is merely a question of adjusting the pace of excavations to the funds available.

Mr. S. Satyamurti : Have those materials been placed before the Finance Department and this House or will they be placed ?

Sir Girja Shankar Bajpai : The programme which the Director-General of Archaeology recommends will, in its financial aspect, be placed before the Finance Department.

Mr. Lalchand Navalsrai : May I know from the Honourable Member if the excavations proposed in Sind will be at Mohanjo Daro or at some other place ?

Sir Girja Shankar Bajpai : I am unable to say.

PLACING OF INDIAN BROADCASTING UNDER A PUBLIC CORPORATION.

611. ***Mr. S. Satyamurti** : Will the Honourable Member for Industries and Labour be pleased to state :

- (a) whether his attention has been drawn to the *Times* leading article suggesting that Indian broadcasting may be placed under a public corporation ;
- (b) whether Government are considering the suggestion ; and
- (c) whether they have come to any conclusion on the matter, and, if so, what ?

The Honourable Sir Thomas Stewart : (a), (b) and (c). The attention of the Honourable Member is invited to the reply given by me on the 2nd September, 1937, to Mr. Asaf Ali's starred question No. 277.

Mr. S. Satyamurti : May I take it then that Government do not propose to consider this matter for the present, until at least the Federation functions ?

The Honourable Sir Thomas Stewart : Government have already considered the method of control of broadcasting. The point of time at which reconsideration will take place I cannot say at the present moment.

INVESTIGATION OF THE PROBLEM OF FLOOD PREVENTION.

612. ***Mr. S. Satyamurti** : Will the Secretary for Education, Health and Lands be pleased to state :

- (a) whether the attention of Government has been drawn to the occurrence of frequent heavy floods, causing great damage, during the last few years in several parts of India especially in the United Provinces, Bihar, Orissa, parts of Bengal, and of Assam ;
- (b) whether Government have considered any proposal for investigating the whole problem of flood prevention from an all-India point of view ;
- (c) whether the attention of Government has been drawn to a resolution recently passed by the Working Committee of the Indian National Congress for studying this question from an all-India point of view ; and
- (d) whether Government are prepared to take steps to co-operate with the Working Committee in order to achieve maximum and quick results ?

The Honourable Sir Thomas Stewart : (a), (b) and (c). Yes.

(d) No, Sir : the subject of ' flood control ' is a responsibility of the provinces, but the Government of India are prepared to give all the assistance possible to co-ordinate the efforts of provinces which wish to investigate the problem as affecting more than one province. should their assistance be sought.

Mr. S. Satyamurti : With reference to the answer to part (d) of the question, I thought I heard my friend to say No.

The Honourable Sir Thomas Stewart : (a), (b) and (c), yes. (d) is no.

Mr. S. Satyamurt : May I know the reasons why the Government are not prepared to take steps to co-operate with the Working Committee of the Congress in respect of examining this matter, with a view to achieving the maximum of good results ?

The Honourable Sir Thomas Stewart : Because they are of the opinion that the proper authorities with whom to co-operate will be the Local Governments whose responsibility it is to deal with the flood problem.

Mr. S. Satyamurti : Will the Government of India then be good enough to get into touch with the Provincial Governments concerned, particularly Bihar, Orissa and Bengal, with a view to treating this problem on an all-India basis at least in so far as these provinces are concerned.

The Honourable Sir Thomas Stewart : The Government of India believe that when these provinces are ready, they will be able to initiate proposals for co-ordination.

Mr. Sri Prakasa : In view of the fact that the fountain-head for these floods is the Himalayas, which is a Central subject, will not the Honourable Member consider the desirability of studying the move more carefully and more sympathetically ?

Mr. President (The Honourable Sir Abdur Rahim) : I don't think the Honourable Member requires an answer.

Mr. Sri Prakasa : Sir, Himalayas is a central subject.

Seth Govind Das : Are Government aware that many times the railway lines are washed away on account of these floods, and since Railways are a central subject, will not the Government consider the desirability of investigating the whole matter, because railways are laid in every part of the country ?

The Honourable Sir Thomas Stewart : No, Sir ; the fact that the Railways are occasionally damaged by floods does not, I think, justify the Government of India in ignoring the constitutional position which is that flood control is primarily the responsibility of the Local Government.

Mr. Mohan Lal Saksena : Is it not a fact, Sir, that in certain parts of the United Provinces the embankments made by the Railways are the chief cause of floods ?

The Honourable Sir Thomas Stewart : I am prepared to accept the position that railway embankments are the cause of floods.

Prof. N. G. Ranga : Have Government received any representation from the Government of Orissa in regard to the floods in the Mahanadi and also a request that the Government of India should use their good offices to bring some agreement between the Central Provinces and Orissa Governments and the Governments of the Native States.

The Honourable Sir Thomas Stewart : So far as I am aware, no such representation has been received.

BROADCASTING IN INDIA.

613. *Mr. S. Satyamurti : Will the Honourable Member for Industries and Labour be pleased to state :

- (a) whether his attention has been drawn to the article " Broadcasting in India "—" The villager " appearing in the *Statesman*, of Monday, the 9th August, 1937 ;
- (b) whether it is a fact that so far there are only about 100 community sets in the whole of India and whether Government propose to take steps to increase the number, and, if so, when ;
- (c) whether Government have taken any steps to meet the loophole left under section 129 of the Government of India Act, 1935, which authorises the establishment and control of independent transmitters by Governments of Provinces and Rulers of States ;
- (d) whether Government have considered or are considering any proposal to run Indian broadcasting on the lines of the British Broadcasting Corporation ; and
- (e) whether Government propose to take any steps in that direction ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) Government have no definite information about the number of community sets in use in the whole of India. They recognise the importance of rural broadcasting and have at present under consideration a scheme for the provision of a large number of such sets in the Delhi Province. In the Provinces the Provincial Governments are expected to provide village sets and the Governments of several provinces, e.g., Bengal, the Punjab, the North West Frontier Province and Bombay have already done so.

(c) I am unable to accept the Honourable Member's implication that the loophole exists in the Constitution Act.

(d) and (e). The attention of the Honourable Member is invited to the reply given by me on the 10th September, 1937, to part (e) of his starred question No. 436.

Mr. S. Satyamurti : With reference to the answer to clause (b) of the question, may I know, Sir, whether apart from the Delhi province and the provinces mentioned by my friend, the Government of India are taking any steps to increase the number of community sets in villages in the other provinces ?

The Honourable Sir Thomas Stewart : No, Sir.

Mr. S. Satyamurti : May I know whether the Government of India will get into touch with the Provincial Governments and offer their good offices and services to the extent required, in order to increase the number of community sets in the villages in those provinces ?

The Honourable Sir Thomas Stewart : I am sorry I did not hear the Honourable Member.

Mr. S. Satyamurti : Will the Government of India take steps to get into touch with Provincial Governments, other than those mentioned by my Honourable friend, with a view to get them to help to increase the number of community sets in those provinces and in that behalf offer the good offices of the Government of India ?

The Honourable Sir Thomas Stewart : I have referred to the scheme we have under consideration for the Delhi Province. When we have more information as to the results of that experiment, we shall certainly give our advice and the results of our experience to the Provincial Governments so that they may apply the same to the best advantage.

Mr. S. Satyamurti : In developing broadcasting stations and making arrangements for the programmes to be broadcast therefrom, are Government keeping in mind the needs of the villagers who are likely to hear from the community receiving sets, both with regard to the language through which the broadcasts are to be made and the matter broadcast ?

The Honourable Sir Thomas Stewart : Yes. The distribution of stations which we have proposed has been designed so that it may yield the maximum of advantage in the direction suggested by the Honourable Member.

Mr. S. Satyamurti : In deciding the languages through which the broadcasts are to be made and the matter to be broadcast, will the Government of India consult the Provincial Governments on this particular aspect, namely, that we desire an increase of community sets in the villages ?

The Honourable Sir Thomas Stewart : Certainly. The Government of India will consult the Provincial Governments in matters relating to rural broadcasts.

Mr. S. Satyamurti : With reference to the answer to part (c) of the question, may I know whether Government have considered that, apart from finance, there is no restriction on the matter to be broadcast from Indian States and Provincial Governments, and whether the Government have considered if they can develop an all-India Broadcasting with the independence vested by the Act in the Indian States particularly ?

The Honourable Sir Thomas Stewart : The Government of India have no reason to believe that the provisions of section 129 will interfere with their programme of all-India Broadcasting.

Mr. S. Satyamurti : Have they examined the subject especially with regard to the matter particularly to be broadcast, considering that under section 129 of the Act the Indian States are free to broadcast any matter which they like to ?

The Honourable Sir Thomas Stewart : The powers of the Indian States and the Provinces to broadcast are subject to the limitations laid down under section 129.

Mr. K. Santhanam : With reference to the answer to part (b) of the question, will the Provincial Governments have any voice in the matter to be broadcasted from those stations ?

The Honourable Sir Thomas Stewart : I have already said that in regard to rural broadcasting the Provincial Governments will be consulted.

ACTIVITIES OF THE RESERVE BANK OF INDIA.

614. *Mr. S. Satyamurti : Will the Honourable the Finance Member be pleased to state :

- (a) whether the Reserve Bank has considered the matters presented to the Governor of the Reserve Bank by the South India Chamber of Commerce on the 7th August, 1937, at Madras ;
- (b) the reasons why the Reserve Bank has not so far taken kindly to its statutory function of making to scheduled banks and a number of co-operative banks of loans and advances repayable on demand or on the expiry of fixed periods not exceeding 90 days, or of purchase as a whole and re-discount of bills of exchange and promissory notes ;
- (c) whether the Reserve Bank is considering taking any steps to establish a regular " Bill Market " in India and popularise re-discounting ;
- (d) whether the Reserve Bank and Government are considering in this connection the policy of abolishing the stamp duty and the establishment of public warehouses ;
- (e) whether the Reserve Bank and Government are considering giving scheduled banks the right of free remittance within the country, that is to say, not only with remittance facilities from their branches to the place of a principal office, but also in the reserve direction ;
- (f) the reasons why remittances are not given more than once a week, and are not given to such places where the Reserve Bank has a branch and the scheduled bank has only an agent, instead of a branch ;
- (g) whether the Reserve Bank is contemplating any steps to develop the activities of the scheduled banks and unify the whole banking system of the country into an organised whole ;
- (h) whether the Reserve Bank is taking any steps to utilise the branches of the scheduled banks in places where the Imperial Bank of India has no branch subject to the fixation of safe limits and to reasonable conditions ;
- (i) whether the Reserve Bank is constantly keeping in view and taking necessary steps with the object of keeping down the interest rates to the minimum ; and
- (j) whether the Reserve Bank is considering the position of the smaller Joint Stock Banks in the country with a view to bring the whole credit structure of the country under effective control and these banks into a general scheme ?

The Honourable Sir James Grigg : (a), (b), (e), (f) and (h). These are matters for the Reserve Bank of India and I am not in a position to answer these question.

(c), (g), (i) and (j). Yes.

(d) The question of abolishing the stamp duty on bills is under consideration in consultation with Provincial Governments. The provision of public warehouses is a matter for Provincial Governments and I understand that it is already under their consideration.

Mr. T. S. Avinashilingam Chettiar : The Honourable Member read the answer so fast that we could not follow him. Will he kindly read it again ?

(The Honourable Sir James Grigg read out the answer again.)

Mr. S. Satyamurti : With reference to the answers to the clauses mentioned by my Honourable friend—I could not follow the clauses—may I know from the Honourable Member whether the Reserve Bank acts wholly independent of the Government of India, or whether there is any kind of liaison or connection between the financial brains behind the Government of India and the financial brains behind the Reserve Bank ?

The Honourable Sir James Grigg : The Reserve Bank naturally have the same sort of liaison with the Government of India as the Bank of England with His Majesty's Government,—namely, it is an entirely informal and conventional liaison and not a legal one.

Mr. S. Satyamurti : In that informal and conventional manner, may I know whether the Government of India have ever advised, or do they propose to advise the Reserve Bank with regard to the matters, for example, raised in clause (b) of my question ?

The Honourable Sir James Grigg : To the best of my belief No. It is purely market finance in which case no question of Government finance arises. I think the Government are informed by the Reserve Bank but I do not think that we seek to interfere.

Mr. S. Satyamurti : With regard to the answer to the other clauses mentioned in the first part of the answer, may I know whether Government have considered or are considering the question of bringing the whole of banking in this country under some sort of unified and co-ordinated control ?

The Honourable Sir James Grigg : I understand that that was the very purpose for which the Reserve Bank was set up.

Mr. S. Satyamurti : In view of the fact that they have not yet brought into a co-ordinated scheme all the indigeous banks and bankers in this country, may I know whether the Government of India have considered or are going to ask the Reserve Bank to take some practical steps in this direction ?

The Honourable Sir James Grigg : I think it is a little unreasonable, if the Honourable Member will forgive me for saying so, to expect the Reserve Bank to do in two years what has not been done in the preceding 4,000 years.

Mr. S. Satyamurti : Considering the quickness of my Honourable friend, I was hoping for quick results, (Laughter), but I am sorry he has disappointed me. But may I ask him whether Government are taking any steps in that direction ? I shall be content with that.

The Honourable Sir James Grigg : The Honourable Member asked the other day questions as to what the Reserve Bank was doing in regard to indigenous bankers. I understand that the Reserve Bank have formulated certain proposals and indeed have published them and those are under discussion with the various people concerned.

Prof. N. G. Ranga : Do Government propose to make any grants-in-aid to the Provincial Governments to enable them to establish these public warehouses more quickly and in larger number ?

The Honourable Sir James Grigg : In the last two years the Government of India made certain grants for rural development to Provincial Governments and to the best of my belief they did not put forward any proposal to this effect. And unfortunately now the money which was then made available has dried up.

Mr. S. Satyamurti : With reference to the answer to clause (e) of the question, may I know whether the Government are considering those specific matters, namely, giving the scheduled banks the right of free remittance within the country, that is to say, not only with remittance facilities from their branches to the place of a principal office, but also in the reverse direction ?

The Honourable Sir James Grigg : As I have said, these are matters for the Reserve Bank of India and not for Government.

Mr. K. Santhanam : With reference to the answer to part (d) of the question, is not the location of public warehouses a matter of vital interest to the railways ?

The Honourable Sir James Grigg : The Honourable Member is making an assertion or rather giving an expression of opinion. I am not prepared to challenge his opinion.

Mr. K. Santhanam : May I know whether Government are aware that the location of public warehouses will divert the traffic from the railways and that the freight traffic of the railways is dependent upon the location of these warehouses ?

The Honourable Sir James Grigg : I am afraid that particular aspect of the matter has not been brought to my attention before and I think the Honourable Member may take it that there has been no opposition from the Railway Board to the establishment of public warehouses on any ground that he mentions.

Mr. K. Santhanam : I am not speaking of opposition from the Railway Board, but I am asking whether the Railway Board, who are interested in the proper location of these public warehouses, are being consulted in the matter.

The Honourable Sir James Grigg : The first part of the question is again a repetition of the previous expression of opinion, and if my Honourable friend wants an answer to the second part he had better address a question to the Railway Member.

ARRANGEMENTS FOR STARTING A CENTRAL VETERINARY COLLEGE AT
IZZATANAGAR.

615. *Mr. C. N. Muthuranga Mudaliar : (a) Will the Secretary for Education, Health and Lands state if it is a fact that arrangements are being proceeded with for the establishment of a Central Veterinary College at Izzatanagar ?

(b) What is the strength of the staff proposed to be recruited and the total annual salary ?

(c) How many of the staff are foreigners imported from abroad and for what period are they recruited ?

Sir Girja Shankar Bajpai : (a), (b) and (c). I would invite the Honourable Member's attention to the reply given to parts (a) and (b) of Mr. S. Satyamurti's question No. 338 on the 7th September, 1937.

SAFEGUARDING OF THE VOTING PRIVILEGES OF INDIAN LABOURERS IN
CEYLON.

616. *Mr. C. N. Muthuranga Mudaliar : (a) Will the Secretary for Education, Health and Lands please state if it is a fact that a new Village Committee's Bill is before the Ceylon Legislature ?

(b) Is it a fact that this Bill proposes to enfranchise the European and burgher residents of Estates, while keeping intact the restriction with regard to Indian estate labourers ?

(c) What steps do Government propose to take to safeguard the voting privileges of the Indian labourers ?

Sir Girja Shankar Bajpai : With your permission, Sir, I would like to reply to questions Nos. 616 and 645 together.

The attention of the Honourable Members is invited to the reply, given by me on the 7th of this month, to Mr. Satyamurti's question No. 335.

Mr. S. Satyamurti : Has anything happened since that answer ?

Sir Girja Shankar Bajpai : We have not had any answer yet from the Government of Ceylon.

REPORT OF MESSRS. MARKHAM AND HARGREAVES ON MUSEUMS IN INDIA.

617. *Mr. C. N. Muthuranga Mudaliar : (a) Will the Secretary for Education, Health and Lands please state whether Government have considered the report on Indian Museums by Messrs. Markham and Hargreaves ?

(b) If so, what is the decision of Government ? Will a copy of the decisions be placed on the table of the House ?

Sir Girja Shankar Bajpai : (a) and (b). I would invite the Honourable Member's attention to the reply given by Mr. Hydari to part (b) of his starred question No. 195 in this House on the 30th August, 1937, and to my reply to Mr. Satyamurti's starred question No. 534 on the 15th September, 1937, and the supplementaries arising out of it.

Prof. N. G. Ranga : Will a copy of the decisions of this Conference be placed on the table of the House ?

Sir Girja Shankar Bajpai : If the House is sufficiently interested, I undertake to communicate to the House in proper form the conclusions of the conference we are convening.

GRIEVANCES OF INDIANS IN CEYLON.

618. ***Mr. C. N. Muthuranga Mudaliar :** (a) Will the Secretary for Education, Health and Lands be pleased to state if it is a fact that the Ceylon-Indian League submitted a memorandum to the Government of India inviting attention to the following :

- (i) the agitation that has been carried on by a section of the Sinhalese to repatriate Indians ;
- (ii) the resolutions passed by the State Council to restrict and control Indian immigration which led to the appointment of the Immigration Commission ; and
- (iii) the introduction of legislative measures, curtailing the rights of Indians, such as, the Land Development Ordinance, the Destitute Immigrants Ordinance Amending Bill and the Village Communities Ordinance Amending Bill ?

(b) What steps do Government propose to take on the memorandum ?

(c) Do Government propose to consider the advisability of overhauling the Indian Agency in Ceylon, making its functions wider and more comprehensive to meet the new situation ?

Sir Girja Shankar Bajpai : (a) and (b). The attention of the Honourable Member is invited to the reply given by Mr. Hydari to Mr. Badri Dutt Pande's starred question No. 272 on the 2nd of this month.

(c) Government do not consider that any widening of the functions of their Agent in Ceylon is required.

Mr. S. Satyamurti : What is the latest with regard to the position mentioned in sub-clause (iii) of clause (a) of this question ?

Sir Girja Shankar Bajpai : The Land Development Ordinance was passed in 1934. The Destitute Emigrants Ordinance Amendment Bill has not been introduced and the Village Communities Ordinance Amendment Bill, as I informed my Honourable friend the other day, is still the subject of negotiation.

Mr. S. Satyamurti : With regard to the Land Development Ordinance, have Government watched the working of this ordinance, and are they satisfied that it has not adversely affected the rights of Indians in Ceylon ?

Sir Girja Shankar Bajpai : The Agent has kept us informed from time to time about the application of this ordinance and there is a question on the Order Paper today which has a bearing upon this ordinance, will my Honourable friend wait till it is reached.

Mr. S. Satyamurti : May I know the reasons why the Government do not propose to consider the advisability of overhauling the Indian agency? Is it because they are satisfied that the present arrangement satisfies the legitimate aims of Indian settlers and emigrants?

Sir Girja Shankar Bajpai : I found some difficulty in following my Honourable friend's question. Reading the language with the context, I thought that what he wanted to suggest was that the Agent should have wider powers. As it is, the Agent has full powers to make any representations he likes, on matters of policy.

Seth Govind Das : On account of the complications involved, will it not be advisable to send a committee to inquire into the whole matter and place its recommendations before this House?

Sir Girja Shankar Bajpai : I do not think it is necessary to send a committee.

Mr. S. Satyamurti : Will Government consider the advisability of not permitting any further emigration of Indian labour into Ceylon until all these outstanding questions are settled satisfactorily?

Sir Girja Shankar Bajpai : I think my Honourable friend made a similar suggestion the other day when he asked a question about the Village Communities Ordinance and I said that when the time comes all these points will be considered.

Maulana Shaukat Ali : Why is that that the people of Ceylon object to the Indian settlers, if they want to be sent back?

Sir Girja Shankar Bajpai : I am not sure that the people of Ceylon want the Indian settlers to be sent back.

Mr. S. Satyamurti : Hear, hear. They don't!

RADIO RESEARCH.

619. *Mr. Mohan Lal Saksena : (a) Will the Honourable Member for Industries and Labour be pleased to state how much money is being spent on radio research by Government?

(b) How many hands are engaged in research and what are their respective qualifications?

(c) What is the nature of the research done during the last two years? Will the Honourable Member lay on the table a statement outlining the same?

The Honourable Sir Thomas Stewart : (a) The research organisation was set up in 1936-37 and the expenditure incurred in that year was Rs. 19,000. The provision made in the current year's budget is Rs. 24,000. In addition, an expenditure of Rs. 33,000 has been incurred on equipment from the Capital grant.

(b) The technical staff of the Research Department of All-India Radio at present consists, apart from the Chief Engineer, of one Research Engineer, one Assistant Engineer and one Technical Assistant. The Honourable Member is referred to the reply I gave to his starred question No. 285 on the 2nd September, so far as the qualifications of the Chief Engineer and Research Engineer are concerned. The Assistant

Engineer is an M.Sc. and holds the Diploma in Communication Engineering, Northampton Polytechnic Institute. The Technical Assistant is also an M.Sc. and has passed the examination in Radio Communications of the City and Guilds.

(c) A statement giving the required information is laid on the table of the House.

Statement showing the research work done by the Research Department of All-India Radio.

1. Investigation into the strength, diurnal variation and direction of arrival of atmospheric disturbances involving measurement of their equivalent field strength for the purpose of determining the most suitable wavelengths to be used by the new broadcasting stations in India.
2. Preparation of specifications for cheap community receivers suitable for use in villages.
3. Experiments for finding out the most suitable material for acoustic treatment of studio buildings in India.
4. Study of different types of broadcast receivers suited for Indian listeners.
5. Preliminary investigation, design and establishment of a Diversity Receiving Centre for the purpose of obtaining improved Short-wave reception conditions.
6. Investigation and determination of the most suitable recording system for use at all Indian stations.
7. Investigation on the most suitable types of microphones for use in Indian stations.

Babu Kailash Behari Lal : Where is this radio research carried on ?

The Honourable Sir Thomas Stewart : At Delhi.

Mr. T. S. Avinashilingam Chettiar : May I know the result of these researches.

The Honourable Sir Thomas Stewart : I have laid a statement on the table.

Mr. Mohan Lal Saksena : Is it a fact that the officer engaged in radio research is a Bachelor of Commerce, who did not study science in the university.

The Honourable Sir Thomas Stewart : That is not so. The Research Engineer is a Bachelor of Commerce with Engineering as his special subject.

INVESTIGATIONS REGARDING THE ELECTRICAL PROPERTIES OF THE GROUND FOR SETTING UP OF RADIO TRANSMITTING STATIONS AND TRAINING OF INDIANS IN RADIO RESEARCH.

620. ***Mr. Mohan Lal Saksena :** (a) Has the attention of the Honourable Member for Industries and Labour been drawn to the press interview given by Dr. M. N. Saha and published in the *Leader*, dated the 4th August, 1937 ? If so, will the Honourable Member be pleased to state whether any preliminary investigations regarding the electrical properties of the ground at Lucknow and other transmitting stations were made before setting up a transmitter ? If so, by whom ? If not, why not ?

(b) Is it true that the transmitting stations are being erected in a haphazard manner and may have to be scrapped later because of their unsuitability as pointed out by Dr. Saha ? If so, who will be responsible for this waste ?

(c) Why are not Indian experts engaged in carrying on research work, or deputed to England and other foreign countries for being trained in research work, instead of importing British research experts ?

The Honourable Sir Thomas Stewart : (a) Yes. Adequate investigations regarding the electrical properties of the ground at Lucknow and other transmitting stations were made by the Chief Engineer, All-India Radio. The last part of the question does not arise.

(b) The reply to the first part is in the negative. The second part does not arise.

(c) The only technical officer recruited from abroad for the work is the Chief Engineer, All-India Radio, who was selected for appointment because of his special experience with the British Broadcasting Corporation. The other staff engaged on research work consists of Indians.

Mr. Mohan Lal Saksena : Was this post of Chief Engineer advertised ?

The Honourable Sir Thomas Stewart : No.

Mr. S. Satyamurti : Is this Chief Engineer training Indians to take his place in due course ?

The Honourable Sir Thomas Stewart : Yes, Sir.

+621*.

CERTAIN INFORMATION REGARDING THE INDIAN METEOROLOGICAL DEPARTMENT.

622. ***Pandit Sri Krishna Dutta Paliwal :** Will the Honourable Member for Industries and Labour be pleased to furnish the following information in regard to the Indian Meteorological Department :

- (a) the names of its sub-offices and the number of posts, gazetted and ministerial, in each sub-office with their respective grades ;
- (b) the minimum qualifications prescribed for each cadre of posts, the time since the former have been prescribed and whether any departures from these have taken place since that time ;
- (c) the methods of recruitment for each cadre of posts and the percentage fixed for filling up each by promotion within the Department by candidates who have proved their worth and whether this has been adhered to ;
- (d) the criteria which generally guide the Department in the matter of departmental promotions from one cadre to another and whether all sub-offices share these equally ;
- (e) the extent to which the various provinces and communities are at present represented in each cadre of posts ;

+This question was withdrawn by the questioner.

- (f) the facilities like the rent-free quarters, allowances, etc., which are given to those of the staff who are required to serve at expensive or distant localities and how these facilities compare with those afforded by other Departments of the Government to their staff of equal status required to serve at those localities ; and
- (g) the amount spent annually by the Department on the transfers of its gazetted and non-gazetted staff respectively sub-office-wise ; the factors which justify this expenditure annually and whether Government have considered that it cannot be cut down considerably by dividing the jurisdiction into suitable zones for purposes of transfer and attaching these suitably to the various sub-offices of the Department ?

The Honourable Sir Thomas Stewart : (a) A statement, giving the required information, is placed on the table of the House.

(b) and (c). Appointments to the posts of Meteorologist and Assistant Meteorologist are made by selection through the Federal Public Service Commission. Twenty-five per cent. of the vacancies in the cadre of Meteorologists are filled, at present, by promotion of Assistant Meteorologists, provided men with requisite qualifications and experience are available. The minimum qualifications required for the post of Meteorologist are a good academic record in Physics or Mathematical Physics and research experience ; for the post of Assistant Meteorologist, a good academic record in Physics and Mathematics or other allied subjects.

Appointments to other posts in the Meteorological Department are made by the Director General of Observatories under powers delegated to him either by promotion or selection. The types of posts for which recruitment is made are so varied and the qualifications required for appointment to the various grades so widely different, that it is not possible to specify them in reply to a question. Particulars relating to any specific post or class of posts in which the Honourable Member is interested will be furnished on request in due course. Where recruitment is made from outside the normal practice is to advertise the vacancies and to make the selections through a Selection Committee consisting of two or more gazetted officers of the Meteorological Department.

(d) Men in the Department are considered for promotion to higher posts if they have sufficient experience, ability and the necessary qualifications to hold these posts. This criterion applies to all sub-offices equally.

(e) The attention of the Honourable Member is invited to the annual statement ' showing the communal strength of the Government of India Subordinate Offices located elsewhere than in Simla or Delhi ', copies of which are placed in the Library of the Central Legislature. Particulars as regards the extent to which each Province is represented or the communities are represented in each grade are not available and, as the collection of the information will involve undue labour and delay, Government regret that they are unable to undertake it.

(f) A comparison can only be made after detailed statements of the allowances granted to the staff in different departments of the Government of India, together with the reasons for which they were granted,

are prepared. The compilation of such statements would involve an expenditure of time and labour disproportionate to the result, and Government regret that they are unable to undertake it.

(g) The amount spent annually on transfers varies from year to year according to administrative needs. Transfers of gazetted officers are made only in the exigencies of public service and transfers among the non-gazetted staff are rare and are confined generally to the circle in which they serve.

Statement showing the names of sub-offices and the number of gazetted and non-gazetted posts in those offices of the India Meteorological Department.

Name of office. (1)	Gazetted posts. (2)	Non-gazetted posts. (3)
Poona Office	9 on Rs. 400—1,250. 5 on Rs. 250—800.	1 on Rs. 350—600. 2 on Rs. 150—400. 3 on Rs. 150—300. 16 on Rs. 120—300. 1 on Rs. 200—450. 1 on Rs. 100—225. 6 on Rs. 80—175. 35 on Rs. 75—175. 3 on Rs. 70—150. 31 on Rs. 40—120.
Alipur Office .. .	1 on Rs. 400—1,250. 2 on Rs. 250—800.	1 on Rs. 200—450. 2 on Rs. 200—300. 1 on Rs. 100—225. 3 on Rs. 120—200. 4 on Rs. 80—175. 8 on Rs. 44—124. 8 on Rs. 45—120. 9 on Rs. 45—105. 1 on Rs. 40—120. 7 on Rs. 45—90.
Kodaikanal Observatory .. .	2 on Rs. 400—1,250.	3 on Rs. 100—350. 3 on Rs. 50—110. 1 on Rs. 45—85. 1 on Rs. 35—75.
Bombay Office .. .	1 on Rs. 400—1,250.	1 on Rs. 200—300. 1 on Rs. 130—200. 2 on Rs. 90—160. 7 on Rs. 60—160. 2 on Rs. 50—140.
Agra Office .. .	2 on Rs. 400—1,250. 3 on Rs. 250—800.	2 on Rs. 200—350. 2 on Rs. 150—300. 1 on Rs. 150—200. 1 on Rs. 100—200. 25 on Rs. 80—175. 10 on Rs. 70—130. 1 on Rs. 75—150. 48 on Rs. 40—120. 13 on Rs. 40—110. 21 on Rs. 40—80. 4 on Rs. 40—60. 3 on Rs. 50—80. 2 on Rs. 50—110.

Name of office. (1)	Gazetted posts. (2)	Non-gazetted posts. (3)
<i>Kanachi Office</i>	1 on Rs. 400—1,250. 4 on Rs. 250—800.	1 on Rs. 200—450. 1 on Rs. 125—275. 1 on Rs. 150—200. 1 on Rs. 100—225. 4 on Rs. 80—175. 2 on Rs. 70—150. 11 on Rs. 40—120. 5 on Rs. 40—100. 2 on Rs. 40—55.

ERECTION OF A RECUPERATIVE POT FURNACE IN A FACTORY AT FIROZABAD.

623. *Pandit Sri Krishna Dutta Paliwal : Will the Honourable Member for Industries and Labour please state :

- (a) whether it is a fact that Government have sanctioned the erection of a recuperative pot furnace at one of the factories at Firozabad ;
- (b) whether Government are aware that some experts think that a regenerative furnace is better than a recuperative one ; if it is so, why a recuperative one is being erected ;
- (c) whether Government are aware that the proposed furnace has been tried experimentally at the Hindu University, Benares ; if so, why one should be erected at Government cost and why not one who wants to have the same be supplied with all the drawings, etc., and given such other facilities that be necessary instead of spending a huge amount on it ; and
- (d) whether it is a fact that a joint application was put in by 14 glass factory owners at Firozabad for the erection of the new furnace for them jointly ; if so, whether it is a fact that no reply has been given to the Association that forwarded the joint application ; and why ?

The Honourable Sir Thomas Stewart : (a) Yes. The furnace is being constructed under the supervision of the Industrial Research Bureau.

(b) I am aware that experts differ as to the most satisfactory type of furnace for glass works, but the attention of the Honourable Member is invited to paragraph 116 of the Report of the Tariff Board on the Glass Industry in which it is stated that it is generally recognised that a recuperative pot furnace is more economical and yields glass of much better quality and appearance. The type of furnace now being constructed was selected after a careful consideration of all factors.

(c) The design and construction of the type of recuperative pot furnace, which is being experimented with at Benares, are not the same as those of the experimental furnace designed by the Industrial Research

Bureau. The cost of constructing the experimental furnace at Firozabad is being met in equal moities by the firm supplying the material and the manufacturer in whose works it is being erected.

(G) A joint application was received by the Industrial Research Bureau through the Director of Industries, United Provinces, and an acknowledgment of the receipt of the application was sent to that officer.

Pandit Sri Krishna Dutta Paliwal : With reference to the answer to part (a) of the question, may I know the amount which was sanctioned for the erection of the furnace ?

The Honourable Sir Thomas Stewart : I am unable to say the amount sanctioned : but, as I have just said, whatever the amount is, it is not being found by Government, but in equal shares by the suppliers of material for the furnace and by the manufacturers in whose works it is being manufactured.

Mr. Mohan Lal Saksena : With reference to part (d) of the answer, may I know what action was taken on this joint application ?

The Honourable Sir Thomas Stewart : No action was taken.

Mr. Mohan Lal Saksena : Did these firms also apply for the furnace being erected in their places ?

The Honourable Sir Thomas Stewart : If the Honourable Member will wait until I have answered the next question, he will get the information

ERECTION OF A RECUPERATIVE POT FURNACE IN A FACTORY AT FIROZABAD.

624. ***Pandit Sri Krishna Dutta Paliwal :** Will the Honourable Member for Industries and Labour please state :

- (a) if it is a fact that one of the signatories to the application referred to in the preceding question is having a furnace in his premises, while no information has been given to others, nor any applications been invited from any one else ;
- (b) why this particular factory has been selected ;
- (c) if it is a fact that during the erection, operation and other workings of the furnace it shall be open to the interested glass manufacturers only on certain dates that suit the convenience of the firm so that others shall not be allowed to be initiated into the erection, installation, working and operations of the furnace ; and
- (d) who designed the furnace and what are his qualifications as a glass expert ?

The Honourable Sir Thomas Stewart : (a) An officer of the Industrial Research Bureau visited the principal glass manufacturers and explained in detail to them the proposed experimental furnace. All manufacturers were advised to submit applications for the construction of the furnace in their works through the Director of Industries in their respective Provinces and all applications received were carefully considered.

(b) The particular factory was selected as its proprietor was the only one prepared to accept unconditionally all the terms laid down.

(c) The agreement with the proprietor provides that other glass manufacturers who may be authorised by the Director of Industries in the United Provinces will be granted facilities to see the furnace during erection and in operation at dates and times to be mutually arranged between the proprietor and the Director of Industries.

(d) The furnace has been designed by the Assistant Director, Industrial Research Bureau. This officer is an Associate Member of the Institute of Mechanical Engineers with considerable experience in engineering matters. Before coming to India, ten years ago, he was for two years with the Woodall Duckham Vertical Retort Company, and has had experience while with them of different types of ovens, furnaces and producers. He was, before joining that firm, associated with the design and installation of sand screening, washing and handling plant at the Rockware Glass Company, Greenwich.

Qazi Muhammad Ahmad Kazmi : Was there any correspondence between the Director and the individual factory owners about the acceptance of the terms of the furnace ?

The Honourable Sir Thomas Stewart : I can give no information as to the correspondence between the Director of Industries of the United Provinces and the glass manufacturers of Firozabad.

Mr. Mohan Lal Saksena : Am I to understand that the other applicants had definitely refused to accept the terms of the Government ?

The Honourable Sir Thomas Stewart : That is the implication of my answer.

Qazi Muhammad Ahmad Kazmi : Did they refuse in writing or only orally ?

(No reply.)

TERMS OF NOTIFICATION OF LIEUT.-COLONEL SHAIKH'S APPOINTMENT.

625. ***Dr. Ziauddin Ahmad :** Will the Secretary for Education, Health and Lands state :

(a) When Lieut.-Colonel Shaikh was appointed Deputy Director General, Medical Service ?

(b) What are the terms of notification of his appointment ?

(c) Were the terms of notification observed ? If not, why not ?

(d) Did Colonel Shaikh apply himself for transfer, or did Government send him back to his Province ?

Sir Girja Shankar Bajpai : (a) 15th January, 1937.

(b) and (c). The notification merely announced the fact of appointment. There were no terms laid down in the notification.

(d) Lieut.-Colonel Shaikh reverted to his province on termination of his period of probation.

Mr. S. Satyamurti : Was any period fixed for the probation ?

Sir Girja Shankar Bajpai : The period of probation was fixed at six months.

Dr. Ziauddin Ahmad : Did the work of this officer prove to be unsatisfactory during this period ?

Sir Girja Shankar Bajpai : I do not think it is fair to the officer concerned to discuss the merits on the floor of the House.

Dr. Ziauddin Ahmad : May I know whether it was mentioned in the notification that the appointment will only be for a period for six months to begin with ?

Sir Girja Shankar Bajpai : I have already informed my Honourable friend that that was not mentioned in the notification, but it was mentioned in the letter of appointment to the officer concerned.

Mr. Mohan Lal Saksena : Is it not a fact that he has been sent away because another European had to be provided for ?

Sir Girja Shankar Bajpai : No, Sir.

Mr. Lalchand Navalrai : May I ask who is occupying this post now ?

Sir Girja Shankar Bajpai : Because a European officer occupies a place, it does not follow that other Indian officers were not asked to occupy this post. Actually, five such officers were asked and all of them declined to accept the post.

Dr. Ziauddin Ahmad : Is it not a fact that the Director General, Major Sprawson, especially sent for him on account of his high qualifications ?

Sir Girja Shankar Bajpai : If he had not been considered *prima facie* suitable for probation, he would not have been sent for.

Mr. President (The Honourable Sir Abdur Rahim) : Next question.

POST OF DEPUTY DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.

626. ***Dr. Ziauddin Ahmad :** (a) Will the Secretary for Education, Health and Lands state whether it is a fact that the Deputy Director General (Medical) is recruited from the Indian Medical Service officers in civil employ ?

(b) Is it a fact that this successor has never been in civil employ ?

(c) Is it a fact that Colonel Shaikh's qualifications were higher than those of his successor ?

Sir Girja Shankar Bajpai : (a) No.

(b) Yes.

(c) No.

Prof. N. G. Ranga : Is the present incumbent also appointed on probation or permanently ?

Sir Girja Shankar Bajpai : He is also on probation.

Prof. N. G. Ranga : Is the period of probation for six months ?

Sir Girja Shankar Bajpai : Yes.

Mr. Mohan Lal Saksena : May I know the names of the other Indian officers who refused to accept this post ?

Sir Girja Shankar Bajpai : That question was asked of the gentleman who acted for me and I think he has already furnished the information to the House.

Mr. Mohan Lal Saksena : May I know the reasons why they refused to accept this post ?

Sir Girja Shankar Bajpai : Because it was not suited to them. That is all.

Mr. S. Satyamurti : With regard to the answer to part (c) of the question, is it a fact that Colonel Shaikh's qualifications are not higher than those of his successor ?

Sir Girja Shankar Bajpai : That is the point. His qualifications are not higher than those of his successor.

Mr. S. Satyamurti : Are his successor's qualifications higher than those of Colonel Shaikh ?

Sir Girja Shankar Bajpai : Yes, they are.

Dr. Ziauddin Ahmad : Is it not a fact that Colonel Shaikh belongs to the Edinburgh University and his successor belongs to the Dublin University ?

Sir Girja Shankar Bajpai : I am given to understand that the medical degree of the Irish University is as good as that of the Edinburgh University.

Qazi Muhammad Ahmad Kazmi : May I ask in what respect the qualifications of Colonel Shaikh's successor are higher than his ?

Sir Girja Shankar Bajpai : In one respect. The successor happens to have a post-graduate qualification which Colonel Shaikh has not.

Qazi Muhammad Ahmad Kazmi : Is it because of the higher qualifications that his successor has been appointed ?

Sir Girja Shankar Bajpai : I have already answered the question. The point is that he did not prove satisfactory during the period of probation.

Mr. President (The Honourable Sir Abdur Rahim) : Next question.

EXPERIENCE OF JAIL WORK BY OFFICERS IN THE MEDICAL SECTION OF THE GOVERNMENT OF INDIA.

627. ***Dr. Ziauddin Ahmad :** Will the Secretary for Education, Health and Lands please state whether it is a fact that no officer in the Medical Section of the Government of India has had any experience of jail work ?

Sir Girja Shankar Bajpai : It is presumed that by the term " Medical Section of the Government of India " the Honourable Member refers to the Office of the Director-General, Indian Medical Service. If so, of the officers in it, the Director-General has had experience of jail work.

Dr. Ziauddin Ahmad : Was he ever directly in charge of jail work ?

Sir Girja Shankar Bajpai : Yes, Sir. He was in charge of jail work for a period of six months.

Dr. Ziauddin Ahmad : May I ask when and where he was in charge of jail work ?

Mr. President (The Honourable Sir Abdur Rahim) : Next question.

ROTATION OF CLERKS IN THE CENTRAL TELEGRAPH OFFICE, CALCUTTA.

628. *Pandit Nilakantha Das : (a) Will the Honourable Member for Industries and Labour state if it is a fact that the rotation of clerks has been stopped in the Central Telegraph Office, Calcutta ? If so, why, by whom and from which date ?

(b) Is it a fact that the All-India Telegraph Union submitted a fresh scheme to the Postmaster General, Calcutta, for rotation of clerks in Central Telegraph Office, Calcutta ? If so, when ?

(c) Is it a fact that in the proposed scheme the Union desired temporary stoppage of rotation till its scheme is considered and given effect to ? If so, have Government acceded to its request ? If so, why has the rotation been stopped in the Calcutta office ?

(d) Is it a fact that some clerks submitted petitions to the Postmaster General, Calcutta, against the proposed scheme of rotation submitted by the Union for Calcutta office only, and also requested to continue the rotation already in vogue ? If so, why was their prayer not acceded to or even replied to yet ?

(e) Do Government propose to stop rotation altogether ? If so, why ? If not, when is the order for reviving rotation under the existing system likely to be issued for the Calcutta office ?

(f) Do Government propose to circulate and ascertain the opinion of the staff and officers in case any scheme is received in future from any organisation before accepting or rejecting the same ? If not, why not ?

The Honourable Sir Thomas Stewart : (a) The periodical exchange of duties was stopped through a misunderstanding by the Chief Superintendent in April last.

(b) Yes, in March, 1937.

(c) Yes, but the Postmaster-General, Bengal and Assam Circle, who is competent to deal with this matter, did not sanction the request. The rotation was stopped for the reason given in my reply to part (a) of this question.

(d) and (f). Representations in the sense described by the Honourable Member have been received. These are still under examination and in view of the conflict of opinions the Postmaster-General proposes to have in the near future a full discussion with representatives of the staff so as to reach an agreed solution.

(e) No ; orders have already been issued restoring the rotation on the existing system.

RECRUITMENT OF AERODROME AND ASSISTANT AERODROME OFFICERS.

629. ***Dr. Ziauddin Ahmad** : (a) Will the Honourable Member for Industries and Labour please state the total number of Aerodrome Officers and Assistant Aerodrome Officers recruited by the Government of India since its inception ? How many of them are Indians ?

(b) How many of these are Muslims ?

(c) What are the minimum qualifications fixed by Government ?

(d) Have Government satisfied themselves that Muslims possessing minimum qualifications are not available ?

The Honourable Sir Thomas Stewart : (a) Eight Aerodrome and 22 Assistant Aerodrome Officers. All are Indians.

(b) Two are Muslims.

(c) The policy of Government, at present, is to fill the posts of Aerodrome Officers, so far as possible, by promotion from the rank of Assistant Aerodrome Officers. The minimum educational qualifications fixed for Assistant Aerodrome Officers is a pass in Matriculation or an equivalent examination, preference being given to 'B' or 'A-1' licensed pilots with commercial flying or administrative experience in aviation, and possessing, in addition, specialist qualifications as for example, an Air Navigator's licence. It is proposed to raise the standard for future recruits.

(d) Two Muslims as stated in my reply to part (b) have been recruited. No other Muslim candidates with the requisite technical qualifications have applied. Every endeavour is made to secure adequate representation of Muslims and other minority communities.

Dr. Ziauddin Ahmad : With reference to part (d) of my question, am I to understand that no Muslim was available who passed the High School examination and possessed 'A' certificate in flying was not eligible for appointment ?

The Honourable Sir Thomas Stewart : I mentioned that in addition to mere educational qualifications, certain technical qualifications were regarded as desirable and I have already said that no other Muslim candidate with the requisite technical qualifications applied.

Dr. Ziauddin Ahmad : Were the additional technical qualifications prescribed afterwards or were they in the original notification ?

The Honourable Sir Thomas Stewart : I do not know to which notification the Honourable Member refers. If he would put down a question, I shall endeavour to get the answer.

Dr. Ziauddin Ahmad : Notification always means when the posts are advertised.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member had better put down a question.

SCHOLARSHIPS GIVEN IN BRANCHES OF AERONAUTICS.

630. *Dr. Ziauddin Ahmad : Will the Honourable Member for Industries and Labour please state :

- (a) how many scholarships Government have given in all the branches of aeronautics ?
- (b) Were the applications invited for these scholarships ?
- (c) Which Officer of the Government of India awarded these scholarships ?
- (d) What was the object of giving those scholarships ?
- (e) Were the applications of Muslim candidates considered by Government ?

The Honourable Sir Thomas Stewart : (a)—(c). Thirty-eight scholarships have been given of which 16 were for training for Government employment and the remainder were general scholarships. The selections to the 16 scholarships referred to were made on the recommendation of the Public Service Commission or of the High Commissioner, and all these were duly advertised. As regards the others, Flying Clubs and aircraft operating companies were asked to send up nominations from which selections were made by the Director of Civil Aviation.

(d) In sixteen cases the object was to train staff for the Civil Aviation Department. In twenty-two cases the object was to assist the scholars to fit themselves for commercial employment.

(e) Yes.

Dr. Ziauddin Ahmad : Was any scholarship given to any Muhammadan ?

The Honourable Sir Thomas Stewart : One was given.

Dr. Ziauddin Ahmad : Out of how many ?

The Honourable Sir Thomas Stewart : Out of 38.

Dr. Ziauddin Ahmad : $38 + 6 = 44$. Were these scholarships advertised also ?

The Honourable Sir Thomas Stewart : I have said that sixteen of them were filled after advertisement and the remainder were filled from nominations made by Flying Clubs and Commercial Flying concerns.

Dr. Ziauddin Ahmad : Is it not a fact that these scholarships are awarded by the Director of Civil Aviation at his sweet will and pleasure whenever he finds it desirable to award them ?

The Honourable Sir Thomas Stewart : The Director of Civil Aviation refers the matter to the Industries and Labour Department before he grants any scholarship.

Prof. N. G. Ranga : Will the policy of advertising for these scholarships be pursued and followed in cases of vacancies arising hereafter ?

The Honourable Sir Thomas Stewart : That, Sir, is a matter that we have at present under consideration.

Dr. Ziauddin Ahmad : Is it not a fact that the practice in other departments of the Government is that first they fix the number of vacancies and then announce the scholarships to be awarded and then announce the conditions and then they invite applications and then afterwards they set apart a certain number of scholarships for Muhammadans and other minorities. Was this practice followed in the case of this department ?

The Honourable Sir Thomas Stewart : No, Sir. It could not have been.

Dr. Ziauddin Ahmad : Why not, Sir ?

The Honourable Sir Thomas Stewart : Because these scholarships are awarded to persons who have technical qualifications and it is impossible to make a reservation for any particular community in these circumstances.

Dr. Ziauddin Ahmad : When the scholarships were not advertised, then how can the Honourable Member find out that no Muslim with the requisite technical qualifications was available ?

Mr. President (The Honourable Sir Abdur Rahim) : That is a matter for argument.

FEROZABAD GLASS AND BANGLE INDUSTRIES.

631. ***Pandit Sri Krishna Dutta Paliwal :** Will the Honourable Member for Industries and Labour kindly state :

- (a) if Government are prepared to put the Ferozabad glass and bangles industries from the "Minor" to the "Major" list ;
- (b) if so, when ; if not, why not ;
- (c) if Government are aware that Ferozabad in District Agra, United Provinces, is the All-India centre for the manufacture and trade of glass bangles ;
- (d) what steps, if any, Government have taken, and propose to take to give suitable aid and protection to this industry ?

The Honourable Sir Thomas Stewart : (a) and (b). I do not understand to what list the Honourable Member is referring.

(c) Yes.

(d) The Government of India came to the conclusion that the case for protection of this industry had not been established ; but there is at present a revenue duty of 50 per cent. *ad valorem* on glass bangles, glass beads and false pearls, which is the same as that recommended by the Tariff Board for protective purposes. The Central Government are also helping the industry by means of investigations and research into the question of reducing the cost of manufacture of glass bangles and the production of decorating materials.

Prof. N. G. Ranga : Does this industry also form part of the terms of reference to that officer who was appointed recently to inquire into the small industries ?

The Honourable Sir Thomas Stewart : I cannot say off-hand, nor can my Honourable colleague tell me at this stage.

DESIGN AND GET UP OF CURRENCY NOTES OF BURMA AND INDIA.

632. *Mr. Badri Dutt Pande : (a) Has the attention of the Honourable the Finance Member been drawn to the fact that :

- (i) the design and get up of currency notes of Burma and India is the same ;
- (ii) since the advent of the separation of Burma, simply the word, " Legal tender in Burma only " has been embossed in front and the back of the currency notes ;
- (iii) the banks, treasuries, and big business homes are experiencing difficulties in detecting such notes in the heaps of other Indian notes, while it is simply beyond the knowledge of the uneducated mass and ordinary laymen to detect it ; and
- (iv) to cash these notes in India commission is being charged ?

(b) Do Government still issue currency notes for the Government of Burma ?

(c) Is it the intention of the Government of India to alter the design of Burma notes, so that it may not be confused with Indian currency notes ?

(d) So long as the necessary change in the get up is not made, will orders be issued that it may be considered as legal tender in India also ?

The Honourable Sir James Grigg : (a) to (c). I invite the attention of the Honourable Member to the press communiqué on the subject issued by the Reserve Bank of India on 15th January, 1937. I lay a copy of this communiqué on the table of the House. I expect that the distinctive bank notes for Burma will shortly be issued by the Reserve Bank.

(d) No.

RESERVE BANK OF INDIA.

PRESS COMMUNIQUE.

Issue of Reserve Bank of India Notes in Burma.

Under section 22 (1) of the Reserve Bank of India Act (II of 1934) and subject to any Orders-in-Council which may be promulgated in this behalf by His Majesty, the Reserve Bank of India will continue to have the right of note issue in Burma after the political separation of that Province from British India, which will take place on the 1st April, 1937. The Bank is taking necessary steps to issue distinctive Bank notes for Burma as soon as possible, but as some time is necessarily bound to elapse before these notes are ready for issue, the Bank, in accordance with paragraph 6 (4) of Part II of the Burma Monetary Arrangements Order, is issuing as a temporary measure the existing patterns of currency notes but with the words " legal tender in Burma only " clearly overprinted thereon as from the 1st April, 1937, and the Bank wishes to make it clear that notes so overprinted will not be legal tender in British India and will not be accepted by it at its offices, branches or agencies in India, though they will be full legal tender in Burma.

Any currency notes of the existing patterns without the words "Legal tender in Burma only" overprinted on them issued in Burma after the 1st April, 1937, will, of course, continue to be, as at present, full legal tender in India and Burma.

A. EGGLESTON,

Secretary.

BOMBAY,

15th January, 1937.

PROPOSAL OF THE BRITISH FILM INDUSTRY TO ESTABLISH STUDIOS AND CINEMAS IN INDIA.

633. ***Seth Govind Das** : Will the Honourable Member for Industries and Labour be pleased to state :

- (a) whether his attention has been drawn to an "A.P.I." message from Bombay, appearing in the *Statesman* of the 27th August, 1937, on the 10th page under the heading "Threat to Indian Film Industry"
"British proposal"
"Preparing subsidy scheme";
- (b) whether it is a fact that there has been a move on the part of the British film industry asking Government to subsidise the establishment of British film studios and cinemas in India with a view to competing with Germany and America and for the provision of cinema entertainment in villages;
- (c) whether Government are aware that the proposal of the British film industry to engage itself actively in the production and exhibition of films in India would not mean direct, ruthless and unfair competition with the indigenous industry;
- (d) what action, if any, Government propose taking in the matter; and
- (e) whether Government are prepared to represent this case to His Majesty's Government in the United Kingdom to refuse help in the scheme, if not, why not?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) I have heard nothing of it beyond the press statement.

(c) I am unable to express an opinion.

(d) and (e). Government do not consider that any action is required at present.

Mr. S. Satyamurti : Will the Government of India get into touch with the Secretary of State for India, and find out if any such proposal is being placed before His Majesty's Government?

The Honourable Sir Thomas Stewart : No, Sir. The evidence that any such project is under contemplation is too meagre. It is merely a report in one paper of a report that appeared in another paper and that does not seem to us to justify taking any action at the present moment.

Seth Govind Das : Are the Government aware that that report was never denied so far by any responsible officer of His Majesty's Government and because the film industry is in its infancy in this country, is it not advisable for the Government of India to enter into negotiations with the Government of England and find out whether it is a fact or not ?

The Honourable Sir Thomas Stewart : No, Sir. The evidence of the existence of this scheme is so flimsy that it does not justify the necessity of taking any action.

Seth Govind Das : The news that appeared was never denied by His Majesty's Government and under those circumstances, is it not desirable for the Government of India to correspond with them on the matter ?

The Honourable Sir Thomas Stewart : The Honourable Member is assuming that there has been no denial. I do not understand the evidence on which he makes that statement.

Seth Govind Das : Will the Honourable Member lay on the table a copy containing the denial of His Majesty's Government on the subject ?

The Honourable Sir Thomas Stewart : I did not suggest for one moment that no denial took place. I am as ignorant as the Honourable Member on this question.

Seth Govind Das : I am positive that no denial has been made and therefore I am asking the Government to enquire into the matter ?

The Honourable Sir Thomas Stewart : Sir, if His Majesty's Government have made no denial of the suggestion, it is probable that they are in agreement with the Government of India that it is a matter that is not worth while troubling about.

Seth Govind Das : The Honourable Member just mentioned about the probability and I am asking because the Government of England have made no denial. In the interest of the film industry of the country is it not advisable for the Government of India to correspond with His Majesty's Government in England.

The Honourable Sir Thomas Stewart : No, Sir.

Mr. S. Satyamurti : May I know the reason why the Government of India do not wish to write to the Secretary of State for India and find out if there is any such proposal ? Can't they afford one anna ?

The Honourable Sir Thomas Stewart : In the interests of economy.

Mr. K. Santhanam : May I know whether the British Government are protecting the film industry in England by a quota system ?

The Honourable Sir Thomas Stewart : I submit that does not arise.

Mr. K. Santhanam : Will the Government of India take steps to protect the film industry in India in the same way ?

Mr. President (The Honourable Sir Abdur Rahim) : That question does not arise. Next question.

RETIREMENT OF CERTAIN OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT.

634. *Mr. Sham Lal : (a) With reference to question No. 1101 (a) and (b), dated the 12th October, 1936, will the Honourable the Finance Member be pleased to state whether among the dozen or so Deputy Assistant Controllers, Military Accounts, prematurely retired in 1933, there were Military Engineering Service Accounts officers also who were employed for the whole of their service on Military Engineering Service or Public Works Department Audit and Accounts except for a short period after which they were retired for neglect in not detecting earlier the two frauds in the accounts of the Army Units (i) Chaklala Rations Stand and (ii) Rawalpindi Rest Camp detected in 1932 ?

(b) If so, will the Honourable Member please state their previous service and that in the Army Accounts that these officers put in before they showed the neglect of duty in the two instances quoted in part (a) ?

The Honourable Sir James Grigg : Questions Nos. 634 to 637 raise a number of detailed points in connection with the retirement of two officers whose neglect of duty had facilitated the perpetration at Rawalpindi in 1932 of two frauds. The cases of these officers were most carefully considered before action was taken to retire them from the service. In this connection I should like to draw the Honourable Member's attention to my reply to questions Nos. 781 to 791 by Mr. Jagan Nath Aggarwal on the 22nd August, 1934. As I stated on that occasion, a public discussion of the details of individual cases of this character is highly detrimental to service discipline and is, therefore, not in the public interest. I regret, therefore, that the Government of India are not prepared to furnish further details in the matter.

RETIREMENT OF CERTAIN OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT.

†635. *Mr. Sham Lal : Will the Honourable the Finance Member please state :

- (i) whether these Military Engineering Service officers were retired at the instance of the Military Accountant General ;
- (ii) whether it is a fact that such a recommendation was not made by the Controller, Military Accounts, who dealt with the frauds and also the Controller of Military Accounts under whom those officers were subsequently employed ;
- (iii) whether the previous and subsequent service of these officers was fully efficient and approved ;
- (iv) whether Government are aware that the Civil Service Regulation Article 465-A (Note 1) as interpreted on 1st November, 1933, by the Finance Department, was incorrectly applied to their cases ;

† For answer to this question, see answer to starred question No. 634.

- (v) whether these officers were called upon to explain the neglect a long time after the occurrence, and after how long ;
- (vi) whether these officers were not given the original documents (vouchers accounts, audit notes and other documents concerned) that they required in order to refresh their memory as to the circumstances of the irregularity, etc., after such a long time ;
- (vii) whether it is a fact that the Departmental enquiry was not held in their presence ;
- (viii) whether the subsequent appeals were disposed of by the convicting authority (Military Accountant General himself), denying the appellants personal interviews with him or with the higher authorities ;
- (ix) whether, when called upon to explain the irregularity, these officers were not apprised of the serious action pending against them and they were relieved of their duties instantaneously all at once under orders from the said Military Accountant General ; and
- (x) whether these officers were denied the full furlough due as allowed to the Military Accounts Department Deputy Assistant Controllers retired at the same time ?

RETIREMENT OF CERTAIN OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT.

†636. *Mr. Sham Lal : In connection with the two frauds referred to above will the Honourable the Finance Member please state whether it is a fact :

- (a) that these frauds were perpetrated even before the Military Engineering Service Accounts officers took over charge ;
- (b) that there were other Military Accounts Department officers also in charge at the time, who were not retired or otherwise punished ;
- (c) that this was the first time these Military Engineering Service Accounts officers held charge of the audit of Military Accounts Department Units under the Military Accounts Department rules ;
- (d) that the standing audit instructions existing at the time were incomplete in that complete instructions were issued after these frauds had been detected and dealt with ;
- (e) that one of these Military Engineering Service Accounts officers had brought to notice previously in three instances without any action by the Controller of Military Accounts that I. A. Form S. 1520 was defective ;
- (f) that the personal checks carried out by these officers were the checks usually carried out by other officers of the Military Accounts Department ;

†For answer to this question, see answer to starred question No. 634.
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- (g) that the Army Executive Officers directly responsible, who dealt with the transactions from day to day, were let off ;
- (h) that the detection of the Chaklala Rations Stand fraud was first made by one of the above mentioned Military Engineering Service Accounts officers, vide Controller of Military Accounts, Northern Command, letter No. G.(Con.)152, dated the 9th March, 1933, and its reply ; and
- (i) that in addition to premature retirement, 5 per cent. cut was made from the pension admissible to the officer mentioned in the preceding part and that he had rendered the requisite qualifying approved service for full pension ?

RETIREMENT OF CERTAIN OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT.

1637. *Mr. Sham Lal : Will the Honourable the Finance Member be pleased to state whether in view of his assurance, dated 25th February, 1936, that Government would be prepared to consider the grievances of a body or class of Government servants brought to their notice, he is considering or will consider the question of redressing grievances of the officers of the Military Engineering Service Class mentioned in the previous questions making good their losses ? If not, why not ?

(b) WRITTEN ANSWERS.

NON-RECOGNITION OF THE MEDICAL DEGREES OF THE ANDHRA UNIVERSITY.

638. *Mr. Thirumala Rao : (a) Will the Secretary for Education, Health and Lands be pleased to state whether he is aware that the Indian Medical Council has refused according recognition to the medical degrees of the Andhra University ?

(b) Is the Honourable Member's attention drawn to the remarks made by Mr. Tirumarti, an esteemed member of the Indian Medical Council and published in the *Hindu*, dated the 31st August, 1937, that " unfortunately too much stress was placed on brick and mortar in regard to the Andhra University Medical degrees, even it was admitted that teaching was efficient and satisfactory. "

" On the other hand other Medical Colleges in India where even the efficiency, especially in Midwifery, was questionable had been recognised " ?

(c) Are Government prepared to enquire and state the reason why recognition to the Andhra University is not accorded ?

(d) Are Government aware that the Minister of Health to the Madras Government gave a public assurance that the requirements with regard to buildings will soon be met by the Madras Government ?

(e) Do Government propose to see that recognition is given to the Andhra University by the Indian Medical Council ?

†For answer to this question, see answer to starred question No. 634.

Sir Girja Shankar Bajpai : (a) and (b). Yes.

(c) The Honourable Member's attention is invited to the reply given to Mr. Chettiar's starred question No. 546 on the 15th September, 1937.

(d) Yes.

(e) Government do not see sufficient reasons to differ from the conclusions of the Indian Medical Council in the matter.

FINANCIAL TRAINING GIVEN TO INDIAN CIVIL SERVICE OFFICERS.

639. ***Mr. C. N. Muthuranga Mudaliar :** (a) Will the Honourable the Finance Member be pleased to state if, since the answer was given to starred question No. 346, dated the 12th February, 1936, any Indian Civil Service officers have been given financial training ?

(b) If the answer to part (a) be in the affirmative, will Government please lay on the table of the House a list of names of the officers who have been given such training ? What posts do these officers hold now and in which province ?

The Honourable Sir James Grigg : (a) No.

(b) Does not arise.

RATES OF THE IMPERIAL BANK OF INDIA FOR ISSUING DRAFTS TO THE PUBLIC IN REMITTING MONEY.

640. ***Khan Sahib Nawab Siddique Ali Khan :** Will the Honourable the Finance Member please state the rate at which the Imperial Bank of India has contracted with the Government of India to issue drafts to the public in remitting money ?

The Honourable Sir James Grigg : There is no contract or agreement between the Government of India and the Imperial Bank of India on this subject.

PURCHASE AND SALE OF GOVERNMENT SECURITIES AT CALCUTTA.

641. ***Khan Sahib Nawab Siddique Ali Khan :** (a) Will the Honourable the Finance Member please state whether the Deputy Accountant General, Posts and Telegraphs, purchases and sells Government securities through any broker at Calcutta or through the Imperial Bank of India ?

(b) Does the Imperial Bank of India employ any broker for this purpose ? If so, what is the rate of brokerage paid to such brokers ?

(c) Are Government securities purchased and sold at current exchange market rates or at higher or lower rates ?

(d) Are the rates given in the account given to Savings Bank depositors, purchasers and sellers, the same as the market rate or different ? If different, why ?

(e) What is the procedure for checking that correct rates are being charged and paid to ensure that there is no underhand dealing ?

The Honourable Sir James Grigg : (a) No, this is done through the Reserve Bank of India.

(b) Does not arise.

(c) At current market rates as intimated by the Reserve Bank.

(d) The same as the current market rates.

(e) Government have no reason to doubt the accuracy of the rates quoted by the Reserve Bank.

MEETING OF THE CENTRAL ADVISORY BOARD OF HEALTH HELD AT SIMLA.

642. ***Mr. Ram Narayan Singh :** Will the Secretary for Education, Health and Lands be pleased to state if there was a meeting of the Central Advisory Board of Health at Simla only some time ago and, if so, will he be pleased to make a full statement as to the matters discussed and the decisions arrived at ?

Sir Girja Shankar Bajpai : Yes. The Board was constituted in February, 1937, and held its first meeting in June last. An account of its proceedings has been placed in the Library of the House.

INCOME-TAX APPEALS IN BIHAR.

643. ***Mr. Ram Narayan Singh :** Will the Honourable the Finance Member be pleased to state :

- (i) the number of appeals preferred to the Assistant Commissioner of Income-tax from the decisions of the Income-tax Officers in the Province of Behar within the period from the 1st of April, 1936 to July, 1937, with their results ;
- (ii) the number of appeals preferred to the Commissioner of Income-tax in Behar against the decisions of the Assistant Commissioner with their results within the period mentioned in part (i) above ; and
- (iii) the number of appeals preferred to the High Court at Patna from the decisions of the Income-tax Commissioner with their results within the period referred to above ?

Mr. A. H. Lloyd : Information for the period from 1st April, 1937, to 31st July, 1937, is not available yet but a statement giving the figures for the year ending 31st March, 1937, is laid on the table.

Statements.

	Number filed.	Number dis- posed of (including arrears of last year).	Number successful.
(i) Appeals preferred to the Assistant Commissioner of Income-tax from the decisions of the Income-tax Officers in the Province of Bihar	3,040	2,970	1,907
(ii) Appeals preferred to the Commissioner of Income-tax in Behar against the decisions of the Assistant Commissioner	3	2	1
This does not include the number of orders reviewed by the Commissioner of Income-tax of his own motion which were—			
No. taken up 495			
No. disposed of (including arrears of last year) .. 864			
No. of orders modified .. 356			
(iii) References under Section 66 of the Indian Income-tax Act made to the High Court at Patna	5	..	2

INCONVENIENCE DUE TO THE TRANSFER OF THE INCOME-TAX OFFICE FROM HAZARIBAGH TO RANCHI.

644. ***Mr. Ram Narayan Singh :** Is the Honourable the Finance Member aware of the inconveniences caused to, and consequent discontent prevailing among, the income-tax payees of the Hazaribagh district in Behar owing to the transfer of the Income-tax Office from Hazaribagh to Ranchi and if so, is he prepared to reconsider the question of bringing back the Income-tax Office to Hazaribagh ?

Mr. A. H. Lloyd : I would refer the Honourable Member to the reply given to his starred question No. 935 on 9th October, 1936.

BILL BEFORE CEYLON STATE COUNCIL TO AMEND THE VILLAGE COMMUNITIES ORDINANCE.

†645. ***Mr. K. Santhanam :** Will the Secretary for Education, Health and Lands please state :

- if there is a Bill before the Ceylon State Council to amend the Village Communities Ordinance No. 9 of 1924 ; and
- if, in that Bill, Ceylon-born Indians are not entitled to franchise ?

†For answer to this question, see answer to starred question No. 616.

NOTICE TO CERTAIN INDIAN LEASE-HOLDERS OF CROWN LANDS IN KANDAPOLA,
CEYLON.

646. *Mr. K. Santhanam : Will the Secretary for Education, Health and Lands please state :

- (a) if the Minister of Agriculture, Ceylon has given notice to 33 Indian lease-holders of crown lands in Kandapola with the object of resuming them ;
- (b) if it is a fact that these lessees have been in possession for more than 20 years ;
- (c) if all or most of them are Ceylon-born ; and
- (d) if the Government of India have made any representations on the matter ?

Sir Girja Shankar Bajpai : (a) and (b). The information in the possession of the Honourable Member is substantially correct.

(c) I understand that ten of the leaseholders affected are Ceylon-born.

(d) The matter is receiving attention.

ALLEGED DISCOURTESY SHOWN BY THE QUARANTINE OFFICERS AT
MANDAPAM.

647. *Mr. K. Santhanam : Will the Secretary for Education, Health and Lands please state :

- (a) if Government are aware that recently a respectable Government servant of the Central Provinces was treated discourteously by the Quarantine Officers at Mandapam ;
- (b) if similar discourtesy was shown to a Bombay merchant ;
- (c) if there have been any complaints about the behaviour of these quarantine officials ; and
- (d) if the Government of India will take steps to ensure courteous behaviour on the part of these officials ?

Sir Girja Shankar Bajpai : (a) and (b). The Government of India have no information.

(c) and (d). The Honourable Member apparently refers to the behaviour of officials of the Ceylon Government who are in charge of the Camp at Mandapam. If any specific complaint is made to the Government of India, they will consider whether they can take any action.

GAZETTED OFFICERS IN DEPARTMENTS UNDER THE MEMBER FOR INDUSTRIES
AND LABOUR.

648. *Babu Kailash Behari Lal : Will the Honourable Member for Industries and Labour be pleased to state the number of gazetted officers in different Departments under him and how many of them are (1) Bengalees, (2) Biharees, (3) Madrasis, (4) Punjabees, (5) Bombayites and (6) of other Provinces ?

The Honourable Sir Thomas Stewart : The Honourable Member is referred to the Histories of Services of Officers holding gazetted appointments in the Industries and Labour Department and Departments subordinate to it which are available in the Library of the House.

Particulars relating to the Civil Aviation Directorate and the All-India Radio are not contained in these Histories and I lay on the table a statement giving particulars in respect of these Departments.

Statement showing particulars of Gazetted Officers in the Civil Aviation Directorate and the All-India Radio.

Names of Department.	No. of gazetted officers.	Province of origin.					Other Provinces.
		Bengal.	Bihar.	Madras.	Punjab.	Bombay.	
Civil Aviation Directorate ..	44	7	..	2	11	1	8
All-India Radio ..	17	4	..	2	2	2	3

GAZETTED OFFICERS IN DEPARTMENTS UNDER THE SECRETARY FOR EDUCATION, HEALTH AND LANDS.

649. ***Babu Kailash Behari Lal :** Will the Secretary for Education, Health and Lands be pleased to state the number of gazetted officers under his Departments and how many of them are (1) Bengalees, (2) Biharees, (3) Punjabees, (4) Madrasis, (5) Bombayites and (6) of other Provinces ?

Sir Girja Shankar Bajpai : The Honourable Member is referred to the History of Services of Gazetted Officers in this Department, a copy of which is in the Library of the House.

GAZETTED OFFICERS IN DEPARTMENTS UNDER THE FINANCE MEMBER.

650. ***Babu Kailash Behari Lal :** Will the Honourable the Finance Member be pleased to state the number of gazetted officers in the Departments under him and how many of them are (1) Bengalees, (2) Biharees, (3) Punjabees, (4) Madrasis, (5) Bombayites and (6) of other Provinces ?

The Honourable Sir James Grigg : The attention of the Honourable Member is invited to the " History of Services of gazetted officers in the offices under the control of the Government of India, Finance Department ", a copy of which will be found in the Library of the House.

EMBEZZLEMENT IN THE LAHORE CENTRAL TELEGRAPH OFFICE.

651. ***Mr. Mahammad Ashur Ali :** (a) Will the Honourable Member for Industries and Labour be pleased to state whether an act of

embezzlement of Government cash had occurred in the Lahore Central Telegraph Office and the offence perpetrated by a Mr. A. Culpeper, who then held charge of that office as Superintendent ?

(b) Was the offence committed by himself, or in collusion or compulsion of the office cashier or accountant, if one is maintained for the purpose, or how, actually, was the said act consummated and how often ?

(c) How are such offences dealt with departmentally ? Are not the principles of common law applied in such cases ? If so, were any steps taken by the Directorate of the Posts and Telegraph Department responsible for discipline ?

(d) Was a proper departmental enquiry held and were the authorities able to establish guilt of the offending official ?

(e) Was there not a confession made by the delinquent official of actually having committed the embezzlement ? If so, how was he dealt with and by whom ?

(f) Do Government consider such an official either safe or suitable for further retention in public service ?

(g) Is not the commission of embezzlement sufficient cause for summary dismissal in the Posts and Telegraph Service ?

(h) Is Mr. Culpeper being still retained in Government employ ? If so, in what capacity and why ?

(i) Will Government institute measures for his immediate discharge ? If not, why not ?

The Honourable Sir Thomas Stewart : (a) No.

(b) Does not arise.

(c) and (d). Departmental enquiries are instituted in all such cases. In this case the results of these enquiries showed that no embezzlement had taken place and, consequently, no further action was called for.

(e) No.

(f) Does not arise.

(g) Yes.

(h) Yes, as Superintendent of a Telegraph Office.

(i) No, for the reasons already stated.

INCREASE IN THE IMPORT OF TWISTED SILK FROM JAPAN.

652. ***Mr. N. V. Gadgil :** (a) Will the Finance Member state whether Government are aware of the fact that during the last 12 months, there has been an abnormal increase in the import of twisted silk in India from Japan ?

(b) Are Government aware of the fact that this increase in import has caused ruin for the workers in that line at Bangalore and other places in Madras Presidency ?

(c) Are Government prepared to take steps in this connection so as to secure protection to the corresponding Indian industry ?

The Honourable Sir James Grigg : The question should have been addressed to the Honourable the Commerce Member.

INSUFFICIENT STAFF ATTACHED TO INCOME-TAX OFFICERS IN THE MADRAS PRESIDENCY.

653. *Mr. K. S. Gupta : (a) Will the Honourable the Finance Member state whether there is any difference in the initial salary of a clerk or a peon in the Income-tax Department from Province to Province ? If so, why should it be so ?

(b) What are the hours of work of an Income-tax office ?

(c) Is the Honourable Member aware that certain Income-tax Officers work from 6 A.M. to 9 P.M. on all days, not excepting Sundays, in the Madras Presidency ?

(d) Is the Honourable Member aware that some Income-tax Officers, specially of the Madras Presidency, keep the assessee waiting for days and days together before their accounts are checked and their cases are heard ? Have the Government of India implemented one of the recommendations of the recent Income-tax Enquiry Committee in this regard ?

(e) Is efficiency or seniority the rule of promotions from Income-tax Officers to Assistant Commissioners of Income-tax in the Presidency of Madras ?

(f) Is there even one amongst the Assistant Commissioners of Income-tax of the Madras Presidency from the Northern Circars or Ceded Districts ?

(g) Are Excise men specially fitted to carry on the work of Income-tax ? If not, are Excise people preferred in the service of the Income-tax Department ? If so, why ?

(h) Is it a fact that certain Income-tax Officers in the Madras Presidency are working with very insufficient staff which causes great inconvenience to the assessee in not getting replies to their several communications in time and in not getting public copies of the documents filed from time to time by the assessee ?

Mr. A. H. Lloyd : (a) Yes. The initial pays of clerks and peons in the Income-tax Department are based on the rates of pay of similar employees of the Local Governments which vary in different Provinces.

(b) The hours of attendance in an Income-tax Office are 10 A.M. to 4 P.M. or from 11 A.M. to 5 P.M. or as Commissioners in Provinces may determine.

(c) No.

(d) The Government are aware that inconvenience has been caused to assessee in some cases and following one of the recommendations in the Income-tax Enquiry Report, the Central Board of Revenue has issued instructions to the Commissioners of Income-tax to the effect that hearings and appointments should be so arranged that assessee are kept waiting as little as possible.

(e) Both seniority and efficiency are considered when promoting an Income-tax Officer to be an Assistant Commissioner. Seniority alone does not secure an Officer promotion.

(f) The information is being obtained and will be laid on the table in due course.

(g) The reply to the first and second parts is in the negative and the third does not arise.

(h) The reply is in the negative.

DELAY IN THE REGISTRATION OF *Nai Dunia*, A HINDI WEEKLY, PUBLISHED FROM AGRA.

654. *Pandit Sri Krishna Dutta Paliwal : Will the Honourable Member for Industries and Labour kindly state :

(a) whether it is a fact that a Socialist Hindi Weekly, named *Nai Dunia*, meaning the New World, published from Agra applied for registration as a newspaper to the Postmaster General, United Provinces, in or before the first week of November, 1936 ;

(b) whether it is also a fact that the paper was not actually registered up till July, 1937 ;

(c) the reason for this unusual delay ;

(d) whether it is a fact that the Postmaster General wrote to the paper on 13th November, 1936, that certain enquiries were being made and further action will be taken when these are completed ;

(e) how long it took to complete these enquiries ; whether it was more than two months ;

(f) the agency employed in such enquiries ; and

(g) the conclusive evidence which a paper must furnish to establish that it has more than fifty *bona fide* subscribers ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) Yes.

(c) The lists of subscribers submitted by the Manager of the paper was, on check, found to be incorrect.

(d) Yes.

(e) A few days over two months for the reasons given at (c) above.

(f) Post office employees.

(g) Provision of a list containing the names of 50 *bona fide* subscribers.

CONTROL OF THE RADIO DEPARTMENT AND APPOINTMENT OF THE NEWS EDITOR.

655. *Mr. Badri Dutt Pande : Will the Honourable Member for Industries and Labour inform the House as to :

- (a) who controls the Radio Departments ;
- (b) who appoints the musicians and singers ; and
- (c) whether the News Editorship of All-India Radio has been filled up ; and if so, who has been appointed ?

The Honourable Sir Thomas Stewart : (a) The Controller of Broadcasting under the general direction of the Department of Industries and Labour.

(b) Station Directors of All-India Radio.

(c) The attention of the Honourable Member is invited to the reply given by me on the 7th September, 1937, to part (a) of Mr. Sri Prakasa's starred question No. 342.

PRESS TELEGRAM RATES, ADMISSION OF NEWS PRINT INTO INDIA FREE OF DUTY AND RATES OF POSTAGE AND TELEGRAMS BETWEEN BURMA AND INDIA.

656. *Mr. Badri Dutt Pande : With reference to the reply to questions in the House of Commons in June, 1937, regarding (i) lowering of press telegraph rates, which were increased in 1933, (ii) admitting news print into India free of duty, and (iii) increase of postal and telegraphic rates imposed by the Burma Government, will the Honourable Member for Industries and Labour inform the House what action Government have taken on these matters ?

The Honourable Sir Thomas Stewart : The only question in the House of Commons, which it has been found possible to trace, refers only to the third item of the Honourable Member's question.

The following, however, is the information which he seeks :

- (i) Government have taken no action to lower the inland press telegraph rates as they are of opinion they are extremely favourable to the users of the service.
- (ii) The import duty on newsprint in reels has been reduced from 25 per cent. *ad valorem* to Rs. 1-8-0 per cwt. for unglazed and Rs. 1-12-0 per cwt. for other sorts.
- (iii) As regards the postal rates with Burma the Honourable Member is referred to the reply given to starred question No. 330 of Mr. T. S. Avinashilingam Chettiar given on the 7th September, 1937.

As regards telegraph rates with Burma the Government of India will consider the case further when adequate comparative statistics are available.

POST OF THE INSPECTOR GENERAL OF CIVIL HOSPITALS AND PRISONS OF THE NORTH-WEST FRONTIER PROVINCE.

657. ***Mr. Sham Lal :** (a) Will the Secretary for Education, Health and Lands be pleased to state whether it is a fact that the post of Inspector General of Civil Hospitals and Prisons of the North-West Frontier Province has been reserved for European officers of the Indian Medical Service ?

(b) If so, since when and why ?

Sir Girja Shankar Bajpai : (a) Yes.

(b) Since 1933 and for administrative reasons.

POST OF THE DEPUTY DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.

658. ***Mr. Sham Lal :** (a) Will the Secretary for Education, Health and Lands be pleased to state the number of senior Indian officers who have been superseded by European officers and have been selected for higher appointments in the Indian Medical Service during 1936 and 1937 ?

(b) Is the post of Deputy Director General, Indian Medical Service, a tenure post ? If so, was an Indian I. M. S. appointed to it but was replaced by an Englishman before the expiry of his tenure ?

(c) Is it the intention of Government to reserve this post for a European in future ?

Sir Girja Shankar Bajpai : (a) Two. Promotions to administrative appointments are not subject to consideration of seniority alone. Suitability for the particular appointment is the deciding factor.

(b) Yes.

(c) No.

SHORT NOTICE QUESTION AND ANSWER.

STATE OF HEALTH OF SEVEN ANDAMANS PRISONERS.

12 NOON.

Mr. S. Satyamurti : Will the Home Secretary be pleased to state :

(a) What is the present state of health of the seven prisoners in the Andamans who continued the hunger-strike in spite of Mahatma Gandhi's persuasion ;

(b) whether the attention of Government has been drawn to the public appeal of Mahatma Gandhi to the authorities to release these prisoners, if they will not give up their fast ;

(c) to what Province these prisoners belong ;

(d) whether the Local Government concerned have addressed the Government of India for their repatriation or release ; and

(e) if the Government of India propose to repatriate or release them and if not why not ?

Mr. J. A. Thorne : (a) In the absence of particular information to the contrary, it may be assumed that there is no reason for concern over the health of any of the prisoners who were on hunger-strike.

(b) Yes.

(c) Four were convicted in Bengal, one in Madras, one in the Punjab, one in Bihar and one in Delhi.

(d) and (e). The Government of India have sanctioned, at the request of the Provincial Governments concerned, a retransfer of about 70 prisoners belonging to various provinces.

Mr. S. Satyamurti : With reference to the answers to (d) and (e), may I take it that the Bengal Government is one of the Governments which have asked for the repatriation of these prisoners, and certain of these prisoners who are being repatriated belong to Bengal ?

Mr. J. A. Thorne : About half of this number, i.e., about 35, are Bengalis.

Mr. S. Satyamurti : May I know whether the Government of Bengal have asked for the repatriation of all these prisoners, who went on hunger-strike ?

Mr. J. A. Thorne : No, Sir.

Mr. S. Satyamurti : May I know how many of them they have asked the repatriation of ?

Mr. J. A. Thorne : The number which I have just given,—about 35.

Mr. S. Satyamurti : With regard to the other Local Governments may I know whether they have asked for the repatriation of all their prisoners ?

Mr. J. A. Thorne : Yes, Sir.

Mr. S. Satyamurti : May I know whether the Government of India have passed orders directing the repatriation of all these prisoners belonging to these provinces ?

Mr. J. A. Thorne : Yes, Sir.

Mr. S. Satyamurti : May I take it, therefore, that the Bengal Government have not asked for the repatriation of any prisoners except the 35 who have been repatriated ?

Mr. J. A. Thorne : That is so.

Mr. Mohan Lal Saksena : May I know if prisoners from Delhi and other centrally administered areas are going to be repatriated ?

Mr. J. A. Thorne : I think, Sir, there are only three from the Chief Commissioners' provinces, and of these three, two are being repatriated.

Sardar Mangal Singh : May I know whether the Punjab Government have asked for the repatriation of their prisoners ?

Mr. J. A. Thorne : Yes, Sir.

Mr. Lalchand Navalrai : May I know if these eight prisoners are also to be repatriated ?

Mr. J. A. Thorne : Some of them are, some of them are included in the number to which I have referred, but I am not sure that they all are.

Mr. Mohan Lal Saksena : Why is the third prisoner from the centrally administered areas not being repatriated ?

Mr. J. A. Thorne : My recollection is that he is a Bengali, and we are waiting to see what the decision of the Bengal Government is about him and other Bengalis.

Seth Govind Das : Has he been convicted by the authorities of the centrally administered areas or at Bengal ?

Mr. J. A. Thorne : He was convicted in Delhi.

Seth Govind Das : In that case is he a Bengali or a person of northern India ? Is it not the concern of the Government of India to repatriate him ?

Mr. J. A. Thorne : It is the concern of the Government of India ; but, as I say, we are waiting to hear whether the Bengal Government would agree to his repatriation.

Seth Govind Das : But what has the Government of Bengal got to do with it ?

Mr. J. A. Thorne : If the Bengal Government agree to his repatriation at an early date, it is obviously a more convenient arrangement if he is repatriated.....

[At this stage, Seth Govind Das rose to ask another question.]

Sir, may I complete the reply ?

Mr. President (The Honourable Sir Abdur Rahim) : When the Honourable Member has asked a supplementary question, he should allow time to the Government Member to complete his reply.

Seth Govind Das : I thought he had finished.

Mr. Mohan Lal Saksena : Am I to understand that this Bengali prisoner is no other than Mr. B. K. Dutt ?

Mr. J. A. Thorne : I do not remember his name, but I think it is not B. K. Dutt.

Mr. Mohan Lal Saksena : Is it a fact that B. K. Dutt was convicted in Delhi and he is in the Andamans ? Has he been ordered to be repatriated ?

Mr. J. A. Thorne : The answer to the whole question is, yes.

Mr. S. Satyamurti : May I know if any correspondence is still going on between the Government of Bengal and the Government of India with regard to the repatriation of the other prisoners still in the Andamans, who recently went on hunger-strike ?

Mr. J. A. Thorne : We are awaiting the decision of the Government of Bengal.

UNSTARRED QUESTIONS AND ANSWERS.

BROADCASTING EXPANSION SCHEME.

114. **Mr. M. S. Aney :** (a) Will the Honourable Member for Industries and Labour be pleased to state whether his attention has been drawn to a letter signed by Mr. R. N. Dhar under the caption " Broadcasting Expansion Scheme ", published in the issue of the *Amrita Bazar Patrika*, dated the 26th August, 1937 ?

(b) Are Government aware of the fact that the Provinces, such as, Sindh, the Central Provinces, Behar, Orissa and Assam, have been left without a broadcasting station in the Government scheme ?

(c) Do Government propose to revise their scheme of expansion with a view to ensure fairer distribution among the provinces and appoint a Committee to examine their proposals ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) Yes, but it is expected that the provinces referred to will receive a satisfactory service from the short wave stations to be established at Calcutta, Delhi, Bombay and Madras.

(c) No, Sir. The present programme of stations was designed to ensure as fair a distribution between the provinces as is possible with the resources available at present. The programme was settled in consultation with the Provincial Governments, the Standing Finance Committee and the Standing Advisory Committee attached to this Department.

RECRUITMENT OF TELEPHONE OPERATORS IN THE SHILLONG DIVISION.

115. **Mr. Kuladhar Chaliha** : Will the Honourable Member for Industries and Labour please state :

- (a) whether applications for seven posts of telephone operators were invited by the Divisional Engineer, Telegraphs of Shillong Division on the 6th January, 1937 ;
- (b) whether in pursuance of the above advertisement an examination was held on the 12th February, 1937 ;
- (c) whether after the examination and after scrutinising their applications and age, telephone operators were taken into service on the 28th April, 1937 ;
- (d) whether they were directed to supply medical certificate of health and age, etc. ;
- (e) whether after the medical examination the telephone operators were appointed as advertised ;
- (f) whether after the appointment of the operators some of them including a graduate were discharged ; if so, why ;
- (g) whether the discharge of the operators was due to the fact that some of them were above 21 years of age ;
- (h) whether it was stated when the applications were invited and advertised for that only applicants under 21 years of age will be taken ; if not, why not ; and
- (i) why the operators after a length of service have been discharged ?

The Honourable Sir Thomas Stewart : (a) and (b). Yes.

(c) No. The candidates selected were appointed on a temporary basis on the 30th May, 1937.

(d) Yes.

(e) Yes ; but the orders of appointment stated that no assurance could be given of permanent employment.

(f) All the operators are still employed but they have been informed that they are liable to be discharged when candidates secured under the open competitive examination, held on the 15th August last, become available. This is in accordance with the general orders which were issued.

(g) No ; all persons employed after the announcement of the new competitive examination on the 8th of May were recruited purely on a temporary basis and the candidates notified of their liability to discharge on that ground.

(h) No ; as the new conditions for the competitive examination had not been introduced at that time.

(i) Does not arise in view of the reply to parts (f) and (g) of this question.

BROADCASTING EXPANSION SCHEME.

116. **Mr. Kuladhar Chaliha** : Will the Honourable Member for Industries and Labour please state :

- (a) whether his attention has been drawn to a letter by Mr. R. N. Dhar in the issue of the *Amrita Bazar Patrika* of the 26th August, 1937 ;
- (b) whether he has noted that important business areas and provinces like Assam, Sindh, Bihar, Central Provinces and Orissa have been left out of the broadcasting expansion scheme proposed by Government ;
- (c) whether Government are prepared to revise their expansion scheme and make Shillong (in Assam) and Gopalpur or Puri in Orissa centres of broadcasting instead of Dacca as suggested in the article ; and
- (d) whether Government propose to set up television apparatus in Bombay and Calcutta, the two centres of sport and other activities ?

The Honourable Sir Thomas Stewart : (a), (b) and (c). The attention of the Honourable Member is invited to the reply given by me today to Mr. M. S. Aney's unstarred question No. 114.

(d) No.

EXISTENCE OF COMPULSORY OR FORCED LABOUR IN ASSAM.

117. **Mr. Kuladhar Chaliha** : Will the Honourable Member for Industries and Labour please state :

- (a) whether India was a signatory to the International Labour Conference of June, 1930, of the League of Nations ;
- (b) whether India was a signatory to the draft convention of the said Conference ;
- (c) whether the draft convention was ratified by the Government of India and whether they undertook to suppress the use of forced or compulsory labour in all its forms within a limited period of five years ;
- (d) whether Government are aware of the existence of compulsory or forced labour for transport and other purposes in the Province of Assam ;

- (e) whether the Government of Assam still practise the use of forced labour in lieu of taxes in the reserved forest areas of the province under the Forest Department for building camps, transport and other purposes ;
- (f) whether the Government of India have directed the Government of Assam to abolish this practice after issue of their letter, dated the 14th January, 1936, No. F. 187/2/30 Public ; and
- (g) whether the impressment for the purpose of transport is still practised in the Hills and other districts of Assam with the implied permission of the Government of India ?

The Honourable Sir Thomas Stewart : This question should be addressed to the Honourable Member for the Home Department.

DEDUCTION OF SUBSCRIPTION OF CERTAIN SOCIETIES FROM THE WAGES OF EMPLOYEES ON THE GREAT INDIAN PENINSULA RAILWAY.

118. **Mr. N. M. Joshi :** Will the Honourable Member for Industries and Labour be pleased to state :

- (a) whether on the Great Indian Peninsula Railway there are two societies by name " The Great Indian Peninsula Railway Mutual Benefit Fund " and " The Great Indian Peninsula Railway Death Benefit Fund " ;
- (b) whether deductions of subscriptions to the said societies are made from the wages of the employees ;
- (c) the object and nature of the work done by these two societies ;
- (d) whether these societies are co-operative societies approved of by the Local Government and, if so, on what date and by what order such approval was given by the Local Government ;
- (e) if the answer to part (d) be in the negative whether Government have issued an order authorising recoveries to be made from wages of the employees under clause (j) of sub-section (2) of section 7 of the Payment of Wages Act, 1936, and if so whether such exemption has been considered to be legal by their legal experts ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) Yes.

(c) The Mutual Benefit Society provides legal assistance for the defence of members prosecuted for offences alleged to have been committed in the discharge of their railway duties or for actions believed to be within the scope of their duties as railway employees. The Society also gives legal assistance when a member is ordered by the Railway to clear his character when allegations concerning his duties are made to the administration against him. After ten years' membership the Society also provides certain cash benefits on termination of service or at death. The Death Benefit Fund assist the nominee of a member to defray funeral and other expenses on the member's death.

(d) and (e). Under section 24 of the Payment of Wages Act the powers of the Provincial Government are vested, in respect of cases such as this, in the Central Government, who issued an order on 16th April, 1937, after being satisfied as to its legality.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 48 asked by Mr. Badri Dutt Pande on the 24th August, 1937.

MARTIAL LAW PRISONERS OF THE GARHWALI REGIMENT.

The remaining two men were undergoing imprisonment as "C" class prisoners.

Information promised in reply to unstarred questions Nos. 3 and 5, asked by Mr. Mohan Lal Saksena on the 24th August, 1937.

PERSONS EXTERNEED OR INTERNED IN THE CENTRALLY ADMINISTERED AREAS.

Question No. 3.—A statement giving the information required is laid on the table.

Statement.

Internment Orders in force.—None.

Extermination Orders in force.—

Province.	Name of person.	Nature of order and reason therefor.	Date of order.	Date of expiry of order.
Delhi	(1) M. Nuruddin Bihari —a resident of Bihar.	<i>Extermination.</i> —Delivery of seditious speeches.	8-5-37	7-11-37
	(2) M. Husain Ahmad Madni of Deoband, U. P.	<i>Extermination.</i> —Delivery of a seditious speech which was stated to be the first of a series.	18-6-37	17-12-37
Ajmer-Merwara ..	(3) Ramji Lal, son of Jawahar Singh, a resident of Murad- abad District, U. P.	<i>Extermination.</i> —In view of his past terrorist record and the likelihood of his organising a terrorist party in Ajmer.	24-3-37	24-3-38
Coorg and Baluchistan.	} None.			

SECURITIES DEMANDED FROM PRESSES AND NEWSPAPERS IN THE CENTRALLY ADMINISTERED AREAS.

Question No. 3.—A statement containing the information required is laid on the table.

Statement showing the Names of Presses and Newspapers from which Securities were demanded from August, 1935, to July, 1937, in Centrally Administered Areas.

Serial No.	Name of the press or newspaper.	Amount of security demanded.
	DEHRA.	
1	Kainat ..	500
2	Taj	1,000
3	The Jadid Gazette	1,000
4	Anjam	1,000
5	Qaumi Gazette ..	1,000
6	Town and Country ..	1,000
7	National Gazette ..	1,000
8	The "Muslim" newspaper	1,000
9	The Weekly Muslim	1,000
10	The Betab	1,000
11	The Shahryar	1,000
12	The Devarishi Narad	1,000
13	The Hindustan	1,000
14	The Delhi Advertiser and Market Report	1,000
15	The Din-o-Dunya (Weekly)	2,000
16	The Hunter	1,000
17	The Aina-i-Hind	1,000
18	The Phoenix Printing Press	1,000
19	The Din-o-Dunya Weekly	1,000
20	The Bhartiya Sakitya	1,000
21	The Paigham	500
22	The Shaiva	500
23	Saeed	500
24	Indian Printing Press	500
25	Young Baluchistan	1,000

Serial No.	Name of press or newspaper.	Amount of security demanded.
26	The Irfan	500
27	Muavin-e-Talim or Rahbar-i-Talim ..	300
28	The United Printing Works ..	1,000
29	The Weekly "Rup Bani" ..	500
30	The Divine Message	500
31	The Weekly Nakhuda	1,000
32	Sachitra Durbar	500
33	Sri Krishna Printing Press	500
34	Irfan	500
35	Din Dunya Press	500
AFGHANISTAN.		
36	Moin Press and Newspaper	250
37	Rajasthan newspaper	500
38	Hunter newspaper	500
39	Kahtra Dharam newspaper	500
Cosma.		
Nil.		
BALUCHISTAN.		
40	"Baluchistan" Sibi	1,000

Information promised in reply to starred question No. 92 asked by Mr. Sham Lal on the 25th August, 1937.

NON-ACCEPTANCE OF ACCOUNTS IN BHIWANI SARAF BAZAR BY THE INCOME-TAX AUTHORITIES.

(a) There is no definite system of accounts amongst Delhi *sarafs*. Some of them maintain and produce correct accounts, including *Angutha Bahi* and *Niaras' Bahi*, while others do not do so. At Bhiwani most of the *sarafs* do not either maintain or produce the *Angutha Bahi* and the *Niaras' Bahi*.

(b) In a majority of the Bhiwani cases accounts were disbelieved even before 1933-34. In a few cases accounts were accepted up to the assessment year 1932-33, but subsequent closer scrutiny, when boom set in, disclosed serious defects even in these cases and therefore the accounts were no longer accepted.

(c) Non-production of the *Angutha Bahi* and the *Niaras' Bahi* in the absence of which sales, purchases and shortage due to dross cannot be checked, sales up to a certain date exceeding purchases and opening stock, keeping out of the goods account.

some sales and crediting them in the personal accounts of assesseees, abnormal shortages without any proof and working out abnormally low profit in spite of the boom in recent years, are some of the common defects for which the accounts are disbelieved.

(d) No.

Information promised in reply to starred question No. 152 asked by Mr. Badri Dutt Pande on the 27th August, 1937.

SECURITIES DEMANDED AND FORFEITED FROM NEWSPAPERS AND PRESSES.

(a) and (b). Information in respect of newspapers up to July, 1935, was given in the statements, Nos. III, IV and V, which were laid on the table on the 4th September, 1935, in reply to a short notice question of Seth Govind Das. A statement for that period in respect of presses together with a further statement for the period August, 1935, to 31st July, 1937, is laid on the table. No securities were forfeited during this period.

Statement showing the Names of Presses from which Securities were demanded since Press Ordinance, 1930, up to the end of July, 1935, in the Centrally Administered Areas.

Serial No.	Name of press.	Amount of security demanded.	Remarks.
DELHI.			
1	Congress Press ..	1,000	Deposited not refunded.
		1,000	Not deposited.
2	Imperial Fine Art Press ..	500	Not deposited.
3	Rajindra Printing Press ..	1,500	Do.
4	Hindustan Times Press ..	2,500	Deposited. Not refunded.
5	Siddiq-ul-Mataba Press ..	500	Not deposited.
6	Ramesh Printing Press ..	500	Do.
7	National Journal Press ..	1,000	Deposited. Refunded on 13th March, 1933.
8	Murari Art Press ..	2,000	Not deposited.
9	Dastur Press ..	200	Do.
10	Mushtaq Press ..	500	Do.
11	M. A. Printing Works ..	500	Do.
12	Fine Printing Works ..	500	Do.
13	Chhaya Art Works ..	700	Do.
14	Shri Ambika Press ..	1,000	Do.
15	Guardian Press ..	1,000	Do.
COORG.			
NIL.			

Serial No.	Name of press.	Amount of security demanded.	Remarks.
AJMER-MERWARA.			
16	Sandesh Printing Works, Ajmer	2,000	Not deposited.
17	Shri Janki Devi Printing Press	1,000	Press closed.
18	Sasta Sahitya Press, Ajmer ..	3,000	Do.
19	Hafizia Press, Ajmer	Personal bond of Ra. 200, with surety.	Bond furnished.
20	The Educational Press, Ajmer ..	Personal bond of Ra. 500.	Do.
BALUCHISTAN AND ANDAMANS.			
NIL.			

Statement showing the Names of Presses and Newspapers from which Securities were demanded from August, 1935, to July, 1937, in Centrally Administered Areas.

Serial No.	Name of the press or newspaper.	Amount of security demanded.
DELHI.		Ra.
1	Kainat	500
2	Taj	1,000
3	The Jadid Gazette	1,000
4	Anjam	1,000
5	Qaumi Gazette	1,000
6	Town and Country	1,000
7	National Gazette	1,000
8	The "Muslim" newspaper	1,000
9	The Weekly Muslim	1,000
10	The Betab	1,000
11	The Shahryar	1,000
12	The Devarishi Narad	1,000
13	The Hindustan	1,000
14	The Delhi Advertiser and Market Report	1,000

Serial No.	Name of press or newspaper.	Amount of security demanded.
DELHI—contd.		Rs.
15	The Din-o-Dunya (Weekly)	2,000
16	The Hunter	1,000
17	The Aina-i-Hind	1,000
18	The Phoenix Printing Press	1,000
19	The Din-o-Dunya Weekly	1,000
20	The Bhartiya Sahitya	1,000
21	The Paigham	500
22	The Shaiva	500
23	Saeed	500
24	Indian Printing Press	500
25	Young Baluchistan	1,000
26	The Irfan	500
27	Muavin-e-Talim or Rahbar-i-Talim	500
28	The United Printing Works	1,000
29	The Weekly "Rup Bani"	500
30	The Divine Message	500
31	The Weekly Nakhuda	1,000
32	Sachitra Durbar	500
33	Sri Krishna Printing Press	500
34	Irfan	500
35	Din Dunya Press	500
AJMER-MERWARA.		
36	Moin Press and Newspaper	250
37	Rajasthan newspaper	500
38	Hunter newspaper	500
39	Kahtra Dharam newspaper	500
COORG.		
N.J.		
BALUCHISTAN.		
40	"Baluchistan", Sibi	1,000

Information promised in reply to starred questions Nos. 258 and 317 asked by Messrs. Mohan Lal Saksena and Sri Prakasa on the 1st and 6th September, 1937, respectively.

EXPLOSION OF A BOMB AT BABINA IN JHANSI DISTRICT.

On the evening of the 8th August, 1937, an explosion occurred in a field near the village of Saran, Babina, in the Jhansi District which caused the death of Jagat Singh, son of Mardan Singh (Thakur) and of Sobhatia, son of Lalanju (Chamar), both residents of the village mentioned. The field belonged to the first named. Sobhatia was killed instantaneously while Jagat Singh expired on the arrival of the village lambardar. Before Jagat Singh died, he was only able to state that Sobhatia was also involved and he gave no details as to how the accident had occurred.

2. The explosion was caused by the detonation of an artillery shell. Artillery practice had taken place over this area between the 2nd December, 1935, and the 24th January, 1936.

There are two matters to be borne in mind with regard to this accident. The first is whenever artillery practice with live shell takes place, it is inevitable that a certain number of shells will not explode. The second point is that although every effort is made to locate and destroy such shells as have not exploded, there can be no guarantee that one or two are not left buried in the ground and are lost. The reason is that when a shell comes to ground many thousands of yards from the place where it is fired, it may ricochet in any direction and to a considerable distance before burying itself in the ground.

3. In these circumstances, the army authorities pay most particular attention to the discovery and destruction of unexploded shells. The measures which are taken are as follows :

- (a) in every village of the area affected, and also at other selected points, printed notices in the vernacular are posted to warn the villagers of the very serious dangers likely to arise from tampering with unexploded shells. The dangers are fully stated and they are warned not to touch the shells and in no circumstances to remove them from where they lie ;
- (b) a reward is offered of Re. 1 for information of the whereabouts of any unexploded shell ;
- (c) the co-operation of the civil authorities is sought as far as reporting the discovery of any unexploded shell is concerned ;
- (d) the military authorities carry out the most intensive searches over any area which has been fired on. These parties are specially organised and are equipped with detonating material to explode such shells as are discovered.

It is most unfortunate that the villagers do not always give the measure of assistance they might. Many instances are known of villagers, despite all warning, on discovery of a shell, attempting to remove the brass and copper rings on them and even of attempting to unscrew the shell and take it to pieces. It is invariably this lack of co-operation which gives rise to accidents.

4. In the fatal accident which is under discussion, it is obvious, from the technical investigation of the circumstances, that the shell was not detonated when it was buried in the ground. That is to say, the accident was not due to a plough or some other agricultural instrument striking the shell when it was buried in the ground. The reason for this is that, *firstly* the accident did not take place where agricultural operations were in progress, that is to say, where crops are normally grown, and *secondly* that the hole in the ground caused by the explosion was only a few inches deep. Had the shell been exploded when it was buried in the ground, the result would have been a large crater many feet deep. The latter fact is conclusive evidence that the shell was lying above the ground and that while in that position some physical action was taken which caused the shell to explode.

5. The existing Government orders provide for the payment of compensation in certain circumstances. Compensation for the case under reference is now being considered.

6. During the period mentioned in paragraph 1 above, a total compensation of Rs. 14,334-4-3 was paid to the civil population. Of this, approximately Rs. 8,890 was paid as compensation for the evacuation of villages and the remainder covers the amount spent on damage to crops and to cattle.

Information promised in reply to parts (d) and (e) of starred question No. 450 asked by Mr. Sham Lal on the 10th September, 1937.

POSSESSION OF ACCOUNTANCY QUALIFICATIONS BY INCOME-TAX OFFICERS AND INSPECTORS.

(d) There are no Assistant Income-tax Officers in the Punjab, North-West Frontier and Delhi Provinces. The total number of Income-tax Inspectors in these provinces is 44.

(e) Out of the 44 Income-tax Inspectors only one possesses the degree of B.Com. and Government Diploma of Accountancy, but all of them have passed the Departmental examination held by the Commissioner of Income-tax, in law and vernacular accounts in the provincial script by the higher standard.

THE DURGAH KHAWAJA SAHEB (AMENDMENT) BILL.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : Sir, I beg to move for leave to introduce a Bill to amend the Durgah Khawaja Saheb Act, 1936.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That leave be granted to introduce a Bill to amend the Durgah Khawaja Saheb Act, 1936 ”.

The motion was adopted.

Dr. Ziauddin Ahmad : Sir, I introduce the Bill.

THE DESTRUCTIVE INSECTS AND PESTS (AMENDMENT) BILL.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands) : Sir, I beg to move for leave to introduce a Bill to amend the Destructive Insects and Pests Act, 1914, for certain purposes.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That leave be granted to introduce a Bill to amend the Destructive Insects and Pests Act, 1914, for certain purposes. ”

The motion was adopted.

Sir Girja Shankar Bajpai : Sir, I introduce the Bill.

THE INSURANCE BILL.

Mr. President (The Honourable Sir Abdur Rahim) : The House will now resume discussion of the Insurance Bill.

Mr. Bhulabhai J. Desai (Bombay Northern Division : Non-Muham-madan Rural) : Sir, with reference to the amendment* which was moved by Dr. Ziauddin Ahmad, I wish to submit to the House for its consideration the points of view which have hitherto been presented and the circumstances under which they have been so presented, because it is sometimes more refreshing to remember the history of the facts relating to these matters, for it is still more easy, though not so refreshing, to be able to make statements which appear highly coloured and somewhat undeservedly attractive. The position with regard to the managing agency of insurance companies, the history as I see it from the time this matter was undertaken and report was made, is this. Paragraph 221 of Mr. Sen's very exhaustive and commendable report suggests that having regard to all the considerations it will be best to leave the managing agencies of insurance companies to be governed by the provisions of the Indian Companies Act. I think it would not offend the House if I reminded them that the meaning and effect of it is that though Managing Agents could be appointed for a period of 20 years and not more, under a further proviso, at the end of that period should the shareholders of that company pass a resolution to that effect, they could have their life in perpetuity with this limitation only, that so far as the remuneration is concerned, it would be no more than ten per cent. of the profits. That is the position, Sir, on the date when Mr. Sen, after his enquiry, made his report. When the draft of the Bill was introduced into the House, the provision in clause 24 stood in this way :

“ No insurer shall after the commencement of this Act appoint Managing Agents for the conduct of his business.

When any insurer engaged in the business of insurance before the commencement of this Act employs Managing Agents for the conduct of his business then notwithstanding anything to the contrary contained in the Indian Companies Act, 1913, and notwithstanding anything to the contrary contained in the articles of the company or in any agreement entered into by the insurer, such Managing Agents shall cease to hold office on the expiry of three years from the commencement of this Act, and no compensation shall be payable to them by reason only of the premature termination of their agency.”

The true effect of that also should be perceived and understood. The true effect of that would be that if a managing agency contract had not expired on the date of the commencement of the Act, the Managing Agents would be given a life of three years in order to readjust or in

“ That for sub-clauses (1) and (2) of clause 27 of the Bill, the following be substituted :

(1) No insurer shall, after the commencement of this Act, appoint managing agents for the conduct of his business.

(2) Where any insurer engaged in the business of insurance before the commencement of this Act employs managing agents for the conduct of his business then notwithstanding anything to the contrary contained in the Indian Companies Act, 1913, and notwithstanding anything to the contrary contained in the articles of the insurer, if a company, or in any agreement entered into by the insurer, such managing agents shall cease to hold office on the expiry of three years from the commencement of this Act and no compensation shall be payable to them by the insurer by reason only of the premature termination of their employment as managing agents.”

[Mr. Bhulabhai J. Desai.]

order to enable the Insurance Company to readjust their business without any restriction on the terms of their contract. Then, the matter went before the Select Committee who made this change which I think it is refreshing also to remember and examine. The Select Committee recommended that instead of three there should be a life of ten years for Managing Agents, and subject to this restriction that during the period of ten years no Managing Agent shall have a remuneration exceeding in the aggregate Rs. 24,000 a year. Up to the time my Honourable friend, the Leader of the Independent Party, addressed the House on the last occasion when the House was sitting, there was not a single amendment of any kind or sort, nor, so far as I can recollect, was there any minute of dissent by the Members representing that Party on the Select Committee suggesting that the period of ten years with that limitation was to be cut down because it was something which required to be called a parasite. Therefore, the position to date is this, that instead of three years which was proposed by Government, a baby has been landed or has been sought to be landed on the House, which is a ten year contract with a limitation of Rs. 24,000. I have taken the trouble to understand the position of those who frequently remind me about the interests of policy-holders. If we allow a life of ten years even with that limitation and take a unit of 100 companies employing Managing Agents, and if we take a life of three years, as was in the draft Bill, I find the relative position is this that under the ten years' scheme it would be 250 lakhs for a unit of 100 companies for a period of ten years as against Rs. 85 lakhs without the limitation, and that out of this Rs. 85 lakhs, small companies would swallow Rs. 67 lakhs, the remaining Rs. 18 lakhs going to what is called the big business. And, again, out of this Rs. 18 lakhs, if they were restricted to the Rs. 25,000 rule, the differences in their favour during three years would only be Rs. 11 lakhs. The House, therefore, Sir, will realise that in the proposal which I made, I was cutting down Rs. 250 lakhs to Rs. 85 lakhs, and yet an appeal again went forth that I was one of those who—withstanding the fact that I belong to the Congress, was doing something "nefarious in supporting vested interests". All I can say humbly to the House is this : I have a sense of justice, and every Congressman has a sense of justice, and when we state principles, we expound them with a view that we may act upon them and may suffer pains and penalties for the principles for which we stand. We do not differ as to methods and principles when we find we cannot or do not want to act upon them. The merit which we always claim is that we do what we profess. I, therefore, suggest that when I talk of three years without limitation, I maintain that though in view of the feeling in the House which I propose to examine presently I have decided that so far as we are concerned, we shall abide by the decision of the House in so far as the amendment moved by Dr. Ziauddin is concerned.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadian Urban) : What else can you do ?

Mr. Bhulabhai J. Desai : I am going to point out what it means, and what it means is this ? May I please be allowed to speak. I will be able to answer that question. I am not one of those who are easily disturbed. I do not bring a written speech with me. The point really is this, and it is Dr. Ziauddin's motion merely seeks to substitute clauses

1 and 2 so that, so far as the substitution is concerned, it cuts down the life to three which was my own proposal. So that do not take credit that in supporting Dr. Ziauddin any very great improvement has been made on the submission I made to the House during the course of the general discussion. The only remaining question is as regards clause 3 to which there is no amendment yet moved and which is not before the House for the present. There was an appeal to the House not to increase the number of unemployed : there was an appeal to the House in the name of young business : that is how the limitation of Rs. 24,000 came to be there. It was pointed out that a large number of young companies whose business is small and who can never earn in due course of time anything like Rs. 24,000 a year, should have a longer lease of life. I was not one of those who drew a distinction between what are called young companies and old companies, a distinction which I think is practically impossible to draw because it would be an entirely empirical distinction. Supposing you draw a line of ten years, it may well happen that one company in ten years is flourishing and another may be doing nothing. You may take any profession, bar or any other, a mere drawing of a line by means of an age is hardly worth it, but none-the-less an appeal went forth in the name of young companies, an appeal went forth in the name of field workers, an appeal went forth in the name of unemployment and so on. Therefore, so far as I was concerned, I was not led by the fact that young companies or somebody else wanted to continue parasites, a term with which I do not agree. I may agree with the abolition of a system, but I am not one of those who believe that by the mere use of strong language you prove what you otherwise cannot prove. Strong language is good when it is appropriate but strong language becomes ridiculous when it is not. I have always maintained and will maintain that there is no distinction that can be reasonably drawn, except perhaps when it comes to a competitive stage, in later parts of the Bill which I do not wish to anticipate for the moment, but the position now is this : that the baby produced by the Professor was accepted and adopted and got landed first into the lap of one, and then transferred into the lap of another and grew in volume, it merely cried because it did not understand. That, I see, is what the baby did, because, after all, for all that the baby was doing, it need not have cried at all : I was willing that the life should be three years : only I would like to know from those who supported a life of ten years, what was the principle on which they were supporting that period. Anyway, so far as I am concerned, the history of the Bill is that first, managing agency to be left to the Companies Act, next managing agency for three years, next the Government proposal without any restriction, the crime which was attributed to me, but which is not attributable to me—of course it was a surprise to me undoubtedly—that the Government began to think—and I think it probable because the baby cried too much they said : “ We had better adopt it and give it some more milk.” Probably a foster mother came along, because the mother found the baby too uncomfortable : and if I understood the speech of Dr. Ziauddin Ahmad aright, he nearly dropped that wretched baby. (Laughter.) After all, there are foster parents who can be easily had, sometimes by option, sometimes by the necessity of circumstances and sometimes by adversity or diversity of difficulties :

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : And they do very well !

Mr. Bhulabhai J. Desai : I do not need to adopt : fortunately I have one of my own (Laughter), so that, so far as I am concerned, I stand before this House utterly unabashed by any supposed criticism because I have supported the period of three years. I am very pleased to find—there is one observation I should like to make addressing my Honourable friend, Sir Leslie Hudson, and his Group—notwithstanding the Government of India Act to which I cannot make too frequent a reference in this House—particularly chapter 3, part 5—they seem to have somehow awakened to the new situation. I now see that they feel that in the larger interests of society, all contracts under which you claim rights or vested interests by which you preserve and nourish yourself and your babies, can in the interests of the State be terminated without the least compunction or without any compensation. I am exceedingly glad—I am more than glad that my friends of the European Group have set this example of pretended self-renunciation, but which I propose to test in due course of time notwithstanding the Government of India Act, wherever that Act does not give them that protection. I am also glad for another reason, that in so far as the distinction which I intended to draw and which I would have put before the House if this baby had not been so much fostered and fed with milk and other products—Glaxo foods and so on—it would be easy and right to draw a distinction between life companies and general companies : and for good reason. After all these are not principles of any sanctity so far as I understand. I plead that small things must not be called principles : we must distinguish between principles and policies, and principles also in relation to their proper application. In so far as proper application goes, a thing which may be good in relation to one business may not necessarily be good in relation to another business. If you must call it a principle in the Companies Act having regard to the fact that there are what are called producing companies, they are distinguished from the subject matter of this Bill, namely, insurance companies. I am one of those who fully appreciate the difference and yet appreciating the difference I may not necessarily draw the same inference as my other friends may do. I quite agree that in the case of producing companies there is a necessity of a financial backing, from day to day, which perhaps is not necessary in the case of insurance companies. To that extent we are on common ground ; and to that extent I have no objection that the class of insurance companies may be held as distinguished from the class of producing companies ; but even as between insurance companies there is a distinction which the facts warrant and require our attention. I say this in a spirit, not of any helplessness because, even if this is carried and the distinction that I am pointing out is not of any value so far as this House is concerned, I think at least I would have performed my duty, and I propose to do that notwithstanding the fact that the vote may be against me. In fact I have always, sitting in this House during the last three years, performed my duty whether the vote was likely to be in my favour or against it. For I feel it right to say what I think candidly and fully ; and if I can persuade the House well and good : if I cannot for any reasons, then I submit to the larger wisdom so far as the actual legislative acts are concerned. The position, therefore, is this : in so far as general business in this country is concerned, it would appear from Mr. Sen's report and also from general knowledge that the volume of general business is relatively small : we have not made the same headway in the case of general business as compared

with life business ; and I still maintain and feel and I put it very respectfully to the House, that from the point of view of progress of Indian insurance business in the directions in which we have not yet made sufficient progress, the initiative of men who, after a period of time, when they have served for some years, may be cast off as bad clothes, dirty clothes or even as parasites if you like, let us remember that the initiative of men, the enterprise of men in this country, more than in any other advanced countries, is a matter of some value. It may be that if you feel you are paying too much for it, by all means do not have it : Weigh by all means the value and the services, and at the end of that come to any conclusion you like : I have no quarrel with it, but do not merely run away with the idea that somebody is taking some money. There is service in the other side of the scale, and if you still come to the conclusion that so far as general companies are concerned you do not need any Managing Agents and you do not need any initiative or enterprise, by all means strike it off : for, after all, one can only put forward not merely an unbiassed point of view but one can always plead having regard to the facts what is the conclusion the House should come to. My friends know—at least I hope they know—that I do not and have never believed in *argumentum ad hominem* at all. I believe there is value in sarcasm, there is value in personal references, there is value in quotations of what one has said before : I have made it a rule to say as little as possible so that it is difficult to cull out passages to the contrary in my speech. That is a great advantage. I appeal to the House, if it is not too late, to distinguish between life companies and general companies and give to general companies a life of some ten years if you do not want any more so far as the managing agency system is concerned. But if you do not wish to do so, I stand by your judgment, not as I said before in a spirit of helplessness, because I believe and have always believed that if I claim credit of *bona fides* for myself, I must be prepared to extend it to all my friends in this House : and if they come to an opposite conclusion on their own unbiassed judgment, it is not a helpless surrender, but a recognition of a true application of the principle of democracy only with the nominated block, democracy is denied in this House as long as it continues to be constituted in such a manner. But that does not rule out the appeal that I can always make, on reasonable and proper grounds, to my friends—not merely those who give me the honour of their loyal support, but to all my friends in this House, whether this accidental handling of babies sometimes does not make one's clothes a little bit too dirty. It may be a process about which you may have to take a little more care in future.

There is a third point that I wish to place before the House and it is this : In so far as the limitation of commissions is concerned, there again the issue is only this. The facts were given by the Honourable the Law Member some time ago which I have verified from the two books which he had and which are otherwise available to others ; they don't appear to be confidential communications which cannot be revealed in public interest,—a phrase which has been availed of to cover many sins of omission as well as of commission in this House. By that book I find that some 94 per cent.,—well, perhaps to err on the safer side,—some 90 per cent. of the companies are, what may be described, small companies, not by years, but by the amount of work they are able to influence, and, therefore, the actual result, or what the Americans would prefer to call,

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the factual result of this analysis is this, that when you say a limitation of 24,000 would apply,—let us remember that it rules out and protects 90 per cent. of the companies who had Managing Agents, and, therefore, I was not pleading for anything so nefarious when I said if you protect 90 per cent. of the companies by all means shorten the period from ten to three years,—but if you protect the ninety, I could not see any sense of justice, I still don't see any sense of justice in not covering the remaining ten, merely because those ten got more than Rs. 24,000 a year.....

Mr. M. A. Jinnah : That is the justice.

Mr. Bhulabhai J. Desai : That is your sense of justice. I have expressed mine ; that is what I can do in this House,—I cannot do more. After all, supposing two judges sit in judgment they may easily differ. That is why I said if I claim credit for *bona fides* of my own judgment I am willing to extend it to my friends,—but, at the same time, that does not prevent me from putting forward my views. I wish to repeat the facts. Ultimate justice is, of course, in your hands ; but the fact remains that about 90 per cent. of the companies,—to err in favour of the smaller companies,—are those who draw less than Rs. 24,000. It is only the remaining ten per cent. that do not draw more than Rs. 24,000 and doing the same business. It has been forgotten as an element in this thought that if they draw more, their business is infinitely more. But I am only trying to point that out, so that your sense of justice may be whetted clear of considerations which ought not to weigh so far as a House like this is concerned, because, after all, the very wide powers that you possess of legislating for the good of the country must be exercised with a degree of caution and restraint which, I think, is due to the very position of responsibility which we hold,—what I am trying to point out is this, though I may appear to have erred in my judgment according to some of the Members of this Honourable House, but still I feel that as a matter of arithmetic 250 lakhs is a larger sum of money than 85 lakhs, and even out of the 85 lakhs which results on my scheme of three years' contract terms, 67 lakhs goes to the babies and 18 to the grown-ups, and of the 18, they would, even under the limit of Rs. 24,000, still have got seven lakhs, so that, what your sense of justice says is this, that 250 lakhs is less than 85 lakhs, and out of the 85 lakhs, 67 is taken, and when 67 is taken, all that remains is 18. I quite agree that in three years' time the larger companies would, on that calculation, get 11 lakhs more than they would otherwise have got. Those are the facts before the House. But the fact also must be remembered that the babies are having 67 lakhs as against the 11 lakhs that you think of pretending to save. The facts, therefore, according to me, are these, and I will merely put them before the House. As I said, if the House desires that the three years with limitations should stand, let the House keep it. If the House desires that the general insurance business in this country does not need any more support or initiative but that we should,—in so far as foreign competition is concerned remain under their burden, let it so decide. I am one of those who believe, and this House has accented it on the principle of discriminating protection I commend to my friends' respectful consideration whether you are willing that, so far as the general insurance business is concerned, that it should remain in the present condition without the support that is necessary and valuable, and that notwithstanding our concern for our country and notwithstanding our concern for the growth of Indian

insurance business, we should still allow our stronger opponents to subdue us. That is a matter entirely for you. I can only commend my views for your consideration.

There is only just one word which I wish to say before I close. I have taken this opportunity of pointing out facts which I hope will open the eyes of those who indulge in unjustifiable criticism. We may differ ; but I hope, Sir, that so far as I am concerned, I have stated the facts as best I could from all the records that are available, and I leave the matter to the judgment of the House.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris : Muhammadan) : Sir, on a point of personal explanation, if you will allow me.....

Mr. President (The Honourable Sir Abdur Rahim) : Has the Honourable Member spoken on this question at all ?

Mr. H. A. Sathar H. Essak Sait : The Honourable the Leader of the Opposition referred to a minute of dissent that we have put in. I did not wish to interrupt him then.

Mr. President (The Honourable Sir Abdur Rahim) : You cannot discuss it.

Mr. M. A. Jinnah : No, Sir. The statement made by the Leader of the Opposition was this, that the Members of the Independent Party who were on the Select Committee did not say anything with regard to clause 27 in their minute of dissent, and that statement is incorrect. He stated that Members of the Independent Party on the Select Committee accepted the ten year clause, and my friend further said that they had not said anything about it. That statement is quite incorrect, because in their minute they have reserved their right to amend that.

Mr. President (The Honourable Sir Abdur Rahim) : That is not a matter of personal explanation.

Mr. M. A. Jinnah : That was a wrong statement made by the Honourable the Leader of the Opposition.

Sir Leslie Hudson (Bombay : European) : Sir, we have listened this morning to a very lucid statement by my Honourable friend, the Leader of the Opposition, and I trust the House will give me the opportunity of making a statement on behalf of our Group in a way as historical as my friend, Mr. Desai, has done, to explain our position. I take it that the net result of my friend's speech is that he and his party now agree to three years agreement *plus* a restriction on remuneration. Well, Sir, in my speech on the first reading of this Bill which was in last February in Delhi, I stated that the European Group would oppose the specially severe and prohibitory treatment which the original proposal for termination of all agreements within three years meted out to Managing Agents. The Select Committee extended that period to ten years and imposed a statutory restriction on Managing Agents in respect of remuneration during that period. We were, and are, strongly opposed to any statutory restriction on remuneration as being a dangerous principle leading to undue interference with commercial enterprise. But under all the circumstances which were revealed to us, during the course of the discussions in this

[Sir Leslie Hudson.]

House, we have agreed to Managing Agents' agreements as far as insurance companies are concerned only, and more especially as regards life companies, being terminated after three years. But I want, however, to make two points clear to the House. The first is that this is not to be regarded as being an admission that we have changed our view in regard to the general question of Managing Agents.

Some Honourable Members : Oh !

An Honourable Member : The cat is out of the bag. (Laughter.)

Sir Leslie Hudson : But even we may be allowed to retain our opinion, may we not ? We made that clear in the debates on the Companies Bill last year and we adhere to that decision. What we do say is that the special nature of insurance business is such that, as in the case of banking companies, they should, in future, be prohibited from having Managing Agents. We must accept the fact that they do stand upon a different footing to the Managing Agents of the concerns that my Honourable friend referred to just now, producing companies. Managing Agents—and they have rendered good services in the past—do not seem so necessary under modern conditions to the growth of healthy and stable insurance companies. Hence we agree to their abolition *so far as this Bill is concerned only*, after three years. Our second point is that having regard to that radical treatment of the existing companies we do not go any further. We do not agree with the statutory and arbitrary restriction upon remuneration. It is enough to terminate their agreements after three years ; but to alter their emoluments for that period is to my mind not only unsound but goes far beyond the necessities of the case.

Some Honourable Members : Let the question be now put.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That the question be now put.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That for sub-clauses (1) and (2) of clause 27 of the Bill, the following be substituted :

‘ (1) No insurer shall, after the commencement of this Act, appoint managing agents for the conduct of his business.

(2) Where any insurer engaged in the business of insurance before the commencement of this Act employs managing agents for the conduct of his business then notwithstanding anything to the contrary contained in the Indian Companies Act, 1913, and notwithstanding anything to the contrary contained in the articles of the insurer, if a company, or in any agreement entered into by the insurer, such managing agents shall cease to hold office on the expiry of three years from the commencement of this Act and no compensation shall be payable to them by the insurer by reason only of the premature termination of their employment as managing agents ’.”

The motion was adopted.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, I beg to move :

“ That after sub-clause (2) of clause 27 of the Bill, the following sub-clause be inserted :

‘ (2A) A managing agent whose office is terminated by virtue of provisions of sub-section (2) shall be entitled to all privileges of sub-sections (3) and (4) of section 87A of the Indian Companies Act, 1913 ’.”

Sir, I move :

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

“ That after sub-clause (2) of clause 27 of the Bill, the following sub-clause be inserted :

‘ (2A) A managing agent whose office is terminated by virtue of provisions of sub-section (2) shall be entitled to all privileges of sub-sections (3) and (4) of section 87A of the Indian Companies Act, 1913 ’.”

(No one standing to speak.)

I should like to know the Government attitude towards this amendment.

The Honourable Sir Nripendra Sircar (Law Member) : If you want to know what is our attitude in this matter, it is one of opposition.

Mr. M. A. Jinnah : We have not yet heard what this amendment means.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That after sub-clause (2) of clause 27 of the Bill, the following sub-clause be inserted :

‘ (2A) A managing agent whose office is terminated by virtue of provisions of sub-section (2) shall be entitled to all privileges of sub-sections (3) and (4) of section 87A of the Indian Companies Act, 1913 ’.”

The motion was negatived.

Seth Govind Das (Central Provinces Hindi Divisions : Non-Muhammadan) : Before I move my amendment, I should like to point out that there are two misprints, namely that Rs. 25,000 should be Rs. 24,000 and the word ‘ or ’ is superfluous and should be deleted.

I move :

“ That in sub-clause (3) of clause 27 of the Bill, for all the words occurring after the words ‘ managing agent more than ’ the following be substituted :

‘ a sum calculated at 2½ per cent. on the total premium income for the year or Rs. 24,000 a year, whichever is less ’.”

Sir, I have very little to say on this amendment because what my amendment aims at is very clear from the amendment itself. I want that the Managing Agents should not get unrestricted remuneration and what I want is that they should get either 2½ per cent on the total income of the premium or Rs. 24,000 a year—whichever is less. Managing Agents, while they are being praised by people like Sir Homi Mody and others on the one side, have been condemned by others being called tigers, snakes, parasites and what not. Now, Sir, my view about the managing agency system was expressed when the Company law was being enacted. Whatever my view may be or that of other Members, the fact

[Seth Govind Das.]

remains, that the Managing Agents in the insurance business will continue for three years according to the amendment we have just accepted. The question is whether they should get whatever remuneration they like and as they are getting now or their remuneration should be restricted according to the amendment which I have just moved. On the one hand, it may be said : ' Why are you giving them more than Rs. 500 a month ' . On the other hand, it will be said that this Rs. 2,000 or 2½ per cent. commission on the total premium income amounting to lakhs, whichever is less, will be too little for them. As far as we Congressmen are concerned, we believe, that in this poor country, nobody should get more than Rs. 500 a month towards remuneration for any services rendered to an institute. Only the other day my Honourable friend, Mr. George Joseph, moved an amendment fixing the salary of the Superintendent of Insurance at Rs. 500. My Honourable friend, Sir Cowasji Jehangir, accused the Congressmen of not being practical. He went so far as to say that we proclaimed a salary of Rs. 500 from the house tops only to catch votes. This is not a fact. We, Congressmen, always say what we believe and we want to act according to our convictions. It was in Karachi that we said, for the first time, that no Government servant should get more than Rs. 500 and on the first occasion, when congressmen accepted ministries, we gave practical effect to it immediately. We took Rs. 500 a month in spite of our subordinates getting much more. In this poor country, more than 90 per cent. of our people are not getting even two meals a day, our womenfolk don't even have sufficient clothes to hide their bodies, children are dying for want of nourishment and we think that we are justified under the circumstances when we say that Rs. 500 is more than sufficient for a Government servant. If today, we allow the Managing Agents Rs. 2,000 a month or 2½ per cent. commission, it is because we think that Rs. 500 will not be acceptable to all parties of this House. It may be said that Rs. 2,000 a month would be a very small amount. And if we fix 2½ per cent. on the premium it might be still less on account of some of the companies' low premium income. What I want is that on one hand no Managing Agent should get more than Rs. 2,000 a month and on the other hand the Managing Agents who cannot secure enough business by which they can get Rs. 2,000 should get less than even Rs. 2,000. No Managing Agent should get Rs. 2,000 a month if he does not do enough business wherefrom he can get Rs. 2,000. Such Managing Agents, who are not successful in securing so much business on which they can get Rs. 2,000 a month at the rate of 2½ per cent. on premium income, should certainly get less.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

" That in sub-clause (3) of clause 27 of the Bill, for all the words occurring after the words ' managing agent more than ' the following be substituted :

' a sum calculated at 2½ per cent. on the total premium income for the year or Rs. 24,000 a year, whichever is less ' . "

Dr. P. N. Banerjee (Calcutta Suburbs : Non-Muhammadian Urban) : I suggest, Mr. President, that my amendment No. 460 relates to the same subject. It differs from the amendment just moved only in

one respect. I speak of net premium income, whereas my friend speaks of gross premium income. I should, therefore, like to move my amendment also.

The Honourable Sir Nripendra Sircar : One at a time.

Mr. President (The Honourable Sir Abdur Rahim) : I think the Honourable Member can move his amendment No. 460.

Dr. P. N. Banerjee : Sir, I beg to move :

"That in sub-clause (3) of clause 27 of the Bill, for all the words beginning with the words 'one thousand rupees per month by way of salary' the words '2½ per cent. of the net premium income but not exceeding Rs. 24,000 per annum' be substituted."

The Honourable the Law Member pointed out to this House, the 1 P.M. other day, that very large incomes were received by the Managing Agents and it is, I believe, the general sense of the House that a limit should be put on the incomes derived by Managing Agents. But a mere maximum will not do. It will be necessary to fix a basis for the determination of the remuneration of the Managing Agents, otherwise the maximum will tend to become the minimum. It will be only in the case of large companies, doing large business, that the sum of Rs. 24,000 a year should be allowed. In the case of the smaller companies which do much smaller business, a smaller sum would be desirable. Therefore it is necessary to fix a basis, and the basis of 2½ per cent. of the net premium income would be a fair and equitable basis. In view of that fact, I make this suggestion.

As regards the question of yearly payments versus monthly payments, it is desirable to have an yearly basis instead of a monthly basis, because it is not possible to calculate exactly what the premium income will be in a particular month. Therefore, I suggest that this be adopted.

I may add that the adoption of this basis will prove of benefit to the shareholders as well as the policy-holders. The policy-holders in a small insurance business will not be compelled to pay large sums to the Managing Agents. Therefore, it is necessary to adopt a proper basis, and 2½ per cent. would appear to be a very fair and equitable basis. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

"That in sub-clause (3) of clause 27 of the Bill, for all the words beginning with the words 'one thousand rupees per month by way of salary' the words '2½ per cent. of the net premium income but not exceeding Rs. 24,000 per annum' be substituted."

Other amendments on the same subject are Nos. 457, 458 and 459.

Some Honourable Members : They are not being moved.

Mr. President (The Honourable Sir Abdur Rahim) : In that case, the two amendments that have now been moved are open to discussion.

Sir H. P. Mody (Bombay Millowners' Association : Indian Commerce) : Sir, I desire to oppose both the amendments. I thought the House had made up its mind with regard to the exact order in which its sympathies were to be manifested. First, the policy-holders, then

[Sir H. P. Mody.]

the younger companies and then the Managing Agents, and, presumably, in that category, the Managing Agents of the younger companies would be first, and so on. Now, I find that not satisfied with the proposed restrictions on the remuneration of Managing Agents, which I call absolutely iniquitous, my friends on the other side get up and suggest still further restrictions. I submit that they are labouring under a great deal of confusion of thought in suggesting an amendment of this character. The 24,000 limit, if it is to be accepted, is going to be the maximum figure which any agent can charge. It is not the minimum figure, and by the mere fact that a statutory maximum limit may be fixed, the Managing Agents of younger companies are not going to be allowed to charge up to that maximum regardless of any agreements that they may have with their share-holders or policy-holders.

Mr. N. C. Chunder (Calcutta : Non-Muhammadan Urban) : Who prevents them ? If they get sufficient business, they can draw up to Rs. 24,000.

Sir H. P. Mody : They would have done that long ago. Surely, it stands to reason that when there was no restriction whatsoever on the amount of commission drawn by Managing Agents, if they wanted to have a larger commission for themselves, they would have stipulated for it and they would have attempted, at any rate, to obtain it. When there was no restriction and they did not do it, it is absurd, in my opinion, to say that they will now seek to do it because a statutory maximum limit has been fixed or is about to be fixed by this Bill.

Sir Cowasji Jehangir : It is not going to be carried. Don't worry.

Sir H. P. Mody : I hope it is not going to be carried and I will accept my friend's assurance. What I wanted to say was that if this amendment were to be carried, then 2½ per cent. would come to a much smaller figure than some of the Managing Agents of small companies are today enjoying. My Honourable friend Dr. Banerjea, not to be outdone by the Congress, wants by his amendment a commission of 2½ per cent. to be fixed on the nett premium income. Why not rather lay down that all Managing Agents, whatever their position, should not get more than Rs. 50 a month. After all, it is easy to feed even tigers on Rs. 50 a month ; snakes cost still less : and parasites feed upon almost nothing at all. (Laughter.) So, Sir, my submission would be that instead of this attempt to tinker with the maximum limit which the House seems disposed to bring about, lay down a flat rate of Rs. 50 a month, which should make all Managing Agents happy.

Mr. M. A. Jinnah : It will make them entirely flat.

Sir H. P. Mody : I hope that Managing Agents will be found resourceful enough to meet these onslaughts on their position.

The Honourable Sir Nripendra Sircar : Sir, I oppose both the amendments. My Honourable friends, Dr. Banerjea and Seth Govind Das, have suggested figures which are staggering not by reason of their large size but of their microscopic dimensions. I believe, Dr. Banerjea is one of those men whose heart is very soft towards the young companies. Now, let us take a young company. In the first

year, it is struggling and collects premium to the extent of Rs. 10,000. That is to say, the Managing Agent gets Rs. 250 a year or Rs. 20 a month, a lower pay than is given to a Darwan. I submit that there is a limit to everything. But if Dr. Banerjea has got to be followed, then it is not Rs. 20 a month but it is $2\frac{1}{2}$ per cent. of the net income. Therefore, it will probably be Rs. 12-4-6 at the end of the month.

Dr. P. N. Banerjea : He ought to be able to do more business in order to earn more.

The Honourable Sir Nripendra Sircar : Now, Sir, what does Rs. 24,000 a year mean? We have been given so many figures by the Bombay Shareholders' Association and the largest is ten per cent. Therefore, to earn Rs. 24,000 a year means that you have got to collect premium to the tune of Rs. 2,40,000. Has anybody here found any agreement in which anything higher than ten per cent. has been charged on the premium? Mr. Chunder interjected and said: "What is to prevent them from taking Rs. 2,000 a month?" Of course, if they will steal or simply put their hand into the iron chest and take it, then we cannot prevent it. One has got to go to the police court. But under their agreement the percentages are fixed. Sometimes it is five per cent., sometimes it is seven per cent. and the highest is ten per cent. Therefore, to get Rs. 24,000 a year means collecting Rs. 2,40,000 as premium, and if the life is very young, that is too large a figure. I submit that this amendment ought not to be accepted by the House.

Mr N. C. Chunder : May I just point out, Sir, that the Managing Agents are going away in three years and you must remember, in an insurance company, barring Mutual Life society, it is really the shareholders who control the company and it is the policy-holders whose money is there and who contribute to the funds of the company. Now, Sir, if in three years in collusion with the shareholders the Managing Agents get their agreements changed for three years, what is there to prevent them from doing so. That is what I meant. They can change their agreements without running the risk of prosecution.

The Honourable Sir Nripendra Sircar : Why did they not change it before?

Mr. N. C. Chunder : Because they did not know that they would have to go away in three years time. This is intended only for the protection of small companies. If $2\frac{1}{2}$ per cent. is too small, make it ten per cent. by all means, fix something more. If ten per cent is acceptable, I do not think my Honourable friend, Seth Govind Das, would object to it.

The Honourable Sir Nripendra Sircar : But there is no such amendment before the House.

Sardar Sant Singh (West Punjab : Sikh) : I just want to draw the attention of Honourable Members as to how the clause will read if these amendments are incorporated in the clause after being accepted by the House :

"After the commencement of this Act, notwithstanding anything contained in the Indian Companies Act, 1913, and notwithstanding anything to the contrary contained in any agreement entered into by an insurer or in the articles of association of an insurer being a company, no insurer shall pay to a managing agent and no managing agent shall accept from an insurer as remuneration for his services as managing agent more than a sum calculated at $2\frac{1}{2}$ per cent. on the total premium income for the year or Rs. 25,000 a year or whichever is less."

[Sardar Sant Singh.]

The amendment stops here. No limitation is placed on the commission as it is in the original clause so that the Managing Agents if this amendment is carried will be free to get commissions. Therefore, Rs. 25,000 will be only the salary which the Managing Agents will be entitled to get.

The Honourable Sir Nripendra Sircar : No, Sir.

Sardar Sant Singh : Remuneration is nowhere defined in the clause itself. If this amendment is accepted it will be open to the interpretation that the Managing Agents are entitled to commission in addition to the salary of Rs. 25,000. It will mean that the salary is fixed in this amendment and that commissions are left free. The amendment proposes to place no restriction upon commissions. I submit this will go against the intention of the Mover of the amendment. I know that he does not mean it.

Mr. F. E. James (Madras : European) : If my Honourable friend will read the last sentence of the clause, he will find that clear.

Sardar Sant Singh : The amendment simply reads :

“ That in sub-clause (3) of clause 27 of the Bill for all the words occurring after the words ‘ managing agent more than ’ the following be substituted :

‘ a sum calculated at 2½ per cent. on the total premium income for the year or Rs. 25,000 a year whichever is less ’.”

I submit, Sir, if you omit the remaining portion of the clause as it is proposed in this amendment, in that case, the commission will be left open.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Sardar Sant Singh : Sir, before the House rose for Lunch, I was trying to place before the House the interpretation of the clause if the amendment of my Honourable friend, Seth Govind Das, is adopted. I find that exception is being taken to the interpretation which I place upon the clause as it would read if the amendment is incorporated. My Honourable friend probably thought that in the phrase “ a sum calculated at 2½ per cent. ”, the words “ a sum ” means the total sum including commissions and other remunerations. I beg to differ from him in this interpretation. “ A sum ” does not mean the totality of the earnings or remuneration or emoluments to which under the agreement Managing Agents may be entitled. It is liable to the interpretation that it refers or is restricted only to the salary or the monthly pay to which the Managing Agent is entitled after he has entered into an agreement with the company. The clause as originally framed very clearly defines the scope of the remuneration which a Managing Agent will be entitled to get in case this original clause is adopted by the House. It says :

“ The managing agent shall not receive as remuneration for his services as managing agent more than one thousand rupees per month by way of salary or more than one thousand rupees per month by way of allowances or commission of any kind, if in addition to salary, and the total remuneration payable to and receivable by a managing agent for his services as managing agent shall not however constituted exceed the sum of two thousand rupees per month.”

So far as the draftsmanship is concerned, the meaning of the clause as it stands is far more clear than it would be if the amendment is adopted. Then, I take the amendment of my Honourable friend, Dr. Banerjea. This amendment also is on the same footing as the amendment of Seth Govind Das. Even if this amendment is adopted more scope for the Managing Agents to get more money by agreement will be left than it is left if the original clause is adopted. The speeches which were made in support of their respective amendments by Seth Govind Das and Dr. Banerjea really show their intention to restrict the emoluments of the Managing Agents to a lesser sum than allowed in the clause itself, but their intentions have not been made clear in the words which they have put in the amendments. Therefore, my submission is that these amendments do not carry out the intentions of the proposers, and I would request them to withdraw them.

Mr. S. Satyamurti (Madras City : Non-Muhammadian Urban) : Sir, I shall very briefly deal with the objection raised by the Honourable Member who spoke before me. I quite agree with him that, if the amendment of the Honourable Seth Govind Das is accepted, it takes away from the clause the other limitation, that is to say, the maximum of Rs. 1,000 only by way of salary, and secondly, Rs. 1,000 only by way of commission or allowances. But the amendment, as it stands, provides for this which we really want, that is to say, that the total remuneration of the Managing Agents for the period of three years for which they will last now should not exceed $2\frac{1}{2}$ per cent. of the premium income or Rs. 24,000 a year, whichever is less. Of course, if we want to have the other limitation, there is a later amendment, No. 13, standing in my name which we may move. That depends upon the fate of this amendment. But, Sir, that is, comparatively speaking, a small matter. But, accustomed as I am becoming to the attitude of Government constantly changing on this Bill, may I still invite the attention of the House to the dissenting minute of the Honourable the Law Member, the Honourable the Chief Whip and another Honourable Member of this House, on this Select Committee's report ? In paragraph 2 they say :

"The maximum period should be three years and limitation should apply to all classes of insurance, and should be subject to provisions of section 87-C of the Indian Companies Act."

What does section 87-C say ? It says :

"Where any company appoints a managing agent after the commencement of the Indian Companies (Amendment) Act, 1936, the remuneration of the managing agent shall be on some basis on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, together with an office allowance to be defined in the agreement of management."

That is what the Government recommended, in their dissenting minute, as the proper remuneration for Managing Agents appointed after the Indian Companies Act. Now, Sir, if Honourable Members will kindly look at the amendment which is before the House, they will find that it is based on exactly the same principle. It says that it shall be a sum calculated at $2\frac{1}{2}$ per cent. on the total premium income for the year. It does not refer to profits, but it has some relation to the financial affairs of the insurer, whose Managing Agents will be thus remunerated. I take it that the principle of section 87-C. is that Managing Agents ought

[Mr. S. Satyamurti.]

not to be remunerated without any reference to the actual profits of the company of which they are the Managing Agents. The principle of this amendment is exactly the same. We want to see that the remuneration of the Managing Agents bears some relation to the premium income of the company, which is a fair index of the prosperity and a measure of working of the insurance company. That is why we prescribe this.

The second point is this that we want to provide also a figure,—Rs. 24,000,—in the alternative. But, we say that no young insurer or other insurer should take more than $2\frac{1}{2}$ per cent. of the year's premium income or more than Rs. 24,000. Now, Sir, my Honourable friend, Sir Homi Mody, on whose translation I congratulate him, spoke this morning against this amendment. I should like to know for whom he spoke. The persons for whom he stands have gone west. The House has decided, in spite of the possibilities of Managing Agents getting behind the provisions of this Act, on which I dare not speak, that they will go after three years, and all of them for whom he speaks will get much less than what they are getting. Then I should like to know on whose behalf he opposes the amendment. Because it comes to this ; as my Honourable friend, the Leader of the Opposition, pointed out, the vast majority of insurance companies who have got Managing Agents today do not get as much as Rs. 24,000 a year. Therefore, for whom he is pleading I do not know.

Sir H. P. Mody : I may explain. Two and a half per cent. of the premium income will give the smaller company agents still less than what they are getting today.

Mr. S. Satyamurti : Are you pleading for them ?

Sir H. P. Mody : Of course.

Mr. S. Satyamurti : Sir, I believe the labourer is worthy of his hire, but he is worthy of no more, if he is worthy of no less. If a company makes Rs. 1,000 premium income why should the Managing Agents get more than $2\frac{1}{2}$ per cent. ? After all, the inducement is there. If a Managing Agent does bigger work, he gets $2\frac{1}{2}$ per cent. on the premium income of the year. Let him make nine lakhs ; he gets Rs. 24,000. If you cannot get nine lakhs for all the services you give, should you get paid like this ?

Sir H. P. Mody : Why do you fix $2\frac{1}{2}$ per cent. ?

Mr. S. Satyamurti : Because it has some relation to the premium income. We believe that $2\frac{1}{2}$ per cent. is a fair remuneration for Managing Agents' salary and remuneration alone, as apart from the expenses of management. I want to make that point perfectly clear. This $2\frac{1}{2}$ per cent. does not represent the entire expenses of management of any insurance company. It only covers one particular category thereof, namely, the remuneration by way of salary or commission or allowance of the Managing Agents alone. It is perfectly open to them to get from their own companies money for spending on office, clerks, stationery, rent, etc. This is purely their personal remuneration. Now, my Honourable friend, the Law Member and also Sir Mody asked, if they have not so far taken more than ten per cent., that is the biggest share, I think, under the existing agreements, why do we expect that they will

take more during these three years : I expect, because I know human nature. At the end of three years, after the commencement of this Act, the axe will fall on Managing Agents. They know that perfectly well. Therefore, they must make hay while the sun shines. I, therefore, suggest, without any offence to anybody, knowing human nature, that, when this Bill becomes law and Managing Agents know that at the end of three years their occupation will be gone, there will be every temptation in the world for them to take the maximum of Rs. 24,000, that will become the minimum for their remuneration. Let us remember this that in most cases policy holders have no representation on the directorates. In this Bill, there is a provision for representation of policy holders by their directors as reported by the Select Committee. What will happen to that provision I do not know, and I dare not prophesy. At any rate, *ex hypothesi* till one year elapses after the commencement of the Act, every insurance company and every Managing Agent thereof can easily change their terms of agreement so as to give the latter Rs. 24,000 a year, because that is the statutory maximum. That is why, Sir, we are anxious that it should be only $2\frac{1}{2}$ per cent. of the premium income. By all means, it can go up to Rs. 24,000 a year, if they build up their business. Now, Sir, it may be asked why we are so anxious to protect the interests of these young insurers, and see that their Managing Agents do not get more than $2\frac{1}{2}$ per cent. of their premium income, it is because, Sir, the facts are very eloquent. I want to cite from this Indian Insurance Year Book, a few facts for the attention of this Honourable House. They will notice that on page 8 Indian Life Assurance Accounts, income and bonus for each of the past 20 years are summarised :

In 1913 we had 36 companies doing business which had a premium income of a crore and two lakhs and odd, and their expenses of management were Rs. 22,83,000.

In 1934, 133 companies having a total premium income of six crores 58 lakhs and twenty-six thousand rupees show Rs. 2,06,22,000 as expenses of management.

I suggest, Sir, that these figures are illuminating, and we must do something by way of seeing that these young insurance companies which, *prima facie*, are not financially as strong as the bigger companies, do not spend more on their Managing Agents' remuneration than the limits prescribed in this amendment. Another figure is given on page 10 of this book. In 1930, on every hundred rupees of income derived by Indian insurers, 78.9 per cent. was made from premiums for life assurance companies, and the expenses of management were 24.7 per cent. Apart from these figures, Sir, which are for all companies, may I read, Sir, the figures for some of the insurers comparing their expenses with their premium income ?

			Premium income Rs.	Expenses of management. Rs.
Agarwal & Co.—				
1933	..	..	6,000	6,000
1934	..	..	10,000	14,000
1935	..	..	9,000	9,000

[Mr. S. Satyamurti.]

		Premium income.	Expenses of management.
		Rs.	Rs.
Indian Securities—			
1930	.. ..	12,000	18,000
1931	.. ..	17,000	10,000
1932	.. ..	27,000	22,000
1934	.. ..	19,000	17,000

Similarly, Sir, I can give figures for many companies, but I will give only one more :

Aryan Life. Income Rs. 16,000, Expenses 33,000.

It seems to me *prima facie* from these figures and from the fact that the whole business of these young insurers is so small that it will be disastrous for them, if they are allowed to spend on the mere remuneration of Managing Agents right up to the sum of Rs. 21,000 a year. It seems to me that if we have broken the agreements of Managing Agents, in the interests of State, as we conceive it, that is to say, in the interests of people of this country, we ought not to stop at this. Whom are we thinking of ? We are thinking of the policy holders, and I plead, on behalf of the policy holders of these young insurers, that they are being asked to take more risks than they ought to, when we are asked here to agree to a remuneration of Rs. 24,000 a year as the maximum merely as the remuneration of Managing Agents alone.

Sir H. P. Mody : Are these figures those of companies with Managing Agents ?

Mr. S. Satyamurti : I cannot answer that off-hand : but I believe several of them have Managing Agents.

The Honourable Sir Nripendra Sircar : More than half of them have Managing Agents.

Mr. S. Satyamurti : The point is this that, while we undoubtedly are rightly angry with the Bombay big business for taking many lakhs out of big companies, the policy holders of these companies, in spite of all their activities, are much better protected than the unfortunate policy-holders of the young insurers who spend extravagant amounts on expenses of management, and there must be some control. I myself am in favour of prescribing a ratio of expenses, but I am convinced, subject to arguments to be advanced here or elsewhere, that it is impracticable to lay down statutorily a ratio of expenses. I have discussed with insurers and other friends, and I am satisfied that it is impossible to devise by a statutory enactment a procedure by which we can lay down a maximum ratio of expenses. Well, Sir, if we cannot do that, I suggest the next best, the second best, which is to prescribe the maximum limit of expenses, under the head of remuneration of Managing Agents. In course of time, in the discussion of the Bill I am hoping, and our party is hoping, that the House will agree to a limitation on the commission paid to agents who are called canvassers. I hope the House will agree. If we prescribe a maximum remuneration for Managing Agents on the basis of

or in relation to premium income, and if we limit the commissions to agents who canvass business, we have attacked the two most important items under expenses of these insurers. We have, therefore, done the best we can to protect the interests of policy-holders. I want to suggest to this House that, if these insurers do business to the extent of six or seven or eight or nine lakhs, they will get the remuneration which would be reasonable in this country. It will be conceded that a remuneration of 24,000 is available to them, when they get nine lakhs. If they make eight or seven or six lakhs, they will get proportionate remuneration. There is no point in giving the example of insurers doing 1,000 rupees business or 10,000 rupees business. I do believe in the doctrine of the survival of the fittest....

The Honourable Sir Nripendra Sircar : This is net premium.

Mr. S. Satyamurti : The amendment of Seth Govind Das is total premium income. I am not supporting the amendment of Dr. Banerjee at all, because we realise that it will be nil in most cases : We say that the actual percentage which we prescribe should have a relation to total premium income of the insurer. Therefore, it does not err on the side of any injustice to the people. If they do work, they will earn this. If they do more work, they will earn more ; but if they do less work, I suggest they do not deserve to get anything more, than is justified by the work which they actually do for the insurers. It seems to me that sheer logic, sheer consistency, and sheer care for the interests of policy-holders demand that this House should whole-heartedly vote for this amendment, thereby protecting the interests of the policy-holders.

We have heard for two days now a great deal about " parasites ". Assuming that these Managing Agents are parasites, we have agreed to their life being extended for three years. This amendment seeks to restrict the scope and extent of the blood which these parasites can suck out of the policy-holders, during these three years of their life. We say : " Please do not suck more than 2½ per cent. of my blood " ; and I want to know why this amendment should not be accepted by this House if we are unanimous that these are parasites, and that they must come to an end in three years.

I am only anxious to put this last point to this Honourable House. We are all agreed that the remuneration of Managing Agents ought to be limited during this period of three years. If it is limited, I suggest the mere limitation of 24,000 a year will not help the policy-holders. The business of the vast majority of insurers in this country is so little, their turn-over is so little, their premium income is so little, that they cannot afford, save at serious risk to the policy-holders, to spend up to Rs. 24,000 a year, whatever the income or the extent of their premium income may be, on the remuneration of the Managing Agents. Therefore, we suggest, by means of this amendment, to limit their income up to 24,000 a year, if they make business up to nine lakhs of premium income, or 2½ per cent. of the actual premium income, whichever is less. I support the amendment.

Mr. S. C. Sen (Government of India : Nominated Official) : Sir, I had no intention of participating in this debate, but when I heard my Honourable friend, Mr. Satyamurti, accusing the Honourable the Leader

[Mr. S. C. Sen.]

of the House with inconsistency having regard to his minute of dissent, I thought it was time I should point out that he was himself in error. If I may draw my Honourable friend's attention to the minute of dissent, the minute of dissent wanted to incorporate section 87-C in this provision, and I was surprised when my Honourable friend, who is generally accurate, fell into error this time. Section 87C refers to new appointments after the commencement of the Act. It does not apply to existing Managing Agents and, therefore, to say that in the Minute of Dissent we wanted that existing Managing Agents should have only a limited percentage as their remuneration was hardly correct. In the Minute of Dissent we made it clear that we wanted three years : we also wanted that section 87C should apply in the case of new Managing Agents and that we are still prepared to do. But as regards the existing Managing Agents, the question which this House has got to decide is which is the better of the two evils—keeping the remuneration at large, or fixing the maximum. That is the question before the House.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly : Non-Muhammadian Rural) . Sir, it is not my purpose to waste the time of the House by repeating what has been said by the other speakers ; but there are one or two points to which the attention of the House has not been drawn. $2\frac{1}{2}$ per cent. of the commission which is proposed by the amendment is not the percentage of the first year's commission : it includes the renewal commission : that means that for every policy which is alive on the date of the passing of the Act, every year for these three years, $2\frac{1}{2}$ per cent. will be paid to the Managing Agents. They will be doing no work on these policies, still we shall be paying $2\frac{1}{2}$ per cent. : that is to say on the premium income for one year on the existing policies we are allowing $7\frac{1}{2}$ per cent. to the Managing Agents. When the Honourable the Leader of the House said that ten per cent. is the maximum as managing agency commission he could not have meant ten per cent. on renewals also. I think that the usual managing agency commission is five per cent. on the first year's income and not more than $2\frac{1}{2}$ per cent. on renewals. Here we are putting $2\frac{1}{2}$ per cent. on all incomes—first year, renewals and everything ; therefore, there is nothing unjust in fixing this maximum.

Secondly, the Honourable the Leader of the House said, the existing agreements are there. But he has not attempted to provide any provision by which these agreements cannot be changed. It was his duty to provide for it, otherwise what is it that prevents the Managing Agents from changing these agreements ? In many cases these Managing Agents hold large blocs of shares in their companies : they might hold a general body meeting or a special meeting and say : " We have suffered so much loss during these three years : let the company, therefore, pay us, not only this 24,000, but everything which we have foregone in the past." He has not taken care to protect the companies and the policy-holders from any such exorbitant demands owing to past services.....

The Honourable Sir Nripendra Sircar : You can do it : you can put in an amendment to remedy it.

Mr. K. Santhanam : I thought the Honourable the Leader of the House was bringing forward this Bill ; if I was in charge of the Bill I

would have taken care to do it. It is the business of persons who are paid high salaries, who have got a big staff, who have got a very capable assistant, to take care of these things. My business here now is to criticise. I am only saying that he has not taken care to see that no amount of the past allowances due by the agreements will be demanded. There is no provision at all and this amendment is a safeguard against such things. It is not so much to deprive them of the commissions they are getting, but to prevent them from charging for past services, from taking too much, from enlarging the provisions of the existing agreements, that this provision is sought to be put in.

Then, Sir, some one asked us : how is it you are calling yourselves the protectors of small companies ? This amendment does protect small companies : it does not protect the Managing Agents of small companies, which is a very different thing. We are here to protect, first, the policy holders, whether they are policy holders of small companies or large companies. Secondly, we are here to protect the small companies, and lastly, many of us on this side do not care very much for the Managing Agents : we are not very much interested in them, though we do not call them snakes or tigers—they are also human beings like us : I know a good number of them ; they are our friends and as estimable people as any others. But, unfortunately, their name has come in for criticism : they are just like lawyers and doctors who get business through touts and are parasites : they do all sorts of things ; but, unfortunately, it is the poor Managing Agent who is hauled up now before this Assembly. Lawyers flourish by these touts and by all kinds of unfair practices and they are just as much parasites : but here we are asked to come down only upon these Managing Agents : I am not here in such a spirit of self-righteous indignation. We want to get rid of all exploiters, we want to get rid of all kinds of parasites ; we do not want that there should be any exploitation of man by man. We are, however, now concerned only with the Managing Agents. Let them get only a reasonable amount out of what they earn. After all, it is not the Managing Agents who earn ; it is the manager, the Director and the other staff who go about and canvass business for the company, and so 2½ per cent. is not a bad thing. Sir, for every lakh of rupees earned in the past, the Managing Agent gets Rs. 2,500 under our amendment today ; I say it is more than he deserves. Regarding the amendment of my friend, Dr. Bannerjee, I think he meant the premium minus the commission ; I don't think he meant the premium minus the expenses.....

Dr. P. N. Banerjee : Minus the commission.

Mr. K. Santhanam : But as he has not taken care to define the word,

and as it is liable to the construction of premium minus expenses, I hope he will withdraw it, because otherwise it will be very difficult to understand this provision, and, therefore, I hope he will join the Congress Party in carrying the amendment. With these words, Sir, I commend the amendment to the support of the House.

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division : Non-Muhammadan Rural) : Sir, I could not follow the remarks of the previous speaker whether he was in favour of the amendment moved by my Honourable friend, Seth Govind Das, or the one moved by my Honourable friend, Dr. Banerjee. We have decided that all managing agents shall disappear in 3 years, and while doing so, we have been also going

[Mr. Amarendra Nath Chattopadhyaya.]

to decide that 2½ per cent. of the total premium income should be given to the managing agents, or Rs. 24,000 a year, whichever is less. But, Sir, from 2½ per cent. to Rs. 24,000 is a pretty big jump for younger companies, I mean those smaller companies who have been working for the last ten years. As far as my knowledge of these companies goes, I am at a loss to understand how any managing agent can continue even for a year on 2½ per cent. commission on the total premium income, far from the nett, the total premium income. Sir, we have been speaking always of protection to policy holders as if the insurance business consists only of policy holders. There are the share holders who start the business, then the managers, they have to maintain an office, they have to keep agents who have to work hard under very difficult circumstances, and if we don't pay anything to all these people, we shall be doing injustice to them. Sir, I am afraid that the whole confusion has arisen out of our failure to distinguish between the smaller companies and the bigger companies. We have always been trying to treat them as equals, and therefore, when we say that the managing agents should not get more than Rs. 24,000, a year, we are understood to provide that the managing agents of all companies, small as well as big, should get the same emoluments, but that will be wrong. I think I am right when I say that whatever premium income is earned by big companies the managing agents should have Rs. 24,000; similarly whatever premium income is earned by younger companies, they too should have Rs. 24,000 maximum and that is where we are committing an error. Therefore, I think there should be a new amendment with regard to younger companies, and there should also be a scale fixed according to the quota or according to the earnings of the company, but the amendment proposes 2½ per cent. on the total premium income, which is too small or 2½ per cent. on the nett premium income which is small to absurdity.

The Honourable Sir Nripendra Sircar : Therefore, oppose it.

Mr. Amarendra Nath Chattopadhyaya : I, therefore, oppose this amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That in sub-clause (3) of clause 27 of the Bill for all the words occurring after the words ‘ managing agent more than ’ the following be substituted :

‘ a sum calculated at 2½ per cent. on the total premium income for the year or Rs. 24,000 a year, whichever is less ’.”

The Assembly divided :

AYES—43.

Abdul Qayum, Mr.
Ayyangar, Mr. M. Ananthasayanam.
Banerjee, Dr. P. N.
Bhagavan Das, Dr.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avimashilingam.
Chetty, Mr. Sami Vencatachelam.
Chunder, Mr. N. C.
Das, Mr. B.
Das, Pandit Nilakantha.
Desai, Mr. Bhulabhai J.

Deshmukh, Dr. G. V.
Deshmukh, Mr. G. V.
Gadgil, Mr. N. V.
Govind Das, Seth.
Gupta, Mr. K. S.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Joseph, Mr. George.
Kailash Behari Lal, Baba.
Mangal Singh, Sardar.

Misra, Pandit Shambhu Dayal.
 Mudaliar, Mr. C. N. Muthuranga.
 Muhammad Ahmad Kazmi, Qazi.
 Murtuza Sahib Bahadur, Maulvi Syed.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Raghunir Narayan Singh, Choudhri.
 Ramayan Prasad, Mr.
 Ranga, Prof. N. G.
 Rao, Mr. Thirumala.

Saksena, Mr. Mohan Lal.
 Santhanam, Mr. K.
 Satyamurti, Mr. S.
 Sham Lal, Mr.
 Sheodass Daga, Seth.
 Singh, Mr. Gauri Shankar.
 Singh, Mr. Ram Narayan.
 Sri Prakasa, Mr.
 Varma, Mr. B. B.

NOES—68.

Abdul Ghani, Maulvi Muhammad.
 Abdul Hamid, Khan Bahadur Sir.
 Abdur Rasheed Chaudhury, Maulvi.
 Ahmad Nawaz Khan, Major Nawab Sir.
 Anwar-ul-Azim, Mr. Muhammad.
 Asghar Ali, Sheikh.
 Azhar Ali, Mr. Muhammad.
 Bajoria, Babu Baijnath.
 Bajpai, Sir Girja Shankar.
 Boyle, Mr. J. D.
 Buss, Mr. L. C.
 Chanda, Mr. A. K.
 Chapman-Mortimer, Mr. T.
 Chattopadhyaya, Mr. Amarendra Nath.
 Dalal, Dr. R. D.
 Dalpat Singh, Sardar Bahadur Captain.
 DeSouza, Dr. F. X.
 Essak Sait, Mr. H. A. Sathar H.
 Fazl-i-Ilahi, Khan Sahib Shaikh.
 Ghiasuddin, Mr. M.
 Ghulam Bhik Nairang, Syed.
 Ghulam Muhammad, Mr.
 Ghuznavi, Sir Abdul Halim.
 Gidney, Mr. C. W. A.
 Griffiths, Mr. P. J.
 Grigg, The Honourable Sir James.
 Hudson, Sir Leslie.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur Sardar Sir.
 Jehangir, Sir Cowasji.
 Jinnah, Mr. M. A.
 Kamaluddin Ahmed, Shams-ul-Ulema.
 Kushalpal Singh, Raja Bahadur.
 Lalchand Navalrai, Mr.
 Lang, Mr. J. C.
 Lloyd, Mr. A. H.

Mackeown, Mr. J. A.
 Maitra, Pandit Lakshmi Kanta.
 Malaviya, Pandit Krishna Kant.
 Manavedan Raja, Rao Bahadur K. C.
 Mani, Mr. R. S.
 Mehr Shah, Nawab Sahibzada Sir Sayad Muhammad.
 Mehta, Mr. S. L.
 Mody, Sir H. P.
 Mudie, Mr. R. F.
 Murid Hussain Qureshi, Khan Bahadur Nawab Makhdum.
 Nagarkar, Mr. C. B.
 Nayudu, Diwan Bahadur B. V. Sri Hari Rao.
 Parsons, Lieut.-Colonel A. E. B.
 Rahman, Lieut.-Colonel M. A.
 Roy, Mr. S. N.
 Sant Singh, Sardar.
 Scott, Mr. J. Ramsay.
 Sen, Mr. S. C.
 Shahban, Mr. Ghulam Kadir Muhammad.
 Shattock, Mr. J. S. H.
 Sher Muhammad Khan, Captain Sardar Sir.
 Siddique Ali Khan, Khan Sahib Nawab.
 Sircar, The Honourable Sir Nripendra.
 Som, Mr. Suryya Kumar.
 Spence, Mr. G. H.
 Staig, Mr. B. M.
 Stewart, The Honourable Sir Thomas.
 Sukthankar, Mr. Y. N.
 Sultan Ahmed, The Honourable Sir Saiyid.
 Thorne, Mr. J. A.
 Tylden-Pattenson, Mr. A. E.
 Ziauddin Ahmad, Dr.

The motion was negatived.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That in sub-clause (3) of clause 27 of the Bill, for all the words beginning with the words ‘ one thousand rupees per month by way of salary ’ the words ‘ $\frac{1}{2}$ per cent. of the net premium income but not exceeding Rs. 24,000 per annum ’ be substituted.”

The motion was negatived.

Mr. S. Satyamurti : I beg to move :

"That in sub-clause (3) of clause 27 of the Bill, for the word 'constituted', occurring in the fourteenth line, the word 'computed' be substituted."

This is a purely verbal amendment. The word 'constituted' is an obvious mistake for 'computed'. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That in sub-clause (3) of clause 27 of the Bill, for the word 'constituted', occurring in the fourteenth line, the word 'computed' be substituted."

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That clause 27, as amended, stand part of the Bill."

The motion was adopted.

Clause 27, as amended, was added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That clause 28 stand part of the Bill."

Mr. Amarendra Nath Chattopadhyaya : Sir, I move :

"That for sub-clause (1) of clause 28 of the Bill, the following be substituted :

(1) That the Superintendent shall, with a view to protect the interest of the policy-holder, himself or through his authorised auditors or actuaries or inspectors arrange inspection of insurers' offices and books, at regular intervals, and investigate their affairs, not actuated by any suspicion about *bona fides* of insurers, but as a matter of actually doing the function of the Superintendent. The time of such investigation or inspection will have to be notified to the insurer by the Superintendent at least a fortnight before such date is fixed for such inspection."

This is a very innocuous amendment. I need not dilate on it Sir. I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That for sub-clause (1) of clause 28 of the Bill, the following be substituted :

(1) That the Superintendent shall, with a view to protect the interest of the policy-holder, himself or through his authorised auditors or actuaries or inspectors arrange inspection of insurers' offices and books, at regular intervals, and investigate their affairs, not actuated by any suspicion about *bona fides* of insurers, but as a matter of actually doing the function of the Superintendent. The time of such investigation or inspection will have to be notified to the insurer by the Superintendent at least a fortnight before such date is fixed for such inspection."

The motion was negatived.

Mr. T. Chapman-Mortimer (Bengal : European) : Sir, I beg to move :

"That in sub-clause (1) of clause 28 of the Bill, after the word 'policies', occurring in the fourteenth line, the words 'of life insurance' be inserted."

Sir, this is a very simple amendment. If Honourable Members will read the rest of that line, they will see that the word 'policies' refers to life insurance. The whole intention of this provision was to enable life

policy holders to take action in certain circumstances, and the amendment I now move is simply to carry the meaning of the words '50 policy holders holding policies, etc.'. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That in sub-clause (1) of clause 28 of the Bill, after the word 'policies', occurring in the fourteenth line, the words 'of life insurance' be inserted."

The motion was adopted.

Mr. S. Satyamurti : Sir, I beg to move :

"That in sub-clause (2) of clause 28 of the Bill, the words 'after giving notice to and hearing the Superintendent' be added at the end."

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved.

"That in sub-clause (2) of clause 28 of the Bill, the words 'after giving notice to and hearing the Superintendent' be added at the end."

Mr. S. C. Sen : We accept it.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That in sub-clause (2) of clause 28 of the Bill, the words 'after giving notice to and hearing the Superintendent' be added at the end."

The motion was adopted.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Sir, I beg to move :

"That in sub-clause (3) of clause 28 of the Bill, for the word 'inspection' the word 'investigation' be substituted."

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

"That in sub-clause (3) of clause 28 of the Bill, for the word 'inspection' the word 'investigation' be substituted."

Mr. S. C. Sen : We accept it.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

"That in sub-clause (3) of clause 28 of the Bill, for the word 'inspection' the word 'investigation' be substituted."

The motion was adopted.

Prof. N. G. Ranga (Guntur cum Nellore : Non-Muhammadan Rural) : Sir, I beg to move :

"That to sub-clause (3) of clause 28 of the Bill, the following be added at the end :

'and a copy of each to policy-holders who have sent a requisition for such an investigation'."

It is a very simple amendment and as I learn that the Government are prepared to accept it, I do not make a speech. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

“ That to sub-clause (3) of clause 28 of the Bill, the following be added at the end :

‘ and a copy of each to policy-holders who have sent a requisition for such an investigation ’.”

Mr. T. Chapman-Mortimer (Bengal : European) : Sir, I am not quite so sure that it is so reasonable and simple as my Honourable friend, Prof. Ranga, makes out. If a demand is made, then it will be necessary for the Superintendent to investigate into the affairs of the company and if his report has to be sent to every policy-holder, then that will mean possibly that to thousands and thousands of policyholders will his report have to be sent.

The Honourable Sir Nripendra Sircar : If my Honourable friend would notice the amendment, it will be seen that the report has to be sent not to thousands and thousands of people, but only to those who take the trouble of sending five pice postage and asking for it.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That to sub-clause (3) of clause 28 of the Bill, the following be added at the end :

‘ and a copy of each to policy-holders who have sent a requisition for such an investigation ’.”

The motion was adopted.

Mr. M. Ananthasayanam Ayyangar : Sir, I beg to move :

“ That in sub-clause (5) of clause 28 of the Bill, for the word ‘ inspection ’ the word ‘ investigation ’ be substituted.”

Sir, this amendment is consequential upon amendment No. 491, which the House just now adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

“ That in sub-clause (5) of clause 28 of the Bill, for the word ‘ inspection ’ the word ‘ investigation ’ be substituted.”

Mr. S. C. Sen : We accept the amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That in sub-clause (5) of clause 28 of the Bill, for the word ‘ inspection ’ the word ‘ investigation ’ be substituted.”

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That clause 28, as amended, stand part of the Bill.”

The motion was adopted.

Clause 28, as amended, was added to the Bill.

Clause 29 was added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That clause 30 stand part of the Bill.”

Mr. Sri Prakasa : Sir, I beg to move :

“ That in sub-clause (3) of clause 30 of the Bill, for the words ‘ two months ’, wherever they occur, the words ‘ one month ’ be substituted.”

Sir, my sole purpose is to accelerate the process of amalgamation, and I feel that one month is quite sufficient for the objects indicated. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

“ That in sub-clause (3) of clause 30 of the Bill, for the words ‘ two months ’, wherever they occur, the words ‘ one month ’ be substituted.”

Mr. S. C. Sen : I would like the Honourable Member to withdraw his amendment because this will mean inconvenience in actual practice. The period of time which he wants to limit is the period of notice which he wants to give to the Government. I do not think it will be possible to consider the matter within one month. Enquiries may have to be made at different places all over the country and it will be impossible to do it within one month.

Mr. Sri Prakasa : Sir, I beg leave of the House to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. M. Ananthasayanam Ayyangar : Sir, I beg to move :

“ That in sub-clause (3) of clause 30 of the Bill, all the words beginning with the words ‘ and unless the Court ’ and ending with the words ‘ any insurer concerned ’ be omitted.”

Sir, sub-clause (3) of clause 30 lays down that if two companies want to amalgamate, notice ought to be given to the Government, that is No. 1. Notice also ought to be given to the policy-holders unless the Court dispenses with such notice. It is not until we come to clause 31 that the Court appears on the scene. So it is not possible to anticipate in clause 30 in advance before an application is actually made to the Court under clause 31. Unless an application is actually made to a Court, it is not possible for the Court to give directions administratively to an insurer to give notice, etc. I have given another amendment to clause 31 and therefore these words are deleted here. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

“ That in sub-clause (3) of clause 30 of the Bill, all the words beginning with the words ‘ and unless the Court ’ and ending with the words ‘ any insurer concerned ’ be omitted.”

Mr. S. C. Sen : We accept the amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That in sub-clause (3) of clause 30 of the Bill, all the words beginning with the words ‘ and unless the Court ’ and ending with the words ‘ any insurer concerned ’ be omitted.”

The motion was adopted.

Mr. K. Santhanam : Sir, I beg to move :

“ That after sub-clause (3) of clause 30 of the Bill, the following new sub-clause be inserted :

- ‘ (4) Where an application under sub-clause (3) is made to the Court within three months from the commencement of this Act, the Court may on application, extend for the insurer whose business is to be transferred to or amalgamated with the business of another insurer, the time allowed for the registration and for the payment of the first instalment of the deposit under sections 3 to 6 for such period not exceeding nine months as the Court may think fit ’.”

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

“ That after sub-clause (3) of clause 30 of the Bill, the following new sub-clause be inserted :

- ‘ (4) Where an application under sub-clause (3) is made to the Court within three months from the commencement of this Act, the Court may on application, extend for the insurer whose business is to be transferred to or amalgamated with the business of another insurer, the time allowed for the registration and for the payment of the first instalment of the deposit under sections 3 to 6 for such period not exceeding nine months as the Court may think fit ’.”

Mr. S. C. Sen : We accept the amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That after sub-clause (3) of clause 30 of the Bill, the following new sub-clause be inserted :

- ‘ (4) Where an application under sub-clause (3) is made to the Court within three months from the commencement of this Act, the Court may on application, extend for the insurer whose business is to be transferred to or amalgamated with the business of another insurer, the time allowed for the registration and for the payment of the first instalment of the deposit under sections 3 to 6 for such period not exceeding nine months as the Court may think fit ’.”

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The question is :

“ That clause 30, as amended, stand part of the Bill.”

The motion was adopted.

Clause 30, as amended, was added to the Bill.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 21st September, 1937.