

1st October 1937

**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume VII, 1937

(30th September to 7th October, 1937)

SIXTH SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,

1937



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L453LAD



Legislative Assembly.

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LEGISLATIVE ASSEMBLY.

Friday, 1st October, 1937.

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

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

GIVING OF PREFERENCE TO INDIANS IN THE HIGHER ADMINISTRATIVE POSTS IN THE INDIAN MEDICAL SERVICE.

942. *Mr. M. Asaf Ali : Will the Secretary for Education, Health and Lands please state whether :

- (a) it is a fact that one third of the members of the Indian Medical Service are Indians ;
- (b) both the Director and Deputy Director General of the Indian Medical Service are non-Indians ;
- (c) Lieutenant-Colonel Sheik, I.M.S., was not appointed as Deputy Director General on probation but in the ordinary course as the substantive incumbent of the post by notification in the Government Gazette (Education, Health and Lands), dated 21st January, 1937 ;
- (d) Lieutenant-Colonel Sheikh had 27 years service with considerable jail and civil experience ;
- (e) the present Deputy Director General is a non-Indian with entirely military and no civil experience ;
- (f) the offer to other senior Indians was not made in writing nor was their refusal received in writing before the present non-Indian Deputy Director General was appointed ;
- (g) the present non-Indian incumbent of Deputy Director General's post is also on probation, and if not, why not ;
- (h) the suitability of the present incumbent of the post is in respect of any special programme of Health work relating to tropical diseases, tuberculosis and malaria ; if so, what are the special qualifications and experience of the present incumbent ;

- (i) any posts in the Indian Medical Service are reserved for non-Indians ; and
- (j) Government are prepared to give an assurance that the earliest steps will be taken to give preference to suitable and qualified Indians in the higher administrative posts in the Indian Medical Service and the claims of senior Indians to the posts of both Director and Deputy Director General will receive early consideration ?

Sir Girja Shankar Bajpai : (a) Yes.

(b) Yes.

(c) No. As I explained on the 20th September, in connection with Dr. Ziauddin Ahmad's question No. 625, the probation was not mentioned in the notification but was mentioned in the letter of appointment.

(d) No. Lieut.-Colonel Sheikh's total service amounts to 22 years. He has had jail but no other civil experience.

(e) Yes.

(f) The offer was not made in writing.

(g) I would invite the Honourable Member's attention to the replies I gave to supplementary questions arising out of Dr. Ziauddin Ahmad's starred question No. 626 on the 20th September.

(h) The reply to the first part is in the negative. The duties of this post are primarily administrative and the present incumbent has exceptional administrative qualities.

(i) I would refer the Honourable Member to the Defence Department Resolution No. 205 which was published in the Gazette of India (Extraordinary) on the 25th March last.

(j) It is the policy of Government to appoint Indians of the requisite seniority and qualifications to senior administrative posts.

Mr. M. Asaf Ali : With reference to the answer to part (f) of the question, may I know if the refusals were also received in writing ?

Sir Girja Shankar Bajpai : The answer that I gave to the question was that no offer was made in writing, and the refusals were therefore not received in writing either. What happened was that the Director General was on tour and he consulted these officers personally.

Mr. S. Satyamurti : With reference to the answer to part (i) of the question, my Honourable friend referred to the Government order issued in the Defence Department. May I know if the Government have reconsidered the order in view of the Resolution of this House and the criticisms published by medical and other professional associations and the public generally throughout the country ?

Sir Girja Shankar Bajpai : I would suggest that that question be addressed to the Defence Department.

Mr. T. S. Avinashilingam Chettiar : May I know how many people were consulted over this matter whether they were prepared to accept this ?

Sir Girja Shankar Bajpai : Five.

Mr. S. Satyamurti : With reference to the answer to part (j) of the question, may I know whether the answer of my Honourable friend, namely, that it is the policy of the Government to appoint Indians of the requisite seniority and qualifications—does it represent the policy of his own department, or also of the Defence Department ?

Sir Girja Shankar Bajpai : I can only answer for the department which I represent in this House. I cannot say anything about the Defence Department.

Mr. S. Satyamurti : May I know whether appointments to these administrative posts are entirely in the hands of my Honourable friend's department, or does the Defence Department have a voice, and, if so, a superior voice in the matter ?

Sir Girja Shankar Bajpai : As far as I know, in the appointment of the Director General, Indian Medical Service, we have to consult His Excellency the Commander-in-Chief and the Defence Department, but appointments subordinate to the Director General in the office of the Director General are made by us.

Mr. T. S. Avinashilingam Chettiar : May I know whether it is the custom of the Government to consult in matters like this, in person, or it was an unusual procedure in this case only ?

Sir Girja Shankar Bajpai : No. Whenever a vacancy like this is about to occur and the Director General happens to be on tour he sounds the officers eligible for the appointment informally.

Mr. M. Asaf Ali : May I take it that throughout the length of this particular service there has not been an Indian Director General, and there has been only once an Indian Deputy Director General on probation ?

Sir Girja Shankar Bajpai : I think that, so far as the post of Director General is concerned, my Honourable friend's information is correct.

Mr. M. Asaf Ali : But what about the Deputy Director General ? There has not been an Indian Deputy Director General either !

Sir Girja Shankar Bajpai : No. That is not true. There was Colonel Rai, and then Colonel Sheikh.

Mr. M. Asaf Ali : Were both of them on probation, or was either of them a permanent incumbent ?

Sir Girja Shankar Bajpai : As far as I know, Colonel Rai served for more than a period of six months and he would have been confirmed but for the fact that he became eligible for an administrative post and he preferred to go there.

Mr. S. Satyamurti : Is the fact that no Indian has so far been appointed Director General, due to the absence of qualified and suitable men, or is it due to racialism ?

Sir Girja Shankar Bajpai : I do not think that racialism plays any part in that matter.

PROTECTION OF THE INTERESTS OF INDIANS IN SOUTH AFRICA.

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

- (a) whether his attention has been drawn to a leading article entitled ' Indians in South Africa ' in the *Hindu* of Monday, the 6th September, 1937 ;
- (b) whether his attention has been drawn to the statement of *Indian Views* reproduced in the article " one can safely prophesy, therefore, that a renewal of the anti-Asiatic cry by Dr. Malan will result in a change of Government attitude and that the commissions will therefore ultimately be appointed " and whether Government are watching the situation continuously and carefully with a view to protecting the interests of Indians in respect of these matters ;
- (c) the latest position with regard to municipal and political franchise for the Indians in the Union of South Africa ;
- (d) whether the attention of Government has been drawn to the statements of Professor Burchell reproduced in the article who " confessed that very little had been done in practice to carry out the solemn promise made in the first Capetown agreement " ; and
- (e) whether Government proposed to revise their attitude in regard to the position of Indians in consultation with the Indian legislature and send the successor to the present Agent General to that country with definite instructions as to the objectives which should guide his work and endeavours especially in securing the political franchise for Indians in the Union and if not, why not ?

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

(c) Except in the Cape Province, Indians do not possess either the parliamentary or the municipal franchise.

(e) Government's objective has been and is to secure a progressive improvement in the position of Indians who have settled in the Union. Successive Agents have been instructed to devote all their energies to this purpose and those who may hold the position in future will be required to exert themselves to the same end. As regards the political franchise, I have nothing to add to the answer which I gave to the Honourable Member's starred question No. 747 on the 23rd September, and to the connected supplementaries.

Mr. S. Satyamurti : With reference to the answer to clause (c) of the question, may I take it that in the Cape Province Indians enjoy only the municipal franchise ?

Sir Girja Shankar Bajpai : No. They enjoy both the political and municipal franchise.

Mr. S. Satyamurti : Is there any move in the Cape Province in particular to deprive Indians of their franchise, both municipal and political ?

Sir Girja Shankar Bajpai : No, not in the Cape Province.

Mr. S. Satyamurti : With reference to the answer to clause (d) of the question, may I know whether Government have examined the statements of this Professor and whether they are in a position to make any statement on his allegation ?

Sir Girja Shankar Bajpai : No. I do not think that there is any occasion to make a statement on the statement made by the Professor, because one of the duties of our Agent General in South Africa is to watch the progress of the application of the principles accepted by the Union Government in 1927.

Mr. S. Satyamurti : Have the Government of India heard from the Agent General recently on the question of municipal and political franchise, for instance, in the Union outside the Cape Province ?

Sir Girja Shankar Bajpai : My Honourable friend, if he would refer to his own earlier question to which I have referred in answering part (e) of the question, will find all the references that the Agent General has made recently.

Mr. S. Satyamurti : May I take it that the Agent General is, therefore, authorised and required by the Government of India to advance, as much as he can, the claims of Indians to municipal and political franchise ?

Sir Girja Shankar Bajpai : I have nothing to add to the answer which I gave to my Honourable friend on the previous occasion.

Mr. S. Satyamurti : Then, my Honourable friend said that the Government would take it up at the earliest favourable opportunity. I am asking, apart from their taking it up, whether the Agent General now or his successor has been or will be authorised to press on the Government of the Union of South Africa the claims of Indians to both municipal and political franchise on behalf of this Government.

Sir Girja Shankar Bajpai : The Agent General misses no opportunity to impress not merely upon the Cabinet Ministers but those in a position to influence European opinion in South Africa generally the equity of the Indian claim to admission both to the municipal and the political franchise.

Mr. S. Satyamurti : Does he do it with the authority and permission of the Government of India ?

Sir Girja Shankar Bajpai : Of course, he would not be functioning in a matter like this without our approval.

RAISING OF THE PRICE OF OPIUM AND OTHER EXCISABLE ARTICLES IN THE RAJPUTANA STATES AND RESTRICTION OF THE AREA UNDER POPPY CULTIVATION.

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

- (a) whether Government are aware that excisable articles like opium which the Government of Rajputana States are authorised to sell very cheap find their way into the hands of

smugglers who smuggle large quantities of them into British India ;

- (b) whether the Government of India have taken any action on the petition addressed to them by the President of the Rajputana States People Conference relating to the cheap price of excisable articles especially opium in the Rajputana States and their effect on British India, and if not, why not ; and
- (c) whether the Government of India propose to consider the advisability of coming to a settlement with these Rajputana States especially in view of the Federation to raise the sale price of opium and other excisable articles in their States and restricting the area under poppy cultivation with a view to prevent smuggling ; if not, why not ?

Mr. A. H. Lloyd : (a) I am afraid that there is much smuggling of excisable articles from States in Rajputana in spite of all the efforts of the Central and Provincial Governments.

(b) Government have not received the petition in question.

(c) Government have already done their best to come to a settlement such as is referred to in this part of the question. The Indian States have already done much to assimilate their excise policy with that in force in British India and no opportunity will be lost for forwarding this process.

Mr. S. Satyamurti : With reference to the answer to clause (a) of the question, may I know whether it is a fact that the Governments of Rajputana States are authorised to sell excisable articles like opium very cheap ?

Mr. A. H. Lloyd : Sir, the difficulty about that question is in the use of the expression " authorised ". The Rulers of the States in Rajputana require no authority to sell excisable articles at any price they choose, because they have full sovereign rights in the matter.

Mr. S. Satyamurti : May I know whether, as a matter of fact, and to the knowledge of the Government of India, excisable articles like opium are actually sold at very cheap prices by the Governments of Rajputana States ?

Mr. A. H. Lloyd : I would hesitate to use the expression ' very cheap '. It is undoubtedly the case that prices in Rajputana are generally considerably lower than those in British India.

Mr. S. Satyamurti : May I know whether Government have taken any steps, by way of influence or negotiation, to bring the prices up to the level of those in British India ?

Mr. A. H. Lloyd : I have already dealt with that in my reply to part (c) of the question. I said : Government have already done their best to come to a settlement such as is referred to in this part of the question. The Indian States have already done much to assimilate their excise policy with that in force in British India and no opportunity will be lost for forwarding the process.

Mr. S. Satyamurti : Then, may I know whether, as a result of these "best endeavours", the prices of excisable articles like opium have made a nearer approximation to their prices in British India?

Mr. A. H. Lloyd : I have already answered that question. A good deal has been done to raise them.

Mr. S. Satyamurti : May I know whether the Government, as a result of these "best endeavours" have succeeded in putting down smuggling, wholly or partially, and, if so, to what extent?

Mr. A. H. Lloyd : I think I may leave it to the Honourable Member to infer the result of such a process.

Mr. S. Satyamurti : I am asking whether as a result of the efforts made so far there has been any stopping or lessening of the extent of smuggling, in fact.

Mr. A. H. Lloyd : That, Sir, is a question which is really difficult to answer. We have not in the nature of things complete information as to the quantity of goods smuggled into British India from time to time and it is therefore impossible to say whether at one time more than at any other there has been more or less smuggling. We believe there has been some reduction in the volume of smuggling as a result of the measures that we have taken.

Mr. S. Satyamurti : With reference to clause (c) of the question, may I know whether the Government of India are considering the question of coming to a settlement on these matters with these Rajputana States, in connection with the negotiations for Federation?

Mr. A. H. Lloyd : I do not think that this is a matter which can be linked up with negotiations for Federation. The fixation of prices for the sale of opium is inherently a matter of excise policy and the States have perfect freedom in this matter and I do not think that under Federation they can be asked to accept a lesser degree of freedom than that which they now enjoy or that enjoyed by the provinces in British India.

Mr. S. Satyamurti : May I know if this answer covers the question of poppy cultivation also? Do the States enjoy absolute freedom in that matter also?

Mr. A. H. Lloyd : No, Sir. That is a matter which inevitably goes with the proposals for Federation, since poppy cultivation is a Central subject.

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

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

- (a) whether his attention has been drawn to press reports that the British film industry is contemplating to move the British Government to subsidise it in the venture of starting studio theatres in this country with a view to competing with Germany and America for providing entertainment to our villages ;

- (b) whether the Government of India propose to get into touch with the British Government and obtain full details of this venture ; and
- (c) whether Government propose to take all steps to protect the Indian film industry from this invasion and if not, why not ?

The Honourable Sir Thomas Stewart : I have nothing to add to the replies I gave on the 20th September, 1937, to Seth Govind Das's starred question No. 633.

Mr. S. Satyamurti : With reference to part (c), may I know whether Government propose to take steps to protect the Indian film industry from the invasion of foreign films ?

The Honourable Sir Thomas Stewart : May I point out to the Honourable Member that his question refers to " this invasion ".

UNEMPLOYMENT AMONG INDIAN LABOURERS IN BURMA.

946. ***Mr. Badri Dutt Pande :** Will the Secretary for Education, Health and Lands be pleased to state :

- (a) if there is great deal of unemployment among Indian labourers in Burma ;
- (b) if there are cases of hardship where unemployed Indians even find it difficult to come back to India ;
- (c) if it is the intention of the Government of India to repatriate these Indians to India who are in a destitute position ; and
- (d) what has been decided by Government whether there will be an Agent only at Burma or whether there will be a High Commissioner ?

Sir Girja Shankar Bajpai : (a) and (b). Government are not aware of any change in the conditions described by the Royal Commission on Labour in their Report.

(c) Does not arise.

(d) The attention of the Honourable Member is invited to the reply given to his question No. 441 on the 10th September, 1937.

Mr. Badri Dutt Pande : As there is no Agent or High Commissioner in Burma, may I take it that the Honourable Member has put himself in correspondence with the Burma Government on the subject of these labourers ?

Sir Girja Shankar Bajpai : The Government of India have been in communication with the Government of Burma for some time and getting at the facts regarding Indian labour in Burma.

Mr. S. Satyamurti : With regard to the appointment of an Agent, has the Government of India to take the permission of the Colonial Office in England ?

Sir Girja Shankar Bajpai : The Colonial Office has nothing to do with the matter. It is a matter of mutual arrangement between the Government of India and the Government of Burma.

Mr. S. Satyamurti : In view of the large numbers of Indians in Burma, may I know when the Agent will be appointed ?

Sir Girja Shankar Bajpai : The matter is under active consideration now.

Prof. N. G. Ranga : What is the kind of assistance given by the Government of India to destitute Indians who are not able to come back for want of money ?

Sir Girja Shankar Bajpai : As my Honourable friend is aware, the Government of India make provision for this purpose in countries where they appoint an Agent but as far as we know, no occasion has arisen for the repatriation of destitute Indians from Burma.

Mr. Badri Dutt Pande : Am I to understand that the Honourable Member has received no complaint on behalf of labourers there ?

Sir Girja Shankar Bajpai : What is what I want my Honourable friend to understand. Yes.

ENCOURAGEMENT TO THE HANDLOOM AND COTTAGE WOOLLEN INDUSTRY.

947. ***Mr. Mohan Lal Saksena :** (a) Will the Honourable the Finance Member be pleased to state what financial assistance, if any, is being given to the various Provincial Governments for the encouragement of the handloom and other small scale and cottage woollen industries ?

(b) Do Government propose to consider the feasibility of increasing these grants ?

The Honourable Sir Thomas Stewart : (a) A sum of about Rs. 5 lakhs per annum is being allotted to the Provinces for the development of the handloom industry since November, 1934. Grants each totalling Rs. 1 lakh a year are also being given for the development of the cottage and small scale woollen industries since 1936-37. These grants will run for five years, *i.e.*, till the 31st October, 1939, and the 31st March, 1941, respectively.

(b) No.

Prof. N. G. Ranga : In view of the fact that the Madras Government and the United Provinces Government have found it necessary to spend more money in order to relieve the distress of these handloom weavers, because they are conscious of the growing distress of these people, will Government consider the advisability of increasing their subvention of five lakhs, with a view to giving more to the provinces ?

The Honourable Sir Thomas Stewart : No, Sir. At present Government do not propose to do so.

Mr. Badri Dutt Pande : May I know how much money has been given to the United Provinces Government.

The Honourable Sir Thomas Stewart : In respect of the cotton handloom industry, the United Provinces Government have been allotted altogether 3 lakhs of rupees.

Mr. Ram Narayan Singh : What about the other provinces ?

The Honourable Sir Thomas Stewart : I think the Honourable Member really wants the information about Bihar. The figure for Bihar and Orissa is one lakh and 73 thousand.

Seth Govind Das : May I know the principle on which this amount is divided, whether it is on the number of persons engaged in the handloom industry or on any other principle ?

The Honourable Sir Thomas Stewart : I think the grants are allocated by a committee which is representative of all provinces and it is allotted to the provinces if they bring forward schemes which meet with the general approval of this Committee.

Mr. S. Satyamurti : Will Government consider the advisability of putting a tax, either directly or indirectly, on textile mills, or on the production and sale of mill made cloth, and earmark the proceeds of that tax, for the aid of the handloom industry ?

The Honourable Sir Thomas Stewart : That question must be addressed to my Honourable colleague, the Finance Member.

DISSENTING NOTE OF SIR TRACY GAVIN JONES TO THE SAPRU COMMITTEE REPORT AND ENQUIRY INTO THE QUESTION OF CURRENCY AND EXCHANGE.

948. ***Mr. Mohan Lal Saksena :** (a) Will the Honourable the Finance Member be pleased to state if the dissenting note of Sir Tracy Gavin Jones appended to the Sapru Committee Report has been considered by Government ? If so, have Government come to any conclusions on his suggestions regarding exchange ?

(b) Are Government prepared to consider the desirability of appointing a Committee to enquire into the question of currency and exchange and the effects of their present policy on the trade and industry of the country ?

The Honourable Sir James Grigg : (a) The Government of India are aware of the suggestions made in the dissenting note, but they see no reason for revising the policy which I explained in this House on the 8th of October, 1936.

(b) No, Sir.

Mr. Mohan Lal Saksena : May I know if the Government have considered this note of dissent ?

The Honourable Sir James Grigg : We were aware of it.

Mr. Mohan Lal Saksena : I want to know whether they have considered it ?

The Honourable Sir James Grigg : In as far as it was necessary, to come to the conclusion not to adopt it.

LEGISLATION REGARDING ACQUIRING OF INTERESTS OF AFRICAN AND ARAB MORTGAGORS IN ZANZIBAR.

949. ***Mr. Mohan Lal Saksena :** (a) Will the Secretary for Education, Health and Lands be pleased to state whether the attention of Government has been drawn to the new legislation proposed by the

Zanzibar Government regarding acquiring the interests of African and Arab mortgagors ? If so, how are its provisions likely to affect Indians in Zanzibar ?

(b) Do Government propose taking any action in the matter to safeguard the interests of Indians ?

Sir Girja Shankar Bajpai : (a) The attention of the Honourable Member is invited to the reply given to Mr. T. S. Avinashilingam Chettiar's starred question No. 861 on the 28th September.

(b) The Government of India's views on the provisions of the Bill will be communicated to the Government of Zanzibar.

Mr. Mohan Lal Saksena : Before forwarding their views, will the Government consult the Standing Emigration Committee ?

Sir Girja Shankar Bajpai : My Honourable friend is a member of the Emigration Committee and he is aware of the fact that this question of indebtedness in Zanzibar has been considered by the Committee twice. There is nothing in the Bill which necessitates further consultation with the Committee.

Mr. T. S. Avinashilingam Chettiar : Have they finished consideration of the Bill ?

Sir Girja Shankar Bajpai : It is a complicated measure and it does not come up for consideration in Zanzibar until the 15th November. So, the Government of India have time to consider it.

Mr. S. Satyamurti : Are the Government going to send another communication simply re-indorsing their previous communication because the Committee was consulted some time in May on this question ?

Sir Girja Shankar Bajpai : That is perfectly true but the Government of India have no intention of deviating from the attitude that they have already taken up on broad questions of principle.

CONTRIBUTIONS MADE TO THE STATES FROM INDIAN REVENUES.

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

(a) whether any contributions are made to the States from Indian revenues ;

(b) if so, on what account ; and

(c) what was the amount paid in the last financial year ?

The Honourable Sir James Grigg : (a), (b) and (c). Various payments, mainly of a compensatory nature, are made to Indian States under the existing treaties and agreements. The amounts of such payments are stated in the relevant sections of the " Demands for Grants " and its Appendices.

Mr. T. S. Avinashilingam Chettiar : May I know what the total amount is ?

The Honourable Sir James Grigg : I cannot say offhand. I have got a list of the more important ones. The two biggest are Customs and Salt,—Customs almost entirely in respect of Travancore and Cochin and

Salt,—compensation and royalties paid. Those amount to about 33 lakhs each, between these they cover practically the whole amount.

Mr. T. S. Avinashilingam Chettiar : Will the Honourable Member lay those particulars on the table of the House ?

The Honourable Sir James Grigg : The Honourable Member can find them in the appropriate sections of the Demands for Grants and its appendices.

Mr. S. Satyamurti : May I know whether these contributions are on a financially compensatory basis, and whether these contributions are paid, because and only because of the probable loss of the revenue to those States, as they have not exercised those rights in the States ?

The Honourable Sir James Grigg : I cannot say exactly but they are mainly of a compensatory nature. The payments of 33 lakhs to Cochin and Travancore are in respect of an agreement which concerns the development of the port of Cochin and they cover the allocation of the total customs revenue collected in that port between the Government of India and the two Durbars.

Mr. T. S. Avinashilingam Chettiar : Was it sometime back, or recently that these agreements were made ?

The Honourable Sir James Grigg : Some of them were made in the dark ages.

Prof. N. G. Ranga : Some grants are made to the Nizam's and other States to the tune of several lakhs every year. Is not that so ?

The Honourable Sir James Grigg : Will the Honourable Member put down a question ?

Mr. S. Satyamurti : Is there any proposal, in connection with the Federation, to wipe out contributions on either side,—that is to say, contributions from the States to the Federation or from the Federation to the States ?

The Honourable Sir James Grigg : I do not know what the Honourable Member means. The basis of the Federation is laid down in the Government of India Act.

Mr. S. Satyamurti : I am asking about the actual contributions. Is there any proposal to wipe out the contributions ?

Mr. President (The Honourable Sir Abdur Rahim) : That is a different question. Next question.

Mr. T. S. Avinashilingam Chettiar : The agreement with Travancore and Cochin was made comparatively recently, *i.e.*, in the last two years. May I also know when some of the others were made ?

The Honourable Sir James Grigg : I cannot say off-hand.

ERADICATION OF THE PRACTICE KNOWN AS *Phooka*.

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

(a) with reference to the eradication of the cruel and wasteful practice known as *Phooka* referred to in His Excellency the

Viceroy's speech to the Legislatures, whether they have any proposals in view to put an end to it ; and

(b) if so, what they are ?

Sir Girja Shankar Bajpai : (a) and (b). The practice of ' phooka ' is a criminal offence under section 4 of the Prevention of Cruelty to Animals Act, 1890. The Government of India are now considering measures designed to facilitate the suppression of this practice.

Mr. Lalchand Navalrai : May I know if that is an all-India Act or a provincial Act ?

Sir Girja Shankar Bajpai : I have already said it is an all-India Act.

Mr. T. S. Avinashilingam Chettiar : Can the Government of India do anything effectively without introducing any fresh legislation of that kind ?

Sir Girja Shankar Bajpai : I am not in a position to state at this stage how the Government will proceed about the business of taking the necessary measures.

Mr. T. S. Avinashilingam Chettiar : When do they propose to take these steps ?

Sir Girja Shankar Bajpai : My Honourable friend is aware of the fact that some Honourable Members contemplate introducing a private measure on the subject ; there have been representations made to the Government of India by the Society for the Prevention of Cruelty to Animals and the matter is under consideration.

Mr. B. Das : Will the Government give permission to my friend, Dr. Deshmukh, to introduce his Bill this Session ?

Sir Girja Shankar Bajpai : That does not rest with me.

STATISTICS FOR UNEMPLOYMENT.

952. ***Mr. T. S. Avinashilingam Chettiar :** Will the Honourable Member for Industries and Labour state :

(a) with reference to the Viceroy's speech to the Legislatures on the 13th September, 1937, what exactly has been done with regard to obtaining statistics of unemployment and maintaining records of unemployment ; and

(b) what has been the result of their close contact with the Provincial Governments over these matters ?

The Honourable Sir Thomas Stewart : (a) The attention of the Honourable Member is invited to the statement which was laid on the table on the 13th September in connection with question No. 355 asked by Mr. Mohan Lal Saksena on the 7th September.

(b) The views of the Provincial Governments are awaited.

PROVISION OF FACILITIES FOR SECRETARIAT TRAINING IN UNIVERSITIES.

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

- (a) with reference to the statement in His Excellency the Viceroy's speech to the Legislatures on the 13th September, 1937, what exactly has been done with regard to providing facilities for secretariat training in Universities; and
- (b) in which Universities they are going to be started, and from when ?

Sir Girja Shankar Bajpai : The matter was referred to Provincial Governments and Local Administrations for opinion. I lay on the table a summary of the replies so far received. The matter will be examined further when the replies are complete.

Summary of the replies received from Provincial Governments and Local Administrations regarding provision for instruction in secretarial work and the institution of diplomas in that subject.

Government of Madras.—The University of Madras is not prepared to make provision for training in secretarial work beyond that already contained in its laws for instruction in professional and commercial subjects. The Andhra University is still considering the matter. The Annamalai University may agree to provide facilities for training in secretarial work and to institute a special diploma course in it for the benefit of graduates who have completed their university courses successfully, if all the expenditure involved is met by a special grant to be given by Government and earmarked for the purpose.

Government of Bombay.—The course for the B.Com. Examination of the Bombay University already provides for instruction in secretarial work. The Provincial Government consider that provision for separate facilities for the purpose is not necessary.

Government of Bengal.—The Calcutta University is prepared to provide for a diploma or certificate course in secretarial work, the actual training in the subject being imparted in the individual colleges affiliated for the purpose. The Dacca University are of opinion that the courses already being taught in that university would qualify a man for secretarial work and that no new course need be instituted.

Government of the United Provinces.—Elementary instruction in secretarial work and accountancy is already imparted as part of the course for the Intermediate examination in commerce of the Board of High School and Intermediate education, United Provinces, and accountancy and insurance are provided for in the B.Com. degree course of the Agra University. The number of vacancies available in the United Provinces for those with such training is not, and is not likely to be, sufficient to justify special facilities for such instruction being made available at various centres.

Government of the Punjab.—The matter is still under consideration of the Punjab University.

Government of Bihar.—The scope for the employment of men with secretarial training in Bihar is limited and it is not practicable at present for the Provincial Government to provide facilities for this kind of training. The Patna University Regulations already provide suitable courses for students who are aiming at a secretarial or commercial career, but up to now there is no public demand for such courses in arts colleges.

Government of Central Provinces.—On account of lack of funds it will not be possible for the Nagpur University to undertake the institution of Diplomas in secretarial work and the provision of instruction for them.

Government of Assam.—Training for parliamentary secretarial posts cannot be advantageously undertaken, as the relief to unemployment in Assam would be so small that the expenditure on such courses would be unjustifiable at present.

Government of the N.-W., F. Province.—Facilities already exist for training in secretarial work at the post-matriculation clerical class at the Government High School, Peshawar. Diplomas are granted to successful students.

Government of Sind.—There is at present no demand for training in secretarial work in Sind; but should such a demand arise, the existing recognised Commercial Schools, which are permitted to send up candidates for the London Chamber of Commerce examination, will be in a position to arrange for instruction in Secretarial Practice, which is one of the subjects for these examinations. Local colleges are not in a position to make provision for such training without financial aid.

Government of Orissa.—The Provincial Government are unable to undertake the provision of higher secretarial training at present, as there are many other much more urgent educational needs.

Chief Commissioner, Coorg.—The question of providing facilities for secretarial training in Coorg does not arise, as there is no university or intermediate college in that province.

Chief Commissioner, Baluchistan.—The question of providing facilities for secretarial training at the university stage does not arise in Baluchistan, as there is no university or intermediate college in this province. A clerical and commercial class is, however, attached to one of the High Schools in Baluchistan.

Chief Commissioner, Ajmer-Merwara.—The matter is still under the consideration of the Board of High School and Intermediate Education for Rajputana (including Ajmer-Merwara), Central India and Gwalior.

Chief Commissioner, Delhi.—The Delhi University favour the idea that they should provide instruction in secretarial work and institute a Diploma in that subject.

Mr. T. S. Avinashilingam Chettiar : Were any universities consulted in this matter ?

Sir Girja Shankar Bajpai : I think the Local Governments concerned did consult universities.

MUSLIM OFFICERS IN THE SURVEY OF INDIA.

954. ***Maulvi Muhammad Abdul Ghani :** (a) Will the Secretary for Education, Health and Lands please state the number of promoted class II officers in the Survey of India, and the proportion of Muslims therein ? If the proportion of the latter is inadequate, are Government prepared to take steps to make up that deficiency ?

(b) What is the number of U. S. S. officers in this Department and what is the percentage of Muslim representation therein ?

(c) What is the number of promoted U. S. S. officers at present and what is the proportion of Muslims therein ?

Sir Girja Shankar Bajpai : (a) Seven, including one Muslim. The proportion of Muslims is 14 per cent. Promotions are occasional and made solely on merit.

(b) Seventy, including five probationers out of whom twenty-one are Muslims. The percentage of Muslims is 30.

(c) Seventeen, including nine Muslims. The percentage in this case is nearly 53.

PROMOTION OF SURVEYORS IN THE SURVEY OF INDIA.

955. ***Maulvi Muhammad Abdul Ghani :** (a) Will the Secretary for Education, Health and Lands please state whether Government consider 'War and Trans-Frontier and Foreign Services' at the time of promotion in the Survey of India ?

(b) Was any consideration given to the special services in the promotion of surveyors ?

(c) How many surveyors possess qualifications in Geodetic Branch and how many of them are Muslims ?

Sir Girja Shankar Bajpai : (a) Yes.

(b) It is not clear what promotions or what surveyors are referred to, but generally speaking special services as well as qualifications were and are considered.

(c) There are 57 surveyors in the survey party and detachment under the Geodetic Branch. Twenty-one of these are Muslims.

RULES FOR PROMOTION OF TEMPORARY SURVEYORS IN THE SURVEY OF INDIA.

956. ***Maulvi Muhammad Abdul Ghani :** Will the Secretary for Education, Health and Lands please state whether Government have framed special rules for making the temporary surveyors in the Survey of India permanent ? If so, will he please lay a copy of such rules on the table ?

Sir Girja Shankar Bajpai : Such rules, framed by the Surveyor General, exist. A statement summarising them is laid on the table.

Rules for the Promotions of Temporary Surveyors to the Permanent Establishment.

In the first instance, officers of the Lower Subordinate Service, in the Survey of India, are entertained as pupils. After they have completed a period of training for two years, those whose progress and conduct have been thoroughly satisfactory, are appointed as unclassified surveyors on the temporary establishment for further training for a period of two years, during which they continue to be on probation. On the satisfactory completion of this two years' further training, the surveyors if appointed prior to 16th July, 1931, are classified according to their qualifications into various grades, such as Selected Grade, 1st Class, Inter Class, 2nd Class, and 3rd Class. Those who have been appointed as pupils or direct to the unclassified List, on or after the 16th July, 1931, are classified into Classes A, B, C and D, which correspond to the classes given above. These classes are laid down as a guide for regulating the pay of the Lower Subordinate Service.

In all but Nos. 1 and 2 Drawing Offices, officers placed in the first class may be transferred to the permanent establishment on completion of five years' service, excluding pupil service ; officers placed in the Intermediate and 2nd Classes will remain on the temporary establishment until they have completed at least 7 and 10 years' service respectively, excluding pupil service. Officers in the 3rd Class are not eligible for transfer to the permanent establishment ; if they are considered unlikely to qualify for class promotion on completion of 5 years' unclassified and classified service combined, they are discharged with 3 months' notice.

In Nos. 1 and 2 Drawing Offices transfer to the permanent establishment is made only if vacancies exist in the sanctioned number of posts and then only on condition that they have at least 10 years' service.

PUBLICATION OF THE REPORT OF THE BRITISH EXPERT ON BROADCASTING IN INDIA.

957. ***Mr. Mohan Lal Saksena :** (a) With reference to his answer to part (c) of question No. 284 given on the 2nd September, 1937, will the Honourable Member for Industries and Labour be pleased to state whether it is a fact that Government have been publishing reports dealing with technical subjects ?

(b) What will be the cost of publishing the report of the British expert on broadcasting in India ?

(c) Do Government propose to consider the feasibility of publishing the report to make it available to scientists and others interested in broadcasting ? If not, why not ?

(d) Will Government lay a copy of the report on the table of the House ?

(e) Does the report deal with the question of radio research ? If so, what recommendations has Mr. Kirke made on this point ?

(f) Has Mr. Kirke made any recommendations regarding the future working and re-organisation of the All-India Radio Department ? If so, what ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) Government did not have the cost of publishing the report calculated as they decided not to publish it.

(c) and (d). No.

(e) Mr. Kirke recommended the appointment of a small staff of research engineers and indicated the kind of research with which it should deal. An extract from his report dealing with research is laid on the table.

(f) No.

Extract from the Report on the proposed development of Broadcasting Stations in India by H. L. Kirke, A.M.I.E.E., M.I.R.E.

* * * * *

18. *Research.*—A certain amount of research work is desirable in any broadcast organisation and particularly in this country, and a small staff of research engineers is required for this work.

The work which this Department will deal with is as follows :

1. Measurement of field strength of existing stations where necessary to provide data for future development.
2. Measurement of field strength of signals from a mobile transmitter for the purpose of testing sites for new stations and determining the service areas which such stations will have.
3. Carrying out and organizing tests from the proposed short wave experimental transmitter at Delhi.
4. Experiments to find out the relationship between atmospheric strength and wavelength to provide data for the determination of the best wavelengths to be used under various circumstances.
5. Experiments in rural broadcasting including the development and testing under service conditions of new types of receivers and methods of power supply.
6. Short wave reception of Empire programmes for relaying purposes.
7. Recording of programmes by the disc and other methods. The present apparatus is somewhat out of date although it was purchased only one year ago and experiments are necessary in an endeavour to effect improvements. If these are not successful it will be necessary to purchase new apparatus.
8. Development of radio link apparatus for use at outside broadcasts where lines are not available.

9. Supervision of tests on new microphones.

10. General advice on the purchase of new apparatus and in some cases the design and supervision of manufacture of new apparatus.

11. Liaison with the Posts and Telegraphs Department in regard to lines.

The following list shows the apparatus which will be required for research and development work in the Indian State Broadcasting Service. I have divided the apparatus into two categories—one which will be required immediately and the other which can be left for some little time and purchased as required.

It is only possible to give a very rough estimate of the price, and in some cases the actual price may be less than I have estimated.

	Rs.
1. Field strength measuring apparatus	4,000
2. Wave meter	1,300
3. Audio frequency amplifier for testing purposes	700
4. Attenuators and miscellaneous gear	1,300
5. Standard signal generator	1,300
6. Portable transmitter for use in connection with field strength measurements	13,000
7. Lorry for same	3,500
8. Generators, batteries, etc.	1,500
9. Car for field strength measurer	3,000
10. General purpose receiver	400
11. Batteries and other apparatus	500
12. A. C.|D. C. test set (Avo meter)	200
	30,700

Staff.

	Rs.
1 Research officer at Rs. 400 per mensem	4,800
1 Assistant Engineer at Rs. 180 per mensem	2,160
1 Technical Assistant at Rs. 100 per mensem	1,200
1 Draughtsman and clerk at, say, Rs. 65 per mensem	780
1 Peon at Rs. 15 per mensem	180
2 Drivers and 2 labourers for field strength transmitter lorry	1,440
Travelling allowance	4,000
Contingencies	1,000
Furniture	1,000
Rent of bungalow, etc., for headquarters for research development	1,500
	18,060
	48,760

Additional apparatus will be required later as follows :

	Rs.
1. Tone source	1,300
2. Amplifier detector	750
3. Harmonic analyser	1,300
4. Recorders for atmospheric measurements	1,300
5. Audio frequency bridge	750
6. Radio frequency bridge	1,300
7. Cathode ray oscillograph	250
	6,950

It is of the utmost importance that the apparatus required for research should be purchased without delay.

In addition a technical library should be started and subscriptions made to certain useful technical journals such as Wireless Engineer, Journal of the Institute of Electrical Engineers, Proceedings of the Institute of Radio Engineers, Bell System Technical Journal, Q. S. T. and possibly some others.

Mr. M. Asaf Ali : Since money was spent on bringing Mr. Kirke out to hold this inquiry, and since he has now submitted his report, are we not entitled to have a look at this report ?

The Honourable Sir Thomas Stewart : I have placed on the table an extract from the report of a chapter which is likely to be of general interest ; the report is otherwise of a purely departmental and technical character.

Mr. M. Asaf Ali : Are we not entitled to have even a look at the technical suggestions made by Mr. Kirke who was supposed to be an expert, Sir ?

The Honourable Sir Thomas Stewart : No, Sir, I do not admit the right.

Mr. T. S. Avinashilingam Chettiar : What is the cost of the production of this report ?

The Honourable Sir Thomas Stewart : I must have notice of that question.

Mr. Mohan Lal Saksena : Is it a long report ?

The Honourable Sir Thomas Stewart : Not particularly long.

Mr. Mohan Lal Saksena : May I know whether copies will be made available to scientists in India ?

The Honourable Sir Thomas Stewart : I have already said, " no ".

Mr. M. Asaf Ali : May I know whether the Honourable Member will be so kind as to allow me to have a look at this report ?

The Honourable Sir Thomas Stewart : That is a matter to which I will give my most earnest consideration.

Mr. Mohan Lal Saksena : Will the Honourable Member lay on the table a copy of the recommendations made by him ?

The Honourable Sir Thomas Stewart : I think that is covered by my answer to parts (c) and (d) of the original question.

Mr. M. Asaf Ali : Is it not a fact that Mr. Kirke made certain recommendations which were absolutely at variance with the methods adopted by the Broadcasting Department, and that that is why the Honourable Member is not prepared to let us have a look at it ?

The Honourable Sir Thomas Stewart : The Honourable Member's assumption is not correct.

Mr. S. Satyamurti : May I know the reasons why Government will not even publish or lay on the table the recommendations of this gentleman ?

The Honourable Sir Thomas Stewart : This is purely a technical and departmental matter which is not of public interest in that way.

Mr. S. Satyamurti : There are many scientists in this country who understand this job : may I know the reasons why Government refuse to have the benefit of publicity and criticism by these scientists on the recommendations made by a gentleman with regard to a public department ?

The Honourable Sir Thomas Stewart : I am not aware that there are scientists in this country who are acquainted with the practical implications of broadcasting.

Mr. M. Asaf Ali : I hope my Honourable friend is aware of the fact that serious objection was taken to Mr. Kirke being brought out in the Standing Finance Committee and we were assured at that time that his recommendations will be made available. Why are they not made available to us now ?

The Honourable Sir Thomas Stewart : Sir, if any such undertaking was given, then I certainly will go into the matter further with a view to implementing any promise that was given.

QUALIFICATIONS OF THE CONTROLLER OF BROADCASTING AND THE CHIEF ENGINEER, ALL-INDIA RADIO.

958. ***Mr. Mohan Lal Saksena :** (a) With reference to his answer to question No. 285 given on 2nd September, 1937, will the Honourable Member for Industries and Labour be pleased to state whether it is or it is not a fact that apart from the fact that the Controller of Broadcasting had been working in the British Broadcasting Corporation for seven years in various capacities in the department called ' Talks ', he possesses no technical qualifications ?

(b) Is it or is it not a fact that the post of Controller of Broadcasting was abolished at the time Mr. Fielden was appointed Director of Broadcasting in India ?

(c) Is it not also a fact that the post was not advertised either in England or in India ? If so, why ?

(d) What are the engineering qualifications of Mr. C. W. Goyder, the Chief Engineer, All-India Radio ?

(e) Was the post advertised either in India or England or was Mr. Goyder appointed merely on the recommendation of Sir Noel Ashbridge and what post did he hold in the British Broadcasting Corporation and what salary was he drawing when he was appointed on a salary of Rs. 1,650--50—1,850 ?

(f) Did the Research Engineer do any research work before he was appointed to the present post ? Was the post advertised ? If so how many applications, if any, were received and who made the selection ?

(g) What research work, if any, has the Research Engineer done since his appointment and are any reports issued for public information ?

The Honourable Sir Thomas Stewart : (a) The Controller of Broadcasting has no technical, i.e., scientific or engineering, qualifications but he possesses specialised knowledge of the administrative side of broadcasting.

(b) The post held by Mr. Fielden is designated " Controller of Broadcasting ". There is no such post as Director of Broadcasting in India.

(c) The attention of the Honourable Member is invited to the reply given by Sir David Mitchell on the 17th September, 1935, to part (g) of Sardar Sant Singh's starred question No. 430.

(d) Mr. Goyder is a Bachelor of Science with Honours in Engineering of the London University, and is an Associate of the City and Guilds Imperial College of Science and Technology. He has studied broadcasting conditions in the United States of America and has had practical experience of broadcasting engineering in South America and with the British Broadcasting Corporation.

(e) The post was not advertised. Mr. Goyder was an Engineer in the Research Department of the British Broadcasting Corporation. His salary was £675 per annum.

(f) The attention of the Honourable Member is invited to my reply on the 2nd September, 1937, to parts (g) and (h) of his starred question No. 285. The post was not advertised. Government selected him.

(g) I would invite the Honourable Member's attention to the statement I placed on the table of the House in reply to part (c) of his starred question No. 619 on the 20th September, 1937. Such of the results of research undertaken by All-India Radio as are likely to be of interest to the public are published in the *Indian Listener*.

Mr. Mohan Lal Saksena : With reference to part (a) of my question, may I know what is the reply to the last portion of this part ?

The Honourable Sir Thomas Stewart : May I repeat my answer to part (a) : " The Controller of Broadcasting has no technical, that is to say, scientific or engineering, qualifications but he possesses specialised knowledge of the administrative side of broadcasting."

Mr. Mohan Lal Saksena : Is it not a fact that in the statement laid on the table to which the Honourable Member has referred, in the column of qualifications, there appears nothing against the name of Mr. Fielden ?

The Honourable Sir Thomas Stewart : I acknowledge he has no technical qualifications in the sense of scientific or engineering qualifications, but he has had administrative experience.

Mr. Mohan Lal Saksena : With reference to part (b) of the question, the post of Controller of Broadcasting in B. B. C. was abolished at the time when Mr. Fielden was appointed in India. This refers to B. B. C. and not the Indian Broadcasting. So, his post was abolished in England and Mr. Fielden was transferred to India.

The Honourable Sir Thomas Stewart : So far as I am aware, Mr. Fielden never held in the B. B. C. a post called the Controller of Broadcasting.

Prof. N. G. Ranga : Does Mr. Fielden possess any academic qualifications ?

Mr. Mohan Lal Saksena : Was not the post which Mr. Fielden was holding abolished ?

The Honourable Sir Thomas Stewart : No, Sir. As far as I am aware, it was not abolished. The Honourable Member in his previous question referred to the post called 'Director of Talks'. There is still in existence in the B. B. C. organisation a Directorate of Talks.

Mr. K. Santhanam : Is the appointment of Mr. Goyder temporary or permanent ?

The Honourable Sir Thomas Stewart : It is a five years' contract.

Mr. Mohan Lal Saksena : May I know for how long Mr. Goyder had been working in the B. B. C. ?

The Honourable Sir Thomas Stewart : I should require notice of that. I cannot say.

Mr. Mohan Lal Saksena : May I know what is the term for which Mr. Fielden has been appointed ?

The Honourable Sir Thomas Stewart : Mr. Fielden is also on a five years' contract.

Mr. Mohan Lal Saksena : Is he training any Indian to take his place ?

The Honourable Sir Thomas Stewart : I have already answered that question on two or three occasions.

Prof. N. G. Ranga : Has he learnt any one of the Indian languages, either Urdu or Hindi, by now ?

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

QUARTERS ALLOTTED TO CLERKS IN NEW DELHI.

959. **Mr. C. N. Muthuranga Mudaliar :** (a) Will the Honourable Member for Industries and Labour state if it is a fact that many clerks and assistants in the various Government of India offices have not been allotted accommodation in New Delhi for the ensuing Delhi season ?

(b) Will the Honourable Member lay on the table a statement showing the number of quarters applied for and the number allotted and the number refused in various classes ?

(c) Are Government aware that private landlords in New Delhi are charging exorbitant rents for private accommodation ?

(d) Is there any condition in the leases of lands sold to such landlords that they should charge reasonable rent ? If not, are Government prepared to consider the advisability of bringing forward legislation to control and restrict rentals charged to a reasonable amount ?

The Honourable Sir Thomas Stewart : (a) Yes.

(b) A statement is laid on the table.

(c) Government have no information.

(d) The answer to the first part is in the negative. In view of the answer to part (a), the second part does not arise.

Statement showing the number of quarters applied for, the number allotted, and the number refused in various classes in New Delhi for the winter season 1937-38.

Allotments, etc., for the winter season 1937-38.	Unorthodox Clerks' quarters.				Orthodox Clerks' quarters.				E	Total.
	A	B	C	D	A	B	C	D		
Number of quarters applied for (including late applicants) ..	38	123	171	330	37	163	408	1,337	456	3,063
Number allotted ..	29	93	96	152	23	122	327	1,226	249	2,317
Number refused	9	30	75	178	14	41	81	111	207	746

CERTAIN SUPERSESSIONS IN THE INDIAN MEDICAL SERVICE.

960. *Mr. Badri Dutt Pande : Will the Secretary for Education, Health and Lands be pleased to state why

(i) Colonel Rai, I.M.S., has been superseded by Colonel Townsend; and

(ii) Colonel Sodhi was superseded by Colonel Mills ?

Sir Girja Shankar Bajpai : (i) Colonel Rai has not been superseded by Colonel Townsend. Both are holding administrative posts.

(ii) As I have explained to the House on previous occasions, seniority is not the decisive consideration in the making of appointments to selection posts. Colonel Mills was selected for the post of Surgeon General, Bengal, in preference not only to Colonel Sodhi but to an European officer senior to Colonel Sodhi.

Mr. B Das : Is colour the deciding factor in the matter of appointments to these administrative posts ?

Sir Girja Shankar Bajpai : No, Sir.

REDUCTION OF THE IMPORT DUTY ON DIAMOND.

961. *Dr. G. V. Deshmukh : Will the Honourable the Finance Member please state :

- (a) whether he received a representation on behalf of the diamond merchants of India asking for a reduction of the import duty on diamonds from ten per cent. to five per cent.;
- (b) whether he is aware that the French authorities at Pondicherry have reduced their import duty on diamonds ; and
- (c) whether as a result of the actions of the French authorities at Pondicherry in reducing the import duty and of the Government of India in maintaining higher duty cases of smuggling have increased ?

Mr. A. H. Lloyd : (a) Yes.

(b) Yes.

(c) Government have no information to support this view.

Mr. G. V. Deshmukh : Was the find of diamonds which were being smuggled in the Maharani's car about which questions were put a few days ago on the floor of the House not an instance of the result likely to follow as suggested in part (c) of the question ?

Mr. President (The Honourable Sir Abdur Rahim) : This does not appear in the question.

Mr. G. V. Deshmukh : I am putting this question with reference to the reply to part (c) of the question. Is it not a fact that diamonds smuggled in the Maharani's car.....

Mr. President (The Honourable Sir Abdur Rahim) : We do not want any speech now. Next question.

TENDERS FOR KILOKRI EXTENSION SCHEME, DELHI.

962. *Mr. Lalchand Navalrai (on behalf of Sardar Sant Singh) : (a) With reference to starred question No. 808, asked in the last Session of the Legislative Assembly on the 31st March, 1937, regarding the Kilokri extension scheme, Delhi, will the Secretary for Education, Health and Lands please state whether Government have since made an inquiry into the circumstances in which the work was given to Messrs. Duncan Stratton and Company ? If so, with what result ?

(b) What were the formalities which were gone through in calling tenders for the work, especially when no public notice inviting tenders was published in the newspapers ?

(c) Is it a fact that Messrs. Duncan Stratton and Company have employed four or five sub-contractors to execute the work on their behalf ? If so, as required under the terms of the contract, has permission been given by the competent authority for sub-letting the contract to different contractors ? Furthermore, was it not possible for the work being given out to three or four different contractors, thus curtailing the middleman's profit ?

(d) Are Government aware that one of the sub-contractors on the work is one of the allied companies of Messrs. Tata and Sons, Ltd., Bombay ? If so, was it considered that tenders could be called from such responsible firms in the first instance ? If not, why not ?

Sir Girja Shankar Bajpai : (a) The circumstances were explained in answer to the question referred to by the Honourable Member. No further enquiry was necessary.

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

Mr. Lalchand Navalrai : Does the Honourable Member know that Indian contractors had also applied for this contract but they were refused ?

If so, on what grounds ?

Sir Girja Shankar Bajpai : I do not know that.

TENDERS FOR KILOKRI EXTENSION SCHEME, DELHI.

963. ***Mr. Lalchand Navalrai** (on behalf of Sardar Sant Singh) : (a) Will the Secretary for Education, Health and Lands please state the names of the firms from whom the tenders for the Kilokri extension scheme were invited, and also what is the type of installation each firm offered ? And what were the amounts of different tenders ?

(b) Is it a fact that all the firms from whom tenders were invited are Europeans ? If so, what is the reason for this discrimination ?

(c) Is it a fact that the site of some of the buildings and other works for which the original quotations were obtained has since been changed ? Was the sanction of the competent authority obtained ? If not, what corresponding reduction has been made in the amount of the contract ?

(d) Is it a fact that no measurements of work being executed are taken ? If so, how do Government propose to adjust the amount of the contract afterwards, especially as it is a lump sum contract not based on any schedule of rates ?

(e) Is it a fact that rubble stone masonry is being substituted for cement concrete in the actual construction of some of the works ? How much reduction will thus be possible ?

(f) Is it a fact that the work is not supervised by a Chief Engineer, and that it is chiefly controlled by one officer only, namely, the Superintending Engineer, Health Services, Delhi ?

(g) Is it a fact that most of the staff recruited for the execution of this work has previously worked in the Punjab under the present Superintending Engineer, Health Services, Delhi, at one time or the other ?

(h) What is the present pay, inclusive of allowances of the Resident Engineer and what was the pay of the incumbent in his last appointment ? Was this appointment of the Resident Engineer made by a Selection Committee of Engineers or only by the Superintending Engineer, Health Services ? How was the basic pay fixed by Government in this particular case ?

Sir Girja Shankar Bajpai : With your permission, Sir, I shall answer questions Nos. 963 and 964 together. The information has been called for and will be furnished to the House when received.

TENDERS FOR KILOKRI EXTENSION SCHEME, DELHI.

†964. ***Mr. Lalchand Navalrai** (on behalf of Sardar Sant Singh) :
(a) Will the Secretary for Education, Health and Lands please state if the notice inviting tenders for the work of constructing a pumping station at Kilokri in connection with the Delhi sewage extension scheme was published in any Indian newspaper ?

(b) Is it a fact that the notice inviting tenders for this work was only published once in the *Statesman* ?

(c) Are Government aware that owing to the short publicity of the tender notice the local Public Works Department contractors could not submit their tenders ?

(d) How many tenders were received for the work, and out of these how many were submitted by the local Public Works Department contractors ?

(e) Is it a fact that the work was awarded to a Lahore contractor who had previously carried out certain works under the present Superintending Engineer, Health Services, Delhi, while he worked as Executive Engineer, Public Health Division, Lahore ?

PROCEDURE FOR APPOINTMENT OF PROFESSORS IN THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

965. ***Mr. C. N. Muthuranga Mudaliar** : Will the Secretary for Education, Health and Lands please state :

(a) the procedure that has been adopted so far in regard to the appointment of Professors of the Indian Institute of Science, Bangalore ;

(b) whether it is proposed to extend the term of office of Dr. V. Subramaniam as Professor of Bio-chemistry ;

(c) whether it is proposed to invite the opinion of scientists in the west on his work to enable them to reach a decision regarding his continuance as Professor of Bio-chemistry ;

(d) whether it is a fact that one of the scientists to whom a reference is contemplated was Dr. Subramaniam's own Professor at one time ; and

(e) whether the proposed procedure is not at variance with past practice in the matter according to which posts have been advertised ; and if so, the reason for the departure in the present case ?

Sir Girja Shankar Bajpai : (a) The Honourable Member is referred to Regulations 24 and 25 and Bye-laws 30 and 36-37 of the Institute, a copy of which is available in the Library of the House.

†For answer to this question, see answer to question No. 963.

(b) to (d). Government have not been approached by the Council on the subject.

(e) Does not arise.

Dr. Ziauddin Ahmad : Are these appointments made by the Government of India or by the Council ?

Sir Girja Shankar Bajpai : The appointments are made by the Council subject to the approval of His Excellency the Visitor.

APPOINTMENT OF PROFESSORS OF CHEMISTRY IN THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

966. ***Mr. C. N. Muthuranga Mudaliar :** (a) Will the Secretary for Education, Health and Lands please state whether the attention of the Government of India has been drawn to an article in the *Tainadu* of Bangalore, entitled " Science Institute affairs ", dated the 9th August, 1937 ?

(b) Is it a fact that students at the Institute in a memorandum which they submitted to the Irvine Committee asked for the appointment of men with international reputation to fill the Professorial chairs in the Chemistry Department, and if so, what has been done in regard to this ?

Sir Girja Shankar Bajpai : (a) Government have seen the article in the *Tainadu*.

(b) Government have not seen the memorandum referred to by the Honourable Member. The recommendations of the Irvine Committee regarding the reorganisation of the Chemistry Departments are, however, under consideration by the Council of the Institute, which proposes to make provision for the appointment of a Professor of Chemistry, as recommended by the Committee.

Mr. C. N. Muthuranga Mudaliar : Will the Government call for the memorandum and consider the question ?

Sir Girja Shankar Bajpai : It is not necessary to call for the memorandum.

AMALGAMATION OF THE TWO DEPARTMENTS OF CHEMISTRY IN THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

967. ***Mr. C. N. Muthuranga Mudaliar :** Will the Secretary for Education, Health and Lands please state whether it is a fact that students of the Indian Institute of Science, Bangalore in their memorandum to the Irvine Committee also desired that the existing separate Departments of Bio-chemistry and Organic Chemistry should be amalgamated under one eminent scientist ? If so, what action has been taken in regard to it ?

Sir Girja Shankar Bajpai : As stated in my reply to the Honourable Member's question No. 966, Government have not seen the memorandum presented by the students of the Institute to the Irvine Committee. But the whole question of the reorganisation of the Departments of Chemistry, including that of the Bio-Chemistry Department, is at present under the consideration by the Council of the Institute in the light of the Irvine Committee's recommendations.

Mr. C. N. Muthuranga Mudaliar : How long will it take for the Government to take this into consideration and come to a final decision ?

Sir Girja Shankar Bajpai : I cannot prophesy.

POOR CALIBRE OF PROFESSORS IN THE INDIAN INSTITUTE OF SCIENCE,
BANGALORE.

968. ***Mr. C. N. Muthuranga Mudaliar** : (a) Will the Secretary for Education, Health and Lands please state whether Government are aware that there is great discontent in the Indian Institute of Science, Bangalore, on account of the poor calibre of the Professors engaged for teaching : If not, will they please find out ?

(b) Are Government aware that because of the mediocre quality of teaching available in the Institute many intending students have left India for studies abroad ?

Sir Girja Shankar Bajpai : (a) Government are aware that criticism has been directed to some of the Departments at the Institute. Action is being taken in connection with the recommendations of the Irvine Committee.

(b) Government are not aware of the alleged exodus.

Mr. S. Satyamurti : With reference to parts (a) and (b), may I know whether Government have made any enquiries, that is to say, both on the matter mentioned in part (a)—the great discontent owing to the poor calibre of the professors, and secondly, the exodus of Indian students abroad ? Have the Government made enquiries about these ?

Sir Girja Shankar Bajpai : In so far as the first part of the question or the statement in the first part of the question, namely, the discontent at the mediocre quality of the professors is concerned, that fact was placed before the Irvine Committee and taken into account by that Committee in making its recommendations. As regards the second part, the Government have had no communication from any quarter that any considerable number of Indian students has gone to England because of the lack of facilities at Bangalore.

Mr. S. Satyamurti : As regards the first part of the question, may I know if the Government are now satisfied on the materials available to them, and on the recommendation of experts who can pronounce on the subject, that the quality of the professors in the Institute is adequate to the purpose for which the Institute is being run ?

Sir Girja Shankar Bajpai : As far as I know, after a consideration of all the materials placed before them, the Committee recommended a reorganisation of the Chemistry Department only and those proposals are under consideration now.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member, Mr. Muthuranga Mudaliar, has exhausted his quota of questions.

†969*.

†For this question and the reply thereto, see page 2831 of these debates.

UTILISATION OF GOVERNMENT IMPLEMENTS AND BULLOCKS, ETC., FOR PRIVATE CULTIVATION BY THE AGRICULTURAL ASSISTANT IN THE DELHI PROVINCE.

970. *Dr. Ziauddin Ahmad (on behalf of Mr. H. M. Abdullah) :
 (a) Will the Secretary for Education, Health and Lands please state if any of the Agricultural Assistants enjoy the special privilege of utilising Government implements and bullocks, etc., for his own private cultivation purposes ?

(b) Are Government aware that the present Agricultural Assistant attached to Delhi Province is doing this in his area ?

(c) If this is not permissible, are Government prepared to institute an enquiry into this subordinate's conduct in this matter and take proper action against him if the offence is proved ?

Sir Girja Shankar Bajpai : With your permission, Sir, I shall answer questions Nos. 970 and 971 together. Enquiries have been made and a reply will be furnished on receipt of information.

SHIFTING OF THE HEADQUARTERS OF THE AGRICULTURAL ASSISTANT IN THE DELHI PROVINCE.

†971. *Dr. Ziauddin Ahmad (on behalf of Mr. H. M. Abdullah) :
 (a) Will the Secretary for Education, Health and Lands please state if it is a fact that the headquarters of the Agricultural Assistant in the Delhi Province is at Nangloi and not at Delhi ?

(b) Will Government please state why it has been preferred to keep him at an out-of-the-way place rather than at Delhi proper which provides touring facilities in all the four directions of the Province ?

(c) Are Government prepared to consider the advisability of shifting the Agricultural Assistant's quarters to Delhi proper ?

MUSLIM DIVISIONAL ACCOUNTANTS SERVING UNDER THE ACCOUNTANT GENERAL, PUNJAB.

972. *Dr. Ziauddin Ahmad (on behalf of Mr. H. M. Abdullah) : Will the Honourable the Finance Member please state :

(a) the total number of Divisional Accountants serving under the Accountant General, Punjab, and the total number of Muslims therein ; and

(b) the number of vacancies that fell vacant since August, 1928 and the number of Muslims employed in such vacancies ?

The Honourable Sir James Grigg : The information is being obtained and will be laid on the table of the House in due course.

Babu Kailash Behari Lal : As some enquiries are being made by the Department regarding the grievances of the Biharis in postal service, I do not want to put parts (a) and (b) of question No. 973.

†For answer to this question, see answer to question No. 970.

SUPERINTENDENTS AND INSPECTORS OF POST OFFICES AND POSTMASTERS IN
BIHAR.

973. ***Babu Kailash Behari Lal** : Will the Honourable Member for Industries and Labour be pleased to state :

(a) * * * *

(b) * * * *

(c) what is the total number of Superintendents and Inspectors of Post Offices in Bihar and how many of them are Biharis ; and

(d) what is the total number of Postmasters in Bihar and how many of them are Biharis ?

The Honourable Sir Thomas Stewart : (c) Superintendents twelve, and Inspectors of Post Offices twenty. The Superintendents belong to an All-India cadre and Biharis may be employed therein outside the province. Three of those serving in Bihar are Biharis. Ten of the Inspectors are Biharis.

(d) The total number of Postmasters is seventeen of whom two are Biharis.

LOANS RAISED BY PROVINCIAL GOVERNMENTS.

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

(a) the number and the amounts of the loans raised by the Provincial Governments since the 1st of April, 1937 ;

(b) the rates of interest on which these loans have been raised ;

(c) whether they have all been oversubscribed ;

(d) what functions the Government of India and the Reserve Bank of India respectively discharged in connection with the raising of these loans ;

(e) what considerations Government look to when they fix the rate or rates of interest on these loans, and sanction the raising of these loans ;

(f) whether Government propose to pursue a uniform policy in respect of these loans and their rate of interest in respect of all Provinces, and if so, why ; and

(g) whether Government do or do not intend to consider carefully the financial stability of and the rate of taxation in the Provinces and such other financial considerations in respect of the raising of these loans and the fixing of interests thereon, and if not, why not ?

The Honourable Sir James Grigg : (a)

	Lakhs.
Madras ..	150
United Provinces ..	100
Punjab ..	100
Central Provinces and Berar ..	50
North-West Frontier Province ..	60

(b) Three per cent., with an issue price of Rs. 99.

(c) I would invite a reference to the press communiqué issued by the Reserve Bank on the 31st of August, 1937.

(d) Their functions are prescribed in section 163 of the Government of India Act, 1935, and in the agreements between the Reserve Bank and the Provincial Governments, copies of which have been laid on the table of the House.

(e), (f) and (g). All relevant factors are taken into consideration. On this occasion it was considered that a simultaneous issue and uniform terms would best serve the interests of the Provinces concerned. I am unable to predict what arrangements will be made on future occasions.

Mr. S. Satyamurti : May I know whether a consideration of all the relevant factors led to the conclusion that, in the case of all the Provinces, whether they are solvent or insolvent, or whether they are getting a subvention from the Central Government or whether they are self-supporting, there should be a uniform rate of interest for all these loans ?

The Honourable Sir James Grigg : I do not think the Honourable Member or anybody else can draw a universal conclusion from what happened on this very special occasion when loans were issued very shortly after the new Governments took office. I do not think that the procedure followed on that occasion will necessarily or even probably be followed on future occasions.

Mr. S. Satyamurti : May I take it then that the Honourable the Finance Member's answer now, taking it along with the suggestions or the statements I have made in part (g) of my question, that is to say, the financial stability of and the rate of taxation in the Province and such further considerations will be carefully borne in mind, with regard to future application for loans from the different provinces ?

The Honourable Sir James Grigg : I have no doubt that in future issues of loans the market will come to a pretty accurate appreciation of the comparative credits of the various Provinces.

Mr. S. Satyamurti : May I know whether the Reserve Bank and the Government of India will continue to take into consideration what is the relative demand of the Provinces and their financial position, and will regulate the time and the rate of interest and the extent of the loan to be floated by these Governments in the open market ?

The Honourable Sir James Grigg : I have no doubt that the Reserve Bank and the Government of India will watch, and even more the market will watch the future flotation of loans.

Prof. N. G. Ranga : Is it competent for the Government of India to fix the rate of interest that these Provinces have to pay ?

The Honourable Sir James Grigg : Not unless they borrow from the Government of India direct.

Mr. Bhulabhai J. Desai : Was the rate of interest uniform in the case of all loans mentioned in part (a) ?

The Honourable Sir James Grigg : They were on this occasion.

Mr. Bhulabhai J. Desai : Was it then assumed that either the present or the potential credit of all the Provinces was equally good ?

The Honourable Sir James Grigg : As I said just now in answer to one of the supplementary questions of my Honourable friend, Mr. Satyamurti, that was not necessarily the view taken ; but the view taken was that a simultaneous issue on uniform terms was the fairest in the circumstances when new Governments had only just taken office.

Mr. Bhulabhai J. Desai : Did the Government of India guarantee any one of these loans ?

The Honourable Sir James Grigg : Certainly not.

POSITION OF INDIAN CLOVE TRADERS IN ZANZIBAR.

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

- (a) the latest position of Indian clove traders in Zanzibar ;
- (b) whether the Government of India have received any representations from Indians either individually or through their associations ; and
- (c) whether Government propose to take any steps in consultation with Indians and Indian traders in Zanzibar to arrive at a settlement on this question consistent with their interests, and if not, why not ?

Sir Girja Shankar Bajpai : (a)—(c). The attention of the Honourable Member is invited to the reply given to Mr. Ram Narayan Singh's starred question No. 865 on the 28th September and to the supplementaries arising out of it.

Mr. S. Satyamurti : Up-to-date, have the Government received any representations or letters or telegrams from the Indian National Association or the Chamber of Commerce or any other Indian Association from Zanzibar, with regard to the present position of the Indian traders in Zanzibar in clove trade ?

Sir Girja Shankar Bajpai : No, Sir ; no communication has been received recently.

Mr. S. Satyamurti : Will Government take steps to get into touch in some manner or other with these Indian associations ?

Sir Girja Shankar Bajpai : Government are always ready to receive communications from the Associations.

Seth Govind Das : Have Government recently issued any instructions or inquiries to the Government of Zanzibar ?

Sir Girja Shankar Bajpai : No, Sir ; the Government of Zanzibar are not subordinate to the Government of India and no question of issuing instructions arises.

Seth Govind Das : As friendly instructions or something of that sort ?

Sir Girja Shankar Bajpai : I do not know what friendly instructions are.

Mr. S. Satyamurti : With reference to clause (c), may I know whether Government propose to take any steps themselves to get into touch with Indian interests or Indian traders and Associations, with a view to arriving at a settlement consistent with the interests and the honour of Indian traders in Zanzibar ?

Sir Girja Shankar Bajpai : The same question, Sir, was asked in a slightly different form on the 28th September, and what I submitted to the House then was that at the present moment neither the Indian community in Zanzibar nor the Government of Zanzibar seem disposed to come to terms. Therefore, there is very little that the Government of India can do.

Mr. S. Satyamurti : Are the Government of India keeping in active touch with these two interests in order to find out if there is any tendency or disposition on their part to come to a settlement ?

Sir Girja Shankar Bajpai : I have again to repeat what I said before, that the Government of Zanzibar keep the Government of India informed of the situation in Zanzibar. The Indian National Association has not chosen to do so.

Mr. Bhulabhai J. Desai : Beyond watching the situation, have the Government of India got any further information relating to the boycott of trade by the Indians in Zanzibar ?

Sir Girja Shankar Bajpai : Beyond what has appeared in the press the Government of India have no information regarding the progress of the boycott.

Mr. Bhulabhai J. Desai : Do not Government desire to interest themselves in what appears to be an important struggle by Indians overseas ?

Sir Girja Shankar Bajpai : Sir, I am not suggesting that Government are not interested in this important struggle overseas. What I am submitting is that if the people engaged in the struggle wish to bring any facts to the notice of the Government of India, the Government of India will be only too glad to take notice of those facts.

Mr. S. Satyamurti : Are the Government of India so superior that they will not address any communication to this body in order to find out the state of affairs at Zanzibar ?

Sir Girja Shankar Bajpai : There is no question of superiority or inferiority.

Seth Govind Das : Have they addressed any communication to the Government of Zanzibar or not ?

Sir Girja Shankar Bajpai : I have already told my Honourable friend that the Government of Zanzibar have kept the Government of India informed of the situation. What communication does my Honourable friend wish the Government of India to address to the Government of Zanzibar ?

Seth Govind Das : When was the last communication received by the Government of India from Zanzibar ?

Sir Girja Shankar Bajpai : I should say, somewhere last week.

SHORTAGE OF " C " TYPE QUARTERS IN NEW DELHI.

976. ***Dr. P. N. Banerjee :** (a) Will the Honourable Member for Industries and Labour please state the number of new (non-lien) applicants for ' C ' class orthodox and unorthodox quarters in New Delhi for the winter season 1937-38 and how many of them have been allotted quarters and how many refused on account of shortage of quarters ?

(b) Is it a fact that full standard rent (based on the capital outlay involved) is charged from the tenants of this class of quarters and their construction does not, therefore, involve any loss to Government ?

(c) Are Government aware that the employees of the migratory offices of the Government of India who are not allotted Government quarters are put to great inconvenience and heavy expenses ?

(d) Is it a fact that Government have to pay some house-rent to those Government servants who have to arrange for private accommodation at high rents ?

(e) When do Government propose to construct more quarters of this class to meet fully the needs of those for whom they are intended ?

The Honourable Sir Thomas Stewart : (a) I lay a statement on the table.

(b) Tenants of " C " class orthodox quarters pay the standard rent calculated according to Fundamental Rule 45A. Tenants of " C " class unorthodox quarters, which are more expensive to build, pay only ten per cent. of their emoluments which is less than the standard rent. The construction of quarters often involves loss to Government.

(c) I am prepared to take it from the Honourable Member that such Government employees are put to some inconvenience and extra expense.

(d) Yes.

(e) I am not prepared to make any statement on this point. Government aim at meeting about 80 per cent. of the demand for each class of quarters. In the class referred to 73 per cent. of the total demand is being met and the shortage is, therefore, small.

Statement.

				No. of new applicants on due date.	No. provided with quarters.	No. unprovided with quarters.
Unorthodox "C"	..			75	3	72
Orthodox "C"	..	..	..	154	71	83

RESERVE BANK OF INDIA STAFF REGULATIONS.

977. *Dr. P. N. Banerjee : (a) Will the Honourable the Finance Member please state whether it is a fact that the " Reserve Bank of India Staff Regulations " were issued with the approval of the Government of India ?

(b) Is it also a fact that under these Regulations, an officer " recruited overseas " for class A service in the Bank is allowed an overseas pay of Rs. 200 to Rs. 500 per mensem according to his pay ?

(c) If the reply to part (b) be in the affirmative, will Government please state whether the overseas pay is allowed only to Europeans or also to Indians recruited overseas ?

(d) Will Government please state what are the special English qualifications possessed by the men recruited overseas which justify the grant to them of the overseas pay amounting to more than 50 per cent. of their scale of pay ?

(e) Will Government please also state :

- (i) the total number of officers in class A service of the Bank and how many of them are Indians and how many Europeans ;
- (ii) how many of the class A officers are in receipt of overseas pay and how many of them are Indians and how many Europeans ;
- (iii) how many of the class A officers are direct recruits to this class and how many promoted from subordinate service ;
- (iv) how many of the class A officers are graduates in commerce of any Indian or foreign university ;
- (v) how many of them have passed the final examination of the English Institute of Bankers and how many of the Indian Institute ; and
- (vi) how many of them are Registered, Chartered or Incorporated Accountants ?

The Honourable Sir James Grigg : (a) No. These Regulations were issued by the Central Board under the general powers conferred by section 7 of the Reserve Bank of India Act.

(b), (c), (d) and (e). I would invite the attention of the Honourable Member to the replies which I gave to question No. 182 and supplementary questions asked on the 30th of August, 1937.

**ALLEGATIONS AGAINST THE ASSISTANT MANAGER, GOVERNMENT OF INDIA
FORMS PRESS, ALIGARH.**

978. ***Mr. Lalchand Navalrai** (on behalf of **Sardar Sant Singh**) : Will the Honourable Member for Industries and Labour please state :

- (a) whether it is a fact that over 25 thousand pounds of type metal, some dozens of type cases, a numbering machine and various other valuable articles disappeared from the custody of the Assistant Manager, Government of India Forms Press, Aligarh ; and
- (b) if the reply to part (a) above be in the affirmative, what action has been taken against the person who was responsible for the loss, and whether any steps have been taken to recover the cost of the articles from the offender ?

The Honourable Sir Thomas Stewart : (a) and (b). The attention of the Honourable Member is invited to the reply given by Sir Frank Noyce on the 19th February, 1936, to starred question No. 680 in the Legislative Assembly. If the Honourable Member has any fresh information other than the allegations already denied on the floor of this House and is prepared to furnish the source of that information, the matter will be considered.

Mr. Lalchand Navalrai : Is it a fact that these materials did really disappear ?

The Honourable Sir Thomas Stewart : I would refer the Honourable Member to the reply given by Sir Frank Noyce on the occasion I quoted.

Mr. Lalchand Navalrai : I want to know as a fact whether these things disappeared and whether any inquiry was made to find out whether the thief was an outsider or these things were misappropriated by the officer.

The Honourable Sir Thomas Stewart : I must again refer the Honourable Member to the answer that was given some considerable time ago.

**ALLEGATIONS AGAINST THE ASSISTANT MANAGER, GOVERNMENT OF INDIA
FORMS PRESS, ALIGARH.**

979. ***Mr. Lalchand Navalrai** (on behalf of **Sardar Sant Singh**) : Will the Honourable Member for Industries and Labour please state :

- (a) whether written permission was obtained by the Assistant Manager to supervise the work of a local private press called the Muslim University Press, and if so, for what special circumstances and reasons was such permission given ; for what period such permission was given and for how long did the gentleman actually supervise the work ; and
- (b) whether it is a fact that the Muslim University Press has since been purchased by the Assistant Manager or his son and whether the missing articles referred to in the preceding question have since found their way to the Muslim University Press now owned by the Assistant Manager or his son ?

The Honourable Sir Thomas Stewart : (a) The answer to this part is in the negative. Permission was, however, given in July, 1932, to the Assistant Manager of the Aligarh Press to serve on a Sub-Committee appointed to advise the Aligarh Muslim University on the better management of their Press, subject to the condition that the work would be honorary and would not be such as to interfere with or prejudice his official duties.

(b) The Assistant Manager reported to Government early this year that his son by his first wife, who is an adult and has no connection with his family, has undertaken to start a printing concern at Aligarh on the abolition of the Muslim University Press. In view of the reply given to part (a) of question No. 978, the second part does not arise.

Mr. Lalchand Navalrai : May I know whether there was any suspicion against this Assistant Manager of having done wrong in regard to the articles that disappeared ?

The Honourable Sir Thomas Stewart : No, Sir. Sir Frank Noyce in the answer I have quoted made it perfectly clear that there was no question of criminality in the matter.

Mr. President (The Honourable Sir Abdur Rahim) : It is a pity that a question like this should be repeated again.

Sardar Sant Singh's quota of five questions has been exhausted.

(b) WRITTEN ANSWERS.

RECOMMENDATION OF THE IRVINE COMMITTEE GIVEN EFFECT TO BY THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

969. ***Mr. C. N. Muthuranga Mudaliar :** Will the Secretary for Education, Health and Lands please state :

- (a) the recommendations of the Irvine Committee which have been given effect to by the Indian Institute of Science Bangalore ;
- (b) the recommendations of the Irvine Committee which have not been given effect to, and the reasons for it ; and
- (c) the steps which they propose to take or will advise the Institute to take to man the Departments of the Institute in such a way that students will be attracted to it instead of to institutions in the west ?

Sir Girja Shankar Bajpai : (a) to (c). The information is being collected and will be placed on the table of the House in due course.

ALLEGATIONS AGAINST THE ASSISTANT MANAGER, GOVERNMENT OF INDIA FORMS PRESS, ALIGARH.

980. ***Sardar Sant Singh :** Will the Honourable Member for Industries and Labour please state whether it is a fact that during his tenure of appointment as Assistant Manager, Government of India Press, Simla, the

same gentleman was accused of having misappropriated or lost a large quantity of type and other articles and whether he was transferred from Simla in consequence of these allegations ?

The Honourable Sir Thomas Stewart : The answer is in the negative.

ALLEGATIONS AGAINST THE ASSISTANT MANAGER, GOVERNMENT OF INDIA
FORMS PRESS, ALIGARH.

981. *Sardar Sant Singh : Will the Honourable Member for Industries and Labour please state :

- (a) whether he is aware that the Assistant Manager exercises undue influence upon his subordinates with a view to their doing the composing, printing and binding work in the Muslim University Press without any remuneration whatsoever and whether the subordinates who refuse to comply with these orders are harassed by him by being fined, deprived of their legitimate promotions and otherwise being severely dealt with ; and
- (b) whether he is aware that the Assistant Manager devotes much of his office time and the whole of it after and before office hours to running the private concern called the Muslim University Press ?

The Honourable Sir Thomas Stewart : (a) No. It is open to any individual who considers that he has a grievance to represent to the proper authority in the usual way.

(b) So far as Government are aware, this is not a fact.

ALLEGATIONS AGAINST THE ASSISTANT MANAGER, GOVERNMENT OF INDIA
FORMS PRESS, ALIGARH.

982. *Sardar Sant Singh : Will the Honourable Member for Industries and Labour please state whether Government are prepared to investigate the whole affair ?

The Honourable Sir Thomas Stewart : No.

POSTPONED QUESTION AND ANSWER.

(a) ORAL ANSWERS.

POSSIBILITIES OF GROWING CLOVES IN INDIA.

Postponed
on the 28th
September.] 842. *Mr. Mohan Lal Saksena : (a) Will the Secretary for Education, Health and Lands please state the comparative figures of imports of cloves in India for July and August, 1937, and the corresponding months in 1936 ?

(b) Have Government taken any steps to investigate the possibilities of growing cloves in India especially in centrally administered areas ? If not, why not ?

Sir Girja Shankar Bajpai : (a) A statement giving such information as is available is laid on the table.

Statement showing the amount of Cloves imported into India during July and August, 1936, and July, 1937.

Month.					Quantity.
					Cwts.
July, 1936	..	..	..	..	9,239
August, 1936	..	..	..	..	3,564
July, 1937	..	..	..	..	3,530

(Figures for August, 1937, are not yet available.)

Mr. Mohan Lal Saksena : What is the reply to part (b) ?

Sir Girja Shankar Bajpai : I refer the Honourable Member to a reply given previously during the Session, namely, that an officer of the Imperial Council of Agricultural Research is investigating the possibilities of clove cultivation in India.

Mr. S. Satyamurti : May I know if the Government of India have got into touch or propose to get into touch with the Government of His Highness the Maharaja of Travancore, with regard to the possibility of growing cloves in the Travancore forests ?

Sir Girja Shankar Bajpai : The investigating officer is not limiting his inquiry to the centrally administered areas. He really proposes to find out which is the part of India, whether in an Indian State or in British India, that lends itself to such cultivation.

UNSTARRED QUESTION AND ANSWER.

REDUCTION OF DUTY ON PAPER USED FOR NEWSPAPER PRINTING.

188. **Mr. M. S. Aney :** (a) Will the Honourable the Finance Member be pleased to state whether Government have reduced the duty on paper used for newspaper printing ?

(b) If so, from which date, on what sort of paper and to what extent ?

(c) Do Government propose to reduce the duty on paper in sheets or in reams which is generally used by the journals in order to extend similar concessions to journals which are not printed on reels ?

Mr. A. H. Lloyd : The attention of the Honourable Member is invited to the replies given by me to starred questions Nos. 870 and 871.

STATEMENT LAID ON THE TABLE.

CERTAIN DRAFT CONVENTIONS AND RECOMMENDATIONS OF THE INTERNATIONAL LABOUR CONFERENCE.

The Honourable Sir Saiyid Sultan Ahmad (Member for Commerce and Railways) : Sir, I lay on the table a copy of the Draft Conventions and Recommendations adopted by the 21st and 22nd (Maritime) Sessions of the International Labour Conference together with a copy of the statement indicating the course of action which the Government of India propose to take in connection with the Draft Conventions and Recommendations.

APPENDIX I.

Draft Convention concerning Hours of Work on Board Ship and Manning.

(The formal preamble is omitted.)

PART I.—SCOPE AND DEFINITIONS.

Article 1.

1. This Convention applies to every sea-going mechanically-propelled vessel, whether publicly or privately owned, which :

- (a) is registered in a territory for which the Convention is in force ;
- (b) is employed in the transport of cargo or passengers for the purpose of trade ; and
- (c) is engaged on an international voyage, by which is meant any voyage from a port of one country to a port outside such country, every colony, overseas territory, protectorate or territory under suzerainty or mandate being regarded as a separate country.

2. This Convention does not apply to :

- (a) sailing vessels with auxiliary engines ; or
- (b) vessels engaged in fishing, whaling or similar pursuits, or in operations directly connected therewith.

3. Any Member may exempt vessels registered in its territory from the application of this Convention while such vessels are exclusively engaged in voyages upon which they do not proceed further from the country from which they trade than the nearby ports of neighbouring countries within geographical limits which :

- (a) are clearly specified by national laws or regulations ;
- (b) are uniform in respect of the application of all the provisions of this Convention ;
- (c) have been notified by the Member when registering its ratification by a declaration annexed thereto ; and
- (d) have been fixed after consultation with the other Members concerned.

Article 2.

For the purpose of this Convention the following expressions have the meanings hereby assigned to them :

- (a) " tons " means gross registered tons ;
- (b) " officer " means a person other than a master ranked as an officer by national laws or regulations, collective agreement or custom ;
- (c) " rating " means a member of the crew other than an officer ;
- (d) " hours of work " means time during which a member of the crew is required by the orders of a superior to do any work on account of the vessel or the owner, or to be at the disposal of a superior outside the crew's quarters.

PART II.—HOURS OF WORK.

Article 3.

This part of this Convention does not apply to :

- (a) officers in charge of departments who do not keep watch ;
- (b) wireless operators and telephonists ;
- (c) pilots ;
- (d) doctors ;
- (e) nursing staff exclusively engaged on nursing duties or hospital staff ;
- (f) persons working exclusively on their own account ;
- (g) persons remunerated exclusively by a share of profits ;
- (h) persons whose duties are connected solely with the cargo carried on board and who are not in fact in the employment either of the owner or of the master ;
- (i) travelling dockers ;
- (j) crews consisting entirely of members of the family, as defined by national laws or regulations, of the owner of the vessel.

Article 4.

1. In vessels of over 2,000 tons the hours of work at sea and on arrival and sailing days of deck ratings whose time is divided into watches shall not exceed eight in the day nor shall they exceed fifty-six in the week.

2. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of deck ratings employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

3. Hours in excess of the limits prescribed in paragraphs 1 and 2 may be worked on arrival and sailing days. Whether or not such hours are to be worked and where such hours are allowed the conditions under which they may be worked shall be determined by national laws or regulations or collective agreements.

Article 5.

1. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of engine-room and stokehold ratings whose time is divided into watches shall not exceed eight in the day nor shall they exceed fifty-six in the week : Provided that extra time may be worked for the normal relieving of watches and the hoisting and dumping of ashes.

2. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of engine room and stokehold ratings employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

3. Hours in excess of the limits prescribed in paragraphs 1 and 2 may be worked on arrival and sailing days. Whether or not such hours are to be worked and where such hours are allowed the conditions under which they may be worked shall be determined by national laws or regulations or collective agreements.

Article 6.

1. In vessels of over 2,000 tons the hours of work at sea and on arrival and sailing days of deck officers shall not exceed eight in the day nor shall they exceed fifty-six in the week.

2. Provided that one additional hour per day may be worked at sea and on arrival and sailing days for navigational or clerical purposes.

3. Provided also that additional hours may be worked occasionally when the master deems it necessary to order two officers to keep watch simultaneously, so however that in no case shall any officer be required in virtue of this paragraph to work more than twelve hours in any day.

4. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of deck officers employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

5. Hours in excess of the limits prescribed in paragraphs 1 and 4 may be worked on arrival and sailing days. Whether or not such hours are to be worked and where such hours are allowed the conditions under which they may be worked shall be determined by national laws or regulations or collective agreements.

6. The provisions of this Article apply to apprentices and cadets in the deck department.

Article 7.

1. In vessels required under Article 16 to carry three or more engineer officers, the hours of work of such officers at sea and on arrival and sailing days shall not exceed eight in the day nor shall they exceed fifty-six in the week.

2. In vessels of over 700 tons the hours of work at sea of engineer officers employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

3. The provisions of this Article apply to apprentices and cadets in the engine-room department.

Article 8.

1. In vessels to which this Convention applies the following provisions shall apply to deck, engine-room and stokehold ratings and to deck and engineer officers, including apprentices and cadets in the deck and engine-room departments, whenever sea watches are suspended in any port :

- (a) hours of work shall not exceed eight in the day nor shall they exceed forty-eight in the week ;
- (b) the weekly rest day shall be observed and on that day no work shall be required except as overtime or for the purpose of ordinary routine and sanitary duties, any work required for the purpose of such duties to be included in the ordinary limit of forty-eight hours ;
- (c) exceptions to these provisions may be made in accordance with national laws or regulations or collective agreement in the case of ratings required for the safety of the vessel or persons on board or for the preservation of the cargo.

2. Sea watches shall normally be suspended if the vessel is expected to stay in the port for more than twenty-four hours following its arrival, unless in the judgment of the master the safety of the vessel would be prejudiced thereby.

3. If sea watches are maintained in port, all time worked in excess of the limits of hours prescribed by or permitted under paragraph 1 of this Article shall, except in the case of :

- (a) watches maintained for the safety of the vessel ; and
- (b) watches worked within twelve hours after arrival or within twelve hours before sailing,

be regarded as overtime for which the rating or officer shall be entitled to be compensated.

Article 9.

1. In all vessels to which this Convention applies in respect of which there is in force :

- (a) a safety certificate issued in accordance with the provisions of the International Convention for the Safety of Life at Sea for the time being in force ; or
- (b) a passenger certificate,

the hours of work at sea of ratings in the catering and clerical departments shall be so arranged as to ensure to each such rating not less than twelve hours' rest during any period of twenty-four hours, including a rest period of at least eight consecutive hours.

2. In all vessels to which this Convention applies, other than vessels in respect of which there is in force one of the certificates referred to in the preceding paragraph, the hours of work at sea and on arrival and sailing days of ratings in the catering and clerical departments shall not exceed ten in the day.

3. In all vessels to which this Convention applies the hours of work in port of ratings in the catering and clerical departments shall not exceed eight in the day, subject to such exceptions as may be permitted by national laws or regulations.

Article 10.

1. Ratings and deck and engineer officers including apprentices and cadets may be required to work in excess of the limits of hours prescribed by or permitted under the preceding Articles of this Part of this Convention, subject to the conditions that :

- (a) all such time worked shall be regarded as overtime for which they shall be entitled to be compensated ; and
- (b) there shall be no consistent working of overtime.

2. The manner or rate or rates of such compensation shall be prescribed by national laws or regulations or be fixed by collective agreement.

Article 11.

1. No rating under the age of 16 years shall work at night.

2. For the purpose of this Article the expression " night " means a period of at least nine consecutive hours between times before and after midnight to be prescribed by national laws or regulations.

Article 12.

The provisions of this Part of this Convention do not apply to :

- (a) work which the master deems to be necessary and urgent for the safety of the vessel, cargo, or persons on board ;
- (b) work required by the master for the purpose of giving assistance to other vessels or persons ;
- (c) musters, fire, lifeboat and similar drills of the kind prescribed by the International Convention for the Safety of Life at Sea for the time being in force ;
- (d) extra work resulting from the sickness of or from injury to any officer or rating or from any unforeseeable reduction in the number of officers or ratings in the course of the voyage ;
- (e) extra work for the purpose of customs, quarantine or other health formalities ;
- (f) work by officers for the determination of the position of the vessel at noon.

PART III.—MANNING.

Article 13.

Every vessel of over 700 tons shall be sufficiently and efficiently manned for the purposes of :

- (a) safety of life at sea ; and
- (b) making possible the application of the rules relating to hours set forth in Part II of this Convention,

and more particularly every such vessel shall comply with the minimum requirements as to manning set forth in this Part of this Convention.

Article 14.

1. In vessels of over 700, but not exceeding 2,000 tons there shall be carried at least two certificated deck officers in addition to the master.
2. In vessels of over 2,000 tons there shall be carried at least three certificated deck officers in addition to the master.

Article 15.

1. In vessels of over 700 tons the number of deck ratings carried shall be sufficient to allow of three ratings being available for each navigational watch.
2. In particular, the following minimum numbers of ratings shall be carried :
 - (a) in vessels of over 700 but not exceeding 2,000 tons : 6 ;
 - (b) in vessels of over 2,000 tons : 9 or such larger number as may be prescribed by national laws or regulations or fixed by collective agreement.
3. The following minimum numbers of the ratings required to be carried by paragraph 2 shall comply with the conditions as to physical capacity and efficiency stated in paragraph 4 :
 - (a) in vessels of over 700 but not exceeding 2,000 tons : 4 ;
 - (b) in vessels of over 2,000 tons : 5 or such larger number as may be prescribed by national laws or regulations or fixed by collective agreement.
4. The conditions as to physical capacity and efficiency to be fulfilled by certain ratings in accordance with paragraph 3 are that each such rating :
 - (a) is 18 years of age ; and
 - (b) either has had at least three years' sea service on deck or holds a certificate, issued by the competent authority, that his standard of efficiency is equal to that of the average rating who has had three years' sea service on deck.
5. National laws or regulations or collective agreement shall limit the number of ratings with less than one year's sea service on deck who may be counted as deck ratings for the purpose of satisfying the requirements of this Article.
6. No rating signed on in a dual capacity whose services may be required in any department other than the deck department shall be counted as a deck rating for the purpose of satisfying the requirements of this Article.
7. Whether or not a wireless operator or telephonist is to be considered as belonging to the deck department for the purpose of the preceding paragraph shall be determined by national laws or regulations or collective agreement.

Article 16.

1. In vessels to which this Article applies at least three certificated engineer officer shall be carried.
2. This Article applies either :
 - (a) to vessels of over 700 tons ; or
 - (b) to vessels with engines exceeding 800 indicated horse-power,according as a tonnage or horse-power criterion is prescribed by national laws or regulations.
3. Provided that any Member may postpone the application of this Article for a period not exceeding five years from the coming into force of this Convention in the case of existing vessels not exceeding 1,500 tons or with engines not exceeding 1,000 indicated horse-power according as the Member applies the tonnage or horse-power criterion.

Article 17.

If in the course of a voyage as a result of death, accident or any other cause a vessel ceases to have available the number of officers or ratings required by the preceding Articles the master shall make up the deficiency at the first reasonable opportunity.

PART IV.—GENERAL PROVISIONS.

Article 18.

The shipowners', officers' and seamen's organisations concerned shall, so far as is reasonable and practicable, be taken into consultation in the framing of all laws or regulations for giving effect to the provisions of this Convention.

Article 19.

1. Each Member which ratifies this Convention shall be responsible for the application of its provisions to vessels registered in its territory and shall maintain in force national laws or regulations which :

- (a) determine the respective responsibilities of the shipowner and the master for ensuring compliance therewith ;
- (b) prescribe adequate penalties for any violation thereof ;
- (c) provide for adequate public supervision of compliance with Part III before a vessel leaves a home port on an international voyage ;
- (d) require the keeping of records of all overtime worked in pursuance of Article 10 and of the compensation granted in respect thereof ; and
- (e) ensure to seamen the same remedies for recovering extra payments in respect of overtime as they have for recovering other arrears of wages.

2. In any case in which it comes to the knowledge of the competent authority of a port that a vessel registered in a territory for which this Convention is in force in virtue of ratification by another Member is not carrying the number of officers and ratings required by Part III of this Convention the said authority shall so notify the consul of the said Member.

Article 20.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

Article 21.

1. Vessels existing at the date of the coming into force of this Convention in respect of which the competent authority of the territory of registration is satisfied, after consulting the organisations interested, that the circumstances are such that the provision of fresh accommodation or other permanent equipment necessary for an increased crew is not reasonably possible may be exempted from the application of the Convention.

2. Such exemption shall be granted by the issue of an exemption certificate, which shall be carried on the vessel, exempting the said vessel from such of the requirements of this Convention as are specified in the said certificate.

3. Exemption certificates shall not be issued for a period exceeding four years at a time.

4. Every Member taking advantage of the provisions of this Article shall communicate to the International Labour Office in its annual report upon the application of this Convention :

- (a) the texts of all laws and regulations relating to the grant of exemption under this Article ;
- (b) particulars as to the number of vessels and total tonnage in respect of which exemption certificates are for the time being in force ; and

- (c) any observations as to the grant of exemption made by the 'ship-owners', officers, and seamen's organisations concerned.

PART V.—FINAL PROVISIONS.

Article 22.

1. In respect of the territories referred to in Article 35 of the Constitution of the International Labour Organisation, each Member of the Organisation which ratifies this Convention shall append to its ratification a declaration stating :

- (a) the territories in respect of which it undertakes to apply the provisions of the Convention without modification ;
- (b) the territories in respect of which it undertakes to apply the provisions of the Convention subject to modifications, together with details of the said modification ;
- (c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable ;
- (d) the territories in respect of which it reserves its decision.

2. The undertakings referred to in sub-paragraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.

3. Any Member may by a subsequent declaration cancel in whole or in part any reservations made in its original declaration in virtue of sub-paragraphs (b), (c) or (d) of paragraph 1 of this Article.

Article 23.

The formal ratification of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 24.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. It shall come into force six months after the date on which there have been registered by the Secretary-General of the League of Nations the ratifications of five Members of the Organisation each of which has a mercantile marine tonnage of not less than one million tons.

3. Thereafter, this Convention shall come into force for any Member six months after the date on which its ratification has been registered.

Article 25.

As soon as the ratifications of five of the Members mentioned in the second paragraph of Article 24 have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 26.

1. A Member which has ratified this Convention may denounce it after the expiration of five years from the date on which the Convention first comes into force by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of five years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of five years and, thereafter, may denounce this Convention at the expiration of each period of five years under the terms provided for in this Article.

Article 27.

At the expiration of each period of five years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 28.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 26 above, if and when the new revising Convention shall have come into force ;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 29.

The French and English texts of this Convention shall both be authentic.

Recommendation concerning Hours of Work on Board Ship and Manning.

(The formal preamble is omitted.)

Having regard to the fact that the Hours of Work and Manning (Sea) Convention, 1936, does not regulate hours of work or manning in vessels engaged only in national coasting trade ;

That it allows each Member to except from the application of its provisions the vessels referred to in Article 1, paragraph 3, of the said Convention, and

That some of its provisions do not apply to vessels below a certain tonnage ;

The Conference recommends that each Member which has not already regulated hours of work and manning in these different classes of vessels should investigate the conditions obtaining in them in the light of the rules laid down in the said Convention ; and

Further recommends that each such Member should take all necessary measures to prevent overwork and insufficient manning on such vessels.

Draft Convention concerning the Liability of the Shipowner in case of Sickness, Injury or Death of Seamen.

(The preamble is omitted.)

Article 1.

1. This Convention applies to all persons employed on board any vessel, other than a ship of war, registered in a territory for which this Convention is in force and ordinarily engaged in maritime navigation.

2. Provided that any Member of the International Labour Organisation may in its national laws or regulations make such exceptions as it deems necessary in respect of :

- (a) persons employed on board :
 - (i) vessels of public authorities when such vessels are not engaged in trade ;
 - (ii) coastwise fishing boats ;
 - (iii) boats of less than twenty-five tons gross tonnage ;
 - (iv) wooden ships of primitive build such as dhows and junks ;
- (b) persons employed on board by an employer other than the ship-owner ;
- (c) persons employed solely in ports in repairing, cleaning, loading or unloading vessels ;
- (d) members of the shipowners' family ;
- (e) pilots.

Article 2.

- 1. The shipowner shall be liable in respect of :
 - (a) sickness and injury occurring between the date specified in the articles of agreement for reporting for duty and the termination of the engagement ;
 - (b) death resulting from such sickness or injury.
- 2. Provided that national laws or regulations may make exceptions in respect of :
 - (a) injury incurred otherwise than in the service of the ship ;
 - (b) injury or sickness due to the wilful act, default or misbehaviour of the sick, injured or deceased person ;
 - (c) sickness or infirmity intentionally concealed when the engagement is entered into.

3. National laws or regulations may provide that the shipowner shall not be liable in respect of sickness, or death directly attributable to sickness, if at the time of the engagement the person employed refused to be medically examined.

Article 3.

For the purpose of this Convention, medical care and maintenance at the expense of the shipowner comprises :

- (a) medical treatment and the supply of proper and sufficient medicines and therapeutical appliances ; and
- (b) board and lodging.

Article 4.

1. The shipowner shall be liable to defray the expense of medical care and maintenance until the sick or injured person has been cured, or until the sickness or incapacity has been declared of a permanent character.

2. Provided that national laws or regulations may limit the liability of the shipowners to defray the expense of medical care and maintenance to a period which shall not be less than sixteen weeks from the day of the injury of the commencement of the sickness.

3. Provided also that if there is in force in the territory in which the vessel is registered a scheme applying to seamen of compulsory sickness insurance, compulsory accident insurance, or workmen's compensation for accidents, national laws or regulations may provide :

- (a) that a shipowner shall cease to be liable in respect of a sick or injured person from the time at which that person becomes entitled to medical benefits under the insurance or compensation scheme ;

- (b) that the shipowner shall cease to be liable from the time prescribed by law for the grant of medical benefits under the insurance or compensation scheme to the beneficiaries of such schemes, even when the sick or injured person is not covered by the scheme in question, unless he is excluded from the scheme by reason of any restriction which affects particularly foreign worker or workers not resident in the territory in which the vessel is registered.

Article 5.

1. Where the sickness or injury results in incapacity for work the shipowner shall be liable :

- (a) to pay full wages as long as the sick or injured person remains on board ;
 (b) if the sick or injured person has dependants, to pay wages in whole or in part as prescribed by national laws or regulations from the time when he is landed until he has been cured or the sickness or incapacity has been declared of a permanent character.

2. Provided that national laws or regulations may limit the liability of the shipowner to pay wages in whole or in part in respect of a person no longer on board to a period which shall not be less than sixteen weeks from the day of the injury or the commencement of the sickness.

3. Provided also that if there is in force in the territory in which the vessel is registered a scheme applying to seamen of compulsory sickness insurance, compulsory accident insurance, or workmen's compensation for accidents, national laws or regulations may provide :

- (a) that a shipowner shall cease to be liable in respect of a sick or injured person from the time at which that person becomes entitled to cash benefits under the insurance or compensation scheme :
 (b) that the shipowner shall cease to be liable from the time prescribed by law for the grant of cash benefits under the insurance or compensation scheme to the beneficiaries of such schemes, even when the sick or injured person is not covered by the scheme in question, unless he is excluded from the scheme by reason of any restriction which affects particularly foreign worker or workers not resident in the territory in which the vessel is registered.

Article 6.

1. The shipowner shall be liable to defray the expense of repatriating every sick or injured person who is landed during the voyage in consequence of sickness or injury.

2. The port to which the sick or injured person is to be returned shall be :

- (a) the port at which he was engaged ; or
 (b) the port at which the voyage commenced ; or
 (c) a port in his own country or the country to which he belongs ; or
 (d) another port agreed upon by him and the master or shipowner, with the approval of the competent authority.

3. The expense of repatriation shall include all charges for the transportation, accommodation and food of the sick or injured person during the journey and his maintenance up to the time fixed for this departure.

4. If the sick or injured person is capable of work, the shipowner may discharge his liability to repatriate him by providing him with suitable employment on board a vessel proceeding to one of the destinations mentioned in paragraph 2 of this Article.

Article 7.

1. The shipowner shall be liable to defray burial expenses in case of death occurring on board, or in case of death occurring on shore if at the time of his death the deceased person was entitled to medical care and maintenance at the shipowner's expense.

2. National laws or regulations may provide that burial expenses paid by the shipowner shall be reimbursed by an insurance institution in cases in which funeral benefit is payable in respect of the deceased person under laws or regulations relating to social insurance or workmen's compensation.

Article 8.

National laws or regulations shall require the shipowner or his representative to take measures for safeguarding property left on board by sick, injured or deceased persons to whom this Convention applies.

Article 9.

National laws or regulations shall make provision for securing the rapid and inexpensive settlement of disputes concerning the liability of the shipowner under this Convention.

Article 10.

The shipowner may be exempted from liability under Articles 4, 6 and 7 of this Convention in so far as such liability is assumed by the public authorities.

Article 11.

This Convention and national laws or regulations relating to benefits under this Convention shall be so interpreted and enforced as to ensure equality of treatment to all seamen irrespective of nationality, domicile or race.

Article 12.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

Article 13.

1. In respect of the territories referred to in Article 35 of the Constitution of the International Labour Organisation, each Member of the Organisation which ratifies this Convention shall append to its ratification a declaration stating:

- (a) the territories in respect of which it undertakes to apply the provisions of the Convention without modification;
- (b) the territories in respect of which it undertakes to apply the provisions of the Convention subject to modifications, together with details of the said modifications;
- (c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable;
- (d) the territories in respect of which it reserves its decision.

2. The undertakings referred to in sub-paragraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.

3. Any Member may by a subsequent declaration cancel in whole or in part any reservations made in its original declaration in virtue of sub-paragraphs (b), (c) and (d) of paragraph 1 of this Article.

Article 14.

The formal ratifications of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 15.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Secretary-General.

3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 16.

As soon as the ratifications of two Members of the International Labour Organisation have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 17.

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 18.

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 19.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 17 above, if and when the new revising Convention shall have come into force;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 20.

The French and English texts of this Convention shall both be authentic.

Draft Convention concerning Sickness Insurance for Seamen.

(The preamble and formal articles at end are omitted.)

Article 1.

1. Every person employed as master or member of the crew or otherwise in the service of the ship, on board any vessel, other than a ship of war, registered in a territory for which this Convention is in force and engaged in maritime navigation or sea-fishing, shall be insured under a compulsory sickness insurance scheme.

2. Provided that any Member of the International Labour Organisation may in its national laws or regulations make such exceptions as it deems necessary in respect of :

- (a) persons employed on board vessels of public authorities when such vessels are not engaged in trade ;
- (b) persons whose wages or income exceed a prescribed amount ;
- (c) persons who are not paid a money wage ;
- (d) persons not resident in the territory of the Member ;
- (e) persons below or above prescribed age-limits ;
- (f) members of the employer's family ;
- (g) pilots.

Article 2.

1. An insured person who is rendered incapable of work and deprived of his wages by reasons of sickness shall be entitled to a cash benefit for at least the first twenty-six weeks or one hundred and eighty days of incapacity from and including the first day for which benefit is payable.

2. The right to benefit may be made conditional upon the completion of a qualifying period and of a waiting period of a few days to be counted from the beginning of the incapacity.

3. The cash benefit granted to the insured person shall never be fixed at a rate lower than that fixed by the general scheme of compulsory sickness insurance, where such a scheme exists but does not apply to seamen.

4. Cash benefit may be withheld :

- (a) while the insured person is on board or abroad ;
- (b) while the insured person is maintained by the insurance institution or from public funds ; provided that in such case it shall only partially be withheld when the insured person has family responsibilities ;
- (c) while in respect of the same illness the insured person receives compensation from another source to which he is entitled by law, so however that in such case benefit shall only be wholly or partially withheld if and so far as such compensation is equal to or less than the amount of the benefit payable under the sickness insurance scheme.

5. Cash benefit may be reduced or refused in the case of sickness caused by the insured person's wilful misconduct.

Article 3.

1. The insured person shall be entitled free of charge, as from the commencement of his illness and at least until the period prescribed for the grant of sickness benefit expires to medical treatment by a fully qualified medical practitioner and to the supply of proper and sufficient medicines and appliances.

2. Provided that the insured person may be required to pay such part of the cost of medical benefit as may be prescribed by national laws or regulations.

3. Medical benefit may be withheld while the insured person is on board or abroad.

4. Whenever the circumstances so require, the insurance institution may provide for the treatment of the sick person in hospital and in such case shall grant him full maintenance together with the necessary medical attention and care.

Article 4.

1. When the insured person is abroad and by reason of sickness has lost his right to wages, whether previously payable in whole or in part, the cash benefit to which he would have been entitled had he not been abroad shall be paid in whole or in part to his family until his return to the territory of the Member.

2. National laws or regulations may prescribe or authorise the provision of the following benefits :—

(a) when the insured person has family responsibilities, a cash benefit additional to that provided for in Article 2 ;

(b) in case of the sickness of members of the insured person's family living in his home and dependent on him, aid in kind or in cash.

Article 5.

1. National laws or regulations shall prescribe the conditions under which an insured woman, while in the territory of the Member, shall be entitled to maternity benefit.

2. National laws or regulations may prescribe the conditions under which the wife of an insured man, while in the territory of the Member, shall be entitled to maternity benefit.

Article 6.

1. On the death of the insured person, a cash benefit of an amount prescribed by national laws or regulations shall be paid to the members of the family of the deceased or be applied for defraying the funeral expenses.

2. Where there is in force a pension scheme for the survivors of deceased seamen, the grant of the cash benefit provided for in the preceding paragraph shall not be compulsory.

Article 7.

The right to insurance benefit shall continue even in respect of sickness occurring during a definite period after the termination of the last engagement, which period shall be fixed by national laws or regulations in such a way as to cover the normal interval between successive engagements.

Article 8.

1. The insured persons and their employers shall share in providing the financial resources of the sickness insurance scheme.

2. National laws or regulations may provide for a financial contribution by the public authorities.

Article 9.

1. Sickness insurance shall be administered by self-governing institutions, which shall be under the administrative and financial supervision of the public authorities and shall not be carried on with a view to profit.

2. Insured persons, and in the case of insurance institutions set up specially for seamen under laws or regulations the employers also, shall participate in the management of the institutions under such conditions as may be prescribed by national laws or regulations, which may also provide for the participation of other persons concerned.

3. Provided that the administration of sickness insurance may be undertaken directly by the State where and so long as its administration by self-governing institutions is rendered difficult or impossible by reason of national conditions.

Article 10.

1. The insured person shall have a right of appeal in case of dispute concerning his right to benefit.

2. The procedure for dealing with disputes shall be rendered rapid and inexpensive for the insured person by means of special courts or any other method deemed appropriate under national laws or regulations.

Article 11.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

* * * * *

Article 18.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 16 above, if and when the new revising Convention shall have come into force ;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

* * * * *

NOTE.—Articles 12 to 17 and 19 are identical with Articles 13 to 18 and 20 respectively of the Draft Convention concerning the liability of the shipowner in case of sickness, injury or death of seamen.

Recommendation concerning the Promotion of Seamen's Welfare in Ports.

(The preamble is omitted.)

PART I.—GENERAL ORGANISATION.

1. It is desirable to create in every important port an official or officially recognised body, which might comprise representatives of shipowners, seamen, national and local authorities and the chief associations concerned, for the purposes of :

(a) collecting, as far as possible in conjunction with the different authorities or organisations concerned, including the consular authorities of maritime States, all useful information and suggestions on the conditions for seamen in the port ;

(b) advising the competent departments, authorities and associations as to the adoption, adaptation and co-ordination of measures for the improvement of such conditions ; and

(c) collaborating if required with other competent bodies in carrying out such measures.

2. It is desirable in order to enable the International Labour Office, to inform the Governments of the maritime States and to assist them to co-ordinate their action, that each of them should keep in touch with the Office and furnish it every three years with all useful information on the experience acquired in the promotion of seamen's welfare in ports and on the progress made in this field.

PART II.—REGULATION.

3. There should be laws or regulations to protect seamen, by measures including the following, from the dangers to which they are exposed in certain establishments or in the docks as such :—

- (a) the regulation of the sale of intoxicating liquor ;
- (b) the prohibition of the employment in public houses of young persons of either sex under a certain age ;
- (c) the application of the provisions of international agreements limiting the sale and use of narcotics to all seamen without distinction of nationality ;
- (d) the prohibition of the entry into the docks and harbour area generally of undesirable persons ;
- (e) the fencing off of dock areas and the protection of the edges of wharves and quays and other dangerous parts of docks by fixed or movable barriers, wherever such measures are practicable ;
- (f) the provision of sufficient lighting and, where necessary, of signposts for docks and approaches.

4. In order to ensure the strict enforcement of the measures indicated above and to increase their efficacy, there should be arrangements for supervision, including :

- (a) supervision of establishments where intoxicating liquors are sold and, where necessary and practicable, of hotels, cafes, lodging houses and other similar establishments in the harbour area ;
- (b) supervision, which might be carried out jointly by masters and the public authorities, of persons visiting ships, including boatmen plying between ships and the shore, with a view to preventing intoxicating liquor or narcotics being wrongfully brought on board or the fulfilment of any other illicit purpose ;
- (c) the maintenance in the harbour area of adequate police forces, specially trained and equipped, which should keep in touch with the other supervising bodies,

5. For the better protection of foreign seamen, measures should be taken to facilitate.

- (a) their relations with their consuls ; and
- (b) effective co-operation between consuls and the local or national authorities.

PART III.—HEALTH.

6. Soliciting and enticing, whether directly or indirectly, in the neighbourhood of the harbour and in districts frequented by seamen should be energetically repressed.

7. All suitable measures should be taken to make known to seamen entering the port, irrespective of their nationality :

- (a) the dangers and means of preventing diseases to which they are exposed, including more particularly tuberculosis and tropical and venereal diseases ;
- (b) the necessity for persons suffering from diseases to undergo treatment, and the facilities available for such treatment ; and
- (c) the dangers arising from the habit of using narcotics.

8. The treatment of seamen suffering from disease should be facilitated by suitable measures including :

- (a) as wide extension as possible, especially in the dock area, of free and continued treatment for venereal diseases, as provided, for example, by the Agreement concerning facilities to be given to Merchant Seamen for the Treatment of Venereal Diseases, signed at Brussels, 1 December 1924 ;
- (b) the admission of seamen to clinics and hospitals in ports, without difficulty and irrespective of nationality or religious belief ;
- (c) as wide application as possible to foreign seamen of the provision made for the protection of nationals against tuberculosis ;
- (d) the provision, wherever possible, of arrangements designed to ensure, when necessary, continuation of treatment with a view to supplementing the medical facilities available to seamen.

PART IV.—ACCOMMODATION AND RECREATION.

9. Arrangements should be made, at least in the larger ports, for the material and general assistance of seamen while in the port, and such arrangements should more particularly include :

- (a) the institution or development of seamen's hostels of a satisfactory character and furnishing suitable board and lodging at reasonable prices ;
- (b) the institution or development of institutes—which might be distinct from the seamen's hostels, but should keep as far as possible in touch with them—providing meeting and recreation rooms (canteens, rooms for games, libraries etc.) ;
- (c) the organisation, where possible in co-operation with ships' sports clubs, of healthy recreations, such as sports, excursions, etc. ;
- (d) the promotion, by every possible means, of the family life of seamen.

PART V.—SAVINGS AND REMITTANCE OF WAGES.

10. In order to help to save and to transmit their savings to their families :

- (a) there should be adopted a simple, rapid and safe system, operating with the assistance of consuls, masters, shipowners' agents or reliable private institutions, for enabling seamen, and more especially those who are in a foreign country, to deposit or remit the whole or part of their wages ;
- (b) a system for enabling seamen, at the time of their signing on or during the voyage, to allot, if they so desire, a proportion of their wages for remittance at regular intervals to their families, should be instituted or made of more general application.

PART VI.—INFORMATION FOR SEAMEN.

11. In view of the fact that the success of most of the measures recommended above must depend to a large extent on suitable publicity among seamen, such publicity should be organised and undertaken by the public authorities, the bodies referred to in Part I of this Recommendation, and the competent associations, assisted as far as possible by the ships' officers and doctor and by ships' sports clubs.

12. Such publicity might include :

- (a) the distribution on shore and, subject to the consent of the master, on board ship, of pamphlets in the most appropriate languages giving clear information as to the facilities available for seamen in the port of call or in the next ports for which the ship is bound ;

- (b) the creation in the larger ports of information offices, either at shipping offices or elsewhere, easily accessible to seamen and staffed by persons capable of giving directly such explanations or guidance as may be useful ;
- (c) the inclusion of some useful information for the physical well being and general protection of seamen in seamen's books, discharge books or other documents habitually carried by seamen, or in notices posted in a conspicuous place in the crew's quarters ;
- (d) the frequent publication of articles of general and educational interest to seamen in periodicals read by seamen, both of specialised and general interest, and also the use of the cinema for this purpose ;
- (e) the distribution of information concerning the tariffs of local transport and of local places of interests and entertainment.

PART VII.—EQUALITY OF TREATMENT.

13. Governments, authorities and organisations which may have to administer funds for the welfare of seamen are specially urged not to concern themselves solely with seamen of a particular nationality, but to act as generously as possible in the spirit of international solidarity.

Draft Convention concerning the Minimum Requirement of Professional Capacity for Masters and Officers on Board Merchant Ships.

(The preamble and formal articles at end are omitted.)

Article 1.

1. This Convention applies to all vessels registered in a territory for which this Convention is in force and engaged in maritime navigation with the exception of :

- (a) ships of war ;
- (b) Government vessels, or vessels in the service of a public authority, which are not engaged in trade ;
- (c) wooden ships of primitive build such as dhows and junks.

2. National laws or regulations may grant exemptions or exceptions in respect of vessels of less than 200 tons gross registered tonnage.

Article 2.

For the purpose of this Convention the following expressions have the meanings hereby assigned to them :—

- (a) "master or skipper" means any person having command or charge of a vessel ;
- (b) "navigating officer in charge of a watch" means any person, other than a pilot who is for the time-being actually in charge of the navigation or manoeuvring of a vessel ;
- (c) "chief engineer" means any person permanently responsible for the mechanical propulsion of a vessel ;
- (d) "engineer officer in charge of a watch" means any person who is for the time being actually in charge of the running of a vessel's engines.

Article 3.

1. No person shall be engaged to perform or shall perform on board any vessel to which this Convention applies the duties of master or skipper, navigating officer in charge of a watch, chief engineer, or engineer officer in charge of a watch, unless he holds a certificate of competency to perform such duties, issued or approved by the public authority of the territory where the vessel is registered.

2. Exceptions to the provisions of this Article may be made only in cases of *force majeure*.

Article 4.

1. No person shall be granted a certificate of competency unless :

- (a) he has reached the minimum age prescribed for the issue of the certificate in question ;
- (b) his professional experience has been of the minimum duration prescribed for the issue of the certificate in question ; and
- (c) he has passed the examinations organised and supervised by the competent authority for the purpose of testing whether he possesses the qualifications necessary for performing the duties corresponding to the certificate for which he is a candidate.

2. National laws or regulations shall :

- (a) prescribe a minimum age to have been attained by and a minimum period of professional experience to have been completed by candidates for each grade of competency certificate ;
- (b) provide for the organisation and supervision by the competent authority of one or more examinations for the purpose of testing whether candidates for competency certificates possess the qualifications necessary for performing the duties corresponding to the certificates for which they are candidates.

3. Any Member of the Organisation may, during a period of three years from the date of its ratification, issue competency certificates to persons who have not passed the examinations organised in virtue of paragraph 2 (b) of this Article who :

- (a) have in fact had sufficient practical experience of the duties corresponding to the certificate in question ; and
- (b) have no record of any serious technical error against them.

Article 5.

1. Each Member which ratifies this Convention shall ensure its due enforcement by an efficient system of inspection.

2. National laws or regulations shall provide for the cases in which the authorities of a Member may detain vessels registered in its territory on account of a breach of the provisions of this Convention.

3. Where the authorities of a Member which has ratified this Convention find a breach of its provisions on a vessel registered in the territory of another Member which has also ratified the Convention, the said authorities shall communicate with the consul of the Member in the territory of which the vessel is registered.

Article 6.

1. National laws or regulations shall prescribe penalties or disciplinary measures for cases in which the provisions of this Convention are not respected.

2. In particular, such penalties or disciplinary measures shall be prescribed for cases in which :

- (a) a shipwoner, shipowner's agent, master, or skipper has engaged a person not certificated as required by this Convention ;
- (b) a master or skipper has allowed any of the duties defined in Article 2 of this Convention to be performed by a person not holding the corresponding or a superior certificate ;
- (c) a person has obtained by fraud or forged documents an engagement to perform any of the duties defined in the said Article 2 without holding the requisite certificate.

* * * * *

Article 13.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

- (a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 11 above, if and when the new revising Convention shall have come into force ;
- (b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

* * * * *

NOTE.—Articles 7 to 12 and 14 are identical with Articles 13 to 18 and 20 respectively, of the Draft Convention concerning the liability of the shipowner in case of sickness, injury or death of seamen.

Draft Convention concerning annual holidays with pay for seamen.

(The preamble and formal articles at end are omitted.)

Article 1.

1. This Convention applies to the master, officers, and members of the crew, including wireless operators in the service of a wireless telegraphy company, of all sea-going vessels, whether publicly or privately owned, which are registered in a territory for which the Convention is in force and are engaged in the transport of cargo or passengers for the purpose of trade.

2. National laws or regulations, shall determine when vessels are to be regarded as sea-going vessels for the purpose of this Convention.

3. This Convention does not apply to :

- (a) persons employed in vessels engaged in fishing, whaling or similar pursuits or in operations directly connected therewith ;
- (b) persons employed in any vessel the crew of which consists entirely of members of the owner's family as defined by national laws or regulations ;
- (c) persons not remunerated for their services, or remunerated only by a nominal salary or wage, or remunerated exclusively by a share of profits ;

- (d) persons working exclusively or mainly on their own account ;
- (e) persons employed in wooden ships of primitive build such as dhows and junks ;
- (f) persons whose duties are connected solely with the cargo carried on board and who are not in fact in the employment either of the owner or of the master ;
- (g) travelling dockers.

Article 2.

1. Every person to whom this Convention applies shall be entitled after one year of continuous service with the same undertaking to an annual holiday with pay the duration of which shall be :

- (a) in the case of masters, officers, and wireless operators, not less than twelve working days ;
- (b) in the case of other members of the crew, not less than nine working days.

2. For the purpose of calculating when a holiday is due :

- (a) service of articles shall be included in the reckoning of continuous service ;
- (b) short interruption of service not due to the act or fault of the employee, and not exceeding a total of six weeks shall not be deemed to break the continuity of the periods of service which precede and follow them ;
- (c) continuity of service shall not be deemed to be interrupted by any change in the management or ownership of the vessel or vessels in which the person concerned has served.

3. The following shall not be included in the annual holiday with pay :—

- (a) public and customary holidays ;
- (b) interruption of service due to sickness ;
- (c) any time off allowed in compensation for weekly rest days and public holidays worked at sea.

4. There may be defined by national laws or regulations or by collective agreement special circumstances in which, subject to conditions prescribed by such laws or regulations or fixed by such agreement,

- (a) an annual holiday with pay due in virtue of this Convention may be divided into parts or be accumulated with a subsequent holiday ;
- (b) there may be substituted for such a holiday, when in exceptional circumstances the service so requires, a cash payment at least equivalent to the remuneration provided for in Article 4.

Article 3.

1. The annual holiday shall be given in the territory in which the vessel is registered at one of the following ports :—

- (a) the port from which the vessel trades ;
- (b) the port at which the person entitled to the holiday was engaged ; or
- (c) the port of the vessel's final destination.

2. Provided that the holiday may be given at any other port by mutual consent.

3. When an annual holiday is due it shall be given by mutual agreement at the first opportunity as the requirements of the service allow.

Article 4.

1. Every person taking a holiday in virtue of Article 2 of this Convention shall receive in respect of the full period of the holiday his usual remuneration.

2. The usual remuneration payable in virtue of the preceding paragraph shall include a suitable subsistence allowance and shall be calculated in a manner which shall be prescribed by national laws or regulations or fixed by collective agreement.

Article 5.

Any agreement to relinquish the right to an annual holiday with pay, or to forego such a holiday, shall be void.

Article 6.

National laws or regulations may provide that a person who engages in paid employment during the course of annual holiday may be deprived of his right to payment in respect of the period of the holiday.

Article 7.

A person who leaves or is discharged from the service of his employer before he has taken a holiday due to him shall receive in respect of every day of holiday due to him in virtue of this Convention the remuneration provided for in article 4.

Article 8.

Each Member which ratifies this Convention shall require employers to keep records for the purpose of facilitating its effective enforcement.

Article 9.

Each Member which ratifies this Convention shall establish a system of penalties to ensure the application of its provisions.

Article 10.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

* * * * *

Article 13.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. It shall come into force six months after the date on which there have been registered by the Secretary-General of the League of Nations the ratifications of five Members of the Organization each of which has more than one million tons gross of sea-going merchant shipping.

3. Thereafter, this Convention shall come into force for any Member six months after the date on which its ratification has been registered.

Article 14.

As soon as the ratifications of five of the Members mentioned in the second paragraph of Article 13 have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

* * * * *

Article 17.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

- (a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 15 above, if and when the new revising Convention shall have come into force;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

* * * * *

NOTE.—Articles 11, 12, 15, 16 and 18 are identical with Articles 13, 14, 17, 18 and 20 respectively of the Draft Convention concerning the liability of the shipowner in case of sickness, injury or death of seamen.

APPENDIX II.

Draft Convention fixing the Minimum Age for the Admission of Children to Employment at Sea (Revised 1936).

(The formal preamble is omitted.)

Article 1.

For the purpose of this Convention, the term "vessel" includes all ships and boats of any nature whatsoever, engaged in maritime navigation, whether publicly or privately owned; it excludes ships of war.

Article 2.

1. Children under the age of fifteen years shall not be employed or work on vessels, other than vessels upon which only members of the same family are employed.

2. Provided that national laws or regulations may provide for the issue in respect of children of not less than fourteen years of age of certificates permitting them to be employed in cases in which an educational or other appropriate authority designated by such laws or regulations is satisfied, after having due regard to the health and physical condition of the child and to the prospective as well as to the immediate benefit to the child of the employment proposed, that such employment will be beneficial to the child.

Article 3.

The provisions of Article 2 shall not apply to work done by children on school-ships or training-ships, provided that such work is approved and supervised by public authority.

Article 4.

In order to facilitate the enforcement of the provisions of this Convention, every shipmaster shall be required to keep a register of all persons under the age of sixteen years employed on board his vessel, or a list of them in the articles of agreement, and of the dates of their births.

Article 5.

This Convention shall not come into force until after the adoption by the International Labour Conference of a Draft Convention revising the Convention fixing the minimum age for admission of children to industrial employment, 1919, and a Draft Convention revising the Convention concerning the age for admission of children to non-industrial employment, 1932.

Article 6.

The formal ratifications of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 7.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. Subject to the provisions of Article 5 above, it shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Secretary-General.

3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 8.

As soon as the ratifications of two Members of the International Labour Organization have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 9.

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 10.

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 11.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 9 above, if and when the new revising Convention shall have come into force ;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 12.

The French and English texts of this Convention shall both be authentic.

STATEMENT.

The following statement gives particulars of the course which the Government of India propose to follow in respect of the Draft Convention and Recommendations adopted by the Twenty-first and Twenty-second (Maritime) Sessions of the International Labour Conference held at Geneva in October 1936 :—

Twenty-first Session.

The Convention seeks to regulate the maximum hours of work and to prescribe a minimum manning scale for certain classes of ships engaged on international voyages. The hours of work of Indian Seamen are not at present regulated by law and are left to be settled between the ship-owners and seamen at the time of engagement, but it is understood that they work considerably longer hours than European seamen. The Government of India are of the opinion that it will not be practicable to bring down immediately the lascar's hours of work to the scale prescribed in the Convention. They, however, feel that some regulation of the hours of work of Indian seamen is necessary and for this purpose they propose to address the Principal Officers of the Mercantile Marine Department, Chambers of Commerce, Shipping Companies, Seamen's Unions, etc., in India, and to approach the British shipping companies employing lascars to secure their co-operation in the matter.

I. (a) 1. Draft Convention concerning Hours of Work on Board Ship and Manning.

(b) Recommendation concerning Hours of Work on Board Ship and Manning.

The Draft Convention concerning Hours of Work and Manning is complementary to the Convention on the subject, and recommends the regulation of hours of work and manning in the classes of vessels excluded from the scope of the Convention. It is not proposed to take any separate action on the Recommendation.

II. Draft Convention concerning the liability of the Ship-owner in case of sickness, injury or death of seamen.

III. Draft Convention concerning Sickness Insurance for Seamen.

IV. Draft Convention concerning the minimum requirement of professional capacity for Masters and Officers on board merchant ships.

V. Draft Convention concerning Annual Holidays with Pay for Seamen.

The question of giving effect to these Conventions is still under examination, and the results of that examination will be placed before the Legislature at a future session.

This Convention is designed to grant the concession of holidays with pay to seamen, and its main provision entitle a seaman after one year of continuous service with the same undertaking to a paid holiday according to a prescribed scale. The question as to how far it would be practicable to give effect to its provisions in India was referred to the Principal Officers, Mercantile Marine Department, Chambers of Commerce, Shipping Companies, Seamen's Unions, etc., in this country for their views. The replies received show that practically all the authorities, etc., consulted except the all-India Seamen's Federation, are of the opinion that the provisions are not suited to the conditions prevalent in India. They also indicate the possibility that the adoption of the Convention, far from benefiting Indian seamen, might affect them adversely in more than one way, as for instance, affecting their continuity of service, scale of wages, etc. In the circumstances, the Government of India do not propose to take any action on the Convention.

The Recommendation contains certain suggestions for the provision of welfare measures for the physical and moral well-being of seamen. Some of the measures suggested are already in force at Indian ports, but the Recommendation has been referred to the maritime Provincial Governments, the various Port Authorities, the Principal Officers, Chambers of Commerce, Shipping Companies, Seamen's Unions, etc., for their views as to what further

action would be possible.

Twenty-second Session.

This Convention is only a revise of the Convention adopted by the Conference in 1920 fixing the minimum age of admission of children to employment at sea at 14 years. After a careful examination of the original Convention in consultation with the maritime Local Governments, it was found that the provisions of the Convention could be given effect to in India only subject to the following two reservations :—

VII. Draft Convention concerning the minimum Age of Admission of Children to Employment at Sea.

- (i) that it should apply only to foreign-going ships and home-trade ships of a burden exceeding 300 tons, i.e., to cases where agreements with seamen were required to be entered into by the Indian Merchant Shipping law, and
- (ii) that nothing in the draft Convention should be deemed to interfere with the Indian custom, of sending young boys to sea in charge of their fathers or near relatives.

As, however, it was ruled that the ratification of a Convention cannot be accompanied by reservations, the Government of India were unable to ratify the Convention, but steps were taken to amend the Indian Merchant Shipping Act, 1923, so as to conform to the provisions of the Convention subject to the above reservations.

In the Draft Convention as revised by the 22nd Session, the minimum age of employment has been raised from 14 to 15 years. After consultation with the interests concerned the Government of India see no objection to this change, but the circumstances which necessitated the making of reservations on the former occasion still exist. It is accordingly proposed to amend the Indian Merchant Shipping Act at the next suitable opportunity so as to raise the minimum age of employment from 14 to 15 years, subject to the existing reservations.

**AGREEMENT BETWEEN THE RESERVE BANK OF INDIA AND
THE GOVERNOR OF BENGAL.**

The Honourable Sir James Grigg : Sir, I lay on the table a copy of the Agreement between the Reserve Bank of India and the Government of Bengal.

Agreement between the Governor of Bengal and the Reserve Bank of India.

AN AGREEMENT made this twentyfifth day of August One thousand nine hundred and thirtyseven BETWEEN THE GOVERNOR OF THE PROVINCE OF BENGAL of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) (hereinafter called "the Act") as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March 1937 cited as the India and Burma (Burma Monetary Arrangements) Order, 1937, with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.*,

- (1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the

amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

- (2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and
- (3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the first day of April, 1937.

2. The general banking business of the Government of Bengal (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorised by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time.

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under Clause 5 and any subsidiary agreement provided under the Clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz.* :-

- (a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.
- (b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues.

Provided that loans not directly issued by the Government but issued under the guarantee, of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Bengal Presidency as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all

reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, subdivision or cancellation of any Government security shall rest with and be borne by the Bank, provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto, PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connexion with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Mr. Donald Gladding, C.I.E., I.C.S., Secretary to the Government of Bengal in the Finance Department, by the order and direction of

the Governor of Bengal has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Mr. Donald Gladding, C.I.E., I.C.S., Secretary to the Government of Bengal in the Finance Department, for and on behalf of the Governor of Bengal in the presence of

(Sd.) D. GLADDING,
*Secretary to the Government
of Bengal, Finance
Department.*

(Sd.) D. N. BHATTACHARJEA,
*Deputy-Secretary to the Government of
Bengal, Finance Department.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Badridas Goenka, Kt., C.I.E., and Manilal Balabhai Nanavati two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Governor.



(Sd.) BADRIDAS GOENKA,
(Sd.) MANILAL B. NANAVATI,
Directors.
(Sd.) J. B. TAYLOR,
Governor.

THE INSURANCE BILL.

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

The amendment which Mr. Satyamurti wants to move is to lay down that protected and subsidised industries or industries applying for protection or subsidy shall not be eligible to such protection or subsidy, unless the companies engaged in such industries agree to place every class of insurance business, other than life, under their control with a particular class of insurers, namely, Indian insurers ; and the question is whether such an amendment would be within the scope of this Bill. It is admitted that neither the existing insurance law nor the present Bill contains any provision akin to that sought to be inserted in the present Bill. This Bill has nothing to do, so far as the preamble and the clauses are concerned, with the question as to what class of persons or business should or should not insure with a particular class of insurers and I do not find any warrant so far as the whole tenor of this Bill is concerned to say that an amendment like this comes within the scope of the Bill. I, therefore, rule it out of order. The next is No. 923 in the name of Prof. Ranga : that also is covered by the same ruling. No. 924.

12 NOON.

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

“ That at the end of the Bill, the following new clause be added :

‘ 107. Nothing in the Act shall prevent any Provincial Government from undertaking insurance business on the permission and subject to such conditions, as may be prescribed by the Governor General in Council ’.”

I find that in various provinces attempts have been made in the past to organise cattle insurance, crop insurance and other kinds of insurance in which peasants are immensely interested.....

The Honourable Sir Nripendra Sircar (Law Member) : May I make a statement ? I do not know why this is wanted. If a Provincial Government wants to carry on insurance business, there is nothing in this Act which prevents it, provided they are otherwise empowered. Probably my friend's idea is that as this is a Central subject this is wanted. That is as regards powers of legislation. But as regards carrying on business, I do not think this Act, in any way, prevents it from carrying on business. I do not know what the Honourable the Leader of the Opposition thinks.

Mr. Bhulabhai J. Desai (Bombay Northern Division : Non-Muhammadan Rural) : Under the definition section a Provincial Government cannot come in. It is only an individual or unincorporated body of individuals or body corporate, etc., etc. Therefore, a Provincial Government cannot come in.

The Honourable Sir Nripendra Sircar : No. A Provincial Government, as Government, may not come within the definition of insurer : but there is nothing to prevent a Provincial Government setting up anybody as insurer to carry on insurance business. It is not expected that the Government, as such, whether corporate or unincorporated—we need not go into that—would do it : but suppose a Provincial Government want to start an insurance department. Surely there will be someone who will be the insurer carrying on the insurance business. But it will be subject to all the rules and regulations of the Act. I shall be glad if the Honourable the Leader of the Opposition will give us his view as to whether this permission is wanted.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : Before the Honourable the Leader of the Opposition expresses an opinion, I would like to draw attention to the fact that I have got a similar amendment No. 18 on supplementary list No 4 : it is of the same type and they may be taken together.

The Honourable Sir Nripendra Sircar : That comes later.

Mr. President (The Honourable Sir Abdur Rahim) : This has not been put to the House yet.

Mr. Bhulabhai J. Desai : The only point is this : so far as I can see the definition of insurer is an individual or unincorporated body of individuals or body corporate incorporated under the Indian Companies Act : I am merely expressing my personal view in the matter. So far as I see, it does not include a corporation in the nature of a government ; and of course if it does not, then the question does not arise : a Government is not within the Act and, therefore, they can do precisely what they like so long as it is within their powers. The only

point I would like to put is that in the definition of insurer, you have the words "body corporate incorporated under the law of any country, other than British India carrying on insurance business.....". My own impression of this is that reading (a) and (b) of clause 2 (5) together, it does not cover a corporation like the Government—neither Central nor Provincial. It is either corporate or incorporated. It is certainly corporate but not incorporated under the Indian Companies Act.....

The Honourable Sir Nripendra Sircar : Is that necessary that it should be incorporated under the Indian Companies Act ?

Mr. Bhulabhai J. Desai : I do not know, so far as section 4 of the Indian Companies Act is concerned what the situation will be.

The Honourable Sir Nripendra Sircar : If my friend really thinks this is necessary, I do not object to the substance or the object of his amendment. I only consider it may not be necessary. If my friends feel it is necessary, I will not object.

Mr. Bhulabhai J. Desai : As a mere matter of opinion I am free to confess that a corporation like the Government is not within the Act : if they are not within the Act, they are free to carry on any functions which under the Government of India Act they are free to carry on.

The Honourable Sir Nripendra Sircar : As I said, I have no objection to the substance of the amendment.

Mr. Bhulabhai J. Desai : There is one thing which I would also like to ask : whether it would be within the functions of the Provincial Governments in future, among other things, to launch on insurance schemes.

The Honourable Sir Nripendra Sircar : If it is not permitted by the Government of India Act, this will not help them. If it is permitted by the Act, then really I do not think this is very necessary. I think we need not press this ; but I have no objection to Provincial Governments carrying on insurance business if they are authorised to do it.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : I want to make a further submission on this matter. Insurance law is a central subject and even if Provincial Governments are free to do it, they will have to conduct insurance according to the laws of this Legislature, and, therefore, provision is necessary to give them the permission to carry on this work.

Mr. President (The Honourable Sir Abdur Rahim) : I cannot have this sort of desultory conversation. If the Honourable Member wants to move it formally, he can do so.

Prof. N. G. Ranga : My object in moving this amendment is this : I want the various Provincial Governments to undertake as soon as possible cattle insurance and such other kinds of insurance as will directly benefit the cultivators in this country. There used to be a time when Provincial Governments had to insure against famines also, and it was found later on that the Central Government took it up. Again it has been provincialised, and various Provincial Governments are passing their own famine insurance laws in order to make provision

[Prof. N. G. Ranga.]

for famine insurance and relief and so on. But I want that the Provincial Governments should undertake now cattle insurance and such other things on a contributory basis, on which usually all these different kinds of insurance are undertaken and organised in this country or any other. I do not want any private companies or individuals to come and exploit this kind of insurance and it would be essentially in the interests of peasants as well as of the country as a whole that Provincial Governments alone should undertake this kind of insurance. Moreover in times to come we hope that insurance business as a whole will come to be nationalised. That will be facilitated if Provincial Governments undertake to insure people either for life, fire or for other kinds of general insurance. If they develop this kind of insurance business and gain the necessary experience and create a sufficiently large number of clientele, it may be possible for them later on to entertain the idea of buying up as many of these insurance companies as possible and thus pave the way towards the final goal of nationalisation of insurance. Therefore, I hope the Government will accept the new clause and give an opportunity to such of the Provincial Governments that desire to organize this insurance business to organize it and thus help the general public to derive the profits if there are any in such a business for themselves instead of leaving those profits to be pocketed by a few individuals. Sir, I move.

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

“ That at the end of the Bill, the following new clause be added :

‘ 107. Nothing in the Act shall prevent any Provincial Government from undertaking insurance business on the permission and subject to such conditions, as may be prescribed by the Governor General in Council ’.”

I think Dr. Ziauddin Ahmad said that he had a similar amendment.

Dr. Ziauddin Ahmad : Sir, I support this amendment, and I have three reasons to put forward in its support. My first reason is that the idea of insurance is that the loss of one individual ought to be borne by a community and I think this idea ought to be extended, it should not be borne by certain individuals only, it ought to be borne by the people at large, and, therefore, the State is the proper authority which ought to bear the losses of individuals. Therefore, the State is really the proper authority which ought to take up this insurance business. Then my second reason is this. We have discovered, in the course of our discussions here, that insurance is a very profitable business, and if it is so, then the profits ought to go to the State, and not to a few individuals. Then my third reason is, and that is the most powerful of all, we ought to make a large number of people take interest in the State itself, which will really go to stabilise the State. This has been recognised by every authority on insurance, and it is stated that the best way of securing the interests of the people in the stability of the State is to make them interested in insurance business which should be conducted by the State itself. Therefore, Sir, in the interests of the stability of the State, in the interests of having a little more income, and in the interests of natural extension of the principle of insurance, I support this motion.

The Honourable Sir Nripendra Sircar : Sir, I oppose this amendment. As I said, to the idea that Provincial Governments should carry on insurance business if they are authorised to do so under the Government of India Act, I am not opposed, but that it should be provided in this Act that they should carry on insurance business in the way in which the Governor General in Council will lay down,—those are the last words—“as may be prescribed by the Governor General in Council,”—I submit, Sir, is simply unthinkable, and I strongly oppose this amendment.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadian Urban) : Sir, I am not going into the question whether Provincial Governments by this Bill can, in the future, go in for insurance business or not, and I shall leave that point to the Honourable the Leader of the House. But I am surprised that my friend, Prof. Ranga, should trust the Central Government to such an extent as to allow it to lay down rules and regulations for Provincial Governments to carry on insurance business. That means to say, that my friend desires to take out of the hands of this House now and in the future the power to legislate for insurance work. Nor does he want the Provincial Governments to carry on insurance work under this Bill when it becomes an Act. He wants to leave it to the free will of the Central Government to lay down such rules and regulations as they may consider desirable for Provincial Governments, and he wants to deprive the representatives of the people of their right to legislate as to how the Provincial Governments shall carry on insurance work. Sir, I strongly object to depriving the Central Legislature of the power to legislate as to how Provincial Governments shall carry on insurance work. If he is prepared to agree that they shall carry on insurance work under this Bill, I have nothing further to say.

Mr. M. S. Aney (Berar : Non-Muhammadian) : Sir, I strongly oppose this amendment. I am a little surprised that an amendment of this kind should be tabled by a democrat of the type of Prof. Ranga. In fact, he gives permission to the Central Government in combination with the Provincial Governments to ignore this Act altogether and take the whole insurance business in their hands. We are by this amendment now being called upon to legislate that the Central Government may frame rules and in accordance with those rules the Provincial Governments shall carry on the work of insurance, and all the labours we have taken here all these days will be absolutely wasted. I don't think it is a proper suggestion to make for the consideration of this House. I would ask the House to reject this amendment.

Some Honourable Members : Sir, the question may now be put

Mr. K. Santhanam : Sir, I shall read item 37 of the Seventh Schedule to the Government of India Act :

“The law of insurance, except as respects insurance undertaken by a Federated State, and the regulation of the conduct of insurance business, except as respects business undertaken by a Federated State ; Government insurance, except so far as undertaken by a Federated State, or, by virtue of any entry in the Provincial Legislative List or the Concurrent Legislative List, by a Province.”

Now, Sir, this shows that the Federal Legislature is entrusted with two tasks, firstly, it is its business to lay down the law of insurance, and secondly, Government insurance except in respect of such forms of insurance

[Mr. K. Santhanam.]

which are put down in the list as belonging to a Provincial Government. Now, life, general, fire or marine insurance are not in the Provincial list, and, therefore, when a Provincial Government or Legislature wants to take up this business, it has to do it only with the permission of the Central Government and under laws laid down by the Central Legislature ; there is no other way. This is my interpretation of item 37 of the Seventh Schedule to the Government of India Act. If I am wrong, I shall be glad to be corrected. I agree, as it has been pointed out, that the clause does not give positive powers, but I think by interpretation and implication, it will permit the Provincial Governments to undertake insurance work, and perhaps if there is any difficulty it will come again before the Legislature. As it is, we want this House to be committed to the principle that the Government of India should allow the Provincial Governments to undertake all classes of insurance like life, fire, marine, accident, etc., and so long as the principle is accepted, we shall be content. We want this principle to be accepted now and here.

Some Honourable Members : The question may now be put.

Mr. S. Satyamurti (Madras City : Non-Muhammadan Urban) : Sir, I have an amendment No. 18 in the List of Amendments to Clauses 1--9 of the Bill which were held over. It is an amendment on the same subject. I want to know whether you want me to move it now or later on.

Mr. President (The Honourable Sir Abdur Rahim) : That is a different thing. The question is :

“ That at the end of the Bill, the following new clause be added :

‘ 107. Nothing in the Act shall prevent any Provincial Government from undertaking insurance business on the permission and subject to such conditions, as may be prescribed by the Governor General in Council ’.”

The motion was negatived.

Dr. Ziauddin Ahmad : My amendment is No. 18 on Supplementary List No. 4. The first one is barred, and I shall move the second one. I move :

“ That at the end of the Bill the following new clause be added :

‘ 107. Notwithstanding anything to the contrary in this or in any other enactment, the Central Government (*I want ‘ shall ’ to be changed to ‘ may ’*) may extend the scope of postal insurance to (*I want to strike out the word ‘ all ’*) non-official persons ’.”

Now the post office has got power to insure only Government servants and my amendment proposes that this power may be extended to non-official persons up to a certain limit. I do not want that the post office may insure to one lakh or two lakhs, but you may prescribe a limit, say, Rs. 10,000 or so,—that you may insure up to the extent of Rs. 10,000. This kind of business will not interfere with the business of the life insurance companies. We have seen in the case of the post office savings bank that it does not interfere with the general business of any bank.

The Honourable Sir Nripendra Sircar : May I point out to my Honourable friend that the postal insurance which is now carried on is purely an administrative matter for the Government of India. There

is no legislation, and this amendment—I do not want to take any point of order, but I do think that this is entirely outside the scope of this Bill and wholly unnecessary. The postal insurance is not done under any Act ; it is an administrative matter of the Government of India in the postal department. The rules which have been made have been made by the Government of India in their administrative capacity. They have laid down that such and such person can insure and such and such other persons cannot insure, this is the limit, and so on. My Honourable friend's amendment is, "Notwithstanding anything to the contrary in this or in any other enactment the Central Government shall extend the scope"....

Dr. Ziauddin Ahmad : It is not "shall". I have changed it into "may".

The Honourable Sir Nripendra Sircar : Only "may" ? Then in that case this amendment is not necessary.

Dr. Ziauddin Ahmad : This is what I want from the Government. The Government of India can do it without any clause in this Bill ?

The Honourable Sir Nripendra Sircar : Yes, that is so.

Dr. Ziauddin Ahmad : Since I understand that the powers are already there, I beg leave to withdraw my amendment.

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

Mr. President (The Honourable Sir Abdur Rahim) : Then, we come to Dr. Deshmukh's amendment—No. 2 on Supplementary List No. 10—which was left over yesterday. The Honourable Member has moved it already.

The Honourable Sir Nripendra Sircar : May I remind the House as to exact situation about Dr. Deshmukh's amendment ? Dr. Deshmukh having moved his amendment, I pointed out that the general principle was acceptable not only to this section of the House but possibly to all sections of the House. One difficulty was created because there was a particular class of life insurance of which I was not aware—they said it was short term which should be excluded from his amendment. The House agreed that we should try to come to some kind of agreement as to how that is to be kept out. I believe every Member of the House agreed that that is what has got to be done, but how it has got to be done was left over for today. I understand and I have seen it, we are all agreed as to how it has got to be done, but the only question is whether you will allow the rule to be waived, as this particular form of amendment, though known to the Leaders and to some of the other Members, has not been circulated to every Member of the House.

Pandit Lakshmi Kanta Maitra (Presidency Division : Non-Muhamadan Rural) : We all want to support it,—every section of the House.

Mr. President (The Honourable Sir Abdur Rahim) : But I do not think that makes any difference. It must be circulated. It can be taken up in the afternoon. Will this be an amendment to the amendment that has already been moved, or will Dr. Deshmukh withdraw his amendment and this will be a new amendment ?

The Honourable Sir Nripendra Sircar : This will be an amendment to the one which has been moved.

Mr. President (The Honourable Sir Abdur Rahim) : We now come to amendment No. 786.

The Honourable Sir Nripendra Sircar : This is another matter which stood over under a similar arrangement, but we have been unable to come to any agreement, and as I indicated, in the absence of any agreement I shall oppose the amendment of Mr. James. I want to make that statement to the House, for certain formulas were suggested which were not acceptable. Therefore, I oppose the amendment.

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

“ That in clause 53 of the Bill, the words ‘ or otherwise ’, occurring in the eighth line, be omitted.”

The motion was negatived.

Mr. F. E. James (Madras : European) : I beg to move :

“ That in clause 53 of the Bill, for the word ‘ shall ’, occurring in the tenth line, the word ‘ may ’ be substituted.”

Very few words are necessary to place the argument for this amendment before the House in view of the speech I made when I moved my amendment No. 786. The arguments that I then used for the deletion of the words ‘ or otherwise ’ apply exactly to this amendment. The clause, as it now stands, is an extremely rigid one and the apprehensions that I expressed still remain, as my previous amendment has not been accepted by the House. I very much hope that the House will accept this proposal to give the Central Government discretion in the matter, a discretion which I am perfectly sure will be used in the future in the best interests of India. Sir, I move.

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

“ That in clause 53 of the Bill, for the word ‘ shall ’, occurring in the tenth line, the word ‘ may ’ be substituted.”

Mr. S. Satyamurti : I oppose this amendment. I congratulate my Honourable friends. They never say ‘ die ’ ! I thought that, after the way in which the Government opposed the earlier amendment, they would not have moved this amendment. They seem to love every country except India which gives them their bread, from day to day and from year to year. (*Voices* : “ No, no ”.) You pretend you don't but we have found you out. I suggest that unless this power is there, this clause will never be automatically put into effect. It is intended to be rigid, sub-clause (3) of clause 3 refers only to individual insurers, but clause 53 deals with the general conditions to be imposed on the insurers of a discriminating country. They are entirely different in their objective. Clause 3 deals with individual applicants. Clause 53 deals with the insurers of any other discriminating country. This amendment is intended to help the foreigners in respect of discriminating against India. Therefore, I oppose this amendment.

The Honourable Sir Nripendra Sircar : I oppose the amendment. But in fairness to Mr. James, I do not see that there is any justification for saying that this amendment was based either on the love of India or hatred of India or indifference to India. Up to a certain point I was willing to sympathise with him but we could not arrive at a good formula.

It was feared ' Or otherwise ' may include very trivial things which need not be made mandatory for the Governor General to impose. That is the whole argument. I oppose the amendment.

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

“ That in clause 53 of the Bill, for the word ‘ shall ’, occurring in the tenth line, the word ‘ may ’ be substituted.”

The motion was negatived.

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

“ That clause 53 stand part of the Bill.”

The motion was adopted.

Clause 53 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) : The House will now go on to amendments to clause 1—9.

The Honourable Sir Nripendra Sircar : With regard to these amendments, the House will remember that I moved No. 3 on the list of amendments to clauses 1—9. I made my speech. Mr. Desai also had his say. We occupied a good portion of a day. I understood the sense of the House was not opposed to mine but whatever that may be, at the present moment we have not used the words “ United Kingdom insurer or Indian insurer or non-Indian insurer ” in any of the sections.

Mr. Bhulabhai J. Desai : It can be omitted.

The Honourable Sir Nripendra Sircar : It can be omitted and that is my amendment that sub-clause (8A) of clause 2 of the Bill be omitted. It has already been moved. I would not add anything to it.

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

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

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) : That disposes of, I understand, all amendments down to 11.

The Honourable Sir Nripendra Sircar : Yes.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : I will withdraw my amendment No. 1 on the list of amendments to clauses 1—9 and move amendment No. 2.

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

Mr. M. Ananthasayanam Ayyangar : Sir, I move :

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

‘ (1a) “ Policy holder ” includes the person who is the absolute assignee of the benefits under the policy ’.”

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

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

‘ (1a) “ Policy holder ” includes the person who is the absolute assignee of the benefits under the policy ’.”

Mr. T. Chapman-Mortimer (Bengal : European) : Before the Government give their views on this particular amendment, I should like to place one or two points of view before the House for their consideration. I draw the attention of the House to the various clauses of the Bill which require notice to be sent to policy holders. I should like to know from the Honourable the Law Member what in fact will be the position if this amendment is accepted by him and passed by the House. Sir, I should like to know from the Honourable the Law Member, if this amendment is accepted by him and passed by the House, what will then be the position in regard to all those clauses where provision is made for notice being given to policy holders ? That is the point that I should like him to explain. Would the assignee also require notice, or will it be sufficient for the insurer to give notice to the policy holder ?

The Honourable Sir Nripendra Sircar : Sir, I am glad to explain the position. As a matter of fact Mr. Ayyangar moved his amendment in this form because I took objection stating that I did not want mere mortgagees or persons having a charge to be included and, therefore, he has now moved it in the form acceptable to us. My Honourable friend, Mr. Chapman-Mortimer's question is completely answered by clause 33, paragraph 5 :

“ From the date of the receipt of the notice referred to in sub-section (2) the insurer shall recognise the transferee or assignee as the only person entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the policy holder was subject.....”

Therefore, as the result of an absolute assignment, he steps into the shoes of the policy holder.

Mr. M. S. Aney : Sir, I should like to make a formal suggestion as to where exactly the definition of policy holder should be inserted. All the definitions in clause 2 are arranged in alphabetical order. I, therefore, suggest that the proper place for the definition of a policy holder is not after clause 1, but between sub-clause (10) and sub-clause (11), i.e., after the definition of Managing Agent and before that of “ Prescribed ”.

The Honourable Sir Nripendra Sircar : Sir, at the end of the discussion on the Schedules and clauses—assuming we come to the end some time—I have a motion for allowing re-numbering to be made,—as is the usual practice.

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

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

‘ (1a) “ Policy holder ” includes the person who is the absolute assignee of the benefits under the policy ’.”

The motion was adopted.

The Honourable Sir Nripendra Sircar : Sir, I move :

“ That sub-clause (8B) of clause 2 of the Bill be omitted.”

They are all connected.

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

“ That sub-clause (8B) of clause 2 of the Bill be omitted.”

The motion was adopted.

The Honourable Sir Nripendra Sircar : Sir, I move :

“ That sub-clause (8C) of clause 2 of the Bill be omitted.”

This is also on the same footing.

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

“ That sub-clause (8C) of clause 2 of the Bill be omitted.”

The motion was adopted.

Mr. F. E. James : Sir, I move :

“ That in clause 2 of the Bill, the following new sub-clause be inserted :

‘ (8A). ‘ Insurance Agent ’ means an Insurance Agent licensed under section 37 being an individual who receives or agrees to receive payment by way of commission or other remuneration in consideration of his soliciting or procuring insurance business ’.”

I understand, Sir, that this is acceptable to the House.

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

“ That in clause 2 of the Bill, the following new sub-clause be inserted :

‘ (8A). ‘ Insurance Agent ’ means an Insurance Agent licensed under section 37 being an individual who receives or agrees to receive payment by way of commission or other remuneration in consideration of his soliciting or procuring insurance business ’.”

The motion was adopted.

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

“ That clause 2, as amended, stand part of the Bill.”

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) : Today being Friday, the Assembly will now adjourn.

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

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

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment No. 18 on Supplementary List No. 1. This amendment has already been moved.

The Honourable Sir Nripendra Sircar : Sir, the only thing I wish to say on this amendment is this that the words ' under laws passed by the Provincial Legislatures thereof ' may be omitted because laws on insurance can only be passed by the Centre. If my Honourable friend will stop at the words ' the Governor's Provinces ', I shall gladly accept it.

Mr. S. Satyamurti : I accept that. The proviso will now run as follows :

“ Provided that nothing in this Act shall apply to any insurance business carried on by the Governments of the Governor's Provinces.”

The word ' Government ' should be in plural.

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

“ 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 Governor's Provinces.' ”

The motion was adopted.

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

“ That clause 3, as amended, stand part of the Bill.”

The motion was adopted.

Clause 3, as amended, was added to the Bill.

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

“ That for sub-clause (2) of clause 4 of the Bill, the following be substituted :

' (2) If an insurer through inadvertence or otherwise, is without such consent as aforesaid registered by a name identical with that by which an insurer already in existence whether previously registered or not is carrying on business or so nearly resembling it as to be calculated to deceive the first-mentioned insurer shall on the application of the second-mentioned insurer and if called upon to do so by the Superintendent of Insurance change his name within a time to be fixed by the Superintendent of Insurance : ’ ”

—In the proviso, I would ask your leave to substitute the word ' registered ' by the words ' carrying on business '. The proviso will run as below :

“ Provided that nothing in this section shall apply to any insurer carrying on business before the 26th day of January, 1937, under the Indian Life Assurance Companies Act, 1912.”

Sir, the object of this amendment is obvious. It stood over for the purpose of re-drafting and we have re-drafted it. It is only a protection for avoiding confusion. Sir, I move.

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

“ That for sub-clause (2) of clause 4 of the Bill, the following be substituted :

(2) If an insurer through inadvertence or otherwise, is without such consent as aforesaid registered by a name identical with that by which an insurer already in existence whether previously registered or not is carrying on business or so nearly resembling it as to be calculated to deceive the first-mentioned insurer shall on the application of the second-mentioned insurer and if called upon to do so by the Superintendent of Insurance change his name within a time to be fixed by the Superintendent of Insurance :

Provided that nothing in this section shall apply to any insurer carrying on business before the 26th day of January, 1937, under the Indian Life Assurance Companies Act, 1912 ’.’

Sir Cowasji Jehangir : May I point out one thing to the Honourable Member ? In the proviso, the Honourable Member has put a date, 26th day of January, and if a company held a certain name before that date, it cannot be challenged. Suppose there is a law suit pending and it has not been decided. What will happen to that law suit ? Such cases have occurred.

Mr. S. C. Sen : May I answer to my Honourable friend ? If there is a judgment, that will override this provision.

Sir Cowasji Jehangir : Supposing no judgment has been given.

Mr. S. C. Sen : If there is no judgment, then the two companies will go on carrying as they have been.

Sir Cowasji Jehangir : Then there will be trouble. I will just give a case to the Honourable the Law Member. Up to now it was the question of a law suit. If one company held a name which resembled an older company and this was likely to deceive, there was no other remedy but a law suit. Suppose such a law suit is proceeding after this Bill comes into force,—of course, the Superintendent will be the final authority, but up to now it has been a Court of law, suppose the case is pending, what is going to happen if you put a date like this ? Of course, once the Court decides, the Superintendent can come in. I think one or two words to that effect might be added.

The Honourable Sir Nripendra Sircar : I do not think there is any reasonable cause for fear. Unless pending suits are specifically mentioned, they do not come under the operation of the statute. But may I point out to my Honourable friend that from the practical point of view these two companies are going on without any trouble, and if there is a suit pending, my submission is that that is not hit by it, and on the top of that this Act is not coming into operation at once.

Sir Cowasji Jehangir : One party which really wants to deceive and wants to adopt the name of another insurance company will prolong the suit so that, when this Act comes into force, the suit may be barred.

The Honourable Sir Nripendra Sircar : If such an extraordinary combination of circumstances does happen, in the way mentioned by my Honourable friend, we shall amend the Act.

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

“ That for sub-clause (2) of clause 4 of the Bill, the following be substituted :

- (2) If an insurer through inadvertence or otherwise, is without such consent as aforesaid registered by a name identical with that by which an insurer already in existence whether previously registered or not is carrying on business or so nearly resembling it as to be calculated to deceive the first-mentioned insurer shall on the application of the second-mentioned insurer and if called upon to do so by the Superintendent of Insurance change his name within a time to be fixed by the Superintendent of Insurance :

Provided that nothing in this section shall apply to any insurer carrying on business before the 26th day of January, 1937, under the Indian Life Assurance Companies Act, 1912 ’.’

The motion was adopted.

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

“ That clause 4, as amended, stand part of the Bill.”

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta) : There is now the amendment of Dr. Deshmukh which was allowed to stand over.

Dr. G. V. Deshmukh (Bombay City : Non-Muhammadan Urban) : Instead of the amendment which I moved yesterday, I shall move this amendment which has been circulated to the House.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The Honourable Member has to withdraw the amendment which he has already moved.

Dr. G. V. Deshmukh : I beg leave of the House to withdraw my amendment.

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

Dr. G. V. Deshmukh : Sir, I beg to move :

“ That after clause 100 of the Bill, the following new clause be added :

- 100A. (1) In cases where a definite number of premia is payable a policy on which all premiums have been paid for three consecutive years shall acquire a guaranteed surrender value and notwithstanding any contract to the contrary shall not lapse by reason of non-payment of further premium but shall notwithstanding such non-payment be kept alive to the extent of its paid up value.

Explanation.—(1) The paid up value above-mentioned will be such a proportionate part of the sum assured as the total amount of the full premiums paid bears to the total amount of the premiums payable under the policy.

- (2) A policy paid up as above will not participate in the profits of the insurer earned after such non-payment.

- (3) This section shall not apply to (a) policies in respect of which the sum assured is payable only on the happening of a contingency which may not arise or (b) where the paid up value will be less than Rs. 100 or (c) where the parties after the default has occurred in the payment of the premium agree in writing to some other arrangement or (d) to policies in which the surrender value is automatically applied under the terms of the contract to maintaining the policy in force after its lapse through non-payment of premium ’.’

Sir, I do not want to make any speech. Practically whatever I had to say I said the other day. I find that the House is agreed on this. Therefore, I move.

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

“ That after clause 100 of the Bill, the following new clause be added :

* 100A. (1) In cases where a definite number of premia is payable a policy on which all premiums have been paid for three consecutive years shall acquire a guaranteed surrender value and notwithstanding any contract to the contrary shall not lapse by reason of non-payment of further premium but shall notwithstanding such non-payment be kept alive to the extent of its paid up value.

Explanation.—(1) The paid up value above-mentioned will be such a proportionate part of the sum assured as the total amount of the full premiums paid bears to the total amount of the premiums payable under the policy.

(2) A policy paid up as above will not participate in the profits of the insurer earned after such non-payment.

(3) This section shall not apply to (a) policies in respect of which the sum assured is payable only on the happening of a contingency which may not arise or (b) where the paid up value will be less than Rs. 100 or (c) where the parties after the default has occurred in the payment of the premium agree in writing to some other arrangement or (d) to policies in which the surrender value is automatically applied under the terms of the contract to maintaining the policy in force after its lapse through non-payment of premium.”

Mr. George Joseph (Madura and Ramnad cum Tinnevely : Non-Muhamadan Rural) : I suggest in the first line of the amendment, the word ‘premiums’ should be substituted for ‘premia’. The word ‘premiums’ occurs in all other parts of the amendment.

Mr. K. Santhanam : I suggest that in the second line after the word ‘policy’ you should insert the words ‘of life insurance’. It does not refer to anything else, but it is better to put in those words.

Dr. G. V. Deshmukh : I accept both the amendments suggested.

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

“ That after clause 100 of the Bill, the following new clause be added :

* 100A. (1) In cases where a definite number of premiums is payable a policy of life insurance on which all premiums have been paid for three consecutive years shall acquire a guaranteed surrender value and notwithstanding any contract to the contrary shall not lapse by reason of non-payment of further premium but shall notwithstanding such non-payment be kept alive to the extent of its paid up value.

Explanation.—(1) The paid up value above-mentioned will be such a proportionate part of the sum assured as the total amount of the full premiums paid bears to the total amount of the premiums payable under the policy.

(2) A policy paid up as above will not participate in the profits of the insurer earned after such non-payment.

(3) This section shall not apply to (a) policies in respect of which the sum assured is payable only on the happening of a contingency which may not arise or (b) where the paid up value will be less than Rs. 100 or (c) where the parties after the default has occurred in the payment of

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the premium agree in writing to some other arrangement or (d) to policies in which the surrender value is automatically applied under the terms of the contract to maintaining the policy in force after its lapse through non-payment of premium.”

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Now, we come to Schedules. The question is :

“ That the First Schedule stand part of the Bill.”

Mr. K. Santhanam : Sir, I beg to move :

“ That in Part I of the First Schedule to the Bill, in part (c) of Regulation 9, for the words ‘ as between a willing buyer and a willing seller ’ the words ‘ as calculated by the average income from that asset during the preceding three years ’ be substituted.”

As it is, the definition of market value is given, but this is meant to apply to an asset for which there is no market quotation and, therefore, it is not a practicable thing to find out which is the price which a willing seller would give or the willing buyer would take and, therefore, I suggest that we should have some other practicable means of ascertaining the value of such an asset. This amendment tries to help us in ascertaining that value. Sir, I move.

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

“ That in Part I of the First Schedule to the Bill, in part (c) of Regulation 9, for the words ‘ as between a willing buyer and a willing seller ’ the words ‘ as calculated by the average income from that asset during the preceding three years ’ be substituted.”

Mr. T. Chapman-Mortimer : Sir, I regret I have to oppose this amendment. The wording of Regulation 9 of Part I of the First Schedule is taken word for word from the Clauson Undertakings Bill and I suggest that we should stick to that Bill. The proposal here is that the market value should be as calculated by the average income from that asset during the preceding three years and this I submit might be extraordinarily misleading. You might, for instance, have an asset where the value has gone completely in the fourth year and yet it is proposed to take it in on the basis of the average income of the three preceding years. Sir, I have noticed in this House again and again in discussions on this question of the valuation of assets that there is prevalent an idea that by laying down a fixed rate or basis of valuation you can safeguard the future in regard to your assets whether for a company or for private individuals. Sir, no assets, not even Government securities, can be looked to as absolutely safe under every conceivable circumstance. You must leave some discretion to business acumen, to sound management and judgment in regard to financial matters. I am quite sure in my own mind that if this amendment is carried,—I hope it will not be carried,—it will raise unnecessary complications. If we stick to the wording of the Bill as it stands,—9 (c), which is exactly the same as the wording in the Undertakings Bill produced by the Clauson Committee consisting of some of the greatest experts in finance and accountancy in the world, we shall be wise in all the circumstances. Sir, I oppose the amendment.

The Honourable Sir Nripendra Sircar : Sir, I am not sure if my Honourable friend the Mover has got much from any previous precedent or from anything which can be regarded as reliable, but it strikes me that

there is no point in having this calculation made on this rigid basis, namely, as calculated by the average income from that asset during the preceding three years. That may or may not be a true index. I oppose the amendment.

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

“ That in Part I of the First Schedule to the Bill, in part (c) of Regulation 9, for the words ‘ as between a willing buyer and a willing seller ’ the words ‘ as calculated by the average income from that asset during the preceding three years ’ be substituted.”

The motion was negatived.

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

“ That in Part I of the First Schedule to the Bill, the following be added as sub-clause (b) to Regulation 9 :

‘ (b) ‘ Outstanding premiums ’ mean premiums which have fallen due but the period of grace allowed for the payment of these premiums has not expired on the last date of the year for which the account has been prepared ’.”

Sir, Honourable Members will notice that clause 9 of this Part I of the First Schedule is the ninth Regulation in which some of the phrases which occur in the earlier Regulations are defined, but “ outstanding premiums ” are not defined. In Regulation 7 Honourable Members will find this in sub-clause (b) :

“ (b) a certificate signed by the same persons as are required by this Act to sign the balance-sheet and signed also, * * * by an actuary, certifying that the values of all the assets have been reviewed as at the date of the balance-sheet, and that in their belief the assets set forth in the balance-sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings ”, etc.

One of these headings is “ Agents Balances and Outstanding Premiums ”. Now, Sir, the definition which I seek to put is this that “ outstanding premiums ” are those which have fallen due. In every insurance company a period of grace is given,—15 days or 30 days ; and these premiums should be such that the period allowed for their payment has not expired on the last day of the year for which the account has been prepared. That is to say, if the account is prepared on the 31st December, 1936, the days of grace should not have expired on the 31st December, 1936. For if they do, they are no longer outstanding premiums ; they may be recoverable or not. But on that day, that is, on the last day of the year for which the accounts have been prepared, the days of grace should not have expired. I think, Sir, it is a simple definition ; it will give rise to no difficulty, and it will also give the actuary or the person who has got to sign the certificate printed on the balance-sheet, a clear idea as to what the amount of outstanding premiums is. Sir, I move.

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

“ That in Part I of the First Schedule to the Bill, the following be added as sub-clause (b) to Regulation 9 :

‘ (b) ‘ Outstanding premiums ’ mean premiums which have fallen due but the period of grace allowed for the payment of these premiums has not expired on the last date of the year for which the account has been prepared ’.”

The Honourable Sir Nripendra Sircar : Sir, if this definition were accepted I do not know what really would have happened to my friend, Mr. Sri Prakasa, as regards the two illustrations he gave, namely,

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on one occasion the period of grace had expired and he was fined Rs. 2 and on the payment of Rs. 2 that was accepted ; and on another occasion he was fined Rs. 4. Possibly they are very lenient to him as all of us here are. But, Sir, supposing the period of grace has expired, it is still an outstanding debt ; the company has a right to sue for it and, very often, although the period of grace has expired, monies are paid and accepted, sometimes with fine and sometimes without fine. Therefore, I submit, there is no justification for drawing a line at the expiry of the period of grace. It does not cease to be an outstanding premium because the period of grace has expired. As my Honourable friend, Sir Homi Mody, reminds me, it may be a very good debt and the company has a right to sue. Sir, I oppose the amendment.

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

“ That in Part I of the First Schedule to the Bill, the following be added as sub-clause (b) to Regulation 9 :

‘ (b) ‘ Outstanding premiums ’ mean premiums which have fallen due but the period of grace allowed for the payment of these premiums has not expired on the last date of the year for which the account has been prepared ’.”

The motion was negatived.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, for the words ‘ and Colonial ’ occurring in the third line on page 45 the words ‘ British Colonial and British Dominion ’ be substituted.”

The object of this very great detail in which we set out, or propose that the company should set out, its assets is to provide the fullest possible information under the most accurately described headings. The words “ and Colonial ” are a little vague and that is why we suggest this amendment. Sir, I move.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, for the words ‘ and Colonial ’ occurring in the third line on page 45 the words ‘ British Colonial and British Dominion ’ be substituted.”

Mr. S. Satyamurti : Sir, I take it that these investments refer to the 45 per cent. of the assets of insurers which is left free under the clause as has been accepted by the House. If so, I see no serious objection.

Mr. T. Chapman-Mortimer : Not entirely. It is the form of the balance sheet. It has nothing directly to do with the question of the percentage of the assets that must be tied up in different classes of securities. It is simply setting out for the purpose of the information of policy-holders and the public the nature of the assets you hold, which of course include the 50 per cent. that you must have in certain classes of assets.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, for the words ‘ and Colonial ’ occurring in the third line on page 45 the words ‘ British Colonial and British Dominion ’ be substituted.”

The motion was adopted.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the item ‘ Foreign Government Securities ’ on page 45, the following item be inserted :

‘ British and British Colonial and British Dominion Municipal and Provincial Securities ’.”

Here, again, there seems to have been an omission from the classified list of heads of securities and it is necessary that it should be put in, in order that companies may be able to fill them in under the proper head. I might point out again that this, of course, will not in any way affect the assets that have to be held in India cent. per cent. in the case of non-U. K. companies in either U. K. securities or approved securities or Government of India rupee securities. This will not be affected at all by our amendment. It has nothing to do with that. It is simply a balance sheet as it should be drawn up for any one who happens to hold assets of some particular class. After all, an Indian company, as to 50 per cent. of its assets will be free to invest in anything it likes, and it may hold assets in, say, municipal securities in some part of the empire as municipal securities are sometimes very good securities. Sir, I move.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the item ‘ Foreign Government Securities ’ on page 45, the following item be inserted :

‘ British and British Colonial and British Dominion Municipal and Provincial Securities ’.”

Mr. Bhulabhai J. Desai : Do I understand my Honourable friend to say this : that as regards the proportions in which obligation is laid by law to invest in particular form of securities, that is not intended to be disturbed, and that all that is intended is to make the list as exhaustive as possible with reference to what may be called free securities subject to the approval of the Superintendent ? If that is so, then you may add anything else you like : it is not going to make any difference. It is a futile amendment.

Mr. M. Ananthasayanam Ayyangar : And dangerous also for this reason : very often we read the preamble, the body of the clauses and the Schedule together ; and this might encourage people to invest in such securities whereas our own municipal securities were not thought to be as good securities. I would like to avoid this.

Mr. S. Satyamurti : Sir, I should like to oppose this amendment, because it seems to me that my Leader's question has been answered. I also raised the question earlier, whether it came within the free list : but the free list is not a free list absolutely : it is a list of securities subject to the approval of the Superintendent of Insurance. I want to know the point of this amendment. The amendment says “ British and British Colonial and British Dominion Municipal and Provincial Securities ”. What are these municipal and provincial securities ? Do they mean that all the loans which may be floated by any municipality in the far flung British Commonwealth, whatever its financial backing may or may not be or by any province whatever its provincial financial backing may be,

[Mr. S. Satyamurti.]

should all be approved automatically by the Superintendent of Insurance ? I want to know exactly the significance of this amendment. This amendment seeks to amend the form of balance sheet A where under investments it says :

Deposit with the Reserve Bank of India,
 Indian Government securities,
 Provincial Government Securities,
 British and Colonial Government securities,
 Foreign Government Securities,
 Indian Municipal Securities,
 British and Colonial Securities.

That is what my Honourable friend wants to amend by adding the words " British and British Colonial and British Dominion Municipal and Provincial Securities ". We had no objection to the words " British Dominion " in amendment No. 8, because that is a thing which we understand. But it does seem to me that the scope of this amendment is much wider than the House can accept just now, unless more arguments are forthcoming as to what exactly is intended. Is it intended to give the Superintendent any discretion.....

The Honourable Sir Nripendra Sircar : The Superintendent has no power of any kind as regards the portion which is free—45 per cent.—I am not trying to meet any of the Honourable Member's arguments, but merely pointing out that he has no power of approval or disapproval in respect of the 45 per cent. : as regards the 55 per cent., that is laid down in section 26.

Mr. S. Satyamurti : I may be quite wrong, but my impression is that the clause about investment is this : 25 and 30 in certain specified securities : and 45 in other securities subject to the approval of the Superintendent.....

Some Honourable Members : No, no.

Mr. S. Satyamurti : Then, I really want to know what is the kind of securities which my Honourable friend is contemplating. I do not think we ought to let them into the balance sheet, whatever they may be, unspecified, and it may be, doubtful municipal and provincial securities throughout the British Commonwealth.

Mr. F. E. James : Sir, I think my Honourable friend is under a misapprehension. This has really nothing to do with what may or may not be held actually : all we are seeking to do is to give more information, so that certain securities which are in fact held, should be specified, and not lumped with other things. It is really a desire to give more information. If Honourable Members do not want it, we shall not press it.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the item ‘ Foreign Government Securities ’ on page 45, the following item be inserted :

‘ British and British Colonial and British Dominion Municipal and Provincial Securities ’.”

The motion was negatived.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the item ‘ Indian Municipal Securities ’ on page 45 the item ‘ Foreign Municipal and Provincial Securities ’ be inserted.”

The arguments for this amendment are the same as were advanced for the earlier ones. It is merely that you want to specify, as far as is possible, the different classes of securities held. If my Honourable friends feel that we need not have them so specified, I have no more to say : we do not press the point ; but I think it is desirable that you should classify, as far as possible, the different types of securities that you hold. It has nothing whatever to do with whether you may or may not hold any class of security—that is already settled by clause 26 and nothing that we say or do here can in any way affect clause 26. Sir, I move.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the item ‘ Indian Municipal Securities ’ on page 45 the item ‘ Foreign Municipal and Provincial Securities ’ be inserted.”

Mr. M. Ananthasayanam Ayyangar : Sir, I oppose this for this reason. There is provision made for Indian municipal securities. They wanted to have it extended to foreign municipal securities. When we were on the definition of security as regards provincial securities, we had a fight even to include in the list presidency town corporation securities ; and, therefore, this will be throwing the field wide open to other foreign municipal securities also whether they are guaranteed by their local governments or not. It is a dangerous thing and, therefore, I oppose.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the item ‘ Indian Municipal Securities ’ on page 45 the item ‘ Foreign Municipal and Provincial Securities ’ be inserted.”

The motion was negatived.

Mr. K. Santhanam : Sir, I move :

“ That in Part II of the First Schedule to the Bill, in Form A, at the end of the line in the assets column ‘ Bonds, Debentures, Stocks and other securities whereon interest is guaranteed by the Indian Government ’, the words ‘ or a Provincial Government ’ be added.”

[Mr. S. Santhanam.]

I move this because the Provinces also are now issuing their own loans, and so I want that the Provincial Governments also should be included in this. Sir, I move.

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

“ That in Part II of the First Schedule to the Bill, in Form A, at the end of the line in the assets column ‘ Bonds, Debentures, Stocks and other securities whereon interest is guaranteed by the Indian Government ’, the words ‘ or a Provincial Government ’ be added.”

Mr. T. Chapman-Mortimer : Sir, I oppose this amendment, and I oppose it for this very good reason, that it is going to lump together bonds, debentures, stocks, etc., guaranteed by the *Central* Government with other stocks, bonds, etc., guaranteed by the *Provincial* Governments. I am perfectly certain that if the Honourable the Finance Member were here, he would have strongly opposed it. Sir, I oppose this amendment.

Mr. M. Ananthasayanam Ayyangar : Sir, the objection of my Honourable friend is futile, because he will see that the very next item refers to bonds, debentures, etc., guaranteed by British and Colonial Governments. British Government and Colonial Governments are different things. My friend can understand all those items clearly, but when it comes to including the securities of the Provincial Governments, he has objection. Sir, I say the objection is improper. Further, Sir, when this Bill was originally prepared, there was no question of issuing securities guaranteed by Provincial Governments, but it has become quite common for Provincial Governments now to raise loans, and, therefore, I support this amendment.

Mr. F. E. James : Sir, may I just explain one point ? Actually we should not have had any objection to Amendment
3 P.M. No. 10 on the order paper. It was not moved by Mr. Santhanam, but it does make a distinction between securities which are guaranteed by Provincial Governments and those which are guaranteed by the Central Government.

Mr. S. Satyamurti : Sir, I want to remind my friend of the Biblical maxim—‘ do unto others as you would that they should do unto you ’. (“ Hear, hear ” from European Benches.) When they were moving all their previous amendments, they were nothing but characteristically frank and generous, they were not anxious to keep back anything ; so that if there are these securities, please be good enough to mention them to us since you are giving all the information. My friends on this side want that if there are securities guaranteed by Provincial Governments, they must be shown under this heading, but my friends over there say : ‘ Oh, it will introduce a lot of confusion ’. I suppose it will introduce confusion only under this heading, whereas my friends opposite have no objection to including, under the heading to which my friend, Mr. Ayyangar, referred, namely, Bonds, Debentures, Stocks and other securities whereon interest is guaranteed by the British or any Colonial Government, including West Indies and all sorts of Colonies ! I don’t see why my friends should object to a provision, under which we want to put forward a heading where we wish to get

the loans of Provincial Governments included in which insurers may well invest. I believe in the loans recently issued by the Provincial Governments, provincial insurers have already invested some of their funds. I believe in Madras they have done so,—that is my information,—and if they have done so in Madras,—in other provinces too they will do the same thing. I don't see why my friends opposite should object to this.

Mr. F. E. James : We do want that ; only we suggest that Amendment No. 10 would have been more useful.

An Honourable Member : That has been passed over.

The Honourable Sir Nripendra Sircar : Sir, this is a tempest in a tea pot. On the one hand, Mr. Chapman-Mortimer advances an argument which I have not been able to follow ; on the other hand, my friend, Mr. Satyamurti is quoting Bible,—it is a difficult situation for me. In the Act itself there is no limitation as regards investments. I can invest my money in any securities guaranteed by the Provincial Government or by the Central Government or by any Government or by no Government. This is merely giving categorically different heads under which investments are to be made. I don't see why there should be any objection to this amendment.

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

“ That in Part II of the First Schedule to the Bill, in Form A, at the end of the line in the assets column ‘ Bonds, Debentures, Stocks and other securities whereon interest is guaranteed by the Indian Government ’, the words ‘ or a Provincial Government ’ be added.”

The motion was adopted.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ any ’ occurring in the thirteenth line on page 45 the words ‘ British Dominion or ’ be inserted.”

Sir, I move :

Mr. Sri Prakasa (Allahabad and Jhansi Divisions : Non-Muhamadan Rural) : Sir, we have been hearing a little too much of British Dominions this afternoon. I object to this.

Some Honourable Members : Sir, the question may now be put.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ any ’ occurring in the thirteenth line on page 45 the words ‘ British Dominion or ’ be inserted.”

The motion was negatived.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ stock ’ occurring in the twenty-fifth line on page 45 the words ‘ of companies incorporated ’ be inserted.”

Sir, I move :

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ stock ’ occurring in the twenty-fifth line on page 45 the words ‘ of companies incorporated ’ be inserted.”

The motion was adopted.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ shares ’ occurring in the twenty-eighth line on page 45 the words ‘ of companies incorporated ’ be inserted.”

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ shares ’ occurring in the twenty-eighth line on page 45 the words ‘ of companies incorporated ’ be inserted.”

The motion was adopted.

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ shares ’ occurring in the twenty-ninth line on page 45 the words ‘ of companies incorporated ’ be inserted.”

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

“ That in Part II of the First Schedule to the Bill, in the fifth column of Form A, after the word ‘ shares ’ occurring in the twenty-ninth line on page 45 the words ‘ of companies incorporated ’ be inserted.”

The motion was adopted.

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

“ That in Part II of the First Schedule to the Bill, for footnote (h) of Form A, the following be substituted :

‘ (h) The aggregate amount owing by a.....’ ”

I should like to substitute the word ‘ subsidiary ’ for the word ‘ controlled ’, which is really consequential upon the proviso which was accepted by the House to clause 26 the other day, in which the Leader of the Opposition gave some assistance. He objected to the word ‘ controlled ’ and it was substituted by the word ‘ subsidiary ’. Therefore, the whole amendment will read thus :

“ That in Part II of the First Schedule to the Bill, for footnote (h) of Form A, the following be substituted :

‘ (h) The aggregate amount owing by a subsidiary company or subsidiary companies is to be shown separately from all other assets and the aggregate amount owing to a subsidiary company or subsidiary companies is to be shown separately from all other liabilities ’.”

I beg to move this amendment. This is actually an improvement on the existing footnote and I hope the House will accept it.

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

“ That in Part II of the First Schedule to the Bill, for footnote (h) of Form A, the following be substituted :

‘ (h) The aggregate amount owing by a subsidiary company or subsidiary companies is to be shown separately from all other assets and the aggregate amount owing to a subsidiary company or subsidiary companies is to be shown separately from all other liabilities ’.”

The motion was adopted.

Mr. F. E. James : There is a small consequential amendment. I move :

“ That in Part II of the First Schedule to the Bill, in Form A, the word ‘ subsidiary ’ be substituted for the word ‘ controlled ’ wherever it occurs, and that in Part I of the First Schedule to the Bill, Regulation 9 (b) be omitted.”

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

“ That in Part II of the First Schedule to the Bill, in Form A, the word ‘ subsidiary ’ be substituted for the word ‘ controlled ’ wherever it occurs, and that in Part I of the First Schedule to the Bill, Regulation 9 (b) be omitted.”

The motion was adopted.

Mr. H. A. Sathar Essak Sait (West Coast and Nilgiris : Muhammadan) : Sir, I move :

“ That in Part II of the First Schedule to the Bill, in Form A, the following note be added :

‘ (1) Under the head other accounts (if any) to be specified on the left hand side, fines realized from the staff and their contribution towards the provident fund should be shown under separate sub-heads ’.”

My amendment is very clear and I do not think it requires a speech in support of it. Sir, I move :

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

“ That in Part II of the First Schedule to the Bill, in Form A, the following note be added :

‘ (1) Under the head other accounts (if any) to be specified on the left hand side, fines realized from the staff and their contribution towards the provident fund should be shown under separate sub-heads ’.”

The Honourable Sir Nripendra Sircar : I have not understood what this means. Yesterday, it was said that the mention of the words ‘ provident fund ’ is taboo. If you want to say ‘ If there is a provident fund and if fines are realised ’ and so on, I suggest that the words ‘ if any ’ be added after the word ‘ provident fund ’.

Mr. H. A. Sathar H. Essak Sait : I accept the amendment.

Mr. M. Ananthasayanam Ayyangar : There is no need for this addition.

The Honourable Sir Nripendra Sircar : No harm being on the safe side.....

Maulana Zafar Ali Khan (East Central Punjab : Muhammadan) : For once the Law Member has been taken in. The cat is out of the bag now.

The Honourable Sir Nripendra Sircar : Where is the cat ?

Maulana Zafar Ali Khan : This amendment which you have accepted was an amendment originally moved by me and there are other amendments.

The Honourable Sir Nripendra Sircar : That is not a strong objection to its acceptance.

Maulana Zafar Ali Khan : There are other amendments coming in. Those amendments, I was told, were covered by the Speaker's ruling. I pleaded the cause of the poor employees.....

Mr. Deputy President (Mr. Akhil Chandra Datta) : What is the specific proposal of the Honourable Member ? Is it any point of order ?

Maulana Zafar Ali Khan : Let me explain. These amendments to the schedules were intended to implement the provisions that we wanted to be placed under section 101. That amendment has gone. What is the use of these amendments.

Mr. Bhulabhai J. Desai : While this imposes no obligation on companies to have a provident fund, they are not prevented from having it and all that this amendment requires is that if there is it should be shown.

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

‘ That in Part II of the First Schedule to the Bill, in Form A, the following note be added :

- ‘ (1) Under the head other accounts (if any) to be specified on the left hand side, fines realized from the staff and their contribution towards the provident fund, if any, should be shown under separate sub-heads ’.

The motion was adopted.

Mr. K. Santhanam : Sir, I move :

‘ That in Part II of the First Schedule to the Bill in Form AA, after the word ‘ persons ’ in item 14 the words ‘ domiciled and ’ be inserted.’

You will see, Sir, that the item in Form AA reads “ Loans on Personal Security to persons resident in India ”. I say that this is not sufficient and that the person to whom the loan is given should not only be resident but also domiciled in India. I hope the House will accept it.

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

‘ That in Part II of the First Schedule to the Bill in Form AA, after the word ‘ persons ’ in item 14 the words ‘ domiciled and ’ be inserted.’

The motion was adopted.

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

‘ That the First Schedule, as amended, stand part of the Bill.’

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

The Second Schedule was added to the Bill.

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

“ That the Third Schedule stand part of the Bill.”

Mr. S. Satyamurti : Mr. Deputy President, there are two amendments in my name. One is No. 20 on the printed paper, and another in supplementary list No. 2. As a matter of fact, the House will find that the two amendments are the same, except for a small verbal change. Sir, Honourable Members will find that the amendment in supplementary list No. 2 is the same as amendment No. 20. I will move the amendment as in the supplementary list because that is the form in which I want the House to accept it. Sir, I move :

“ That in Part I of the Third Schedule to the Bill, for Regulation 6 the following be substituted :

“ 6. As respect life insurance business the following statements shall be furnished to the Superintendent every year showing details provided for in a Form pertaining thereto :

- (A) A statement in form DD as set forth in Part 2 of this Schedule.
- (B) A statement in form DDD as set forth in Part 2 of this Schedule.
- (C) A statement in form DDDD as set forth in Part 2 of this Schedule.”

I will read the two notes which you need not put to the House, as being explanatory :

“ NOTE (1).—The form DDD is the same as form J annexed to Part 2 of the Fourth Schedule.

NOTE (2).—The form DDDD is the same as form K annexed to Part 2 of the Fourth Schedule.”

Sir, it is a somewhat technical matter, but very simple if Honourable Members follow exactly what I seek to do. Regulation No. 6 in the Third Schedule reads like this as it stands :

“ As respects life insurance business, a statement in Form DD as set forth in Part II of this Schedule must be appended to every revenue account relating to that class of business showing the details provided for in that form.”

This Schedule is under clause 10, which provides *inter alia* for a revenue account. If Honourable Members will turn to page 53 of the Bill, they will find form DD. That form is a classified statement of life-insurance policies of so and so Company for the year ending so and so and the detailed heads are—Ordinary Policies, in India, out of India, Annuity Contracts, in India, out of India, Group insurance policies,—in India, out of India, and then new life insurance business in respect of which a premium has been paid in the year, number of policies, Sums insured and annuities per annum, single premiums (including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable), Yearly renewal premium income. Then there is another heading,—Total life insurance business in force at end of the year,—number of policies, sums insured with bonuses and annuities per annum, and premium income for which credit has been taken in the revenue account. My amendment seeks to add two other forms to this statement. Those other forms are found as form J in Part II of the Fourth Schedule on page 65 of the Bill, Form J is a form which provides for Additions to and deductions from policies of the so and so Company for the year so and so and the headings are,—Policies at beginning of year, New policies issued, old

[Mr. S. Satyamurti.]

policies revived, old policies changed and increased, bonus additions allotted. Then, policies discontinued during the year and the various headings are—by death, by survivance or the happening of the contingencies insured against other than death, etc. There are two headings here for omitting which there are amendments. (Interruptions.) Sir, if Honourable Members are anxious to go and drink tea, they are at liberty to do so but we are doing important insurance business and either the House has to adjourn or to go on.....

The Honourable Sir James Grigg : Sir, I was trying to convey to the Honourable Member that the amendment was acceptable to the Government without his making a long speech about it.

Mr. S. Satyamurti : Sir, that sort of thing may be all right for the Honourable Member, because he has got forty votes in his pocket, but, I believe in the intelligent acceptance of my amendment by the House as a whole, and I propose to appeal to the intelligence of the House. There are two other headings. I realize there are only fifteen minutes more for the tea party ! There are items in the table which must, we hope, be omitted when suitable amendments are moved, because we do not accept the dividing principle. Sir, the next addition I want to make to this statement is a statement in form DDDD set forth in form K annexed to the same Schedule, to be found at page 66 of the Bill. That form speaks of Particulars of the policies forfeited or lapsed in the last financial year under review, less those revived and reinstated for full benefits, classified according to the year in which they were issued and then various headings are given. I am suggesting that, when these forms are added, you will get in one return all the relevant information about life insurance business carried on by any insurer during any one year, including not only policies effected but the policies lapsed and the policies revived and the policies which were not revived. I, therefore, suggest that, as this information is being given in any case, this amendment does not seek to cast any fresh obligation not contemplated in the Bill, but on the other hand seeks to bring about in a convenient form, for the information of all interested, all the relevant information regarding life insurance business carried on by an insurer. I, therefore, trust, Sir, that not only the Government but the whole House will accept the amendment. I move.

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

“ That in Part I of the Third Schedule to the Bill, for Regulation 6 the following be substituted :

‘ 6. As respect life insurance business the following statements shall be furnished to the Superintendent every year showing details provided for in a Form pertaining thereto :

- (A) A statement in form DD as set forth in Part 2 of this Schedule.
- (B) A statement in form DDD as set forth in Part 2 of this Schedule.
- (C) A statement in form DDDD as set forth in Part 2 of this Schedule ’.”

The Honourable Sir Nripendra Sircar : Sir, if my Honourable friend does not get very much annoyed, I should like to say that I accept this amendment.

Mr. S. Satyamurti : I had been referring to a statement of the Honourable the Finance Member, and not to my Honourable friend.

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

“ That in Part I of the Third Schedule to the Bill, for Regulation 6 the following be substituted :

• 6. As respect life insurance business the following statements shall be furnished to the Superintendent every year showing details provided for in a Form pertaining thereto :

(A) A statement in form DD as set forth in Part 2 of this Schedule.

(B) A statement in form DDD as set forth in Part 2 of this Schedule.

(C) A statement in form DDDD as set forth in Part 2 of this Schedule .”

The motion was adopted.

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

Mr. President (The Honourable Sir Abdur Rahim) : Amendment No. 21. Mr. Chapman-Mortimer.

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

“ That in Part I of the Third Schedule to the Bill, Regulation 7 be omitted.”

Regulation 7 reads as follows :

“ The following information shall be supplied in addition to the revenue account, namely, the gross premium written in India for life, fire, marine and accident and miscellaneous insurance business.”

Now, Sir, the whole question as to whether the terms should be based on net or gross premium income was a matter that was carefully gone into by that expert committee of which we have heard so much in recent weeks, I refer to the Clauson Committee. The Clauson Committee, after having very carefully considered the *pros* and *cons*, came to the conclusion that the only accurate basis on which you could judge of the soundness or otherwise of an insurance company was on the net premiums underwritten and not on the gross premiums. The reason for this, I think, is fairly obvious even to laymen like most of us here. Out of the gross premium income you have to pay expenses, you have to pay commission, and, in addition, you have to pay away a certain portion which is re-insured with other people. What you really want to get at so far as the Superintendent is concerned and so far as those members of the public are concerned who want to keep an eye on the financial position of insurance companies,—for example, banks and so on,—is the financial soundness of the company, and that you will get most accurately by finding out what the total net premium income amounts to.

Sir Cowasji Jehangir : You do not want to show the net premium somewhere else ?

Mr. T. Chapman-Mortimer : We do.

Sir Cowasji Jehangir : But you do not show the gross premium income.

Mr. T. Chapman-Mortimer : The only possible person to whom the information of that kind could be of the faintest use is the competitor and nobody else. It is no use to Government in ascertaining your financial soundness. The only person to whom it can be of any use is your rival round the corner, whoever he may be. It may be a European company or a Dominion company or an Indian company. Sir, I move.

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

“ That in Part I of the Third Schedule to the Bill, Regulation 7 be omitted.”

Mr. Bhulabhai J. Desai : Sir, I oppose this amendment and for a good reason. With all the facile manner in which it is sought that the soundness of the company may be judged without reference to the Regulation which is sought to be omitted, let us look at another more important aspect of the matter. Mr. Chapman-Mortimer really let the cat out of the bag to those who have carefully followed him because he said it may be useful only to those who are competing. Let me carry it a little further. Whether it was useful in England or not, has got nothing to do with the question. We in India want to know how much of premium, at all events, apart from life, under the other heads which are mentioned under this “ gross income ” you have in India for fire, marine, etc. That may take a lakh of rupees by way of premium. If they have re-insured to the extent of Rs. 90,000, they will only show the net business at Rs. 10,000. So, there could be nothing more misleading than what is plausibly supported. I oppose it.

Sir Cowasji Jehangir : Sir, I oppose this amendment. We have been hearing a good deal of this Clauson Committee's Report, but this Committee did not report for India. It reported for England having regard to the conditions prevailing there. A little common sense will show that we cannot blindly follow this report. What we lack is common sense and that has been lacking throughout. (*Honourable Members* : “ Hear, hear.”) Indian conditions are different. Here you get companies insuring and re-insuring. They may be re-insuring to the extent of lakhs of rupees and yet keep a very small percentage of premium. Well, if you only show that very small percentage, how are you ever going to know what is the total amount of premium taken in India. My Honourable friend said that the most important thing to know is the net premium and that is how you judge the stability of a company. But the net premium is shown by other provision in this Bill. This regulation only provides that the gross income should be shown in addition. The whole point is whether you should show the gross income or not. The net income is shown in other provisions of the Bill. The amendment is that the companies should not show their gross premium and that we consider not to be in the interests of insurance companies in India.

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

“ That in Part I of the Third Schedule to the Bill, Regulation 7 be omitted.”

The motion was negatived.

Mr. K. Santhanam : Sir, I beg to move :

“ That in Part I of the Third Schedule to the Bill, the proviso to Regulation 8 be omitted.”

This Regulation provides for the division of the rent of the premises in which several insurance businesses may be carried on. Of course, the idea of the proviso is that when any one class of business is done, if the rent is charged, it has to be shown both on the credit as well as the debit side and, therefore, it should be omitted. This will not show the true state of affairs. Sir, I do not want to add anything more. I move.

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

“ That in Part I of the Third Schedule to the Bill, the proviso to Regulation 8 be omitted.”

Mr. T. Chapman-Mortimer : Sir, I oppose this amendment.

Mr. Mohan Lal Saksena (Lucknow Division : Non-Muhammadan Rural) : Tit for tat !

Mr. T. Chapman-Mortimer : No, no. My Honourable friends, the Leaders of the Opposition, know, that I was going to oppose it and they also know why I am opposing it. I prefer the Bill as it stands, because it provides for the case of composite offices. If you delete the proviso, that provision will no longer remain in the Bill. On these grounds, I suggest that the amendment should not be accepted.

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

“ That in Part I of the Third Schedule to the Bill, the proviso to Regulation 8 be omitted.”

The motion was adopted.

Mr. K. Santhanam : Sir, I beg to move :

“ That in Part I of the Third Schedule to the Bill, for Regulation 9, the following be substituted :

‘ 9. Where an insurer carries on business of life insurance in conjunction with any other class of insurance business the expenses of management charged to the life insurance Revenue Account must not include more than a reasonable proportion of the common expenses and in particular, no such account must be charged with more than a fair sum for the use of any office premises having regard to the income from the various classes of business carried on and to the extent to which the premises are used for the purposes of each class of business .’ ”

I have tried to make the intention of regulation 9 clearer and put it in better words. There is no difference in the substance of the regulation. Sir, I move.

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

“ That in Part I of the Third Schedule to the Bill, for Regulation 9, the following be substituted :

‘ 9. Where an insurer carries on business of life insurance in conjunction with any other class of insurance business the expenses of management charged to the life insurance Revenue Account must not include more than a reasonable proportion of the common expenses and in particular, no such account must be charged with more than a fair sum for the use of any office premises having regard to the income from the various classes of business carried on and to the extent to which the premises are used for the purposes of each class of business .’ ”

The motion was adopted.

Mr. F. E. James : Sir, I beg to move :

“ That in Part I of the Third Schedule to the Bill, in Regulation 10, after the words ‘ all income-tax ’ occurring in the second line the words ‘ charged on such income ’ be inserted.”

It is presumed that the income referred to in regulation 10 really relates to the tax charged on income, and this amendment seeks to make it clear that all tax on income must be shown, although some tax is not actually deducted at the source. It is a very small amendment and I hope the House will accept it. Sir, I move.

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

“ That in Part I of the Third Schedule to the Bill, in Regulation 10, after the words ‘ all income-tax ’ occurring in the second line the words ‘ charged on such income ’ be inserted.”

The motion was adopted.

Mr. K. Santhanam : Sir, I beg to move :

“ That in Part I of the Third Schedule to the Bill, in Regulation 10, for the word ‘ or ’, occurring in the sixth line, the word ‘ of ’ be substituted.”

This is merely a correction of a printer’s devil. Sir, I move.

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

“ That in Part I of the Third Schedule to the Bill, in Regulation 10, for the word ‘ or ’, occurring in the sixth line, the word ‘ of ’ be substituted.”

The motion was adopted.

Mr. M. Ananthasayanam Ayyangar : Sir, I beg to move :

“ That in Form D of Part II of the Third Schedule to the Bill :

- (a) extend columns relating to business within British India and outside British India further down to the end so as to apply to all items on either side of the form of the revenue account ;
- (b) omit the asterisks in the body of the form and asterisks note at the bottom ; and
- (c) omit also the word ‘ British ’ from the head notes of the columns on either side of the form and also omit the word ‘ British ’ where it occurs a second time in Note ‘ a ’.”

Sir, the object of this amendment is to make this Form D conform to the provisions that we made in clause 12. Sir, clause 12 relates to actuarial valuation. It is also provided there, only after the Bill came out from the Select Committee, for the bringing of accounts that have to be produced or filed or to be made up by Indian insurers on a line with other insurers who carry on business in India and whose principal place of business is elsewhere. Indian insurers have to keep two different accounts now, one relating to the entire business, not only the transactions in India but all over the world, another account separately in so far as it relates to the business transacted by them exclusively in India. So far as foreign insurers are concerned, before my amendment they were asked to give only one kind of account relating to their

business in India. But by our amendment we made that their total business elsewhere and their business in India also should be given. The business transacted by Indian insurers in India and those transacted all over the world should be given separately. After that amendment was made by the House this Form D requires to be modified in the light of that amendment. I would request Honourable Members just to look at Form D on page 52 of the Bill. The amendment suggested in part (a) is extended the columns right up to the bottom so that business within British India may be mentioned regarding expenses of management. The business outside British India may relate to expenses of management. You will see that is the form as it stands at present. You will see that there is differentiation between the business transacted in British India from the business transacted out of British India. The column stops a little above the column relating to expenses of management. I want the expenses of management to be split up into these columns, not only expenses of management, but bad debts, United Kingdom, British Indian, Dominion and Foreign Taxes. The other items follow below. Therefore, that is the object of the first part (a) of my amendment. Likewise the right hand side of the column has to be pushed down to the end to give details so that details might be given of business transacted here and elsewhere.

Part (b) of my amendment relates to the omission of asterisks. If these columns are pushed down so as to include or cover all the items that are noted on one or the other side of this Form D, then there is no need for these asterisks.

Part (c) of my amendment relates to the deletion of the word 'British' wherever it occurs in the head lines of these columns. "Business within British India", "Business out of British India", "Total"—the same headings on the other side. I want "British" to be omitted in all these headings. My reason for this amendment is this. Clause 12 provides that business in the whole of India, whether in British India or non-British India—has to be put in one category, and business outside India has to be put in another category. In view of that amendment which the Select Committee made, the word 'British' no longer needs to find a place in the head notes of the one or the other column. Similarly the consequential amendment is, in note 'a', the word 'British' should be omitted. Sir, I move.

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

“ That in Form D of Part II of the Third Schedule to the Bill :

- (a) extend columns relating to business within British India and outside British India further down to the end so as to apply to all items on either side of the form of the revenue account ;
- (b) omit the asterisks in the body of the form and asterisks note at the bottom ; and
- (c) omit also the word ' British ' from the head notes of the columns on either side of the form and also omit the word ' British ' where it occurs a second time in Note ' a ' .”

The motion was adopted.

Mr. K. Senthanam : Sir, I beg to move :

“ That in Part II of the Third Schedule to the Bill in Form D, for the words ‘ commission (less that on re-insurances) ’ the following be substituted :

‘ Commission to licensed Agents :			
On first year’s premium ..	..	..
On renewal premium ..	..	..
	Total	..	
less commission on re-insurances	..	..
	Balance	..	’ ’

Sir, this amendment is meant to find out whether the provision relating to limitation of commission, etc., is strictly adhered to. We want these particulars for that purpose. Sir, I move.

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

“ That in Part II of the Third Schedule to the Bill in Form D, for the words ‘ commission (less that on re-insurances) ’ the following be substituted :

‘ Commission to licensed Agents :			
On first year’s premium ..	..	..
On renewal premium ..	..	..
	Total	..	
less commission on re-insurances	..	..
	Balance	..	’ ’

Mr. T. Chapman-Mortimer : Sir, I oppose this amendment. I think it is asking for a good deal more information to be given in this return than is really called for in the circumstances. The object of the Mover, I have no doubt, is, quite properly, this that the Superintendent should know how much commission is being disbursed by an insurer in connection with the first year’s premiums and the renewal premiums. I should point out that it is perfectly possible for the Superintendent of Insurance to do exactly the same as the Income-tax Inspectors do, when, having received a return which is not very satisfactory, so far as they can see, or where they feel that a good deal more information is required than has in fact been given, they come along and say, “ Please supply us with the following information ”. In that case the insurer would have to provide whatever information was required and the Superintendent would then be able to decide for himself whether or not too much was being spent by way of first year’s premiums or on renewal premiums. On the other hand, to put it in the return will broadcast to all the rivals of the company exactly what is being spent by them on their first year’s premiums, and by a simple process of calculation it will be possible to find out exactly what each different rival is spending on his various agents, the rate of commission, etc. And it is obvious that such a thing would lend itself to abuses and would be more inquisitorial than is necessary. As I said, if the Superintendent with the very wide knowledge that will be at his disposal and all the detailed information which he will now get feels that there is something unsatisfactory here, he will then be able to call upon the

insurer to provide him with this or any other information that in his opinion is necessary to enable him to decide what action should be taken. Sir, I suggest that this amendment should not be accepted.

Mr. Bhulabhai J. Desai : Sir, one of the services which we claim has been rendered by this Bill, when passed, would be the limitation of commissions, and I do not see why this is opposed. My friends say that the information is otherwise available and that if only a suspicion is created in the mind of the Superintendent, then the insurers will proceed to explain themselves. Sir, the very objections raised to it explain the motives behind it. I need say no more.

The Honourable Sir Nripendra Sircar : Sir, what I feel about this matter is that although it will be very useful to know what amount of commission is being paid, the result of the publicity of all the different companies as to the exact percentage which is being paid to licensed agents, is that really good and will it not lead to every company being forced to pay the maximum. Company A says they have given 27 per cent., company B says they have given 28 per cent., company C says they have given 33 per cent....

4 P.M.

Mr. Bhulabhai J. Desai : So much the better, because we have provided the maximum and not the minimum.

The Honourable Sir Nripendra Sircar : That is a matter of opinion as to whether it is better or worse. I really do not think it is better for each one to publish, so that the licensed agents may know that they will get one per cent. more if they go to company B and proceed to company B and that they will get two per cent. more if they go to company C. I do not agree that it will be all to the good.

Mr. S. Satyamurti : Sir, I hope Government will reconsider their attitude. After all, as our Leader explained, one of the most beneficent provisions of this Bill, when it becomes law, will be the limitation of commissions paid to licensed agents, and we have made elaborate and careful provisions in that behalf ; that is to say, that insurers carrying on business of life insurance shall pay only so much as maximum commission for licensed agents on the first year's premium, and so much on renewal premiums. We have also provided a different percentage for insurers carrying on other than life business, i.e., general business. We have given a further concession to life insurers carrying on life business for the first ten years of their existence. If this clause were to become part of the law of the land and is to be enforced, I plead with the Honourable the Law Member to exercise his fertile imagination on behalf of the new Superintendent of Insurance. He has got cast upon him so many statutory duties and obligations that, even if he were a superman, as my Honourable friend is, he will not be able to carry on his duties, unless all the relevant information is placed before him in a readily digestible form. I plead, Sir, for this information being given, in order that there may be no temptation on his part to take his duties more or less as formal duties, but to discharge them with a keen eye to see that the provisions of this law are strictly enforced.

The Honourable Sir Nripendra Sircar : Sir, I ask my friend to consider this whether this will not really force everybody to go up to the maximum.

Mr. S. Satyamurti : No, Sir. I will try to answer that argument to the best of my ability. These insurers are very clever people. Is it suggested that today they cannot get the information, if they want, of the commissions paid by their rivals to the licensed agents? I should like to know from any insurer here, whether he is so impotent or resourceless that he cannot find out, if he wants, what these commissions are?

Mr. T. Chapman-Mortimer : Sir, on a point of personal explanation, my firm has the honour to represent quite a number of insurers; and although I feel that our firm has considerable resources—or at least a certain amount of resource—and is fairly active in one way or another in safeguarding its interests, I can honestly assure my Honourable friend that we never trouble to find out what our rivals are paying their agents!

Mr. S. Satyamurti : I am not going to walk into my Honourable friend's parlour. I have too much respect for his business acumen and his business capacity to believe what he said. I hope I have not misunderstood him when I say that he uses it for the sake of argument, and not because he believes it to be true. I suggest that the arguments of my Honourable friend were that, if the Superintendent wanted, he could find out all these things. The only possible objection to this can be that it will cast an onerous obligation on insurers that they cannot discharge, and that it will serve no useful purpose. I deny all these things. Firstly, it does not cast an onerous obligation which the insurers cannot discharge; they can discharge the obligation. Secondly, it will serve two useful purposes. If we know how much they are paying to licensed agents on the first year's premiums and on renewal premiums, we shall then know how much of the first year's premium is being spent by these various insurers, and how much of the renewal premiums is spent. After all, the Law Member's argument that they will lead to unhealthy competition is answered by the healthy provision of this Bill. Whatever they may say, they cannot go beyond the maximum.

The Honourable Sir Nripendra Sircar : They will all come to the maximum.

Mr. S. Satyamurti : Sir, I want to know what exactly the position of the Law Member or the Finance Member is. Will this information being given lead to under-cutting or over-cutting?

The Honourable Sir Nripendra Sircar : Call it over-cutting.

Mr. S. Satyamurti : I want to know what my Honourable friend calls it.

The Honourable Sir James Grigg (Finance Member) : Increased commission.

Mr. S. Satyamurti : Whatever the increased commission may be, it cannot go beyond 45 per cent. on the first year's premium, and 55 per cent. in the case of young insurers, and 25 per cent. in the case of those

doing general business. And I want to know whose interests are being sought to be protected, by opposing this amendment. I do not believe that merely publishing the actual results or figures of their expenditure will lead to everybody putting up the commission. On the other hand, I take it that among the insurers who carry on the business there is a healthy rivalry; they want really to capture more and more business. As I read the provisions of this Bill, when it becomes law, and if we get the proper man as Superintendent of Insurance, and if the Act is worked properly, I look forward confidently to the future when commissions will come down, expenses will, therefore, come down, and I hope premiums will come down also for bonuses will increase. Therefore, I look forward to the limitations of commissions working in the direction of limiting the expenses of management of these insurers.

If we are in favour of limitation of commission, we are in favour of limitation of expenses, to ultimately benefit the policy holders and to spread the insurance habit in this country. I want to ask another question: how is this section, when it becomes law, limiting commissions going to be worked, unless in all cases where the Superintendent wants information, he is to get information of this kind? The clause contemplates limitation of commission on two bases, that is, the first year's premium and the renewal premiums. Therefore, information has got to be given to him whenever he wants it: considering human nature, considering the enormous responsibilities and duties placed upon the Superintendent, this demand is not unreasonable, will give him all relevant information, will not have the effect by itself of unhealthy competition, or of increasing commissions among the insurers. I do not see how the mere fact of publicity given in the returns to the Superintendent will have this unhealthy result. I want to know what is the motive behind the opposition. I really do not understand it. Our friends constantly say "Fair field: no favour: open competition." If so, then have everything open: what is the secrecy behind this? What are the interests which are being affected adversely? Why do you fight shy of the light of God's day? Every time we want more information, you want to do something or other and object: you want to keep off something. That confirms my suspicion that there is something wrong in the state of Denmark. You may deny it, but I judge people by their deeds and not by their words. I want to know why my Honourable friends are so anxious that this information ought not to be given. I say that Indian insurers will have nothing to fear from this. If non-Indian insurers, as I believe, are under-cutting and paying more, it is right and proper that they should give this information. I am enthusiastically in favour of the limitation of commission, particularly in the field of general business, where I know what my friends are doing; and I want them to be brought in here, so that I may catch them by the throat and teach them their place. That is why they object to this. I see that. The Superintendent will then publish and say! "You are not carrying on the business soundly and satisfactorily", and will bring into force the provisions of this Act against those people who are doing things prohibited by the law. Therefore, it seems to me that this amendment is a healthy amendment, helps publicity, and will help all genuine insurers, while only handicapping those who are resorting to underhand methods. I expect all those, who want honest insurance business in this country to be done and nothing else, to support this amendment.

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

“That in Part II of the Third Schedule to the Bill in Form D, for the words ‘commission (less that on re-insurances)’ the following be substituted :

‘Commission to licensed Agents :

On first year’s premium ..

On renewal premium ..

Total ..

less commission on re-insurances ..

Balance ..

The Assembly divided.

AYES—46.

Abdul Ghani, Maulvi Muhammad.
Abdul Qaiyum, Mr.
Abdur Rasheed, Chaudhury, Maulvi.
Aney, Mr. M. S.
Anwar-ul-Azim, Mr. Muhammad.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chunder, Mr. N. O.
Das, Mr. B.
Desai, Mr. Bhulabhai J.
Deshmukh, Mr. G. V.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Govind Das, Seth.
Gupta, Mr. K. S.
Hans Raj, Raizada.
Hoemani, Mr. S. K.
Jehangir, Sir Cowasji.
Jogendra Singh, Sirdar.
Joseph, Mr. George.
Kailash Behari Lal, Babu.

Lalchand Navalrai, Mr.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qasi.
Pande, Mr. Badri Dutt.
Raghubir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. Thirumala.
Saksena, Mr. Mohan Lal.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sham Lal, Mr.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib
Nawab.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Sri Prakasa, Mr.
Zafar Ali Khan, Maulana.

NOES—52.

Abdul Hamid, Khan Bahadur Sir.
Ahmad Nawaz Khan, Major Nawab Sir.
Aikman, Mr. A.
Asghar Ali, Sheikh.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Banerjee, Dr. P. N.
Bhagchand Soni, Rai Bahadur Seth.
Boyle, Mr. J. D.
Bus, Mr. L. C.
Chanda, Mr. A. K.
Chapman-Mortimer, Mr. T.
Chattopadhyaya, Mr. Amarendra Nath.
Dalal, Dr. R. D.
Dalpat Singh, Sardar Bahadur Captain.
DeSouza, Dr. F. X.
Fazli-Ilahi, Khan Sahib Shaikh.
Ghulam Muhammad, Mr.
Gidney, Mr. C. W. A.
Griffiths, Mr. P. J.
Grigg, The Honourable Sir James.

Hudson, Sir Leslie.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar
Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lang, Mr. J. C.
Lloyd, Mr. A. H.
Mackeown, Mr. J. A.
Maitra, Pandit Lakshmi Kanta.
Manavedan Baja, Rao Bahadur K. C.
Mami, Mr. R. S.
Mehta, Mr. S. L.
Mody, Sir H. P.
Mudie, Mr. R. F.
Nayudu, Diwan Bahadur B. V. Sri Hari
Rao.
Ogilvie, Mr. C. M. G.
Parsons, Lieut.-Colonel A. E. B.
Pursell, Mr. R. S.
Rahman, Lieut.-Colonel M. A.

NOES—*contd.*

Roy, Mr. S. N.
 Scott, Mr. J. Ramsay.
 Sen, Mr. S. C.
 Sher Muhammad Khan, Captain Sardar
 Sir.
 Sircar, The Honourable Sir Nripendra.
 Spence, Mr. G. H.

Staig, Mr. B. M.
 Stewart, The Honourable Sir Thomas.
 Sukthankar, Mr. Y. N.
 Sultan Ahmad, The Honourable Sir
 Saiyid.
 Thorne, Mr. J. A.
 Tylden-Pattenson, Mr. A. E.

The motion was negatived.

Mr. M. Ananthasayanam Ayyangar : Sir, I move :

“ That in Part II of the Third Schedule to the Bill, in Form D, the ‘ expenses of management ’ be split up under the following heads :

‘ 1. Commission and allowances to persons other than licensed agents :

On first year’s premiums,

On renewal premiums.

2. Salaries, etc. (other than to agents and those contained in item No. 1).

3. Travelling expenses.

4. Directors’ fees.

5. Auditors’ fees.

6. Law charges.

7. Advertisements.

8. Printing and Stationery.

9. Other expenses of management (accounts to be specified).

10. Other payments (accounts to be specified).

11. Rents for offices belonging to and occupied by the insurer.

12. Rents of other offices occupied by the insurer ’.”

This does not require an elaborate argument. I only want to clear one doubt. With respect to the other amendment which we have just now debated, evidently Honourable Members have not voted on our side under a mistaken impression. It is primarily to put the shareholders and policy holders on the same footing and to give them information as to the exact situation of the company, and also to see that these documents are not tempered with, and for sending these papers to them simultaneously as and when they are sent to the Superintendent of Insurance that these details are required in the accounts. That is the object. Therefore, let us not be under the mistaken impression that it is for an extraneous body. It is primarily in the interests of the insurers themselves that these documents have to be filed.

Then as regards expenditure, how is a person who attends a shareholders’ meeting to know the actual expenditure. On the one hand, we have heard speeches that the expense ratio should be decreased, and, therefore, it is necessary that we should know the details of the actual expenditure. Sir, I move.

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

“ That in Part II of the Third Schedule to the Bill, in Form D, the ‘ expenses of management ’ be split up under the following heads :

- ‘ 1. Commission and allowances to persons other than licensed agents :
On first year’s premiums,
On renewal premiums.
2. Salaries, etc. (other than to agents and those contained in item No. 1).
3. Travelling expenses.
4. Directors’ fees.
5. Auditors’ fees.
6. Law charges.
7. Advertisements.
8. Printing and Stationery.
9. Other expenses of management (accounts to be specified).
10. Other payments (accounts to be specified).
11. Bents for offices belonging to and occupied by the insurer.
12. Bents of other offices occupied by the insurer ’.”

The Honourable Sir Nripendra Sircar : Sir, I shall be very brief in my opposition. If the Chair will kindly turn to amendment No. 31 which has just been lost, it will see that the House has ruled that this is not what is going to be done, namely :

“ That in Part II of the Third Schedule, in Form D, for the words ‘ Commission (less that on re-insurances) ’ the following be substituted :

- ‘ Commission to licensed agents ;
On First Year’s premium.....
On Renewal, etc. ’.”

Therefore, the House has ruled just now that this has not got to be shown as commission less first year’s premium or renewal premium.

Then, about the other items, what I am objecting to is this. I am not objecting to items beginning with two and ending with 12. I shall gladly accept them. My only objection is directed to item 1. I won’t take up much time of the House because I have already advanced my arguments, and the other side have advanced theirs, and the House has voted on it, and I submit, Sir, that No. 1 cannot be put to the vote again.....

Mr. Bhulabhai J. Desai : My friend is entirely under a wrong impression.

The Honourable Sir Nripendra Sircar : No, no. I have seen the language.

Mr. Bhulabhai J. Desai : I think it will simplify matters if you omit the words from “ to persons to premiums ” in No. 1.

The Honourable Sir Nripendra Sircar : Then, it will read only Commission and allowances.

Mr. Bhulabhai J. Desai : Certainly.

The Honourable Sir Nripendra Sircar : I don’t object to that.

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

“ That in Part II of the Third Schedule to the Bill, in Form D, the ‘ expenses of management ’ be split up under the following heads :

- ‘ 1. Commission and allowances.
2. Salaries, etc. (other than to agents and those contained in item No. 1).
3. Travelling expenses.
4. Directors’ fees.
5. Auditors’ fees.
6. Law charges.
7. Advertisements.
8. Printing and Stationery.
9. Other expenses of management (accounts to be specified).
10. Other payments (accounts to be specified).
11. Rents for offices belonging to and occupied by the insurer.
12. Rents of other offices occupied by the insurer ’.”

The motion was adopted.

Maulana Zafar Ali Khan : Sir, I move :

“ That in Part II of the Third Schedule to the Bill, in Form D, the following be added to note (b) :

‘ Under this item the salary paid to the managing agent or managing director shall be shown separately from the total amount paid as salaries to the remaining staff ’.”

I will make a very brief speech in moving this amendment because we want to get through this Bill as soon as possible. The object of this amendment is to see to it that the employees of insurance companies are treated as part and parcel of that great system and that they are not going to be denied their right. That is all I have got to say. Sir, I move.

The Honourable Sir Nripendra Sircar : I accept it.

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

“ That in Part II of the Third Schedule to the Bill, in Form D, the following be added to note (b) :

‘ Under this item the salary paid to the managing agent or managing director shall be shown separately from the total amount paid as salaries to the remaining staff ’.”

The motion was adopted.

Maulana Zafar Ali Khan : I beg to move :

“ That in Part II of the Third Schedule to the Bill, in Form D, after note (d), the following note be added :

‘ (e) under the head ‘ other income ’ fines realised from the staff be shown separately ’.”

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

“ That in Part II of the Third Schedule to the Bill, in Form D, after note (d), the following note be added :

‘ (e) under the head ‘ other income ’ fines realised from the staff be shown separately ’.”

The Honourable Sir Nripendra Sircar : The House accepted No. 18 and we have got also to accept Maulana Zafar Ali’s amendment.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : You will have to accept also the words “ if any ” after “ fines ”.

The Honourable Sir Nripendra Sircar : Yes.

Maulana Zafar Ali Khan : I accept the addition.

Mr. M. S. Aney : The addition of the words “ if any ” does not seem necessary. In No. 18, the words “ if any ” are not joined to ‘ fines ’ but to provident fund.

Dr. P. N. Banerjea (Calcutta Suburbs : Non-Muhammadan Urban) : Why should we take it for granted that there will always be fines ?

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

“ That in Part II of the Third Schedule to the Bill, in Form D, after note (d), the following note be added :

‘ (e) under the head ‘ other income ’ fines, if any, realised from the staff be shown separately ’.”

The motion was adopted.

Mr. M. Ananthasayanam Ayyangar : I beg to move :

“ That in Form D of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account. ’.”

Sir, with your permission, may I add the words at the end, “ except such sums as properly appertain to the capital account ”. We have also accepted this principle under clause 15, and I am only trying to carry it out in the Schedule.

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

“ That in Form D of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account ’.”

The Honourable Sir Nripendra Sircar : I understand, I am almost sure that I heard my Honourable friend to say that he is quoting the words of clause 15 (d) ?

Mr. M. Ananthasayanam Ayyangar : Yes, I am quoting the words of clause 15 (d).

The Honourable Sir Nripendra Sircar : In that case I have no objection.

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

“ That in Form D of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account ’.”

The motion was adopted.

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

“ That in Part II of the Third Schedule to the Bill, in Form E, at the end of last footnote the words ‘ but need not include income-tax of the country in which the company is constituted or incorporated ’ be added.”

If Honourable Members will turn to Form E, they will see that the last foot-note refers to clause 15 (2) (b), which relates to the revenue accounts with reference to insurance business transacted in British India. The footnote says, “ Against all other items the total amount for the business as a whole may be given ”. It is possible that income received outside India may be paid tax-free and there is a difficulty in ascertaining the actual amount of tax which has been paid in respect of that income. Therefore, this seeks to remove that difficulty. If it is difficult to ascertain the total amount, it is difficult to show the total amount of the whole business. We suggest that these words may be added so that the result would be that the net amount would be shown. Sir, I move.

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

“ That in Part II of the Third Schedule to the Bill, in Form E, at the end of last footnote the words ‘ but need not include income-tax of the country in which the company is constituted or incorporated ’ be added.”

Mr. Bhulabhai J. Desai : Where does the amendment fit in ? The last foot-note says :

“ Where the account is furnished under the provisions of section 10 of the Insurance Act, 1937, separate figures for claims paid to claimants in British India.....”

Mr. F. E. James : The last foot-note is the asterisked, which runs as follows :

“ Where the account is furnished under the provisions of clause (b) of sub-section (2) of section 15 of the Insurance Act, 1937.....”

Mr. Bhulabhai J. Desai : You mean in the item of expenditure if an income-tax is paid it is not to be shown ? Then I object to it. It is an obvious objection. If income-tax is, in fact, paid and is not to be shown as part of the expenditure, it is an obvious objection. Such an amendment must not be allowed.

Mr. K. Santhanam : It is also against Regulation 10 of the Third Schedule.

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

“ That in Part II of the Third Schedule to the Bill, in Form E, at the end of last footnote the words ‘ but need not include income-tax of the country in which the company is constituted or incorporated ’ be added.”

The motion was negatived.

Mr. M. Ananthasayanam Ayyangar : Sir, I move :

“ That in Form E of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (d) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account ’.”

and, with your permission, I shall add the same words as were added to the previous amendment “ except such sums as properly appertain to the capital account ”. Sir, I move :

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

“ That in Form E of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (d) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account ’.”

The motion was adopted.

Mr. F. E. James : Sir, I move :

“ That in Part II of the Third Schedule to the Bill, in Form F, at the beginning of the item ‘ Premiums, less Reinsurance (d) ’, occurring in the third column, an asterisk be inserted.”

I am advised that this is a purely accidental omission.

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

“ That in Part II of the Third Schedule to the Bill, in Form F, at the beginning of the item ‘ Premiums, less Reinsurance (d) ’, occurring in the third column, an asterisk be inserted.”

The motion was adopted.

Mr. F. E. James : Sir, I move :

“ That in Part II of the Third Schedule to the Bill, in Form F, at the beginning of the item ‘ Other income (to be specified) ’, occurring in the third column, an asterisk be inserted.”

This is exactly the same point as the previous amendment.

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

“ That in Part II of the Third Schedule to the Bill, in Form F, at the beginning of the item ‘ Other income (to be specified) ’, occurring in the third column, an asterisk be inserted.”

The motion was adopted.

Mr. M. Ananthasayanam Ayyangar : Sir, I move :

“ That in Form F of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account ’.”

I have added the words ‘ except such sums, etc.’ as in the case of previous amendments.

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

“ That in Form F of Part II of the Third Schedule to the Bill, the following new note be added :

‘ (e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside British India shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account ’.”

The motion was adopted.

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

“ That the Third Schedule, as amended, stand part of the Bill.”

The motion was adopted.

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

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

“ That clause 10, as amended, stand part of the Bill.”

The motion was adopted.

Clause 10, as amended, was added to the Bill.

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

“ That the Fourth Schedule stand part of the Bill.”

Mr. S. Satyamurti : Sir, I move :

“ That in Part I of the Fourth Schedule to the Bill, after Regulation 2 the following be added :

‘ 2A. Before arriving at the surplus the actuary shall deduct amounts shown in the balance sheet as organisation expenses or as deferred revenue expenses.

2B. For the purposes of paragraph 5A of Part II of the Schedule the percentage of renewal expenses will be calculated by allowing as the cost of the new business of the year $7\frac{1}{2}$ per cent. of single premiums and purchase price of annuities and 90 per cent. of first year's premium falling due in the year after deduction of those unpaid under policies allowed to lapse ’.”

With your leave, I shall draw the attention of the House to Amendment No. 59 standing in the name of myself and my Honourable friend, Mr. Sham Lal, which reads like this :

“ That in Part II of the Fourth Schedule to the Bill, after paragraph 5 the following be added :

‘ 5A. Percentage of expenses incurred on renewal premium income for each of the year covered by the valuation ’.”

[Mr. S. Satyamurti.]

I am moving only 55 now, but I am drawing attention to 59 in order to show the purpose of this amendment. If Honourable Members will kindly turn to the Fourth Schedule to the Bill, they will notice that this Schedule contains regulations and tables and forms for the preparation of abstracts, actuaries' reports, and so on. This actuarial valuation is provided for in clause 12 of the Bill, to which I shall invite the attention of the House :

“ Every insurer carrying on life insurance business shall, in the case of an insurer specified in sub-clause (a) (ii), or sub-clause (b) of clause (8) of section 2 in respect of all life insurance business transacted by him, and in the case of any other insurer in respect of the life insurance business transacted by him in India, once at least in every five years cause an investigation to be made by an actuary into the financial condition of the life insurance business ”

and so on.

In order to carry out the purpose of this actuarial valuation, this Fourth Schedule contains regulations and forms. Regulation 2 provides :

“ In showing the proportion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, in accordance with the requirement of paragraph 3 of Part II of this Schedule, no credit is to be taken for any adjustments made in order to secure that no policy is treated as an asset.”

Sir, in addition to that, I want in 2A that, before arriving at the surplus, the Actuary shall deduct the amounts shown in the balance sheet as organization expenses or as deferred revenue expenses. I submit that the amendment speaks for itself. As regards 2B, that is to be taken along with 5A. Regulation 5 provides :

“ For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely : ”

etc., etc.

Taking it along with 2B, it comes to this :

“ That the percentage of renewal expenses will be calculated by allowing as the cost of the new business of the year $7\frac{1}{2}$ per cent. of single premiums and purchase price of annuities and 90 per cent. of the first year's premium falling due in the year after deduction of those unpaid under policies allowed to lapse.”

I submit this amendment is in the interest of sound insurance business. I am told that in the case of some insurers starting this business, this may work as a hardship ; but it will not, if the company is working on sound and healthy lines, because it simply means that there shall be no surplus without making a proper allowance for these items which must be appropriately debited, before a surplus is arrived at. And I believe the anxiety of some insurers to spend overmuch in the early years of their business has been amply made out. I want to see to it that young insurers are not allowed to distribute, either as bonuses or as profits, what they have not actually earned. They ought rather to depend upon the good will and the reputation of their business, than on small monetary attractions not actually earned. Sir, I believe this amendment will not hurt any healthy and sound companies. No insurer is allowed to distribute, as bonuses or profits, what he has not earned. Sir, it seems to me that this idea that you must have some bonus to show is introducing an element of unhealthy competition in life insurance business, and I am

anxious that that element ought to be completely rooted out ; and this amendment seeks to see that the actuarial valuation bears a relation to the actual profits of the business and that the expenses of all insurance companies young and old are reduced. Sir, I move.

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

“ That in Part I of the Fourth Schedule to the Bill, after Regulation 2 the following be added :

‘ 2A. Before arriving at the surplus the actuary shall deduct amounts shown in the balance sheet as organisation expenses or as deferred revenue expenses.

2B. For the purposes of paragraph 5A of Part II of the Schedule the percentage of renewal expenses will be calculated by allowing as the cost of the new business of the year $7\frac{1}{2}$ per cent. of single premiums and purchase price of annuities and 90 per cent. of first year’s premium falling due in the year after deduction of those unpaid under policies allowed to lapse.’ ”

Dr. P. N. Banerjee : Sir, I oppose this amendment. In the first place I wish to point out that this Fourth Schedule to this Bill follows generally the Fifth Schedule which is given in the Clauson Committee’s draft Bill. But the amendment which my Honourable friend, Mr. Satyamurti, has moved is not to be found anywhere in the Schedule attached to the Clauson Committee’s Report. Where, then, is the necessity for it ? This amendment seeks to place restrictions on the power of the actuary with regard to valuation. Now is that necessary ? Then, Sir, I wish to point out that every company in its early days has to incur certain expenses which come from the pockets of the shareholders. Where is the necessity for showing its expenses ? In this connection I wish to point out that the older companies will not be hit at all because they have outgrown that stage in which they were compelled to incur these preliminary expenses. It will be only the young companies which will be touched, and my Honourable friend, Mr. Satyamurti, admits that it will hit some companies. Well, that admission is quite enough for my purpose.

Sir, I am afraid if we accept this amendment, the young companies will be hit very hard. The shareholders incur these expenses, and the policy holders are not compelled to contribute towards these expenses. What harm, then, would ensue to the policy holders if these expenses are not calculated at the time of the valuation ? This is not going to hit the policy holders in any way ? Sir, I think it will introduce an unhealthy rivalry between young companies and the older companies and the young companies will necessarily go to the wall. On these grounds I oppose this amendment.

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

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

“ That in Part I of the Fourth Schedule to the Bill, after Regulation 2 the following be added :

‘ 2A. Before arriving at the surplus the actuary shall deduct amounts shown in the balance sheet as organisation expenses or as deferred revenue expenses.

[Mr. President.]

2B. For the purposes of paragraph 5A of Part II of the Schedule the percentage of renewal expenses will be calculated by allowing as the cost of the new business of the year $7\frac{1}{2}$ per cent. of single premiums and purchase price of annuities and 90 per cent. of first year's premium falling due in the year after deduction of those unpaid under policies allowed to lapse."

The motion was negatived.

Mr. F. E. James : Sir, I beg to move :

"That in Part I of the Fourth Schedule to the Bill, in Regulation 3 (1), after the words 'income-tax', occurring in the sixth line, the words 'charged thereon' be inserted."

This is merely consequential to amendment No. 24 which has already been accepted by the House.

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

"That in Part I of the Fourth Schedule to the Bill, in Regulation 3 (1), after the words 'income-tax', occurring in the sixth line, the words 'charged thereon' be inserted."

The motion was adopted.

Mr. F. E. James : Sir, I beg to move :

"That in Part I of the Fourth Schedule to the Bill, in Regulation 3 (1), after the words 'income-tax', occurring in the seventh line, the words 'in respect of expenses of management' be inserted."

This is merely a clarification of the actual meaning intended to be conveyed by that regulation. I move.

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

"That in Part I of the Fourth Schedule to the Bill, in Regulation 3 (1), after the words 'income-tax', occurring in the seventh line, the words 'in respect of expenses of management' be inserted."

The motion was adopted.

Mr. K. Santhanam : Sir, I move :

"That in Part I of the Fourth Schedule, in the proviso to Regulation 4, for the words 'insert on' the words 'include in' be substituted."

This is only a verbal amendment, and I move.

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

"That in Part I of the Fourth Schedule, in the proviso to Regulation 4, for the words 'insert on' the words 'include in' be substituted."

The motion was adopted.

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

"That all items in Form G (consolidated Revenue Account) of Part II of the Fourth Schedule be split up into two columns (i) business within British India, and (ii) total, and the expenses of management be split up under the following heads :

- Agents' and canvassers' allowance.
- Salaries, etc., (other than to Agents and Canvassers).
- Travelling expenses.
- Directors' fees.

Auditors' fees.
 Medical fees.
 Law charges.
 Advertising.
 Printing and Stationery.
 Other expenses of management (accounts to be specified).
 Other payments (accounts to be specified).
 Rents for offices belonging to and occupied by the company.
 Rents of other offices occupied by the company."

I stop there, and do not move the rest of it. The principle of the amendment has already been accepted, and I will not repeat those words. I hope the House will accept it. Sir, I move.

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

" That all items in Form G (consolidated Revenue Account) of Part II of the Fourth Schedule be split up into two columns (i) business within British India, and (ii) total, and the expenses of management be split up under the following heads :

Agents' and canvassers' allowance.
 Salaries, etc., (other than to Agents and Canvassers).
 Travelling expenses.
 Directors' fees.
 Auditors' fees.
 Medical fees.
 Law charges.
 Advertising.
 Printing and Stationery.
 Other expenses of management (accounts to be specified).
 Other payments (accounts to be specified).
 Rents for offices belonging to and occupied by the company.
 Rents of other offices occupied by the company."

The motion was adopted.

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

" That in Part II of the Fourth Schedule to the Bill, in Form J, omit columns pertaining to dividing insurance principle and shift the form as form DDD to Part 2 of the Third Schedule. Shift form K as form DDDD to Part 2 of the Third Schedule."

Sir, it is a consequential amendment. I move.

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

" That in Part II of the Fourth Schedule to the Bill, in Form J, omit columns pertaining to dividing insurance principle and shift the form as form DDD to Part 2 of the Third Schedule. Shift form K as form DDDD to Part 2 of the Third Schedule."

The motion was adopted.

Mr. M. Ananthasayanam Ayyangar : Sir, I beg to move :

" That in Part II of the Fourth Schedule to the Bill, Form K be shifted as
 5 P.M. Form DDD to Part II of the Third Schedule and the following foot-note be added thereto :

' Insurers having their principal place of business in British India shall give the information required in the form separately for business transacted in India and business transacted outside India and the insurers having their principal place of business outside British India will furnish information regarding business transacted in India only '."

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

“ That in Part II of the Fourth Schedule to the Bill, Form K be shifted as Form DDD to Part II of the Third Schedule and the following foot-note be added thereto :

‘ Insurers having their principal place of business in British India shall give the information required in the form separately for business transacted in India and business transacted outside India and the insurers having their principal place of business outside British India will furnish information regarding business transacted in India only ’.”

The motion was adopted.

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

“ That the Fourth Schedule, as amended, stand part of the Bill.”

The motion was adopted.

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

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

“ That the Fifth Schedule stand part of the Bill.”

The motion was adopted.

The Fifth Schedule was added to the Bill.

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

“ That clause 12, as amended, stand part of the Bill.”

The motion was adopted.

Clause 12, as amended, was added to the Bill.

The Sixth Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

(Applause.)

The Honourable Sir Nripendra Sircar (Leader of the House) : Sir, before we disperse, I may be allowed to inform the House that there are two very short but urgent Bills. One is Mr. Lloyd's Bill which is to amend the Indian Tariff Act and the other is by Sir James Grigg for amending the Indian Securities Act.

Mr. F. E. James : I hope it has nothing to do with the insurance.

The Honourable Sir Nripendra Sircar : Not directly. We have got to put these two short Bills in front of the Insurance Bill tomorrow. They are very urgent.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 2nd October, 1937.