

28th September 1937

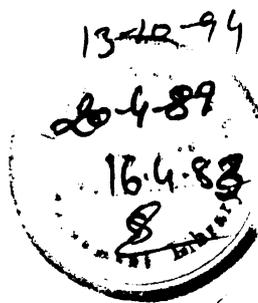
**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume VI, 1937

(18th September to 29th September, 1937)

**SIXTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1937**



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L453LAD

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Legislative Assembly.

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Deputy President :

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MR. M. GHILASUDDIN, M.L.A.

MR. MATHURADAS VISSANJI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Tuesday, 28th September, 1937.

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

MEMBER SWORN.

Mr. Robert Francis Mudie, C.I.E., O.B.E., M.L.A. (Government of India : Nominated Official).

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

IMPLEMENTING OF THE RECOMMENDATIONS OF INCOME-TAX EXPERTS.

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

- (a) whether Government have now received the opinions of the bodies consulted and of the Provincial Governments on the income-tax experts report ;
- (b) whether Government propose to give legislative effect to these proposals and, if so, when ;
- (c) whether administrative action is proposed to be taken on those proposals which do not involve legislation ;
- (d) whether the contemplated legislation will include all proposals involving legislation, or whether they will be split up ; and
- (e) what, according to the calculations of Government are the increased returns from income-tax as a result of implementing the recommendations of the experts ?

The Honourable Sir James Grigg : (a) Opinions of most of the commercial bodies consulted have now been received but the views of some of the Provincial Governments are still awaited.

(b) Yes, legislation will be introduced in the next Budget Session of the Legislative Assembly.

(c) Yes, on such proposals as are approved by Government.

(d) The legislation will include all proposals involving legislation which are approved by Government.

(2539)

(e) As I have already said, if the recommendations are adopted in full I have very little doubt that they will produce from two to three crores of extra income-tax and possibly considerably more.

Mr. S. Satyamurti : With reference to clause (e) of the question, may I know, whether according to the present intention of the Government, 50 per cent. of this increased income-tax will go to the Provincial Governments ?

The Honourable Sir James Grigg : Government have no option in the matter ; under the Niemeyer Order in Council, 50 per cent. of the divisible pool of income-tax—and I imagine a large part of this increase will fall into the divisible pool—will automatically go to the provinces.

Mr. S. Satyamurti : With reference to the answer to clause (a), may I know which of the Provincial Governments have not yet replied to the reference by the Central Government ?

The Honourable Sir James Grigg : I am sorry, but I have not got the information with me here : I can let the Honourable Member have it later.

Mr. S. Satyamurti : With reference again to clause (e), may I know if it is the intention of the Government to complete this legislation before the present Assembly is dissolved as at present advised, on 1st October, 1938 ?

The Honourable Sir James Grigg : I can only express hopes. With regard to at least one of the Houses of the Legislature, we are not free agents.

Mr. S. Satyamurti : I am asking about the intentions of the Government. Is it the intention of Government at present to finish all stages on this legislation before the end of the present age of this House, which according to the Viceregal Order is the 1st of October, 1938 ?

The Honourable Sir James Grigg : That is the hope.

Mr. S. Satyamurti : With reference to the answer to clause (c), may I know whether administrative action has been taken on any of these proposals so far ?

The Honourable Sir James Grigg : Yes.

Mr. S. Satyamurti : May I know whether Government propose to take administrative action such as commends itself to the Government on all these proposals before the end of the financial year ?

The Honourable Sir James Grigg : I cannot say that. We are certainly taking action on the administrative proposals in turn, and I cannot say exactly when they will all come into operation.

Mr. S. Satyamurti : Will Government place on the table of the House the opinions of all the commercial bodies and Provincial Governments, as and when they are received ?

The Honourable Sir James Grigg : I will consider that ; but I wish to make it clear that it is not a promise : I do not want to commit myself to anything now.

Mr. S. Satyamurti : May I know whether, before the Bill is referred to Select Committee, if it is introduced, all the opinions relevant on the matters sought to be covered by legislation and referred to Select Committee will be placed on the table of the House ?

The Honourable Sir James Grigg : That is covered by my answer : I will consider the suggestion.

Mr. Ram Narayan Singh : May I ask whether, in the proposed legislation, Government have considered the advisability of separating the revenue side from the judicial side ?

The Honourable Sir James Grigg : I do not know what the Honourable Member means. I think what he means is the separation of the appellate from the inspecting functions of Assistant Commissioners of Income-tax. If that is so, to the best of my belief, that does not require legislation.

Mr. K. Santhanam : May I know whether the Provincial Governments will be consulted as to the actual level of income-tax ?

The Honourable Sir James Grigg : Certainly not.

Mr. S. Satyamurti : Are the opinions of Local Governments generally in favour of the recommendations of the income-tax inquiry experts ?

The Honourable Sir James Grigg : They are divided.

Mr. S. Satyamurti : May I know, for my information, if the Honourable Member can give me now or later any idea of how the Congress Provincial Governments have given their opinions on this report of the income-tax inquiry experts ?

The Honourable Sir James Grigg : I will consider that too.

PROTECTION OF INDIANS IN PORT MAURITIUS.

837. ***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 cablegram received by the President of the Indian National Congress from Port Mauritius to the effect " the Indian community intimating that on August 13th unarmed labourers of Indian-owned factory were fired on and four have been killed and several injured. The strikes are general. A hundred incarcerated labourers have demanded enforcement of the Minimum Wage Bill. Small planters demand better condition in respect of the sale of canes. Labourers have resumed work at Kattial and the Government Inquiry Commission is sitting. There is no Indian represented in the Commission " ;
- (b) whether Government have received any information and are pursuing inquiries, and what the result of those enquiries is ; and
- (c) whether Government propose to take steps to protect the Indian community ; and, if so, what those steps are ?

Sir Girja Shankar Bajpai : (a) Yes.

(b) On seeing reports in the Press of the disturbance, the Government of India cabled for information. A summary account of its causes and extent has been received but fuller details have been asked for. The Government of India have also requested that they should be supplied with a copy of the report of the Commission which has been appointed to enquire into the disturbances.

(c) On receipt of the Commission's report the Government of India will take such action to protect Indian interests as may appear necessary.

Mr. S. Satyamurti : Will Government place on the table of the House the report they have received from the Government of Port Mauritius ?

Sir Girja Shankar Bajpai : It is a very short report. I can communicate that to my Honourable friend if he likes.

Mr. S. Satyamurti : I suggest, if my Honourable friend has no objection,—place it on the table of the House.

Sir Girja Shankar Bajpai : The communication is marked Confidential : therefore I have to obtain the approval of the Government of Mauritius before I can place it on the table ; but I will consider the suggestion.

Mr. S. Satyamurti : May I know if Government have made any representation on the last sentence of my question, clause (a)—“ There is no Indian represented in the Commission ? ” Have Government approached the Government of Mauritius, and asked them for an Indian representative on this Commission ?

Sir Girja Shankar Bajpai : The position is that the disturbances took place on the 13th of last month and the Commission was appointed on the 18th, the very date we saw anything about it in the press here ; and if we made suggestions to the effect suggested by my Honourable friend, it would have meant putting back the inquiry, because the Commission had already started work ; therefore we are really waiting for the report.

Mr. S. Satyamurti : May I know whether Government have taken or will take any steps to see the Indian point of view laid before the Commission, apart from representation on the Commission itself ?

Sir Girja Shankar Bajpai : I have no reason to assume that the Indian community in Mauritius will not put its case before the Commission.

Mr. Badri Dutt Pande : What is the total number of casualties in these disturbances ?

Sir Girja Shankar Bajpai : My Honourable friend might refresh his memory from the report : I believe four people were killed.

Mr. Badri Dutt Pande : And how many injured ?

Sir Girja Shankar Bajpai : I could not say.

RECOGNITION OF INDIAN MEDICAL DEGREES IN FOREIGN COUNTRIES.

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

- (a) whether medical degrees granted by Indian Universities in India are now recognised in other countries, especially in the Dominions of the British Commonwealth on the basis of the Government of India Act, 1935, whereby the recognition could be refused only on grounds of inefficiency of standards ;
- (b) what the position is with regard to such recognition in foreign countries ;
- (c) whether it is a fact that Indian degrees recognised in Italy are only those recognised by the General Council in the United Kingdom while India is under obligation to allow Italian doctors with recognised degrees to practise in India ; and
- (d) whether Government are pursuing this matter, and when they hope to come to a satisfactory conclusion between India and Italy on the strict basis of reciprocity ?

Sir Girja Shankar Bajpai : (a) Section 120 of the Government of India Act applies to the United Kingdom alone and with certain modifications to Burma.

(b) Japan and Italy recognise those Indian qualifications which are recognised by the General Medical Council of Great Britain. Other foreign countries have not been approached.

(c) As regards the first part, the answer is in the affirmative. As regards the second, the present position is that there is no bar against the practice of medicine by any person in India.

(d) Yes. Negotiations are proceeding, but it is not possible, at this stage, to say when they will be concluded.

Mr. S. Satyamurti : With reference to clause (c) of the question, may I know whether Government will pursue the matter of providing that, so far as India is concerned, we shall be under no obligation to allow Italian doctors, unless they are recognised by us, that is by our Medical Council, to practise in this country ?

Sir Girja Shankar Bajpai : As I have explained the position on previous occasions also, there is no legislation in India which prohibits practice ; there is legislation which regulates registration, registration carrying with it certain privileges, and it is certainly our intention that, if the response of the Italian Government is not favourable to the representation that has been made, then Italian doctors will be under the same disabilities as regards registration in this country as Indians may be in Italy.

Mr. S. Satyamurti : With regard to *practice*, will Government consider the proposal to introduce legislation as early as possible, with a view to introducing the principle of reciprocity in recognition both for practice and registration, that is to say, he shall allow them to practise here only if our people are allowed to practise in their country.

Sir Girja Shankar Bajpai : That point has already been considered before, and the conclusion which Government reached was that there were difficulties in the way of enforcing prohibition of practice in this country.

Mr. S. Satyamurti : When did they consider this last ?

Sir Girja Shankar Bajpai : I think, Sir, some three or four years ago.

Mr. S. Satyamurti : In view of the later developments, will Government reconsider the whole position ?

Sir Girja Shankar Bajpai : Merely because of some disabilities with regard to Italian doctors, I don't think that the practical difficulties can be said to have been eliminated.

Dr. G. V. Deshmukh : Did I hear the Honourable Member say that there is no restriction on the practice of medicine in this country ? What medicine did he mean by it ?

Sir Girja Shankar Bajpai : I meant both descriptions of medicine, occidental and the oriental.

Dr. G. V. Deshmukh : Is there a restriction on the practice of occidental medicine by members who are not on the General Medical Council of Great Britain ?

Sir Girja Shankar Bajpai : I have already answered that question : the question of regulation of practice presents practical difficulties.

Mr. S. Satyamurti : With reference to clause (b) of the question, I thought my friend's reply referred only to two countries, but may I know whether the Government will ascertain and inform this House as regards the position with regard to the recognition of our degrees in other countries than the two he mentioned ?

Sir Girja Shankar Bajpai : The position as regards other, foreign countries than those which I have mentioned is that they require foreign nationals either to be naturalised or that they should pursue their studies in the country before they are entitled to registration, so the position is that they will have no registration here and our people won't have registration there.

Dr. G. V. Deshmukh : Do I understand that foreign doctors who are not on the register of the General Medical Council of Great Britain will be allowed to practise unhindered in this country ?

Sir Girja Shankar Bajpai : I have already explained that there is a difference in this country between registration and practice. Registration is regulated by legislation ; practice is not regulated by legislation, practice is not forbidden, and anybody can practise any system of medicine he likes without regulation.

Dr. G. V. Deshmukh : Is there not going to be any restriction on those who practice allopathic medicine if they are not on the register of the Indian Medical Council or the Provincial register ?

Sir Girja Shankar Bajpai : I have already said twice that the question of regulation of practice has been considered by Government and they have decided not to undertake any legislation because of the practical difficulties involved.

Dr. G. V. Deshmukh : What are the practical difficulties ?

Sir Girja Shankar Bajpai : I have already said that you cannot regulate only one system of medicine or the practice of it. Why should we regulate the practice of the western system and not also undertake regulation of the Ayurvedic or the Unani systems, and we have no machinery for that purpose.

Dr. G. V. Deshmukh : Have you not started regulating the practice of western system of medicine in this country by registration ?

Mr. President (The Honourable Sir Abdur Rahim) : We have had enough supplementaries on this. Next question.....

Mr. S. Satyamurti : Only one more question, Sir. What is the position of German doctors,—I want to know if German doctors are allowed freely to practise in this country, and if our Indian doctors are allowed equally to practise in Germany ?

Sir Girja Shankar Bajpai : Questions on that subject have been asked in previous years, and I would refer my Honourable friend to the answers I gave then.

ARTICLE ENTITLED "CO-ORDINATION OF RESEARCH" PUBLISHED IN THE *Hindu*.

839. ***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 leading article in the *Hindu* of the 18th August, 1937, entitled "Co-ordination of Research" ;
- (b) whether Government have addressed or propose to address the new autonomous Provincial Governments on the question of the co-ordination of activities on subjects of common interest like agriculture, education, public health and irrigation ;
- (c) whether Government have any proposals to enable the Central Board of Irrigation to carry on research in river physics including problems of river control, water locking and generally the study of economics of particular irrigation projects ; and
- (d) whether Government propose to take steps to see that in all these common matters machinery is devised and set to work to use the maximum beneficial results for the country as a whole ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) and (d). As regards agriculture and public health the article itself refers to the machinery for co-ordination which the Government of India have set up. The Central Advisory Board of Education was established two years ago to perform similar functions in respect of education. As regards irrigation, the requisite machinery already exists in the Central Board of Irrigation. It is not, therefore, necessary to address the new Provincial Governments in respect of these matters.

(c) The question of the establishment of a Central Irrigation and Hydro-dynamic Research Station on a contributory basis is under the consideration of the Government of India.

Mr. S. Satyamurti : With reference to clause (b) of the question, in view of the altered state introduced by the Government of India Act of 1935 since the 1st April last with regard to all these subjects, may I know if the Government will consult the autonomous Provincial Governments with regard to the composition, the powers and the scope of work of these all-India bodies ?

The Honourable Sir Thomas Stewart : If the Honourable Member will permit me to answer in respect of the Central Board of Irrigation, I can do so. My Honourable colleague, the Secretary to the Department of Education, Health and Lands, will, I think, answer in respect of the other matters.

The new constitutional dispensation has not, I think, altered in any way the relation of the Central Board of Irrigation to the Provincial Governments.

Mr. S. Satyamurti : I am asking whether the Government, in view of the new state of provincial autonomy,—I am not suggesting any alteration,—will consult the Provincial Governments with regard to the composition, the scope and the functions of all these all-India bodies.

The Honourable Sir Thomas Stewart : The consultation or communication between the Provincial Governments and the Central Government is an automatic matter. The constitution of this Board is that of representatives from the Local Governments who put forward in the meetings of the Board the view points of the Governments they represent.

Mr. S. Satyamurti : May I know, Sir, from the Secretary to the Department of Education, Health and Lands whether they also adopt a similar procedure, that is to say, automatically providing for the expression of views of Local Governments on subjects concerning that department ?

Sir Girja Shankar Bajpai : On all the Boards with which we are concerned, we have not merely official representatives of Local Governments, but actually the Ministers concerned are members. It is open to them to raise any points they like as regards the scope of work, composition and functions.

Mr. S. Satyamurti : With regard to clause (c), may I know if the answer covers the study of the economics of particular irrigation projects ?

The Honourable Sir Thomas Stewart : The study of the economics of particular irrigation projects is a matter that comes within the purview of the Central Board of Irrigation.

Prof. N. G. Ranga : Are the Local Governments represented on the Central Board of Irrigation ?

The Honourable Sir Thomas Stewart : Yes, Sir.

CONTRACT FOR ADVERTISEMENTS ON TELEGRAPH AND TELEPHONE POSTS.

840. *Mr. Mohan Lal Saksena : (a) With reference to his answer to question No. 332 of the 7th September, 1937, will the Honourable Member for Industries and Labour be pleased to lay on the table a copy of the agreement between the Government and the advertising company ?

(b) Is the company Indian or foreign ?

(c) While giving the contract, was any advertisement made ? If so, did Government receive any offer ?

(d) Are Government prepared to consider the desirability of advertisement contract for various circles being given in the future separately to the highest bidders ?

The Honourable Sir Thomas Stewart : (a) The attention of the Honourable Member is invited to the action taken on part (d) of starred question of Mr. T. S. Avinashilingam Chettiar, No. 760, dated the 23rd September, 1937.

(b) The Company is an Indian Company.

(c) Yes. Only one offer was received in response.

(d) Does not arise at present pending the termination of the existing contract in 1947.

Mr. Sri Prakasa : Is it not a fact, Sir, that though these Kiosks are attached to one end of the poles, they actually hang on municipal and other lands at the other end ?

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member had already asked that question ?

Mr. Sri Prakasa : Yes, Sir, but this supplementary question was crowded out.

The Honourable Sir Thomas Stewart : Does the Honourable Member wish me to answer it ?

Mr. Sri Prakasa : Yes, Sir, because I feel that the Government are abetting trespass.

Mr. President (The Honourable Sir Abdur Rahim) : I think the Honourable Member raised that question before.

Mr. Sri Prakasa : Yes, Sir, but my question had unfortunately no influence on the Honourable Member opposite.

Mr. Mohan Lal Saksena : May I know in what paper this advertisement was inserted ?

The Honourable Sir Thomas Stewart : The papers in which the advertisement appeared were the *Statesman*, the *Times of India*, the *Hindu* and the *Hindustan Times*.

OPTICAL GOODS IMPORTED INTO INDIA AND DEVELOPMENT OF LENSE INDUSTRY.

841. *Mr. Mohan Lal Saksena : (a) Will the Honourable Member for Industries and Labour be pleased to state the total value of optical goods, particularly lenses, imported annually by India and from the countries from which they were imported ?

(b) How many factories, if any, are there in India manufacturing lenses ? If none, why not ?

(c) Is it a fact that glass manufactured in India, though not spectacle glass, can still be used for manufacturing lenses of the quality imported from Japan ?

(d) What duty, if any, is levied on optical goods ?

(e) Do Government propose to investigate the possibilities of the development of this industry in the country ?

The Honourable Sir Thomas Stewart : (a) The Honourable Member is referred to pages 174-175 of the Annual Statement of the Seaborne Trade of British India with the British Empire and Foreign countries for the year ending 31st March, 1936, Volume I, which gives the required information regarding optical goods. A copy of the Statement is in the Library of the Legislature. Imports of optical lenses are not recorded separately.

(b) So far as I am aware, there are no factories in India regularly engaged in the manufacture of lenses. This industry requires high-quality glass, special equipment, and specially skilled and experienced personnel which are probably not available in India at present.

(c) I am not aware of the characteristics or quality of Japanese lenses but my information is that the usual quality of glass at present manufactured in India is unsuitable for lenses of a satisfactory quality.

(d) A revenue duty of 25 per cent. *ad valorem*.

(e) The attention of the Industrial Research Bureau is at present concentrated on effecting technical improvements of a general character in the glass industry. It is possible that special subjects such as the production of optical glasses may receive consideration in due course.

Mr. Sri Prakasa : Is it a fact that short-sightedness is growing in the country, politically on that side, and physically on this ? (Laughter.)

(No reply.)

†842*.

SAFEGUARDING OF THE INTERESTS OF INDIAN CLOVE GROWERS IN ZANZIBAR.

843. ***Mr. Mohan Lal Saksena :** (a) Will the Secretary for Education, Health and Lands be pleased to state if the attention of Government has been drawn to the reply to the Government *communiqué*, issued by the Indian National Association, Zanzibar, and published in the *Hindustan Times*, dated the 3rd September, 1937 ?

(b) Is it correct that under the Agricultural Marketing Act, 1933 of Great Britain only when an industry demanded Governmental action by a sufficient majority it had to be taken and not otherwise ? If so, did the Zanzibar Government have any such demand from the clove growers in Zanzibar ?

†This question will be answered on the 1st October, 1937.

(c) Is it a fact that the Honourable Mr. Tyab Ali H. A. Karimjee made a statement in the Zanzibar Legislative Council to the effect that a considerable proportion of clove growers were opposed to the clove legislation and the Zanzibar Government did not refute the statement ?

(d) Is it a fact that Mr. H. Binder has recommended a complete monopoly for the Clove Growers Association in his report in the following terms :

“ A complete and continuous monopoly of supplies is necessary to assure the Clove Growers' Association full and effective control with a minimum of risk to the funds employed by it and therefore its present operations should be continued but on a wider basis and with more extended powers.”

If so, will Government state how the analogy of a Marketing Board applies to the Clove Growers' Association ?

(e) Can Government cite any instance of an organisation set up by Government on the lines of the Clove Growers' Association ?

Sir Girja Shankar Bajpai : (a) Yes.

(b) There is no such provision in the 1933 Act. The second part does not arise.

(c) Yes.

(d) and (e). The Honourable Member has quoted correctly from Mr. Binder's Report. The analogy of Marketing Boards and similar organisations elsewhere was explained in the course of the debate on the adjournment motion in this House on the 23rd August, 1937.

SAFEGUARDING OF THE INTERESTS OF INDIAN CLOVE GROWERS IN ZANZIBAR.

844. ***Mr. Mohan Lal Saksena :** (a) Will the Secretary for Education, Health and Lands be pleased to state if it is a fact that in a circular the Clove Growers' Association has offered to grant licences as purchasers for a period ending 30th June, 1938 ? If so, what guarantee have Government obtained for the future ?

(b) Were Government aware of the difficulties and complications involved in the proposed system as described in the statement referred to in the preceding question ? If so, what solution, if any, can they suggest to overcome them ?

(c) Will Government state the provisions of law regarding the export of cloves ?

(d) Is it a fact that the following paragraph appears on page 27 in Mr. Binder's report :

“ The present policy of the Clove Growers' Association Board is gradually to secure complete control of the clove industry. They hope to increase the Clove Growers' Association's proportions of purchases and sales until ultimately it will be able to acquire the whole of each year's crop direct from the growers and sell direct to the consumers and merchants overseas.”

If so, has not this policy been incorporated in the clove law ?

(e) Will Government state how the inclusion of one or two Indians in the Board and the Advisory Committee will safeguard Indian interests in the clove trade ?

(f) What other interests are represented on the Clove Growers' Association? Are there any Africans or Arabs?

(g) Is it not a fact that the Indian Association, Zanzibar, has conceded that the interests of clove growers should be safeguarded by any scheme such as that of fixing a minimum price to be paid to the clove growers like the sugarcane control scheme in India? If so, did Government try to persuade the Colonial Office to accept the suggestion?

(h) Are Government aware of the deeply laid conspiracy of eliminating Indians from Zanzibar referred to in the statement? If not, are Government prepared to make necessary enquiries?

(i) Have Government obtained any guarantee or assurance that once the Clove Growers Association's monopoly is established in the clove trade it will not pass into British hands? If not, why not?

Sir Girja Shankar Bajpai: (a) and (b). Licences are renewable annually. The assurances received by the Government of India were stated in the Press Communique, dated the 23rd July, 1937.

(c) I would refer the Honourable Member to the relevant provisions of the Agricultural Produce Export Decree, 1934, and the Clove (Purchase and Exportation) Decree, 1937, copies of which are available in the Library.

(d) and (e). The quotation is correct. The nature of the monopoly granted to the Clove Growers' Association and of the safeguards proposed for Indian interests have been explained in the Press Communique, dated the 23rd July, 1937, as well as in the debate on the adjournment motion in this House on the 23rd August, 1937.

(f) The members of the Board of Management of the Clove Growers' Association are appointed by the Resident under section 4 (1) of the Clove Growers' Association Decree, 1934. There is no statutory provision for the representation of specific interests. There are no Arab or African members.

(g) The answer to the first part is in the affirmative. The steps taken by the Government of India were explained by the Honourable Kunwar Sir Jagdish Prasad and Mr. Hydari in the debate on the adjournment motion on the 23rd August, 1937.

(h) The answer to both parts is in the negative.

(i) As stated by the Government spokesmen in the course of the debate no British interests are involved. The need for an assurance has not, therefore, arisen.

APPOINTMENT OF MR. WADDINGTON AS ASSISTANT SUPERINTENDENT OF ARCHAEOLOGY.

845. ***Mr. Mohan Lal Saksena:** (a) Will the Secretary for Education, Health and Lands state whether it is a fact that in addition to Mr. Waddington another Assistant Superintendent of Archaeology is going to be appointed? If so, what is the grade of this post and for what reasons has it been created?

(b) How do Government propose to fill up the post?

(c) Do Government propose to consider the desirability of not appointing any European in the department for a period exceeding five years ?

(d) For what period has Mr. Waddington been appointed ?

(e) What were the qualifications required for the post to which Mr. Waddington has been appointed ?

(f) In what papers was the post advertised in India and how many applications, if any, were received in response to the advertisement ?

Sir Girja Shankar Bajpai : (a) The reply to the first part is in the affirmative. The officer will be recruited to an existing vacancy on the ordinary scale of pay, i.e., Rs. 350—25—600—40—680 per mensem.

(b) By recruitment through the Federal Public Service Commission

(c) Ordinarily only Indians are appointed to the Archaeological Department but, in exceptional cases when Indians with suitable qualifications are not available, it may be necessary to resort to recruitment from outside. The duration for which such appointment should be made must be determined separately in each case according to the circumstances.

(d) Mr. Waddington has been appointed to a permanent post but is on probation for two years.

(e) I would invite the Honourable Member's attention to my reply to parts (a) to (h) of Mr. Muthuranga Mudaliar's starred question No. 447 asked in this House on the 10th September, 1937.

(f) A list of the papers, etc., in which the advertisement was published is laid on the table. Twenty-two applications were received for the post.

List of Papers and Local Governments' Gazettes in which the Post of Assistant Superintendent, Archaeological Survey (Architecture), was advertised.

Papers :

1. The Statesman, Calcutta.
2. The Leader, Allahabad.
3. The Civil and Military Gazette, Lahore.
4. The Times of India, Bombay.
5. The Madras Mail, Madras.
6. The Rangoon Gazette, Rangoon.
7. The Hindu, Madras.
8. The Hitavada, Craddock Town, Nagpur.

Local Governments' Gazettes published by :

1. The Superintendent, Government Press, Madras.
2. The Superintendent, Government Press, U. P., Allahabad.
3. The Superintendent, Government Press, Assam, Shillong.
4. The Superintendent, Government Printing, Bengal, Calcutta.
5. The Superintendent, Government Printing, Punjab, Lahore.
6. The Superintendent, Government Printing, B. and O., Gulzarbagh.
7. The Manager, Government Central Press, Bombay.
8. The Superintendent, Government Printing and Stationery, Burma, Rangoon.
9. The Manager, Commissioner's Printing Press, Karachi.
10. The Superintendent, Government Printing, C. P., Nagpur.

Seth Govind Das : Is it not generally the case that people who are appointed on probation are so appointed for six months only, and what is the reason of this gentleman being appointed for two years on probation ?

Sir Girja Shankar Bajpai : He is not the only one who has been appointed for two years on probation. Every one appointed to the Archæological Survey of India has to render a probation of two years.

Seth Govind Das : How many Europeans are working in that Department ?

Sir Girja Shankar Bajpai : When this gentleman joins, he will be the one and only European in the Archæological Survey of India.

Pandit Lakshmi Kanta Maitra : What are the qualifications of this gentleman ? I could not follow the Honourable Member.

Sir Girja Shankar Bajpai : The qualifications of Mr. Waddington were explained to this House in answer to Mr. Muthuranga Mudaliar's question.

Pandit Lakshmi Kanta Matira : I want to know the qualifications for this post,—the post to which this gentleman has been appointed.

Sir Girja Shankar Bajpai : Those are the qualifications which I explained in answer to Mr. Muthuranga Mudaliar's question.

Mr. S. Satyamurti : With reference to the answer to clause (c) of the question, may I know whether Government will consider, wherever they appoint non-Indians, that the period for which they are appointed should not exceed five years, and that the contract of appointment should stipulate that they should train Indians to take their places, before the expiry of the period of five years ?

Sir Girja Shankar Bajpai : My Honourable friend asked a question on that point some time ago and I told him that in regard to technical posts in specialist departments such as the Forest Research Institute that was our practice.

Mr. S. Satyamurti : I am asking with regard to the Archæological Department, whether the same rule will apply.

Sir Girja Shankar Bajpai : I cannot say that that would apply to the ordinary cadre of the Archæological Survey of India, but if any special work arises for which we cannot get an Indian and we have to import an outsider that particular procedure may be followed.

Pandit Lakshmi Kanta Maitra : How long has this gentleman been in India ?

Sir Girja Shankar Bajpai : As far as I know, he has not even joined the department yet.

Mr. Mohan Lal Saksena : Am I to understand that Mr. Waddington was appointed because no Indian with similar qualifications was available ?

Sir Girja Shankar Bajpai : I submit to the House that this question of the qualifications of Mr. Waddington and why he was appointed has been discussed on two occasions and I cannot add anything to what I have already said.

Seth Govind Das : Is it not a fact that no Indian was available with that qualification ?

Sir Girja Shankar Bajpai : If my Honourable friend wishes me to repeat what I have said before, I shall say Yes.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member need not repeat the answer. Next question.

BIO-CHEMISTRY DEPARTMENT OF THE INDIAN INSTITUTE OF SCIENCE,
BANGALORE.

846. ***Mr. C. N. Muthuranga Mudaliar** : Will the Secretary for Education, Health and Lands please state whether the Government of India have considered the remarks of the Sewell Committee regarding the Bio-Chemistry Department of the Indian Institute of Science, Bangalore, and if so, what action has been taken ?

Sir Girja Shankar Bajpai : The only recommendation of the Sewell Committee regarding the Bio-chemistry Department, on which the Government of India could take action, was that the Professor of Bio-chemistry should be appointed a member of the Imperial Council of Agricultural Research. This recommendation was not accepted as the Institute is already represented on the Imperial Council of Agricultural Research by the Director. The other recommendations of the Committee were communicated for the very careful consideration of the Council of the Institute.

Mr. C. N. Muthuranga Mudaliar : Is it not a fact that the Irvine Committee also recommended that a competent professor of international reputation should be appointed to the Bio-chemistry Department ?

Sir Girja Shankar Bajpai : I do not think that the Irvine Committee specifically referred to the bio-chemistry post. They referred to the post of Professor of Chemistry which is different.

Mr. C. N. Muthuranga Mudaliar : Is it a fact that this is sought to be filled up without calling for applications ?

Sir Girja Shankar Bajpai : Not that I am aware of.

RESEARCH ACTIVITIES OF THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

847. ***Mr. C. N. Muthuranga Mudaliar** : (a) Will the Secretary for Education, Health and Lands please state whether it is a fact that since Sir C. V. Raman went to the Indian Institute of Science, Bangalore, research activities have extended in all the Departments (*vide* the January and February issues of *The Current Science*) ? If so, how do Government justify the charge against him of having curtailed the activities of departments other than his own ?

(b) Did Sir C. V. Raman at any time invite the attention of the Governing Council of the Institute to the very unsatisfactory conditions prevailing in the Institute ? If so, what action did the competent authorities take thereon ?

(c) Are Government aware that there is grave indiscipline among the members of the staff ? Is it a fact that Sir C. V. Raman received in November last anonymous letters threatening his life ? Were Government aware of these, and if so, what action did they take ?

(d) Are Government aware of a publication entitled " Science and Industry " by one Mr. Kulkarni Jatar, in charge of a section of the department of Chemistry ?

(e) Is it a fact that that publication contains attacks against Sir C. V. Raman, his associates and their work ?

(f) Is it not a fact that Mr. Kulkarni sent the publication to many prominent scientists abroad ?

(g) Was any action taken against Mr. Kulkarni in the interests of the discipline of the Institute ?

Sir Girja Shankar Bajpai : (a) The point in the first part of the question is one for argument. Government have made no charge against Sir Venkata Raman in this matter.

(b) So far as Government are aware Sir C. V. Raman referred to certain unsatisfactory features of the work of the Institute after the Irvine Committee had reported and his comments were carefully considered by the Council.

(c) to (g). The Government of India have no information.

Mr. C. N. Muthuranga Mudaliar : Will Government kindly seek the information asked for ?

Sir Girja Shankar Bajpai : The Council of the Institute of Science at Bangalore is an autonomous body which is responsible for the day to day administration of the Institute and they do not think that these matters are of sufficient importance to justify their asking for any information.

Mr. S. Satyamurti : In view of the allegations contained in clauses (d) to (g) of the question, and in view of the danger to discipline of the Institute if a member of the staff is allowed publicly to attack the head of the Institute, will Government enquire into these allegations and find out how far they are true ?

Sir Girja Shankar Bajpai : I do not for a moment admit that the Council which is a responsible body is not as jealous of the discipline of the Institute as any of us here, and I am quite sure that any action that was desirable in order to maintain discipline at the Institute would have been taken by the Council.

Mr. S. Satyamurti : Will Government then be good enough to ascertain from the Council, whether, as a matter of fact, the head of a department of the Institute made a public attack in a scientific publication on the head of the Institute, and, if so, whether the Council took suitable action in the matter ?

Sir Girja Shankar Bajpai : So far as I am aware Mr. Kulkarni is not the head of any department.

Mr. S. Satyamurti : He is in charge of a section of the department of Chemistry, and the allegation is that he, in a scientific publication, attacked Sir C. V. Raman and his associates and their work. I am asking whether Government—I take the answer that they will not interfere directly—will be good enough to ascertain from the Council whether this matter was investigated and suitable action was taken.

Sir Girja Shankar Bajpai : I have no objection to finding out from the Council whether they have considered this point.

QUALIFICATIONS OF MEMBERS OF THE GOVERNING BODY OF THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

848. ***Mr. C. N. Muthuranga Mudaliar :** (a) Will the Secretary for Education, Health and Lands please state the scientific qualifications of each of the members of the Governing Council of the Indian Institute of Science, Bangalore? How many of them are scientists of international repute?

(b) What are the functions of the Resident, Mysore, in so far as the Institute is concerned? What part did he play in the recent events in the Institute which culminated in the orders relegating Sir C. V. Raman to the Professorship of Physics?

Sir Girja Shankar Bajpai : (a) I lay on the table a statement showing the names and academic qualifications of the members of the Council of the Indian Institute of Science, Bangalore. I leave it to the Honourable Member to judge, which of them are scientists of international repute, as this is a matter of opinion. I may add that, according to the Regulations of the Institute, members of the Council, with the exception of one of the two nominees of the Government of India and the Director, need not be scientists.

(b) The Honourable the Resident in Mysore is a nominee of the Government of India on the Council. He is also its elected Chairman and discharged the duties of that office when the Council considered the matter referred to by the Honourable Member.

Statement showing the Names and Qualifications of Members of the Council of the Indian Institute of Science, Bangalore.

The Honourable the Resident in Mysore.—(Honourable Lieutenant-Colonel C. T. C. Plowden, C.I.E.), *Chairman.*

J. H. Bhabha, Esquire, M.A. (Oxon.), Bar.-at-Law.

V. N. Chandavarkar, Esquire, B.A., Bar.-at-Law.

Dr. G. V. Deshmukh, L.M.&S., F.R.C.S., M.C.

Professor Gilbert J. Fowler, D.Sc., F.I.C.

Dr. E. P. Metcalfe, D.Sc.

Syama Prasad Mokeerjee, Esquire, M.A., B.L., Bar.-at-Law.

J. A. D. Naoroji, Esquire, B.A., Bar.-at-Law.

Dr. C. W. B. Normand, M.A., D.Sc.

S. P. Rajagopalachari, Esquire, B.A., B.L.

Sir P. C. Ray, Kt., C.I.E., D.Sc.

Dr. Bawa Kartar Singh, M.A., Sc.D.

Rao Bahadur B. Venkatesachar, M.A., F.Inst.P.

Mr. C. N. Muthuranga Mudaliar : Is the Resident also a scientist ?

Sir Girja Shankar Bajpai : All are not scientists, as far as I know.

DEFICIT IN THE WATER SUPPLY DEPARTMENT OF THE DELHI MUNICIPAL COMMITTEE.

849. ***Mr. Badri Dutt Pande :** (a) Will the Secretary for Education, Health and Lands kindly state whether the Water Supply Department of the Delhi Municipal Committee is running at a considerable loss, and if so, what is the extent of deficit in that department every year for the last three years ?

(b) Is it not a fact that in order to make good the loss on the Water Supply Department the Municipal Committee of Delhi has recently decided to instal meters on all water connections and has been revising its terminal tax schedule ?

(c) Are Government prepared to appoint a committee of enquiry forthwith to recommend (i) equitable and scientific methods of taxation for the Delhi Municipal Committee, keeping in mind particularly the principle of ' Ability to Pay ' and (ii) a democratic constitution for the committee ?

Sir Girja Shankar Bajpai : With your permission, I shall answer questions Nos. 849 and 850 together. I have called for information and will furnish a reply to the House in due course.

DEFICIT IN THE WATER SUPPLY DEPARTMENT OF THE DELHI MUNICIPAL COMMITTEE.

†850. ***Mr. Badri Dutt Pande :** (a) Will the Secretary for Education, Health and Lands state whether the attention of Government has been drawn to the proceedings of the Delhi Municipal Committee published in the *Hindustan Times* of the 4th September, 1937, and particularly to the remarks of the Congress member of the Committee, Lala Desraj, that it was a shame for certain interested members of the Committee to go about in the open house canvassing support for the proposal, namely, (i) the giving of cheaper water supply to the Delhi factories, and (ii) the laying in of a separate water main to the Delhi cloth mills at an estimated cost of Rs. 54,250 ?

(b) In view of the fact that the Water Supply Department of the Delhi Municipal Committee is running at a loss, do Government propose to make enquiries why the Secretary of the Delhi Municipal Committee placed these two items on the agenda paper, knowing full well that these two proposals would result in further loss to the Municipal Committee ? Is it a fact that the Secretary of the Delhi Municipal Committee had been repeatedly urging upon the Committee that the only method of balancing the municipal budget was to place that department on a sound self-supporting basis ?

(c) Are Government prepared to urge upon the Chief Commissioner of Delhi to veto the proposal of the Municipal Committee which was adopted by a margin of only two votes ? Are Government aware that this is obviously designed to benefit a certain class of people at the expense of a large body of the Delhi tax-payers ?

†For answer to this question, see answer to question No. 849.

DIAMONDS FOUND IN THE POSSESSION OF A BOMBAY MERCHANT.

851. **Mr. S. Satyamurti** : Will the Honourable the Finance Member be pleased to state whether investigations in the recent case where a Bombay diamond merchant was found in possession of three lakhs of rupees worth of diamonds imported from Europe are complete and whether the mystery of how the diamonds came to be in the Maharani's car has been solved ?

Mr. A. H. Lloyd : The investigations are still proceeding and I am, therefore, unable to make any statement in the matter.

Mr. S. Satyamurti : May I know if the fact that a Bombay diamond merchant was found in possession of three lakhs of rupees worth of diamonds is correct ?

Mr. A. H. Lloyd : No, Sir.

Mr. S. Satyamurti : No such diamonds were found ?

Mr. A. H. Lloyd : Yes, Sir, but not in the possession of the diamond merchant.

Mr. S. Satyamurti : Where were they found ?

Mr. A. H. Lloyd : In an attaché case.

Mr. S. Satyamurti : With regard to the examination of the luggage of people coming from abroad, are there any exemptions granted, with regard to their quantum and their nature, by the customs authorities ?

Mr. A. H. Lloyd : I do not think it is possible to say that there are any definite regulations controlling the discretion of the officers.

Mr. S. Satyamurti : I want to know whether there is any uniform rule either of law or of practice, with regard to the examination of luggage, personal or otherwise, brought by visitors or people who come to India or whether there is any exemption with regard to the actual law or the actual administration of the law.

Mr. A. H. Lloyd : In certain circumstances distinguished persons are exempted from having their luggage liable to examination. In the case of other persons, the amount of examination is a matter for the discretion of the officials on the spot according to the circumstances of the case, as in every other country in the world.

Mr. S. Satyamurti : With regard to the distinguished persons, is that left to the examining authorities, or is there any law or convention, or are there any general principles laid down as to who are distinguished persons ?

Mr. A. H. Lloyd : I do not think it is possible to say that any general principle is laid down. Certainly no discretion is given to officers on the spot and orders come from here.

Mr. S. Satyamurti : Then, is it the case that as each ship arrives, telegrams are sent from here as to who are the distinguished persons and who are not ? May I know what are the general principles laid down by the Government of India for the guidance of the customs officers ?

Mr. A. H. Lloyd : No general principles have been laid down.

Mr. S. Satyamurti : Then, how is the law worked out? I am on the horns of a dilemma. I want to know where we stand in this matter. Either A is distinguished, or X is not distinguished. I want to know whether the customs authorities get some kind of general direction from headquarters as to who are to be treated as distinguished passengers and who are not, for instance as between the Honourable the Finance, Member and myself.

Mr. A. H. Lloyd : Exemptions to distinguished personages are very exceptional—they are always granted by specific orders from headquarters applying to particular cases. Orders are issued in advance of a vessel's arrival. For instance, our delegates to the League of Nations are usually given this courtesy.

Mr. S. Satyamurti : Is there any list of such persons? Are the rulers and Indian princes automatically put in that list?

Mr. A. H. Lloyd : No.

Mr. S. Satyamurti : With regard to the last part of the question as to how the diamonds came to be found in the Maharani's car, may I know whether any investigation has been made, and if so, with what result?

Mr. A. H. Lloyd : I am not in a position to give any information. The facts of the case are still under adjudication.

Mr. Sri Prakasa : Will you abolish the distinction between distinguished and non-distinguished persons?

(No reply.)

REMOVAL OF THE POSTAL SEALS AND STAMPS OFFICE FROM ALIGARH TO ALIPORE WORKSHOP.

852. ***Pandit Sri Krishna Dutta Paliwal :** Will the Honourable Member for Industries and Labour be pleased to state :

- (a) whether it is intended to discontinue or remove the work of postal seals and stamps from Aligarh ;
- (b) if so, when and why ;
- (c) whether it is a fact that the idea of the manufacture was generated first in the then Government Workshop, Aligarh, which was established in the year 1842 about a century ago ; and
- (d) whether it is also a fact that since then the work of manufacture and engraving of seals has been conducted and continued there under the supervision of the authorities of the Government Workshop, now known as postal seals, Aligarh ?

The Honourable Sir Thomas Stewart : With your permission, Sir, I propose to reply to questions Nos. 852, 853 and 854 together.

The manufacture of postal stamps and seals has been established at Aligarh for nearly a hundred years, and has been carried out satisfactorily.

The question of whether the work of the manufacture of postal seals and stamps should be removed from Aligarh to the Telegraph Workshops in Calcutta, with a view to obtaining greater efficiency and economy, is under the consideration of Government, and, before coming to a decision, Government will give all the aspects of the case the fullest consideration.

Government do not think that the removal of the manufacture of postal stamps and seals from Aligarh will interfere with the lock industry or increase unemployment to any material extent. It must be remembered that the lock industry, which came into being to meet Post Office requirements, has now expanded so greatly as to be independent of Post Office demands.

Mr. Mohan Lal Saksena : What is the total cost of the seals that are manufactured in Aligarh annually ?

The Honourable Sir Thomas Stewart : Seals and locks together were valued last year at Rs. 85,000.

Pandit Lakshmi Kanta Maitra : Is that the only factory in India for the manufacture of postal seals ?

The Honourable Sir Thomas Stewart : Yes.

Dr. Ziauddin Ahmad : Have any complaints been received about the efficiency of the work ?

The Honourable Sir Thomas Stewart : No, Sir.

REMOVAL OF THE POSTAL SEALS AND STAMPS OFFICE FROM ALIGARH TO ALIPORE WORKSHOP.

†853. ***Pandit Sri Krishna Dutta Paliwal :** Will the Honourable Member for Industries and Labour be pleased to state :

- (a) if it is a fact that the work of postal seals has been carried on by the present contractors for generations ; and
- (b) whether the work of Aligarh Workshop has always been carried on peacefully without any disturbance, industrial or communal ?

REMOVAL OF THE POSTAL SEALS AND STAMPS OFFICE FROM ALIGARH TO ALIPORE WORKSHOP.

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

- (a) whether Government are aware that the removal from or discontinuance of the postal seals work, Aligarh, will deal a heavy blow to the Aligarh industries specially the seals and the locks industries ;
- (b) whether Government have ever had any cause for complaint about the quality or any other thing regarding the work of these contractors ;

†For answer to this question, see answer to question No. 852.

- (c) whether Government are aware that the removal or discontinuance of the said work will increase unemployment greatly ; and
- (d) whether Government are prepared to assure the contractors that it is not intended to remove or discontinue the above work ?

ACTIVITIES REGARDING THE GRADING OF AGRICULTURAL PRODUCTS.

855. *Dr. Ziauddin Ahmad : (a) Will the Secretary for Education, Health and Lands please state whether it is a fact that the department opened by the Government of India for grading agricultural products has extended its activities to grading hides and skins ?

(b) What have Government done in Delhi and Agra ?

(c) Is it not a fact that Government have employed a butcher, Beiju, on a salary of Rs. 250 per mensem to grade hides in Calcutta ?

(d) Is it not a fact that Beiju himself is one of the buyers of the hides ?

(e) For whose benefit have Government undertaken this expenditure of grading hides ?

(f) Is it not a fact that Government are paying one anna per piece to the butchers in order to have their hides graded ?

(g) Are Government aware that the local officers in Calcutta have only arranged with the buyers to bring their pieces to them and they are paid for this trouble ?

Sir Girja Shankar Bajpai : (a) Yes.

(b) Experimental hide grading stations were started at Agra and Delhi in November, 1936, and up to the 16th September, 1937, over half a lakh of hides had been graded. A skin grading station was started at Delhi in March last but had to be closed down owing to the opposition of certain middlemen.

(c) One Ahmad Jan *alias* Bechu Mia has been appointed at the Tangra Hide Grading Station (Calcutta) on Rs. 125 per mensem.

(d) Yes, if the reference is to Bechu Mia whose name I have just mentioned.

(e) In order to effect a general improvement in the marketing of hides for the benefit of all concerned.

(f) No.

(g) No payments are made to the buyers for bringing their hides to be graded.

Dr. Ziauddin Ahmad : May I ask whether the Government have considered the recommendations of the Hide Cess Committee ?

Sir Girja Shankar Bajpai : My Honourable friend has got the next question on that subject.

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

Mr. Lalchand Navaraj : With regard to clause (b).....

Sir Girja Shankar Bajpai : I thought the next question had been called.

Mr. Lalchand Navalrai : The Honourable Member never feels shy in answering any question ?

Sir Girja Shankar Bajpai : Certainly not, when I am answering my Honourable friend.

Mr. Lalchand Navalrai : With regard to clause (b), is this gentleman who has been appointed also purchasing hides himself ?

Sir Girja Shankar Bajpai : He has been in the hide business. I do not know if he has been actually doing business independently of this.

Mr. Lalchand Navalrai : Do the Government propose to find out that fact and stop him from purchasing himself ?

Sir Girja Shankar Bajpai : I have no reason to assume that he carries on the work of purchasing besides the work of grading. If my Honourable friend has any particulars to the contrary, I shall certainly look into the matter.

Dr. Ziauddin Ahmad : May I ask whether this business has done any good to the primary producers or middlemen. I think it is standing in the way of the trade ?

Sir Girja Shankar Bajpai : If it had been standing in the way of the trade, there would not have been as many as five million hides passing through the stations of Agra and Delhi.

Mr. M. S. Aney : Will the Honourable Member think it worth his while to make an inquiry as to whether this person is a purchaser of hides or not ?

Sir Girja Shankar Bajpai : It is on the basis of information supplied to me that I stated to the House that this gentleman was in the hide trade but now that he has been appointed a grader, so far as we know he is not engaged in the trade himself.

GRADING OF HIDES.

856. ***Dr. Ziauddin Ahmad :** (a) Will the Secretary for Education, Health and Lands please state whether the attention of Government has been drawn to the recommendations of the Hide Cess Committee for the improvement of the quality of hides ?

(b) Was the grading of hides recommended by the Hide Cess Committee ?

(c) Are Government prepared to concentrate their limited resources in teaching the village *chamars* the improved method of skinning and curing the hide of animals which die a natural death ?

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

(c) This is a matter for Local Governments.

Dr. Ziauddin Ahmad : This question of the grading of hides is no doubt in the charge of the Central Government but the question of the improvement of hides is in the charge of Local Governments, I think !

Sir Girja Shankar Bajpai : Well, Sir, the fact of the matter is that the whole business, except with the consent or concurrence of Local Governments, is the concern of Local Governments.

Dr. Ziauddin Ahmad : I refer to the question of the improvement of the quality of the hides ; this I think is not under the Central Government !

Sir Girja Shankar Bajpai : No, Sir. The field covered by the recommendations of the Hide Committee is mostly under the control of Local Governments.

Prof. N. G. Ranga : What are the relations between the Central Government and the Local Governments in regard to the establishment as well as the proper gradation of these hides ?

Sir Girja Shankar Bajpai : It is more a matter between the marketing organisation and the trade than one between the Government at the centre and Governments in the provinces.

Dr. Ziauddin Ahmad : What is the answer to part (b) of the question ?

Sir Girja Shankar Bajpai : I have said, " yes ".

Dr. Ziauddin Ahmad : And the grading is to be done by the Central or the Provincial Government ?

Sir Girja Shankar Bajpai : My Honourable friend would have seen from my answer to his previous question that the Central Government have taken up grading but they have not taken up all the recommendations of the Hides Committee.

DIRECT RECRUITMENT IN THE HIGHER POSTS OF THE INCOME-TAX DEPARTMENT, BOMBAY.

857. ***Mr. N. V. Gadgil :** (a) Will the Honourable the Finance Member be pleased to state the number of persons directly recruited to the executive line in the Income-tax Department by the Commissioner of Income-tax, Bombay ?

(b) Will Government state whether they have received any complaints by persons already in the department against this policy of direct recruitment ?

(c) Will Government state whether persons with equal qualifications and experience, although available among the existing staff, were not taken up in the higher appointments ?

Mr. A. H. Lloyd : (a) and (c). The information is being obtained and will be laid on the table in due course.

(b) Yes.

DELAY IN THE NANKUM *Dak* FOR JAMSHEDPUR.

858. *Mr. Ram Narayan Singh : (a) Is the Honourable Member for Industries and Labour aware of the fact that the mail (*dak*) from Nankum in the Ranchi district, intended for Jamshedpur, is first delayed for a day at Ranchi and thence conveyed *via* Jamshedpur to Calcutta and then again re-taken from Calcutta to Jamshedpur for delivery at Jamshedpur ?

(b) If the answer to part (a) be in the affirmative, does the Honourable Member propose to stop this dilatory and circuitous way of carrying and delivering the *dak* and to see that the Nankum *dak* for Jamshedpur is directly and without any unreasonable delay delivered at Jamshedpur ?

The Honourable Sir Thomas Stewart : (a) The facts are not as stated by the Honourable Member. There are three despatches from Nankum for Jamshedpur during the day. The first two ensure delivery on the following day at Jamshedpur. The volume of mails in the third despatch *via* Howrah Railway Mail Service does not justify a direct special despatch to Jamshedpur.

(b) The present arrangements are probably the best which can be devised for the mails as a whole but the matter is one which lies entirely within the competence of the Postmaster-General, Bihar and Orissa Circle, to whom a copy of the question and the reply has been forwarded for such further action as is called for.

†859*—860*.

BILL PROVIDING FOR THE PURCHASE OF INTEREST OF MORTGAGEES, ETC.,
IN ZANZIBAR.

861. *Mr. T. S. Avinashilingam Chettiar : Will the Secretary for Education, Health and Lands state :

(a) whether a Bill has been published in the *Zanzibar Gazette* providing for the purchase by Government of the interest of mortgagees and other creditors in lands owned by Arabs and Africans, etc.;

(b) whether they have received particulars of the Bill ; and

(c) if so, what will be its effects on the Indians in Zanzibar ?

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

(c) The Bill is now under examination.

Mr. T. S. Avinashilingam Chettiar : When do the Government of India expect to finish the consideration and to come to a conclusion in this matter ?

Sir Girja Shankar Bajpai : We hope to address the Government of Zanzibar in the course of the next few days.

†For these questions and replies thereto, see pages 2575-76 of these debates.

FUNDS KEPT UNDER THE FINANCE DEPARTMENT.

862. *Mr. T. S. Avinashilingam Chettiar : Will the Honourable the Finance Member state :

- (a) how many separate funds are kept by the Government of India under the Finance Department to which lump grants are given ;
- (b) when money is taken from those funds for actual expenditure, whether the sanction of the Legislature is taken ; and
- (c) what is the exact amount in the beginning of the year in each of these funds ?

The Honourable Sir James Grigg : (a) and (c). A statement is laid on the table.

(b) Yes, in cases where the expenditure is votable.

Statement.

List of special funds.	Balances held by the Central Government on the 31st of March, 1936.†	
		Rs.
(1) Road Development Fund	6,28,855
(2) Fund for the Development of Broadcasting	16,06,712
(3) Fund for Sind and Orissa Buildings	42,70,051
(4) Fund for the Development of Civil Aviation	79,34,208
(5) Fund for the Economic Development and Improvement of Rural Areas	1,87,37,419
(6) Fund for special Frontier expenditure	30,00,000

† Figures for the 31st of March, 1937, are not yet available.

Mr. S. Satyamurti : In cases where the expenditure is not votable, is it open to the Departments concerned to incur the expenditure themselves, or have they to obtain the sanction of the Finance Department, before the expenditure is actually incurred ?

The Honourable Sir James Grigg : The sanction of the Finance Department is always required.

Mr. T. S. Avinashilingam Chettiar : May I ask whether the sanction of the Standing Finance Committee is taken, or that is not taken, in the case where the expenditure is not votable ?

The Honourable Sir James Grigg : No, Sir, the Standing Finance Committee has nothing to do with non-votable expenditure.

Mr. S. Satyamurti : May I ask whether the answer of the Finance Member covers all lump sum grants which have been sanctioned by the this House,—that is to say, that the sanction of the House will be obtained for all votable expenditure incurred out of the funds originally sanctioned by this House ?

The Honourable Sir James Grigg ; The Honourable Member may or may not be—and I do not know which—using the words “ lump sum grant ” in the formal, technical sense. To the best of my belief, in all these cases where the expenditure is votable, the expenditure out of the Fund is subject to the sanction of the Legislature.

Prof. N. G. Ranga : Is an annual or periodical report published about the administration of these funds ?

The Honourable Sir James Grigg : The Honourable Member, as a member of the Public Accounts Committee, ought to know all about that because it is discussed in connection with last year's accounts.

PROFITS ON COINAGE.

863. ***Mr. T. S. Avinashilingam Chettiar** : Will the Honourable the Finance Member state :

- (a) what were the profits on coinage in the last financial year ,
- (b) how it has been invested ; and
- (c) till now what is the total amount of the profits of coinage ?

The Honourable Sir James Grigg : (a) The accounts for 1936-37 have not been finally closed but the revised estimate of profits on coinage is 32 lakhs.

(b) It is not invested, but forms part of general revenues.

(c) The Honourable Member has not indicated the period for which he desires to know the profits. If he means the whole period since Government began coinage operations, the answer could not be furnished without extensive research.

DEBTS PAYABLE IN THE CURRENT FINANCIAL YEAR.

864. ***Mr. T. S. Avinashilingam Chettiar** : Will the Honourable the Finance Member state :

- (a) for what debts Government have the option of paying in the course of this financial year ;
- (b) what is the interest paid on those debts ;
- (c) whether Government have any idea of converting those loans ?

The Honourable Sir James Grigg : (a) None of the existing terminable loans fall due for re-payment during the current financial year.

(b) and (c). Do not arise.

PASSIVE RESISTANCE BY INDIANS IN ZANZIBAR AGAINST THE CLOVE TRADE DECREE.

865. ***Mr. Ram Narayan Singh** : Will the Secretary for Education, Health and Lands be pleased to state :

- (a) the latest development of the passive resistance movement resorted to by the Indians in the Zanzibar Island against the Clove Trade Decree of the Zanzibar Government ;

(b) if he is in constant touch and correspondence with the British Government, the Zanzibar Government and the Indians in the Zanzibar Island on the subject of the passive resistance movement at present going on in the Zanzibar Island as mentioned in part (a), and if so, with what result and if not, why not ; and

(c) if he is prepared to consider the advisability of having a full day's debate on the question of Indians overseas at least once during every Session of the Assembly ?

Sir Girja Shankar Bajpai : (a) There has been no change in the situation.

(b) Yes.

(c) Government do not consider any such definite arrangement to be necessary.

Mr. S. Satyamurti : Has the attention of the Government been drawn to a statement referred to the statement of Mr. C. F. Andrews in this morning's *Hindustan Times* in regard to the situation in Zanzibar ?

Sir Girja Shankar Bajpai : Yes, Sir, I have read that statement this morning.

Mr. Ram Narayan Singh : May I know whether the Government are thinking of any steps to bring about the settlement of this question ?

Sir Girja Shankar Bajpai : They are watching the situation ; if a suitable opportunity offers for this, they will take such action as is necessary.

Mr. T. S. Avinashilingam Chettiar : Are the Government aware of the latest situation in Zanzibar about the passive resistance movement there ?

Sir Girja Shankar Bajpai : The latest is no different from the earliest.

Mr. S. Satyamurti : Are Government aware of the organisation set up by Pandit Jawahar Lal Nehru, the President of the Indian National Congress, for an organised boycott of all import of Zanzibar cloves into this country ?

Sir Girja Shankar Bajpai : Yes, Sir.

Mr. S. Satyamurti : Have the Government of India brought that fact to the notice of the Zanzibar Government and the Clove Growers' Association ?

Sir Girja Shankar Bajpai : I think the Government of Zanzibar and the Clove Growers' Association are both aware of the activities of this organisation.

Mr. S. Satyamurti : May I ask whether the Government of India have brought to the notice of the Zanzibar Government and of the Clove Growers' Association this fact that this boycott is bound to succeed, being organised by no less a person than Pandit Jawahar Lal Nehru, the President of the Indian National Congress ?

Mr. Girja Shankar Bajpai : Sir, the Government of India know that the Government of Zanzibar are aware of the auspices under which the boycott of Zanzibar cloves is being organised.

Mr. S. Satyamurti : Will the Government themselves press upon the Government of Zanzibar to consider the full effect of this boycott movement which is bound to be effective, so that the latter may revise their notions of dealing with the Indians engaged in the clove trade ?

Sir Girja Shankar Bajpai : So far as that is concerned, it is for the Government of Zanzibar to appreciate the effect of the boycott upon the clove industry in Zanzibar.

Mr. Lalchand Navalrai : How long are the Government of India going to wait ? Will they wait until it gets too late ?

Sir Girja Shankar Bajpai : The issue now really is between the Indians in Zanzibar and the Government of Zanzibar. At the present moment the Government see no indication of either party being prepared for a compromise. Therefore, there is no option but to wait.

ACHIEVEMENTS OBTAINED BY THE LAC CESS COMMITTEE AND THE LAC CESS RESEARCH INSTITUTE AT NANKUM.

866. ***Mr. Ram Narayan Singh :** Will the Secretary for Education, Health and Lands be pleased to make a full statement with regard to achievements hitherto obtained by the Lac Cess Committee and the Lac Cess Research Institute at Nankum and their future utility to the lac industry ?

Sir Girja Shankar Bajpai : A statement will be found in the Report of the Indian Lac Cess Committee for the period 1st August, 1931, to 31st March, 1936, a copy of which is available in the Library of the House. The work undertaken has been designed to improve the cultivation, manufacture and marketing of lac.

Mr. S. Satyamurti : Is this Committee pursuing the matter of meeting synthetic competition against lac ?

Sir Girja Shankar Bajpai : Yes, Sir.

Mr. Ram Narayan Singh : Are the Government satisfied with the work of the Committee ?

Sir Girja Shankar Bajpai : Government have no reason to be dissatisfied.

ALLOTMENT FROM THE ROAD FUND TO BIHAR AND CONSTRUCTION OF A BRIDGE AT DEHRI.

867. ***Mr. Ramayan Prasad :** Will the Honourable Member for Industries and Labour be pleased to state :

- (a) how much money has been allotted from the Road Fund to the Bihar Province up till now,

(b) what schemes the Bihar Government have forwarded to the Road Committee for sanction and what is the amount proposed for these schemes; and

(c) whether there is any proposal to construct a bridge on the Grand Trunk Road at Dehri (Behar) over the Sone river or to reconstruct the existing railway bridge in such a way that it may become passable for motors and other vehicles.

The Honourable Sir Thomas Stewart : (a) Re. 25,00,000 lakhs

(b) I am placing a list of the schemes on the table.

(c) No.

List of Schemes submitted by the Government of Bihar for being financed from the Road Fund.

Name of work.	Cost.	Remarks.
1. Improvements to the Patna-Nawadah Road	4.55	
2. Converting village track into bridged and drained metalled road from Rajauli to Debour (7 miles)	2.00	
3. Improvements to Debour-Koderma-Burhi road (88 miles)	1.63	
4. Bridging, draining and improving gravelled section of the Gumla-Palkot road	1.20	
5. Bridging, draining and improving gravelled section of the Palkot-Kolibera road	1.42	
6. Bridging, draining and improving gravelled section of the road from Simdega-Stunk River	3.50	Abandoned.
7. Bridging, draining and improving gravelled section of the Jarsaguda-Samaspur road	3.56	Do.
8. Replacing temporary bridge by permanent one on Stunk River	6.60	Do.
9. Replacing temporary bridge by permanent one on Bonara River	3.56	Do.
10. River Replacing existing causeway on Monagum	3.00	Do.

Name of work.	Cost.	Remarks.
11. Re-constructing two bridges on the Grand Trunk Road over canals at Barun and Dehri	Rs. (lakhs). 0.68	Proposal rejected for a grant from the Reserve. Not proposed to be financed from provincial allocation.
12. Construction of a bridge over the Gandak river at Sonepur	14.00	Held in abeyance.
13. Construction of a metalled road from Patna to Arrah	9.15	
14. Widening and improving the road from Koderma to Debour	0.80	
15. Improvements to the road from Koderma to Singrawan	1.89	
16. Construction of a bridge over the Guly river on the Chatra-Champaran road	0.87	
17. Construction of a bridge over the Jamunia river on the Dumri-Bermo road	1.04	
18. Construction of a bridge between Latehar and Latehar Railway Station	1.40	
19. Metalling 7½ miles of, and constructing a bridge over the Batane river on, the Aurangabad-Hariharganj road	1.57	
20. Bridging the Daltonganj-Hariharganj road	5.16	
21. Bridging the North Koel River at Garhwa Road Station	4.03	
22. Constructing link road from Daltonganj-Hariharganj road to the bridge over North Koel River	1.54	
23. Constructing and bridging a road from Motihari to Sitamarhi via Dhaka excluding the bridge over Bhagmati river at Dheng	6.26	Under reference to the Standing Committee for Roads.
24. Muzaffarpur Sitamarhi road (Stone metalling the first six miles from Muzaffarpur and three miles leading to Sitamarhi)	1.28	Do.

Name of work.	Cost.	Remarks.
	Rs. (lakhs).	
25. Extension of the existing pontoon bridges at Mithalini and Jutmalpur Ghats on the Samastipur-Darbhanga road	0-25	Under reference to the Standing Committee for Roads.
26. Construction of Chitauni Ghat bridge on the Darbhanga-Madhubani road	0-12	
27. Chapra-Sonepur road (construction of an additional bridge over the Mehura channel)	0-15	Do.
28. Chapra-Sonepur road-metalling ..	0-67	Do.
29. Reconstruction of the existing bridge over Kiul river on the Jamai-Barianpur road ..	0-65	Do.
30. <i>Bhagalpur-Nawada Trunk Road</i> :—Construction of the section from Sikandra to Arha road	1-99	Do.
31. Arha to Pakribarawan	0-41	Do.
32. Metalling the road from Saraiya to Rewaghat	0-19	Do.
33. Metalling the road from Rewaghat to Chapra	0-48	Do.
34. Construction of a road from Dumka to Jamtara	3-80	Do.
35. Metalling Monghyr Ghat-Rashidpur road ..	0-59	Do.
36. Construction of a bridge at Suleimanghat, 6 miles north of Kamtaul on the Kamtaul-Madhwapur road	0-30	Do.
37. Improvement of the Arwal-Jehanabad feeder road	1-80	Do.
38. Construction of a bridge over Gumani river on the Barharwa-Burhait Road	0-52	Do.
39. Construction of minor bridges on the Latipara-Burhait road	0-43	Do.
40. Bridging and metalling the Saitha-Sonua-Banskatta road	1-20	Do.

Name of work.	Cost.	Remarks.
	Rs. (lakhs).	
41. Bridging and gravelling the Koderma-Domchan-ch-Arkhang-Juama road	0.61	Under reference to the Standing Committee for Roads.
42. Bihar-Sheikhpura road-Improvements ..	2.21	Do.
43. Completion of the bridge over the Koel river at Gare in the Palamau district	1.00	Do.

AMOUNT OF THE PAPER CURRENCY RESERVE.

868. *Mr. T. S. Avinashilingam Chettiar : Will the Honourable the Finance Member state :

- (a) what the amount was of the Paper Currency Reserve at the end of the last financial year ;
- (b) how and where it is invested ; and
- (c) whether interest is earned by this fund, and how it is used ?

The Honourable Sir James Grigg : (a) and (b). The reserve formerly maintained by Government under the name of the Paper Currency Reserve has ceased to exist. I presume the Honourable Member has in mind the assets now held in the Issue Department of the Reserve Bank of India as cover for the note issue. If so, I invite his attention to the accounts of the Reserve Bank which are published weekly in the Gazette of India in accordance with section 53 of the Reserve Bank of India Act. The total assets of the Issue Department on the 26th March, 1937, amounted to Rs. 208 crores odd.

(c) A portion of the assets of the Issue Department consists of sterling and rupee securities on which interest accrues. This interest forms part of the gross earnings of the Bank.

Mr. T. S. Avinashilingam Chettiar : May I ask what is the amount of currency in circulation in this country ?

The Honourable Sir James Grigg : Rs. 208 crores.

Mr. S. Satyamurti : How is this amount invested ?

The Honourable Sir James Grigg : It is invested in gold coin and bullion, rupee coin, sterling, rupee securities.

Mr. S. Satyamurti : Why should they not also be made to earn interest ?

The Honourable Sir James Grigg : I can refer the Honourable Member to any book on central banking where, I think, it is normally regarded as advisable and necessary to hold a considerable part of the reserves in immediately liquid assets.

Mr. Bhulabhai J. Desai : What is the proportion of the gold reserve against the issue of paper ?

The Honourable Sir James Grigg : The gold coin and bullion is shown in the accounts at roughly 44½ crores.

Mr. Bhulabhai J. Desai : Out of a total of last week or what ?

The Honourable Sir James Grigg : I am giving the figures of 31st March, 1937. Gold coin and bullion are valued at 44½ crores out of a total of Rs. 208 crores.

Pandit Lakshmi Kanta Maitra : What is the total amount of interest earned by the fund.

The Honourable Sir James Grigg : There is no fund.

Pandit Lakshmi Kanta Maitra : I mean interest from the securities ?

The Honourable Sir James Grigg : I cannot tell you that.

RETIREMENT AGE OF INDIAN MEDICAL SERVICE MEN.

869. ***Mr. Sham Lal :** (a) Will the Secretary for Education, Health and Lands be pleased to state if there is any proposal that all Indian Medical Service men should retire at the age of 57 instead of 55 ?

(b) Is there any proposal that Inspectors General of Hospitals, Prisons and Directors General of Health should retire at the age of 57 instead of 55 ?

(c) What is the attitude of Government towards this proposal ?

(d) Were the Local Governments consulted in this matter ?

(e) Are Government aware that there is a general feeling in the country that the age of retirement in the case of Government servants should be reduced and not increased ?

(f) What are the special reasons justifying the increase of the age of retirement in the case of the Indian Medical Service and Inspectors General and Directors General above-mentioned ?

(g) Are Government aware that the acceptance of these proposals would involve an extra burden on the tax-payers ?

Sir Girja Shankar Bajpai : (a) No.

(b) Inspectors General of Civil Hospitals being Colonels can serve upto the age of 57 under existing rules. Inspectors General of Prisons and Directors of Public Health being Lieutenant-Colonels can only serve upto the age of 55 years.

(c) to (g). Do not arise.

Mr. S. Satyamurti : Will Government consider the advisability of reducing the age of retirement of the first class officers ?

Sir Girja Shankar Bajpai : The existing age-limit has worked well and Government see no reason to revise it.

Mr. S. Satyamurti : Have Government considered that there is a general feeling throughout the provinces that the retiring age should be reduced even below 55, in view of the large unemployment of qualified

men, and also the need for retired men doing some public work after retiring from Government service ?

Sir Girja Shankar Bajpai : I am not in a position to express any views on the general question of early retirement. All that I can tell my Honourable friend is that as regards the retiring age of Colonels in the I. M. S. no representation has yet been received from any Local Government by the Government of India.

Mr. S. Satyamurti : What is the answer to clause (f) of the question ?

Sir Girja Shankar Bajpai : I have said that there is no proposal in contemplation to raise the age of retirement of officers of the classes mentioned, other than Colonels, who serve up to the age of 57 under a rule which has been in force for years.

Mr. S. Satyamurti : Have Government examined the need for revising that rule in view of the change of public opinion in the country in favour of early retirement ?

Sir Girja Shankar Bajpai : My answer to that has already been given, namely, that the Local Governments have made no representation as regards the reduction of the retiring age of Colonels.

Mr. Sri Prakasa : Is it not a fact that during the last few years of their service these good Colonels do no work and only draw their salary and it is only in that particular that this system has worked well ?

Sir Girja Shankar Bajpai : I am quite sure that no head of civil department will plead guilty to that charge.

REDUCTION OF IMPORT DUTY ON NEWSPRINT.

870. ***Mr. G. V. Deshmukh :** Will the Honourable the Finance Member state whether the import duty on newsprint in reels has recently been reduced ? If so, to what extent ?

Mr. A. H. Lloyd : Yes, the import duty on newsprint in reels has been reduced from 25 per cent. *ad valorem* to Rs. 1|8|- per cwt. for unglazed and Rs. 1|12|- per cwt. for other sorts, from the 10th of July, 1937.

Mr. G. V. Deshmukh : May I ask what were the reasons for this reduction ?

Mr. A. H. Lloyd : The reasons were fully explained in a press note which was issued through the kind services of the Director of Public Information on the 8th July, 1937. It would be rather lengthy to give the details, but the main reason was that there has been an abrupt and very violent rise in the price of newsprint throughout the world and it was decided that it was desirable to keep the import duty on practically the same level as had been in force in the previous year. That was achieved by the Notification which I have just described although in form it turned the duty from an *ad valorem* one into a specific one.

Mr. T. S. Avinashilingam Chettiar : Do Government expect a loss of revenue because of this reduction in duty ?

Mr. A. H. Lloyd : It is impossible to calculate whether there will be a loss of revenue because it is not certain what quantity would have been imported if we had not reduced the duty.

REDUCTION OF IMPORT DUTY ON NEWSPRINT.

871. ***Mr. G. V. Deshmukh :** Is the Honourable the Finance Member aware that paper in sheets or in reams is used generally by vernacular presses ? Will the import duty on such paper be reduced ? If not, why not ?

Mr. A. H. Lloyd : The reduction was calculated to restore the import duty on newsprint in reels to its average level in 1936. Newsprint in sheets was already assessed on a tariff valuation based on the 1936 prices, and the two kinds of newspaper are accordingly receiving similar treatment. For this reason, it is not considered that any action is called for in regard to newsprint in sheets.

Prof. N. G. Ranga : Are Government aware that newsprint in reels is used mostly by the English daily press ?

Mr. A. H. Lloyd : I am prepared to take that from the Honourable Member.

Seth Govind Das : In these circumstances, will it not be advisable to reduce the duty on the paper which is used by the vernacular press ?

Mr. A. H. Lloyd : I have already explained that there is no necessity for that because what was done with newsprint in reels was to reduce the duty so as to have the same effect as assessing on prices at last year's level and the duty on newsprint in sheets is also based on last year's prices.

Mr. S. Satyamurti : Have Government considered the rise in the price of paper in sheets or reams outside, and are Government satisfied that the same relief has been given to all those newspapers which use imported newspaper sheets and reels ?

Mr. A. H. Lloyd : Yes, for the reasons I have just given. Newsprint in sheets is assessed on a tariff valuation, that is to say, to all intents and purposes it is a specific duty. It is 25 per cent. of the 1936 values and not of 1937 values.

PUBLIC ACCOUNTS COMMITTEE OF THE INDIAN LEGISLATIVE ASSEMBLY.

872. ***Mr. Sri Prakasa :** Will the Honourable the Finance Member state :

- (a) if it is a fact that the Public Accounts Committee is a committee elected by the Legislative Assembly and that only such persons can function on it as have been so elected ; and
- (b) if it is a fact that Mr. Nixon recently presided over the meetings of the Public Accounts Committee without taking the oath of office ; if so, under what rule he did so ?

The Honourable Sir James Grigg : (a) No. Under sub-rule (2) of rule 51 of the Indian Legislative Rules the Public Accounts Committee consists of not more than 12 Members of whom not less than two-thirds

are elected by the Assembly, and the remainder nominated by the Governor General.

(b) Under sub-rule (5) of rule 51 which requires the Finance Member to be Chairman of the Public Accounts Committee.

(a) WRITTEN ANSWERS.

LEVY OF MINIMUM CHARGE ON ELECTRICITY IN NEW DELHI.

859. *Maulana Shaukat Ali : (a) Will the Secretary for Education, Health and Lands please state whether the New Delhi Municipal Committee has decided to levy a minimum charge on electricity ? If so, will he please state :

- (i) whether the fans will be included during the winter in calculating the total watts of consumption from the moving staff of the Government of India who occupy the Government quarters for less than six months in the year, if the fans are not actually used by them ? If so, what is the justification for doing this ; and
- (ii) whether the minimum charge for the moving staff of the Government of India will be at the monthly rates or for the actual period of residence of individuals arrived at on the basis of annual rates ?

(b) Is the Honourable Member aware of the great discontent prevailing amongst the staff of the Government of India on account of this levy of minimum charge ?

(c) Is the Honourable Member prepared to consider the desirability of asking the Municipal Committee to cancel its previous decision, or, if that is not possible, to charge the minimum from the Government of India staff, who are compelled to leave New Delhi for a considerable period of the year owing to exigencies of service, *not* on the monthly rates but for the actual period of their residence in Government quarters calculated on the basis of annual rates ? If not, why not ?

Sir Girja Shankar Bajpai : Government have asked for information regarding parts (a) and (b) of the question and, on receipt of it, will consider whether any action on their part is called for. A complete reply to the question will be furnished in due course.

FIXATION OF WAVE-LENGTHS OF THE NEW SHORT WAVE BROADCASTING STATIONS.

860. *Maulana Shaukat Ali : With reference to the statement laid on the table in answer to parts (a) and (b) of starred question No. 356 on the 7th September, 1937, will the Honourable Member for Industries

and Labour please state when it is proposed to fix the wave-lengths of the new short wave broadcasting stations ? Does he propose to consider the desirability of fixing and announcing the wave-lengths at an early date so that the prospective purchasers of radio sets may not have to repent their choice of particular sets bought by them ? If not, why not ?

The Honourable Sir Thomas Stewart : The new short wave stations in India will operate within the 25, 31, 49, 60 and 90 meter broadcast bands and ample publicity has been given to this fact by publication in the *Indian Listener* and communications to dealers and manufacturers. This information is all that is required by prospective purchasers of radio sets. Precise wave lengths, on which each short wave station will operate within these bands, cannot be given now, as they are generally different at day and night and at different seasons of the year. These are not required by prospective purchasers of radio sets.

UNSTARRED QUESTIONS AND ANSWERS.

EXPENDITURE ON MUSLIM PUPILS IN SCHOOLS.

176. **Mr. Muhammad Abdul Ghani :** Will the Secretary for Education, Health and Lands be pleased to state the amount of total expenditure on Muslim pupils in aided, managed or stipendiary schools either under Government or local bodies, as borne by the local bodies and Provincial Governments, during the year 1934-35, as reported to the Central Government and reviewed by the Educational Commissioner with the Government of India ?

Sir Girja Shankar Bajpai : A statement giving available information in respect of expenditure on institutions specially meant for Muslims as borne by Government and local bodies during the year 1934-35, is placed on the table of the House.

As Muslim pupils attend Government and other non-Muslim institutions along with pupils of other communities, it is not possible to give the exact amount spent on them. By, however, calculating the cost per scholar and multiplying it by the number of Muslim pupils, the figures of expenditure for British India as a whole are the following :

	Rs.
(1) Expenditure on Muslim pupils in all recognised institutions, except Colleges and University Departments, borne by Government, in British India, during the year 1934-35	2,01,10,238
(2) Expenditure on Muslim pupils in all recognised institutions, except Colleges and University Departments, borne by Local Bodies, in British India, during the year 1934-35	93,29,293

Statement showing Expenditure on Institutions specially meant for Muhammadans as borne by Governments and Local Bodies, during 1934-35, as far as is available.*

Province.	Expenditure on Special Institutions for Muhammadans from	
	Government funds.	Board funds.
	Rs.	Rs.
Bombay	12,47,124	10,11,724
Bengal	7,53,207	3,55,522
Bihar and Orissa	57,259	3,71,964
Assam	94,328	36,669
Delhi	57,146	25,018

*Some provincial reports on education do not contain the above information.

COAL MINES IN ASSAM.

177. **Mr. Kuladhar Chaliha** : Will the Honourable Member for Industries and Labour be pleased to state :

- the number of coal mines in the province of Assam ;
- the number of labourers engaged in these coal mines in 1934-35 and 1935-36 ;
- the number of men, women and children engaged in 1934-35 and 1935-36 ;
- the number of accidents to men, women and children in 1934-35 and 1935-36 ;
- the number of underground labourers and surface labourers ; and
- the amount of compensation paid to sufferers of the accidents ?

The Honourable Sir Thomas Stewart : The particulars required are not collected for financial years and the information given in the answers to parts (a) to (e) below relates to calendar years. Figures for 1936 are not yet available.

(a) Seven (in 1935).

(b) 1934—1,695.

1935—1,828.

(c) Year.	Men.	Women.
1934	1,591	104
1935	1,722	106

Women are not employed underground and children, i.e., persons below 15 years of age, are not permitted to be employed in mines.

(d) 1934—53.

1935—93.

(e) Figures for 1935 are as follows :

Underground workers	1,302
Surface workers	526

(f) The Government of India are not in possession of this information.

LABOURERS IN THE DIGBOI OILFIELDS IN ASSAM.

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

- (a) the number of labourers engaged in the Digboi oilfields in Assam by the Burma Oil Company ;
- (b) the number of men, women and children engaged ;
- (c) the number of accidents in the years 1930-31 to 1935-36 ; and
- (d) the amount of compensation paid to the injured ?

The Honourable Sir Thomas Stewart : (a) and (b). The information is being collected and a reply will be laid on the table of the House in due course.

(c) and (d). The information is not available.

THE INSURANCE BILL.

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

“ That clause 37 of the Bill be omitted.”

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division : Non-Muhammadan Rural) : Sir, on the last occasion, I referred to clause 35 which relates to non-payment of any remuneration or reward by way of commission or otherwise for soliciting or procuring business to any person except to an insurance agent licensed under clause 37. In dealing with that clause, I said that this clause 37 should have been taken first. In that case I would not have been required to deal with this clause today. Sub-clause (1) of clause 37 deals with licensing of agents. By this amendment, I move for its deletion, as I believe that this licensing of agents will be harmful to the future expansion of insurance industry in India. In support of my argument, I shall quote from the *Insurance and Finance Journal* which writes as follows with reference to the Insurance Bill.

Mr. President (The Honourable Sir Abdur Rahim) : I would remind the Honourable Member that it is for him to advance arguments, and this House is not expected to listen to arguments of other people here.

Mr. Amarendra Nath Chattopadhyaya : These are my arguments which have been supported by various societies who have discussed this Insurance Bill outside this Honourable House. The Bengal National Chamber apprehend that licensing of agents will retard business seriously. Particularly in the interior of Bengal there are respectable part time agents and they will all be deprived of their future commission and income. In this way, every society and association has spoken vehemently against this licensing clause. Just when this industry is developing, this Bill has been introduced and is being discussed here with various clauses amongst which this clause seems to be very reactionary. It seems to me that clause 37 is the most harmful clause and, therefore, I propose its deletion. For over thirty years—I shall take 30 years only—the agents have worked without any licence and, if anybody is to be thanked for building up this industry during the past thirty years, it is these agents. They were so long undefined bodies and we are getting today a definition of ' Agents ' on the floor of the House which only adds the words " licence under clause 37 ". This addition of a definition of " Agent " will certainly create great confusion.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : The definition of " Agent " is not before the House now. It will come later on.

Mr. Amarendra Nath Chattopadhyaya : Licensing of agents has been recommended by my Honourable friend, Mr. Sen, in his report to protect the public from the vagaries of persons who pose and act as agents of insurance companies. It has been said that various sorts of misrepresentations are made by persons purporting to act as agents for procuring business with the result that innocent persons are very often victimised. I do not think that for the vagaries of persons who are not agents we are justified in going to put some impediment in the way of persons who have honestly built up the industry and who will be hindered in that in future. Sir, I believe this industry has a bright future before it. I do not think that licensing will prevent any wicked and unscrupulous person from posing as agent and cheating innocent persons in the villages. Generally, it is the village folk who are cheated by a person posing as agent. In the towns, almost all the agents of different companies are known and they cannot possibly cheat those people who are educated. Can this licensing really prevent anybody who is not an agent from posing as agent and cheating innocent people? I do not think it can.

Sir, no case has been made out with regard to the dishonesty of agents which might have justified the authors of this Bill in bringing a licensing clause. An industry which has thrived without any such licensing should be allowed to go on to further success. In ten years' time the monopoly of foreign insurance institutions has been broken and 73 per cent. of the business has come into the hands of the Indian life insurance companies. I believe that if no hinderance is created by any such law, if these insurance agents are allowed to go on in their own way, in the course of another ten years the whole life insurance business will come to India. Simply on that account I shall appeal to the authors of this clause to wait and see the result of the freedom given to the agents. Sir, vagaries cannot be stopped by any sort of licence. We have seen vagaries amongst lawyers, solicitors, and all sorts of licensed people ; and

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that justifies my contention that this licensing will not stop vagaries. In connection with this clause, which only refers to agents, I will refer to the achievements of these agents. If these insurers have achieved any success it is not due to Managing Agents or chief agents but to these poor agents who have simply, for their grub, exerted their utmost to bring the policy holders to the insurers ; and today we see, that in the course of ten years, the business has increased from 37 crores to 119 crores. That, Sir, is not a mean achievement for the agent. Every bit of income which the insurers have made has been the creation of these agents. Sir, in all our professions licensing is only called for after a period of training. Here the agents get no training and no education for the profession. They come only through advertisements in the papers and start life as agents. They are derided, they are not trusted, and they build up their business only through honesty and honest labour, and they do not deserve to be treated so lightly as we are treating them today. Sir, I am advocating the cause of these poor agents.....

An Honourable Member : Poor agents !

Mr. Amarendra Nath Chattopadhyaya :yes, agents are all poor, they are not Managing Agents,—and about these agents I beg to read a few words which were spoken here by the Honourable the Leader of the Opposition.

Mr. President (The Honourable Sir Abdur Rahim) : Honourable Members have all heard that. I do not think the Honourable Member need repeat them.

Mr. Amarendra Nath Chattopadhyaya : I will not take more time than is necessary. He says.....

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member need not read that. Everybody has heard what the Leader of the Opposition said.

Mr. Amarendra Nath Chattopadhyaya : It is better to remind the House once again.

Mr. President (The Honourable Sir Abdur Rahim) : It is not necessary.

Mr. Amarendra Nath Chattopadhyaya : If those, Sir, are the views of the Leader of the Opposition, I am extremely diffident about the result of my defence of the agents.

Mr. Bhulabhai J. Desai (Bombay Northern Division : Non-Muhammadan Rural) : Sir, on a point of personal explanation, my Honourable friend ought to read the exact words which I used, instead of misinterpreting me.

Mr. Amarendra Nath Chattopadhyaya : Then, with the permission of the President, I will read it. He says on licensing :

“ If you distinguish between useful employment and perhaps a dangerous employment, you will easily see the distinction and the necessity of having a licensing agent. But I think my Honourable friend Mr. Jinnah will confirm me that in many earlier parts of cross-examination, whenever a man had no employment and we asked him what he was, he said he was an estate agent or that he was an insurance agent, which was another word for saying that when he could get hold of a gull he managed to get hold of his money.”

Sir, if that be the opinion of the Leader of the Opposition about the insurance agent, I do not know where I stand. Sir, it is not the profession of an insurance agent to go to a person and take his money and put it into his own pocket. He goes like a postal peon with proposal forms from the Managing Agents. He presses the proposer to save his money by insuring his life and this he does for his grub only : he does not get more than his grub. You do not know, Sir, how poor these agents are ; when they get nothing to fall back upon, they come to be insurance agents ; but they do not know how to cheat people ; they do not go to innocent people to befool them.

The Honourable Sir Nripendra Sircar (Law Member) : They sometimes try : that is all.

Mr. Amarendra Nath Chattopadhyaya : If they had been dishonest, this industry would not have grown to this height. It is only on account of their honesty that 73 per cent. of the business has been brought to India ; and if my Honourable friends, who are legislating, take care to respect these people who are poor, who struggle from day to day for a mere existence, I believe they will be able to build up this industry and cent per cent. of it will belong to India in another ten years time.

I do not want to detain this House longer on a question which is very clear, which is simple and well known to everybody who has got anything to do with insurance. I believe my Honourable friend, Mr. Sham Lal, who is connected with a big insurance company knows all these agents who work for them. They may be paying more to their Chief Agents and more to their organisers ; but the money they pay to the agents is not really commensurate with the service they render. I, therefore, move this amendment No. 610 and request the House to accept this and save these poor agents from the matter of taking out licences.

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

“ That clause 37 of the Bill be omitted.”

Mr. Abdul Qaiyum (North-West Frontier Province : General) : Sir, I rise to oppose this amendment because I think that the object which this Honourable House should aim at is the protection of the general public and by allowing so many people to act as insurance agents, without absolutely any control, we are setting a premium on fraud, dishonesty and all the doubtful practices which go with it. It has been said that the passing of this clause 37 into law will not prevent personation and the bad practices which exist. I submit that it might equally well be argued that section 302 of the Indian Penal Code should be repealed because, so far, it has not succeeded in preventing murders. If lawyers are to be licensed, if all other classes who carry on various professions have to be licensed—I think even doctors have to get themselves registered, which is a kind of licensing—there is absolutely no reason why insurance agents, who go about collecting premia and transacting insurance business, should be allowed to go off scot free. There is only one thing which I would like to see inserted in this clause—a matter which I would suggest to the Honourable the Leader of the House and to the Honourable the Leader of my own Party. It is this : that if, in the

[Mr. Abdul Qaiyum.]

matter of licensing, the Superintendent is allowed very wide powers, there is a great risk that it may lead to some sort of political victimisation.....

The Honourable Sir Nripendra Sircar : May I give an assurance to my Honourable friend, that we are willing to accept, on general lines, the amendment moved by Mr. N. C. Chunder, the result of which will be that the Superintendent will have no option of any kind to refuse, unless the person is a minor or convicted of a criminal offence and so on.

Mr. Abdul Qaiyum : If that is done, we will be quite satisfied.

Babu Baijnath Bajoria (Marwari Association : Indian Commerce) : Sir, I rise to support this amendment. My views about licensing of agents and questions connected therewith are too well known to the House and I need not repeat them. I beg to draw the attention of this House to the fact that this very amendment also stands in the name of Mr. Kuladhar Chaliha of the Congress Party, of Mr. Essak Sait and Mr. Ghiasuddin of the Independent Party : and Mr. Sri Prakasa in his amendments Nos. 611, 629, 641 and 647 wants deletion of this clause, part by part. I do not know what his views are today. But I will leave the matter there. I have said before that the licensing of agents will hit hard the smaller and younger insurance companies ; and I am defending them from the onslaughts which I am afraid will come from the bigger companies, both Indian and foreign. The policy should be to live and let live. That should have been our motto ; but, unfortunately, we have not been following that policy here in this House. Though we may be in a minority here in this House, still I have the satisfaction that all Members coming from Bengal, my Bengali brethren both of the Congress Nationalist Party and non-Congress Party, Hindus and Moslems, are all united in this demand, excepting my poor friend, Mr. N. C. Chunder, who is a detenu in the Congress camp. (Laughter.) I will not import any heat or passion into this debate. I will try to speak as sweetly as I possibly can.....

An Honourable Member : What about the Law Member ? He is also a Bengali.

Babu Baijnath Bajoria : He is sitting on the Treasury Benches : if he had been on this side of the House, I am sure that both he and his able assistant, Mr. Susil Sen, would have championed our cause much more successfully and much more ably than we have been able to do.....

Sir Cowasji Jehangir : What has this proposition specially to do with a Bengali ?

Babu Baijnath Bajoria : I can answer my friend, Sir Cowasji Jehangir. It has to do with a Bengali because, in Bengal, unfortunately, we have got many small companies : there is only one big life insurance company—Hindustan Assurance : all the other big life insurance companies are generally, fortunately or unfortunately, the monopoly of the province from which the Baronet comes. Now, the only remedy for us, in Bengal, is to amalgamate and to strengthen our companies ; and we should amalgamate and form an United Bengal Insurance Company

Limited, in which we should get several of the small companies so that we may be able to hold our own in the insurance business : and I can assure my Bengali brethren here and outside this House that my humble services will be at their disposal. (Laughter.) I agree with the Honourable the Leader of the Opposition when he said that if by prohibiting the system of rebates we have decided not to give rebates to the policy holders, we should reduce the rate of commission which has been proposed to the insurance agents. That will, I think, Sir, check dishonesty and fraud. They should only be paid so much commission that they should not be able to part with any portion of it.

Now, Sir, I should like to have information on one or two points with reference to section 37 from the Honourable the Leader of the House. I am making these observations now so that I may not repeat them again, and I may not move amendments which stand in my name. In sub-clause (3) it is stated that : " a licence issued under this section shall entitle the holder to act as an insurance agent for any registered insurer by whom he may be employed ". I don't exactly understand what is meant by it. Has an insurance agent to take out separate licences if he acts for separate insurance companies, or is it intended that he shall not act for more than one company ? I may inform the House that the practice which obtains at present is that an insurance agent serves under one or more companies. He takes the prospectus and information concerning two or three companies and places all that information before the prospective policy-holder and leaves it to the discretion of the prospective policy-holder to choose any company with which he likes to insure himself. Are we going to prohibit this ? Or the insurance agent will have to take out a separate licence and pay a separate fee and send a separate application countersigned by each of the insurers ? I want that elucidation from the Honourable the Leader of the House.

Another point is this. I don't understand why renewal of licences is necessary.

Then the third point is this. In sub-clause (5) (b) it is mentioned that the Superintendent of Insurance may cancel the licence of an insurance agent if he has knowingly contravened any provisions of this Act. As far as I have understood this Bill, the only provision which relates to the insurance agent is section 36 in which he is prohibited from giving any rebate, and there is also a penalty provided in sub-section (2). Therefore, I don't understand why this provision has again been put in here. Is it the intention that he should be penalised as well as his licence should also be cancelled ? If it is so I would respectfully disagree with those who hold this view. Sir, I support this amendment.

The Honourable Sir Nripendra Sircar : Sir, I oppose this amendment.....

Pandit Lakshmi Kanta Maitra (Presidency Division : Non-Muhammadan Rural) : Quite right.

The Honourable Sir Nripendra Sircar : Quite right, without encouragement from my friend, Pandit Maitra, I shall be able to go on.

Pandit Lakshmi Kanta Maitra : Do you require any encouragement ?

The Honourable Sir Nripendra Sircar : I hope, Sir, that the strength of my opposition will not be judged by the brevity of my speech. I did not exactly understand why Bengal was brought in here. As regards the depredations committed, I am told that the Bengal tiger is more powerful than other tigers, but why Bengal agents should have more scope for mischief than agents of other provinces I do not know. The attitude of the young companies is easy to understand,—they want no licensing, they do not want to fix the maximum commission, they don't want us to fix the working capital, but they want us to allow them to spend 150 per cent. for their working expenses. That is the attitude which the Bengal Group is taking.....

Pandit Lakshmi Kanta Maitra : They have never taken up that attitude.

The Honourable Sir Nripendra Sircar : Then, Sir, my friend, Mr. Bajoria, asked me a question which, I think, is absolutely free from doubt, namely, an agent is not required by sub-clause (3) to take out a separate licence for each insurance company. If the law provides that a lawyer who has taken out a licence shall be authorised to act for anybody who employs him, it does not mean that he has got to take out a licence for every client who goes to him. I don't see the slightest difficulty in interpreting sub-clause (3).

Then, my friend asked me if a person convicted of a criminal offence can do the work of an insurance agent, and he asked what offences can he commit, and he gave only one example. For instance, it is provided that a life company shall not carry on business in fire for which no deposit is made. Supposing an insurance agent, having got the licence on behalf of a life company, procures a fire policy, why should he not be liable? That is the reason why we have put in general words. Sir, I oppose this amendment.

Sir Cowasji Jehangir : Sir, my friend, Mr. Bajoria has assured all his Bengali brethren that he is out to champion their cause. I don't think it is necessary for every one of us to shout from housetops that we are here to protect the interests of all our brethren in India, and we don't take a provincial view on any subject.

Some Honourable Members : Sir, the question may now be 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 clause 37 of the Bill be omitted.”

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) : Then we come to amendment No. 612, No. 615, No. 614, No. 615, No. 616.

(The Honourable Member, Mr. Suryya Kumar Som, did not get up to move his amendment.)

No. 617, No. 618, No. 619.....

Mr. Suryya Kumar Som (Dacca Division : Non-Muhammadan Rural) : Sir, I want to move my amendment No. 616.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member did not get up in time.

Mr. Suryya Kumar Som : Sir, your voice is not audible at this place. So, I did not get up.

Mr. President (The Honourable Sir Abdur Rahim) : I understand the Honourable Member was not here.

Some Honourable Members : He was here.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member said he did not hear when his amendment was called out. Very well, which one do you want to move ?

Mr. Suryya Kumar Som : I want to move No. 616, Sir.

Mr. President (The Honourable Sir Abdur Rahim) : I may again remind the House that the Honourable Member, who has got any amendment in the list, must rise in his seat, when his amendment is called out.

Mr. Suryya Kumar Som : Sir, I beg to move....

The Honourable Sir Nripendra Sircar : May I make a statement, Sir, which may shorten the matter. My friend not only did not listen to the numbers which were being called out, but he did not also listen to what I said in the House. That is to say, I said that there is a far more satisfactory amendment in the name of Mr. Chunder to the same effect and that I am going to take.

Mr. Suryya Kumar Som : Which number is that ?

The Honourable Sir Nripendra Sircar : No. 624.

Mr. Suryya Kumar Som : I shall move mine.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member said his amendment is covered by the one which stands in the name of Mr. Chunder.

Mr. Suryya Kumar Som : That is a different point, Sir. Sir, I move :

“ That in sub-clause (1) of clause 37 of the Bill, for the word ‘ may ’ the words ‘ shall unless the applicant comes under sub-section (5) (a) of this section ’ be substituted.”

I have been asked by the Honourable the Leader of the House that my amendment is covered by Amendment No. 624 of Mr. Chunder, but that is not my point.

Mr. N. C. Chunder (Calcutta : Non-Muhammadan Urban) : May I explain ? I sent in an amendment incorporating all these amendments together, but they have been split up, and, unfortunately, my amendment where I wanted the word ‘ may ’ to be changed to ‘ shall ’ has been omitted. I left a copy with the Government and I hope they will accept it if I move that ‘ may ’ be changed into ‘ shall ’.

Mr. Bhulabhai J. Desai (Bombay Northern Division : Non-Muham-
 madau Rural) : What really happened was this. One amendment was
 sent in covering what has now been split up into different parts, that
 is Nos. 624, 662, 668 and 669. The office split up that amendment into
 a number of amendments as appertaining to each sub-clause. I am not
 quarrelling with it, but the point is that if all of them were read together
 the scheme will be clearly understood. When my Honourable friend
 reaches No. 624 he will be able to explain it.

Mr. Suryya Kumar Som : If the Leader of the House gives an
 assurance that the word ' may ' shall be changed into ' shall ' and that the
 condition proposed in the amendment of Mr. Chunder will be accepted, I
 shall withdraw mine. The Leader of the House says I am in the wrong.
 No. Now it appears that he is in the wrong.

Mr. President (The Honourable Sir Abdur Rahim) : Has the Honour-
 able Member, Mr. Som, leave of the House to withdraw his amendment ?

Some Honourable Members : Yes.

The amendment was, by leave of the Assembly, withdrawn.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris : Muham-
 madau) : I beg to move :

“ That in sub-clause (1) of clause 37 of the Bill, for the words ' three rupees '
 the words ' one rupee ' be substituted.”

The meaning behind this amendment is very clear. The Bill pro-
 vides that an amount of Rs. 3 should be paid for taking out a licence
 I am thinking of those agents in the mofussil who work for life insurance
 companies in the rural parts of India, and I think that Rs. 3 will be a
 great hardship on them. Even one rupee is a big amount, but as our
 amendment to drop out the licence clause is not acceptable to the House
 and the House insists upon having licensed agents, I think the least that
 we can do for our poor people is to levy the minimum possible charge.
 I, therefore, plead on their behalf that this amendment may be accepted
 and that a nominal fee of one rupee may be charged. Sir, I move.

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

“ That in sub-clause (1) of clause 37 of the Bill, for the words ' three rupees '
 the words ' one rupee ' be substituted.”

Mr. Sri Prakasa (Allahabad and Jhansi Divisions : Non-Muham-
 madau Rural) : Sir, Honourable Members will see that I have an alter-
 native amendment also, so that, in case this amendment should go to
 the abattoir, then No. 620 may be saved. I do not know exactly the
 mind of the Government on the subject, but the amendments are there ;
 and it would be best in any case to reduce the fee from three rupees to
 one or at most two rupees.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable
 Member has not moved his amendment yet.

Mr. Sri Prakasa : No. I am supporting No. 619. In case it does not
 go through, I shall move mine. My Honourable friend, Mr. Bajoria, said
 that I had amendments on the Order Paper taking away the whole clause
 piecemeal. I should like to explain lest he should think, I have changed
 my opinion, that I had an amendment No. 612 which substituted various

other clauses for the clauses in the Bill ; but as Mr. Chunder's amendment came on and as I always feel that detenus, whether of the Government or of the Congress, are always in the right, (Laughter) I felt I should support his amendment instead. I hope that Government will agree to the amendment that has just been proposed. The only consideration in this connection that is relevant is that it is naturally the desire of all sections of the House to make this department of Government self-supporting so to say. It was represented to me that this department of Government, as all other departments of Government, is going to be very expensive ; and it would be best that no part of that expense should fall on the general taxpayer. Therefore, I feel that it will be better if Government itself would tell the House what exactly its own computation is as regards the expenses of this department, so that in case the expenses can possibly be met by a licence fee of one rupee only, we may move only this amendment and the Government will accept it. But if it should think that that is not possible we may go on to the other amendment. For the present, Sir, I support the amendment just moved that the licence fee for the insurance agent be reduced to rupee one.

Dr. P. N. Banerjea (Calcutta Suburbs : Non-Muhammadan Urban) : There is no reason why the burden should fall on the poor insurance agent.

The Honourable Sir Nripendra Sircar : I agree with the general principle which my Honourable friends who have spoken before me have put before the House. It is not the desire that Government should make a profit out of this department. It is very difficult to calculate now whether Rs. 2 or 2-4-0 or 1-8-0 will meet the ends of the case, but as the nearest approximation that I could make, which must be more or less guess work, it seems to me that Rs. 2 is a reasonable amount. No actuary has yet been appointed and I do not know whether he can give me an exact figure. So far as my Honourable friend wanted to know as to what we are going to do, I may inform the House that we have not the slightest objection to taking No. 620 which is in the name of Mr. Sri Prakasa, but we think that one rupee will be too small and we oppose No. 619.

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

“ That in sub-clause (1) of clause 37 of the Bill, for the words ‘ three rupees ’ the words ‘ one rupee ’ be substituted.”

The motion was adopted.

Mr. Bhulabhai J. Desai : In view of the fact that ‘ one rupee ’ has been substituted for ‘ three rupees ’, the words should be ‘ on payment of a fee of one rupee ’, etc. There is no question of a prescribed fee which shall not exceed one rupee.

The Honourable Sir Nripendra Sircar : To regularise the thing, you had better move that amendment formally.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member had better put that in writing. Amendment No. 621 by Sir H. P. Mody.

Sir H. P. Mody (Bombay Millowners' Association : Indian Commerce) : Sir, I move :

“ That in sub-clause (1) of clause 37 of the Bill, for all the words, occurring after the words ‘ more than three rupees, issue,’ the following be substituted :

‘ to any person in the case of all classes of business of insurance other than life, and to any individual in the case of life insurance business upon such person or individual making an application under this section a license to act as an insurance agent for the purpose of soliciting or procuring insurance business ’.”

I am afraid I realise the fate of this amendment. I have discussed it with my Honourable friend, the Law Member, and I have found him unmoved, unreasonable, unaccommodating and unresponsive ! I must put forward my point of view all the same. In the case of companies which are non-life companies, that is, transacting fire, accident or marine business, it is the usual thing to have firms acting as agents. Now, as the section is worded, firms would be precluded from acting as agents, and only individuals would be allowed. That, Sir, would disorganise business, and I do not see for what reason that is sought to be done. If it is contended that a firm means an undefined agglomeration of people, then, under the rule-making powers which the Government have, they can easily lay down that every single member of the firm must take out a license before he can be allowed to act as an Agent ; Government ought not to disturb without any special reason the existing practice by which firms are acting as agents of non-life companies, and it is to emphasise that that I am moving this amendment.

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

“ That in sub-clause (1) of clause 37 of the Bill, for all the words, occurring after the words ‘ more than three rupees, issue,’ the following be substituted :

‘ to any person in the case of all classes of business of insurance other than life, and to any individual in the case of life insurance business upon such person or individual making an application under this section a license to act as an insurance agent for the purpose of soliciting or procuring insurance business ’.”

The Honourable Sir Nripendra Sircar : I oppose this amendment. My Honourable friend said that I was unresponsive and unmoved but I regret to say that during the discussion I found my Honourable friend to be unreasonable, unintelligent and unaccommodating. The point which he has put forward is : ‘ why should not firms be allowed to act ’. He concedes that every one of the firm should take out a licence. Very well, if that is so and if A. B. C. D. each take out a licence and firm means A, B. C. D, is there anything to prevent Sir Homi Mody describing that firm as entitled to carry on business of non-life agents but what my friend will not, in his unreasoning obstinacy, see is that when he uses the word ‘ person ’ it includes also a company. It includes also an unincorporated body of individuals.

Sir H. P. Mody : I said any firm registered under the Indian Partnership Act. I made that suggestion before.

The Honourable Sir Nripendra Sircar : There are thousand and one suggestions made during the course of an hour every day. I cannot attend to them but I can oppose this amendment on the ground that it is unintelligible and unworkable.

Sir Cowasji Jehangir : I think, there is something in what **Sir Homi Mody** said. Some inconvenience will be caused in fire insurance business. I understand that firms are now commission agents. I will put this to my Honourable friend. He has given us a draft of a definition of an agent. If he will add to that draft definition, two words I think it will meet the point of view of....

Mr. President (The Honourable **Sir Abdur Rahim**) : I cannot allow any amendment without notice.

Sir Cowasji Jehangir : I am not giving notice of any amendment. I am merely suggesting to my Honourable friend, the Law Member, for his consideration in the future.....

Mr. President (The Honourable **Sir Abdur Rahim**) : Not in connection with this amendment ?

Sir Cowasji Jehangir : In order to meet the point of view of the Mover of this amendment.

Mr. President (The Honourable **Sir Abdur Rahim**) : There is an amendment before the House and that is the only amendment that can be considered. If the Honourable Member has any suggestion to make he can make it privately or if he wants to move any amendment he must give notice.

Sir Cowasji Jehangir : I am not moving any amendment. Let me repeat what I was just saying. I think the Honourable Member will meet the point of view of those who feel, as **Sir Homi Mody** has felt, if he will add the word 'firm', qualified by any other words that he may choose to the definition of insurance agents. If he will consider that, there will be no harm done. The point is that there are firms at present doing this sort of work.

The Honourable Sir Nripendra Sircar : They are not restricted by this amendment.

Sir Cowasji Jehangir : Why disturb the present practice, unless there is very good reason to do so. If A, B, C, D, have been doing business, allow them to do so. It does no harm. It infringes no principle of the Bill. Therefore, I would respectfully submit for the consideration of the Leader of the House that the same point of view can be met by a little amendment to the draft amendment which has been already circulated for the definition of an insurance agent.

Mr. Bhulabhai J. Desai : May I point out this, Sir. I think the point was made by the Honourable the Leader of the House, but I may explain it in view of the difficulty which appears to my Honourable friend, **Sir Cowasji Jehangir**. The point is this. If A, B, C and D are members of a firm, and if A, B, C and D all of them take out licences, there is not the smallest objection, either in law or morality, to describing it that X. and Co. are agents of so and so. But if D is displaced by **Sir Homi Mody**, then it would be an incorrect description. So if he is added there, then he has also to take out two licences and then the partners will be A, B, C and **Sir Homi Mody** who is also a licensed agent. There will again be no difficulty in describing it. The point is that inasmuch as the name of a partnership is a mere label in law, it is not a legal entity. If there is a fluctuation among the members, all that the

[Mr. Bhulabhai J. Desai.]

section requires is that anybody who comes in as a new member should take out a licence and the description of X & Co. as agents, chief agents, principal agents, great agents, small agents, will still be applicable to them, and, therefore, there is no practical difficulty in complying with this provision.

Sir H. P. Mody : Sir, I am thoroughly unconvinced, but I shall withdraw my amendment, if I may.

The amendment was, by leave of the Assembly, withdrawn.

Mr. N. C. Chunder : Sir, I crave your permission to move Nos. 624, 662, 668 and 669 together.....

Mr. President (The Honourable Sir Abdur Rahim) : I think you had better move No. 624, and then you can move the others.

Mr. N. C. Chunder : I move, Sir :

“ That in sub-clause (1) of clause 37 of the Bill, after the words ‘ under this section ’ the words ‘ and not suffering from any of the disqualifications hereinafter mentioned ’ be inserted.”

My scheme is this,—that the licensing should be automatic, and in order that it may be automatic, I desire that instead of having qualifications prescribed, we should have disqualifications mentioned in the clause itself so that anybody who suffers from the disqualifications mentioned in the clause itself will not be entitled to the licence, and if he gets the licence, the licence will be liable to be cancelled. That is the scheme, Sir, and that is why in amendment No. 662 that scheme is embodied, and, similarly, in sub-clause (4) which deals with renewal I put down, “ if the applicant does not suffer from any such disqualification ”. Similarly in 668 I set out the disqualifications and in 669 I set out the grounds on which the licence may be cancelled, so that if all these amendments are taken together, it might be more convenient.

Mr. President (The Honourable Sir Abdur Rahim) : It is a matter of procedure. The Honourable Member can move the first amendment and can explain the effect of his other amendments of which he has given notice.

Mr. N. C. Chunder : That will be the effect if all these amendments are carried. So, just as a first instalment, I have moved amendment No. 624 above. Then, if this amendment is carried, I should like to move with your permission—and I hope the Honourable Member will also agree to it—that the word “ may ” in line 1 of clause 37, sub-clause (1), shall also be changed into “ shall ”.

Mr. President (The Honourable Sir Abdur Rahim) : Is there an amendment to that effect ?

Mr. N. C. Chunder : If my amendment is carried and if the word “ may ” is retained, then it will have no meaning ; it is only a verbal amendment.

Mr. President (The Honourable Sir Abdur Rahim) : Is there any other amendment to that effect ?

Mr. N. O. Chunder : Mr. Som had an amendment to that effect and he withdrew it on that condition, that if my amendment is carried, the word " may " shall have to be changed into " shall " as a consequential amendment. I shall put it down in writing now.

Mr. President (The Honourable Sir Abdur Rahim) : You can move it as a consequential amendment afterwards.

Amendment moved :

“ That in sub-clause (1) of clause 37 of the Bill, after the words ‘ under this section ’ the words ‘ and not suffering from any of the disqualifications hereinafter mentioned ’ be inserted.”

Mr. T. Chapman-Mortimer (Bengal : European) : May I just ask a question ? I, unfortunately, did not quite hear you when you gave your ruling as to the other amendments which were part of Mr. Chunder's scheme. I did not quite hear you.....

Mr. President (The Honourable Sir Abdur Rahim) : They will be moved in their order.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Sir, it appears to me that there will be some difficulty. If the subsequent amendments laying down the disqualifications are not accepted by the House, what will happen ? It will lead to an anomaly. I am not speaking either for or against the amendment ; I am only pointing out an anomalous result if all the amendments laying down disqualifications are not taken together.

Mr. President (The Honourable Sir Abdur Rahim) : The House, I take it, will bear in mind that this is part of a scheme which is set out in the other amendments.

The Honourable Sir Nripendra Sircar : May I make a suggestion, Sir ? Under the rules of procedure there is nothing to prevent you from allowing these amendments to be moved although they relate to different clauses. This House has very often considered an amendment to a subsequent clause before the previous one has been disposed of. This is a very peculiar position and as a special case, unless there is something in the rules which absolutely debars the Chair, I would suggest that he may be allowed to move Amendments Nos. 624, 662, 668 and 669 together. But if there is a rule against it, I shall follow whatever you decide.

Mr. President (The Honourable Sir Abdur Rahim) : The difficulty is that this is an amendment to sub-clause (1), and there are other amendments to sub-clause (1). The other amendments which Mr. Chunder wants to move now relate to sub-clauses (2), (3), (4) and (5) which come afterwards. I do not see what difficulty there can be in disposing of the amendment to sub-clause (1). I think the Leader of the House, who is in charge of the Bill, will advise the House as to the effect of the other amendments.

The question is :

“ That in sub-clause (1) of clause 37 of the Bill, after the words ‘ under this section ’ the words ‘ and not suffering from any of the disqualifications hereinafter mentioned ’ be inserted.”

The motion was adopted.

Mr. N. C. Chunder : May I, Sir, now move the consequential amendment. I beg to move :

“ That in sub-clause (1) of clause 37 of the Bill, for the word ‘ may ’, in the first line, the word ‘ shall ’ be substituted.”

Sir, I move.

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

“ That in sub-clause (1) of clause 37 of the Bill, for the word ‘ may ’, in the first line, the word ‘ shall ’ be substituted.”

The motion was adopted.

Mr. T. Chapman-Mortimer : Sir, I beg to move :

“ That in sub-clause (1) of clause 37 of the Bill, the words ‘ and collecting insurance premiums ’, occurring in the seventh line, be omitted.”

This amendment is consequential to the amendment I moved to clause 35 of the Bill to provide for the case of Banks and others to collect premiums on behalf of insurers. Sir, I move.

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

“ That in sub-clause (1) of clause 37 of the Bill, the words ‘ and collecting insurance premiums ’, occurring in the seventh line, be omitted.”

Mr. Bhulabhai J. Desai : I think my Honourable friend, Mr. Chapman-Mortimer, has a point of view in mind which can be met if you only reduce the clause as it stands now. What he desires—and I appreciate what he wants—is that individuals who merely collect premiums need not be treated as licensed agents and that is met by the clause as it stands because it is only a person who solicits or procures and also collects who is hit by the section. Therefore, the person who merely collects is not hit by the section and I think the amendment is unnecessary to achieve the purpose which he wants.

The Honourable Sir Nripendra Sircar : So far as we are concerned, we accept the construction put.

Mr. Bhulabhai J. Desai : I have explained the position, but I have no objection to the amendment.

The Honourable Sir Nripendra Sircar : I would like to know from Mr. Chapman-Mortimer whether, after hearing Mr. Bhulabhai Desai, he really wants it because the language, as pointed out by my Honourable friend, Mr. Bhulabhai Desai, is that there is the word ‘ and ’, which is conjunctive, and by mere collection he does not come under clause 37 (1). So, we are all of one mind as to what is intended and I see no reason why this amendment is really necessary. I would ask my friend to think about it.

Mr. Bhulabhai J. Desai : There is one point of view which I omitted to mention and in view of that consideration I think the Honourable the Law Member will accept the amendment. It may easily happen that a man may want to act merely as soliciting or procuring business, without collecting and we do not want to bar such a man also. So, the best course would be to omit the words ‘ and collecting insurance premiums ’.

The Honourable Sir Nripendra Sircar : Sir, I have no objection.

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

“ That in sub-clause (1) of clause 37 of the Bill, the words ‘ and collecting insurance premiums ’, occurring in the seventh line, be omitted.”

The motion was adopted.

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.

Mr. H. A. Sathar H. Essak Sait : Sir, I beg to move :

“ That in sub-clause (2) of clause 37 of the Bill, after the words ‘ registered under this Act ’ the words ‘ or by the President of the Brokers’ or Agents’ Association registered in accordance with rules prescribed under this Act ’ be inserted.”

Sir, sub-clause (2) of clause 37 says :

“ An application under this section shall be countersigned by at least one insurer registered under this Act.”

Sir, this restriction is one that many of us do not like to have. We would rather like that the Superintendent of Insurance should be authorised to grant licence on applications made directly to him. But the Select Committee decided to have it this way and until the Select Committee's report was out, many of us agreed in thinking that this was a salutary provision. But certain developments that have taken place after this make it difficult for us to agree to have this provision in the Bill as it has emerged from the Select Committee. Either that provision has to be deleted altogether or amended in such a way that this power of counter-signature may be given to more persons than the insurer alone. Sir, I am reliably informed that in Bombay the Association of Fire Insurance Companies have already a proposal to amend their rules in such a way as to make it difficult for applicants for endorsement to get that endorsement or counter-signature as required by this clause. The very first of their proposed rules says that such counter-signature can be given only on the approval of a sub-committee which will be in charge of this business of granting counter-signature to applicants. This is creating unnecessary restrictions which the Bill itself does not contemplate.

The Honourable Sir Nripendra Sircar : May I intervene at this stage and say that my Honourable friend suggests that either his amendment should be accepted or that the condition that the application should be counter-signed by the insurer may be omitted. I really have no objection to delete that, but to have the Brokers' Association also is very difficult, because it is an outside body. I do not know what their qualifications or rules will be. There is no amendment for the deletion of that.

Mr. H. A. Sathar H. Essak Sait : I think there is an amendment to that effect in the name of Mr. Sri Prakasa and others.

The Honourable Sir Nripendra Sircar : If that is so, I can accept that when it comes.

An Honourable Member : But it has been passed over already.

The Honourable Sir Nripendra Sircar : If, with the permission of the Chair, my Honourable friend will move it, I have no objection. The position, Sir, seems to be this. There is an amendment No. 629 in the name of Mr. Sri Prakasa and others, to the effect that sub-clause (2) of clause 37 be omitted. That was not moved. My Honourable friend, Mr. Essak Sait is now moving that the power for counter-signature be given also to Brokers' Association and so on. Well, I am prepared to offer to my friend that I would rather have the deletion of sub-clause (2) altogether than give power to Brokers' Association, etc. But, as that amendment has been passed over, may I request you, Sir, that in the special circumstances you will allow that to be moved. If you allow that to be moved, the difficulty will be solved.

Mr. Deputy President (Mr. Akhil Chandra Datta) : If that is the wish of the House, I have no objection to amendment No. 629 being moved now.

Mr. Sri Prakasa : Sir, I beg to move :

“ That sub-clause (2) of clause 37 of the Bill be omitted.”

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

“ That sub-clause (2) of clause 37 of the Bill be omitted.”

Mr. T. Chapman-Mortimer : Sir, I should just like to ask the Honourable the Law Member what he has in his mind while supporting the deletion of sub-clause (2) of clause 37. How does he propose that applications should be made, simply by an individual without any authority ?

The Honourable Sir Nripendra Sircar : So long as he is not under any of the disqualifications. The amendment of Mr. Sri Prakasa states the specific grounds for disqualification like minority, conviction for a criminal offence and so on and so long as those disqualifications are not there, he will have his licence just as today any broker can take out a licence without counter-signature from anybody.

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

“ That sub-clause (2) of clause 37 of the Bill be omitted.”

The motion was adopted.

Mr. T. Chapman-Mortimer : Sir, I have given notice of an amendment which runs thus :

“ That in sub-clause (3) of clause 37 of the Bill, all the words after the words ‘ any registered insurer ’ be omitted.”

While I was discussing this point with my Honourable friend, Mr. Sen, we were discussing the question of whether or not our Group's amendment for the deletion of the words ‘ by whom he may be employed ’ and the substitution of the word ‘ appointed ’ would meet the case of certain individuals who had approached him earlier in the morning. And then afterwards I suggested to him that possibly it would be easier to delete these words altogether, and it would probably save complications. But I am in the hands of the House in this matter and I will not press it if the House does not wish it.

The Honourable Sir Nripendra Sircar : Sir, I may explain the position. I have received notice of the amendment just now. My Honourable friend wants the deletion of the words "by whom he may be employed". As a matter of fact I do not see that any useful purpose is served by keeping those words. After all it does not require any counter-signature by the insurer and, in that view of the case, the words may be deleted. No man can act for another unless he is employed by him.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor : Non-Muhammadian Rural) : Sir, there is one thing to be considered. The words are, "by whom he may be employed". He may not be employed by the insurer at all. He may be employed by a middleman. The chief agent, for instance, enters into a contract with the insurer that he should supply so much business during the course of the year and he employs his own agents. The terms of the contract are such that the insurer is not responsible for the conduct of the agent and it is the middleman or the chief agent who is responsible.

The Honourable Sir Nripendra Sircar : I am afraid I do not quite follow. What is gained by keeping those words, "by whom he may be employed" ? If he is employed by the Chief Agent, he is under the insurer and, surely, he is acting for the insurer.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly : Non-Muhammadian Rural) : His point is that the insurer should take responsibility for every agent whether appointed by himself or by the Chief Agent.

The Honourable Sir Nripendra Sircar : That is now gone, as a result of the amendment which has been accepted by the House that counter-signature is not wanted.

Mr. M. Ananthasayanam Ayyangar : That counter-signature is only a formal affair. One insurer may countersign and another insurer may take him. Whether clause 2 is there or not does not affect the question. My point is this that the middleman is directly the agent under the insurer for all purposes. He enters into a contract with the insurer that he will procure for him a certain amount of business every year. Then this middleman employs an agent to do this work for him, and, as between the insurer and this agent, there is no privity of contract. I want a direct relationship to be established between the field worker on the one hand and the insurer on the other.

The Honourable Sir Nripendra Sircar : I will not argue it any further. It is the option of the House to accept it or not.

Mr. T. Chapman-Mortimer : Sir, I will now move it formally. I move :

"That in sub-clause (3) of clause 37 of the Bill, all the words after the words 'any registered insurer' be omitted."

I quite appreciate the point which has just been made by my Honourable friend, Mr. Ayyangar, and I think there is substance in it, but as a matter of fact we in this Group have an amendment to sub-clause (2) of clause 38 which will, I think, fix the responsibility with the insurer for doing any kind of business with some one who is not a proper licensed agent. That I think will clear away the difficulty that is present in his mind. I entirely agree with my Honourable friend,

[Mr. T. Chapman-Mortimer.]

the Law Member, that now that sub-clause (2) has been taken out, these words "by whom he may be employed" are no longer of any use. But quite apart from that, there is the question to which I had occasion to refer the other day, namely, that an agent is not an employee of the company; and we, ourselves, in actual fact, had an amendment to substitute another word for that. But owing to various amendments that have been now carried to the earlier clauses 35 to 37, it was going to be a very complicated matter to insert the word "appointed" instead of "employed"; because you may have agents who are "employed" and agents who are "appointed". I think, therefore, that this solution of deleting these words is really the simplest, and the point to which my Honourable friend, Mr. Ayyangar, has drawn the attention of the House can, as I said, be met by our amendment to sub-clause (2) of clause 38.

Sir, I move.

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

"That in sub-clause (3) of clause 37 of the Bill, all the words after the words 'any registered insurer' be omitted."

Mr. S. Satyamurti (Madras City : Non-Muhammadan Urban) : Sir, if the contention of the Honourable the Law Member and the Mover of the amendment is that these words: "by whom he may be employed" are a surplusage, I would plead for their being left as they are, if really there is no harm done by these words. I am rather in favour of leaving there; and I will give one reason. Sub-clause (1) of clause 38 says :

"Every insurer shall maintain a register showing the name and address of every licensed insurance agent appointed by him and the date on which his appointment began and the date, if any, on which his appointment ceased."

This, undoubtedly, contemplates every insurer having a register of all the agents employed or appointed by him, whichever word the House may presently decide on. The scheme of the Bill contemplates not insurance agents acting in the air, as it were, for all the insurers in the world, but only agents on the register of either one or more insurers. It seems to me, therefore, that while the words may be a surplusage,—and I will not quarrel with the Honourable the Law Member on his point that no man can act for another unless he is employed,—the utmost that can be said is that they are a surplusage, and I would rather leave them as they are.

The other point is this. I do not like to contemplate a large number of insurance agents who are not employed by anybody in particular but hover about the whole of geographical India or outside, and go about saying that they are licensed agents and, therefore, they can represent all the insurance companies in the world. I think it will introduce confusion in the insurance business; it will serve no one's interest. It will not serve the interest of the insurer, or of the agents, or of the policy-holders. In these circumstances, I would ask the Law Member to reconsider his attitude in the matter, and rather let the words stand there, and not accept the amendment. In

any case, I would plead with the House that, if the utmost that can be said against these words is that they are a surplusage, I am rather in favour of keeping them as they are.

Mr. M. S. Aney (Berar : Non-Muhammadan) : Sir, I do not think there is any virtue in retaining the words because their retention does not really help to make the clause more intelligible than it is already. I do not realise that there is going to be that anarchical state of things which Mr. Satyamurti has referred to if these words are taken out. What we have been doing in clause 37 is this : on certain conditions a man can get a licence and call himself an agent : but he is not entitled to act as agent of any other company unless that company gives that man authority to act for it. So, because a man has been allowed to take out a licence of an agent, I do not think there is any possibility of that man passing himself as an agent of all the insurance companies in this country. If he wants to pose himself off like that, he will expose himself, in no time, in my opinion, and no man will take that risk. So there is not that danger. I do not think that by the deletion of these words "by whom he may be employed" we are in any way creating any difficulty as regards the relation that may exist between that man and any supposed company. No relation can exist between an agent and a company unless there is some kind of agreement. It virtually and necessarily implies that. Before any man can pose as an agent of a company there will be some kind of contract and the agent will have to show it. No man will take the risk of passing off as an agent of any company unless he shows that his name is entered on the register of that very company as its registered agent. That alone can give that man the authority to pass as an agent. Therefore, these words in section 38 which require the entry of the name of that man on the register do not necessarily make it incumbent upon us that the words "by whom he may be employed" in clause 37 should also be retained. I, therefore, support the amendment moved by Mr. Chapman-Mortimer.

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

"That in sub-clause (3) of clause 37 of the Bill, all the words after the words 'any registered insurer' be omitted."

The motion was adopted.

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

"That sub-clause (4) of clause 37 of the Bill be omitted."

This sub-clause provides that a licence issued to an agent has to expire on the 31st day of March every year, and he is obliged to take out a licence once every year. Now, the omission of this sub-clause will mean that once an agent has obtained a licence he will continue to act as an agent until his licence is cancelled by the Superintendent of Insurance. It need not be pointed out that it is very difficult for an agent, who may live in a mofussil village, to go to a town, perhaps a presidency town, to obtain the renewal of his licence. Therefore, I urge that once he obtains a licence let him continue to be a licensee until his licence is cancelled, that is to say, until he does something which will entitle the Superintendent to cancel his licence. I hope, therefore, that this amendment will be accepted by the House.

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

“ That sub-clause (4) of clause 37 of the Bill be omitted.”

Mr. K. Santhanam : Sir, I rise to oppose this amendment because if it is accepted the whole list of agents will become useless : there will be persons who have ceased to act as agents : there will be persons who are dead and until their death is notified, nobody will know whether they continue as agents or not. We want to have a live list to which we can refer and see whether a man is an agent or not : this live list can be maintained only if it is renewed periodically. We have made the getting of licences very easy : we have reduced the licence fee to one rupee and there will be no counter-signature by an insurer. As for the argument that the agent will have to go to a town, the licence can be sent by post for renewal every year. If we allow this amendment we shall be nullifying the licensing section. Either we have a licence renewed periodically with all its implications, or we do not have any licence : Sir, I oppose the amendment.

Mr. Bhulabhai J. Desai : Sir, if the Honourable House will remember that in the scheme of my Honourable friend, Mr. Chunder, this part is covered by his amendment No. 662—“ that for the word ‘ may ’ the words ‘ if the applicant does not suffer from any such disqualifications ’ be substituted ”—that will meet the point, and further that in view of the reduction of the fee to one rupee in clause 37 there will be a similar reduction in sub-clause (4).....

Pandit Lakshmi Kanta Maitra : This is about renewal.

Mr. Bhulabhai J. Desai : I know it : I was, I thought, pointing out a fair middle course which may be adopted.

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

“ That sub-clause (4) of clause 37 of the Bill be omitted.”

The motion was negatived.

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

“ That in sub-clause (4) of clause 37 of the Bill, for the words ‘ each year ’, occurring in the second line, the words ‘ at the end of every period of three years ’ be substituted.”

Sir, I have already pointed out the difficulty which every insurance agent will be put to if he is asked to renew his licence every year. Therefore, I suggest that provision may be made to enable him to renew his licence once in every three years. This will mitigate the hardship to some extent.

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

“ That in sub-clause (4) of clause 37 of the Bill, for the words ‘ each year ’, occurring in the second line, the words ‘ at the end of every period of three years ’ be substituted.”

Mr. Abdul Qaiyum : Sir, I oppose this amendment. If Rs. 3 had been retained, we could have accepted this amendment but the fee having been reduced to Re. 1 only, the whole thing will become a farce if we accept this amendment.

Mr. H. A. Sathar H. Essak Sait : Sir, I support this amendment. The reasons are obvious. I should have preferred to suggest that once a licence is issued, it need not be renewed at all, but if you permit that it should be renewed once in every three years it will mitigate the difficulties of insurance agents to some extent.

Mr. M. S. Aney : Sir, the question of a fee has no relation to the question of period. The point is whether a licensee should be called upon to renew his licence every year, whether it will cause harassment to the agent and whether one year's period for renewing the licence is not a very short period. If the licence is allowed to remain in force for three years, the suggestion is certainly reasonable. Then the difficulty pointed out by Mr. Santhanam will arise, because we were anxious to fix some reasonable period and the register of the companies agents will be periodically revised up-to-date. So, unless the object of my friend is to secure Rs. 2 more to the Government Treasury from the pockets of each agent, there is no meaning in the opposition. The amendment proposed is quite reasonable, and I commend it.

The Honourable Sir Nripendra Sircar : Sir, I oppose this amendment, and I shall add only one sentence. We are continually hearing of harassment, but licences are renewed every year by lawyers, by taxi-drivers, by motor car owners and by many others. Therefore, the question of harassment cannot come in when we ask the insurance agents to renew their licences every year.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : Sir, I support this amendment. I think it is wrong to say that lawyers have to renew their licences every year, because, in the Bombay Presidency, lawyers have to renew their licence once every three years, and we have got an example here which might well be copied in this case. One can imagine the inconveniences and harassment to which insurance agents will be put. They will have to go to the office of the Superintendent of Insurance, wait there until it pleases him to call them by turn, then fill in certain forms and fulfil certain formalities, and all these would mean so much delay and time lost. And these things will have to be done every year which is rather hard.

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

“ That in sub-clause (4) of clause 37 of the Bill, for the words ‘ each year ’, occurring in the second line, the words ‘ at the end of every period of three years ’ be substituted.”

The Assembly divided :

AYES—11.

Abdul Ghani, Maulvi Muhammad.
Aney, Mr. M. S.
Azhar Ali, Mr. Muhammad.
Banerjee, Dr. P. N.
Chattopadhyaya, Mr. Amarendra Nath.
Essak Sait, Mr. H. A. Sathar H.

Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Murtuza Sahib Bahadur, Maulvi Syed.
Som, Mr. Suryya Kumar.

NOES—84.

Abdul Hamid, Khan Bahadur Sir.
 Abdul Qaiyum, Mr.
 Abdullah, Mr. H. M.
 Ahmad Nawaz Khan, Major Nawab Sir.
 Aikman, Mr. A.
 Asaf Ali, Mr. M.
 Asghar Ali, Sheikh.
 Ayyangar, Mr. M. Ananthasayanam.
 Bajpai, Sir Girja Shankar.
 Boyle, Mr. J. D.
 Chaliha, Mr. Kuladhar.
 Chanda, Mr. A. K.
 Chaudhury, Mr. Brojendra Narayan.
 Chettiar, Mr. T. S. Avinashilingam.
 Chunder, Mr. N. C.
 Dalal, Dr. R. D.
 Dalpat Singh, Sardar Bahadur Captain.
 Das, Mr. B.
 Das, Pandit Nilakartha.
 Desai, Mr. Bhulabhai J.
 Deshmukh, Mr. G. V.
 Fazl-i-Haq Piracha, Khan Bahadur Shaikh.
 Fazl-i-Ilahi, Khan Sahib Shaikh.
 Gadgil, Mr. N. V.
 Ghasuddin, Mr. M.
 Ghulam Muhammad, Mr.
 Gidney, Mr. C. W. A.
 Govind Das, Seth.
 Gupta, Mr. K. S.
 Hosmani, Mr. S. K.
 Ismail Khan, Haji Chaudhury Muhammad.
 Jawahar Singh, Sardar Bahadur Sardar Sir.
 Jedhe, Mr. K. M.
 Jehangir, Sir Cowasji.
 Jogendra Singh, Sardar.
 Joseph, Mr. George.
 Kailash Behari Lal, Babu.
 Kamaluddin Ahmad, Shams-ul-Ulema.
 Kushalpal Singh, Raja Bahadur.
 Lang, Mr. J. C.
 Lloyd, Mr. A. H.
 Mackeown, Mr. J. A.

Manavedan Raja, Rao Bahadur K. C.
 Mangal Singh, Sardar.
 Mani, Mr. R. S.
 Mehr Shah, Nawab Sahibrada Sir Sayad Muhammad.
 Mehta, Mr. S. L.
 Misra, Pandit Shambhu Dayal.
 Mody, Sir H. P.
 Mudaliar, Mr. C. N. Muthuranga.
 Mudie, Mr. R. F.
 Muhammad Ahmad Kasmi, Qazi.
 Nagarkar, Mr. C. B.
 Nayudu, Diwan Bahadur B. V. Sri Hari Rao.
 Ogilvie, Mr. O. M. G.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Parsons, Lieut.-Colonel A. E. B.
 Pursell, Mr. R. S.
 Raghubir Narayan Singh, Choudhri.
 Rahman, Lieut.-Colonel M. A.
 Ramayan Prasad, Mr.
 Ranga, Prof. N. G.
 Rao, Mr. Thirumala.
 Roy, Mr. S. N.
 Saksena, Mr. Mohan Lal.
 Santhanam, Mr. K.
 Satyamurti, Mr. S.
 Scott, Mr. J. Ramsay.
 Sen, Mr. S. C.
 Sham Lal, Mr.
 Sheodass Daga, Seth.
 Sher Muhammad Khan, Captain Sardar Sir.
 Singh, Mr. Gauri Shankar.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Satya Narayan.
 Sircar, The Honourable Sir Nripendra.
 Spence, Mr. G. H.
 Sri Prakasa, Mr.
 Staig, Mr. B. M.
 Stewart, The Honourable Sir Thomas.
 Sukthankar, Mr. Y. N.
 Thorne, Mr. J. A.
 Tylden-Pattenson, Mr. A. E.

The motion was negatived.

Mr. N. C. Chunder : I beg to move :

“ That in sub-clause (4) of clause 37 of the Bill, for the word ‘ may ’ the words ‘ if the applicant does not suffer from any such disqualifications ’ be substituted.”

With these words substituted, the clause would read thus :

“ A licence issued under this section shall expire on the 31st day of March in each year, but if the applicant does not suffer from any such disqualifications be renewed from year to year.....”

The word “ shall ” in the words “ shall expire ” will govern also the words “ be renewed ”, so that it will be like this, “ shall be renewed ”. Sir, I move.

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

“ That in sub-clause (4) of clause 37 of the Bill, for the word ‘ may ’ the words ‘ if the applicant does not suffer from any such disqualifications ’ be substituted.”

Mr. M. S. Aney : The word “ such ” in “ such disqualifications ” does not seem to be appropriate. What are “ such disqualifications ” ? They have to be mentioned in some subsequent part of the clause. Even if these disqualifications now come in before, in any other clause then the word “ such ” will have some meaning.

Mr. N. O. Chunder : Just as “ licence ” comes in clause 35 though licence is dealt with in clause 37.

Mr. T. Chapman-Mortimer : The point raised by Mr. Aney I think is a correct point. No doubt, it is a drafting matter, but I think it should be, “ from any disqualifications specified in clause (4) ”.

Mr. N. C. Chunder : May I point out that in sub-clause (1) as it has gone in we have, “ does not suffer from any of the disqualifications hereinafter mentioned ”. When you talk of “ such disqualifications ” you mean “ disqualifications hereinafter mentioned ”.

Mr. M. S. Aney : It is only a question of language.

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

“ That in sub-clause (4) of clause 37 of the Bill, for the word ‘ may ’ the words ‘ if the applicant does not suffer from any such disqualifications ’ be substituted.”

The motion was adopted.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : I beg to move amendment No. 666 in a slightly amended form, with your permission. It is a consequential amendment. As the original fee is one rupee, the renewal fee should also be one rupee.

Mr. Bhulabhai J. Desai : In view of the decision of the House on sub-clause (1) with regard to the fee, I have formally given notice of an amendment to the following effect :

“ For the words ‘ the prescribed fee which shall not be more than three rupees ’ substitute ‘ a fee of one rupee ’.”

This is the correct way of describing it.

Dr. Ziauddin Ahmad : Very well. I move, Sir :

“ That in sub-clause (4) of clause 37 of the Bill, for the words ‘ the prescribed fee which shall not be more than three rupees ’ the words ‘ a fee of one rupee ’ be substituted.”

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

“ That in sub-clause (4) of clause 37 of the Bill, for the words ‘ the prescribed fee which shall not be more than three rupees ’ the words ‘ a fee of one rupee ’ be substituted.”

The motion was adopted.

Mr. N. O. Chunder : With your permission, Sir, I should like to move your amendment No. 12 on List No. 2 in place of my amendment No. 668. I hope the House will have no objection. Sir, before moving it, I should like to have your permission to make a change in the language

[Mr. N. C. Chunder.]

of (d). The word "convicted" has a technical meaning. Instead of that, I shall change it into 'he shall have been found guilty of having knowingly participated in' and so on. Sir, I move :

"That after sub-clause (4) of clause 37 of the Bill, the following clause be inserted and the subsequent clause be re-numbered accordingly :

' (5) An agent shall be deemed to be disqualified :

- (a) if he is a minor ;
- (b) if he is found to be of unsound mind by a court of competent jurisdiction ;
- (c) if he has been convicted for criminal misappropriation or criminal breach of trust or of cheating by a court of competent jurisdiction ; and
- (d) if in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of investigation of the affairs of an insurer he shall have been found guilty of having knowingly participated in or connived at any fraud, dishonesty or misrepresentation against the insurer or the assured '."

Mr. Bhulabhai J. Desai : This does not fit in with what has gone before. The proper words were in the original amendment which my friend unnecessarily disowned. 'The disqualification above referred to shall be the following'. That is the only proper way in which the section will fit in.

Mr. N. C. Chunder : Then I withdraw this amendment and move my own amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. N. C. Chunder : Sir, I move :

"That after sub-clause (4) of clause 37 of the Bill, the following new sub-clause be inserted and the subsequent clause be renumbered accordingly :

' (5) The disqualifications above referred to shall be the following—

- (a) if the person is a minor ;
- (b) if he is found to be of unsound mind by a court of competent jurisdiction ;
- (c) if he has been found guilty of criminal misappropriation or criminal breach of trust, or cheating by a court of competent jurisdiction ;
- (d) if in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of an insurer it shall appear that he has been found guilty of or has knowingly participated in or connived at any fraud, dishonesty or misrepresentation against the insurer or the assured '."

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

“ That after sub-clause (4) of clause 37 of the Bill, the following new sub-clause be inserted and the subsequent clause be renumbered accordingly :

- (5) The disqualifications above referred to shall be the following—
- (a) if the person is a minor ;
 - (b) if he is found to be of unsound mind by a court of competent jurisdiction ;
 - (c) if he has been found guilty of criminal misappropriation or criminal breach of trust, or cheating by a court of competent jurisdiction ;
 - (d) if in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of an insurer it shall appear that he has been found guilty of or has knowingly participated in or connived at any fraud, dishonesty or misrepresentation against the insurer or the assured .”

Mr. M. Ananthasayanam Ayyangar : Sir, I suggest one slight modification for the acceptance of the Mover as also of the House, only to make it a little more accurate. For the word “ if ”, occurring at the beginning of sub-clauses (a) to (d), I suggest that the word “ that ” be substituted.

Mr. N. C. Chunder : Sir, I accept it.

Mr. T. Chapman-Mortimer : Sir, I am not a lawyer, but it seems to me that these two amendments are not strictly speaking the same. They are both, on the face of it, the same, but looking at them, one says, “ it shall appear that he has been found guilty of or has knowingly participated in, etc.”—and the other says, “ he shall have been convicted or found guilty on account of having knowingly participated in, etc.” There is a difference in the two wordings.

An Honourable Member : The other one has been withdrawn.

Mr. T. Chapman-Mortimer : Sir, I think the words “ it shall appear ” are vague for this particular purpose.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Is it the desire of the House that the words “ it shall appear ” should go ?

Voices : No, no.

Mr. S. Satyamurti : Those words must remain there. It says, “ or in the course of investigation of the affairs of an insurer it shall appear to the investigator that the man has been found guilty of or has knowingly participated in fraud, dishonesty, etc.”

The investigation shows that the man has been guilty. There can be no conviction, in any of these cases. Therefore, the words “ it shall appear ” must remain, as a disqualification for a person continuing to be or becoming an insurance agent. We cannot, therefore, accept Mr. Chapman-Mortimer’s suggestion.

Mr. M. S. Aney : Sir, what my friend, Mr. Satyamurti, has stated is perfectly correct. There can be no question of a conviction. At that stage you can only say, “ it shall appear ” in the course of an investigation. That shall be the proper line. But I have to make one more suggestion. In clause (c) with your permission I suggest a little modification for the consideration of the House. There are three offences mentioned

[Mr. M. S. Aney.]

here. "If he has been found guilty of criminal misappropriation, criminal breach of trust or cheating". I believe if he is found guilty of forgery, that will also be included. If a man is found guilty of an offence of forgery, he is guilty of an offence as heinous as any mentioned here and that should also operate as a disqualification.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Does the Honourable the Mover accept it ?

Mr. N. C. Chunder : Sir, I have taken this from the wording of the clause as it emerged out of the Select Committee ; so I would rather like to put it as it is there.

Mr. Deputy President (Mr. Akhil Chandra Datta) : I take it that the suggestion is not accepted.

Mr. N. C. Chunder : Yes.

The Honourable Sir Nripendra Sircar : May I point out to the House that under sub-clause (4) the license will be taken away if he is guilty of criminal misappropriation or criminal breach of trust or cheating. You have not added there "forgery, adultery, etc." (Laughter.) Why have it here ? Why have one class of offences for taking away his license and another class of offences for preventing him from getting out a license ? I do not know whether the amendment which is now before the House has the word "forgery", or not.

Mr. N. C. Chunder : No, Sir, I have not accepted it.

Mr. Deputy President (Mr. Akhil Chandra Datta) : There is another suggestion, that in place of the word "if" the word "that" be substituted.

Mr. N. C. Chunder : I have accepted that.

Mr. Deputy President (Mr. Akhil Chandra Datta) : That is the only suggestion that has been accepted by the Honourable the Mover. I think I can put the question now.

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

"That after sub-clause (4) of clause 37 of the Bill, the following new sub-clause be inserted and the subsequent clause be re-numbered accordingly :

(5) The disqualifications above referred to shall be the following :

- (a) that the person is a minor ;
- (b) that he is found to be of unsound mind by a court of competent jurisdiction ;
- (c) that he has been found guilty of criminal misappropriation or criminal breach of trust, or cheating by a court of competent jurisdiction ;
- (d) that in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of an insurer it shall appear that he has been found guilty of or has knowingly participated in or connived at any fraud, dishonesty or misrepresentation against the insurer or the assured."

The motion was adopted.

Mr. N. C. Chunder : Sir, I move :

“ That for sub-clause (5) of clause 37 of the Bill, the following be substituted :

‘ (5) If it be found that an insurance agent suffers from any of the foregoing disqualifications, without prejudice to any other penalty to which he may be liable, the Superintendent of Insurance shall and if the agent has knowingly contravened any provision of this Act may cancel the license issued to the agent under this section ’.”

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

“ That for sub-clause (5) of clause 37 of the Bill, the following be substituted :

‘ (5) If it be found that an insurance agent suffers from any of the foregoing disqualifications, without prejudice to any other penalty to which he may be liable, the Superintendent of Insurance shall and if the agent has knowingly contravened any provision of this Act may cancel the license issued to the agent under this section ’.”

The Honourable Sir Nripendra Sircar : Sir, I desire only to point out that the “ five ” should now be “ six ”.

Mr. N. C. Chunder : Two has been deleted, so that five will remain as five.

The Honourable Sir Nripendra Sircar : I shall have to move a motion at the end for re-numbering the clauses.

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

“ That for sub-clause (5) of clause 37 of the Bill, the following be substituted :

‘ (5) If it be found that an insurance agent suffers from any of the foregoing disqualifications, without prejudice to any other penalty to which he may be liable, the Superintendent of Insurance shall and if the agent has knowingly contravened any provision of this Act may cancel the license issued to the agent under this section ’.”

The motion was adopted.

Mr. Suryya Kumar Som : Sir, I beg to move :

“ That to clause 37 of the Bill, the following proviso be added :

‘ Provided that the provisions of this section shall not apply to the chief or special agents who organise insurance business for any insurer in any defined area but the chief or special agents shall not receive more than sixty per cent. of the first year's premium and seven per cent. of the renewals and in the case of chief or special agents of an insurer of less than ten years' standing seven per cent. of the first year's premium and nine per cent. of the renewals of the policies procured by them for the insurer ’.”

The Honourable Sir Nripendra Sircar : Sir, I desire to raise a point of order. The question of the maximum commission has been disposed of by the previous section and if my Honourable friend wanted to say anything about the maximum commission to chief agents, that was the place. Section 37 deals only with licensing. Therefore, it is a complete misfit. I submit that on the question of licensing you cannot go back again on the question of remuneration to be paid to the chief agents. Further, I may point out to my Honourable friend that, as a matter of fact, the chief agents have now been kept out. So, on the question of licensing, the chief agents are not being hit and, therefore, the amendment is wholly unnecessary. The real object is to fix the

[Sir Nripendra Sircar.]

maximum commission at 60 per cent. I object to that because that matter is finished by section 35 and this relates to licensing and not to maximum commission.

Mr. Suryya Kumar Som : Sir, I find that we have discussed and decided about the limit of commission, etc., to agents and Managing Agents and also about the remuneration to the Managing Agents, managers and other officers. But it is curious—and I do not think this was the intention of the House—that a middleman, who has been introduced at a subsequent stage as a chief agent, has been given the position of an insurer, but no limitation to his commission or pay has been provided for. I cannot imagine that it can be the intention of the Leader of the House or of this House that the chief agents will occupy a better position than the Managing Agents or managers.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The Honourable Member is not discussing the point of order.

Mr. Suryya Kumar Som : That point was left untouched. Only the definition of the chief agent was given. But this point was not considered at that time. I knew that a point of order will be raised but I want to get rid of it in this way. Moreover, my intention is to bring to the notice of the House and to the notice of the Leader of the House that there has been an inexcusable omission, which was not the intention of the House. Therefore, I appeal to the Leader of the House and to the House also to make some provision like this.

Mr. Deputy President (Mr. Akhil Chandra Datta) : I do not think that the amendment relating to the commission is in order because clause 37 has got nothing to do with commission. As regards the other part, it has been pointed out by the Leader of the House that it is unnecessary because the chief agents have gone out. In view of that statement, it is for the Honourable the Mover to consider whether it is any good moving the earlier part of this amendment.

Mr. M. S. Aney : Sir, I would like to have one point clear. So far as the amendment to this particular clause is concerned, which relates to licensing, your ruling is to the effect that it is out of order and I can understand it. But is your ruling also intended to mean that the question of the remuneration of the chief agents is altogether barred and cannot be raised at all? I would just like you to clear this point.

Mr. Deputy President (Mr. Akhil Chandra Datta) : For the present I need not go further than this that it cannot be an amendment to clause 37.

Mr. Suryya Kumar Som : All right, Sir. I will take an opportunity of saying what I wish to say when we come to miscellaneous clauses.

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

“ That clause 37, as amended, stand part of the Bill.”

The motion was adopted.

Clause 37, as amended, was added to the Bill.

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

“ That clause 38 stand part of the Bill.”

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

Mr. T. Chapman-Mortimer : Sir, I beg to move :

“ That for sub-clause (2) of clause 38 of the Bill, the following be substituted :

‘ 38. (2) Any insurer who appoints as an insurance agent any individual not licensed under section 37 or who transacts any insurance business through any such individual shall be punishable with fine which may extend to one hundred rupees ’.”

In the amendment, as it appears in the agenda, there is a slight typing error. I want to substitute this amendment for sub-clause (2) of clause 38 of the Bill which is a very wide clause. It extends not merely to the insurer but to any person who transacts business through any individual without holding any license issued under this section and he is punishable with fine. That is a very wide phrase, though if it were confined to receiving payment for acting as an insurance agent, it would be a different matter. But as it is it might be easily held to include possibly a director of an insurance company or some one like that who is not an agent and, presumably, would not have a license, but who may, in conversation, influence an assured to take out a policy which one of his agents, properly licensed, was already negotiating. For that reason, I think it is not desirable that such a wide phraseology should be used as is used in sub-clause (2) of clause 38 of the Bill. It is absolutely necessary that the responsibility should be fixed on the insurer and he should be heavily punished if he under-writes any business that is being introduced to him through a person who is not a properly licensed agent. That is very right and proper. There is also a further aspect, that you might put on a somewhat ignorant person who is a canvasser a liability to fine or punishment which might in certain circumstances not be fair. I suggest, Sir, that the amendment now before the House should be accepted.

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

“ That for sub-clause (2) of clause 38 of the Bill, the following be substituted :

‘ 38. (2) Any insurer who appoints as an insurance agent any individual not licensed under section 37 or who transacts any insurance business through any such individual shall be punishable with fine which may extend to one hundred rupees ’.”

Mr. S. Satyamurti : Sir, I oppose this amendment. Of course, if I were following the footsteps of the Honourable Members of the European Group, I should have objected even to amending the amendment. I want them to understand our charity and tolerance.

Mr. T. Chapman-Mortimer : I was pointing out that it was a typing error which I wanted to be rectified. I was not giving any fresh amendment.

Mr. S. Satyamurti : But that so-called typing error makes all the difference in the world. The amendment of which notice was originally given suggests the substitution of this clause for the entire clause 38.

Mr. President (The Honourable Sir Abdur Rahim) : But he has just amended it. He says it is only a typing error.

Mr. S. Satyamurti : It may be a typing error, but my Honourable friends, of the European Group object even to slight errors on our side, being rectified. They raise all sorts of objection. I am not quarrelling with you, Mr. President, but I am quarrelling with them. I am telling my Honourable friends, of the European Group that, if they want us to excuse such errors on their part, they must also practise the same kind of charity towards us, when we want some slight modification of any amendment which we might have given notice of.

Mr. President (The Honourable Sir Abdur Rahim) : There is no question of charity here. Everyone must conform to the rules.

Mr. S. Satyamurti : I leave that point. I want to know what my Honourable friend is really aiming at. I want the House to realise the full mischief of this amendment. Sir, clause 38 (2) as it is in the Bill reads :

“ Any individual not holding a license issued under section 37 who acts as an insurance agent for any insurer shall be punishable with fine which may extend to fifty rupees.”

Therefore, this is the natural consequence of the enactment of this House, so far as its vote on clause 37 of the Bill is concerned. We had a continuous fight on that clause, line after line, almost word after word; and ultimately, the House has decided to retain clause 37, with one or two slight amendments. Now, Sir, the verdict of the House means that agents ought to be licensed, and, therefore, clause 38 (2) provides that, once you have now provided for the licensing of agents under certain conditions automatically given, unless disqualified under the amendment of my Honourable friend, Mr. Chunder, which has been accepted by the House, nobody else can act as agent, unless he is licensed according to the provisions of clause 37. My Honourable friend, Mr. Chapman-Mortimer, now wants quietly that all the words which I have just now read out, namely, the liability of the person who acts as agent without taking out a license should go out altogether. May I know why? Any individual who acts as agent without holding a license shall be punishable. Why should he not be punishable? I see the Honourable the Mover of the amendment has left the House after moving his amendment. I want to know why he asks the House to accept his amendment. It is really special pleading for the man who acts as agent without taking out a license. But my Honourable friend is getting hold of the wrong end of the stick, when he says :

“ Any insurer who appoints as an insurance agent any individual not licensed under section 37 or who transacts any insurance business through any such individual shall be punishable with fine which may extend to one hundred rupees.”

The Honourable Sir Nripendra Sircar : If it will shorten further discussion, I may say that the Government are opposing this amendment.

Mr. S. Satyamurti : I want to tell the European Group that we find out these amendments and have strong objections.

The Honourable Sir Nripendra Sircar : The Mover is not here.

Mr. S. Satyamurti : That shows want of courtesy to the House.

4 P.M. I submit that, when an Honourable Member moves an amendment, he must be in his place until the fate of that amendment is decided.

The Honourable Sir Nripendra Sircar : That shows he is not pressing the amendment.

Mr. S. Satyamurti : If that is so, he ought not to have moved the amendment. Sir, I oppose the amendment.

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

“ That for sub-clause (2) of clause 38 of the Bill, the following be substituted :

‘ 38. (2) Any insurer who appoints as an insurance agent any individual not licensed under section 37 or who transacts any insurance business through any such individual shall be punishable with fine which may extend to one hundred rupees ’.”

The motion was negatived.

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

“ That clause 38 stand part of the Bill.”

The motion was adopted.

Clause 38 was added to the Bill.

Prof. N. G. Ranga (Guntur cum Nellore : Non-Muhammadan Rural) : Sir, I beg to move the amendment of which I gave notice this morning.

Mr. President (The Honourable Sir Abdur Rahim) : I am afraid I cannot allow that as it was not circulated to all the Members.

Prof. N. G. Ranga : I gave a copy to all the Party Leaders.

Mr. President (The Honourable Sir Abdur Rahim) : That will not do. It must be circulated to all the Members before it can be moved. I, therefore, cannot allow the Honourable Member to move that amendment.

Prof. N. G. Ranga : Very well, Sir. Then, I will move :

“ That after clause 38 of the Bill, the following new clause be inserted :

‘ 38A. Within two years after the commencement of this Act, every insurer shall constitute and maintain a provident fund for the benefit of his employees and the said fund shall be governed by the provisions of Act 29 of 1925 (Indian Provident Fund Act), provided there is no other fund for the benefit of the said employees ’.”

Sir, after having given notice of this I happened to have discussed this question with the Honourable the Law Member and Mr. Sen and on their advice I thought it better to ask your permission and the permission of the House to alter it in a way which would make it non-contentious.....

Mr. President (The Honourable Sir Abdur Rahim) : I have already ruled that it cannot be moved.

Prof. N. G. Ranga : In obedience to your ruling I am now moving this amendment. After all, it is a very moderate demand and we in this House have tried to protect the interests of everybody else except of the employees of insurance companies. I, therefore, desire to protect the workers to a very moderate extent. I seek the indulgence of the House

[Prof. N. G. Ranga.]

and hope that the House will accept this amendment. I feel sure that the Government will also see their way to accommodate us and accept this very harmless and moderate amendment.

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

“ That after clause 38 of the Bill, the following new clause be inserted :

‘ 38A. Within two years after the commencement of this Act, every insurer shall constitute and maintain a provident fund for the benefit of his employees and the said fund shall be governed by the provisions of Act 29 of 1925 (Indian Provident Fund Act), provided there is no other fund for the benefit of the said employees ’.”

Pandit Lakshmi Kanta Maitra : Sir, I rise to support the amendment moved by my friend, Professor Ranga. With the spirit and purpose of this amendment I am in perfect agreement. In this Bill we have made provision for all manner of people and it is only reasonable that after all we should do something for the people who are employed in the business itself. It is a very reasonable and moderate demand and I think it will meet with the approval of the House.

Mr. S. C. Sen (Government of India : Nominated Official) : Sir, I am sorry there has been some misunderstanding in this matter. My Honourable friend, Professor Ranga, when he approached me agreed to a different draft ; and if that draft had been permitted by you to be put to the House, we might have considered that favourably. But as it is, the draft amendment that has been moved is objectionable on the grounds, first of all, that it singles out only the insurance companies for forcing the provident fund upon them—there are other classes of companies which have not been provided for—and secondly, in a Bill for providing for insurance, this appears to be wholly out of place. For these reasons, Sir, we oppose the amendment.

Mr. M. Ananthasayanam Ayyangar : Sir, I have got the draft of what my Honourable friend, Prof. Ranga, wanted to move in connection with this amendment. It is not that I want to move it, because, Sir, you have ruled it out. I will merely read it so that Honourable Members may have an idea of what it is :

“ That after clause 38 of the Bill, the following new clause be inserted :

‘ 38A. That the Local Government may, by notification in the local official gazette, direct that every insurer shall establish and maintain a provident fund for the benefit of his employees and the said fund shall be governed by the provisions of Act 29 of 1925 (Provident Fund Act, 1925) provided there is no other fund for the benefit of the said employees ’.”

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

Mr. M. Ananthasayanam Ayyangar : No, Sir. I am not arguing. As I have read, except that there is some extra provision of the first few words, what follows is practically the original amendment itself.

Some Honourable Members : No, no.

Mr. M. Ananthasayanam Ayyangar : Please allow me to explain: I will try to persuade you. Except for these extra words, there is absolutely no difference in substance, for this reason, that in the Provident Fund Societies Act.....

Mr. President (The Honourable Sir Abdur Rahim) : Does the Honourable Member want me to put this amendment to the vote ?

Mr. M. Ananthasayanam Ayyangar : If you accept my amendment, I will have no objection.

Mr. President (The Honourable Sir Abdur Rahim) : I really think the Honourable Member must not waste the time of the House in this way. I have ruled more than once that a new draft cannot be moved.....

Mr. Mohan Lal Saksena : May I suggest that this might be adjourned ?

Mr. M. Ananthasayanam Ayyangar : I am really sorry, Sir, I have been misunderstood. If you have ruled already, there is no question of my putting in another amendment.....

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member read it, and I thought he was arguing on it.....

Mr. M. Ananthasayanam Ayyangar : I cannot do so. Therefore, a subsequent suggestion made.....

Mr. President (The Honourable Sir Abdur Rahim) : As this amendment might be of some importance, I will allow the matter to stand over. I suppose it will suit the convenience of the House if we take it up tomorrow.

Honourable Members : Yes, yes.

Mr. President (The Honourable Sir Abdur Rahim) : This will then stand over till tomorrow.

Mr. Mohan Lal Saksena : Sir, I move :

“ That after clause 38 of the Bill, the following new clause be inserted :

‘ 38A. Notwithstanding anything to the contrary in a contract between an insurer and an insurance agent licensed under section 37 of the Act, forfeiting or stopping payment of renewal commission no insurer carrying on the business of life insurance in British India shall refuse payments of commission on renewal premia due to an insurance agent under the agreement between them by reason only of the termination of his agreement, except for fraud, provided such agent has served the insurer continually and exclusively for at least ten years and provided further that after his ceasing to act as agent he does not directly or indirectly solicit or procure insurance business for any other insurer ’.”

I need not say much on this amendment, the object of which is to provide for those insurance agents who have worked for over ten years continuously and exclusively for an insurer, and who cease to work for some reason or other, and still do not solicit business directly or indirectly for any other insurer. I think the consensus of opinion in this House is that something has to be done for all such agents. In this connection certain friends have pointed out to me that unscrupulous insurers might take advantage of this clause and after eight years or nine years they might, on some pretext or other, dismiss the insurance agents. I know that there might be some unscrupulous insurance companies which may do it. But I know that no insurance company which is worth its name will resort to such tactics in the case of agents who have worked faithfully for a period of ten years and after that period, do not work for another company. With these words, I move.

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

“ That after clause 38 of the Bill, the following new clause be inserted :

‘ 38A. Notwithstanding anything to the contrary in a contract between an insurer and an insurance agent licensed under section 37 of the Act, forfeiting or stopping payment of renewal commission no insurer carrying on the business of life insurance in British India shall refuse payments of commission on renewal premia due to an insurance agent under the agreement between them by reason only of the termination of his agreement, except for fraud, provided such agent has served the insurer continually and exclusively for at least ten years and provided further that after his ceasing to act as agent he does not directly or indirectly solicit or procure insurance business for any other insurer ’.”

Mr. Sri Prakasa : Sir, I rise to support this amendment. We have hedged in the insurance agent from all sides. He has to be licensed ; his commissions are fixed ; and now, Sir, we have to protect his *Izzat*. Sir, *Izzat*, Lord Baden Powell notwithstanding, is one of those words which has no equivalent in the English language. In all other professions after a certain number of years of service, a man is entitled to some consideration. In the Indian Civil Service, for instance, even after a man leaves that service and goes not into quiet retirement but actually to a hostile camp and a rival concern, he is entitled to his pension. Though I acknowledge that the Government of India is a child of British business in this country, now they are rival concerns as can be proved by the fact that Mr. Griffiths.....

Mr. President (The Honourable Sir Abdur Rahim) : I think the Honourable Member should confine himself to the amendment before the House. We have got a lot of amendments to get through yet.

Mr. Sri Prakasa : I will not take more than a minute, Sir. I was only referring to that part of the amendment which says that an insurance agent would be entitled to the renewal of such commission if he does not go to a rival concern. I was just pointing out that a man should either continue to be attached to his old company or not do any other business before he will be entitled to renewal premia which is a harder condition than in other services. I was also pointing out that in other lines of work, even when people take up another service and that in a rival concern too, they are still entitled to their pension. In that connection I was giving the example of my friend, Mr. Griffiths, and which will come home to every Member of this House. I was saying, Sir, that though the Government of India is a child of British business in this country, they are now rival concerns ; and that while Mr. Griffiths was, for some time, an expert in repression, he has now become an expert in insurance and has been opposing Government on more than one occasion and continues to draw his pension.

Mr. M. S. Aney : Because they are a rival concern.

Mr. Sri Prakasa : Yes, they are a rival concern. So, Sir, I am sure the House will accept this amendment which is a very modest one. As matters stand, the poor insurance agent is in the same position as that of a girl who went and complained to her father that her husband had slapped her. The father was naturally angry and asked the girl on what cheek did her husband give her a slap. The girl said that he

slapped her on the right cheek. Then, the father gave the girl a thundering slap on the left saying : ' Go and tell your husband, I have had my revenge. He slapped my daughter and I have slapped his wife.' (Laughter.) The poor insurance agent has always a bad time. He is the man who has to go to people for securing business ; and when he gets kicked about by those whom he had approached, he comes back to the insurer ; and he kicks him back again and sends him to the gutter. Therefore, Sir, we must really save the poor insurance agent who is the foundation-stone, so to say, of all sound insurance business. It is he who works the hardest, it is he who really builds up the whole business ; but he suffers the most, and it is but right that after he has served for a certain number of years, he should be given what is his due. Of course, my friend, Mr. Bajoria, may say that this would not be a practicable law and can never be enforced. All businessmen know, and he also knows most of all, that we have always to leave some loopholes, some weakness in the things we produce so that the consumer may come back to us again and again. Every blacksmith, every goldsmith, every shoe-maker and persons in every other trade always leave some weakness in their goods, otherwise the trade itself will stop. Therefore, Sir, as a legislative body we have also to leave some lacuna, so that we may have occasions to amend our own laws. After such a lot of trouble, the Indian Companies Act was passed last year, and we have already an amending Bill. If such amendments do not come forward from year to year, the work of the Legislature would stop. So it is in our own interest that some weaknesses must be left in the law ; and we must have such laws that may be capable of being interpreted in different ways. I, therefore, strongly support the amendment in the interests of both law and equity. I hope the House will carry this amendment.

Babu Baijnath Bajoria : Sir, I rise to support this amendment. It is only reasonable that insurance agents who have worked for a company for a certain number of years should be given some consideration even after they have ceased to work for that company after a certain period. I would request the Mover of this amendment to make a slight alteration ; if he accepts it.....

Mr. President (The Honourable Sir Abdur Rahim) : No more amendments.

Babu Baijnath Bajoria : If the words ' and exclusively ' had been retained, it would have been better.....

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

Babu Baijnath Bajoria : Even if it is not acceptable to him, I still support him.

An Honourable Member : Sir, the question may now be put.

Mr. K. Santhanam : Sir, I wish to draw the attention of the House to one point, and it is this. In the last sentence, it is said :

" Provided, further, that after his ceasing to act as an agent for the insurer, he does not, directly or indirectly solicit or procure life insurance business in British India for any other insurer."

[Mr. K. Santhanam.]

Now, this prevents an insurance agent to do any other work, even with the consent of the original insurer. There may be a subsidiary company of the original insurer, and I don't see why if the original insurer himself allows it, he should be prevented from doing business for it. And I want to know.....

The Honourable Sir Nripendra Sircar : From whom ?

Mr. K. Santhanam : From you.

The Honourable Sir Nripendra Sircar : Ask the Mover.

Mr. K. Santhanam : Sir, I am supporting this amendment. Are we not to make things clear ? We are here to make laws for the good of the country. Why should my Honourable friend, the Law Member, refuse to take responsibility ? I don't see how he is right in making that interruption. He is there appointed by the Government to see that good laws are made.....

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member had better go on with his speech on the amendment before the House.

Mr. K. Santhanam : Very well, Sir, I submit that it is a point to be considered ; either it is covered by the section or it is not. If it is not, then, I want the House to rectify it. I think it is one of the main functions for which a Member comes here, and it is our duty, to point out mistakes so that the House may rectify them.

An Honourable Member : Sir, the question be now put.

Mr. President (The Honourable Sir Abdur Rahim) : I do not know yet the attitude of the Government.

The question is :

“ That after clause 38 of the Bill, the following new clause be inserted :

‘ 38A. Notwithstanding anything to the contrary in a contract between an insurer and an insurance agent licensed under section 37 of the Act, forfeiting or stopping payment of renewal commission no insurer carrying on the business of life insurance in British India shall refuse payments of commission on renewal premia due to an insurance agent under the agreement between them by reason only of the termination of his agreement, except for fraud, provided such agent has served the insurer continually and exclusively for at least ten years and provided further that after his ceasing to act as agent he does not directly or indirectly solicit or procure insurance business for any other insurer ’.”

The motion was adopted.

New clause 38-A was added to the Bill.

Mr. S. C. Sen : I beg to move the second part of my amendment which stands in my name in No. 763.

“ That after clause 43A of the Bill, the following new clause be inserted :

‘ 43B. Every insurer shall, on application by a policyholder and on payment of a fee not exceeding one rupee, supply to the policyholder certified copies of the questions and answers contained in his proposal for insurance and in the medical report supplied in connection therewith ’.”

I do not move the first part ; we shall move it as clause 93A and we have given notice of an amendment to that effect. As the House will remember, during the course of the general discussion my Honourable friend, Dr. Deshmukh, made a point about the supply of copies of medical reports and other questions and answers on which the policy is based to be supplied to an insured if necessary and from this side of the House we assured him that we would comply with it. It is in consonance with that assurance that this amendment is being moved.

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

“ That after clause 43A of the Bill, the following new clause be inserted :

‘ 43B. Every insurer shall, on application by a policyholder and on payment of a fee not exceeding one rupee, supply to the policyholder certified copies of the questions and answers contained in his proposal for insurance and in the medical report supplied in connection therewith ’.”

Mr. Lalchand Navalrai : My Honourable friend, Mr. Sen, says that he does not now move the first portion of his amendment No. 763. There are three amendments of mine on the same subject as a proviso. Shall I be allowed to move them when he moves his amendment under another clause, or shall I have to give fresh notice of those amendments ?

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member can move them later on.

Dr. G. V. Deshmukh : I strongly support the amendment moved by my Honourable friend, Mr. Sen.

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

“ That after clause 43A of the Bill, the following new clause be inserted :

‘ 43B. Every insurer shall, on application by a policyholder and on payment of a fee not exceeding one rupee, supply to the policyholder certified copies of the questions and answers contained in his proposal for insurance and in the medical report supplied in connection therewith ’.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) : What was originally clause 43A in Mr. Sen's amendment will be moved as an amendment under what clause ?

The Honourable Sir Nripendra Sircar : Under clause 93. No. 14 on Supplementary List No. 4. But let there be no misunderstanding. I undertake to move it provided before I reach clause 93 a similar amendment is not carried by somebody because I find any number of amendments all directed to the same end, namely, that the dividing principle should be abolished. It is quite possible that some one will move and it will be carried, in which case I will not move.

Mr. President (The Honourable Sir Abdur Rahim) : There is a difficulty. Mr. Lalchand Navalrai's amendments are to Mr. Sen's original amendment 43A. Then, how will they fit in into any other amendment ? I do not know.

The Honourable Sir Nripendra Sircar : Nor do I know.

Mr. Bhulabhai J. Desai : There is No. 770, for instance, that proposes to substitute clause 43A so far as the first part of the amendment is concerned in terms nearly similar to Mr. Sen's amendment in substance.

The Honourable Sir Nripendra Sircar : No. 768 is exactly the same as ours.

Mr. Bhulabhai J. Desai : Yes. As for No. 770, so far as the proviso is concerned, that alone is really the material part, and if the Honourable the Law Member so desires that when he moves clause 93A we may be allowed to move the proviso I do not press the matter.

The Honourable Sir Nripendra Sircar : I would rather that amendment No. 770 is moved when it is reached.

Mr. President (The Honourable Sir Abdur Rahim) : The position seems to be this. If the identical amendment clause 43A in Mr. Sen's original amendment is not moved, then Mr. Lalchand Navalrai's amendments go.

Mr. Lalchand Navalrai : Even if No. 770 is moved, I can move my amendments as provisos to No. 770.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member will have to modify his amendments.

Mr. Lalchand Navalrai : Yes, but the wordings will remain the same. It is only a proviso, and this proviso should be attached to any amendment which is raised on this subject.

The Honourable Sir Nripendra Sircar : It won't fit in with No. 770.

Mr. President (The Honourable Sir Abdur Rahim) : I will decide when the amendment is reached.

Mr. M. Ananthasayanam Ayyangar : Sir, before I move my amendment, I should like to point out that in view of the previous amendments, my new clause will be 43-C. I move :

“ That after clause 43B of the Bill, the following be inserted :

‘ 43C. No insurer shall after the commencement of this Act begin or after three years thereof continue to carry on any business of insurance upon the dividing principle, that is to say, on the principle that the benefit secured by a policy is not fixed but depends either wholly or partly on the results of a distribution amongst policies maturing for payment within certain time-limits of certain sums :

Provided that in the case of an insurer who continues to carry on insurance business on dividing principle after the commencement of this Act, he shall withhold from distribution a sum of not less than forty per cent. of the premia received during that year in three years so as to make up the amount required for investment under section 26 of this Act ’.”

Sir, so far as putting an end to the system of carrying on insurance business, on the dividing principle, is concerned, all of us are agreed. The Government itself has provided for putting a stop to such a practice. So far as provident societies are concerned, there is a substantial clause. Mr. Sen has given notice of a new clause 43-A which will come up later. In the place of that provision I have moved this amendment. The first portion of my amendment is that the business of insurance on the dividing principle ought to be discouraged but that the provision ought not to come into force immediately because there are many societies which carry on

business on the dividing principle. With regard to existing companies they will be allowed to carry on business, for three years and no insurer shall, after the commencement of the Act, begin the principle of insurance on the dividing principle. To that extent, we are agreed. As regards the proviso, we want to have it stated that during this period of three years, when we are changing from one system to the other, there may be a regular and natural adjustment, so that the insurer shall withhold, from distribution, a sum of not less than 40 per cent. of the premia received during that year in three years so as to make up the amount required for investment under section 26 of the Act, for meeting the claims and also to act as a reserve liability for the purpose of investment. The object is that the transition may be easy. I only want a period of grace of three years. As regards the latter portion, ample provision is made to ensure that the transition takes place smoothly. Sir, I move.

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

“ That after clause 43B of the Bill, the following be inserted :

‘ 43C. No insurer shall after the commencement of this Act begin or after three years thereof continue to carry on any business of insurance upon the dividing principle, that is to say, on the principle that the benefit secured by a policy is not fixed but depends either wholly or partly on the results of a distribution amongst policies maturing for payment within certain time-limits of certain sums :

Provided that in the case of an insurer who continues to carry on insurance business on dividing principle after the commencement of this Act, he shall withhold from distribution a sum of not less than forty per cent. of the premia received during that year in three years so as to make up the amount required for investment under section 26 of this Act ’.”

Mr. Lalchand Navalrai : May I move my amendment ?

Mr. President (The Honourable Sir Abdur Rahim) : I do not know what the amendment is.

Mr. Lalchand Navalrai : It is an amendment to this: I will explain.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member was taken by surprise because 43-A was not moved by Mr. Sen. But the question is, can he move his amendment as to 770 ?

The Honourable Sir Nripendra Sircar : I do not know what the ruling of the Chair is.

Mr. President (The Honourable Sir Abdur Rahim) : I am entitled to expect some assistance from the Leader of the House as to what the effect of Mr. Lalchand Navalrai's amendment is.

The Honourable Sir Nripendra Sircar : Certainly, Sir, what Mr. Sen wanted to move was 43-A. It simply meant this, that there will be no life insurance business carried on, on what is called the dividing principle. 770 which has been moved just now, in the first paragraph, is practically the same as Mr. Sen's, except that under 770 no insurer shall, after the commencement of this Act, begin or after three years continue, and so on. That was not in Mr. Sen's amendemnt at all. Three years was not mentioned there. A further difference is this. If you will kindly

[Sir Nripendra Sircar.]

look at the proviso—Provided that in the case of an insurer who continues to carry on insurance business on dividing principle after the commencement of this Act, he shall withhold from distribution a sum of not less than forty per cent. of the premia received during that year in three years so as to make up the amount required for investment under section 26 of this Act—that was also absent from Mr. Sen's amendment. Therefore, the scheme of 770 is altogether different from the scheme of Mr. Sen's amendment and if we prefer the scheme of 770, we have got to abandon our own scheme which was indicated in the amendment of Mr. Sen. As a consequence of that, Mr. Navalrai cannot move his amendment. That is a matter for which I am not responsible because I am quite entitled to make up my mind and say that I shall accept No. 770 and not adhere to the scheme which I had put forward when I gave notice of an amendment.

Mr. President (The Honourable Sir Abdur Rahim) : You are going to accept this amendment ?

The Honourable Sir Nripendra Sircar : Yes. I beg to point out that in no sense can 764 or 765 form an amendment to 770. That is my whole point.

Mr. Bhulabhai J. Desai : 764 attempts at perpetuating the dividing principle as regards all companies which have hitherto been carrying on business and 770 which has been moved now seeks to do away with it after the commencement of the Act and so far as existing companies are concerned give them a three year period to reorganise, if they can.

Mr. Lalchand Navalrai : My amendment No. 765 says that this system can go on for five years. It arises from the same amendment that my friend has put in.

Mr. President (The Honourable Sir Abdur Rahim) : How can that come on as an amendment to 770 ? The difficulty of the Honourable Member is that his amendment is to Mr. Sen's amendment and not an independent amendment. As Mr. Sen's amendment, 43-A, has not been moved, your amendments must go. You cannot move them. Strictly speaking, these amendments would have fallen at once, but as the Honourable Member was taken by surprise and as the Government said at the time that they might move that amendment as an amendment at a subsequent stage to another clause, I thought the Honourable Member might be able to move these amendments to Mr. Sen's amendment, but as apparently Government is now inclined to accept No. 770, I do not see how Mr. Lalchand's amendment can be moved.

Mr. M. S. Aney : So far as amendment No. 770 is concerned, the first part, 43-A, is practically the same. Mr. Lalchand Navalrai's second amendment No. 765 deals also with the same principle ; for example, he only wants for the three years' period a period not exceeding five years from the date of such permission. So I believe that is an amendment which can be allowed to be moved as an amendment to No. 770. His amendment will come in as a substitute for the proviso in No. 770 and to that extent it can be a proper amendment. It is for the House to choose one or the other. The principle is the same ; and considering the fact

that a difficulty has arisen on account of the attitude taken up by the Government with regard to their own amendment, I think that a little concession will have to be made, because the question is a very important one and concerns a number of bodies and I hope that in the interests of substantial justice you will be pleased to allow him to move his amendment.

Mr. President (The Honourable Sir Abdur Rahim) : Even the language of this amendment, the first part, was the same, leaving out the proviso, as that of Mr. Sen's I am afraid it cannot be moved.

The question is :

“ That after clause 43B of the Bill, the following be inserted :

43C. No insurer shall after the commencement of this Act begin or after three years thereof continue to carry on any business of insurance upon the dividing principle, that is to say, on the principle that the benefit secured by a policy is not fixed but depends either wholly or partly on the results of a distribution amongst policies maturing for payment within certain time-limits of certain sums :

Provided that in the case of an insurer who continues to carry on insurance business on dividing principle after the commencement of this Act, he shall withhold from distribution a sum of not less than forty per cent. of the premia received during that year in three years so as to make up the amount required for investment under section 26 of this Act ”

The motion was adopted.

New clause 43-C was added to the Bill.

Clauses 44 to 50 were added to the Bill.

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

“ That clause 51 stand part of the Bill.”

Mr. T. Chapman-Mortimer : Sir, I move :

“ That in clause 51 of the Bill, after the word ‘ company ’, occurring in the first line, the words ‘ for the purpose of a cash distribution of the assets ’ be inserted.”

Sir, as this is an extremely complicated amendment to argue before this House, I had hoped to be prepared for it coming up the first thing tomorrow morning, because I should like to have the opportunity, before I speak on the floor of the House, to discuss it with one or two Honourable Members in the lobbies. It is a very technical amendment to argue.

Mr. President (The Honourable Sir Abdur Rahim) : Does that meet with the convenience of the House ?

Voices : Yes.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House) : Honourable Members may desire me to give them an estimate of the probable duration of the Session. In addition to the items of business included in the current list and the Companies Amendment Bill on which the Select Committee will report shortly we have also to bring up a Resolution regarding the railway

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[Sir Nripendra Sircar.]

depreciation reserve fund, a motion for the constitution of the Standing Finance Committee, the discussion of the reports of the Public Accounts Committee for two years and excess grants. Finally, we are pledged, if the House so desires, to allow a further day after the completion of all official business for the discussion of the motion relating to the Wedgwood Report. It will clearly be impossible to complete the whole of this business by Friday, the 1st October, which is the last day hitherto appointed for the holding of a meeting. I, therefore, request you, Sir, to be pleased to direct meetings to be held on so many of the following days as may be necessary, namely, Saturday, the 2nd October, Tuesday, the 5th, Wednesday, the 6th and Thursday, the 7th October. I have not suggested a meeting on Monday, the 4th October, as that is the date of a Hindu festival of Mahalaya. I would add that the volume of outstanding business will to our regret render it impossible for us to find time, as we had hoped to do, for the consideration and passing of two private Bills, namely, Dr. Ziauddin Ahmad's Bill to amend the Durgah Khwaja Sahab Act and Dewan Lalchand Navalrai's Bill to amend the Child Marriage Restraint Act.

Mr. President (The Honourable Sir Abdur Rahim) : I take it that, as explained by the Leader of the House, it will be necessary that the House would sit on the days specified in the statement by the Leader of the House.

Mr. Bhulabhai J. Desai : It does not mean that the House must sit on these days if the business can be finished earlier.

The Honourable Sir Nripendra Sircar : Certainly not ; we will welcome it.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 29th September, 1937.