

7th September 1937

# THE LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

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Volume V, 1937

*(2nd September to 17th September, 1937)*

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## SIXTH SESSION OF THE FIFTH LEGISLATIVE ASSEMBLY, 1937



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1938.

# Legislative Assembly.

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## *Deputy President :*

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MR. M. S. ANEY, M.L.A.

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

MR. MATHURADAS VISSANJI, M.L.A.

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# LEGISLATIVE ASSEMBLY.

*Tuesday, 7th 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. Arthur Eric Tylden-Pattenson, M.L.A. (Government of India : Nominated Official).

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### PRODUCTION OF POWER ALCOHOL FROM MOLASSES.

329. **\*Prof. N. G. Ranga** : Will the Secretary for Education, Health and Lands be pleased to state :

- (a) if the Punjab Government had approached the Government of India with the plea that they should be allowed to issue licences for the production of power alcohol from molasses and lower the cost of production of sugar and to insist that definite percentage of power alcohol should be mixed in all the petrol used in the province ;
- (b) if so, when ;
- (c) what was the answer given by the Government of India ;
- (d) whether the Government of India have formulated their policy as regards the best and the most economical utilisation of the half a million tons of molasses ;
- (e) if so, what is it ; and
- (f) if not, when do the Government expect to come to a definite conclusion in regard to this matter ?

**Sir Girja Shankar Bajpai** : (a) and (b). The Punjab Government addressed the Government of India in April, 1937, regarding the installation of a plant for the manufacture of power alcohol from molasses by a certain firm, subject to certain conditions.

(c) The answer was that in view of the conditions of manufacture mentioned by the firm, the mixture would be liable to the motor spirit excise duty.

(d), (e) and (f). The matter is primarily one for the commercial interests concerned to consider in consultation with the Provincial Governments. As stated in reply to parts (b) and (c) of Mr.

Avinashilingam Chettiar's question No. 227 answered on the 31st August, 1937, the Central Government have undertaken research on the possible uses of molasses.

#### ENHANCED POSTAGE RATES BETWEEN INDIA AND BURMA.

330. \***Mr. T. S. Avinashilingam Chettiar** : Will the Member for Posts and Telegraphs state :

- (a) the effect on the amount of income from the enhanced postal rates between India and Burma ;
- (b) whether there has been any diminution in the volume of postal work ; and
- (c) if so, whether Government propose to consider the advisability of approaching the Burma Government to reduce the postal rates between Burma and India ?

**The Honourable Sir Thomas Stewart** : The attention of the Honourable Member is invited to the replies and supplementaries given on the 30th August and 2nd September to starred questions Nos. 174 and 265 of Mr. Sri Prakasa and Mr. S. Satyamurti, respectively, in which the position was explained in considerable detail.

**Mr. T. S. Avinashilingam Chettiar** : May I know whether Government have received any representations from the Burma Government on this matter ?

**The Honourable Sir Thomas Stewart** : No, Sir.

#### PUBLICATION OF NOTIFICATIONS REGARDING TITLES IN THE GAZETTE OF INDIA.

331. \***Mr. Sri Prakasa** : (a) Will the Honourable Member for Industries and Labour be pleased to state if it is a fact that there was a Gazette of India notification towards the end of May to the effect that Khan Sahib Sayed Zaffar Husain has been deprived of his title ?

(b) Under whose authority is the Gazette of India published : and what Department of Government, if any, has been responsible for the publication of this notification ?

(c) Is it not a fact that the Gazette of India is the publication of the Governor General in Council and that they have nothing to do with the granting or taking away of titles ?

**The Honourable Sir Thomas Stewart** : The question should have been addressed to my Honourable colleague, the Home Member.

**Mr. Sri Prakasa** : Is the Home Member responsible for the publication of the Gazette ?

**The Honourable Sir Thomas Stewart** : My department is responsible only for the printing of it.

**Mr. T. S. Avinashilingam Chettiar** : Who is responsible for the matter ?

**Mr. President** (The Honourable Sir Abdur Rahim) : He said the Home Member is responsible.

**Mr. T. S. Avinashilingam Chettiar :** Is he responsible for this particular matter or for the matter which appears in the Gazette ?

**The Honourable Sir Thomas Stewart :** The answer to this question is inherent in the reply I first gave.

**Mr. Sri Prakasa :** In view of the fact that the printer under the law is responsible for all matter that he prints....

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

**RULES REGARDING THE SETTING UP OF TELEGRAPH AND TELEPHONE POSTS WITHIN MUNICIPAL LIMITS.**

332. **\*Mr. Sri Prakasa :** (a) Will the Honourable Member for Industries and Labour be pleased to state what are the rules regarding the setting up of telegraph and telephone posts within municipal limits ?

(b) Have the Municipality any voice in the matter of positions of such posts, and what steps are taken to avoid possible obstruction to traffic and inconveniences to house-holders that these may entail ?

(c) Who is the authority that takes advertisements that are suspended from these posts and to what department is the money realized from such advertisements, credited ?

(d) Are Government aware that for any piece of municipal road or land covered over by them, private parties have to pay at a fixed rate ? Do Government pay anything for portions of land on which advertisements are suspended from telegraph or telephone posts ?

(e) Do Government propose to consider the desirability of either declining these advertisements or making arrangements with municipalities and other local bodies concerned before these are suspended from the telegraph or telephone posts and sharing the income with these bodies ?

**The Honourable Sir Thomas Stewart :** (a) The placing of telegraph lines and posts on property vested in or under the control or management of a " local authority " as defined in section 3 (7) of the Indian Telegraph Act, 1885, is governed by section 10 (c) and 12 to 15 of that Act.

(b) Yes. Under the sections of the Telegraph Act quoted in the reply to part (a) of the question. In deciding on the location of posts all reasonable care is taken to avoid obstruction and inconvenience to house holders.

(c) The advertisements are taken by the Publicity Society of India, Limited, which is licensed by Government to display Kiosks on telegraph and telephone posts. The charges are collected by the Society which, under the licence, is required to pay annually to the Posts and Telegraphs Department a fixed amount per post.

(d) As regards the first part of the question, Government have no reason to doubt the Honourable Member's suggestion.

The reply to the second part is in the negative.

(e) No. Under the licence the Publicity Society has to make its own arrangements with the municipalities concerned for the display of

advertisements within their jurisdiction. The payments made to the Posts and Telegraphs Department are independent of any payments which the Society may have to pay to municipalities.

**Mr. Sri Prakasa :** With reference to part (d) of the question, may I know if the Honourable Member is aware that municipalities charge at a certain rate for any portion of their lands covered, and whether the Honourable Member will make sure that the municipalities also get their share out of the proceeds from those advertisements ?

**The Honourable Sir Thomas Stewart :** The Indian Telegraph Act, Sir, conveys to Government the privilege of free occupation of land that is taken up by their posts.

**Mr. Sri Prakasa :** The rule to which the Honourable Member refers does give Government a right to have its posts, but not to make any income out of those posts by having advertisements hung on them, which is an infringement of the rights of municipalities.

(No reply.)

**Mr. S. Satyamurti :** With reference to clause (c) of the question, may I know whether any proportion between the sums which the Society collects and pays to the Government is fixed by an agreement or by law, and what in fact was the sum collected by the Society during last year for which figures are available on account of advertisements, and what was the sum actually paid to the Government by the Society ?

**The Honourable Sir Thomas Stewart :** The terms of the licence are that the Publicity Society pays Government at the rate of Rs. 12 per Kiosk subject to a minimum of Rs. 10,000. As regards the amount realised in the last year, I should require notice.

**Mr. S. Satyamurti :** Is there any relation between the amount which Society actually collects and the amount it pays except the Rs. 12 per Kiosk ?

**The Honourable Sir Thomas Stewart :** No, Sir ; it is a flat rate of Rs. 12 per Kiosk irrespective of what may be earned by the Society through the display of advertisements.

**Mr. S. Satyamurti :** Will Government make inquiries and find out if they are making too much and increase the rate, so that the taxpayer may get some benefit ?

**The Honourable Sir Thomas Stewart :** That was the underlying idea of fixing the rate at Rs. 12 per Kiosk.

**Mr. S. Satyamurti :** With reference to clause (e) of the question, may I know if the Government have any control over the nature or the matter of these advertisements, so that they may not be obscene or vulgar ?

**The Honourable Sir Thomas Stewart :** That would be the function of the Local Government within whose jurisdiction the advertisements are displayed.

**Mr. Sri Prakasa :** In view of the fact that Government have control over municipalities, will the Honourable Member please inform these

advertisement collectors,—I do not know what you call them,—to give their share to the municipalities also ?

**The Honourable Sir Thomas Stewart :** I presume, Sir, that the municipalities have a right to control the display of advertisements within their respective limits in which case they themselves can lay down any conditions they like for purposes of control.

**Mr. Sri Prakasa :** Is it not a fact that these municipalities are too afraid of the Government to interfere.

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

#### RULES RESTRICTING IMMIGRATION FROM COLONIES TO INDIA.

333. **\*Mr. G. V. Deshmukh :** Will the Secretary of Education, Health and Lands be pleased to state if any rules have been framed by the Government of India restricting immigration from any colony to this country ? If not, why not ? If there be such rules, will these be laid on the table of the House ?

**Sir Girja Shankar Bajpai :** The attention of the Honourable Member is invited to the reply given by me on the 13th February, 1936, to part (b) of Mr. Muthuranga Mudaliar's question No. 355.

**Mr. S. Satyamurti :** Since then, has the matter been examined by the Government, and with regard to any Colony which is practising discrimination against Indian nationals, have Government examined the need for promulgating rules, such as those contemplated in this question ?

**Sir Girja Shankar Bajpai :** No.

**Mr. S. Satyamurti :** May I know whether the Government are satisfied after examination that there is no Colony or Dominion in which there are racial restrictions against Indian nationals and therefore that there is no need for any such rules ?

**Sir Girja Shankar Bajpai :** My Honourable friend, if he will refresh his memory with the number of supplementary questions which were asked at the last Session of the Legislature on the question of discrimination, will probably remember what I had to say on that occasion, namely, that the disparity in the number of hostages as it were between the Dominion or the Colony and India made it impracticable to impose restrictions of the nature suggested.

**Mr. T. S. Avinashilingam Chettiar :** Since that answer was given, has any Dominion further discriminated against this country ?

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

**Mr. S. Satyamurti :** Will the Honourable Member consider the making of such rules, as a mere gesture of self-respect ?

**Sir Girja Shankar Bajpai :** Well, Sir, the effect of such a gesture is not merely on the self-respect of people here but the interests of our people outside in the Dominions or Colonies have also to be considered.

**Mr. S. Satyamurti :** Man does not live by bread alone !

RECIPROCAL DISABILITIES IMPOSED ON BRITISH COLONIES BY THE GOVERNMENT OF INDIA.

334. \***Mr. G. V. Deshmukh** : Will the Secretary of Education, Health and Lands be pleased to state if any disabilities have been imposed on any British colonies by the Government of India as a matter of reciprocity for the disabilities imposed on lawfully domiciled Indians in those colonies ? Have such colonies enjoyed Imperial Preference as regards trade and are they enjoying it still ?

**Sir Girja Shankar Bajpai** : The reply to the first part of the question is in the negative. As regards the second part no special preferences have been accorded by the Government of India other than those provided for in the Ottawa Agreement.

**Mr. S. Satyamurti** : In these negotiations which are now being carried on in England between England and India for the replacement of a fresh agreement, if possible, that is, if both countries agree, to replace Ottawa, will Government consider the question of not giving the benefits of any such agreement to Governments which impose disabilities on lawfully domiciled Indians in those places ?

**Sir Girja Shankar Bajpai** : I should like to make it clear in the first place that I am not concerned with these negotiations, but I may remind my Honourable friend that this point was brought up on more than one occasion during the last Session of the Legislature and the then Commerce Member gave the requisite assurance to the House.

**Mr. G. V. Deshmukh** : As regards the latter part of the question, "Have such colonies enjoyed Imperial Preference as regards trade and are they enjoying it still ?", are they enjoying any such preference ?

**Sir Girja Shankar Bajpai** : I referred my Honourable friend to the annexure to the Ottawa Trade Agreement which gives whatever information is available as regards any preferences that may have been extended to the colonies.

**Mr. G. V. Deshmukh** : Are they enjoying it still ?

**Sir Girja Shankar Bajpai** : I would like my Honourable friend to find that out for himself.

**Mr. T. S. Avinashilingam Chettiar** : In view of the fact that the Ottawa Agreement was not only with England but also with other colonies.....

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

**Mr. T. S. Avinashilingam Chettiar** : That is, with reference to the second part of the question. May I know whether the negotiations in progress are only with England or with the Dominions also ?

**Sir Girja Shankar Bajpai** : I submit that the negotiations now in progress are really a matter which do not arise out of this question.

VOTING RIGHTS OF INDIAN LABOURERS IN CEYLON FOR ELECTIONS TO VILLAGE COMMITTEES.

335. \***Mr. S. Satyamurti** : Will the Secretary of Education, Health and Lands be pleased to state :

- (a) the latest position with regard to the right to vote of Indian labourers in Ceylon in elections to village committees ;
- (b) whether the Indian Agent has made representations to the Government of Ceylon on this matter ;
- (c) whether the Donoughmore Scheme opposed all restrictions of the franchise ;
- (d) whether the Select Committee on this Bill has reported and has conceded the franchise to the Indian labourers ;
- (e) whether the Government of India propose to take every step in their power to see that Indian estate labourers are placed on the same footing as Europeans and Burghers ;
- (f) whether there is any proposal to have differential property qualifications in regard to candidates for these Committees ;
- (g) whether such differential qualifications will deprive many Indian labourers of any prospect of being elected as members of such Committees ; and
- (h) whether Government propose to take up this matter also with the Government of Ceylon ?

**Sir Girja Shankar Bajpai** : (a) The Honourable Member presumably refers to the proposed Village Communities Amendment Ordinance introduced in the Ceylon State Council. The Bill is principally designed to assimilate as far as possible the powers, duties and functions of village committees to those of District Councils. Indians as such are not prevented from acquiring the franchise under the Ordinance, but it is proposed that Indian estate labourers should not be eligible for it.

(b), (e) and (h). The matter is under correspondence.

(c) The Donoughmore Commission recommended the abolition of property, income, literacy and communal qualifications for franchise for election to the State Council and certain local bodies other than village committees.

(d) No.

(f) Only to the extent that Indian labourers, who may not vote at the elections, may also not become candidates for the elections.

(g) Indian labourers who do not possess the qualifications proposed for candidates, for election to these committees, will be unable to stand for election, even if they are admitted to the franchise. It is not possible to say how many will be affected.

**Mr. S. Satyamurti** : With reference to the answers to parts (a) and (b) of the question, may I know what is the actual position before the Ceylon Legislature of this Bill ? I understand my Honourable



friend's answer to mean that the Select Committee has not reported yet. May I know whether the Government of India have any information as to the exact stage at which this Bill stands now ?

**Sir Girja Shankar Bajpai :** As far as I know, the matter is still under consideration by the Select Committee.

**Mr. S. Satyamurti :** Have the Government of India or their Agent in Ceylon made any representations to the Select Committee or to the Minister in charge, protesting against this denial of franchise to Indian labourers in Ceylon ?

**Sir Girja Shankar Bajpai :** I can assure my Honourable friend that both the Agent of the Government of India in Ceylon and the Government of India have made representations, not to the Select Committee, but to the Government of Ceylon as regards the injustice of the proposal to exclude the Indian estate labourers from the proposed franchise.

**Mr. S. Satyamurti :** Have the Government of India represented to the Government of Ceylon, or will they represent to them, that the Government of India will seriously consider the stoppage of Indian emigration to Ceylon, if this Bill goes through and becomes an Act ?

**Sir Girja Shankar Bajpai :** I do not think that it is desirable to begin a negotiation with a threat. We have stated to the Government of Ceylon our objections of principle to the proposed discrimination, and if reason fails to prevail with the Government of Ceylon, naturally the Government of India will then consider the use of such weapons as are available to them.

**Mr. S. Satyamurti :** Has the attention of Government been drawn to a recent debate and the voting in the Ceylon State Council, where a suggestion to stop Indian emigration to estates was furiously resisted by the Government of Ceylon on the ground that the Sinhalese should not be sent to work on the estates ?

**Sir Girja Shankar Bajpai :** So far as that aspect of the question is concerned, my Honourable friend probably remembers the evidence which our Agent gave before the Jackson Immigration Committee. He made it abundantly clear then that public sentiment in India did not believe in treating the immigration of Indians into Ceylon or the treatment of Indians settled in Ceylon on a basis of compartments and that the principle of equality was to be insisted on in the case of all of them.

**Mr. S. Satyamurti :** May I know whether the Government will strenuously pursue this matter and follow the Bill at every stage, and see that the Indian labourers are not deprived of this franchise ?

**Sir Girja Shankar Bajpai :** It is not a question of deprivation because at the present moment they don't enjoy this particular franchise. What my Honourable friend wants to convey is that if there is an extension of the franchise the Indian estate labourer should not be excluded from the extension. I have already told my Honourable friend that that is the objective of the Government of India.

## UNIFORMITY IN EXCISE RULES FOR THE WHOLE OF INDIA.

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

- (a) what progress has been made in regard to the convening of the Conference of Provincial Excise Commissioners for the purpose of framing a uniform set of excise rules for the whole of India to apply to spirituous medicinal and toilet preparations, as recommended by the last session of the Indian Industries Conference held in December, 1936 ;
- (b) when it is proposed to convene the Conference ;
- (c) whether Government are aware that want of uniformity in excise rules has created inter-provincial barriers to trade in indigenous products, while imports from overseas are under no such restrictions in the matter of transport and movement ; and
- (d) what other action do Government propose to take to put indigenous spirituous products on the same footing as the imported products in the matter of transport and movement ?

**Mr. J. F. Sheehy** : (a) and (b). The Government of India have decided to convene the Excise Conference at New Delhi on the 8th of November, 1937, and following days.

(c) The Government of India have received complaints that the position is as stated in this part of the question, although they are not in possession of full details since Excise is a Provincial subject.

(d) I would ask the Honourable Member to await the decisions of the Excise Conference.

**Mr. S. Satyamurti** : With reference to the answer to part (c) of the question, may I know whether Government will pursue the investigations and be ready with some conclusions, at least tentative, before the Conference actually meets ?

**Mr. J. F. Sheehy** : I think the Government will await the decisions of the Conference.

**Mr. S. Satyamurti** : No, I am not asking about the decisions. The question is whether the Government are aware that want of uniformity in excise rules has created inter-provincial barriers to trade in indigenous products, while imports from overseas are under no such restrictions in the matter of transport and movement. Since this matter concerns more than one province, and transport is an all-India subject, may I know whether the Government of India will pursue their investigations, and be prepared with some tentative conclusions before the Conference actually meets to consider these and other allied matters ?

**Mr. J. F. Sheehy** : We have no power in these matters. These are provincial subjects, and we cannot coerce the provinces.

**Mr. S. Satyamurti** : I am not asking for any coercion. Investigation is not coercion. I do not want criminal investigation, but I want

civil, polite investigation (Laughter) into the allegations contained in this question, with a view to finding out how far those complaints are justified. I repeat they concern more than one province and no single province can investigate inter-provincial obstacles, and, secondly, transport is an all-India matter.

**Mr. J. F. Sheehy :** We shall collect all the information we can and place it before the Conference.

**Mr. S. Satyamurti :** That is much better. You should have said that much earlier.

#### GRIEVANCES OF INDIANS IN MALAYA.

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

- (a) whether Government are aware that the Indians in Malaya are universally of the opinion that in spite of the recommendations of the Sastri report they should reopen the whole question of wages with a view to fixing minimum rates of wages, and progressive increases thereof ;
- (b) whether Government are aware that housing is largely inadequate and unsuitable to the Indian labourers in estates in Malaya and what steps, if any they propose to take to improve the housing conditions ;
- (c) whether Government are aware of the lack of adequate hospital facilities and the inefficiency of the staff employed therein, for the service of the labourers ;
- (d) what remedial action they propose to take in that behalf ;
- (e) whether Government are aware that only 30 per cent. of Indians there are literate, and that the number of schools decreased from 546 in 1927 to 394 in 1933 and of the steps they propose to take in this matter ;
- (f) whether Government are aware that there are more than twice as many men as women in Malaya, among the Indian labourers, and whether they propose to take steps to redress this unequal sex ratio ;
- (g) whether Government propose to take steps to see that all toddy shops are closed in the estates ;
- (h) whether Government are aware that in Malaya public services are closed to Indians under the cover of protecting the native interests and arable lands are denied to them ;
- (i) whether the Indian alone is refused admission to the Volunteer Corps, while the British, Malayas and Chinese are admitted ;
- (j) whether this inequality will be redressed ;
- (k) whether Government have had their attention drawn to the general feeling in the country that "to permit the emigration of Indians to a country where they are treated

with such little consideration seems consistent neither with self-respect of India nor with the best interests of emigrants " ; and

- (l) whether Government are prepared to send a fresh delegation to Malaya to investigate and report on the whole question, with a view to taking effective and suitable action to redress the grievances of the Indians in Malaya ?

**Sir Girja Shankar Bajpai :** (a) The Government of India have received a representation on the subject from the Central Indian Association of Malaya.

(b), (c) and (d). Government have examined Mr. Sastri's Report as well as a representation thereon made by the Association referred to in the answer to part (a). The Malayan Governments have already been addressed on the points referred to in parts (c) and (d) of the Honourable Member's question. The question of the adequacy of the 1928 rates of wages is separately examined.

(e) The number of schools did decrease from 546 in 1927 to 394 in 1933, but has since gone up to 535. The Government of India understand that steps are being taken to improve facilities for Indian education. Precise statistics of literacy among Indians in Malaya are not available.

(f) The information in the possession of the Government of India shows that the sex ratio for the labour population (including adult and minor dependents) was 531 females to 1,000 males at the end of last year. The Government of India have this question under examination.

(g) The Government of India agree with Mr. Sastri that a more rigid campaign against ' Samsu ' should be undertaken in the first instance.

(h) The Malayan Administrative Service is the only one closed to Indians. There is no law prohibiting acquisition of land in Malaya by Indians, nor are Government aware that such acquisition is denied to Indians.

(i) and (j). Necessary information has been called for from the Agent of Malaya. On its receipt the Government of India will examine the question.

(k) Government are aware of the various opinions expressed about the emigration of Indians to other countries.

(l) No.

**Mr. S. Satyamurti :** With reference to the answer to clause (a) of my question, when did the Government of India last address the Government of Malaya, with regard to minimum wages ?

**Sir Girja Shankar Bajpai :** The Government of India as far as I remember addressed one comprehensive communication to the Government of Malaya on Mr. Sastri's report. That was sometime in May and the Government letter made it clear that they did not consider the question of the adequacy of the wage rates of 1928 as having settled, that they were examining it and after examination they will address the Government of Malaya again.

**Mr. S. Satyamurti :** With reference to the answer to clause (b) of that question, I am afraid I did not hear my Honourable friend. What

is the position with regard to the inadequate and unsuitable housing for Indian labourers in estates in Malaya? Have the Government of India addressed the Government of Malaya on this matter?

**Sir Girja Shankar Bajpai :** Part (b) deals with housing and part (c) deals with medical attendance. The Government of India supported the recommendation of Mr. Sastri and said that they hoped that the Government of Malaya would take early steps to remove the disabilities or rather the difficulties mentioned in Mr. Sastri's report.

**Mr. S. Satyamurti :** Have they heard from the Government of Malaya?

**Sir Girja Shankar Bajpai :** We have had no answer yet.

**Mr. S. Satyamurti :** Will the Government of India send a reminder to the Government of Malaya to deal with these problems urgently?

**Sir Girja Shankar Bajpai :** In so far as the urgency of the problem is concerned, that has already been impressed upon the Government of Malaya and I do not think that any further written correspondence is necessary in the matter in the near future. Our new Agent will be proceeding to Malaya shortly and it will be his instructions to see how these recommendations of the Government of India are given effect to.

**Mr. S. Satyamurti :** In answer to clause (e) of my question, may I know if the Government will be pleased to call for figures of literacy among Indians in Malaya?

**Sir Girja Shankar Bajpai :** We shall instruct the Agent in Malaya to get all available information on that point.

**Mr. S. Satyamurti :** With reference to clause (f) of my question, in view of the admitted disparity in the sex ratio, will Government take steps or consider taking steps to prevent the emigration of single males until the inequality is redressed?

**Sir Girja Shankar Bajpai :** The point is under consideration as to whether you can enforce that particular restriction.

**Mr. S. Satyamurti :** With reference to clause (h) of my question, may I know if Government can ascertain the reason why Indians are not admitted to the Malayan administrative service?

**Sir Girja Shankar Bajpai :** Mr. Sastri explained this matter in his report. He said that he had taken the matter up with the Government of the Federated Malay States or rather the High Commissioner and the information vouchsafed to him was that their Highnesses the Sultans under whose control the Federated Malay States are prefer the restriction to prevail but I may inform my Honourable friend that we are not satisfied with the statement made by the Government to Mr. Sastri and we are taking up the question of Indians domiciled in Malaya having exactly the same privileges as any other class of people settled in those territories.

**Mr. S. Satyamurti :** Will Government instruct their new Agent in Malaya to send a report on all the matters referred to in this question and other allied matters to the Government of India, and will the Government of India place a copy of the report on the table of the House?

**Sir Girja Shankar Bajpai :** In so far as implementing the recommendations in Mr. Sastri's report is concerned, the Agent will have to include in the annual report to the Government of India a statement of the progress made. As regards this particular question, I would like to point out to my Honourable friend that this is rather a question of high policy outside the sphere of the Agent and between us and the Colonial Office ; we will pursue the matter.

**Mr. Mohan Lal Saksena :** With reference to the answer to clause (h) may I know if the Inspector of Tamil Schools is a European ?

**Sir Girja Shankar Bajpai :** In India, there are many Inspectors of Schools who are Europeans.

**Mr. S. Satyamurti :** That is the tragedy !

**Mr. Mohan Lal Saksena :** I want to know whether the Inspector of Tamil Schools is a European ?

**Sir Girja Shankar Bajpai :** As far as I know all Inspectors of Schools in Malaya belonging to what they call the administrative service are Europeans.

**Mr. S. Satyamurti :** Then, where do their Highnesses come in ?

**Mr. Mohan Lal Saksena :** Is there an office of Inspector of Tamil Schools in particular ?

**Sir Girja Shankar Bajpai :** There is an office of Inspector of Schools for Indian Education and as most of the Indians in Malaya are Tamils, I presume that this Inspector deals with Tamil Schools but Mr. Sastri recommended in his report that in the investigation to be made regarding the provision of facilities for Tamils and others an officer should be deputed from Madras to assist the Inspector of Schools and this proposal is under consideration.

**Mr. Mohan Lal Saksena :** Was any representation made to the Government of Malaya on this point in particular ?

**Sir Girja Shankar Bajpai :** The Government of India, as I told my Honourable friend a little while ago, addressed the Government of Malaya on all matters arising out of Mr. Sastri's report, including the question of educational facilities.

**Mr. Ram Narayan Singh :** With regard to part (f) of the question, how is it that the sex ratio rules have never been enforced to Indian emigrants to Malaya ?

**Sir Girja Shankar Bajpai :** The explanation of that is that in regard neither to Ceylon nor to Malaya have the sex ratio rules been applied as the character of the emigration to these colonies differs from emigration to far off colonies such as Fiji and British Guiana. The sex ratio rule was originally intended to apply to these far off colonies rather than to the neighbouring colonies where emigration is more of a temporary character than for purposes of permanent settlement.

#### ARRANGEMENTS FOR STARTING A CENTRAL VETERINARY COLLEGE AT IZZATNAGAR.

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

- (a) whether arrangements for starting a Central Veterinary College at Izzatnagar are progressing ;
- (b) whether it is intended to import five experts from England for staffing the College ;
- (c) whether competent Indian professors are not available for this purpose ; and
- (d) whether these Europeans, if appointed, will be required as part of their conditions of service to train Indians to take their place in the course of five or ten years ?

**Sir Girja Shankar Bajpai :** (a) and (b). The scheme is still under consideration. No proposals for staffing the proposed College have yet been sanctioned.

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

**Mr. S. Satyamurti :** In making up their mind and arriving at decisions with regard to the starting of the Central Veterinary College, will Government consider the suggestion contained in clause (d) of this question, that is to say, Europeans, if appointed, will be required, as part of their conditions of service, to train Indians to take their place in the course of five or ten years ?

**Sir Girja Shankar Bajpai :** I can assure my Honourable friend that that has been our policy so far as the appointment of experts to special posts in the departments under our control are concerned.

**Mr. Mohan Lal Saksena :** Is it a fact that a veterinary conference was held in Bombay and it recommended against the establishment of a college at Izzatnagar ?

**Sir Girja Shankar Bajpai :** When was this conference held ? Was it during my temporary absence from the country ?

**Mr. Mohan Lal Saksena :** There was a conference in December and one in May.

**Sir Girja Shankar Bajpai :** I have no doubt whatsoever that the recommendations of the conference will be given full weight when a decision is taken.

#### PREScribing OF A LIMIT OF WEIGHT FOR LETTERS AND BOOK PACKETS.

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

- (a) the reason why the relevant rules have been recently amended authorising the Director General of Posts and Telegraphs in certain circumstances to prescribe a limit of weight for letters and book packets from any particular post office or offices and especially why he is given the power to prescribe that a letter or book packet having contents of a specified nature and posted at or addressed to such places as the Director General may notify shall be accompanied by a declaration in such form as may be prescribed by him ;

- (b) whether it is done only to protect customs revenues ; and
- (c) whether it is likely to be used for any political purpose whatsoever ?

**The Honourable Sir Thomas Stewart :** (a) and (b). The Director-General, Posts and Telegraphs, already possessed the power to prescribe a limit of weight for letters and book packets for and from any particular post office or offices. The further power was given for customs purposes only.

(c) No.

**MONEY DEPOSITED IN THE POST OFFICES IN CASH CERTIFICATES FOR WHICH INTEREST IS DECLINED.**

340. **\*Mr. Sri Prakasa :** (a) Will the Honourable Member for Industries and Labour state the amount of money deposited in the Post Office in Cash Certificates or otherwise, regarding which the depositors decline to accept any interest for religious or other reasons ?

(b) Do Government keep a separate account of the interest which thus accrues and is not paid on such deposits ?

(c) How is this money spent ?

(d) Do Government consult the wishes of the depositors concerned as regards the spending of this money ?

**The Honourable Sir James Grigg :** (a) The figures in respect of such deposits are not separately maintained.

(b) No.

(c) On the general purposes of Government.

(d) No.

**Khan Sahib Nawab Siddique Ali Khan :** Is it a fact that an offer was made to the Muslim community in the year 1927 ?

**The Honourable Sir James Grigg :** To the best of my belief, that offer has not been accepted although ten years have elapsed.

**Khan Sahib Nawab Siddique Ali Khan :** Is that offer still open ?

**The Honourable Sir James Grigg :** I must ask for notice of that question.

**Mr. S. Satyamurti :** With reference to clause (d) of the question, may I know why Government do not consult the wishes of the depositors concerned ?

**The Honourable Sir James Grigg :** I would suggest that the Honourable Member refreshes his memory as to the conditions on which a certain offer was made in 1927.

**Mr. Sri Prakasa :** How do the Government spend the money that they so receive ?

**The Honourable Sir James Grigg :** It is a part of the general budget.

**Mr. Sri Prakasa :** Do the Government eat this money up ?

**The Honourable Sir James Grigg :** No, use it.



CROSSING OF RAILWAY LINE BY PORTERS TAKING MAIL BAGS AT THE BENARES CANTONMENT RAILWAY STATION.

341. **\*Mr. Sri Prakasa :** (a) Will the Honourable Member for Industries and Labour state whether it is a fact that the porters have to cross the railway lines in order to take the mail bags from the lorry on the road to the Railway Mail Service at the Benares Cantonment Railway Station on the East Indian Railway ? If so, why ?

(b) Are Government considering the desirability of adding to the number of these porters to enable them to take all the bags by the overbridges ?

(c) Have there been any accidents to porters from passing trains due to crossing the lines ?

(d) Is it not against the rules of the railway to cross lines ? If so, has any action been taken against any one in connection with the porters crossing the lines with mail bags ?

**The Honourable Sir Thomas Stewart :** (a) The fact is not as stated by the Honourable Member. No compulsion is applied to porters to cross the railway lines from the island platform at Benares Cantonment for the purpose of reaching the lorry. If they do this it is for their own convenience and to avoid a fairly lengthy detour round by the overbridge.

(b) The question of adding to the number of porters to cope with the regular increase in the volume of mails is under consideration. Occasional heavy receipts of mails can be handled by the employment of casual labour which the local staff have authority to engage.

(c) No.

(d) It is against the rules for unauthorised persons to cross the lines, but prosecution for such an offence is at the discretion of the Railway authorities. I am not aware whether the Railway Administration have taken any action or lodged any protest in this matter.

**Mr. Sri Prakasa :** Is it not a fact that in the very limited time at their disposal, and because they have to make many runs between the lorry and the train, these porters, owing to the paucity in their numbers, do actually cross these lines ?

**The Honourable Sir Thomas Stewart :** I am not aware of that.

**Mr. Sri Prakasa :** Surely the Honourable Member is not expected to be aware of what his subordinates, numbering seven lakhs do throughout the country, but he may take it from me that what I am stating is a fact. Will he not inquire in the matter and stop this practice ? I come from Benares and know what I am saying.

**The Honourable Sir Thomas Stewart :** I am prepared to take the Honourable Member's word for it but I may remind him that I did say that it was under consideration whether the staff need be increased.

RECRUITMENT OF A NEWS EDITOR OF BROADCASTING AND AN EDITOR OF THE  
" INDIAN LISTENER ".

342. **\*Mr. Sri Prakasa :** (a) Will the Honourable Member for Industries and Labour state whether it is a fact that Government are bringing

out a News Editor of Broadcasting from England ? If so, what are his qualifications, what will be his duties and on what salary and for what period is he being appointed ?

(b) Is it a fact that one of the qualifications originally required for this job was that the applicant should have knowledge of the Nagri or Persian script ? Does the gentleman recruited from England possess this qualification ?

(c) Is it a fact that Government are further advertising for an Editor of the *Indian Listener* and Sub-editor of Central News Organization, All-India Radio ?

(d) What will be the duties of these two officers ?

(e) Is it a fact that the *Indian Listener* is now to be published from Delhi ?

(f) How many issues of this journal are to be published every year ?

(g) Do Government consider the duties of the Editor sufficiently heavy to have a separate whole-time officer ?

(h) Have Government considered whether the News Editor who is coming from England will not be able to edit this magazine along with his duties as a News Editor ?

**The Honourable Sir Thomas Stewart :** (a) Yes. Mr. Barns has been appointed for a period of five years on a salary of Rs. 1,000—50—1,200 *plus* overseas pay, £30 per mensem. He will inaugurate the scheme for a Central News Organisation which was approved by the Standing Finance Committee in January last, and his duties will be the compilation and editing of news bulletins and the organisation of an efficient system for the broadcasting of news from all stations of All-India Radio. Mr. Barns has had journalistic experience and was for four years the Managing Editor of the London office of the Free Press News Agency in which capacity he had to collaborate with two other important news agencies in England. He has considerable knowledge of Indian and world affairs.

(b) A knowledge of the Urdu and Hindi scripts was considered desirable but not essential. I am sorry I have no definite information as to whether he has any knowledge of these scripts.

(c) Yes.

(d) The Editor, *Indian Listener*, will be required to compile and edit the journal, and to look after the business side of the paper and the actual arrangements for publishing and distributing it. The Sub-Editor for the Central Organisation will work as an Assistant to the News Editor.

(e) Yes.

(f) Twenty-four.

(g) and (h). Yes.

**Mr. T. S. Avinashalingam Chettiar :** May I inquire, Sir, whether any attempt was made to find a suitable editor in India ?

**The Honourable Sir Thomas Stewart :** Yes, Sir.

**Mr. T. S. Avinashilingam Chettiar :** May I know whether any advertisements were made in this country ?

**The Honourable Sir Thomas Stewart :** The post was advertised by the Public Service Commission.

**Mr. T. S. Avinashilingam Chettiar :** May I know whether there were any applicants ?

**The Honourable Sir Thomas Stewart :** There were applicants.

**Mr. T. S. Avinashilingam Chettiar :** May I know what were their qualifications and why were they not selected ?

**The Honourable Sir Thomas Stewart :** My information is that the Public Service Commission considered that the quality of the Indian applicants was distinctly disappointing.

**Prof. N. G. Ranga :** Is it not a fact that while this post was being advertised here, a regular offer was made to Mr. Barns in England to accept this post ?

**The Honourable Sir Thomas Stewart :** Certainly not.

**Mr. Sri Prakasa :** Has the Honourable Member assured himself that the duties are heavy enough to need two persons ?

**The Honourable Sir Thomas Stewart :** Yes, Sir.

**Mr. T. S. Avinashilingam Chettiar :** May I know what is the quality that was exactly lacking in Indian candidates ? Is it the knowledge of newspapers that was lacking or is it merely a question of colour ?

**The Honourable Sir Thomas Stewart :** Certainly not.

**Mr. T. S. Avinashilingam Chettiar :** Then what is the quality that was lacking in Indian candidates ?

**The Honourable Sir Thomas Stewart :** Sir, the information that I had from the Public Service Commission was that the applicants who applied in India did not have the journalistic experience and abilities of the standard required for this particular post.

**Prof. N. G. Ranga :** Is there any publicist on the Public Service Commission ? If not, how did the Public Service Commission come to the judgment that no Indian is competent to hold this post ?

**The Honourable Sir Thomas Stewart :** I am not responsible for the decision of the Public Service Commission.

**Qazi Muhammad Ahmad Kazmi :** How was the selection made in England ?

**The Honourable Sir Thomas Stewart :** It was made by a Selection Committee.

**Qazi Muhammad Ahmad Kazmi :** What was that Selection Committee ? Had it anything to do with the Public Service Commission in India ?

**The Honourable Sir Thomas Stewart :** No, Sir.

**Qazi Muhammad Ahmad Kazmi :** May I know who appointed that Selection Committee to select this gentleman ?

**The Honourable Sir Thomas Stewart :** Our High Commissioner in England.

**Qazi Muhammad Ahmad Kazmi :** Were there many candidates out of whom this gentleman was selected or was he the only applicant ?

**The Honourable Sir Thomas Stewart :** He was certainly not the only applicant.

**Mr. Mohan Lal Saksena :** Was the post advertised ?

**The Honourable Sir Thomas Stewart :** Yes, Sir, both in India and in the United Kingdom.

**Mr. Sri Prakasa :** In view of the fact that this particular gentleman is stated to possess knowledge of world affairs, may I know if he has visited any of the many theatres of war and received any shot wound ?

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

# COLLECTION OF STATISTICS ON LABOUR CONDITIONS AND LIVING WAGE FOR LABOURERS.

343. **\*Mr. T. S. Avinashilingam Chettiar :** (a) Will the Honourable Member for Industries and Labour state whether he is aware that statistics on conditions regarding labour and enquiries as to what constitutes a living wage for labourers have not been made in many of the provinces ?

(b) Are Government prepared to consider the advisability of collecting such statistics and publishing them, or do they propose to instruct Local Governments to do so ?

(c) In case they are already available, will Government state in what industries these statistics have been taken and in which provinces ?

**The Honourable Sir Thomas Stewart :** (a) and (c). A certain amount of statistical information regarding hours, holidays, safety and such matters in factories is collected in all provinces and published in the 'Provincial Governments' reports. These are collected in the Government of India publication "Statistics of Factories" and corresponding particulars for mines are given in the Chief Inspector of Mines' reports. Both these last publications are in the Library of the House.

I am not aware of any official estimates of the sum regarded as constituting a living wage for labourers. In respect of actual wages, a considerable amount of statistical information has been and is being published by the Government of Bombay.

(b) As I have explained, the statistics collected are published. I am in any case not in a position to issue instructions to Provincial Governments on a matter for which the constitution makes them fully responsible.

**Mr. T. S. Avinashilingam Chettiar :** In view of the fact that labour is a Central subject and most of the labour laws are made in this Assembly, is it not advisable to issue instructions in order to find out the conditions of labour in different provinces so that a common understanding may be arrived at ?

**The Honourable Sir Thomas Stewart :** I am informed that the various provinces are themselves very much alive to these problems.

**Mr. T. S. Avinashilingam Chettiar :** The Provincial Governments may be alive with regard to these labour problems but a common hand may not be visible to make them regularise with each other and to have a common policy throughout India to consider this question.

**The Honourable Sir Thomas Stewart :** The view of the Government of India is that such action is not at the present moment required.

**Prof. N. G. Ranga :** Do the Government of India propose in the near future to call for a Conference of Labour Ministers in various provinces and consult them in regard to this particular question ?

**The Honourable Sir Thomas Stewart :** The Government of India have no such intention at present.

#### MINING AND GEOLOGICAL INSTITUTE OF INDIA.

344. **\*Mr. Amarendra Nath Chattopadhyaya :** (a) Is the Honourable Member for Industries and Labour aware that there is an all-India Association under the name of 'Mining and Geological Institute of India' ?

(b) Is the Honourable Member aware that the office of the said Mining and Geological Institute of India is housed in the Geological Survey of India premises and that one room is being occupied by the said Institute ?

(c) Will the Honourable Member state what rate of rental has been fixed by the India Government for the use of the said room in the Geological Survey of India premises at 27, Chowringhee Road, Calcutta, and for how many years the said Institute has been occupying the said room ?

(d) Will the Honourable Member state if an annual contribution is made by Government to the said Institute ? If so, what is the amount and for how many years has the said Institute been getting it ?

(e) Will the Honourable Member state what amount of money is paid by the India Government to this Institute by way of subscription for inserting advertisements in the transactions of the said Institute ?

(f) Will the Honourable Member state what amount of money has been spent by the India Government during the last financial year as travelling allowances to the staff of the Geological Survey of India, Indian School of Mines and the Indian Mines Department for attending the meetings and excursions of the said Mining and Geological Institute of India ?

(g) Is the Honourable Member aware of the present accumulated funds of the said Mining and Geological Institute of India ? If so, what is the actual figure ?

(h) Is it a fact that some officers of the Geological Survey of India, who attended the excursion at Ghatsila arranged by the Mining and Geological Institute of India in the month of June, 1937, were allowed to draw travelling allowances from the India Government ? Is it not a fact that some of these officers belonged to the Singhbhum Party and spent many sessions of field work in that locality ?

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

(c) Re. 1 per mensem in addition to charges for water and electric current. I am unable to say how long the Institute has been occupying the room referred to.

(d) Yes. An annual grant of Rs. 500 is being made to the Institute since 1906 to be awarded as a prize for the best original paper accepted for publication in the Transactions of the Institute.

(e), (f) and (h). An enquiry is being made and a reply will be placed on the table of the House in due course.

(g) I have no official information on the subject but the annual balance sheets of the Institute are published in its Transactions.

**REJECTION OF A PETITION FOR ANNUAL CONTRIBUTION TO THE GEOLOGICAL, MINING AND METALLURGICAL SOCIETY OF INDIA.**

345. \***Mr. Amarendra Nath Chattopadhyaya** : (a) Is the Honourable Member for Industries and Labour aware that there is an All-India Association similar to the Mining and Geological Institute of India, under the name of "The Geological, Mining and Metallurgical Society of India" ? (The Society was started some thirteen years ago.)

(b) Do Government help this Society financially ?

(c) Is it a fact that this Geological, Mining and Metallurgical Society of India made a petition to the Government of India (Department of Industries and Labour) for an annual contribution for help and encouragement similar to that given to the Mining and Geological Institute of India ?

(d) Is it a fact that this petition of the Geological, Mining and Metallurgical Society of India was rejected by the Government of India ?

**The Honourable Sir Thomas Stewart** : (a) Yes.

(b) No.

(c) and (d). Yes.

**Mr. Amarendra Nath Chattopadhyaya** : With regard to the answer to part (b) of the question, may I ask why the Government have not helped this Society financially ?

**The Honourable Sir Thomas Stewart** : Government see no reason why they should help the Society financially. If the Honourable Member is relying on the fact that Rs. 500 is given to a similar society, I would point out to him that that Rs. 500 is not in the nature of a grant-in-aid but is merely a sum which is offered as a prize to scientists who write papers on these particular scientific subjects.

**Pandit Lakshmi Kanta Maitra** : Has the Honourable Member's Department inquired as to whether this institution has been functioning properly ?

**The Honourable Sir Thomas Stewart** : Which institution, Sir ?

**Pandit Lakshmi Kanta Maitra** : I mean the very institution that is referred to in the question ?

**The Honourable Sir Thomas Stewart** : Is it the Institute or the Society ? There are two Societies and I cannot make out which particular Society is being referred to.

**Pandit Lakshmi Kanta Maitra :** The second Society referred to in part (c).

**The Honourable Sir Thomas Stewart :** Government have no reason to believe that the Society is being conducted in any way but a proper one.

**Seth Govind Das :** Do they receive annual reports from the Society ?

**The Honourable Sir Thomas Stewart :** I understand that we get copies of their Transactions.

**Mr. Amarendra Nath Chattopadhyaya :** Do not Government recognise the services of this Society ?

**The Honourable Sir Thomas Stewart :** I do not understand what the Honourable Member means by 'recognising' the services of the Society ?

**Mr. Amarendra Nath Chattopadhyaya :** I mean, do not Government recognise that the Society is doing useful work in the line and deserves financial help ?

**Pandit Lakshmi Kanta Maitra :** Is there any agency of the Government of India to hold regular inspection of these Agencies ?

**The Honourable Sir Thomas Stewart :** No, Sir. This is purely a private Society and the Government of India have nothing to do with it.

#### EXPENDITURE OF THE GEOLOGICAL SURVEY OF INDIA.

346. **\*Mr. Amarendra Nath Chattopadhyaya :** (a) Will the Honourable Member for Industries and Labour state the annual expenditure of the Geological Survey of India with respect to (i) salary of the staff, (ii) field work of the staff and (iii) laboratory equipment ?

(b) Will the Honourable Member state the total amount of money spent to build up the laboratory of the Geological Survey of India in its present condition ?

(c) Is it not a fact that the Geological Survey of India was brought into existence really for the purpose of helping in the development of the mineral industry of India ?

(d) Is the Honourable Member aware of the presidential address delivered by Prof. N. P. Gandhi of the Benares Hindu University before the Geology section of the 20th session of the Indian Science Congress held at Patna, when Sir Lewis Fermor, the then Director of the Geological Survey of India, was the General President ?

(e) Will the Honourable Member state what steps were taken by the Geological Survey of India in carrying out the suggestions made by Prof. Gandhi in his Presidential Address (pages 340—344) ? Has any action been taken to organise industrial mineral research as suggested in the said Address ?

(f) Has the Honourable Member considered, as suggested by Prof. Gandhi in his Presidential Address (page 342), to start industrial mineral research by the various research departments of the India Government in co-operation with the other recognised laboratories in India ?

**The Honourable Sir Thomas Stewart :** (a) (i). The actual expenditure on account of the pay of officers and establishment in the Geological Survey of India, during the year 1935-36, was Rs. 2,80,866.

(ii) and (iii). Figures are not readily available.

(b) I regret that these figures also are not available.

(c) Yes.

(d), (e) and (f). I am unable to answer as I have not seen the presidential address in question. I shall endeavour to secure a copy and the suggestions contained therein will be examined.

#### ALLOWANCES GIVEN TO CERTAIN PERSONS IN THE GEOLOGICAL SURVEY OF INDIA.

**347. \*Mr. Amarendra Nath Chattopadhyaya :** (a) Will the Honourable Member for Industries and Labour state if the Palaeontologist of the Geological Survey of India, resident at the Headquarters, is given an extra allowance? If so, will the Honourable Member be pleased to state the amount?

(b) Is it a fact that many palaeontological specimens are sent to foreign experts for investigation?

(c) Will the Honourable Member state what amount of money has been spent by the India Government for such work during the last five years?

(d) Is it a fact that there is one Petrologist and one Curator at Headquarters? If so, on what allowance?

(e) Is it a fact that the Geological Survey of India sends large number of rock and mineral specimens to foreign laboratories for assaying and testing?

(f) Will the Honourable Member state what amount of money has been spent by the India Government for such work during the last five years?

**The Honourable Sir Thomas Stewart :** (a) and (d). Yes. There are two officers at headquarters performing the duties of Palaeontologist and Petrologist respectively. A special pay of Rs. 150 a month is admissible only to Geologists performing those duties who held Class I posts on the 10th November, 1931. The designation of the post of Assistant Curator has been changed to Curator and no special pay is attached to it.

(b), (c), (e) and (f). Information has been called for and a reply will be placed on the table of the House in due course.

#### DISCHARGE OF POSTAL CANDIDATES AFTER RE-EXAMINATION IN THE MADRAS POSTAL CIRCLE.

**348. \*Mr. Amarendra Nath Chattopadhyaya :** (a) Will the Honourable Member in charge of Posts and Telegraphs be pleased to state how many men have been discharged after recent re-examination of postal candidates held on different dates and at different centres in the Madras circle?



(b) Is it a fact that the postal authorities have prescribed a fresh set of rules for recruitment and that those candidates whose names are on the waiting list up to the 25th June, 1937, will have to sit for the new Postal University Examination in August, 1937 ?

(c) Will the Honourable Member be pleased to state how many candidates had appeared at the examination conducted in April, 1935, and how many had successfully passed ?

(d) Is it a fact that those who had passed and were on the waiting list for employment, have all been asked to appear at another examination proposed to be held after a lapse of 18 months ?

(e) Is it a fact that only 7 per cent. of the candidates, who appeared at the examination of 1935, had passed ?

(f) Will the Honourable Member be pleased to state the usefulness of such repeated examinations in his department, obliging passed candidates to present themselves before Selection Boards over and over again ? Was there any such condition laid down that candidates whose names were already on the waiting list, having passed in the examination, would be required to appear at a subsequent examination ?

(g) Is it a fact that new candidates who passed examination had been made permanent, while old ones acting as temporary clerks, have been ousted ?

(h) Is it a fact that this arrangement for examinations and appointments, as suggested in the preceding parts, is in vogue in the Madras circle only and not in any other circle ? If so, why ?

(i) Will the Honourable Member place on the table the orders relating to those departmental examinations in the Postal Department all over India and the recruitment of fresh hands, as has been done by the Divisional Officers of Posts and Telegraphs in all provinces and circles ?

(j) Is the Honourable Member prepared to take such steps as to find employment for all those candidates who were placed on the waiting list after they had successfully passed the examination held in 1935 ?

**The Honourable Sir Thomas Stewart :** I regret that I must ask the Honourable Member to accept an *ad interim* reply as enquiries are not yet complete.

It appears, *prima facie* however that some hardship has been occasioned. Further enquiries are in progress and I shall lay on the table, in the course of the present Session, a statement of the position and of the steps which have been taken to redress any inequities which may have occurred.

**Mr. Amarendra Nath Chattopadhyaya :** How long will it take for the Honourable Member to make a statement ?

**The Honourable Sir Thomas Stewart :** I have promised a statement in the course of the present Session.

**PROPOSAL TO SEND AN OFFICER OF THE ARCHAEOLOGICAL DEPARTMENT  
ABROAD FOR MUSEUM TRAINING.**

349. \*Mr. C. N. Muthuranga Mudaliar : (a) Will the Secretary for Education, Health and Lands be pleased to state whether Government propose to send any officer of the Archaeological Department to foreign countries for museum training ?

(b) What is the museum experience and the qualification of the officer whom Government propose to send abroad for museum training ?

(c) Is there any officer at present in the Archaeological Department who, by his administrative, labelling, arranging, cataloguing and complete practical experience in the running of a museum and a knowledge of European languages, will benefit by a visit to foreign countries ?

(d) If no officer with the requisite qualifications referred to in part (c) above is available in the Department, are Government prepared to consider the advisability of selecting one of the experienced Indian Curators from any of the Provincial Government museums, so that Government might get a full return for the money spent on thus deputing the officer ?

Sir Girja Shankar Bajpai : (a) Yes ; but no officer has yet been selected for the purpose.

(b) and (c). There are in the Department officers with sufficient experience of museum affairs to profit by the kind of deputation we propose.

(d) Does not arise.

**VACANCIES OF ASSISTANT SUPERINTENDENTS, ARCHAEOLOGICAL  
DEPARTMENT.**

350. \*Mr. C. N. Muthuranga Mudaliar : (a) Will the Secretary for Education, Health and Lands be pleased to state if it is a fact that recently several posts of Assistant Superintendents fell vacant in the Archaeological Department ?

(b) Is it a fact that the Director General of Archaeology has been fixing the age limit for recruitment to these posts at 32 years ?

(c) Is it a fact that in a very recent advertisement which appeared this month, calling for applications for the post of Assistant Superintendent, the age limit has still further been lowered to 30 years ?

(d) Are Government aware that to acquire a knowledge of European languages and foreign experience, it will take one considerably higher than 32 years of age ?

(e) Is it a fact that during the days when Sir John Marshal was Director General of Archaeology, there was no restriction of age limit for the posts of Assistant Superintendents ?

(f) Is it a fact that Mr. Mackay, Rai Bahadur Chanda and Mr. Vogel were all recruited to the Archaeological Department when they were 40 years old and over ?

(g) Are Government prepared to consider the advisability of fixing the limit for future recruitment to this Department so as not to shut out qualified Indians who have gained long experience both in India and abroad ?

**Sir Girja Shankar Bajpai :** (a) Yes.

(b) Age limits are fixed by Government and not by the Director General of Archaeology.

(c) Yes.

(d) The possession of foreign experience has not been advertised as one of the qualifications required for the post ; Government do not agree that a knowledge of French or German cannot normally be acquired unless a person has attained the age of 32 years.

(e) Yes ; but this was designed to make Indian graduates, who had been selected as scholars for departmental training, eligible for appointment to the Survey.

(f) Dr. Vogel was recruited when he was under 30. The other two gentlemen mentioned by the Honourable Member were recruited for special work.

(g) For the ordinary work of the Department Government require men with certain linguistic and historical qualifications who can be fitted, by departmental training, for archaeological exploration, excavation and conservation. Candidates above 30 will not ordinarily prove suitable for such training. Moreover there is no evidence that there is an insufficiency of candidates possessing the requisite qualifications amongst persons of 30 years of age or less. For posts for which recruitment of older persons is desirable Government can always relax the age limit in question.

†351\*.

#### LEVY OF A CHARGE ON CARTS CARRYING FIREWOOD AND AGRICULTURAL PRODUCTS FROM BRITISH TERRITORY TO PONDICHERRY.

352. \***Mr. C. N. Muthuranga Mudaliar :** (a) Will the Honourable the Finance Member be pleased to state whether it is a fact that country carts carrying firewood and other agricultural products from the adjacent British territory of South Arcot district into Pondicherry are charged two annas and more per cart by the British Customs authorities besides toll fees levied by the French authorities ?

(b) Is it an authorised levy or an unauthorised one ?

(c) Does any portion of it go to swell the all-India finances ?

(d) If it is an unauthorised levy, are Government prepared to put it down and punish the culprits who have been collecting this levy ?

(e) If it is an authorised levy, do Government propose to consider the advisability of abolishing it ?

**Mr. J. F. Sheehy :** (a) In accordance with the provisions of section 5 (1) of the Land Customs Act, 1924, an application has to be made to the Land Customs Officer at the land frontiers for a permit for the

†This question was not put by the questioner.

passage of goods by land out of British India into Pondicherry or Karikal. Such applications are required to be stamped under Item 1 (a) of Schedule II to the Court Fees Act, 1870. It is presumed that the charge mentioned by the Honourable Member has reference to this court fee.

(b) The levy of court fee is certainly authorised.

(c) The fee is credited entirely to the provincial revenues.

(d) Does not arise.

(e) Not at present. The question was considered once before, but the Madras Government were opposed to an exemption as it involved loss of their revenue.

**Prof. N. G. Ranga :** Is this particular fee to be paid every time a cart passes, or only once a year ?

**Mr. J. F. Sheehy :** Every time that the cart passes the boundary.

#### OFFICERS IN THE COMPUTING OFFICE OF THE SURVEY OF INDIA.

353. **\*Mr. Mohan Lal Saksena :** (a) Will the Secretary for Education, Health and Lands be pleased to state if there are two class I Officers in the Computing Office of the Survey of India ?

(b) Is it not a fact that the charge of the office (including Workshops, Tidal Observatory and Printing sections) was previously held by Dr. Hunter all alone ? If so, has there been any increase in work since then necessitating two class I Officers ?

(c) Are Government prepared to consider the feasibility of reducing one of them ?

**Sir Girja Shankar Bajpai :** (a) There is one Class I officer and one officer of the General Central Service, Class I, who is attached in connection with Geodetic Work.

(b) The answer to the first part of the question is in the negative and, therefore, the second part does not arise.

(c) No.

#### INCOME-TAX RECOVERABLE ON PENSIONS EARNED IN INDIA AND PAID IN ENGLAND.

354. **\*Mr. Mohan Lal Saksena :** (a) Will the Honourable the Finance Member be pleased to state what will be the total amount of income-tax recoverable on pensions earned in India and paid in England ?

(b) Do Government propose to consider the advisability of making a representation to authorities in England to amend the Government of India Act, 1935, in such a way as to make these pensions assessable to income-tax in India ?

**The Honourable Sir James Grigg :** (a) It is not possible to frame any reliable estimate of the income-tax recoverable on such pensions.

(b) No.

**Mr. Mohan Lal Saksena :** Government must have a statement of all pensions drawn in England, and why cannot Government calculate it ?

**The Honourable Sir James Grigg :** It is impossible to frame any reliable estimate because one has to examine each individual pension to show the precise rate applicable. I can assure the Honourable Member that the amount which would be saved or gained by making these pensions liable to tax in British India is not of the order of crores as some of the Honourable Members opposite seem to think, but of the order of comparatively a few lakhs.

**Mr. T. S. Avinashilingam Chettiar :** In view of the fact that this involves a principle that income-tax ought to be collected where it accrues regardless of the amount involved—less or more—will the Government consider the advisability of representing to the Government of Great Britain that the income-tax should be deducted.

**The Honourable Sir James Grigg :** This question I have already answered.

**Mr. T. S. Avinashilingam Chettiar :** No, Sir, it was not answered.

**The Honourable Sir James Grigg :** I have answered it.

**Prof. N. G. Ranga :** Stand up on the bench and answer.

**Mr. President (The Honourable Sir Abdur Rahim) :** Order. order. The Honourable Member should not make that kind of remark.

**Prof. N. G. Ranga :** Sir, he is answering questions without standing up in his place.

**Mr. President (The Honourable Sir Abdur Rahim) :** He has answered that question more than once.

**Mr. S. Satyamurti :** Sir, you are entitled to call us to order, when we commit any breach of the rules and orders, but I submit, with all respect, that Members on the Treasury Benches are no better than we are, and when one of them sits down and answers questions, we expect the Chair to call him to order.

**Mr. President (The Honourable Sir Abdur Rahim) :** I do not think any Honourable Member has yet tried to suggest that I differentiate between Members on the Treasury Benches and Members on the other side ? The Honourable the Finance Member said that he had already answered the question.

**Mr. S. Satyamurti :** But I submit that no Member can address the House sitting down.

**Mr. President (The Honourable Sir Abdur Rahim) :** He had already answered the question more than once and I do not think the Finance Member meant any disrespect to the House at all.

**Prof. N. G. Ranga :** Only he neglected his duty.

**Mr. S. Satyamurti :** With reference to the answer to clause (a), on the figures available for the year for which accounts have been made up, may I know what was the amount actually paid in England, on account of pensions earned in British India ?

**The Honourable Sir James Grigg :** I am afraid I must ask for notice.

**Mr. S. Satyamurti :** With reference to the answer to clause (b), may I know categorically the reasons why, apart from the amount involved, Government refuse to address His Majesty's Government for amendment of the Act ?

**The Honourable Sir James Grigg :** Sir, I do not think it is a suitable subject for answer by a question and answer, and therefore I must ask to be excused from giving an answer which would, as I say, take much longer time than could be dealt with in reply to a question.

**Mr. T. S. Avinashilingam Chettiar :** Sir, may I have an answer to my question ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That has been answered. Next question.

#### UNEMPLOYMENT PROBLEM.

355. **Mr. Mohan Lal Saksena :** (a) Will the Honourable Member for Industries and Labour be pleased to state what steps have been taken to tackle the problem of unemployment amongst the educated youngmen in the centrally administered areas ?

(b) Have Government drawn up any scheme for fighting unemployment ? If not, why not and how long do they propose to take in doing so ?

(c) Is it not a fact that in his first broadcast speech His Excellency Lord Linlithgow had stated that the reduction of unemployment amongst Indians shall be one of his special concerns ? If so, will the Honourable Member state what progress, if any, have Government made in tackling this problem ?

**The Honourable Sir Thomas Stewart :** (a) and (b). I would refer the Honourable Member to the answer given by Sir Frank Noyce to his starred question No. 393 of 15th September last.

(c) Yes. The question has received constant attention with special reference to the Sapru Committee's recommendations. As the Honourable Member is doubtless aware, "Unemployment", apart from "Unemployment Insurance" has become, since 1st April last, a purely provincial subject. The policy of the Central Government in respect of other matters has important effects in alleviating unemployment, and I hope to place on the table shortly a statement indicating the progress made with the examination of the Sapru Committee's recommendations.

**Seth Govind Das :** Is there no unemployment in Delhi or in the centrally administered areas ?

**The Honourable Sir Thomas Stewart :** I should be very reluctant to make any such statement.

**Seth Govind Das :** The Honourable Member has just said that it has now become a provincial subject. Therefore, I am asking him whether there is no unemployment in Delhi or in the centrally administered areas.

**The Honourable Sir Thomas Stewart :** If the Honourable Member would refer to my answers to parts (a) and (b), he would see that these refer to an answer given by Sir Frank Noyce. In that answer Sir Frank Noyce indicated that no distinction could be drawn between unemployment in centrally administered areas and unemployment in the provinces.

**Seth Govind Das :** What are Government going to do as far as the centrally administered areas are concerned ?

**The Honourable Sir Thomas Stewart :** I have said that I propose to lay on the table in the near future a statement showing what has been done on the Sapru Committee's report.

**Seth Govind Das :** Will it be before the conclusion of this Session ?

**The Honourable Sir Thomas Stewart :** It will be within the next week or ten days.

**Mr. Mohan Lal Saksena :** With reference to the answer to part (a), may I know whether anything has been done since that answer was given in September last ?

**The Honourable Sir Thomas Stewart :** If the Honourable Member will refer to the statement which I propose to lay on the table, he will get a considerable amount of information.

#### BROADCASTING STATIONS IN INDIA.

356. **\*Mr. Kailash Behari Lal :** (a) Will the Honourable Member for Industries and Labour be pleased to state how many Broadcasting Stations of different wave lengths there are in India ?

(b) How many new Broadcasting stations Government are constructing and of what wave lengths and in which places ?

(c) Is it a fact that the Delhi Broadcasting station is a medium wave broadcasting station with 20 kilowatt power and is meant for serving an area of 80 miles round about Delhi at all times throughout the seasons and that the broadcasting beyond 80 miles for a longer distance can only be audible during night and in fair weather ?

(d) Is it not a fact that all the major Provinces, including Bengal, Madras, Bombay, Punjab, the United Provinces, and even the North-West Frontier Province, have been provided with Broadcasting stations, and none of the Broadcasting stations in these Provinces can serve the Province of Bihar properly as the distance of Bihar from these stations is longer than what is guaranteed by the power of these stations ?

(e) What are the reasons of Government in singling out Bihar for not providing with a Broadcasting station, whereas some Provinces have got more than one station ?

**The Honourable Sir Thomas Stewart :** (a) and (b). A statement giving the required information is laid on the table of the House.

(c) As a general statement this is correct, but the range of a wireless station is, as was explained in the memorandum of the Standing Finance Committee in February, 1935, in connection with the Delhi station, variable and not capable of being expressed by precise figures of mileage.

(d) The development scheme provides for stations in all the provinces mentioned. It is expected that Bihar will get a satisfactory service from the short-wave stations to be established shortly at Delhi, Calcutta, Bombay and Madras.

(e) There are other provinces, e.g., Orissa, Sind, Assam, and Central Provinces which are not provided with stations and the Honourable Member is wrong in supposing that Bihar was singled out. The location of stations was settled with the object of providing as good a service as possible with the resources available to the greatest possible number of people.

*Statement showing the existing and the proposed Stations of All-India Radio and their wavelengths.*

Location of the Station.	Wavelength.	Remarks.
<i>Existing Stations—</i>		
Delhi, Medium-wave, 20 K.W. ..	340·13	
Calcutta, Medium-wave 1·5 K.W. ..	370·4	
Short-wave 0·25 K.W. ..	49·10	
Bombay, Medium-wave 1·5 K.W. ..	350·9	
Peshawar, Medium-wave 0·25 K.W. ..	200	
<i>Proposed New Stations—</i>		
Lahore, Medium-wave 5 K.W. ..	275	
Lucknow, Medium-wave 5 K.W. ..	295	
Madras, Medium-wave 0·25 K.W. ..	211	
Trichinopoly, Medium-wave 5 K.W. ..	39	
Dacca, Medium-wave 5 K.W. ..	2	
Delhi, Short-wave, 5 K.W. ..	} Not yet fixed.	
Short-wave, 10 K.W. ..		
Bombay, Short-wave, 10 K.W. ..		
Calcutta, Short-wave, 10 K.W. ..		
Madras, Short-wave, 10 K.W. ..		

**Mr. D. K. Lahiri Chaudhury :** With reference to clause (b), may I know whether the power of the Calcutta station is going to be increased ?

**The Honourable Sir Thomas Stewart :** No, Sir, what is proposed in respect of Calcutta is that a new short-wave station be added to the existing equipment.



**Mr. D. K. Lahiri Chaudhury :** When is that going to be done ?

**The Honourable Sir Thomas Stewart :** I am informed that by the end of the year it will probably be in working order.

**Mr. Muhammad Azhar Ali :** Will the people of the provinces who are unemployed find employment in these broadcasting stations in their respective provinces ?

**The Honourable Sir Thomas Stewart :** That, Sir, does not arise out of this question.

**Mr. Mohan Lal Saksena :** Before the decision as to the location of the various broadcasting stations, may I know if the properties of the earth are investigated ?

**The Honourable Sir Thomas Stewart :** Yes, Sir ; the technical aspect of the problem was considered before these sites were decided upon.

**Pandit Lakshmi Kanta Maitra :** May I know if the Provincial Governments concerned were consulted in the matter of establishing these broadcasting stations in these places ?

**The Honourable Sir Thomas Stewart :** I must ask for notice of that.

**Seth Govind Das :** What are Government going to do in those provinces where these broadcasting stations have not yet been opened ?

**The Honourable Sir Thomas Stewart :** The system we have devised is one which will enable the inhabitants of those provinces to receive an adequate service.

**Pandit Lakshmi Kanta Maitra :** May I know if the Honourable Member's department got any representation from the Government of Bihar about the installation of a broadcasting station there ?

**The Honourable Sir Thomas Stewart :** I understand there was a provincial conference on this matter and Provincial Governments have been addressed in this connection.

#### INSUFFICIENT ACCOMMODATION GIVEN TO THE LEGISLATIVE ASSEMBLY DEPARTMENT IN THE KENNEDY HOUSE, SIMLA.

357. **\*Mr. Muhammad Anwar-ul-Azim :** Will the Honourable Member for Industries and Labour please state why so insufficient accommodation has been given to the Legislative Assembly Department in the Kennedy House ? Is it a fact that the Audit Officer, to pre-audit the bills of the Members, has been shifted to the Telegraph buildings, much to the inconvenience of the Members and the Department as a whole ? If the answer be in the affirmative, are Government prepared to redress the same immediately ?

**The Honourable Sir Thomas Stewart :** The accommodation allotted to the Legislative Assembly Department in Kennedy House compares very favourably with accommodation allotted to other Departments. I understand that it is a fact that the Assistant Audit Officer and his clerk who pre-audit the bills of Honourable Members of this House were accommodated in the Telegraph Building this Session. This was due to the fact that the room which is reserved for touring officers at Kennedy House, in which they used to be accommodated in the past, was required

for, and allotted to, the Finance Officer, Posts and Telegraphs Department. Having regard, however, to the alleged inconvenience to Honourable Members, arrangements have been made for the Assistant Audit Officer to share a room with another officer in Kennedy House for the remainder of the Session.

**Dr. Ziauddin Ahmed :** In view of the insufficient accommodation in Kennedy House, will Government consider the extension of this building.....

**Mr. S. Satyamurti :** No : nothing doing in Simla ! (Laughter.)

**Dr. Ziauddin Ahmed :** I am not asking the Honourable Member : I am asking the Government. Will Government consider the desirability of extending this building in order to have a few more rooms for officers ? (Cries of " No, no " from Congress Party Benches.)

**The Honourable Sir Thomas Stewart :** I will consider the Honourable Member's proposal.

WITHHOLDING OF A TELEGRAM SENT TO THE STUDENTS CONFERENCE BY  
MR. S. SATYAMURTI.

358. \***Mr. S. Satyamurti** (on behalf of Mr. M. Asaf Ali) : Will the Honourable Member for Industries and Labour be pleased to state :

- (a) whether it is a fact that a telegram sent by Mr. S. Satyamurti to the Students Conference came of Dr. Ashraf, Swaraj Bhawan, Allahabad, to the effect " We born slaves, we must not die slaves. Equip yourselves to become free citizens " was held objectionable by a telegraph officer at Agra, and withheld ;
- (b) whether the telegram was sent from Simla and no objection was taken here ; and
- (c) the authority under and the reasons for which such action was taken ?

**The Honourable Sir Thomas Stewart :** (a) and (c). The telegram was stopped as an objectionable one on the advice of the local civil authority at Agra to whom the message was referred by the Superintendent-in-charge of the Central Telegraph Office, Agra, under Rule 15 of the Indian Telegraph Rules.

(b) Yes.

**Mr. T. S. Avinashilingam Chettiar :** May I know who is the local civil authority ?

**The Honourable Sir Thomas Stewart :** The district magistrate.

**Mr. K. Santhanam :** May I know whether the Government of India actually consider this as an undesirable message ?

**The Honourable Sir Thomas Stewart :** The Honourable Member asks me for an expression of opinion.

**Mr. S. Satyamurti :** May I know whether the Government propose to issue any general instructions, in view of the fact that this telegram merely stated " We born slaves, we must not die slaves. Equip yourselves to become free citizens ", and in view of the fact that the telegram was sent to other stations—will Government issue instructions to see that their officers do not make the Government look ridiculous ?

**The Honourable Sir Thomas Stewart :** I do not think that one isolated incident would justify the issue of any such general instructions.

**Mr. S. Satyamurti :** With reference to the answer to clause (c), what are the reasons alleged by the local authority for withholding this telegram ?

**The Honourable Sir Thomas Stewart :** There can only be two reasons : one is that the contents were plainly objectionable, the second that the telegram was of an alarming character.

**Mr. S. Satyamurti :** Was it considered objectionable or was it considered alarming ?

**The Honourable Sir Thomas Stewart :** On that I can give no opinion.

**Mr. S. Satyamurti :** Is it true that the Government have examined the decision of this local authority in view of the fact that the Simla telegraph authorities sent out the telegram, and do they propose to review the action of this district magistrate, and call his attention and ask him not to interfere with such telegrams ?

**Mr. Muhammad Azhar Ali :** Will a refund be made ?

**The Honourable Sir Thomas Stewart :** Yes. (Laughter.)

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(b) WRITTEN ANSWER.

RECOGNITION OF EQUAL RIGHTS OF CITIZENSHIP OF DOMICILED INDIANS WITH EUROPEAN SETTLERS IN BRITISH COLONIES.

359. **\*Mr. G. V. Deshmukh :** Will the Secretary of the Education, Health and Lands Department be pleased to state what British Colonies, if any, have recognised the full and equal rights of citizenship of lawfully domiciled Indians with European settlers therein ?

**Sir Girja Shankar Bajpai :** On the assumption that by ' rights of citizenship ' the Honourable Member means the right to vote, a statement embodying the available information is laid on the table.

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*Statement showing the countries within the British Empire where Indians possess rights of citizenship equally with domiciled Europeans.*

- |                                     |                        |
|-------------------------------------|------------------------|
| 1. New Zealand ;                    | 4. Southern Rhodesia ; |
| 2. Australia ;                      | 5. Mauritius ;         |
| 3. Canada except British Columbia ; | 6. Tanganyika ;        |

- |                           |                            |
|---------------------------|----------------------------|
| 7. Kenya ;                | 13. British North Borneo ; |
| 8. Uganda ;               | 14. British Malaya ;       |
| 9. Zanzibar ;             | 15. Ceylon ;               |
| 10. British Guiana ;      | 16. Burma ; and            |
| 11. Trinidad and Tobago ; | 17. Aden.                  |
| 12. Fiji ;                |                            |

### UNSTARRED QUESTIONS AND ANSWERS.

#### BULLS AND COWS DISTRIBUTED FREE BY THE CENTRAL AGRICULTURAL DEPARTMENT.

49. **Mr. Badri Dutt Pande :** (a) Will the Secretary for Education, Health and Lands state how many bulls and cows have been distributed free by the Central Agricultural Department since the arrival of Lord Linlithgow in India ?

(b) Where have they been distributed ?

**Sir Girja Shankar Bajpai :** (a) and (b). None. Agriculture being a Provincial subject the responsibility of the Central Government in regard to it lies in the fields of research, education and co-ordination. Herds are maintained as a charge on Central Revenues for experimental and research purposes and only surplus animals are disposed of from time to time.

#### POSITION OF DOMICILED INDIANS IN BRITISH COLONIES.

50. **Mr. G. V. Deshmukh :** Will the Secretary for Education, Health and Lands be pleased to lay on the table of the House a statement showing what the position of the lawfully domiciled Indians in each of the British Colonies was in 1923 and 1936 in respect of their political and trading rights and acquiring immovable property ?

**Sir Girja Shankar Bajpai :** Information is being compiled and will be laid on the table of the House in due course.

#### PROPOSAL TO SEND INDIAN AGENTS TO CERTAIN COLONIES TO LOOK AFTER THE INTERESTS OF INDIANS.

51. **Mr. G. V. Deshmukh :** Will the Secretary for Education, Health and Lands be pleased to state if Indian Agents are proposed to be sent to Trinidad, British Guiana and Fiji to look after the interests of the Indians residing there ? If not, why not ?

**Sir Girja Shankar Bajpai :** The question of appointing Agents to look after the interests of Indians, settled in certain countries, including those mentioned by the Honourable Member, is under consideration.

## PENSIONERS APPOINTED AS POST MASTERS AND SUB-POST MASTERS.

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

- (a) the number of pensioners appointed as Post Masters and Sub-Post Masters during each of the last three years ;
- (b) the total number of pensioners who are at present employed on the posts of Post Masters and Sub-Post Masters ;
- (c) whether his attention is drawn to the following passage in the Sapru Committee's Report on Unemployment among educated people on page 247 :

“ Men, who have retired from Government service, should not be employed by Local Bodies if and when young men possessing the necessary qualifications are available for such appointments.” ;

- (d) whether he proposes to reconsider the policy of employing pensioners in the light of the spirit of the Sapru Committee's recommendation ; and
- (e) if not, why not ?

**The Honourable Sir Thomas Stewart** : (a) and (b). Pensioners are not appointed direct or re-employed as postmasters or sub-postmasters. The Honourable Member presumably refers to extra-departmental branch and sub-postmasters. Information as to the number of pensioners appointed to these posts is being collected and will be laid on the table in due course.

(c) Yes.

(d) No.

(e) The employment offered to extra-departmental agents is in small post offices in which the traffic is small and justifies the employment of a part time official only. It would thus not be suitable for young men. An essential feature of the employment of extra-departmental agents is that they must have some other source of income than that offered by the Post Office. Thus by itself such employment does not afford a career.

## ACCELERATION OF MAILS FOR DABHOL, GUHAGAR AND THEIR SUBORDINATE OFFICES.

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

- (a) whether steps are being taken to accelerate mails for Dabhol, Guhagar and their subordinate offices ; and
- (b) if the reply to part (a) above be in the affirmative, how far the proposal has progressed ?

**The Honourable Sir Thomas Stewart** : (a) Yes.

(b) New arrangements were in an advanced state when the Bombay Steam Navigation Company intimated their intention of cancelling a steamer service which was to have been utilised. This has necessitated a reconsideration of the proposals which is now proceeding.

## PROMOTION OF POSTMEN AS POSTAL CLERKS.

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

- (a) whether under the old rules the postmen and inferior servants were permitted to be promoted to the clerical cadre after ten years of approved service and later this period was reduced to five years in 1924 ;
- (b) whether under the old rules these officials had to pass a simple test and had to pay no examination fees and that under the new recruitment rules they have to pass the same test as outsiders and to pay a total fee of Rs. 11 ; and
- (c) whether Government propose to restore the old simple test for postmen and inferior servants with five years approved service and reduce the period in the case of those who are willing to appear at the same test along with outsiders ?

**The Honourable Sir Thomas Stewart :** (a) Yes.

(b) Yes.

(c) No, as such a course would defeat the object of the new examination.

## GRANT OF PERMISSION TO POSTMEN, ETC., TO APPEAR AT THE CLERICAL EXAMINATION AFTER THREE YEARS' SERVICE.

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

- (a) whether it is a fact that in the Posts and Telegraphs Department the departmental officials in cadre below the clerical ones have under the new rules of recruitment been permitted to appear at the clerical examination after five years of permanent service ;
- (b) whether the postmen, village postmen and inferior servants are not in their ordinary course of duty required to be in touch with the English language and arithmetic as much as clerks ;
- (c) whether the officials referred to in part (b) above have to pass the same test as outsiders who are matriculates and even graduates ; and
- (d) whether the period of five years will be reduced to three years so that the intelligent amongst that class will have scope to show their abilities ?

**The Honourable Sir Thomas Stewart :** (a) Yes, provided they have a good record.

(b) No.

(c) Yes, but the test in the case of departmental candidates is a qualifying one and not competitive as in the case of outsiders.

(d) No. Those men who are fit for advancement have ample scope under the existing rules to establish their suitability for promotion.

## CAUSES OF MALARIA IN NEW DELHI.

56. **Mr. Suryya Kumar Som :** (a) Will the Secretary for Education, Health and Lands, please state whether Government directed an enquiry to be made into the causes of malaria in New Delhi, and whether the enquiry has been made ? If so, with what result ? Will Government lay that report on the table ?

(b) Is it a fact that the officer who conducted that enquiry is of opinion that the cause of malaria in New Delhi is the accumulation of the surface water that is used abundantly to water the streets and gardens within 8-10 feet of the surface on account of obstruction by a layer of impervious rock that lies within eight or ten feet below the surface ?

(c) What step, if any, have Government taken to drain out the underground accumulation of water ?

(d) Is it a fact that the former site of the New Capital had to be abandoned on account of malaria, and was there any survey of the soil of the present site of the Capital by any expert from the point of view of sanitation before it was decided to build the new city at its present site ? If not, why not ?

(e) What was the total expenditure in building the former capital at Civil Lines and why has it been abandoned ?

**Sir Girja Shankar Bajpai :** (a) Yes. Reports of the three enquiries made during the last ten years have been placed in the Library of the House.

(b) No.

(c) Does not arise.

(d) A malaria survey extending over 16 months was made in 1912-13 by Captain E. C. Hodgson, I.M.S. The former site was abandoned not only because it was the most unhealthy but also because of its liability to inundation.

(e) The information has been called for and will be furnished to the House on receipt.

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STATEMENTS LAID ON THE TABLE.

*Information promised in reply to starred question No. 43 asked by Mr. Sri Prakasa on the 24th August, 1937.*

## SUPPLY TO THE POLICE OF FULL PARTICULARS ABOUT GUESTS STAYING IN INDIAN HOTELS IN DELHI.

(a) The Managers of all hotels in Delhi are in the habit of keeping registers of guests ; and I understand that the police inspect these.

(b) There appears to be no legal requirement for the maintenance of the registers, and guests are not bound to give the information required.

(c) No. Registers are maintained in all hotels in Delhi.

*Information promised in reply to starred question No. 71 asked by Seth Govind Das on the 24th August, 1937.*

#### BAN ON THE PUBLICATION OF NEWSPAPERS IN CERTAIN CANTONMENTS.

(a) The Press and Registration of Books Act, 1867 (Act XXV of 1867), has been applied, *mutatis mutandis*, under the Foreign Jurisdiction Order in Council, to the Cantonments of Neemuch and Mhow, the Rajkot Civil Station and the Indore Residency Area, but not to the Baroda and Kolhapur Residency Areas or the Abu leased area.

(b) No newspaper is published in Mhow or Neemuch.

(c) It is hardly correct to say that several people wanted to establish a newspaper from either Mhow or Neemuch. So far as is traceable from the records of the Central India Agency one application only has been received to publish a newspaper in Neemuch. This was received in 1918 and was refused.

An application to publish a newspaper in Mhow was sanctioned in 1887, and since that date there has been one application only, received this year, which has been rejected.

(d) None of these areas are part of British India and the policy is now therefore no concern of the Governor General in Council, but rests solely with the Crown Representative.

*Information promised in reply to starred question No. 94 asked by Mr. Sham Lal on the 25th August, 1937.*

#### REDUCTION OF FEES IN SECONDARY SCHOOLS OF THE DELHI PROVINCE.

(a) Yes.

(b) No.

(c) The fees were enhanced as the result of an amendment of the Punjab Education Code, which is in force in Delhi, and there are no adequate reasons for charging lower fees in Delhi than in the Punjab.

*Information promised in reply to part (c) of starred question No. 172 asked by Mr. T. S. Avinashlingam Chettiar on the 30th August, 1937.*

#### EXPORT OF MONKEYS.

(c) The following are the figures of export of monkeys to various countries during 1936-37, namely :

America	..	..	..	..	14,700
Belgium	..	..	..	..	2,656
Germany	..	..	..	..	1,860
Straits Settlements	..	..	..	..	1,698
United Kingdom	..	..	..	..	962
Italy	..	..	..	..	537
France	..	..	..	..	100
Kenya Colony	..	..	..	..	17
China	..	..	..	..	10
Iraq	..	..	..	..	2
Union of South Africa	..	..	..	..	2
Total	..	..	..	..	22,544



**Mr. President** (The Honourable Sir Abdur Rahim) : I understand the Honourable the Defence Secretary wishes to make a statement with reference to an answer he gave.

**Mr. C. M. G. Ogilvie** : In the course of an answer I gave to a supplementary question, arising out of Sardar Mangal Singh's question No. 320 I fear that I may have unintentionally misled the House. The supplementary question was "Have the Punjab Government addressed the Government of India asking that the construction of the slaughter house be discontinued?" And the answer I appear to have been understood to have given was "I am not aware". The answer which I intended to give was "I am not prepared to say". (Laughter.)

**Mr. S. Satyamurti** : May I make a submission, Sir ? With regard to the voting which took place on Friday, Mr. Satya Narayan Sinha, the whip of our Party, did vote in the lobby ; but, unfortunately owing to some mistake, his name does not appear in the division list. He is prepared to say, and I believe and I hope you, Sir, will also believe it, that he actually went into the lobby and did vote. I think it was a clerical error, and I request you to direct that his name may be recorded as having voted.

**Mr. President** (The Honourable Sir Abdur Rahim) : I will find out.

#### THE INSURANCE BILL.

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

**The Honourable Sir Nripendra Sircar** (Law Member) : Sir, it is hardly possible for me to meet the various points which have been raised during a debate which has lasted full four days ; and whatever I cannot finish by twelve minutes past one, I shall leave unsaid for discussion on the amendments, because, I understand, every section of the House is extremely anxious that this motion should be disposed of before we rise for the midday adjournment. The provisions of this Bill are of relative unimportance compared to the supreme necessity of expiating my sins for having referred to big Bombay business in an irreverent spirit. Three of my gallant friends, Mr. Vissanji, Sir Homi Mody, and Sir Cowasji Jehangir—I am referring to them in the order of their speeches, and not in the order of their capital assets (Laughter)—having regard to the disturbed state of their mind, each was asked, as to what was the statement they were complaining of. To that I got no answer. Mr. Vissanji was good enough to say that it is quite true that Big Bombay have been using their big drums, because the Government of India are so deaf that it is the only means of reaching their ears. If that is so, then there is no issue joined between my friends and myself. I admit that I do not belong to one of the martial races according to Government classification,—and I confess that I have a mortal dread of three animals whom a kind Providence, in his inscrutable ways, has brought into existence ; and those are the tiger, the snake and the Managing Agent of insurance companies. (Laughter.)

Now, I come to what my friend, Dr. Ziauddin Ahmad, would call the serious part of my lecture. I would like to take up first the assertion which was made by my Honourable friend, Mr. Mathuradas Vissanji,

that these Managing Agents have rendered great financial assistance to insurance companies. I would beg of Honourable Members to remember that when I talk of Managing Agents on this occasion I am confining myself to the Managing Agents of insurance companies and I do not extend my observations to those of industrial or manufacturing concerns. How much the assistance has been given, and what is the condition of Indian business in life insurance of these I am sure most Honourable Members of this House have no accurate information. I propose to give some with the help of no other document except the Indian Insurance Year Book and its supplement, and as regards Managing Agents, I have got some documents within the last week which may not be altogether devoid of interest. Taking this book,—the Insurance Year Book—for obvious reasons I will not and cannot mention the names of any particular companies because that might do incalculable damage to them, but in order that Honourable Members may be able to check the statements which I am making, I will give reference to the page and to the number in the list given in this Book. Sir, at page 44, there begins a summary of Life Insurance Revenue Accounts and the Valuation Results of Indian Companies . . . . .

**Mr. M. S. Aney** (Berar : Non-Muhammadan) : Is that for 1935 or 1936 ?

**The Honourable Sir Nripendra Sircar** : It is for 1935, we have not got the Book for 1936.

I think Honourable Members will find that, if they add up the figures, 156 Life Companies have sent in their returns. What has happened to the others I do not know ; probably they were late. One has got only to look at the Life Fund of some of these companies to realise the appalling condition of this business. I will take up some at random. At page 44, item No. 1,—as I said I am not going to mention any names,—there is a company which, in the year 1935, had a premium income of 9,000, and in the previous year it had an income of 10,000. I am not going into the past history because that cannot be found from this Book, but the premium income of this company in two years was Rs. 9,000 plus Rs. 10,000 or Rs. 19,000. The life assurance fund is Rs. 2,000. That is to say, if today this company is asked to pay the policyholders, it will be unable to do so. I have not forgotten the fact that only a certain percentage of claims can mature in any year. Let me take, Sir, number of companies where the life fund is shown as a negative quantity. There is one at page 46. I mean the first item. The second column gives the various amounts received as premium, namely 75, 59 and 11, that is in thousands. In the year of Grace 1934, the life fund is minus 200, that is to say minus two lakhs. And there are ever so many, but shall give one or two more and then summarise. Another will be found at page 56, the last item but one. Amounts received as premium only for three years have been disclosed in this book and these are 23, 17 and 16,—they are again in thousands, total 56. The life fund is minus 218. That is the condition of the life fund, and if Honourable Members will pursue this inquiry,—and this book is easily available,—they will find that in connection with at least 15 companies out of the 156 companies, the life fund is in a negative condition. That is not all. Then we have another and a much bigger class where the life fund though not negative is less

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than the last year's premium. Honourable Members will realise that those companies must have been receiving premiums in previous years also, and, therefore, if their life fund is less than the previous year's premium, it certainly discloses a horrible state of affairs. If you include them, then the number is 77, or in other words, out of 156 companies, 77 companies are with life funds which are represented either by negative quantities or grossly inadequate amounts, even less than one year's premium. It is not possible to trace, nor had I the time to trace other companies because I have not got the accounts of the previous years, but would it be an exaggeration to say that in at least two-thirds of the Indian life business, the life funds are in a grossly inadequate condition .....

**Sardar Mangal Singh** (East Punjab : Sikh) : What about the assets ?

**The Honourable Sir Nripendra Sircar** : If the life fund is negative, where would the assets be ? It means, really, I am talking to my friend very seriously,—that they have spent the whole of the premium income and they are going on spending the capital, plus anything which they can borrow. There are no assets in their possession.

**Maulana Zafar Ali Khan** (East Central Punjab : Muhammadan) : Not even in the shape of buildings ?

**The Honourable Sir Nripendra Sircar** : I do not know, Sir, the shape of the building or whether they have any buildings at all, but if my friend will kindly not interrupt me, I may be able to do a lot more than I would otherwise be in a position to do.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : How many of the Companies have been managed by Managing Agents ?

**The Honourable Sir Nripendra Sircar** : I have got that information too, but my friend should exercise a little patience.

A statement was made by Mr. Chattopadhyaya, and he said ' Oh, these are all companies with only one or two years' standing '. I quite realise that a company with a standing of a year or two may not have a substantial life fund, but was he right in saying that these tottering companies are really only one or two years old ? Last evening my friend's wrong assertion gave me a little occupation, and I tried to see what they were like, I counted the first 40, and the position is this. Of the companies which are in the condition which I have described, one was started in 1906, another in 1907, a third one in 1910, a fourth in 1919, three were started in 1928, five were started in 1929, three in 1930, eight in 1931, two in 1932 and six were started in 1933. Therefore, my friend is entirely wrong in saying that these companies were started only one or two years ago. The relevance of these facts is this that, while the House should have proper regard to the interests of young companies,—and I can assure the House that I have paid more attention to them than to any other matter (Hear, hear.)—Shall we be really doing any good by giving them a long extension of life ? Some of you are thinking of mercy to the Managing Agents,—and I

took a considerable time to trace whether these companies have Managing Agents or not,—I found that 95 per cent. of these sickly companies have Managing Agents. If you show mercy to the Managing Agents, I dare say you will be blessed. Don't forget the Poet who says the quality of mercy is blessed and so on. But will you have some mercy for the policy-holders? Every one was talking here of policy-holders' interests being the primary consideration. If that is so, why not, instead of mercy, let us have justice which my friend, Sir Cowasji Jehangir, wants. If I may, using a colloquial expression, leave the small fries alone, and come to the big companies.

**Mr. N. M. Joshi** (Nominated Non-Official) : Bombay Big ?

**The Honourable Sir Nripendra Sircar** : They are mostly Bombay Big, but there is one Calcutta Big too. I may remind Honourable Members once again of that beautifully got up book to which I referred as the Prima Donna, and you will find there are seven signatories to that book ; two of them are European Managers of Indian-owned companies. The point of that is they are not really owners,—and I am not really jealous of their salaries, although they may be bigger than mine. I dare say, they deserve every pice of what is paid to them, and perhaps they are worth a little more, but leaving aside those two, we are left with five signatories. Three of the signatories are in charge of big companies. These gentlemen constitute the Indian Insurance Legislation Committee. Here, again, I will not mention names, but it will not be very difficult to spot who they are. Let me take one of the seven signatories whom I call the Seven Wise Men of the East. (Laughter.) Now, the first gentleman I take up is a Managing Agent, and his is a General Assurance Company. The terms, if I may repeat the words of my Honourable friend, Mr. Jinnah, are probably unconscionable. May I just tell the House what they are? First of all, the Managing Agents can retire, and can assign. If a completely new set of men come in, they have got to be taken as Managing Agents. That is one clause. Without going through the other clauses, the most illuminating clause is clause 14 :

“ On the winding up of the company the Managing Agents will be entitled to compensation equal to five times the amount earned during the five years preceding the winding up.”

Thanks to a Bombay gentleman who is a friend of mine, I have got a copy of their balance sheet. I have got only two years accounts, the average profit was something like Rs. 1,22,000 during 1935-36 and the previous year. That is to say, if the Managing Agent will kindly condescend to put the company into liquidation, or if by any mischance that happens he gets Rs. 6½ lakhs. (Laughter.) What for? For having taken the trouble of putting it into liquidation! (Laughter.) What does the gentleman earn? The managing agency agreement provides that he will have a minimum of Rs. 40,000 as commission. That is not a large amount, I know that my Honourable friend, Sir Homi Mody, is already sniffing at the smallness of the figure. (Laughter.) He gets Rs. 40,000, but to do him justice I must say that in the year concerned, he has not drawn the full amount, and has drawn only Rs. 29,500. That would be quite moderate, but there is an interesting item, and that

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is this. It appears that under the managing agency agreement the Managing Agents are entitled to have two directors on the Board. Of course, that right was exercised. (Laughter.) There is a small item—commission Rs. 96,620-15-9 in which “the directors were interested”. What does that mean? Interested in putting that into their pockets. (Laughter.) I hope, the business will prosper—it is prospering and Bombay people know how to do their business well, but, if, God forbid, it goes to winding up it will not mean an absolute ruination of the Managing Agent. That is signatory No. 1. Then, I will come to signatory No. 2. Numbers 1 and 2 do not refer to the order in which the names appear in the report of the Committee of the Seven gentlemen. I now come to No. 2. The agreement provides that he cannot be removed. It is an agreement for 21 years.

**An Honourable Member : Life convict !**

**Mr. Sri Prakasa** (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Short life !

**The Honourable Sir Nripendra Sircar :** No. The Managing Agent, I assure my Honourable friend, Mr. Sri Prakasa, has a very long life as he deserves. (Laughter.) The only condition for his removal is that “if he chooses voluntarily in writing to resign”, but if he does not exercise his pleasure, you cannot get him out. Then, to make things perfectly clear it says that he can be only removed if found guilty of fraud. But even then that must be accepted by a special resolution, and as he has got more than one-fourth of the shares he cannot be removed even for fraud. That is the position of this Managing Agent. This Managing Agent, it must be said, has put a self-denying ordinance on himself and the agreement provides that he will not draw more than Rs. 42,000 for salary and Commission. That is a very moderate amount, if one can judge by the cynical smile on Sir Homi Mody's lips. I will now take signatory No. 3. As usual, the accounts being before the commencement of the new Companies Act, they have taken good care not to show remuneration of Managing Agents as a separate item. I mean to say, they rather object to unreasonable inquisitiveness on the part of the public. That is quite right. The Managing agency terms are here, and not being very strong in mathematics myself I employed an accountant and I find that this company has drawn Rs. 1,62,000 last year and Rs. 1,63,000 the year before last. That is not all. Another company was started for doing business in another class of insurance. And how was it started? A large bulk of its capital is derived from monies from the other company. Having started the other company he promptly gets himself appointed the Managing Agent of that company too, and he draws I do not know whether it is Rs. 40,000 or a lakh or any other small amount in addition to his Rs. 1,62,000. He reaps the advantage of his double capacity as the Managing Agent of both the companies! As regards the fourth who is not a signatory, he had no part in beating the drum here at Simla. He has drawn—the figures are (I will give you only the last three years) for the year ending with the financial year 1935 Rs. 1,89,579; 1936 Rs. 1,67,471; and 1937 up to 1st April 1937, Rs. 1,91,355. A lakh or two lakhs of rupees is possibly a trifling amount; we need not bother

about it, we are all rich people. But what were they paid for ? Each of these companies have got highly paid managers, actuaries who are highly paid—I do not say that they are over-paid. They have got Secretaries, and Assistant Secretaries, Managers and Assistant Managers, and the whole of the staff necessary for running a big business. All the work is done by them. Why should these gentlemen then draw Rs. 1,91,000 or Rs. 1,65,000, etc. ? In this connection may I ask you to consider a very important matter, namely, if you are going to put any restrictions on Managing Agents, will any good be done by giving them ten years with emoluments limited to Rs. 2,000 ? I beg of you solemnly to consider this matter. Supposing we enact that law and assuming that the law can be enforced, what will happen ? Probably, five or six or seven or eight, or whatever the number is, of the big Managing Agents, at the top, will be hit. Quite true, but taking 100 cases, what about the other 92 or 94 ? The maximum limit fixed by the Select Committee is Rs. 2,000. If you go through the figures in the Insurance Year Book you will find, that if they are allowed to draw Rs. 2,000 or even Rs. 1,000 for ten years, most of the smaller companies run by Managing Agents will be defunct before the end of those ten years. I will give you some examples because I cannot tire the House with a very large number of figures, and after all, they are all to be found in the blue book. At page 48, last item but one is a life insurance company. In 1935, it has a premium income of Rs. 1,09,000. Its life fund is Rs. 23,000. As you may have seen from the list which was annexed to the opinion of the Bombay shareholders, very often the Managing Agents are getting (in addition to other emoluments) ten per cent. on the gross premium. Therefore it means this. This company is under a Managing Agent. It is not a new company. It was started in 1931. In one sense, it is new but it is not one or two years old. With a life fund which is depleted, which has come down to only 23,000 rupees, the Managing Agent will draw his Rs. 11,000. Figures relating to many other companies will be found to be equally startling and my point is this. By giving the restriction of Rs. 2,000 for ten years, you may get at the biggest ones at the top. They may be five or may be ten, but all these smaller companies which require your more careful attention than the big companies will be absolutely ruined. The fact is that the state of finance of the small companies does not permit this very heavy burden of the Managing Agents, if they are allowed to draw their usual allowances, although such allowances may be less than Rs. 2,000 a month.

**Mr. Sri Prakasa :** They may get only 100 or 200 ?

**The Honourable Sir Nripendra Sircar :** But they may not. That is the trouble. Their agreements will allow them to draw at the rate of ten per cent. on gross premiums.

Sir, in this connection I may remind the House that yesterday my Honourable friend, Mr. Jinnah, read certain statements of Mr. Munshi. May I supplement that by giving you the opinions of others. In connection with Company Law, it will be remembered that the opinions which I so often quoted and on which I so strongly relied was the evidence given before the committee by Sir Purshotamdas Thakurdas and others. He was a strong protagonist of Managing Agents. He stressed on their necessity for industrial and manufacturing concerns but he made one exception or rather two exceptions and he said that

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we do not want them in connection with either banking or with insurance and he gave his reasons. I shall refer to that in a minute. In banking, this House, I think, without a division, has given two years to the banking companies and is there any reason why greater mercy should be shown to the Managing Agents of insurance companies. It is not a question of justice. Justice requires their removal at once.

**An Honourable Member :** Mercy then.

**The Honourable Sir Nripendra Sircar :** We are all in a merciful mood, some more and some less.

Then, Sir, this is what Sir Purshotamdas Thakurdas says. It was published on the 27th December, 1936, in the Congress Number of the *Hindustan Times* :

“ I feel that the system of paying the executive of insurance companies and banks by a commission will have to go if the new Bill is to do justice to the insured. Insurance companies are investors of money and not borrowers of money and therefore any unnecessary and avoidable charge paid to the executive will mean only so much less for the policy holders by way of bonuses.”

Then, I come to a consideration which is very important and which has got to be borne in mind :

“ There is this to be considered that the longer an insurance company works the more its funds accumulate and at the end of 50 or 60 years, on the commission payable even on the profits, leave aside the turnover of the life insurance company, must amount to an unjustifiable figure.”

That is Sir Purshotamdas' opinion.

If you refer again to the opinion of the Bombay shareholders in the annexure, you will find the scale of remunerations of managing agents. Let us take one at random. I have got it here—ten per cent. on gross premium plus three per cent. on renewals. It means this. If you take the last ten years, he gets ten per cent. on the premium of the current year and he gets three per cent. in each of the nine years which preceded the current year. If it is 15 years old or if he is there over 15 years, he is multiplying three by 15.

Then, Sir, I may read to the House a statement of Sir Munmohandas Ramji. He was a leading Managing Agent himself and he presided at the annual general meeting held in June 1929 of the Indian Mercantile Insurance Co., Ltd. He said :

“ The insurance companies could be much better managed by the help of a qualified secretary with a thorough knowledge of insurance business than by the Managing Agent who has also to engage qualified men.”

That is the point which I made ten minutes ago. You don't avoid the expense of the manager or assistant manager or actuary or the Secretary by paying your lakh of rupees or two lakhs of rupees to the Managing Agents. I have been told by some people, who do not like that any restrictions should be placed on Managing Agents of insurance companies or at any rate too heavy a restriction—what is the good of your having these restrictions? One can drive a coach and four through your provisions. I admit, Sir, that dishonest people can get round, if not wholly, partly the provisions of any statute, but the question is if

these provisions make it difficult for them to exist under the present conditions, then the measure will be amply justified. After all, section 302 has not stopped murder but you don't think of repealing the section because murders have not stopped, or some murders cannot be detected. I submit there is nothing in that argument and without repeating my arguments over the managing agency—because I am sure I shall have to do it all over again, at any rate in some part, when the relevant section comes up for its amendment, I strongly object to giving them ten years subject to these restrictions. I admit that some good will be done in the case of men at the top but the bulk of them are parasites on companies with less financial resources and no good will be done to those companies and if you are merciful, then like the All Merciful, spare their lives, but if you want to do justice, it is no good giving ten years having regard to the necessity of the small companies which are in large number, which are leading a struggling existence and which cannot bear the heavy expenses of the Managing Agents.

**An Honourable Member :** Two years.

**The Honourable Sir Nripendra Sircar :** If you move an amendment for one year, I may accept it.

**Mr. S. Satyamurti** (Madras City : Non-Muhammadan Urban) : Abolish it tomorrow.

**The Honourable Sir Nripendra Sircar :** Even then he will get six months because the Act will come into operation after six months. All I can say is that if there are amendments for restricting the period to two years or one year or even one hour, I may accept it, provided the Companies get reasonable time for adjusting their affairs.

Then, there is one matter which I must touch and that is the keeping of assets. As regards the keeping of assets, I must make it clear that I want to support that idea. What exactly the details ought to be, I cannot yet state with particularity. I can only tell the House what is in my mind and that will be found in the amendment which I am drafting. I think a distinction has got to be made between Indian companies and foreign companies. Whether my British friends will be deemed to be Indian companies or not, I have already told you my conviction about that. I feel no doubt, that we cannot discriminate against them. Be that as it may, may I for the moment use the word 'Indian' in the sense of Indian plus 'deemed' Indian.

**Mr. S. Satyamurti :** Doomed Indian !

**The Honourable Sir Nripendra Sircar :** My suggestion is this. There is nothing sacrosanct about the figures I am mentioning. It is really for giving the House my ideas so that all of us can pool our ideas together and see the best that can be done.

Now, supposing the Indian companies, following the Canadian model are asked to keep the assets under their control. I will just explain to the House what the phrase 'keeping under control' means. And when I refer to Canada, I am aware that my Honourable friend, Mr. A. C. Datta, having seen England loves England, but hates Canada. (Laughter.)



**Mr. Akhil Chandra Datta** (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : I hate Canada because under the scheme of the Act as given by the Mover of the Bill, it is said to be English and not Canadian.

**The Honourable Sir Nripendra Sircar** : I am glad that he has not contradicted my statement that he loves England. There is no harm in that.

**Mr. Akhil Chandra Datta** : I do love England so far as this principle is concerned.

**The Honourable Sir Nripendra Sircar** : I was saying what is meant by the phrase "keeping under control". Now, let us take an Indian company. It has got to declare on affidavit what are the assets which are earmarked for purposes of section 26 and it ought to declare the numbers and the descriptions and so on. Then, that is subject to investigation and verification and necessary steps have to be taken by the Superintendent for seeing that they are kept intact by the company. It means that at any moment the Superintendent can call upon them to produce at the principal place of business the securities which are being held for the purpose of section 26. That is holding under their control.

As regards the non-British foreign companies, if I may use that expression, the much hated Canadian Law provides that they should not be allowed to keep it merely under their control but they should keep it either with a Trust Company or with the Minister, which means keeping under the control of the Government, to put it shortly. If that distinction is made, then one has got to think of the investments which will be allowed. I have been impressed by various representations which have been made that we must not make the forms of investment too rigid but we must allow as much latitude as possible in the matter of investments of the insurance companies provided they are safe. My suggestion is something like this. If 25 per cent. is held in Government securities, by which I mean the securities of the Government of India, and 35 per cent. in other approved securities, then it leaves a margin of 40 per cent. As regards this 40 per cent. my idea is that this Indian company, in order that we may not tie its hands too tightly, should be allowed to keep any security, movable or immovable, which will be acceptable. There must be some discretion left to the Superintendent so that worthless securities may not be taken. But any securities, movable or immovable, if approved as to their nature and valuation by the Superintendent ought to be allowed to be kept there by the Indian company provided they are realisable in India. As regards the forms of securities available to the non-British foreign companies, I admit that under the Canadian Law there is a great latitude. That is to say, a company is allowed to put in the entire amount in stocks of the country of its origin but obviously it cannot be allowed here. It is no good taking Italian bonds which may be cancelled the next morning by Mussolini by a written order. The same remark may apply to Germany or Japan. Therefore, our large-heartedness cannot be so great as that of the Canadian. We cannot possibly allow these non-British companies to keep their securities in any form they like. Then, what will be the limitations? That is a matter of detail. But, again, under the Canadian Act, apart from the securities of the country of origin, they are allowed to put in various other

forms of securities including British securities and others. Those are matters of detail which have got to be worked out and I have not just at this moment any concrete proposition to put up before the House though I hope to be ready within the next 24 hours. That is my general idea. But if this idea is accepted, a number of sections have got to be introduced which I have already drafted as supplementary provisions incidental to the enactment of this measure. That is to say, whether any company—and here I am not distinguishing between an Indian company and a non-Indian company—should be allowed to substitute securities. Occasions will also arise when they will want their securities for paying their dues. All this has been drafted in legislations of other countries and we must also make these provisions and I cannot leave the matter in the bald form in which section 26 appears without any supplemental provisions for working out the measure.

I must now come to the vexed clause of re-insurance. I must be very brief because my Honourable friend, Mr. Desai, and, I believe, others too have made it perfectly clear that they are not insisting on that being kept. But I would like once more to make my position perfectly clear before this House. I have said that I am very definitely of opinion that clause 3-A if retained will not mean any benefit to India. Discrimination against the U. K. insurer is not permissible. I have given my reasons and I am not going to repeat them. But I cannot let pass unnoticed the remark of the Leader of the European Group about fair field and no favour. If it were permissible under the law, if I felt that I could get this ten per cent. for the Indian companies for Indian business, I would not have been troubled with any ideas of unfairness. (Hear, hear.) I would like to ask in connection with "fairness" whether at the present moment any country is prepared to allow its nationals to compete with foreigners on absolutely equal terms. (Hear, hear.) (Applause.) It is said, "But, oh! after all you, Indian people, do not know proper methods of business, you have not got our experience, you have not got our powers of organisation our large resources and so on". True, let us assume for the sake of argument it is so. Will that be a ground for not helping the Indian Industry (Hear, hear) in a reasonable manner without seriously injuring foreign competitors? I like to know why if our incapacity stands in the way of our securing help from the Government, why is that, there is objection to Japanese textiles and Belgian steel being dumped in England? (Laughter.) I believe, Sir, they are equally well organized as the British producer and surely there is nothing in that. I would remind my Honourable friend, Sir Leslie Hudson, and once more I assure him that I am not introducing any racial question in this matter, and he knows as well as I do that I have not been unfriendly to any interest in this House, including the interest of U. K. businessmen. I would ask him whether on the merits, he thinks that a demand of ten per cent. reinsurance was not a moderate and even a humble demand. (Hear, hear.) I have explained my position and I have nothing further to say about it. I do not think that Foreign interests would have been appreciably injured by ten per cent. re-insurance, as their case is that they do re-insure with Indian companies to the extent of 7 per cent. I do not want this Bill to be delayed or to be destroyed by reason of enacting provisions which will do no good to India. As I have said I shall strenuously resist any discrimination which is not permissible under the law.

[Sir Nripendra Sircar.]

Sir, in this connection with reference to the definition of "Indian" and "non-Indian" that was introduced in the Bill as it has emerged from the Select Committee for the purpose of being used in clause 3-A, if as I now understand there is no serious insistence on clause 3-A being retained then there is hardly any occasion for these definitions. I say there is no necessity whatsoever for keeping these definitions. But it may be said that we want those definitions not for re-insurance (conceding for the sake of argument that clause 3-A is not being enacted), but yet that definition may be wanted in connection with clause 26, that is to say when you are going to distinguish between Indian companies, and non-Indian companies and, therefore, some kind of definition may be wanted. Without expressing any definite opinion I would ask this House to consider the matter from this aspect. If we are going to provide that a certain percentage, say 40 per cent. will be allowable in any kind of security approved of by the Superintendent, if the condition is hedged in with the provision that those securities whatever they are must be realisable in India, (that is to say, we are not going to accept even for this 40 per cent. either German or Italian bonds), then I would ask the House to consider what incentive there will be for a German company to get incorporated and start business here in India. If it does not start business here, of course there is the provision compelling it to keep assets in India. If business is started here in India by a German company—(assuming for one moment for the sake of argument there is no definition on the lines of three-fourth capital being owned by Indians and so on and so forth)—what is it that it will gain? I will tell you what it may gain and what my view is. This company which *ex-hypothesi* is a German company has been started under an Indian name in India will still have to hold 100 per cent. assets. There is no getting out of that. The difference will be that this camouflaged company will be allowed to hold, in India, assets under its control, instead of being compelled to make them over to the Reserve Bank. Now, Sir, what is the practical difference, assuming that the securities are Indian securities—I mean securities realisable in India whether a house in India or jute shares in India. Does the German company which has been incorporated in India by running away with those securities that are permissible, does it gain anything? What is it going to do with those securities? I presume, in the Act, at least that is my idea, some kind of provision will be made for having an undertaking, that they will not deal with the shares. But here again I know some of the Honourable Members of this House are not agreed with me, but I have not yet realised why we cannot enact that whatever assets are held in India whether by an Indian company or by a non-Indian company, they will be, by force of statute, a first charge in favour of the Central Government. Will it tie the hands of the Indian companies in dealing with them, if they want to take away some of them for selling them and substitute others? I say no. Because if this thing has got to be worked out, just as in the Canadian Act, you must give permission to the Indian and Foreign companies to sell or negotiate these securities or to substitute them with the sanction of the Superintendent. That must be done. They might like to substitute some or a case may arise where the claims on the company have been reduced by deaths and so on and they say we want to realise a certain amount of our securities. I see no practical difficulty in working this out without a definition and I submit, it is futile to have a definition like this which really serves no useful pur-

pose. I understand there is a good deal of sentiment behind it, that is to say some Honourable Members are of this opinion, "we do not care whether it does us any good or not, that we do not care for, but we want to show to the foreigner that we can make a distinction between the foreigner and the Indian". To that my answer is, of course you can, as against the non-British foreign insurer. You can make different provisions for the non-British companies and for the Indian companies, but how is our national status going to be increased by putting in an unnecessary definition? I beg of the Honourable Members to consider this matter. I think the House ought to have some idea of what is the implication of keeping assets. I am now confining myself to non-British foreign companies. I made some enquiries and I find that the biggest Canadian company which is doing life business here, if this rule is enforced, they will have to keep in India nine crores. I enquired and I was told, of course I have no reason to think that that was untrue, but I have no means of verifying it, that they have invested six crores in Indian securities. Well, if that is so, that company will be under no difficulty because certainly latitude will be given as regards investment, and I see no objection to British securities for the purposes of keeping assets. Another Empire company will have to put in three crores of rupees. When I asked their representative he said that as a matter of fact his company has got two crores in Indian securities and it would have to find one crore more. I told him that in that case the thing was quite easy; if 2/3rd is already in Government of India securities, there should be no difficulty in their getting the balance in permissible securities. In this connection this House will have to consider also whether British securities would be permissible. I find an amendment has been given by one of my friends of the European Group to extend the definition of approved securities by adding to them British securities. My point of view is this. I myself have given notice of an amendment which I will not move, and for this reason. There is no reason for extending the definition of approved securities for roping in other kinds of securities. If the House accepts the idea that 1/3rd or 40 per cent. will be left to be given in any form acceptable to the Superintendent, then surely we need not bother ourselves about extending the definition of approved securities further, because under the 40 per cent. the insurer will be able to give securities which are not "approved" according to the technical definition which appears in the Select Committee's report. I submit, Sir, that it is a much easier way of working out the thing than to go on tinkering with the definition of 'approved securities'. I have received notice of about 20 amendments on this matter; somebody wants municipalities to be included and somebody wants land mortgage banks to be included; I think it was my Honourable friend, Mr. Avinashilingam Chettiar, who wants land mortgage banks to be included. I said, "What kind of animal is that?" He tried to explain it to me but I could not follow it, nor is it worth while having regard to the scheme I have in mind.

Now, Sir, an argument has been advanced which I cannot accept for half a moment and it is this, that if you are going to be so strict with these German companies and Canadian companies and so on, what if they close their business and run away with ten crores or 20 crores of Indian money? The answer to that is that if they are going to be dishonest, they can do it today. Supposing they all run away today, what are you going to do? You cannot do any-

[Sir Nripendra Sircar.]

thing. So that is not an additional terror which will prevent this House from enacting what it considers to be just. Personally,—if I may express an opinion for the consideration of the House,—for the purposes of clause 26 and for that purpose only and for no other, I would be inclined to admit British securities. The difference which I make between British securities and German or Canadian securities is this, that as between Great Britain and India under the amendments of the Civil Procedure Code we have complete reciprocity. We can enforce our judgments there and they can enforce their judgments here. That is what we did last year, with a slight extension of the old practice. Therefore, if British securities are kept here, from the practical point of view I see no difficulty whatsoever. But, on the other hand, even if the House allows British securities to be kept, I would personally insist on a substantial and a very substantial block being represented by Indian securities. (Hear, hear.) We are interested in that and I see no reason why that should not be insisted upon by the House.

Sir, I want to close within a few minutes and I should like this House to consider one matter. I drew a dismal picture of the struggling Indian life companies, but I can speak in a far more cheerful tone when I come to general insurance. All of us start with the idea that in general insurance we are nowhere,—I mean Fire, Marine, Accident, etc.,—and we cannot compete with the big foreign companies, a sense which has been accentuated by the drums which have been beating here. But let us see what the facts are. It is true that the number of companies doing general business in India is small as compared to foreign companies and, therefore, the sum total of insurance business done by foreign companies is bigger ; but whether we can hold our own or not if the Indian business is run properly will appear from the following figures which I shall give very briefly. Honourable Members will find a reference to the figures which I am giving from page 152 onwards of the Indian Insurance Book of 1935. First of all, we have the Indian companies at page 152, we have the non-Indian companies from page 153, and it shows in separate columns the amount of business done in India outside India, in Fire, Marine and so on.

**Mr. Ram Narayan Singh** (Chota Nagpur Division : Non-Muhamadan) : Is that book a Government publication ?

**The Honourable Sir Nripendra Sircar** : Yes.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions : Non-Muhamadan Rural) : It is in the Library.

**The Honourable Sir Nripendra Sircar** : My Honourable friend, Dr. Ziauddin, is assuming that whatever is in the Library has been read by all and carried in the head. (Laughter.)

We find, speaking again in thousands, that in Fire the non-Indian companies had a total premium income of Rs. 7,127 (*i.e.*, you must multiply it by a thousand). There were 43 companies and the average premium income of each foreign company was Rs. 165 (*i.e.*, 1 lakh and 65,000). The total of the non-Indian companies was Rs. 29.60, but if we divide among 15 companies the average works out at 1.97. But two of them can be neglected altogether because they had an income of something like Rs. 1,000

a year. If we take the 13 companies which are well established, their average comes to something like 2.28,—considerably more than that of the average foreign company. When we come to Marine where we supposed to be on the weakest ground. I have made no mistake. Among the Indian companies, I have not included companies which are registered in India but are substantially English. To be on the safe side, I have taken companies which are undoubtedly Indian like Hukumchand, Jupiter, New India and so on. And in passing you will find that New India has a very large income indeed from general assurance. Taking these six companies their total is 5.54 in thousands, and their average works out at 92,000 a year as premium. If you take the non-Indian, the total is 12,23,000 and that is divisible among 29 companies, yielding an average of 42,000 or less than half of that of the Indian companies. You will realise that in giving these figures there is a gap because I have kept out the companies which are incorporated in British India but which are run partly or wholly on English capital.

In this connection, Honourable Members will clearly realise the difference between Indian life companies and Indian companies doing general assurance. Mr. Duff, the Manager, I believe, of New India, who was examined as a witness before the advisory committee and who was a strong protagonist for putting down foreign companies altogether (although that is probably a slight exaggeration) said this in answer to a question (page 12) :

“ I think the reason for that is that because life assurance has been practised in India much longer and gone more ahead.”

He was next asked “ I think you will agree in the matter of other classes with which we are dealing (fire, marine, and so on) the position is very different ”. The answer was :

“ Here we have not a host of small struggling concerns as in life, but a comparatively small group of Indian companies with money behind them, in a position to set up an organisation and conduct propaganda in favour of what they want.”

The last portion I have no hesitation in confirming, viz., they can carry on propaganda in respect of what they want. Therefore, there is no doubt that although the number of Indian fire and marine insurance companies are few, as compared with foreign companies, they have done very much better if you look at the averages they have earned, than the foreign companies, and Mr. Duff was quite right in saying that they are a small group with money behind them in a position to set up an organisation and conduct propaganda in favour of what they want. This bears out what I suspect, that this fear of foreign dumping and so on is really a camouflage for appealing to the patriotic Indian mind. What is at the back of it is this : “ here we are a small group of well-to-do companies, with plenty of money for organisation, plenty of money for propaganda : we do not want small little fellows to peep in and encroach into our preserve.”

I must finish and I shall add only one word, and that is about maximum commission ; and what I want to say is that I am not yet convinced that this fixing is necessary and I shall give a reason in addition to what I have already told the House. As the Leader of the Opposition said and very rightly said, the scientific method is to fix expense ratio, but in practice it is so difficult that the idea must be given up.

[Sir Nripendra Sircar.]

There I agree also. But what I do beg of you to notice is this, that although we are not fixing an expense ratio, if the House carries out the idea of compelling companies to keep their assets here, are you not automatically tying their hands? If they have got to have their assets with the Reserve Bank or keep it earmarked separate under a charge and so on, what are they going to play with? Out of what funds will they go on recklessly paying 300 per cent. to the licensing agents? Therefore, although there is no expense ratio, (I do not for a moment suggest that we are fixing an expense ratio), I do suggest that to a very large extent the result is attained by this method of compulsion on companies to keep assets here.

Sir, I promised to finish : all that is left unsaid I shall say at the time of the amendments. (Cheers.)

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

“ That the Bill to consolidate and amend the law relating to the business of insurance, as reported by the Select Committee, be taken into consideration.”

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. President (The Honourable Sir Abdur Rahim) in the Chair.

**Mr. President** (The Honourable Sir Abdur Rahim) : Honourable Members will notice that there is a consolidated printed list which covers amendments to clauses 2 to 9. There are also two supplementary lists of amendments with respect to those very clauses,—one of the lists is typed. The printed consolidated list contains 257 amendments. What I propose to do is to take the consolidated list and take the amendments in the order in which they are printed, but if any Honourable Member has any amendment on the other list which should take precedence over particular amendment on the printed list he must bring it to the notice of the Chair at once. The Chair cannot undertake, as has been repeatedly pointed out, to call out every amendment standing in the name of any Member, and if any Member fails to bring to the notice of the Chair any amendment which he wishes to move, he will do at his own risk.....

**Mr. Akhil Chandra Datta** : We have not got the second and third lists of amendments.

**Mr. President** (The Honourable Sir Abdur Rahim) : I think everybody has got the second list. I understand that the third list contains amendments which were filed in the office today, and there has not been time to supply copies to all the Members, but copies have been supplied to those who have given notice of the amendments.

**Mr. S. Satyamurti** : One copy may be given to the Leader of the Opposition.

**Mr. President** (The Honourable Sir Abdur Rahim) : I do not know if the Honourable the Leader of the House has got a copy either.

**The Honourable Sir Nripendra Sircar** : No, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, we will have to go on with the first and second lists.

Then, as regards the amendments to clause 2, which is a definition clause, I suppose I had better go on in the order in which they are printed. The question is :

“ That clause 2 stand part of the Bill.”

Amendment No. 1. I do not want to call out the name of every Honourable Member who has given notice of amendments. Amendment No. 1, Mr. Ayyangar.

**Mr. M. Ananthasayanam Ayyangar** : Sir, I do not want to move 1 (a), and therefore, (b) becomes 1 (a). I move :

“ That after sub-clause (1) of clause 2 of the Bill, the following new sub-clause be inserted :

‘ 1. (a) ‘ Policy Holder ’ means the person who for the time being is legal holder of the policy for securing the contract with the insurer ’.”

Sir, I am glad that in the Bill, which has now been brought in for the purpose of safeguarding the interests of the policy holders, I will now have the privilege of defining that individual for whose benefit we have all been at great pains all these days, as, unfortunately, though the term “ policy holder ” occurs at various places, it has not been defined at all. In the previous Act, Act VI of 1912, the term “ policy holder ” is defined in the same terms in which I have given the amendment. Now, Sir, the Act says that it is open to the policy holder to assign the policy, and, therefore, this definition is necessary for the purpose of including that assignee also within the definition of a policy holder wherever the name ‘ policy holder ’ occurs, lest there should be confusion that it applies only to a person whose name appears prominently in the policy. Therefore, to avoid such confusion and to prevent mistakes, I hope the House will accept the amendment I have placed before the House.

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

“ That after sub-clause (1) of clause 2 of the Bill, the following new sub-clause be inserted :

‘ 1. (a) ‘ Policy Holder ’ means the person who for the time being is legal holder of the policy for securing the contract with the insurer ’.”

**The Honourable Sir Nripendra Sircar** : Sir, I oppose the amendment, and I want the House to realise what will happen if this amendment is carried. Let us suppose there are ten policy holders, and each one of them has assigned his policy to somebody else having taken a loan of Rs. 50 or Rs. 100. The result of inserting this definition will be that these assignees, who are really mortgagees,—it may be for a small amount that they have advanced,—will be the persons who will claim to be the policy holder’s representatives and the other clauses will apply to them. Is that the intention of the House ? I submit this amendment ought not to be accepted. So far, no difficulty has been created anywhere under any Act in connection with the interpretation of a policy holder. The



[Sir Nripendra Sircar.]

acceptance of this amendment would mean that it would not remove a difficulty but it will create a difficulty. It will give rights to persons whom surely it is not the intention of the House to give any such rights. As I gave an example,—I become a legal assignee of a policy holder having advanced Rs. 50. I submit this amendment will only create difficulties and, therefore, this amendment should not be accepted by the House.

**Mr. Bhulabhai J. Desai** (Bombay Northern Division : Non-Muhamadan Rural) : Will the Honourable Member consider that a policy holder will include an absolute assignee ? Otherwise it is rather unfair that the man who has acquired all the rights under the policy should have to leave it to the policy holder, for instance, the right of vote of a policy holder as *inter alia* a right of vote for the nomination of Directors. I recognise that a mortgagee may be excluded, but if the words "absolute assignee" were added, I think it would be a right thing to do from the point of view of a man who has paid consideration for it.

**The Honourable Sir Nripendra Sircar** : That will be a very different amendment. It will mean not merely the addition of the words 'absolute assignee' but I think I heard the Honourable the Leader of the Opposition to say that policy holder includes a person who is absolute owner.....

**Mr. Bhulabhai J. Desai** : Who is an absolute assignee of the benefit of the contract under the policy.

**The Honourable Sir Nripendra Sircar** : May I know what words will go out ?

**Mr. Bhulabhai J. Desai** : A policy holder shall include or includes, whatever the proper legal form may be, a person who is for the time being an absolute assignee of the policy,—the rest does not matter at all.

**The Honourable Sir Nripendra Sircar** : If the amendment is moved in that form, I shall not object, but as long as it is not clear, I must object.

**Mr. F. E. James** (Madras : European) : May I raise one point ? I do not wish to make it more difficult to proceed with the clauses of the Bill. Having regard to the experience we have had on the Companies Bill last year, I think, it is undesirable that amendments should be, so to speak, drafted on the floor of the House and accepted, particularly, an amendment of this character which might have technical results of a far reaching character.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, let the Honourable Member give notice of it. The consideration of the present amendment will stand over.

**Mr. S. C. Sen** (Government of India : Nominated Official) : Sir, I move :

"That in sub-clause (2) of clause 2 of the Bill, after the word 'guaranteed', occurring in the fourth line, the words 'fully as regards principal and interest' be inserted."

If I may draw the attention of Honourable Members to the definition of approved securities, they will find that it includes, amongst others, securities "charged on the revenues of the Central Government or of a Provincial Government, or guaranteed by the Secretary of State in Council or the Secretary of State or the Central Government or a Provincial Government."

What we want to make clear in this is that only those securities will be taken of which both the principal and interest are guaranteed.

**Mr. S. Satyamurti** : We agree.

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

"That in sub-clause (2) of clause 2 of the Bill, after the word 'guaranteed', occurring in the fourth line, the words 'fully as regards principal and interest' be inserted."

**Mr. T. Chapman-Mortimer** (Bengal : European) : On a point of information, Sir. My Honourable friend, Mr. Sen, has just now moved an amendment in which he says that only securities guaranteed fully as regards both the principal and interest should be included. But I believe it is customary in England and here also in the case of sterling loans and I think also other loans, that where it is an irredeemable stock the question of guarantee of principal does not arise. I think, therefore, that it should be "guaranteed fully as regards principal and or interest."

**The Honourable Sir Nripendra Sircar** : I am afraid I cannot accept the suggestion and my reason is this. Mr. Sen moved this amendment on the advice given by Sir James Taylor of the Reserve Bank who pointed out that there are and there may be loans of which only the interest is guaranteed. As regards irredeemable stock, suppose we do without them it may not matter, but  $3\frac{1}{2}$  per cent. which is irredeemable is included.

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

"That in sub-clause (2) of clause 2 of the Bill, after the word 'guaranteed', occurring in the fourth line, the words 'fully as regards principal and interest' be inserted."

The motion was adopted.

**Mr. Sami Vencatachalam Chetty** (Madras : Indian Commerce) : I move :

"That in sub-clause (2) of clause 2 of the Bill, after the words 'port trust' the words 'Municipal Corporations in any Presidency town' be inserted."

After reading the definition of approved securities which includes, among other things, city improvement trusts in Presidency towns and also the Harbour Trust of Karachi, I think that the omission of Municipal Corporations in Presidency Towns was quite unintentional.

**The Honourable Sir Nripendra Sircar** : May I cut short the matter ? If it is confined to Municipal Corporations in the Presidency towns, I am willing to accept it.

**Mr. Sami Vencatachalam Chetty** : It is only limited to that.

**Mr. Bhulabhai J. Desai :** The words to be inserted are " or Municipal Corporations in any Presidency town ".

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

" That in sub-clause (2) of clause 2 of the Bill, after the words ' port trust ' the words ' Municipal Corporations in any Presidency town ' be inserted."

The motion was adopted.

**Dr. P. N. Banerjea (Calcutta Suburbs : Non-Muhammadan Urban) :** I move :

" That in sub-clause (2) of clause 2 of the Bill, the words ' in any Presidency town ' be omitted."

This sub-clause of the Bill as it stands excludes Improvement Trusts outside the three Presidency towns of Calcutta, Madras and Bombay. But Improvement Trusts have been established in several other places, such as, Allahabad, Lucknow, Cawnpore, Nagpur, and so forth. It is very desirable that the securities or debentures issued by these bodies which are established under the authority of the Provincial Legislatures should be included in the provisions of this sub-clause. Therefore, I move.

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

" That in sub-clause (2) of clause 2 of the Bill, the words ' in any Presidency town ' be omitted."

**Mr. S. C. Sen :** Sir, I am afraid, I have got to oppose this amendment and for this reason. The form in which this amendment has been moved does not limit it to the towns of Lahore, Cawnpore and Allahabad but it leaves the matter entirely at large and that is a state of things which we cannot possibly accede to. For instance, there is the municipality of Nadia, in Bengal. Suppose there is a scheme there and a loan is issued does my Honourable friend think that that is a security which will be accepted. That is one of the reasons why in the original Bill, although the word ' municipality ' was left at large, it was curtailed. This amendment is not so framed so as to apply only to presidency towns. I oppose the amendment.

**Mr. Sri Prakasa :** Will you accept them, if they are guaranteed by the Governments, Provincial or Central ?

**Mr. S. C. Sen :** It is not necessary. It is in the definition of approved security.

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

" That in sub-clause (2) of clause 2 of the Bill, the words ' in any Presidency town ' be omitted."

The motion was negatived

**Mr. F. E. James :** I beg to move :

“ That to sub-clause (6) of clause 2 of the Bill, the following be added at the end :

‘ and any other security charged on the revenues of the Central Government or of a Provincial Government, or guaranteed by the Secretary of State in Council or the Secretary of State or the Central Government or a Provincial Government ’.”

The original clause defining Government securities reads : Government securities means Government securities as defined in the Indian Securities Act. On reference to the Indian Securities Act, in section 2 we find that Government securities means promissory notes including Treasury Bills, stock certificates, bearer bonds and all other securities issued by the Governor General in Council or by any Local Government in respect of any loan either before or after the passing of this Act but does not include a currency note. Our point is, that the definition of Government securities in the Bill is too restrictive. The definition in the Indian Securities Act had reference to the purpose of the Act which was to consolidate and amend the law relating to rupee securities. We take the general view that in all these matters it is unsound to prescribe too specifically or too narrowly for the locking up of part of insurance funds because the undue restriction of the liberty of the insurer is a detriment to the general body of policy-holders. A definition which may be quite appropriate to the Indian Securities Act is not, I suggest, appropriate to a Bill which relates to the general law dealing with the business of insurance. The object of my amendment is to bring within this definition Indian sterling loans which, though charged on the revenues of India, are raised by the Secretary of State in Council on the authority of the British Parliament or are secured on the revenues of a Provincial Government. I hope that Government will be able to accept this amendment. It is an extremely modest one, which I am sure will appeal to my friends on the other side of the House.

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

“ That to sub-clause (6) of clause 2 of the Bill, the following be added at the end :

‘ and any other security charged on the revenues of the Central Government or of a Provincial Government, or guaranteed by the Secretary of State in Council or the Secretary of State or the Central Government or a Provincial Government ’.”

**Mr. S. C. Sen :** I am sorry I have to oppose this amendment moved by my Honourable friend, Mr. James. The provisions regarding Government securities occur at two places in the Bill. One is with regard to the provisions for deposits and another where you provide for the keeping of assets. In both the places, the Bill provides for Government securities and approved securities, and if my Honourable friend will look at the definition of approved securities as given in clause 2 (2), he will see my point that it is already provided for. I do not quite appreciate why he wants the same words to be repeated in clause 6, because those which he wants are already there. Therefore, Sir, the question of restricting the rights of the insurer with regard to his investments does not really arise. I therefore oppose this amendment.

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

“ That to sub-clause (6) of clause 2 of the Bill, the following be added at the end :

‘ and any other security charged on the revenues of the Central Government or of a Provincial Government, or guaranteed by the Secretary of State in Council or the Secretary of State or the Central Government or a Provincial Government ’.”

The motion was negatived.

**Mr. Sham Lal** (Ambala Division : Non-Muhammadan) : Sir, I wish to move amendment No. 2\* on Supplementary List No. 1, but I want it to stand over till clause 26 has been considered.

**Mr. George Joseph** (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : This is the same as No. 23 in the original printed list. It should read as sub-clause (8A).

**Mr. President** (The Honourable Sir Abdur Rahim) : This will stand over.

**Mr. K. Santhanam** (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : Sir, I beg to move :

“ That in sub-clause (8) (c) of clause 2 of the Bill, the words ‘ or of any other association of insurance underwriters approved by the Government of the country in which such association is domiciled ’ be omitted.”

Sir, if we look at clause 2 (8) (a) and (b), we will find that they are meant to define all insurers, but in sub-clause (c) they  
 3 P.M. have tried to make one exception owing to the historical development of the Society of Lloyd's. There is no reason why we should extend this exception to include every unknown and unlimited association of this kind. Of course, all the other people must come under sub-clause (a) (i) and (ii). The implication of this amendment is that if there are such associations in other countries and if they carry on the insurance business here, each person who has got a contract with them will have to pay deposits and will have to be treated as a separate insurer. But in the case of the Society of Lloyd's we are giving them certain privileges. I do not see any reason why the same privileges should be given to other people whom we do not know.

Sir, I move this amendment and I hope it will be accepted by the Government.

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

“ That in sub-clause (8) (c) of clause 2 of the Bill, the words ‘ or of any other association of insurance underwriters approved by the Government of the country in which such association is domiciled ’ be omitted.”

**The Honourable Sir Nripendra Sircar** : Sir, I oppose the amendment. There is no risk of another Association starting from a coffee house as Lloyd's did some centuries ago. As regards the Lloyd's, we have made a special provision because they are an exception. They will have to put in one and a half times of the deposit which is payable by others. As

“ That in sub-clause (8) (a) of clause 2 of the Bill, the word ‘ British ’, wherever it occurs, be omitted.”

regards the argument that other people will come in about whom we know nothing, I submit that it may be an argument based purely on theoretical considerations and no such case is likely to arise.

I oppose the amendment.

**Mr. S. Satyamurti :** Sir, I am sorry the Honourable the Law Member does not see his way to accepting the amendment. I do not want to say what happened in the Select Committee but I do want to say this that even today, in spite of the great literature which has been thrown at our heads, the big business of Bombay is not the only culprit but Lloyd is also a culprit in spite of that I have not understood what Lloyd's business actually means. But in order to save time and in order to get into a settlement on this question, we agreed that so far as the Lloyd's are concerned, considering their historical position and the fact that it is a world-wide organisation and that it is being treated as a special case, even in Canada and other countries, we agreed reluctantly to leave the Lloyd's alone. If Honourable Members will read the clause as it stands, they will see how wide it is :

" Any person who in British India has a standing contract with underwriters who are members of the Society of Lloyd's..... " *And then look at the words which follow :* " or of any other association of insurance underwriters approved by the Government of the country..... ".

It may be Timbuctoo.

**The Honourable Sir Nripendra Sircar :** My Honourable friend has just stopped at the right word. Sir, I would like to shorten the discussion. If my friends feel so strongly about it, I have no strong feeling in the matter and let it pass.

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

" That in sub-clause (8) (c) of clause 2 of the Bill, the words ' or of any other association of insurance underwriters approved by the Government of the country in which such association is domiciled ' be omitted."

The motion was adopted.

**Mr. S. C. Sen :** Sir, I move :

" That sub-clause (8A) of clause 2 of the Bill be omitted."

I do not think it is necessary to make any long speech about it. The matter has been thoroughly discussed on the floor of the House during the general discussion and the reasons which prompt us to ask for the deletion have already been made known. Sir, I move it.

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

" That sub-clause (8A) of clause 2 of the Bill be omitted."

**Mr. Bhulabhai J. Desai :** Sir, I oppose this omission unless the explanation which has been hitherto given is intended to materialise into a definition when we come to clause 26. The position, as was pointed out to the House, is this that for purposes of clause 3A, the definition was unnecessary. I respectfully agree with that view. But the speech of the

[Mr. Bhulabhai J. Desai.]

Honourable the Leader of the House made it quite plain that a distinction would have to be made, I mean legally incorporated into this Act, for the purposes of clause 26 dealing with investments of either the assets or the life fund or the reserve fund, whatever category may be adopted by this House. I, therefore, suggest that it would be very much better to let it stand over. When we come to clause 26, then, by way of explanation or otherwise, this may be moved for deletion.

**Mr. S. C. Sen :** Sir, after hearing the Honourable the Leader of the Opposition, we think that the suggestion made by him is reasonable, and we agree to it.

**Mr. President** (The Honourable Sir Abdur Rahim) : Amendment No. 20 will stand over.

**Mr. Sham Lal :** Sir, my amendment No. 2 on the Supplementary List may also stand over.

**Mr. S. Satyamurti :** I suggest that amendments Nos. 20 to 30 printed on the order paper should stand over.

**The Honourable Sir Nripendra Sircar :** That is reasonable, because they are all connected together. If amendment No. 20 is standing over, it follows that the other amendments up to 30 will also stand over.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, there are certain amendments on the Supplementary List No. II also. There is amendment No. 2 on this list which relates to the same subject.

**Babu Baijnath Bajoria** (Marwari Association : Indian Commerce) : I have also got amendment No. 1 on Supplementary List No. II. I gave notice of this amendment today.

**The Honourable Sir Nripendra Sircar :** Sir, I have an objection to that amendment standing over. We must have some kind of order. My Honourable friend gave notice of his amendment today of which I have not even seen a copy and I cannot allow a thing to stand over, not knowing what it is standing for. He had ample time to give notice. I admit that some indulgence may be given on the first day. If he had given notice of it yesterday, I can understand it ; but to come this morning with a notice, I think it is very hard on the House.

**Mr. President** (The Honourable Sir Abdur Rahim) : I am perfectly in agreement with the point raised by the Leader of the House, and I want it to be clearly understood that from today there must have been given two clear days' notice of every amendment, otherwise it will not be taken up.

**Mr. Akhil Chandra Datta :** Sir, I beg to move :

“ That after sub-clause (8C) of clause 2 of the Bill, the following be added :

‘ (8D) A Chief Agent is a person or body of persons appointed by an Insurer to organise and secure business by appointing agents, collecting premium and to generally look after and conduct the business of the insurer in any defined area and territory allotted to him.’ ”

**Mr. T. Chapman-Mortimer** : Sir, I rise to a point of order. I got notice of this amendment only this morning, and, under the Standing Orders, two 'clear days' notice ought to be given. This is an important matter which affects other clauses of the Bill which have been left to stand over. I, therefore, suggest, that this amendment also should stand over.

**Mr. President** (The Honourable Sir Abdur Rahim) : I understand that copies of the amendment were sent to Honourable Members last night.

**Mr. Akhil Chandra Datta** : My submission is this. There is nothing in the point of order raised. But I accept that this amendment may stand over till clauses 35, 37 and 38 are disposed of. This amendment can be considered along with those clauses.

**The Honourable Sir Nripendra Sircar** : I object to this amendment standing over. I would ask the House to reject this amendment on its merits because, in the present Bill, the word 'Chief Agent' has not been used at all. If it is my Honourable friend's idea that in some other clause he will introduce the words "Chief Agents", surely in that section he can describe what that expression means. At the present moment, this is a complete misfit. We have no such expression as "Chief Agent" in any of the clauses.

**Mr. President** (The Honourable Sir Abdur Rahim) : His case is that it ought to be in the definition.

**The Honourable Sir Nripendra Sircar** : My point is that the expression does not appear in the Bill at all.

**Mr. Akhil Chandra Datta** : May I explain, Sir ? If clauses 35, 37 and 38 are accepted and carried, then automatically the inevitable result of these three clauses will be that Chief Agents will go. If those provisions are carried, it will be necessary for us to put in some amendments in regard to 'Chief Agent', because 'Chief Agent' is a very old well-established institution in the insurance system of business.

**The Honourable Sir Nripendra Sircar** : Whatever is old need not be defined. (Laughter.)

**Mr. Akhil Chandra Datta** : The expression "policy-holder" is also a very old, perhaps older, institution, and yet you have defined it in the Bill.

**The Honourable Sir Nripendra Sircar** : To buy peace, let it stand over. (Laughter.)

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, amendment No. 5 in the Supplementary List No. 1 will stand over.

**Mr. Akhil Chandra Datta** : Sir, I beg to move :

"That in sub-clause (9) of clause 2 of the Bill after the word 'double' the words 'and triple' be inserted."

**The Honourable Sir Nripendra Sircar** : We stopped with twins, but the Honourable Member wants triplets.

**Mr. Akhil Chandra Datta** : I hope the Honourable Member will not start with a biased mind. There are schemes of double indemnity and there are also schemes for triple indemnity. If there is an accident, then under the stipulation the man or his heirs get double the amount.



[Mr. Akhil Chandra Datta.]

The policy may be for Rs. 1,000, the man gets Rs. 2,000 if the death is due to an accident. Under the triple indemnity scheme, without the payment of additional premium, the beneficiary gets Rs. 3,000 if that accident takes place in a train or in any other public conveyance.

**The Honourable Sir Nripendra Sircar :** Surely double indemnity does not mean double the amount.

**Mr. Akhil Chandra Datta :** As a matter of fact they receive double the amount. The scheme about which I am speaking does not affect anybody in the world. It does not mean any additional premium. Only the beneficiary gets treble amount.

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

“ That in sub-clause (9) of clause 2 of the Bill after the word ‘ double ’ the words ‘ and triple ’ be inserted.”

**Mr. S. C. Sen :** Sir, I am afraid I have got to oppose this amendment. I wish the Honourable Member had explained to us what exactly is in his mind. The example which he gave us was neither an example of double indemnity nor of triple indemnity. We have not yet been able to follow. It is one thing to say that as a result of certain risks he gets twice or thrice the amount, but that surely is not a scheme for double indemnity or triple indemnity. As it is we have not been able to follow or understand what the Honourable the Deputy President has in his mind.

**Mr. M. S. Aney :** If my Honourable friend, Mr. Sen, is in a position to explain what ‘ double indemnity ’ means, it would be easy for us to explain the expression ‘ triple indemnity ’. Instead of asking the House to reject this motion, he should have explained what double indemnity meant.

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

“ That in sub-clause (9) of clause 2 of the Bill after the word ‘ double ’ the words ‘ and triple ’ be inserted.”

The motion was negatived.

**The Honourable Sir Nripendra Sircar :** Sir, I move :

“ That in sub-clause (10) of clause 2 of the Bill, the words ‘ Managing Agent ’ and the figure ‘ (9A) ’ be omitted, and, after the said sub-clause, the following be added :

‘ (10) (a). ‘ Managing Agent ’ means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company, occupying such position by whatever name called.’

*Explanation.*—If a person occupying the position of Managing Agent calls himself manager or managing director, he shall nevertheless be regarded as Managing Agent for the purposes of section 27 of this Act ‘.’

If I may explain to the House, this is an exact reproduction of the definition of “ Managing Agent ” in the Companies Act which this House passed. The main paragraph is copied from that Act, but in the

Explanation we have said, "If a person occupying the position of Managing Agent calls himself manager or managing director". That is the only addition. That is to say, for the purposes of section 27, which is intended to restrict the use of Managing Agents, we have added the words, for a limited purpose, to rope in the managing director because we do not want a managing director, who *de facto* is Managing Agent, to get out of this clause simply by choosing not to accept the name of the Managing Agent but to call himself managing director.

**Mr. M. A. Jinnah** (Bombay City : Non-Muhammadan Urban) : Or *vice versa*.

**The Honourable Sir Nripendra Sircar** : That is the only change, the addition of the words "managing director".

**Mr. Akhil Chandra Datta** : I do not oppose it, but is not that covered by the definition already in the Companies Act ? I am afraid this is redundant.

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

"That in sub-clause (10) of clause 2 of the Bill, the words 'Managing Agent' and the figure '(9A)' be omitted, and, after the said sub-clause, the following be added :

'(10) (a). 'Managing Agent' means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company, occupying such position by whatever name called.'

*Explanation*.—If a person occupying the position of Managing Agent calls himself manager or managing director, he shall nevertheless be regarded as Managing Agent for the purposes of section 27 of this Act."

**Mr. M. Ananthasayanam Ayyangar** : Sir, the expression "Managing Agent" occurs in various places in the Act. There are special liabilities imposed and duties cast upon them and penalties imposed in case of default of carrying out certain regulations prescribed under the Act and also in default of submitting certain returns, making certain statements, and if they are incorrect statements they will also be penalised in certain circumstances. Therefore, I do not know why the Honourable the Mover restricts the term "Managing Agent" to the purpose of section 27 of the Act. Why not say, "for all purposes of the Act" ? If he wants to include manager or managing director under the term "Managing Agent" for the purpose of disabling him from continuing as such Managing Agent, after the prohibition of the continuation of the managing agency, which is enacted in clause 27, a suitable provision may be added there that the Managing Agent for the purpose of section 27 shall include director, officer, or by whatsoever name called, who carries on any business of Managing Agent. Therefore, the earlier portion of the definition, if it is restricted to clause 27, that definition will cover the words "Managing Agent" or the term "wherever it occurs in the whole of the Act". But I do not see any reason why the scope of the term "Managing Agent" should be restricted only to what is contained in clause 27. The definition may be left as it is to cover all cases of managing agency ; and suitable amendment may be made in clause 27

[Mr. M. Ananthasayanam Ayyangar.]

to include such other person who may act in that capacity. I, therefore, submit that the Explanation may be made to read thus : " As in the Companies Act for all purposes of this Act ". You will kindly refer to section 2, clause 9A of the Companies Act, which has been bodily incorporated, as the Leader of the House says. Instead of the words " for the purpose of this Act ", it is stated in the present Bill that " for the purpose of section 27 ". I would suggest to the Honourable the Mover to make it correspond to that in the Companies Act and thus remove all difficulties. A suitable amendment may be made in clause 27. I have also given an amendment to cover this matter, and that amendment will be taken up when we come to clause 27.

**The Honourable Sir Nripendra Sircar** : Sir, I do not agree to withdraw this amendment or have it postponed. If the House be against me let the amendment be refused.

**Dr. P. N. Banerjee** : Sir, I should like to make a suggestion regarding a very slight addition to the Explanation ? My suggestion is that after " manager " the words " general manager " may be added. Perhaps it is not necessary but for the sake of clearness I think it is better that these words should be there.

**Mr. Thirumala Rao** (East Godavari and West Godavari *cum* Kistna : Non-Muhammadan Rural) : Sir, I want to know if the purpose of the amendment is to rope in managing directors and managers who do not legally constitute as Managing Agents but, nevertheless, take a large remuneration from the companies not by virtue of an agreement with the companies. There are certain managing directors and managers who simply come as a result of a resolution of the Board of Directors and they never insist on any agreement and such people are not covered by this amendment. And I request my Honourable friend, the Law Member, to see if the wording of the amendment could be so altered as to remove this disability.

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

" That in sub-clause (10) of clause 2 of the Bill, the words ' Managing Agent ' and the figure ' (9A) ' be omitted, and, after the said sub-clause, the following be added :

' (10) (a). ' Managing Agent ' means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company, occupying such position by whatever name called.'

*Explanation.*—If a person occupying the position of Managing Agent calls himself manager or managing director, he shall nevertheless be regarded as Managing Agent for the purposes of section 27 of this Act."

The motion was adopted.

**Mr. A. Aikman** (Bengal : European) : Sir, I beg to move :

" That in sub-clause (12) of clause 2 of the Bill, after the word ' officer ' the words ' being a fully qualified actuary ' be inserted."

Sir, in view of the duties and the responsibility that will fall on this officer, it might have been well if my amendment had stated "a fully qualified actuary with not less than 15 years' practical experience"; because it appears to me that as on this officer will fall the onus of seeing that this Bill, if and when it becomes law, is properly administered, his duties can only be carried out by a man not only with the highest qualifications but with great practical experience. It is impossible to exaggerate the importance and influence of this officer in discharging his responsibility under this Bill. One Honourable Member, I think it was Dr. Banerjee, suggested that this officer should be an adviser and not a dictator. We do not want him to be a dictator; but unless he utilises the powers given to him under clauses 20 and 21 strictly and fearlessly the purpose of his appointment will be lost. Sections 30 and 32 of the Bill deal with amalgamations and transfers, and although the Superintendent is not included in the Bill in this connection, it is more than likely that after the remarks of the Honourable the Law Member with regard to many of the life assurance companies which are in very great difficulties, he will act as adviser, and if he is to act as adviser, he ought to have had very great experience. Sir, I move.

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

"That in sub-clause (12) of clause 2 of the Bill, after the word 'officer' the words 'being a fully qualified actuary' be inserted."

**Mr. Sri Prakasa** : Sir, I have an amendment which is next in the order paper, similar to this, and if you will please permit me, it may also be moved now, and, whichever is preferred, may be accepted. I simply say "who shall be a qualified actuary".....

**Mr. President** (The Honourable Sir Abdur Rahim) : Is not that object achieved by the former amendment?

**The Honourable Sir Nripendra Sircar** : No, Sir : there is a difference : I will accept Mr. Sri Prakasa's amendment.

**Mr. Sri Prakasa** : I am glad, very glad indeed, to have an opportunity of supporting the motion moved by my Honourable friends of the European Group.....

**Mr. M. S. Aney** : Are you moving your amendment or supporting theirs?

**Mr. Sri Prakasa** : I am moving my own amendment and supporting the principle that underlies their motion. English being their language, they have learnt it not in the same way as we learn it with the help of grammar and dictionary, and, therefore, our English is almost invariably better than theirs (Laughter), as I am willing to acknowledge their Hindustani is better than mine. I am glad that on this point I am one with them; for it is a conviction with me that the problem in India is not that of European *versus* Indian as that of official *versus* non-official; and I am always glad when non-officials, whether Indian or English, join hands against all officials, whether Indian or English. Whatever reasons Mr. Aikman may have for his own amendment, I am very anxious to avoid all multiplication of bureaucrats. When one head is appointed he has to have a large number of clerks, assistants, chaprassis, offices and everything else; and suggestions are made that the Kennedy House should be

[Mr. Sri Prakasa.]

improved and extended to house them comfortably. If we have two gentlemen functioning, one as Superintendent and the other as actuary, both will have their separate offices, both will be at variance with each other ; and the general taxpayer will be burdened with additional expenditure. I, therefore, want one person who shall be a qualified actuary ; who shall fulfil the purposes both of superintendent and of actuary. I am glad that the Honourable the Law Member is willing to accept this, though I am sure his reasons will be different to mine : anyway so long as this goes on the Statute-book it does not matter what his reasons are, because nobody will look into the proceedings of this House and care to know on what grounds it was originally supported. Sir, I move.

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

“ That in sub-clause (12) of clause 2 of the Bill, after the words ‘ the officer ’ the words ‘ who shall be a qualified actuary ’ be inserted.”

**The Honourable Sir Nripendra Sircar** : Sir, I have got to save my young friend, Mr. Sri Prakasa, from himself. He says he finds no difference between his amendment and Mr. Aikman's amendment. I am willing to accept his, but I am not willing to accept Mr. Aikman's amendment. May I just point out to him what the difference is ? Unfortunately, my friend is right in saying that English is not our language and one word makes all the difference. Mr. Aikman's amendment is “ being a fully qualified actuary ”. He explained it by saying that before you become a fully qualified actuary you must be an actuary for fifteen years. The result of that will be that all Indian actuaries are shut out. None of them will come in. So I say I want to save Mr. Sri Prakasa from himself. (Laughter.) If I accept Mr. Sri Prakasa's amendment “ who shall be a qualified actuary ”, then under clause 101, we can prescribe the qualifications to be possessed by actuaries and it may not have the fifteen years limit which is laid down by Mr. Aikman—I did not know that that was the meaning of a fully qualified actuary.....

**Mr. F. E. James** : May I rise just to explain the matter ? As I understand it, a fully qualified actuary is one who is a Fellow of the Institute of Actuaries : while a qualified actuary may be an Associate. That is the only difference.

**The Honourable Sir Nripendra Sircar** : If that is the only difference, will my friend kindly explain for Mr. Aikman why he said that it meant one with fifteen years' experience ? But as it is, if my Honourable friend, Mr. James, thinks both are the same, he can have no objection to accept Mr. Sri Prakasa's amendment. I oppose Mr. Aikman's amendment and accept Mr. Sri Prakasa's amendment.

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

“ That in sub-clause (12) of clause 2 of the Bill, after the word ‘ officer ’ the words ‘ being a fully qualified actuary ’ be inserted.”

The motion was negatived.

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

“ That in sub-clause (12) of clause 2 of the Bill, after the words ‘ the officer ’ the words ‘ who shall be a qualified actuary ’ be inserted.”

The motion was adopted.

**Mr. Amarendra Nath Chattopadhyaya** (Burdwan Division : Non-Muhammadan Rural) : Sir, I move :

“ That in sub-clause (12) of clause 2 of the Bill, the following be added at the end :

‘ under the control of an Indian Insurance Council, consisting of members nominated by the Provincial Governors one from each province, and the Governor General in Council, so long as the Federal Assembly is not established ’.”

Sir, in view of the powers given in the Bill to the Superintendent who singly rules over all insurance companies, I believe there should be a controlling power. With that object in view, I propose this amendment.

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

“ That in sub-clause (12) of clause 2 of the Bill, the following be added at the end :

‘ under the control of an Indian Insurance Council, consisting of members nominated by the Provincial Governors one from each province, and the Governor General in Council, so long as the Federal Assembly is not established ’.”

**The Honourable Sir Nripendra Sircar** : Sir, I oppose all amendments about Insurance Boards for this reason. If the House thinks that too much power has been given to the Superintendent, I will not object, in suitable cases, that his decisions should be subject to revision by the appellate authority of Court, but if we accept this amendment, it will be simply unworkable. If the House will consider the nature of the work of the Superintendent, that is to say,—he has to look into hundreds of insurance offices, and their accounts ; then questions will arise as to whether a particular form has been complied with or not, whether the life fund is up to the required amount or not, and many other things he will have to look into,—and so, as I said, if the House will consider the multifarious duties of the Superintendent, and if they think that you require an Advisory Board to sit round a table, administration will be simply impossible. On the other hand, I quite realise the desire of some section of the House that they should have some kind of appellate authority to control a man with such large powers when necessary. When the amendments come up, if any Honourable Member thinks that some of the sections give him too much power, I shall have no objection to accept the proposal of an appellate Court, but if it is held that there should be a Board like the one suggested here consisting of members or representatives of different provinces, the Governor General in Council and so on, that is not a thing which will help the daily administrative work of an officer who has been placed in charge of the affairs of Insurance Companies. Nor do I think it would be conducive to expedition or to satisfactory results being achieved.

**Mr. M. A. Jinnah** : That is one of the points which I urged on the Honourable Member, namely, the powers of the Superintendent are very wide, and, therefore, I made the suggestion, when I was speaking on the consideration of the Bill, that Government should really consider whether certain other tribunal should not have the power, either appellate or revisional, to whom an appeal can be made by aggrieved parties. For instance, there is in the Bill a section which says that if the Superintendent

[Mr. M. A. Jinnah.]

orders inspection after certain investigation and so on, and then if the company or the insurer is aggrieved, he can apply to the Court against that order. Have you provided for that particular thing? I should like the Government to seriously consider this. I really expected that the Honourable Member in charge of this Bill, who understands this Bill better than anybody else in this House, would provide for this. Really I would ask him to apply his mind and provide some sort of appellate or revisional power to whom appeals can be made against the order of the Superintendent, I don't say in all cases, but in matters of a very serious character.

**The Honourable Sir Nripendra Sircar:** I must make my position clear. Government are not only considering, but they will be quite prepared to accept power of appeal being given to the Court in certain cases. Now, what are those cases? The one which I have in mind is the power to cancel registration or to withhold registration. That is so drastic that a company may be finished at once by a written order of the Superintendent. That is eminently a case which should be open to revision or appeal. I have not come across any other section which requires power of appeal to be given. It may be that there are some sections where some power has been given which requires to be controlled,—but I have not come across any, but should any Honourable Member move any amendment relating to that particular section, we shall certainly consider it. The general principle on which the Government is willing to act is where the power is very drastic, it will not be undesirable to give some kind of authority to control the action of the Superintendent.

**Mr. S. Satyamurti:** By a Court?

**The Honourable Sir Nripendra Sircar:** Yes.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, the difficulty is we do not find any amendment to this effect today, and the suggestion made by my friend, Mr. Jinnah, last evening was that Government should take cognisance of this and set up a suitable appellate authority to whom appeals can be filed against the order of the Superintendent in suitable cases. If the Honourable Member is prepared to agree that this amendment should stand over or if he himself moves.....

**The Honourable Sir Nripendra Sircar:** There is an amendment by Mr. Satyamurti. There are 1,100 amendments in the list.

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

“That in sub-clause (12) of clause 2 of the Bill, the following be added at the end:

‘under the control of an Indian Insurance Council, consisting of members nominated by the Provincial Governors one from each province, and the Governor General in Council, so long as the Federal Assembly is not established.’”

The motion was negatived.

**Mr. Sri Prakasa :** Sir, I move :

“ That to sub-clause (12) of clause 2 of the Bill, the following proviso be added :

‘ Provided that his salary shall in no case exceed one thousand and five hundred rupees per month ’.”

Sir, I have not much to say on this subject, I think the principle has been accepted that there should be some limit to these salaries, and as this is the first occasion on which this Legislature has an opportunity of having a say on a subject like this, I think we may as well begin here. I think I have given a fair sum, to which no objection can be raised. I hope the Government will accept it.

**Mr. George Joseph :** Sir, may I draw your attention to the next amendment which stands in my name. I suggest there that the salary should be Rs. 500.

**Mr. President** (The Honourable Sir Abdur Rahim) : Yes, you can move it. Motion moved :

“ That to sub-clause (12) of clause 2 of the Bill, the following proviso be added :

‘ Provided that his salary shall in no case exceed one thousand and five hundred rupees per month ’.”

**Mr. George Joseph :** Sir, I move :

“ That to sub-clause (12) of clause 2 of the Bill, the following proviso be added :

‘ Provided that his salary shall in no case exceed Rs. 500 per mensem ’.”

The next clause I don't propose to move, if you agree, Sir, I attach very great importance to this motion. This is the first time, Sir, I think, after the Congress has come into power in the seven provinces and tried to implement a certain item of the Congress programme, decided at the Karachi Congress, that this opportunity has offered itself to us to bring forward a similar issue before the Central Legislative Assembly.....

**Mr. President** (The Honourable Sir Abdur Rahim) : Only with reference to this matter.

**Mr. George Joseph :** Yes, only with reference to this matter. This is the first time that we are in a position to put to test the principle which was accepted and defined at the Karachi Congress, and which was subsequently implemented by the seven Congress provinces, because it now falls to the House to constitute a new office and, therefore, it is within the competence of this House to fix a salary for the incumbent of that office.

Generally speaking, it is the Government that is in a position to present budgets and suggest figures that are to be paid and the grants that are to be made by this House. It is only on the initiative of the Government that you can make a grant or refuse to make a grant. But here, for the first time, it falls to any Member of this House to make a suggestion as to the fixing of a salary. I know that there is a prejudice in the atmosphere of Delhi and Simla and the high headquarters of the Government of India that Rs. 500 a month is a negligible figure and that a man cannot subsist in decency or in efficiency on anything short of thousands. I really want to repudiate that idea. We stand



[Mr. George Joseph.]

for the Congress principle that Rs. 500 is as much as any man need have, as much as any man need expect in the service of a country which is filled with starvation, with poverty. I want to make that position absolutely clear and beyond all possibility of doubt. I want, if possible, to overcome that prejudice that exists in this place. Till the Congress men assumed office in the provinces it was accepted almost as an indisputable proposition that a Minister could not fulfil his functions unless he was paid salaries running to thousands, that a Minister cannot be honest, that a Minister could not be efficient and could not fulfil his duties to the country unless he was paid enormous salaries. I submit, with some degree of confidence, that the experience of the last few weeks has made it perfectly clear that a man can do the highest work that the country may demand from anybody—it is possible for a man to do that work even on a salary of Rs. 500. That is a matter which has now been proved beyond all doubt. It is not a matter of theory, or a matter of illusion. It is a matter which we find actually working in the provinces and nobody can suggest for a minute that the six or seven Congress provinces are administered less efficiently or less honestly than the other provinces where men draw salaries far beyond Rs. 500. That proposition having been established as a matter of common experience, there is nothing either in theory or in practice to militate against the suggestion made in all seriousness, in perfect sincerity, that the salary of a new officer, whose functions are being defined by this Legislature for the first time, should not be above Rs. 500. I want to combat the other suggestion also that if a man is paid Rs. 500 there is a possibility of his being corrupt or inefficient. I want to combat the suggestion that a poor man is less honest than a rich man. It is just an illusion or a superstition that has been built up by the superstitions and illusions of this age which worships Mammon and thinks that a man getting Rs. 10,000 is more honest and more efficient than a man who takes Rs. 100 a month. I do not really believe in that proposition for a minute. If there is anything in this Legislature or in this atmosphere or in this background which suggests that a man can be honest only if he is paid over Rs. 3,000 a month, I want to repudiate that suggestion. It is not now a matter of theory or of ideals. It is based on experience, and I do say in all seriousness, I really want to press it on the House, that, if not today, it is going to come in this House, there is no doubt about it, and it would be much wiser, reading the signs of the times and marking the portents everywhere—it would be wise and expedient and prudent on the part of this House to accept the amendment which I have moved.

**Mr. Sri Prakasa :** I crave your permission to withdraw my own amendment in favour of my Honourable friend, Mr. Joseph's.

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

“ That to sub-clause (12) of clause 2 of the Bill, the following proviso be added :

‘ Provided that his salary shall in no case exceed Rs. 500 per mensem ’.”

**The Honourable Sir Nripendra Sircar :** I am glad that my Honourable friend had an opportunity of telling us all about sacrifice and how big men are working on Rs. 500 a month. But I ask him to realise what

is happening. This House, ten minutes ago, passed an amendment by which the Superintendent must be an actuary. May I inform my Honourable friend that there are only six Indian actuaries. (Interruption.) If my Honourable friend will allow me to go on, none of them will be available on Rs. 500 a month, not even for Rs. 1,200. It is no good saying that other people are working for Rs. 500 a month. If the Ministers, whether from Bengal or from the Congress, were allowed to sit for this examination they will get a series of ducks. (Laughter.) After all, you have got to remember, Sir, that the man who is getting Rs. 500 a month as a Minister,—he is not getting much in the way of money, I quite admit that, that is great sacrifice, but he has got power, he has got patronage, his name appears every day in the newspapers, there are huge crowds following him for his *darshan*. (Laughter.) That is some compensation for people who love power. It may be that the man is doing good to his country, but you cannot expect an actuary to be moved by this spirit of sacrifice and to say, “Yes. I am earning Rs. 1,500 a month elsewhere, but Mr. Joseph asks me to show my spirit of sacrifice and so I am joining the Government of India on Rs. 500 a month”. This will be an absolutely impracticable proposition and I beg of my Honourable friend not to press it.

**Maulana Zafar Ali Khan** : I beg to oppose the amendment of my Honourable friend over there. My Congress friends seem to think that anything that comes out of the mouth of Mahatma Gandhi is sacrosanct.

**Honourable Members on Congress Benches** : Of course, yes.

**Maulana Zafar Ali Khan** : Please have a little patience. Gandhiji once thought that it was quite possible for a man holding an exalted office to work on Rs. 500 a month. Rs. 500 a month has now become so sacred as if it were a verse of the Bible.

**Mr. M. S. Aney** (Berar : Non-Muhammadan) : May I correct my Honourable friend ? It is a resolution of the Karachi Congress. Gandhiji was one of the persons who passed that resolution, but the idea did not originate from him at all.

**Mr. Sham Lal** (Ambala Division : Non-Muhammadan) : Maulana Zafar Ali Khan was a party to that resolution.

**Mr. Sri Prakasa** : I was on the Working Committee then and I know.

(There were further interruptions.)

**Maulana Zafar Ali Khan** : Wherever the idea emanated from, it is rubbish. Why not Rs. 599, why not Rs. 600, why not Rs. 400, why not Rs. 75 ? I think I can live like a prince on Rs. 50 a month. Formerly there used to be a Postmaster General in the Punjab who seemed to think that a native of India could live on Rs. 50 a month, but an Englishman as an ordinary citizen could not live on even Rs. 500 a month. So these are relative things. Everything is relative. Why say Rs. 500 ? Why not cut it down to Rs. 75 a month ? Was not Mr. Gokhale of blessed memory getting Rs. 30 a month when he was Principal of the Fergusson College ? Are there not men in the Punjab like Mahatma Hansraj who was getting Rs. 75 a month and who was far more clever and far more brilliant in attainments than any of you ? (Laughter.)

**An Honourable Member :** Move an amendment to that effect.

**Maulana Zafar Ali Khan :** I realise that the six Congress Governments.....

**Some Honourable Members :** Seven.

**Maulana Zafar Ali Khan :** I thought there was a coalition ministry in the N.-W. F. P.

**Some Honourable Members :** He has signed our pledge.

**Maulana Zafar Ali Khan :** Has he ?

**Some Honourable Members :** Yes.

**Maulana Zafar Ali Khan :** All right. (Interruptions.)

**Mr. President** (The Honourable Sir Abdur Rahim) : I must ask Honourable Members not to go on interrupting and creating such noise. It is impossible to follow the proceedings.

**Maulana Zafar Ali Khan :** I beg your pardon, Sir, if I am irrelevant. (Laughter.) Congress holds sway in seven provinces, but the centrally administered areas are not within the authority of those Provincial Governments. I am very much surprised that these gentlemen have not urged upon Sir Abdur Rahim to give up Rs. 4,000 a month. Why should he get Rs. 4,000 a month, why not Rs. 1,500 or Rs. 500 a month ?

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member can leave the Chair alone.

**Mr. N. M. Joshi :** Mr. President, I rise to oppose this amendment.

4 P.M.  
I am one of those people who feel that in India some of the public servants are paid extravagantly but I know equally well that in India as well as in most other countries there are other classes of people who are paid more extravagantly. It is not the public servants only who are paid very large salaries. There are men in the professions, barristers, doctors and so on, who are paid more extravagantly than the public servants. There are other classes of people than the professional men such as the merchants and industrialists like my Honourable friend, Sir Cowasji Jehangir, who are paid even still more extravagantly than the public servants and the professional men. I believe that there is need in India for more equitable distribution of incomes but if I want to bring about a more equitable distribution of income and wealth, I shall not begin with public servants. I shall begin that process with other classes of people.

**An Honourable Member :** Employers ?

**Mr. N. M. Joshi :** Not employers necessarily but people who work for private profit and are not of much use for the public good. I would, therefore, suggest, that if Congressmen are anxious to bring about more equitable distribution of income and of wealth, they should not begin with public servants. There are various methods of equalisation of distribution of wealth or at least equalisation of distribution of incomes.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member is embarking on a very general discussion. I think he should confine himself to the salary of this gentleman.

**Mr. N. M. Joshi** : I shall not go into the general question. We are discussing today what salary we should pay to the gentleman who is to be appointed as the Superintendent of Insurance. It has been said that the Congress Ministers accept Rs. 500 a month and the Members of the Legislatures are to be given Rs. 75 a month. In the first place, this experiment of securing Ministers on Rs. 500 a month and legislators on Rs. 75 is a very new one. Let us have some experience of this experiment and let us see whether you really get the best men to join politics on those salaries. If the Congressmen want to have that experience, we do not want to stand in their way at all. I have never suggested that Congressmen should take more than Rs. 500 a month as ministers. If they want, they may take less, but I would ask them not to bring in their ideas of receiving very small salaries in the appointment of public servants. We want the best men to join the public service. The Honourable the Leader of the House has pointed out that there are only six actuaries who are fit to be appointed as the Superintendent of Insurance. Now, we want the best man for this to be obtained. Is it likely that you will be able to get a man for Rs. 500 ? If it is not possible to get a man for Rs. 500, it is much better to fix the salary at a higher figure. If we really want public servants to take to public service on smaller salaries, let us, as I have suggested, begin that process with the other people who are drawing very large salaries and whose incomes are very large. I, therefore, oppose this motion.

**Mr. S. Satyamurti** : I am not surprised at the Honourable the Leader of the House opposing this amendment, but I am rather surprised at the "statutory labourer" and a distinguished *ex*-Congressman opposing this amendment.

**Mr. M. A. Jinnah** : You are going wrong.

**Mr. S. Satyamurti** : We are not going wrong, but it is you who are going wrong and you are so vain that you do not realise that you are going wrong and you always say that others are going wrong. That is the tragedy of the situation. I think the distinguished Maulana was present at Karachi. I had the distinction of working with him, and I do not remember that he dissented from this resolution. It does seem to me that learning must not be so big or rapid, even in the case of Maulanas and Maulvies. The Congress is pledged to draw Rs. 500 a month not only for themselves but also to pay Mr. Joshi only Rs. 500 a month.

**Mr. N. M. Joshi** : In that case, I shall get four times more than what I am getting now !

**Mr. S. Satyamurti** : There is no use asking us, Congressmen, to do something else than what we are doing now by putting forward this specific amendment. This is the first time that the Indian Legislature has an opportunity of pronouncing what is the proper salary for an Indian public servant. I know the argument of the Honourable the Leader of the House is the most valid one that can be advanced against it. He said that you cannot get a qualified Indian actuary on Rs. 500. I say, Sir, that we have more faith in Indian human nature than he seems to have.

**Mr. M. A. Jinnah :** Your faith is misplaced.

**Mr. S. Satyamurti :** Yes, it is in you. But, thank God, you are not the only Indian left. There are other Indians more patriotic and more resilient and more willing to respond to the appeal of the Congress. I have faith in human nature. I, therefore, believe, Mr. President, that although the argument of the Law Member may be valid today, I am hoping that when this Legislature votes this salary, there will be at least one Indian actuary, willing and competent, who will accept this salary. We must make that attempt. If the Law Member comes and tells us later on that he cannot get anybody on Rs. 500, we will consider that.

**Mr. M. A. Jinnah :** You will amend the law then.

**Babu Baijnath Bajoria :** The Act will remain suspended for the time being.

**Mr. S. Satyamurti :** The Act need not remain suspended.

**Babu Baijnath Bajoria :** There will be no Superintendent.

**Mr. S. Satyamurti :** It does seem to me that we must go forward with this amendment. We are pledged to this, and we must enforce it, wherever and whenever we can. If Honourable Members feel that Rs. 500 is too small, let them join the Congress and persuade us to raise the amount to Rs. 1,000 a month, but this matter should be agitated in the Congress and not outside it. We are bound by the Congress mandate. My friend, Mr. Joshi, said : " Why not begin with the professions, the industrialists?" I say that the moment we get power, we propose to have a scheme of taxation, of death duties, of succession duties and so on, by which we shall see that the rich are not making as much as they are making, and that they are made to pay more to the State but we are not in power yet.

**An Honourable Member :** You are in power in six provinces.

**Mr. S. Satyamurti :** They will do it. They took office only a month ago. In Madras, they have already started taxing the mill-cloth traders. We will go on with that. There will be a new scheme of taxation. I suggest that we must not try to confuse the issue by suggesting something else. On the merits, what is the objection? Why should not, in this country, men do work on salaries on which people do good work in France, in Japan, in Russia and other countries? What salaries do they get? Do they get these fat salaries? They get much less, and yet they do great and good work for their country. While we want the best men for the public service, it does not necessarily follow that unless you pay them Rs. 5,000 or Rs. 7,000 or even Rs. 10,000, you cannot get the best men. I suggest we can. Therefore, I ask the House to vote for Rs. 500, in the belief that we will get the best man.

**Dr. Ziauddin Ahmad :** Sir, I think that the salary of Rs. 500 proposed by the Congress is rather extravagant. The proper salary is really the salary which the Vice-Chancellor of the Aligarh University gets. That is, no salary, no sumptuary allowance and no other allowances of any kind. As compared to that, it is really an extravagant proposition to pay a salary of Rs. 500 a month. The second point which I would like to put forward is this. Had we not passed the previous amendment that the Superintendent should be an actuary, there might have been some

sense in the limitation of the salary. But after passing the amendment that the man must be a technical expert,—and there are only six such technical experts,—there is not much point in restricting the salary for an expert. I am given to understand by my Honourable friend, Mr. Satyamurti, that there is one person in his mind out of these six who will be willing to accept the salary of Rs. 500 a month. Practically, it comes to this, that if this proposal is carried, there is only one particular individual in the whole of India who will be appointed. If that is the object, why not say in the Bill that Mr. so-and-so ought to be appointed the first Superintendent of Insurance. Why ask for it in an indirect manner? But after having laid down the condition that he must be an expert possessing certain qualifications, we have really to find out the most efficient man and pay him the salary which is really the market value of the expert.

**Sir Cowasji Jehangir** (Bombay City : Non-Muhammadan Urban) : Mr. President, I thought, that I would have the privilege of congratulating my friend, Mr. Sri Prakasa, on having exhibited a little sanity. He proposed an amendment, that this post should carry with it a pay of Rs. 1,500 a month, but he was carried away by the eloquence of his colleague behind him which induced him to immediately withdraw his amendment. Now, Sir, his real object in withdrawing his amendment was, that he felt that Rs. 1,500 was insufficient. We have heard a good deal about Rs. 500 being paid to Government servants, who should all follow the excellent example set by the Ministers in provinces. I think Mr. Joshi said just now that this is an experiment and we shall see how it works. But it will be a very dangerous thing indeed to try this experiment in this Bill for a post which you are bringing into existence, and which is going to be of the greatest importance to a large number of very important commercial concerns. If you really want a good actuary, you will have to pay him much more than Rs. 1,500 a month.

**Mr. Sri Prakasa** : Like Managing Agents.

**Sir Cowasji Jehangir** : Some time, in the future, when Mr. Sri Prakasa knows a little more, than he does now, he will realise that Managing Agents have more often than not earned their commission ; while, I have known instances of many who have received commissions without earning them.

Now, Sir, my Honourable friends here are trying to make this a test case, as this is the first time, they have had an opportunity of moving such an amendment. I beg of them not to look at it from that point of view. This is not a test case. We will see in the future what salaries our friends will ultimately draw. You may say that your Ministers are at present drawing Rs. 500 a month, but if you add to it the motor car allowance and other allowances, it becomes a higher figure. I have no objection to their drawing Rs. 500 a month, but I do believe, that they will realise their mistake that paying Rs. 500 a month to Government servants will not pay in the end, but will end in disaster. There may be a few patriotic men, who will serve on Rs. 75 a month, and a very excellent example of that is my friend, Mr. Joshi, whom I have known for nearly 35 years. There are men like that, but they are exceptions; they are not the rule. As was pointed out, Gokhale was also a Servants' of India Society man and he served on Rs. 75 a month. But there was one Gokhale only.

**Mr. Sri Prakasa :** And there is one actuary only.

**Sir Cowasji Jehangir :** Yes, that is just the point. Is there only one actuary, whom you have earmarked for this post ? If that is so, let us have his name. Then as my friend, Mr. Jinnah, says, he should serve for nothing.

Let us now really face realities. Let us not waste the time of the House. If my Honourable friends wish to talk on public platforms of Rs. 500 a month for Government servants and for Ministers, we have no objection. Let them do so to their heart's content, but when we come to realities and to legislation, let us be practical. We beg of them to be practical, and we beg of them not to waste their time in a discussion of this sort. They have plenty of time and plenty of opportunities outside this House of lecturing and of going on with their propaganda for lower salaries.

**Mr. S. Satyamurti :** We want to convert you.

**Sir Cowasji Jehangir :** Convert me ! I am quite prepared to be converted by you. (*Voices : " But you are never converted."*) A day will come when we shall have the pleasure of converting Mr. Satyamurti. The chances of my being converted to a salary of Rs. 500 a month are less than are the chances of Mr. Satyamurti, being converted to a salary of Rs. 5,000 a month. I feel sure, that a day will come, when nobody will be more pleased than myself to see Mr. Satyamurti at the head of a Provincial Government, a great successful Prime Minister, drawing what he deserves, more than Rs. 500 a month. While looking round just now I see the faces of many friends who, in their time, have earned more than Rs. 500 a month. I have known some of my friends—one on my right here—who has earned Rs. 1,000 a day. There is another friend of mine in this House who has earned, perhaps, a little more than Rs. 1,000 a day and may he continue to do so, in the future. And there even may be an occasion when this poor humble individual may have to put his hands into his pocket and pay these friends more than Rs. 1,500 per day....

**An Honourable Member :** God forbid.

**Sir Cowasji Jehangir :** My Honourable friend says, ' God forbid ', but that may happen when I shall remember this debate. I shall take the opportunity of applying for the services of my Honourable friend to my right, or my Honourable friend, the Leader of the Opposition, on Rs. 500 per month and may my case last for many months.

**Mr. Bhulabhai J. Desai :** But there, I am not serving the public ; that is the difficulty. I am serving only a rich individual.

**Sir Cowasji Jehangir :** I admit there is a difference. When he serves me, he asks for Rs. 1,500 a day and he thinks that it is not extravagant, but that it is fair remuneration for him. We are not now dealing with a man who serves the public. My Honourable friend, the Leader of the Opposition, is doing service for the public, when he loses his practice at the Bar and sits in this House. There are many other Honourable Members who do that, for instance, my Honourable friend to my right. We are all making some sacrifice ourselves by coming here. But we are not talking of that. We are talking of what a man would earn not in patriotic service—you do not call the post of Superintendent a

patriotic service—we are talking of a man who comes here to earn his living. He does not come to perform patriotic service. Please do not confuse the two things. Patriotic service is service, as Servants of India, on Rs. 75 a month. I can understand that. There are not many who would undertake such service on Rs. 75 a month. Therefore, I should remember this debate in future and I shall act up to it if I can.

**Mr. M. A. Jinnah :** Not with me.

**Sir Cowasji Jehangir :** There is a distinguished surgeon amongst us here. He does not perform operations for nothing. He might talk here of scalps, but when he does that in his professional capacity, he takes jolly good care to see that he gets his proper dues.

**Dr. G. V. Deshmukh** (Bombay City : Non-Muhammadan Urban) : If I could get you, I shall do it free.

**Sir Cowasji Jehangir :** Therefore, let us face realities, and leave this kind of talk to public platforms. Here we are transacting business. We are not here to canvass votes. Perhaps, when I am also out to canvass votes, I might exaggerate sometimes, but here on the floor of the House, we are transacting business and not canvassing votes ; let us, therefore, face realities and talk sense.

**Mr. Abdul Qaiyum** (North-West Frontier Province : General) : Sir, my Honourable friend, Sir Cowasji Jehangir, tried to differentiate between public platform and this Honourable House by saying that when Congressmen state a thing on the public platform, they are not really serious about it and that they do not mean what they say—and that when they come to this Honourable House, they should mean business and be a little more serious. Sir, I want my Honourable friend, Sir Cowasji Jehangir, to realise, that when Congressmen stand up on public platforms and state things they mean every word of what they say. When we advocate a salary of Rs. 500 a month for the Superintendent of Insurance, we really mean business and we are out to enforce it, because it is a principle by which we firmly stand. I was really surprised when I noticed an opposition to this very sensible suggestion from certain Muslim Members of this House. The cry is often raised that the Muslims are very poor, that the Muslims are very heavily taxed, and that when a Muslim dies intestate his property should go to the Muslim community and not to the country at large. I am really surprised that those very Muslim Members who represent such a very poor community should come to this House and advocate very high salaries in opposition to that proposed by the Congress for the Superintendent of Insurance. I hope my co-religionists realise that a very high salary means additional taxation and that additional taxation is likely to hit the poorer community harder than it would hit a community which is much better off like the majority community in India. (Hear, hear.) I am really surprised that Maulana Zafar Ali Khan should differ from the Congress, even when the Congress is out to do the right thing. We sometimes state things, we sometimes advocate measures which really are not in the true interests of the community which we represent. It is asserted that an actuary will not serve on Rs. 500. We have been told that there are only six actuaries in India and that none of them is going to serve for Rs. 500 a month. I submit, Sir, that Government



[Mr. Abdul Qaiyum.]

servants who are highly paid come in contact with people who are out for high salaries and I refuse to believe that there are only six actuaries in India and that there is nobody who is willing to serve on Rs. 500. I submit, Sir, that we are out to secure not an actuary, but a patriotic actuary who will be willing to serve his country for a smaller amount.

**The Honourable Sir Nripendra Sircar :** Get a patriarchal actuary !

**Mr. Abdul Qaiyum :** Patriarchal will be for the other side to get.

I submit, Sir, this is a question of principle and when the Congress has laid down that Rs. 500 should be the maximum salary which any public servant should receive, we are going to enforce this principle in this House and if we stand defeated, the responsibility will lie on the shoulders of others who are here to represent the other communities and interests.

**Several Honourable Members :** The question be now put.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question is that the question be now put.

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim) : I will first put the motion of Mr. Sri Prakasa.

**Some Honourable Members :** Mr. Sri Prakasa has already withdrawn his amendment.

**Mr. Sri Prakasa :** Sir, I beg leave of the Assembly to withdraw my amendment.

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

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

“ That to sub-clause (12) of clause 2 of the Bill, the following proviso be added :

‘ Provided that his salary shall in no case exceed Rs. 500 per mensem ’.”

The Assembly divided :

AYES—49.

Abdul Qaiyum, Mr.  
Aney, Mr. M. S.  
Ayyangar, Mr. M. Ananthasayanam.  
Banerjee, Dr. P. N.  
Bhagavan Das, Dr.  
Chaliha, Mr. Kuladhar.  
Chattopadhyaya, Mr. Amarendra Nath.  
Chaudhury, Mr. Brojendra Narayan.  
Chettiar, Mr. T. S. Avinashilingam.  
Chetty, Mr. Sami Vencatachelam.  
Chunder, Mr. N. C.  
Das, Mr. B.  
Datta, Mr. Akhil Chandra.

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

AYES—contd.

Lahiri Chaudhury, Mr. D. K.  
Maitra, Pandit Lakshmi Kanta.  
Malaviya, Pandit Krishna Kant.  
Mangal Singh, Sardar.  
Misra, Pandit Shambhu Dayal.  
Mudaliar, Mr. C. N. Muthuranga.  
Muhammad Ahmad Kazmi, Qazi.  
Paliwal, Pandit Sri Krishna Dutta.  
Pande, Mr. Badri Dutt.  
Raghubir Narayan Singh, Choudhri.  
Ramayan Prasad, Mr.  
Rao, Mr. Thirumala.

Saksena, Mr. Mohan Lal.  
Sant Singh, Sardar.  
Santhanam, Mr. K.  
Satyamurti, Mr. S.  
Sham Lal, Mr.  
Sheodass Daga, Seth.  
Singh, Mr. Gauri Shankar.  
Singh, Mr. Ram Narayan.  
Sinha, Mr. Satya Narayan.  
Som, Mr. Suryya Kumar.  
Sri Prakasa, Mr.  
Varma, Mr. B. B.

NOES—68.

Abdul Ghani, Maulvi Muhammad.  
Abdul Hamid, Khan Bahadur Sir.  
Ahmad Nawaz Khan, Major Nawab Sir.  
Aikman, Mr. A.  
Anwar-ul-Azim, Mr. Muhammad.  
Azhar Ali, Mr. Muhammad.  
Bajoria, Babu Baijnath.  
Bajpai, Sir Girja Shankar.  
Bhutto, Mr. Nabi Baksh Illahi Baksh.  
Buss, Mr. L. C.  
Chanda, Mr. A. K.  
Chapman-Mortimer, Mr. T.  
Dalal, Dr. R. D.  
Dalpat Singh, Sardar Bahadur Captain.  
DeSouza, Dr. F. X.  
Essak Sait, Mr. H. A. Sathar H.  
Fazl-i-Haq Piracha, Khan Bahadur Shaikh.  
Fazl-i-Ilahi, Khan Sahib Shaikh.  
Ghiasuddin, Mr. M.  
Ghulam Bhik Nairang, Syed.  
Ghulam Muhammad, Mr.  
Griffiths, Mr. P. J.  
Grigg, The Honourable Sir James.  
Hudson, Sir Leslie.  
Ismail Khan, Haji Chaudhury Muhammad.  
James, Mr. F. E.  
Jehangir, Sir Cowasji.  
Jinnah, Mr. M. A.  
Joshi, Mr. N. M.  
Kamaluddin Ahmed, Shams-ul-Ulema.  
Kushalpal Singh, Raja Bahadur.  
Laljee, Mr. Husenbhai Abdullabhai.  
Lang, Mr. J. C.  
MacKeown, Mr. J. A.  
Manavedan Raja, Rao Bahadur K. C.  
Mani, Mr. R. S.

Mehta, Mr. S. L.  
Mody, Sir H. P.  
Mudie, Mr. R. F.  
Murid Hussain Qureshi, Khan Bahadur Nawab Makhdum.  
Nagarkar, Mr. C. B.  
Nayudu, Diwan Bahadur B. V. Sri Hari Rao.  
Ogilvie, Mr. O. M. G.  
Parsons, Lieut.-Colonel A. E. B.  
Pursell, Mr. R. S.  
Rahman, Lieut.-Colonel M. A.  
Boy, Mr. S. N.  
Scott, Mr. J. Ramsay.  
Sen, Mr. S. C.  
Shahban, Mr. Ghulam Kadir Muhammad.  
Shaukat Ali, Maulana.  
Sheehy, Mr. J. F.  
Sher Muhammad Khan, Captain Sardar Sir.  
Siddique Ali Khan, Khan Sahib Nawab.  
Sikandar Ali Choudhury, Maulvi.  
Sircar, The Honourable Sir Nripendra.  
Sivraj, Rao Sahib N.  
Spence, Mr. G. H.  
Staig, Mr. B. M.  
Stewart, The Honourable Sir Thomas.  
Sukthankar, Mr.  
Sultan Ahmad, The Honourable Sir Saiyid.  
Thorne, Mr. J. A.  
Tylden-Pattenson, Mr. A. E.  
Umar Aly Shah, Mr.  
Vissanji, Mr. Mathuradas.  
Zafar Ali Khan, Maulana.  
Ziauddin Ahmad, Dr.

The motion was negatived.

**Mr. President** (The Honourable Sir Abdur Rahim) : I cannot now put clause 2 to the House. I shall now take up clause 3. The question is :

“ That clause 3 stand part of the Bill.”

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**Mr. Sami Vencatachelam Chetty** : Sir, I move :

“ That in sub-clause (1) of clause 3 of the Bill, for the word ‘ insurer ’, where it occurs for the first time, the word ‘ person ’ be substituted.”

This is a very minor amendment : I think a person who begins to carry on insurance business cannot become an insurer before he begins his business, and hence I suggest this verbal amendment. Sir, I move.

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

“ That in sub-clause (1) of clause 3 of the Bill, for the word ‘ insurer ’, where it occurs for the first time, the word ‘ person ’ be substituted.”

**Mr. K. Santhanam** : Sir, an individual can become an insurer only after he carries on business of insurance, not before. This is only a formal verbal amendment.

**The Honourable Sir Nripendra Sircar** : I quite see the point, but the difficulty was pointed out at one stage by the Leader of the Opposition which has got to be borne in mind, and his view was that the word ‘ person ’ as defined in the General Clauses Act, includes incorporated bodies, individuals and so on. What the Leader of the Opposition suggested was that the incorporated body which is appearing there may refer to a body which has been incorporated under the Indian Companies Act and that definition may not rope in a body incorporated, say, in the United Kingdom. That is a point I would like the Leader of the Opposition to consider, whether in that view it would be desirable to accept this amendment.

**Mr. M. Ananthasayanam Ayyangar** : May I suggest a way out of this difficulty ? This has arisen out of the definition of ‘ insurer ’ in clause 2 (8) (a). Before he begins business no person can become an insurer under the definition. If he is already an insurer, he must be carrying on business. Therefore, to avoid the difficulty, my Honourable friend, Mr. Chettiar, has given in this amendment. No doubt it is true . . . .

**The Honourable Sir Nripendra Sircar** : Are you suggesting the word ‘ intending ’ to be inserted between ‘ no ’ and ‘ insurer ’ ?

**Mr. M. Ananthasayanam Ayyangar** : Yes. To avoid the difficulty I suggest that this word ‘ intending ’ should be inserted between ‘ no ’ and ‘ insurer ’ in the first line of clause 3 (1). If you will permit me, Sir, to introduce this amendment, it may be accepted.

**Mr. T. Chapman-Mortimer** : On a point of order, Sir, I think, we have already agreed that you would not allow amendments on the floor of the House, however simple they may appear to be. This is one of the most technical Bills that has ever come up before the House and small amendments may slip through, the intention of which we may all sympathise with but which may have consequences which even the Mover himself had not intended ; and I suggest it should not be accepted.

**Mr. President** (The Honourable Sir Abdur Rahim) : I thought it was merely a verbal amendment ; and once an amendment has been moved, I cannot insist on time being given—that is not the practice. But if any Honourable Member has reason to think that it is not a mere

verbal amendment but that it might have other consequences, then, in that case, I cannot allow it to be moved.

**Mr. Sami Vencatachelam Chetty** : The balance of advantage is on the side of intention, and so I beg leave to withdraw it.

**Mr. President** (The Honourable Sir Abdur Rahim) : What about this new amendment ? Is it merely verbal ? Does the Honourable Member accept it as a verbal amendment ?

**The Honourable Sir Nripendra Sircar** : No, Sir : I do not accept that.

**Mr. President** (The Honourable Sir Abdur Rahim) : Very well, then : I cannot allow it to be moved. Has the Honourable Member, **Mr. Sami Vencatachelam Chetty**, leave of the House to withdraw his amendment ?

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

**Mr. K. Santhanam** : Sir, I move :

“ That in sub-clause (1) of clause 3 of the Bill, the words ‘ after the expiry of three months from the commencement of this Act ’ be transposed between the words ‘ shall ’ and ‘ continue ’.”

There is no change in the meaning at all : it is only intended to make it clear. Sir, I move.

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

“ That in sub-clause (1) of clause 3 of the Bill, the words ‘ after the expiry of three months from the commencement of this Act ’ be transposed between the words ‘ shall ’ and ‘ continue ’.”

**The Honourable Sir Nripendra Sircar** : Sir, I accept the amendment.

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

“ That in sub-clause (1) of clause 3 of the Bill, the words ‘ after the expiry of three months from the commencement of this Act ’ be transposed between the words ‘ shall ’ and ‘ continue ’.”

The motion was adopted.

**Mr. S. Satyamurti** : Sir, I move :

“ That to sub-clause (1) of clause 3 of the Bill, the following proviso be added :

‘ Provided that nothing in this Act shall apply to any insurance business carried on by the Governments of the Governors’ Provinces, under laws passed by the Provincial Legislatures thereof ’.”

Honourable Members will notice that clause 3 (1) says :

“ No insurer shall.....carry on any class of insurance business in British India.....unless he has obtained from the Superintendent of Insurance a certificate of registration.”

That is a comprehensive prohibition. Once this Bill becomes the law of the land, hereafter, nobody, not even the Local Governments, can institute or begin to carry on any class of insurance business.....

**The Honourable Sir Nripendra Sircar** : Sir, if the House approves of it and if you allow it, I would ask this to stand over because I have really no hostility to the amendment, but am not sure about the drafting ; and if the House will permit this matter to be postponed, I may have a talk with the Leader of the Opposition and the Mover and come to some kind of arrangement.

**Mr. S. Satyamurti** : I am quite agreeable to that.

**Mr. T. Chapman-Mortimer** : May I suggest that other Parties also be drawn into this round table conference ?

**Mr. President** (The Honourable Sir Abdur Rahim) : I shall allow it to stand over if that is the desire of the House as a whole.

**The Honourable Sir Nripendra Sircar** : I hope I have not committed myself to a round table conference : what I propose to do is that if we do come to some arrangement, my Honourable friends will be informed in quite good time that this is what is going to be moved, so that they can consider the matter and come to some conclusion. I have always done that, but no more round table conferences.

**Mr. T. Chapman Mortimer** : On a point of personal explanation : I was neither approving nor disapproving : I was merely saying that in this matter other Parties should be considered as well as the Congress.

**The Honourable Sir Nripendra Sircar** : Yes ; but no round table conference.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, this will stand over.

**Mr. Sri Prakasa** : Sir, I move :

“ That to sub-clause (1) of clause 3 of the Bill, the following proviso be added :

‘ Provided that if an insurer, incorporated under the Indian Companies Act, 1913, notifies to the Superintendent of Insurance, within three months from the commencement of this Act, his intention to amalgamate with or to transfer his business to another insurer, the provisions of this subsection shall not apply to him for a period not exceeding twelve months from the date of the commencement of this Act ’.”

Sir, so far as I am able to make out, one of the many purposes of this Bill is to encourage smaller existing insurance companies, that are not able to find their feet in the world of business, to amalgamate with other companies. If I am reading the purpose of the Act aright, I think sufficient and clear provisions should be made to enable these small companies to amalgamate with others with ease and efficiency. So far as I have been able to find out, there are no definite provisions which lay down the methods by which such amalgamation shall take place. There is no doubt that this idea is inherent in many clauses of the Act ; but there are no provisions to enable these small companies to amalgamate easily and quickly. I, therefore, thought that if a provision like this were inserted, the position would be made clear. The Bill, as it is, requires all insurers to register themselves with the Superintendent of Insurance within three months of the commencement of this Act. The Governor General in Council, or the Governor General

himself, is authorised to give out the date when the Act shall come into force ; and from that date within three months all insurers must register themselves with this Superintendent of Insurance. Now, Sir, many companies may find that they are unable to meet all the obligations and liabilities imposed upon them under this Act ; and they would naturally like, in the interest of themselves as well as in the interest of the policy-holders, to amalgamate themselves with other companies. If this proviso is added, I feel that our purpose will be served. Sir, a suggestion has been made to me that there should be an additional proviso to this something like this :

‘ Provided, however, that a copy of the notice to the Superintendent is published in such newspapers as may be prescribed by the rules.’

If, Sir, you will permit me to add these words, personally I have no objection to add them ; and if the matter is made clearer thereby . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim) : Objection has already been taken more than once to amendments of this kind being suggested on the floor of the House. I really cannot allow any more.

**Mr. Sri Prakasa** : Then, I will adhere to the wording of my own amendment, which I myself prefer without any further additions.

**Mr. M. A. Jinnah** : What is your meaning ?

**Mr. Sri Prakasa** : I shall explain again. The purpose of the Act is that there should be greater control over Insurance Companies. The suspicion is that insurance companies which do not start with sufficient capital are likely to let down the policy-holders in whose interests alone they should function. There are many insurance companies which might find themselves in hot waters after this Act is passed. They may feel that they cannot find Rs. 75,000 and the other monies required under this Act at once ; and they may go to another company which is more prosperous and flourishing,—may be a Bombay company,—and they may say to them : ‘ We are willing to amalgamate with you’. Now, this other company may like to entertain the application. In these circumstances, I feel that the time allowed for giving statutory deposits and to fulfil the other obligations may be extended, for in that case the companies amalgamating will naturally require more time to settle their affairs. It may, however, happen that negotiations for amalgamation may fall off after six months, the two companies which desired to amalgamate may feel that the conditions are not such that they can amalgamate ; and so the smaller company may continue to remain a separate entity. For that contingency, I have got another proviso, and I shall come to it later if this proviso is accepted by the House. In that proviso I say that in case the company does not amalgamate within twelve months, then that company should not have the status of an old company and enjoy all the privileges that old companies are given under this Act ; but should be regarded as a new company with additional liabilities and additional obligations. That proviso I shall take up only if this proviso is accepted. And I am anticipating matters, so that my point may be made perfectly clear. In that proviso I have definitely stated that in case a company, under the pretence of amalgamation, has been adopting a *mala fide* method of putting off the payment of the additional sums that would be demanded under this Act, and if that

[Mr. Sri Prakasa.]

company is not really serious with regard to amalgamation, then that company will come to be regarded as a new company and will have to pay extra deposits in case it wants to function. I hope I have made my meaning perfectly clear to the House.

I shall, however, Sir, in order to elucidate my meaning further recapitulate what exactly I mean, because I think this is a very important point. I do not want to stab any one in the back. I don't think, despite his homicidal tendencies, the Honourable the Law Member wants to stab any one in the back, he would, if at all, stab him in the front. I feel if we do not make a provision making amalgamation easy, it is quite possible that many small companies that have come into existence under the old Act ; who had no reason to believe that the Act was going to be changed ; who thought that the old Act of 1912 was going to stand ;— all such companies will feel that they are being stabbed in the back. So the only thing that we can do to facilitate them is to make a suitable provision so that they may amalgamate with other companies ; they may live even as subsidiary or subordinate bodies ; and that their policy-holders, shareholders and others interested in such companies, may be safe and free from all avoidable harm and hardship.

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

“ That to sub-clause (1) of clause 3 of the Bill, the following proviso be added :

‘ Provided that if an insurer, incorporated under the Indian Companies Act, 1913, notifies to the Superintendent of Insurance, within three months from the commencement of this Act, his intention to amalgamate with or to transfer his business to another insurer, the provisions of this subsection shall not apply to him for a period not exceeding twelve months from the date of the commencement of this Act ’.”

I think it is now time to adjourn. I want to make it clear to the House that several amendments have been left over for further consideration, but that does not mean that the whole clause is left over, and that fresh amendments to the clause will be received. Except for those amendments which have been allowed to stand over, no further amendments will be accepted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 8th September, 1937.