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THE LEGISLATIVE ASSEMBLY DEBATES

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TWENTY-FIRST SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1944



LEGISLATIVE ASSEMBLY.

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Deputy President :

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Mian MUHAMMAD RAFI, Barrister-at-Law.

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Khan Bahadur S. G. HASNAIN.

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Mr. GOVIND V. DESHMUKH, M.L.A.

Mr. N. M. JOSHI, M.L.A.

Sardar SANT SINGH, M.L.A.

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LEGISLATIVE ASSEMBLY

Tuesday, 14th November, 1944

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

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

POSTAL EMPLOYEES' REPRESENTATION *RE* INADEQUACY OF PAY, ETC.

323. *Sardar Sant Singh: Will the Secretary for Posts and Air please state if any representation was received by the Director General, Posts and Telegraphs, complaining against:—

(i) the inadequacy of the present scales of pay to meet the bare necessities of life in these days;

(ii) the slowness of the flow of promotion in the department resulting in thousands of employees of the Postal department stagnating at one grade for ten years and over; and

(iii) the insufficient increase in dearness allowance?

If so, are the complaints justified? If so, what steps do Government propose to take to remove these grievances of their employees?

Mr. W. H. Shoobert: (i) Yes;

(ii) Only in individual cases.

(iii) Yes.

Such complaints are carefully examined and steps are taken to redress grievances where they are established. Rates of dearness allowance were revised for the fourth time early this year.

Mr. Lalchand Navarai: May I know if the Honourable Member has received very many general complaints from the Conferences of the Postal employees and from the Postal Department staff themselves in regard to the increment, the revision of the scales of pay and the dearness allowance? Is it so or not? Is the Honourable Member yet thinking of grievances only in individual cases?

Mr. W. H. Shoobert: That is a double question. The answer to the first part is in the affirmative.

Mr. T. S. Avinashilingam Chettiar: Is there not a class of employees called Branch Post Masters who are receiving Rs. 6 per month even today?

Mr. W. H. Shoobert: The class of employees the Honourable Member has referred to are what we term extra departmental agents. These are men who work on postal duties only for a portion of the day and have their own subsidiary profession. In fact, the postal duties are a subsidiary profession to their ordinary duties. Rs. 6 per mensem to which the Honourable Member refers is only a part time payment.

Mr. T. S. Avinashilingam Chettiar: Do Government give any dearness allowance to them?

Mr. W. H. Shoobert: Dearness allowance has been given to these men.

Mr. T. S. Avinashilingam Chettiar: How much?

Mr. W. H. Shoobert: The dearness allowance for these men has just been revised and I am not quite sure of the figure. I think it was Rs. 3 until recently. I am not sure what the present figure is.

Mr. T. S. Avinashilingam Chettiar: May I know from what date this dearness allowance of Rs. 3 comes into effect?

Mr. W. H. Shoobert: I am afraid I must have notice of that question.

Dr. Sir Zia Uddin Ahmad: Is the scale of salaries adequate, considering that the purchasing power of the rupee is only five annas?

Mr. W. H. Shoobert: My reply to that question must be to inform the Honourable Member that we have taken numerous steps to supplement the scale of salaries in order to meet the extraordinary conditions under which we

are now living. Besides dearness allowance, we also give various other forms of relief.

Dr. Sir Zia Uddin Ahmad: The only step is to treble the salaries.

Mr. Badri Dutt Pande: In view of the fact that the Department is making lot of profit from the sweated labour of the low paid officials, is it the intention of the Government to appoint a small committee to go into their pay and allowances?

Mr. W. H. Shoobert: That again is a double question. We do not admit that the staff of the Posts and Telegraphs Department is sweated. My answer to the latter part of the question is in the negative.

Mr. N. M. Joshi: May I ask whether Government is aware that there is a great deal of unrest among the employees of the Postal Department as regards their dearness allowance and the low salaries and may I know whether Government propose to take any steps to allay the unrest?

Mr. W. H. Shoobert: Government is aware that there has been some indication of unrest in the manner of conferences and various representations which have been made to Government and Government has the matter under consideration.

Mr. N. M. Joshi: May I ask whether the postal employees have asked for adjudication and whether Government propose to give them adjudication. If not, why not?

Mr. W. H. Shoobert: It is understood that certain sections of the postal employees have applied for adjudication but Government has already taken numerous steps, which I should be very glad to give the Honourable Member information about, for the relief of difficulties felt by the staff and it is not proposed to go to adjudication in the matter.

Sardar Sant Singh: May I know how many representations the Honourable Member has received upto November and from what parts of India. Has the Honourable Member received telegraphic complaints about dearness allowance and its inadequacy?

Mr. W. H. Shoobert: When I last received the figure, which was about six weeks ago, the number of representations received was in the region of about three thousand and they came from all over India.

Mr. D. K. Lahiri Chaudhury: On what principles has the dearness allowance been given?

Mr. W. H. Shoobert: The principle on which dearness allowance has been granted has been to do the best to afford relief to the Posts and Telegraphs staff as well as to the other staff of the Central Government. I think I might mention, for the information of Honourable Members that in the shape of dearness allowance, and war allowance, but excluding good conduct allowance we are paying something in the nature of 2 crores, or 20 million rupees, in a year, which I feel is no small sum.

(Several Honourable Members rose to put further Supplementary questions.)

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

NAGPUR PLAN OF ROADS.

324. *Dr. Sir Zia Uddin Ahmad: (a) Will the Honourable the Railway Member please lay on the table of the House the plan of the road usually called "The Nagpur Plan Of Roads"?

(b) Have the Government of India prepared a plan as a part of the Post-war reconstruction planning of roads?

(c) What would be the total cost of these roads?

(d) Has the Department of Communication calculated whether the transformation of Kuchcha roads into pucca ones is an economic proposition?

The Honourable Sir Edward Benthall: (a) and (b). Copies of the Proceedings of the Conference of Chief Engineers of Provinces and States held at Nagpur in December 1943, to which the Honourable Member is presumably referring are available in the Library of the House. The Report has been generally accepted as a working basis by the Provinces who are preparing project estimates

on that basis. Consultations with provinces are also going on and it is hoped that within the next six months it will be possible to set out what the plan for British India is likely to be.

(c) The Nagpur Chief Engineer's Report (para. 114) estimated that the post-war road programme as contemplated therein would cost Rs. 450 crores.

(d) The question would depend on what Kutch roads are proposed to be raised to a higher standard. Provincial Governments are expected to examine the traffic and economic needs in respect of all such projects before a decision is taken.

Mr. Govind V. Deshmukh: May I ask if any independent Board has been constituted as suggested by this Conference at Nagpur because they made the recommendation that it should be constituted immediately?

The Honourable Sir Edward Benthall: No, Sir; not at present.

Mr. Govind V. Deshmukh: May I know if the Government thinks of putting their suggestion into effect? If so, when?

The Honourable Sir Edward Benthall: I am answering a question on that subject later.

Mr. Muhammad Azhar Ali: May I ask if any Honourable Member of this Assembly makes a proposal to the Honourable Member about the roads, will he consider it?

The Honourable Sir Edward Benthall: I will consider it.

Maulana Zafar Ali Khan: May I ask what would be the cost of converting the Kutch roads into Pucca roads?

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

CAPITAL AT CHARGE ON STRATEGIC LINES.

325. ***Dr. Sir Zia Uddin Ahmad:** (a) Will the Honourable Member for War Transport be pleased to state the capital at charge on strategic lines? Did these strategic lines during the peace time pay the interest charges?

(b) Is it not a fact that these lines were constructed in the interest of defence services?

(c) Is it not a fact that military authorities cannot run the Railways as a department of their own?

(d) Do the Government of India propose to consider the desirability of writing off the capital against the defence expenditure and leave the Railways to run the strategic lines without demand for interest?

The Honourable Sir Edward Benthall: (a) The capital at charge at the end of the year 1943-44 is Rs. 32.65 crores. The reply to the latter part of the question is in the negative.

(b) Yes.

(c) The Honourable Member is asking for an expression of opinion and not for information on a question of fact.

(d) The principle of the Convention adopted by the Assembly Resolution dated the 20th September 1924 is that Railways are entitled not only to an adjustment of the interest charges on the Capital cost of strategic lines, but also to a refund of loss, if any, on their working. In peace times revenue from strategic lines not only failed to cover interest on capital, but also, fell short of working expenses. The total loss has been adjusted against the share of the Railway surplus creditable to General Revenues, and the existing procedure fully safeguards the Railway finances. It will be open, however, to the Committee which the Assembly will in due course appoint to review the Convention, to examine the question raised by the Honourable Member.

Dr. Sir Zia Uddin Ahmad: May I ask whether the Honourable Member is contemplating in the reorganisation scheme of the railways to allot the working of these railways to one of the Groups? Will he run the strategic lines independently or will he hand over their working to one particular Group?

The Honourable Sir Edward Benthall: The strategic lines, I think I am right in saying, are all in the North-Western Railway Group.

Dr. Sir Zia Uddin Ahmad: If all these strategic lines are run by one Rail way, where is the necessity to keep separate accounts? Why not amalgamate all the accounts in the general revenues?

The Honourable Sir Edward Benthall: That is the question which the Convention Committee to which I have referred will consider in due course.

GRIEVANCES OF POSTAL EMPLOYEES OF MADRAS POSTAL CIRCLE.

326. *Mr. G. Rangiah Naidu: Will the Secretary for Posts and Air please state:

(a) what action has been taken hitherto by the Government of India to redress the grievances of the postmen and lower grade staff of the Madras Circle that were submitted to the Director General, Posts and Telegraphs, during his visit to Madras in a memorandum on the 4th February, 1942?

(b) Is there any proposal now before the Government to revise the scales of pay and grant war allowance at the rates demanded by the All-India Postmen and Lower Grade Staff Union before the end of October, 1944? If not, why not?

Mr. W. H. Shoobert: (a) The Director-General, to whom the Memorandum was addressed, considered the suggestions in it. As the result of his proposals to Government, an increase in the out-station allowance for Railway Mail Service staff was granted.

(b) No. Government do not find any justification.

Mr. T. S. Avinashilingam Chettiar: What is the lowest pay that they pay to any servant under the Postal Department?

Mr. W. H. Shoobert: The lowest pay for any permanent servant under the Postal Department, excluding task work peons, who receive a certain payment on every message which they deliver, is Rs. 12, but that, of course, is increased by various other allowances.

Mr. T. S. Avinashilingam Chettiar: What is the lowest pay of the Extra Departmental Service under the Postal Department?

Mr. W. H. Shoobert: The lowest pay in the Extra Departmental Service, I believe I am right in saying, is Rs. 5.

Mr. T. S. Avinashilingam Chettiar: Does the Government think that Rs. 5 or even Rs. 12 is sufficient for any family to live on?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can draw his own conclusion.

Mr. T. S. Avinashilingam Chettiar: What are the facts they have taken into consideration to determine the lowest pay necessary as a basic pay for any servant under them?

Mr. W. H. Shoobert: The factor taken into consideration when the pay was fixed was the pay on which a man might decently maintain himself and on which we could obtain the necessary staff. But I would explain to the Honourable Member that this pay has been considerably increased by various allowances.

Mr. T. S. Avinashilingam Chettiar: May I know what is the increment they have given to the Extra Departmental officers as well as the lowest staff in that body?

Mr. W. H. Shoobert: I have already told the House that Extra Departmental agents receive Rs. 5 but then they have some other profession also some of them are schoolmasters, cattle pound keepers or zamindars.

Mr. T. S. Avinashilingam Chettiar: I wanted to know what is the dearness allowance they have given to these Extra Departmental officers and other servants whose basic pay is Rs. 12?

Mr. W. H. Shoobert: I have already informed the House of the dearness allowance given to Extra Departmental agents. The dearness allowance given to men on Rs. 12 depends upon the area in which they are serving; in some areas it may be as much as Rs. 14.

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

EVIDENCE GIVEN BY REPRESENTATIVES OF ALL-INDIA POSTMEN'S UNION AT MITTRA-CLARKE ENQUIRY.

327. *Mr. G. Rangiah Naidu: Will the Secretary for Posts and Air be pleased to place on the table the record of evidence given by the representatives of the All-India Postmen and Lower Grade Staff Union at the enquiry held by the Honourable Sir B. N. Mitra and Sir C. R. Clarke in 1925?

Mr. W. H. Shoobert: No, as a record of the evidence is not available.

GRIEVANCES RE FIXATION OF PAY OF MADRAS POSTAL CIRCLE POSTMEN.

328. *Mr. G. Rangiah Naidu: (a) Will the Secretary for Posts and Air please state if it is not a fact that Sir B. N. Mitra accepted the view points of the Madras witness V. Balasubramaniam, the General Secretary of the Madras Union, in regard to fixation of pay and upon which the Member Sir B. N. Mitra immediately ascertained that a sum of rupees three crores would be required to give effect to the proposal?

(b) Was not the promise held out that, in view of the exorbitant cost, the grievances would be redressed in the course of succeeding years?

(c) What action was taken during the interval of eighteen long years to implement the promise?

Mr. W. H. Shoobert: (a) and (b). Government regret that no definite information on the points raised is available at this distant date.

(c) The scales of pay of the staff have been suitably revised since 1925.

Mr. Lalchand Navalrai: Is it not a fact that there have been several Conferences of the lower grade subordinates and postmen asking for the revision of their pay? Is the Honourable Member going to consider their proposals or to ignore them?

Mr. W. H. Shoobert: It is correct that there have been various Conferences and there have been demands for a revision of pay. The view of the Government is that the present extraordinary period is not the time for introducing revised scales of pay. But Government has adopted various other means of helping the staff during this period of high prices.

Mr. Lalchand Navalrai: What are those other means?

Mr. W. H. Shoobert: So far as the staff which the Honourable Member has in mind is concerned, there is a good conduct allowance, and dearness allowance and there have been grain concessions in various places. In some places we have given house rent allowance also and we have other matters also under consideration. There may be other measures which have slipped my memory but, at any rate, I have given the Honourable Member three.

Prof. N. G. Ranga: Have Government under consideration any scheme to increase the basic pay of the lowest paid employees of the Postal and Telegraph Department during the post-war era?

Mr. W. H. Shoobert: It is rather early for us to consider what to do in the post-war period because we have no indication of what the trend of prices and what the cost of living is likely to be in the post-war era.

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

MINISTERIAL POSTAL OFFICIALS IN MADRAS POSTAL CIRCLE.

329. *Mr. G. Rangiah Naidu: (a) Will the Secretary for Posts and Air please state the strength of the ministerial postal officials not lower than clerks in 1925, and their present strength in the Madras Circle?

(b) If the number has increased, what are the reasons for it?

(c) Has there been a corresponding increase in the number of postmen and lower grade staff on account of very same reasons?

Mr. W. H. Shoobert: (a) The strength in 1925 was 3,848 and the present strength is 4,573.

(b) The number has increased on account of increased business.

(c) There has been an increase in the number of postmen and of other lower grade staff except runners whose number has been reduced on account of the replacement of many runners' lines by mail motor services. The percentage of

increase in the two cases is not, and need not necessarily be the same as the basis for the creation of additional posts differs in the various cadres.

Mr. G. Rangiah Naidu: May I know if postmasters and clerks in *mufassal* areas, hill and highland areas, are given compensatory allowance of Rs. ten?

Mr. W. H. Shoobert: It is a fact that compensatory allowance is given in certain areas where such allowance is justified. But the figure of that allowance varies in different places.

Mr. G. Rangiah Naidu: Is the allowance given to postmen also in the lower grade?

Mr. W. H. Shoobert: In some places, it is given, and in some other places it is not given.

Mr. G. Rangiah Naidu: What are those places in which the compensatory allowance is given to postmen?

Mr. W. H. Shoobert: Madras Presidency is a vast place. I am afraid I cannot answer that question without notice.

ALLOWANCES TO POSTAL OFFICIALS IN MADRAS POSTAL CIRCLE.

330. *Mr. G. Rangiah Naidu: (a) Will the Secretary for Posts and Air please state what the various kinds of allowances (excluding the dearness allowance due to war) drawn by officials above the rank of postmen in the different parts of the Madras Circle are?

(b) Are those allowances also paid to the postmen and the lower grade staff? If not, why not?

Mr. W. H. Shoobert: (a) The information required is given in Appendix 10 of the Manual of Appointments and Allowances of Officers of the Indian Posts and Telegraphs Department (2nd Edition), a copy of which is placed in the Library of the House.

(b) Such allowances are also admissible to postmen and Lower grade staff, wherever justified, at suitable rates.

Prof. N. G. Ranga: What proportion of these postmen and lower grade staff get these increments and dearness allowance?

Mr. W. H. Shoobert: I am afraid I cannot give you that figure now. I can ascertain it if necessary.

RESERVE POSTMEN AT POST OFFICES.

†331. *Mr. G. Rangiah Naidu: (a) Will the Secretary for Posts and Air please state if it is a fact that in Post Offices where there are six or more clerks, one reserve clerk is attached to each office?

(b) Are reserve postmen similarly attached to those offices? If not, why not? What other alternative arrangements exist to enable postmen to get casual leave on emergent occasions?

Mr. W. H. Shoobert: (a) The facts are not as stated.

(b) Reserve postmen are not attached to post offices because there is no necessity for such an arrangement. When postmen are absent on *casual* leave their work is distributed among the remainder of the staff on duty, or in certain cases the vacancies are filled by employment of substitutes at departmental expense.

DISTRIBUTION OF WORK ON GRANT OF CASUAL LEAVE TO POSTMEN.

†332. *Mr. G. Rangiah Naidu: (a) Will the Secretary for Posts and Air please state if there is a rule that in offices where there are only four clerks, casual leave is granted to one on the condition that his work is distributed among the remaining clerks?

(b) If the answer to (a) above is in the negative, what is the justification for the Director General's circular imposing that condition in regard to postmen?

Mr. W. H. Shoobert: (a) It is presumed that the Honourable Member's question refers to the Posts and Telegraphs Department. There is in that

†Answer to this question laid on the table, the questioner having exhausted his quota.

Department a general convention of the nature indicated which is applicable irrespective of the number of clerks in an office.

(b) Does not arise.

SCALE OF PAY TO NEW ENTRANTS OF POSTAL DEPARTMENT.

†333. ***Mr. G. Rangiah Naidu:** (a) Will the Secretary for Posts and Air please state whether the new entrants to Postal Department subsequent to 1931 are given less responsible and less onerous duties than, or are their duties altogether different from, those who entered before 1931 to justify the introduction of the new scale of pay? If not, what are the other reasons?

(b) Do those reasons hold good now, when the prices of food-stuffs have risen four times?

(c) Do Government propose to revise the scale of pay as a time scheme for the duration of the war and grant dearness allowance at the rates demanded by the All-India Postmen and Lower Grade Staff Union?

Mr. W. H. Shoober: (a) There is no difference in the nature of the duties performed by the old and the new entrants. The revised scales of pay were based on a general principle which was to pay enough to secure the type of official required for efficient discharge of the duties of the posts to be filled. At the time of introduction of the new scales of pay, officials already in permanent employment were allowed to remain on the old scales as a concession.

(b) Does not arise in view of the reply to part (a) of the question. Dearness allowance has been granted and other measures have been taken to afford relief in view of the rise in the prices of food and the other commodities.

(c) No.

PILGRIMS TAX COLLECTED AT CERTAIN CITIES OF UNITED PROVINCES.

334. ***Mr. Badri Dutt Pande:** Will the Honourable Member for Railways be pleased to state how much money has been collected as "Pilgrims Tax" by the Railway Department for the last three years for the following pilgrim cities in the United Provinces:—(i) Hardwar, (ii) Golagokarannath, (iii) Soron, (iv) Muttra, (v) Benares, (vi) Ajodhya, (vii) Allahabad and (viii) Lakarmandighat?

The Honourable Sir Edward Benthall: The information asked for is not readily available and its collection would involve an amount of time and labour that would not be justifiable in War time.

LACK OF INTER CLASS ACCOMMODATION FOR LADIES ON CERTAIN SECTION OF OUDH AND TIRHUT RAILWAY.

335. ***Mr. Badri Dutt Pande:** (a) Will the Honourable Member for Railways please state if it is a fact that there is no Inter-class accommodation for females in the composite bogies of First, Second, Inter and Third of the Oudh and Tirhut Railway that run between Kasganj and Kathgodam and Bareilly and Lucknow?

(b) Is it a fact that the absence of such accommodation for females has been keenly felt by the travelling public of that sex?

(c) Is it proposed to remedy this defect? If so, when?

The Honourable Sir Edward Benthall: (a) Separate Inter class accommodation is not provided for females on the trains that run between Kasganj and Kathgodam and Bareilly and Lucknow.

(b) The Railway Administration concerned, has not, I understand, received any representation on this matter.

(c) It would not be practicable to provide Inter class females compartments between the stations named during the war.

Mr. Sri Prakasa: May I know whether it would not be more desirable for the Railway Department to refer to human females as "women" in order to distinguish them from the females of other species? I do dislike the word 'female'.

Mr. Badri Dutt Pande: Is the Honourable Member aware that there is a first class composite car running between Lucknow and Kasganj in which there is a third class compartment. Cannot one of that be converted into a Ladies Inter class compartment?

The Honourable Sir Edward Benthall: I suggest that the Honourable Member should raise the matter before the Local Advisory Council.

Mr. Badri Dutt Pande: But the Local Advisory Council never answers our letters.

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

REPATRIATION OF MR. L. N. KHANNA'S FAMILY FROM GERMANY.

†336. ***Sardar Sant Singh:** Will the Secretary for External Affairs please state if any attempt was made to repatriate the wife and daughter of Mr. L. N. Khanna from Germany since he gave his reply on the subject on the 19th November, 1940? If so, what steps were taken, and with what result?

Sir Olaf Caroe: The Government of India and His Majesty's Government have made every effort to repatriate the wife and daughter of Mr. L. N. Khanna from Germany. It was hoped that it would be possible to arrange for them to travel to India *via* Istanbul and Syria, but it seems that Mrs. Khanna was unable to obtain in Germany transit visas for the German-occupied Central European and Balkan countries and could not therefore reach Istanbul. Her case has been brought again to the notice of the Protecting Power for such further action as may be possible.

NORTH WESTERN RAILWAY EMPLOYEES' MEMORIAL *RE* REVISED STATE RAILWAY LEAVE RULES.

337. ***Mr. Lalchand Navalrai:** With reference to the reply to starred question No. 64 given on the 9th February regarding the North Western Railway employees memorial to the Governor General in Council on the misapplication of Revised State Railway Leave Rules to them, will the Honourable the Railway Member be pleased to state:

(a) whether the same has since been received by the Governor General through proper channel; if so, how it was disposed of;

(b) if the reply to (a) above be in the negative, who has withheld the same from the Governor General in Council and why, giving reference to the rules under which the power of withholding was exercised;

(c) whether it is a fact that the memorial raised several points including the interpretation of Fundamental Rules; if so, why it was kept back since the power of interpreting rules was reserved in the Governor General in Council *vide* Fundamental Rule 8; and

(d) whether Government propose to call for the memorial and take action thereon; if not, why not?

The Honourable Sir Edward Benthall: (a) The reply to the first part is in the affirmative. As regards the latter part, the memorial was duly considered and rejected.

(b) to (d). Do not arise in view of reply to part (a) above.

Mr. Lalchand Navalrai: Who considers them? The Governor General in Council or the Governor General?

The Honourable Sir Edward Benthall: The Governor General in Council.

RATION VANS FOR RAILWAY EMPLOYEES.

338. ***Mr. Lalchand Navalrai:** (a) Will the Honourable Member for Railways be pleased to state whether mobile vans carrying rations for Railway employees run on Indian Railways and that it is now proposed to discontinue their running? If so, why, and to what extent?

(b) Is it a fact that employees who used to be served by mobile vans shall have to go to stationary shops at other stations? If so, what would be the extent of extra travel by employees for this purpose?

(c) Is it a fact that when discontinuance of mobile vans is complete on all Indian Railways, about one crore of free travels annually by about four lakhs of Railway employees stationed at road side places and huts will be necessary at least twice a month for purchase of rations, and would it be desirable to

reduce public travel accommodation to that much extent which is already limited at present owing to war conditions?

(d) Do Government propose to continue running of mobile vans or stop supply of rations and allow that much relief by cash payment? If not, why not?

The Honourable Sir Edward Benthall: (a) The Railway Department's policy is to run mobile vans where these can give the employee satisfactory service. Where this cannot be done, Administrations arrange static shops at convenient centres, from which employees in the vicinity draw their rations once a month. The number of mobile shops is now 167 compared with 163 in April last.

(b), (c) and (d). In view of the reply to part (a), parts (b), (c) and (d) do not arise.

Mr. Lalchand Navalrai: May I know if representations were made that the way of giving the stuff through several shops in the rural areas is not adequate and that the number of shops should be increased?

The Honourable Sir Edward Benthall: That is why we are opening more static shops.

ASSISTANT SECRETARY TO GENERAL MANAGER, NORTH WESTERN RAILWAY, LAHORE.

339. *Mr. Lalchand Navalrai: (a) Will the Honourable Member for Railways be pleased to state whether the post of the Assistant Secretary to the General Manager, North Western Railway, Lahore is held by a Senior Scale Officer? If not, what class of officer holds this appointment?

(b) If the post is held by an officer lower in status to the Senior Scale Officer, why has he been delegated with powers of a Senior Scale Officer in disciplinary matters under Chapter XVII of the State Railway Establishment Code Volume I?

(c) Is it a fact that the Assistant Secretary, Railway Board, exercises limited powers *vide* Schedule 1 on page 171 of the State Railway Establishment Code Volume I? If so, why has the Assistant Secretary to the General Manager been allowed wide powers? Is it proposed to curtail the same? If not, why not?

(d) Is it a fact that Divisional Assistant Officers like the Divisional Assistant Electrical Engineer or Assistant Signal Engineer exercise powers of Assistant Officers only, and in all matters of disciplinary action powers of Senior Scale Officers are exercised in respect of the staff in Signal and Electric Branches by the Divisional Executive or Mechanical Engineers? If so, why cannot the same principle be adopted in case of Assistant Secretary?

(e) What action do Government propose to take to ensure that very wide powers are not conferred on Assistant Officers? If not, why not?

The Honourable Sir Edward Benthall: (a) The post of Assistant Secretary to the General Manager, North Western Railway, is not held by a Senior Scale Officer, but by an officer of Assistant rank.

(b) The Assistant Secretary has not been delegated with all the powers of a Senior Scale Officer in disciplinary matters, but as there is no Senior Scale Officer to deal with establishment matters of the General Manager's Office, he has been delegated with certain powers which are not ordinarily exercised by other Assistant Officers.

(c) The reply to the 1st part is in the affirmative. The reply to the 2nd part has already been given in my reply to part (b). As regards the last part, the matter is within the discretion of the General Manager and Government do not propose to interfere.

(d) The reply to the first part is in the affirmative although there are a few other Assistant Officers who are exercising the same powers as the Assistant Secretary. As regards the latter part, the reason has already been given in my reply to part (b).

(e) The rules regulating disciplinary matters already define the limits to which powers can be delegated to Assistant Officers, and no further action is considered necessary.

Mr. Lalchand Navalrai: With reference to part (b) may I know how long will this Assistant enjoy the privilege of dealing with matters which belong not to him but to the higher officers?

The Honourable Sir Edward Benthall: So long as he is required to do so.

Mr. Lalchand Navalrai: How long is he going to be required? Can you not fix some time?

The Honourable Sir Edward Benthall: As long as it is necessary.

PUBLICITY ORGANIZATION ATTACHED TO INDIA'S AGENT-GENERAL IN AMERICA.

340. *Mr. T. T. Krishnamachari: Will the Foreign Secretary please state:

(a) whether there exists a publicity organisation attached to the office of the Agent-General for India in the United States of America;

(b) the nature of its personnel;

(c) what its duties are;

(d) whether the determination of the type of publicity carried on by this organisation is in the hands of the Agent-General or the Government of India;

(e) whether the Government of India has satisfied themselves from time to time that the publicity carried by this organisation is in the best interests of this country?

Sir Olaf Caroe: This question will be answered by the Honourable the Leader of the House in due course.

REPORT OF THE FERTILIZERS MISSION.

341. *Mr. T. T. Krishnamachari: Will the Honourable the Supply Member please state:

(a) whether the mission for investigation into the prospects of a chemical fertilizer industry in this country has submitted its report to the Government of India;

(b) whether the Government propose to publish the same;

(c) whether the Government have formulated any policy with regard to the development of this industry in India in the matter of the agency to be employed and the control to be exercised; and

(d) whether the Government have received applications from private industrialists for installing Chemical Fertilizer plants, and with what result?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) and (b). Yes.

(c) Government propose that, if on consideration of the report they decide to set up one or more factories, such factories should be State-owned and State-operated.

(d) Some general enquiries have been received regarding Government's plans for the production of Fertilizers, indicating, in a few cases, the readiness of applicants to invest money in the operation of such plants as Government might import. The primary interest of Government is to secure a supply of cheap fertilizers to cultivators and to that end, but not otherwise, they have no objection to the establishment of commercial profit making concerns.

Consent has been given for the issue of capital by nine companies (in all cases for the amount applied for) and no applications have been refused.

Mr. Manu Subedar: Have the Government seen the large Industries Committee's report of the Bihar Government in which the calculation was made by a Professor of the Benares Hindu University, according to which the total cost of the proposed plan will not be ten crores but only five crores and that the most economic unit is 100,000 tons and not 350,000 tons?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Yes, Sir. I have seen a letter to that effect in the Press.

Mr. Manu Subedar: Has the Honourable Member seen the report of the Bihar Government which the Mission also saw and praised? Why is there such discrepancy in the cost as put down by the Mission of ten crores and the cost which they estimated at five crores.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: This is the opinion of a professor of a University. These questions will be considered at

a conference which I propose to hold early next week when the representatives of the Bihar Government will meet the technical expert committee and representatives of other Governments and the Government of India.

Mr. T. S. Avinashilingam Chettiar: Have Government considered this report and come to any conclusions in the matter?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: They are considering the report. Conclusions cannot be arrived at till the conference that I have referred to has met.

Mr. T. T. Krishnamachari: With reference to part (c), will Government, before deciding on a policy, give an opportunity to this House to consider the question?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: The matter is very important and the policy has to be decided not merely by the Government of India but the Provincial Governments also. It is a conference of all the Governments and some of the State Governments also which is ultimately going to decide the policy.

Sardar Sant Singh: Will Government invite this professor, who has been writing on this subject and claims to know something about it, to give his evidence or to be present in the committee and give his views on the economic side of the question?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: I have seen a great deal of literature by many estimable gentlemen on the subject, and it is not possible to invite to the conference every one of them. But I am perfectly certain that the Bihar Government which has examined this professor's credentials and his recommendations will put forward the views of this professor after they have considered them.

Mr. K. C. Neogy: Is it a fact that at one stage the provinces, or some of them, desired the establishment of this industry on a provincial basis?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Some of them do still desire to establish it on a provincial basis.

Mr. K. C. Neogy: Am I to take it then that the proposed conference is mainly for the purpose of coming to an agreement between the Central Government and the Provincial Governments in this matter?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: The conference is for the purpose of seeing what is the best way in which this urgent demand for 350,000 tons of fertilisers can be manufactured.

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

STEPS FOR PREVENTING PASSENGERS TRAVELLING ON THE TOP OF TRAINS.

342. *Sir Abdul Halim Ghuznavi: Will the Honourable the Railway Member please state:

(a) whether his attention has been drawn to the A. P. I. news of the 31st July, 1944, that for want of accommodation in any of the third class compartments three passengers eventually met their death by striking against the Arc Bridge on the Ghaghra and another passenger near Manjhi in the Ballia District who were all on the top of the trains; and

(b) what steps have been taken by the Railway Administration to prevent passengers to get on the top of trains?

The Honourable Sir Edward Benthall: (a) Yes.

(b) The Railway Administration has issued special instructions to its staff and the assistance of the Railway Police has been requested.

Mr. Sri Prakasa: May I know what further steps have been taken in the matter? The practice is dangerous and must be stopped. I have myself seen men on the top of trains.

The Honourable Sir Edward Benthall: I have answered that in reply to part (b).

Mr. Sri Prakasa: Is the Honourable Member sure that these instructions are being carried out and that there have been no further complaints in the matter? I ask this because the practice is still prevalent.

The Honourable Sir Edward Benthall: Certainly. The complaint, if I may say so, is largely on the side of the Railway Department who have to deal with these people who climb on to the roof. But they are doing their best to prevent people from getting into dangerous situations.

Mr. Sri Prakasa: Are these people who travel on roofs of trains in possession of tickets? If so, are not the railway administrations themselves responsible for selling these tickets when they have no room?

The Honourable Sir Edward Benthall: That raises a very difficult question which I cannot deal with in reply to a supplementary question.

POORLY PAID CLERKS OF RAILWAY CLEARING ACCOUNTS OFFICE.

343. *Sir Abdul Halim Ghuznavi: Will the Honourable the Railway Member please state:

(a) whether he is aware that the Railway Clearing Accounts Office in Delhi pays its clerks a basic pay of Rs. 40 as compared with Rs. 60 which is the salary of a third division clerk elsewhere;

(b) whether he is aware that these clerks' dwellings are not fit for human habitation and that sometimes in a room of 11 feet by 11 feet three of these clerks cook their food, sleep and live;

(c) whether he is aware that these rooms have tin walls on both sides and there is no ventilation; and

(d) whether Government propose to improve the lot of these poorly paid clerks who look ragged and undernourished?

The Honourable Sir Edward Benthall: (a) No; in the subordinate and attached offices of the Government of India stationed in Delhi, the minimum pay for clerks under the Government of India's orders of the 19th August, 1944, is Rs. 45 and Rs. 60 respectively.

(b) and (c). I have no information regarding the details referred to in respect of the private dwellings of the clerks concerned.

(d) Government have already given suitable relief to their employees including these clerks.

MUSLIM REPRESENTATION IN 'A' AND 'B' ZONES OF BENGAL AND ASSAM RAILWAY.

344. *Shaikh Rafiuddin Ahmad Siddiquee: (a) Will the Honourable Member for Railways be pleased to place before the House a comprehensive statement showing the percentage of Muslim representation in the A. and B. Zones of the Bengal and Assam Railway Administration with the following particulars:

(i) in all offices, section by section, and

(ii) in outdoor appointments with all cadres—such as T.R.I., C.M.I., Station Masters, Assistant Station Masters, Controllers, Goods Clerks and Parcel Clerks?

(b) Will the Honourable Member be pleased to place on the table a comparative statement to show the development in the percentage of Muslim representation in compliance with instructions of the Railway Board issued in 1942 directing appointment of adequate number of Muslims to make up the deficiency?

The Honourable Sir Edward Benthall: (a) and (b). There are no 'A' and 'B' Zones of the Bengal & Assam Railway and it is presumed that the Honourable Member refers to the Zone comprising the area formerly known as the Assam Bengal Railway. Government have no information regarding the detailed number of Muslims in the various categories. The representation of Muslims in the non-gazetted establishment of the A B Zones increased from 35.8 per cent. on 31st March 1941 to 37.2 per cent. on 31st March 1942. The latest figures available pertain to the Bengal & Assam Railway as a whole and are given in Appendix C-1 of the Report by the Railway Board on Indian Railways for 1942-43, Volume II.

Mr. Hoosainbhoj A. Lalljee: Do the American administration which is now in charge of the B. and A. Railway observe the proportions laid down?

The Honourable Sir Edward Benthall: The staff continue to be under the General Manager of the B. and A. Railway.

Mr. Hooseinbhoy A. Laljee: Who makes the appointments?

The Honourable Sir Edward Benthall: The General Manager.

Mr. Muhammad Nauman: Is it a fact that the quota fixed for Muslims on this railway is 45 per cent., whereas the Honourable Member gives a much lower figure?

The Honourable Sir Edward Benthall: That is for recruitment.

INSTRUCTIONS RE RESERVATION OF BERTHS FOR MEMBERS OF CENTRAL ASSEMBLY.

345. *Shaikh Rafiuddin Ahmad Siddiquee: Will the Honourable Member for Railways be pleased to state:

(a) if he is aware that the instruction of the Railway Board in respect of reservation of berths for Members of the Central Assembly in class (I) are not followed by the Railway Officers who deny existence of such instructions, and

(b) whether the Honourable Member proposes to issue necessary instructions to all the Railways directing strict observance of the Circulars of the Railway Board already issued in that behalf when Members of the Central Assembly proceed to attend the session and return therefrom?

The Honourable Sir Edward Benthall: (a) and (b). It was recently represented to the Railway Board that some Railways were not observing the instructions issued in January 1943 and re-iterated in January 1944, in regard to reserving accommodation for Members of the Legislature. The Railway Board accordingly, in a circular dated 2nd September, 1944, drew the attention of all the principal Railways to their previous orders, and directed that they be brought to the notice of all the staff concerned for compliance.

Mr. Manu Subedar: Is the Honourable Member aware that there is a regular tariff for these reservations, even if they are made a few days in advance, of Rs. 5, and that on one occasion I had to pay Rs. 10?

The Honourable Sir Edward Benthall: Did I understand the Honourable Member to say that he entered into a connivance with the reservation clerk?

Mr. Manu Subedar: Is the Honourable Member aware that people who have to travel on a particular day on account of important engagements are black-mailed by the railway officials and that there is no question of connivance but that we are made to pay and no choice is given to us?

The Honourable Sir Edward Benthall: No, Sir. If the Honourable Member instead of encouraging the practice of which he complains will kindly report the matter to the senior staff of the station they will see that the matter is properly dealt with.

Mr. Manu Subedar: May I know why the Railway Department has failed to cope with this situation and have not shown competence to bring this thing under control?

The Honourable Sir Edward Benthall: Because the public including, it appears, certain Honourable Members, will not co-operate.

Mr. Lalchand Navalrai: Is it a fact that the instructions issued to station masters and superintendents on the platforms regarding special facilities for Members of the Legislature are not carried out?

The Honourable Sir Edward Benthall: I thought I had already answered that.

Mr. Lalchand Navalrai: My point is, are these circulars, which Government have issued, actually followed? I can say that they are not followed.

The Honourable Sir Edward Benthall: I believe that as a rule they are followed. But if Honourable Members will draw my attention to specific cases where they are not acted upon, I shall be glad to look into them.

Mr. Muhammad Nauman: Do the instructions cover cases of Members coming to attend meetings of Committees also?

The Honourable Sir Edward Benthall: If the Honourable Members will make proper arrangements in advance I do not think they will find any difficulty.

LEASE-LEND (CONTROLLED) VEHICLES ALLOTTED TO PROVINCES.

346. *Sardar Sant Singh: Will the Honourable Member for War Transport be pleased to state:

(a) the number of Lease-Lend (Controlled) vehicles allotted to each Province for the period ending the 31st March, 1944; and

(b) the conditions under which the vehicles mentioned in (a) are allotted to the Provinces?

The Honourable Sir Edward Benthall: (a) A statement showing the number of new controlled transport vehicles released by this Department for essential civil use, to which the Honourable Member apparently refers, allotted to Provinces to end of March, 1944 is laid on the table.

(b) The conditions laid down are:—

(i) that the vehicles will be employed on war work or essential civil work connected with the war or to relieve conditions brought about by the war;

(ii) that the vehicles will be properly maintained and will not be overloaded or driven at excessive speed;

(iii) that a producer gas plant will be fitted to them, if required to do so by the Provincial Motor Transport Controller;

(iv) that the vehicles will not be sold without the permission in writing of the Provincial Motor Transport Controller; and

(v) that the vehicles will be surrendered to Government at a valuation, if demanded.

Statement showing the distribution of 3-ton and 15-cwt. controlled Motor Vehicles released to various Provinces for essential civil use end of March, 1944.

Serial No.	Province	3-ton vehicles	15-cwt. vehicles	Total
1.	Madras	911	42	953
2.	Bombay	776	55	831
3.	Bengal	1,720	470]	2,190
4.	United Provinces	600	101	701
5.	Punjab	274	...	274
6.	Bihar	627	108	735
7.	C. P. & Berar	420	...	420
8.	Assam	1,090	100	1,190
9.	N. W. F. P.	216	10	226
10.	Orissa	125	27	152
11.	Sind	229	31	260
12.	Delhi	151	2	153
13.	Ajmer-Merwara	36	4	40
14.	Baluchistan	158	...	158
15.	Coorg	22	...	22
16.	Central P. W. D.	680	...	680 (a)
17.	Other Central Government Departments	164	...	164 (b)
Total		8,199	950	9,149

N.B.—(a) For airfield construction works in Eastern India.

(b) (i) Mainly for operation in Bengal and Assam for M. E. S. works 150

(ii) For various ordnance clothing factories in various Provinces 14

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Sardar Sant Singh: May I know if the congestion of passenger traffic on particular sections in the provinces is also taken into consideration in allotting these vehicles?

The Honourable Sir Edward Benthall: Yes, Sir. The Provincial Motor Transport Controller goes into such matters.

LEASE-LEND (CONTROLLED) VEHICLES ALLOTTED TO RAILWAYS.

347. *Sardar Sant Singh: Will the Honourable Member for War Transport be pleased to state the number of Lease-Lend (Controlled) vehicles allotted to Railways and the conditions laid down thereon, if any?

The Honourable Sir Edward Benthall: About 200 controlled vehicles have so far been allotted to railways under the usual conditions laid down in civil Motor Transport Vehicles Control Order, 1944.

INSTRUCTIONS RE EMPLOYING MUSLIMS AS OFFICE SUPERINTENDENTS AND HEAD CLERKS.

348. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways please state if it is a fact that the Railway Board have issued instructions to the General Managers of the State Railways to keep in view the desire of the Board for employing adequate number of Muslims as Office Superintendents and Head Clerks?

(b) Did the Railway Board make any enquiries in respect of the extent to which their desire was given a practical effect? If so, what was the reply from the General Manager, North Western Railway? Did the Railway Board further emphasize the desirability of carrying out the instructions referred to in (a) above? If not, why not?

(c) When was the last selection held by the North Western Railway for filling posts of Head Clerks and Office Superintendents for Divisions and Headquarters?

(d) Were the instructions of the Board referred to above kept in view in recent selections? If so, how many Muslims were selected for appointment as Office Superintendents and Head Clerks and how many non-Muslims?

(e) What is the present strength of Muslim Head Clerks and Office Superintendents on the North Western Railway and their percentage to the total number of sanctioned posts?

(f) Do the Government realize that the number of Muslim Head Clerks and Office Superintendents is still meagre and how do they propose to improve the percentage?

The Honourable Sir Edward Benthall: (a) and (b). I would refer the Honourable Member to my reply to his Starred Question No. 197 asked on the 4th August, 1943.

(c) and (d). I lay a statement on the table which gives the required information. As regards the first portion of part (d), Government have no reason to believe otherwise.

(e) The required information is as follows:—

4 Superintendents	.. .. .	25 per cent.
16 Head Clerks	.. .. .	21.6 per cent.

(f) As promotion is not based on communal considerations, the distribution of appointments in these grades must depend very largely on the communal distribution of the senior most in the ranks from which promotion is made.

Statement showing selections held by the N.W. Railway for the posts of Superintendents and Head Clerks and the number of Muslims and non-Muslims selected for these posts.

Category of staff	Date of selection	Total Number of men selected	
		Muslims	Non-Muslims
<i>Headquarters Office</i>			
Office Superintendent . . .	May 1943 .	1	4
Superintendent, Works . . .	February 1942	1	1
Superintendent, Personnel . . .	July 1944 .	1	2
Superintendent, Commercial . . .	February 1942	1	5
Superintendent, Stores . . .	August 1944	1	2
Superintendent, Purchase (Stores)	August 1944	2	3
Superintendent, Drawing (Engineering).	April 1943 .	...	1
Assistant Superintendent. Personnel.	July 1944 .	1	4
Assistant Superintendent, Way and Works.	November 1943 .	...	3
Assistant Superintendent, Works (Mechanical).	November 1943 .	1	...
Assistant Superintendent, Commercial.	March 1944 . .	1	2

Category of staff	Date of selection	Total Number of men selected	
		Muslims	Non-Muslims
<i>Headquarters Office—contd.</i>			
Assistant Superintendent, Purchase (Stores).	August 1944.	2	4
Assistant Superintendent, Operating.	February 1942	...	2
Head Clerk, Personnel	October 1944	3	5
Head Clerk, Stores	September 1944	2	3
Head Clerk, Budget	November 1943	1	2
Head Clerk, Way and Works	November 1943	5	9
Head Clerk, Commercial (Miscellaneous).	March 1944	3	1
Head Clerk, Compensation	February 1944	2	2
Head Clerk, Commercial (A. L. Section).	December 1943	2	2
Head Clerk, Operating. . . .	February 1942	2	5
Head Clerk, General Branch	July 1943 . . . .	...	1
Head Clerk, Copying Branch	June 1943	1	1
<i>Divisions</i>			
Office Superintendent	February 1942	5	8
Head Clerk, Operating	September 1944 . . . .	...	8
Head Clerk, Commercial	July 1943 . . . .	...	4
Head Clerk, Stores	May 1944	1	1
Head Clerk, Personnel	February 1944	3	6

MUSLIM ASSISTANT CONTROLLERS ON NORTH WESTERN RAILWAY.

349. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways please state the total number, communitywise, of Assistant Controllers on the North Western Railway?

(b) Are Muslims adequately represented in this category of staff?

(c) If the reply to (b) above is in the negative, do the Government propose to ensure that in the next selections for Assistant Controllers a sufficient number of Muslims is selected and placed on the approved list to make up the deficiency? If not, why not?

The Honourable Sir Edward Benthall: Government have no information, and I regret I cannot undertake to collect it under the present conditions. A copy of the question will, however, be forwarded to the North Western Railway Administration for such action as may be deemed necessary.

SELECTION FOR POSTS OF ASSISTANT CLAIMS INSPECTORS ON NORTH WESTERN RAILWAY.

350. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways please state if it is a fact that the posts of Assistant Claims Inspectors on the North Western Railway are selection posts?

(b) If the reply to (a) is in the affirmative, when was the last Selection Board held?

(c) What qualifications are required of candidates called for selection for Assistant Claims Inspectors?

(d) What was the total number of candidates recommended by Divisions for selection and how many of them were Muslims?

(e) What was the number of those called for selection in the Headquarters Office and the number of those selected from each community, separately?

(f) Is it a fact that the number of selected Muslims was too meagre as compared with non-Muslims? If so, why?

(g) Do the Government propose to issue orders to the effect that the Department concerned should take steps to call for adequate number of Muslims for these selection posts? If not, why not?

The Honourable Sir Edward Benthall: (a) Yes.

(b) On the 21st December, 1943.

(c) The candidates should have passed in the coaching and goods examinations at the Walton Training School.

(d) Out of a total number of 31 recommended by Divisions, nine were Muslims.

(e) The number called to the Headquarters Office for selection included eight Muslims, 19 Hindus and two Sikhs, out of whom five Muslims, six Hindus and one Sikh were placed on the selected list.

(f) The reply to the first part is in the negative; the latter part does not arise.

(g) Does not arise in view of the reply (f) above.

CANDIDATES FOR SENIOR ASSISTANT STATION MASTER COURSE

351. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways please state the total number of candidates by communities who appeared in Pl. (Senior Assistant Station Master) Course in the year 1941?

(b) What is the total number of men by communities recommended by Divisions to the Headquarters Office and what is the number of the men nominated for this course?

(c) Why was such a small number of Muslims recommended by Divisions and still a smaller number was selected by the Headquarters Office?

(d) Will the Government please see that Muslim employees get their due share in this respect as this course is a stepping stone for the advancement of employees?

(e) Will the Government please state how they propose to select and train an adequate number of Muslim candidates in the above course in future? If not, why not?

The Honourable Sir Edward Benthall: The Honourable Member has not specified the railway or railways to which the question relates.

RAWALPINDI SELECTION BOARD FOR RECRUITING FOOD INSPECTORS

352. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways please state the composition of the Selection Board held in the Rawalpindi Division in the year 1944 for selecting candidates for the posts of (i) Food Inspector, and (ii) Assistant Food Inspector?

(b) Is it a fact that the Muslim Officer who was a member of the said Selection Board was a Junior Scale Officer while others were of the Senior Scale?

(c) Was no Senior Muslim Divisional Officer in the Division on the day the selection was held?

(d) If the reply to (c) is in the negative, what were the specific reasons for not including one of the Senior Divisional Muslim Officers in the Board?

(e) Will the Honourable Member please furnish the number of men selected by communities in the above mentioned selection?

The Honourable Sir Edward Benthall: (a) and (b). No regular Selection Board was held because these posts have not been declared as selection posts; but three officers, of whom two were of senior scale and one in the junior scale, were directed to nominate suitable men. The junior scale officer who was a Muslim was not directly subordinate to the others.

(c) A Muslim senior scale officer was available.

(d) It was not considered necessary under the circumstances.

(e) Of the three men selected as Food Inspectors, one was a Hindu, one a Muslim and the third a Sikh. As regards Assistant Food Inspectors, two were Hindus and one a Muslim.

COUPON SELLERS IN RAWALPINDI DIVISION

†353. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways be pleased to state the present strength of Coupon Sellers by communities in the Rawalpindi Division and the percentage of Muslims to the total number of posts?

(b) How do the Government propose to take steps to increase the Muslim percentage in those ex-cadre posts filled generally by selection?

†Answer to this question laid on the table, the questioner having exhausted his quota.

The Honourable Sir Edward Benthall: (a) and (b). Government understand that these posts have now been abolished.

†354.*

RESTRICTIONS ON BUILDING CONSTRUCTIONS.

355. *Mr. Manu Subedar: (a) Will the Honourable the Supply Member please state when restrictions were placed on building construction by the Civil Departments of the Government of India, Provincial Public Work Departments, Municipalities, Port Trusts, District Boards and other public bodies, and why they were placed?

(b) When was it found necessary to requisition not merely cement but bricks, tiles and all other building material including timber?

(c) Have the reasons for these restrictions not abated now and have Government considered the desirability of relaxing these restrictions?

(d) Has the attention of Government been drawn to the serious overcrowding in Bombay, the harassment to civil population whose places of residence are requisitioned at the instance of the Government of India, and the desirability of permitting some buildings to go up, which will provide accommodation for different classes of people?

(e) Have Government considered that the explosion has dishoused a large number of people for whom it is their duty to provide with housing?

(f) Have they received any representations from provincial Governments generally and particularly from the province of Bombay for relaxation of the restrictions on buildings of all classes or of any particular class?

(g) If Government are not prepared to relax these restrictions and permit necessary buildings to go up, will they explain on the basis of the latest available materials and the needs of the Army for such materials, why permission for buildings that will accommodate civil population should not now be given?

(h) Do Government propose to appoint a Committee including Members of this House to go into this question to advise them?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) In January 1943 the Government of India decided to restrict their own building to such work as was inescapably necessary. They asked Provincial Governments to do the same and to discourage capital works by private parties.

(b) Allocations of cement, bricks, etc., have been made throughout the war according to military necessity.

(c) No.

(d) Government are aware that the accommodation position in Bombay is acute and that considerable inconvenience has inevitably been caused to the civil population. Government propose to build accommodation for Central Government officers in Bombay to relieve congestion as soon as materials can be made available.

(e) The Government of Bombay are taking steps in this matter.

(f) I am not aware of any representation from Provincial Governments suggesting the removal of restrictions on building generally. But the Bombay Government had asked for increased allocations of certain controlled materials for re-building the areas damaged in the recent explosions.

(g) For military reasons, the availability of building materials continues to be short.

(h) No.

Mr. Manu Subedar: Will the Honourable Member give this House such information as will not be of use to the enemy with regard to the military reasons? Will he explain why even for the Government officers' accommodation in Bombay building materials cannot be released?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Because they are required for more urgent military operational purposes.

†This question was withdrawn by the questioner.

Sir Cowasjee Jehangir: Will the Honourable Member say whether these buildings which are required for Central Government officers in Bombay are of a temporary or permanent character?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: I require notice of that question.

Sir Cowasjee Jehangir: At any rate, will the Honourable Member see that they are not to be of a temporary character but of a permanent character and built in localities where they will be useful for other purposes after the war?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: I will draw the attention of the Honourable the Labour Member who is in charge of that particular subject to this question.

Mr. Manu Subedar: Will the Honourable Member assure this House that, in view of the very serious discontent that the needs of the civil population are neglected particularly in Bombay after the explosion which is naturally the result of war, that some special action will be taken to release building material and if it is a question of capital—i.e., finance—that private parties will be permitted to build?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Sir, so far as the damage caused by the explosion is concerned, the Government of Bombay have asked for certain materials and every effort has been made to give priority supplies of these materials. They have asked in particular for steel, Asbestos Corrugated sheets, coal-tar, timber items, and cement, and the requirements of the Bombay Government for these materials have been generally met.

Mr. Manu Subedar: Is the Honourable Member aware that not a single building which would re-house not one of the one-hundred-thousand people who were thrown out have yet been put up seven months after the event, and that the urgency is really great and could not be evaded by merely urging military needs?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Sir, I may point out that in every country which is under war conditions, people who have been bombed out, houses which have been destroyed on account of such catastrophes, Governments have not been able to re-house them or to build new houses for them under existing conditions. The requirements of all Departments, particularly of the Military and the operational needs have to be taken into consideration in releasing as much materials as possible for the civil population, and that is the constant care of the Government of India.

Mr. Manu Subedar: Will the Honourable Member have the question examined by a Committee?

(No reply was given)

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

MACHINERY AND PRINCIPLE FOR FIXING PRICES OF MATERIALS TAKEN BY GOVERNMENT

356. *Mr. Manu Subedar: (a) Will the Honourable the Supply Member please state the machinery and the principle for fixing the prices of materials taken by Government in the case of (i) factories whose total supply is taken, (ii) factories from which partial supplies are drawn, and (iii) merchants, middlemen and contractors from whom material is taken without any reference to where it is manufactured?

(b) Have Government received complaints of wholesale requisitions from different merchants and others at prices lower than what was paid by them?

(c) Is it a fact that Government have requisitioned motor-cars at arbitrary prices and in some cases at half the price paid by the man from whom the car was taken?

(d) Is it a fact that excessive requisitions have been made in commodities frozen in the hands of merchants and Government have never taken delivery nor released those commodities?

(e) Have Government received any representations on these lines?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) Prices are normally fixed by negotiation with the supplier and in consultation with the Finance Department (Supply). The general principle adopted is to arrive at prices that are fair to Government and the supplier in the circumstances of each case.

(i) and (ii). There is no single principle governing negotiations, but the more important types of contracts are—

(1) those in which actual costs are payable with a fixed amount of profit per unit,

(2) those based on actual costs with a ceiling price, and

(3) those in which the prices paid before the war or those thrown up later by competition are accepted as basic prices.

In the few cases in which negotiations fail, prices are fixed according to Undertakings (Charges and Accounts) Order, 1941, subject to an appeal.

(iii) In the case of merchants, middlemen and contractors, the attempt always is to base the price payable on the actual cost to the seller *plus* a margin of profit varying with the class of goods, subject to the provisions of the Hoarding and Profiteering Prevention Ordinance. When the seller's actual cost represents an unreasonable or speculative price and for this reason an agreed price cannot be arrived at, Government determine what a reasonable price should be and in doing so take into consideration the prices thrown up by competition and/or those paid by Government at the beginning of the war *plus* a reasonable extra to cover the subsequent increases in imported or manufacturing costs.

(b) The answer to the first part of the question is in the negative. There have been some representations against the compensation awarded in particular cases on the ground that the amount awarded is less than the price paid by the previous owner.

(c) No.

(d) There have been a few cases in which stores somewhat in excess of outstanding demands have been frozen or requisitioned, as also some instances of delay in taking delivery of or releasing frozen goods.

(e) Yes.

Mr. Manu Subedar: With regard to (d), will Government look to it that the Military and the Supply Department do not follow a dog in the manger policy, i.e., freezing material which is required urgently by the civil population and whether they will not try to release more material for the civil population?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: As far as possible instructions have been issued to release requisitioned materials at the earliest convenient stage.

DELAYS IN FIXING PRICES OF MATERIALS TAKEN BY GOVERNMENT

357. *Mr. Manu Subedar: (a) Will the Honourable the Supply Member please state if it is a fact that in fixing prices from factories whose whole output is taken by Government, there have been long delays and arbitrary rules and factories are called upon to accept prices which they have represented as unfair?

(b) How many such cases have occurred and in what industries?

(c) Do these cases come to the notice of the Honourable Member and, if so, has he considered the advisability of Government paying a fair price and of avoiding action which would appear confiscatory?

(d) Are Government aware that the normal legal remedies to business firms, merchants and industries are suspended through the operation of the Defence of India Rules and there is need for constant watchfulness if serious injustice is to be avoided?

(e) Is it a fact that arbitrary decisions are made with regard to a fair price that there are firms and contractors who have received ten and twenty per cent. over the cost and that there are others who are denied a minimum fair return of six per cent. on their capital?

(f) Can Government explain the very large range and variety of prices fixed for different firms for different articles?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) Delays in price-fixation do sometimes occur, but in all cases in which they are likely it has been usual to pay provisional prices, pending a final decision.

As to the principles governing price-fixation, the Honourable Member's attention is drawn to my reply to the previous question asked by him today. When prices are negotiated, there can be no question of an unfair price and there has been no instance hitherto of price-fixation under the Undertakings (Charges and Accounts) Order in the case of a factory whose whole output is taken by Government.

(b) This does not arise as regards prices in view of my reply to part (a). As regards delays, I regret that it is not possible, without undertaking a laborious examination, to say in how many cases they have occurred.

(c) All important cases of price-fixation come to my notice. The latter half of the question does not arise in view of my reply to part (a) above.

(d) If as I presume, the Honourable Member is referring to price-fixation under the Undertakings (Charges and Accounts) Order, I would point out that an appeal is provided for under that Order. I am aware of the need for constant watchfulness.

(e) The answer to the first part of the question is in the negative. I have already said that the price paid has always been an agreed price and the question of an unfair return does not, therefore, arise.

(f) In negotiating prices, the circumstances of each case must be taken into consideration and differences as regards these must necessarily lead to slight variations in the prices finally fixed. But it is not correct that there exist a very large range and variety of prices.

Mr. Manu Subedar: When the Honourable Member said that one of the basis on which price was fixed for material taken by Government was the actual price *plus* profit per unit, did he mean by that the actual price as given in the accounts of the company, or an imaginary, arbitrary or constructive figure?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Sir, it is difficult to answer that question in reply to a supplementary.

†358.*

MATERIALS ENJOYING CONCESSIONAL TARIFF RATES

359. *Mr. Manu Subedar: (a) Will the Honourable Member for War Transport please state whether there is any class of material which is enjoying a concession in rates, apart from classification, and which is carried at a lower rate than the fixed tariff?

(b) Is material belonging to the U.K.C.C. being carried at concession rates or is the concession to them only confined to priority in point of time for wagons required by them?

(c) Have Government considered the desirability of giving a concession on food carried from surplus Provinces to deficit Provinces and to distress areas having regard to the fact that most of this food moves in bulk?

(d) What is the nature and extent of concession to war material that moves from one place to another?

(e) What is the nature and extent of concession to (i) army personnel, Indian Army, (ii) army personnel, British Army and the Armies of the United States of America as compared with the rates charged to civil population?

(f) Are special charges collected for special trains run for the Army on the basis on which such charges would be taken if a special was ordered by a member of the civil population?

(g) Since when has the special arrangement with the Army to run goods and men at concession rates come into operation?

†This question was withdrawn by the questioner.

(h) Will all papers in connection with this be laid on the table of the House?

The Honourable Sir Edward Benthall: (a) The maximum permissible charge and the minimum permissible charge for the carriage of commodities by rail have been fixed by the Railway Board, and railways are permitted to quote rates within these limits according to the circumstances of each individual commodity. All the rates thus quoted are included in the tariffs published by individual railways. These tariffs are available for sale to the public and, in accordance with section 60 of the Indian Railway Act, the rate books or other documents in which the rate is authorised by the administration or administrations concerned shall be shown to any person at his request at all reasonable times and without payment of any fee. Certain railways have been empowered to charge, for certain commodities, rates higher than the maximum provided for in the general classification of goods, and details of those charges will be found in the goods tariffs of the railways concerned. The only class of material enjoying a rate lower than the minimum class rates fixed by the Railway Board is coal, for which a special rate is in force.

(b) The answer to the first part is in the negative. As regards the second part, there is no favoured priority assistance given to the consignments belonging to the United Kingdom Commercial Corporation.

(c) Foodgrains are carried at relatively low rates and the need for any reduction in these rates is not apparent.

(d) The rates charged for war material and the application of those rates are contained in the Indian Railway Conference Association Military Tariff No. 1, 1943, a copy of which will be found in the library of the House.

(e) The nature and extent of the concession to (i) army personnel, Indian Army, (ii) army personnel, British Army and the United States of America, are contained in the Indian Railway Conference Association Military Tariff No. 1, 1943, whilst the basis of fares charged to the civil population is given in appendix K/I of the Indian Railway Conference Association Coaching Tariff No. 14, in force from the 1st May 1943, a copy of which is also in the library of the House.

(f) No.

(g) The first special arrangement between the railways and the Army dates back to the year 1868. Since that year there have been sundry modifications both in the scope and in the basis of charges.

(h) In view of the reply to part (g), my refusal to lay all the papers on the table of the House will be appreciated.

Mr. Manu Subedar: With regard to carriage of food from surplus provinces to deficit provinces, when the carriage is made on Government account, whether Central or Provincial Government, which latter is a deficit province, why are Government refusing to consider concession rates or low rates or free carriage as a subsidy? Why are they merely adding to one side of the account and debiting the other side of the account?

The Honourable Sir Edward Benthall: Well, Sir, the railways are a commercial undertaking and they are charging low rates for the carriage of food. They have not increased the charges for carrying foodgrains by 12½ per cent. by which the rates of most other commodities have been increased.

Mr. Manu Subedar: In view of the fact that concessions to military transport exist in spite of the fact that the railways are a commercial concern, may I know when famine conditions threaten in many parts of the country—I do not want the answer now—whether he will assure us that Government will consider giving an additional subsidy to food in order to stabilize prices by reducing the charges on the carriage of food from the surplus provinces to deficit provinces?

The Honourable Sir Edward Benthall: No, Sir. These rates are one of the few things in this country which have not been increased since the war began.

Mr. T. S. Avinashilingam Chettiar: What was the answer to clause (f)? I did not hear it.

The Honourable Sir Edward Benthall: No.

Sir Gowasjee Jehangir: I heard the Honourable Member to say that some concession was given to food in the way of low freight rates. If they have been given, who gets the benefit, the consumer or the buyer?

The Honourable Sir Edward Benthall: The person who gets the benefit is the person who pays the freight. Whether it is passed on to the consumer or not is another question. In the present circumstances I very much doubt whether the benefit gets to the consumer.

Mr. President (The Honourable Sir Abdur Rahim): Sir Frederick James.

ESTABLISHMENT OF CENTRAL ROAD BOARD

360. *Sir F. E. James: Will the Honourable Member of War Transport be pleased to state:

(a) if he has considered the recommendations of the Indian Roads Congress held in October, 1943, and of the Conference of Chief Engineers of Provinces and States in December, 1943, relating to the establishment of a Central Road Board to assist in planning, co-ordinating and organising post-war road development; and

(b) if he has taken or contemplates taking in the near future any steps to establish such an organisation which is urgently necessary in view of the plans for road development which are now under active consideration by various Provincial and State Governments?

The Honourable Sir Edward Benthall: (a) The recommendations referred to by the Honourable Member are under consideration in consultation with the Provincial Governments.

(b) The scope and nature of the proposed Road Board is under active consideration, and in the meantime work in connection with planning is proceeding. A recently appointed Chief Controller of Road Transport and Development and his colleagues have started extensive tours with a view to bringing Provinces into the closest consultation with the Government of India on the post-war road plan. It is hoped that within the next six months it will be possible to set out what that plan will be.

Sir F. E. James: May I ask whether the answer that my Honourable friend has just given includes the establishment of the Central Road Board which was recommended by this conference?

The Honourable Sir Edward Benthall: Yes, Sir. The setting up of the Road Board is one of the subjects under discussion with the Provincial Governments and I may add that this question was also discussed by the Standing Committee for Roads which met the other day.

Prof. N. G. Ranga: In view of the fact that the development of rural road transport is very essential and is going to figure very prominently in post-war times, will Government consider the advisability of providing adequate representation on this proposed Board for the representatives of Local Boards in this country?

The Honourable Sir Edward Benthall: The constitution of the Board is one of the questions which is under discussion. If the constitution is to follow anything like the recommendations of the Indian Road Engineers then it will be a technical body and will not contain representatives of particular interests.

Mr. Sri Prakasa: In view of the fact that the Honourable Member has said that the matter is "under consideration" in reply to part (a) and "under active consideration" in reply to part (b) of the question, may I know the difference between mere "consideration" and "active consideration"?

The Honourable Sir Edward Benthall: In the first case I have said that it is "under consideration in consultation with the Provincial Governments" but in the second, where it concerns the Central Government alone, I have said "active consideration", since the latter acts more speedily than when the matter is concerned with the Provincial Governments.

DELAY IN TRANSIT OF POSTAL ARTICLES POSTED IN MADRAS

361. *Maulvi Syed Murtuza Sahib Bahadur: Will the Honourable Member for Posts and Air be pleased to state:

(a) whether it is a fact that postal articles posted in Madras are subjected to delay in transit;

(b) whether it is due to the manning of the Central Sorting Office at Madras with postal hands displacing trained R.M.S. Sorters;

(c) whether it is not a fact that the efficiency of service in the Post Office in the Madras City has deteriorated due to the manning of the Post Office with R.M.S. Sorters;

(d) whether it is a fact that the Central Sorting Office has been taken away from the control of the Presidency Postmaster, Madras, and is now placed in charge of a R.M.S. Divisional Superintendent; if so, whether the R.M.S. trained Sorters have been transferred back to the Central Sorting Office; if not, why not;

(e) in view of the war conditions and the necessity to avoid delays to mails whether it would not be advisable to immediately man the Central Sorting Office with experienced and trained Sorters who are now working in the Post Office;

(f) whether it is not a fact that the Post Office men have sent their representations both direct and through their Unions to be sent back to the Post Office; and

(g) whether it is not a fact that these problems were being considered by the Postmaster-General, Madras, for the past several months, and, if so, why the change of staff was not effected?

Mr. W. H. Shoobert: (a) No, except on rare occasions due either to late arrival of trains or to the receipt of an unusually heavy bulk of mails.

(b) Does not arise in view of the reply to part (a).

(c) It is not a fact.

(d) The reply to the first part is in the affirmative. As regards the second part, in selecting officials for transfer to the Madras Sorting Division preference has been given to those volunteering to work in that Division. To fill other appointments in the new Division, officials already working in the Sorting Branch of the Madras General Post Office have been transferred as a temporary measure. The question of transfer to this Division of officials who were originally recruited as sorters and subsequently absorbed in the Madras General Post Office Group is under examination.

(e) The matter is under investigation by the Postmaster-General.

(f) Yes.

(g) The matter is complicated. It is under the careful consideration of the Postmaster-General.

Prof. N. G. Ranga: How many more months will it take before any definite decision is reached with regard to this very trivial matter.

Mr. W. H. Shoobert: I feel that to the staff concerned the matter is not so trivial. I am afraid I am unable to say how many more months it will take: perhaps the Honourable Member will be able to find that out from the Post Master General, Madras.

(b) WRITTEN ANSWERS

FORCIBLE EVACUATION OF CIVIL PASSENGERS FROM COMPARTMENT BY NAVAL PEOPLE AT SAMAL KOT STATION

362. ***Mr. K. S. Gupta:** Will the Honourable Member for Railways please state:

(a) if it is a fact that a Bengal Nagpur Railway carriage No. 2581, about third from the engine had two third class compartments (accommodating 30 passengers each) attached to the mail from Madras to Calcutta which arrived at Samal Kot by about 10-20 A.M. on the 24th July, 1944;

(b) Is it not a fact that one of the two above compartments was reserved for B.O.Rs., wherein there were four of them sitting whereas in the other there were about 60 civilian passengers including women and children while the accommodation was only for 30?

(c) Is the Honourable Member aware that about twenty-five naval-military people who were waiting on the Samal Kot platform came to the compartment occupied by civilians as above mentioned and demanded the evacuation?

(d) Is it not a fact that these naval people rushed into this civilian compartment as the civilian passengers did not obey their orders and having made forcible entry began to push out the passengers male and female even through the windows of the compartment, in spite of requests and persuasions on the part of the underguard of the train, the Assistant Station Master and the Railway Police?

(e) Is it not a fact that the Chief Guard who came later at the request of one of the navy men encouraged the navy people to push out the civilian passengers and so they did with redoubled violence?

(f) Is it not a fact that one Mr. M. Subha Rao, an advocate of Vizagapatam who happened to be there requested the Chief Guard to accommodate the poor passengers left stranded and divested of their legal accommodation in some of the compartments Inter and Second Class running almost vacant, though some of the poor passengers had Second Class tickets, but the Chief Guard paid no heed to the request on the pitiable cries of the stranded passengers?

(g) Was there any representation made to the Government of India by the above gentleman about the most regrettable and the highly reprehensible conduct of the Chief Guard and the navy men? If so, what is the action taken? If not, why not?

The Honourable Sir Edward Benthall: (a) to (g). A representation from Mr. M. Subba Rao, Vakil, Vizagapatam, was received by Government in July last regarding the incident referred to in the question. This representation was sent for necessary action to the General Manager, M. & S. M. Railway, who is competent to deal with such matters.

CONCESSION *RE* POSTING TO OFFICIALS RETURNING FROM FIELD SERVICE.

363. *Mr. G. Rangiah Naidu: (a) Will the Secretary for Posts and Air be pleased to state whether it is a fact that in his general Circular No. 41, dated the 8th December, 1941, he has allowed some concession in the matter of posting to the officials on their return from field service?

(b) Is it a fact that contrary to the above orders liens of several Postal Sorters in the Punjab have been shifted from one place to another and in some cases from one Division to another in the absence of the officers concerned who are away on war services?

(c) Do Government propose to issue orders to remove the anomaly and earn the gratitude of the officials?

Mr. W. H. Shoober: (a) Yes. The circular referred to by the Honourable Member has since been replaced by circular No. 13, dated the 30th June 1942 to the same effect.

(b) No. The above orders allow officials who have proceeded on field service, the option under certain conditions to choose the station at which they would like to serve, only on their return from field service. Any transfer of liens while the officials are on field service, temporarily made to suit administrative needs, does not contravene the orders cited by the Honourable Member. It does not in fact affect the officials concerned as they can ask to be posted to the station of their choice on their return from the field.

(c) Does not arise.

PANEL OF APPRENTICE TRAIN EXAMINERS ON BENGAL AND ASSAM RAILWAY

364. *Maulvi Muhammad Abdul Ghani: (a) Is the Honourable Member for Railways aware of the fact that on the Bengal and Assam Railway in the year 1944 a panel of Apprentice Train Examiners was formed for absorption in the ensuing vacancies after the completion of prescribed training?

(b) Is it a fact that no communal ratio was observed in the formation of the panel?

The Honourable Sir Edward Benthall: With your permission, Sir, I will reply to questions Nos. 364, 365, 366 and 368 together.

I have called for information and a reply will be laid on the table of the House in due course.

PANEL OF APPRENTICE TRAIN EXAMINERS ON BENGAL AND ASSAM RAILWAY

†365. *Maulvi Muhammad Abdul Ghani: (a) Is the Honourable Member for Railways aware of the fact that in the month of July, 1944, the Bengal and Assam Railway detailed as trainees the first twenty candidates out of the panel of Apprentice Train Examiners formed in the year 1944?

(b) Is it a fact that not a single Muslim was included in the said batch of trainees?

(c) Is it a fact that in these initial recruitments stated in (a) and (b) the fundamental formulæ for the observance of communal ratio was violated?

RECRUITMENT OF APPRENTICE TRAIN EXAMINERS ON BENGAL AND ASSAM RAILWAY

†366. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Railways be pleased to give the following information about the recruitment of Apprentice Train Examiners on the Bengal and Assam Railway in the year 1944;

(i) the number of Muslim candidates who applied for the said posts in response to the advertisement for the appointment of Apprentice Train Examiners;

(ii) the number of Muslims called for interview; and

(iii) the number of Muslims selected for appointments?

SELECTION BOARDS ON BENGAL AND ASSAM RAILWAY

†367. *Maulvi Muhammad Abdul Ghani: (a) Is the Honourable Member for Railways aware of the fact that in Selection Boards for recruitments held on the Bengal and Assam Railway in the year 1940-44 officiating Lower Gazetted Service Muslim officers were included in those Boards?

(b) Is it a fact that the Selection Boards mentioned in (a) were constituted against his assurance given in his speech in the debate of the Central Legislative Assembly, dated the 24th February 1943?

The Honourable Sir Edward Benthall: (a) Government have no definite information but there may have been occasions on which officiating Lower Gazetted Service Muslim Officers were included in Selection Boards for recruitment.

(b) The rules governing recruitment of subordinates are those referred to by the Honourable Member and as far as is known to Government the mandatory provisions of these rules have been complied with on the Bengal and Assam Railway in spite of the exceptionally difficult conditions under which the Railways have been working in recent years.

MUSLIM QUOTA OF APPRENTICE TRAIN EXAMINERS ON BENGAL AND ASSAM RAILWAY

†368. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Railways be pleased to state the methods to make up the quota of Muslims in the recruitment of Apprentice Train Examiners in the year 1944 on the Bengal and Assam Railway?

TEMPORARY POSTS IN CERTAIN CADRES ON BENGAL AND ASSAM RAILWAY.

†369. *Mr. Umar Aly Shah: Will the Honourable Member for Railways be pleased to state the number of temporary posts created in the Junior Scale and the Lower Gazetted Service in all the Departments on the Bengal and Assam Railway during the period from January 1940, to September 1944, and the number of the subordinates promoted to officiate in these posts?

The Honourable Sir Edward Benthall: According to the information readily available with the Government, the number of temporary posts referred to is 141 and that of subordinates promoted to officiate in the Lower Gazetted Service is 138.

*For answer to this question, see answer to question No. 364.

OFFICIATING STAFF IN CERTAIN CADRES ON BENGAL AND ASSAM RAILWAY.

370. *Mr. Umar Aly Shah: Will the Honourable Member for Railways be pleased to place a tabulated statement community-wise showing substantive posts, academic and departmental qualifications of all the subordinate staff promoted to officiate in the posts of Junior Scale and Lower Gazetted Service of all the Departments on the Bengal and Assam Railway during the period from January 1942, to September 1944?

The Honourable Sir Edward Benthall: The information is not readily available and I regret I cannot undertake to collect it under the present conditions.

OFFICIATING OFFICERS IN LOWER GAZETTED SERVICE SENIOR SCALE ON BENGAL AND ASSAM RAILWAY.

371. *Mr. Umar Aly Shah: Will the Honourable Member for Railways be pleased to place a tabulated statement community-wise, before the House showing the number of officiating officers in the Lower Gazetted Service promoted to officiate in the Senior Scale on the Bengal and Assam Railway during the period from January 1942, to September 1944?

The Honourable Sir Edward Benthall: I lay on the table a statement showing the required information readily available with the Government.

Statement showing community-wise the number of officiating officers in the Lower Gazetted Service promoted to officiate in the Senior Scale on the Bengal & Assam Railway during the period from January, 1942, to September, 1944.

Anglo-Indians and Domiciled Europeans	Hindus	Muslim	Total
7	9	1	17

LOWER GAZETTED SERVICE SELECTION BOARDS ON BENGAL AND ASSAM RAILWAY.

372. *Mr. Umar Aly Shah: (a) Will the Honourable Member for Railways be pleased to state if any Selection Boards were held on the Bengal and Assam Railway during the period from January 1940, to September 1944, to select candidates for the Lower Gazetted Service?

(b) If the reply to (a) is in the affirmative, what are, academic and departmental qualifications of Muslims who appeared before those Selection Boards and were not approved?

The Honourable Sir Edward Benthall: (a) According to the information readily available with the Government, two such Selection Boards were held during the current year.

(b) Information is not readily available and Government regret they cannot undertake to collect it.

LOWER GAZETTED SERVICE SELECTION BOARDS ON BENGAL AND ASSAM RAILWAY

373. *Mr. Umar Aly Shah: Is the Honourable Member for Railways aware of the fact that the subordinates who had been promoted to officiate in the Lower Gazetted Service of the Bengal and Assam Railway during the period from the year January 1940, to September 1944, prior to their approval by the Selection Boards, were subsequently approved by the Selection Boards?

The Honourable Sir Edward Benthall: There have been some such cases when posts had to be filled urgently, but this has not happened recently.

RECRUITMENT OF CLERICAL STAFF ON ESTABLISHMENT SECTIONS OF BENGAL AND ASSAM RAILWAY

374. *Mr. Muhammad Nauman: Will the Honourable Member for Railways be pleased to place a statement showing recruitment of clerical staff in the Establishment Sections of all the Departments in the Districts of the

Bengal and Assam Railway bearing the following information during the period from January 1941 to September 1944.

- (i) the total number of vacancies temporary and permanent, separately,
- (ii) the number of non-Muslims employed direct,
- (iii) the number of non-Muslims employed by transfer,
- (iv) the number of Muslims employed direct,
- (v) the number of Muslims employed by transfer,
- (vi) the total period or periods for which non-Muslims were employed in the cases of temporary vacancies; and
- (vii) the total period or periods for which Muslims were employed in the case of temporary vacancies?

The Honourable Sir Edward Benthall: With your permission, Sir, I will reply to questions Nos. 374 and 375 together.

Government have no information and I regret I cannot undertake to collect it under the present conditions.

RECRUITMENT OF CLERICAL STAFF IN ESTABLISHMENT SECTIONS OF BENGAL AND ASSAM RAILWAY

†375. ***Mr. Muhammad Nauman:** Will the Honourable Member for Railways be pleased to state—

(i) the number of vacancies filled by direct recruitment, community-wise; and

(ii) the number of vacancies filled by transfer, community-wise among the clerks in the Establishment Section on the Bengal and Assam Railway during the period from 1941-44?

CLERKS TRANSFERRED TO PERSONNEL BRANCH OF HEAD OFFICE OF BENGAL AND ASSAM RAILWAY

376. ***Mr. Muhammad Nauman:** Will the Honourable Member for Railways be pleased to state the number of clerks in all grades transferred from District offices to the Personnel Branch of the Head Office of the Bengal and Assam Railway during the financial years 1940-1944?

The Honourable Sir Edward Benthall: According to the information readily available, not more than three such clerks were transferred.

PREPONDERANCE OF HINDUS IN WIRE SECTION OF BENGAL AND ASSAM RAILWAY

377. ***Mr. Muhammad Nauman:** (a) Is the Honourable Member for Railways aware of the fact that the Wire Section opened directly under the management of the Deputy General Manager (Tele-Communication) of the Bengal and Assam Railway has been monopolised by Hindus?

(b) If the reply to (a) is in the negative, what is the number of the personnel of the said Department? Were they recruited directly or through transfers from other Departments?

(c) If the reply to (a) is in the affirmative, does he contemplate keeping up the Muslim quota in the said Department?

The Honourable Sir Edward Benthall: (a) and (b). The Wire Section is a comparatively small section of the Chief Transportation Manager's Office and is not a department. Government have no information regarding the number or communities of the staff employed therein.

(c) Such postings are not made on a communal basis.

'D' GRADE POSTS OF OFFICE OF EXECUTIVE ENGINEER, PAKSEY, BENGAL AND ASSAM RAILWAY

378. ***Mr. Muhammad Nauman:** (a) Is the Honourable Member for Railways aware of the fact that all the posts sanctioned in "D" Grades in the office of the Executive Engineer, Paksey, Bengal and Assam Railway, during the year 1944 were filled by non-Muslims?

(b) Will the Honourable Member make a statement about the method adopted for recruitment to this sectional office at Paksey on the Bengal and Assam Railway?

†For answer to this question, see answer to question No. 374.

The Honourable Sir Edward Benthall: I have called for information and a reply will be laid on the table of the House in due course.

NON-NOMINATION OF MUSLIMS ON COMMITTEE OF CO-OPERATIVE SOCIETIES ON BENGAL AND ASSAM RAILWAY.

379. *Maulana Zafar Ali Khan: (a) Is the Honourable Member for Railways aware of the fact that the General Manager of the Bengal and Assam Railway has never nominated Muslims in the Committee of the Co-operative Credit Society, Junior Co-operative Credit Society and the Staff Benefit Fund so far?

(b) If the reply to (a) is in the negative, what are the names of Muslims nominated in the said Committee specifying the particular period?

(c) If the reply to (a) is in the affirmative, does he contemplate nominating Muslims in the said Committee?

The Honourable Sir Edward Benthall: (a) and (b). Government have no information regarding the particulars of such nominations which, however, are not made on a communal basis.

(c) A copy of the question will be sent to the General Manager, Bengal & Assam Railway, for such action as may be deemed necessary.

NON-ADVERTISING OF REORGANIZATION INSPECTORS' POSTS ON BENGAL AND ASSAM RAILWAY.

380. *Maulana Zafar Ali Khan: (a) Is the Honourable Member for Railways aware of the fact that non-Muslims from the Munition Productions and Supply Department, Calcutta, who were exclusively requisitioned temporarily as Re-organisation Inspectors by the Bengal and Assam Railway in the year 1944 to re-organise the Administrative offices were permanently absorbed in the newly sanctioned posts carrying the pay of Rs. 600 per month without advertising or circularising the said posts and examining candidates by Selection Board?

(b) If the reply to (a) is in the negative, will he be pleased to state (i) the date when the posts of Re-organisation Inspectors were sanctioned; (ii) the date when the said posts were advertised or circulated; (iii) the Selection Board held to examine candidates for the said posts; and (iv) the names of Muslims examined?

(c) Is it a fact that no suitable candidates for the said posts were available in the Bengal and Assam Railway?

The Honourable Sir Edward Benthall: I have called for information and a reply will be laid on the table of the House in due course.

DISCONTINUANCE OF DIRECT RECRUITMENT OF SPECIAL INSPECTORS AND SPECIAL CLERKS ON BENGAL AND ASSAM RAILWAY.

381. *Maulana Zafar Ali Khan: (a) Is the Honourable Member for Railways aware of the fact that the Bengal and Assam Railway have discontinued direct recruitment of Special Inspectors and Special Clerks in the Traffic Department which have tended to defeat the purpose of the Home Department's Resolution No. F14/17-B/33-Ests., dated the 4th July, 1934, since 1942?

(b) Is it a fact that suitable Muslims of high academic qualifications were available for the said categories?

The Honourable Sir Edward Benthall: With your permission, Sir, I will reply to questions Nos. 381 and 382 together.

I have called for information and a reply will be laid on the table of the House in due course.

VACANCIES OF SPECIAL INSPECTORS, ETC. ON BENGAL AND ASSAM RAILWAY.

†382. *Maulana Zafar Ali Khan: Will the Honourable Member for Railways be pleased to state the number of temporary and permanent vacancies which occurred in the categories of Special Inspectors, Special Clerks, Claims and Commercial Inspectors on the Bengal and Assam Railway during the period from 1942 to 1944 and the number of non-Muslims and Muslims who were absorbed in the said vacancies through promotions and direct recruitment?

†For answer to this question, see answer to question No. 381.

IGNORING CLAIMS OF MUSLIMS FOR CERTAIN POSTS ON BENGAL AND ASSAM RAILWAY.

383. *Maulana Zafar Ali Khan: (a) Is the Honourable Member for Railways aware of the fact that the Bengal and Assam Railway have not considered the claims of the qualified Muslims for the following posts in the same way as the claims of the members of other communities were considered during the year 1940 to September, 1944:

- (i) District Controller,
- (ii) Assistant Traffic Controller,
- (iii) Supervising Station Masters; and
- (iv) Supervising Assistant Station Masters?

(b) If the reply to (a) is in the negative, what are the number of the staff, community-wise, who were promoted to the said posts during the said period?

The Honourable Sir Edward Benthall: (a) The reply is in the negative.

(b) I regret I cannot undertake to collect the information under the present conditions.

SUBORDINATES ABSORBED IN LOWER GAZETTED SERVICE IN STORES DEPARTMENT OF BENGAL AND ASSAM RAILWAY.

384. *Mr. Muhammad Hussain Choudhury: Will the Honourable Member for Railways be pleased to state the numbers of Muslim and Non-Muslim subordinates absorbed in the Lower Gazetted Service in operative vacancies in the Stores Department of the Bengal and Assam Railway during the period from January, 1942, to September, 1944?

The Honourable Sir Edward Benthall: One subordinate was permanently promoted and twelve were appointed to officiate in the Lower Gazetted Service. All of them are non-Muslims.

PROMOTIONS TO CERTAIN GRADES IN HEAD OFFICE, ETC. OF BENGAL AND ASSAM RAILWAY.

385. *Mr. Muhammad Hussain Choudhury: Will the Honourable Member for Railways be pleased to state the number of Muslims and non-Muslims promoted to "D" "E" "F" and "G" Grades in the Head office and in the office of the District Controller of Stores, Calcutta of the Bengal and Assam Railway during the period from 1942 to 1944 and the substantive posts held by them during these years?

The Honourable Sir Edward Benthall: The information is not readily available and I regret I cannot undertake to collect it under the present conditions.

NON-SELECTION OF MUSLIMS IN STORES DEPARTMENT OF BENGAL AND ASSAM RAILWAY FOR LOWER GAZETTED SERVICE.

386. *Mr. Muhammad Hussain Choudhury: (a) Is the Honourable Member for Railways aware of the fact that Muslims in the Stores Department of the Bengal and Assam Railway have never been examined by Selection Boards for the posts in the Lower Gazetted Service of the said Department?

(b) If the reply to (a) is in the negative will he be pleased to state—

- (i) the number of candidates who appeared before the Selection Boards during the period from 1942 to 1944;
- (ii) their substantive pay and officiating pay in case any candidate who was officiating in higher grade at the time of Selection;
- (iii) their academic qualifications and the total length of service; and
- (iv) the number of Muslims left over with greater experience, and longer service and higher rates of pay than the non-Muslim candidates called for?

The Honourable Sir Edward Benthall: (a) and (b). I have called for information and a reply will be laid on the table of the House in due course.

PROMOTIONS IN HEAD OFFICE OF STORES DEPARTMENT OF BENGAL AND ASSAM RAILWAY.

387. *Mr. Muhammad Hussain Choudhury: Is the Honourable Member for Railways aware of the fact that out of the candidates declared unsuitable by

Selection Boards held in the year 1944 in the Head Office of the Stores Department of the Bengal and Assam Railway for the selection of candidates for promotions to different grades only non-Muslims were promoted?

The Honourable Sir Edward Benthall: I have called for information and a reply will be laid on the table of the House in due course.

DEPOT STAFF OF STORES DEPARTMENT OF BENGAL AND ASSAM RAILWAY.

388. *Mr. Muhammad Hussain Choudhury: (a) Is the Honourable Member for Railways aware of the fact that the Controller of Stores of the Bengal and Assam Railway does not post Muslims in the Depot side?

(b) If the reply to (a) is in the negative what is the present strength community-wise of all the Depots in the following categories:—

- (i) Chief Assistant,
- (ii) Store Keeper Class I,
- (iii) Store Keeper Class II,
- (iv) Assistant Store Keeper,
- (v) Ward Keeper Senior, and
- (vi) Ward Keeper, Junior?

The Honourable Sir Edward Benthall: (a) No.

(b) The information is not readily available and I regret I cannot undertake to collect it under the present conditions.

BALES OF COTTON PIECE-GOODS RECEIVED AT PILKHWA RAILWAY STATION FOR TRANSPORT.

389. *Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state:

(a) the number of bales of cotton piece goods received by the Pilkhwa Railway station on the Delhi-Moradabad Section of the East Indian Railway for transport by rail between the 14th October, 1944, and the 31st October, 1944; and

(b) the number and date of the Railway Receipt together with the quantity and weight shown on the Railway Receipt and invoice under which those bales of cotton piece goods were booked or transported by rail?

The Honourable Sir Edward Benthall: (a) 890 bales.

(b) Government consider that the time and labour involved in compiling the information will be incommensurate with the results to be obtained.

VISIT OF ACCREDITED PRESS CORRESPONDENTS TO RAILWAY WORKSHOPS, ETC.

390. *Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state:

(a) if it is a fact that the Central Government (Railway Board) have invited the Press Association (not registered under any law of the country) to nominate the Accredited Press Correspondents to the Government of India to visit Railway Workshops and other places; if so, what workshops and places were visited by them; and

(b) if it is a fact that those correspondents also submitted a report of their visits to the Central Government (Railway Board); if so, whether it is proposed to lay that report on the table of the House; if not, why not; and if not what the correct fact is?

The Honourable Sir Edward Benthall: (a) Yes. I lay on the Table a list of the workshops and other places visited.

(b) No report was expected from the correspondents and none was submitted to the Railway Board. I understand, however, that several of the principal newspapers published accounts from their accredited correspondents of their experiences during their tour and of the various activities of the railways at the places visited.

List of Workshops and other places visited by Press Correspondents on their tour of inspection of railway activities.

Lahore—

Clothing Factory.
Workshops.
Civil Training Centre.
Divisional Control Office.
Walton Training School.

Bhusaval—

Locomotive Shed.
Carriage & Wagon Repair Sidings.
Indian & European Institutes.

Kalyan—

Electric Overhauling Shops.

Bombay—

Control Office.
Power Cabin.

Matunga—

Workshops.

Madras—

Madras Harbour.
M. & S. M. Railway Control Office and Head Office.
Regional Controller of Railway Priorities Office.

Kharagpur—

Workshops.
Schools.
Institutes.
Grain Shops.
Hospital.

Chittagong—

Port.

Manipur Rd.—

L. of C. Railheads.

Ledo—

L. of C. Railheads.

Amingaon—

Wagon Ferry

Parbatipur—

Transshipment Yard.

Saidpur—

Workshops.

Kanchrapara—

Workshops.

Calcutta—

Calcutta Port.
Howrah Station.
Burn & Co. Wagon Building Works.

Asansol—

Marshalling Yard.
Control Office.
Allotment Office.

Hirapur—

Steel Works.

Pathardih—

Kasundo } Collieries.

Kargali }**Jamalpur—**

Workshops.
Technical School.
Apprentices' Hostels.
Mokameh Ghat—
Transshipment points.

STATEMENT IN HOUSE OF COMMONS RE SHORTAGE IN THE RAISING OF COAL IN INDIA

391. *Mr. K. O. Neogy: Will the Honourable the Supply Member be pleased to refer to his reply to my starred question No. 17 and state:

(a) whether the statement made recently in the House of Commons regarding the shortage in the raising of coal was based upon information supplied by Government;

(b) whether the raisings made in September and October last were so satisfactory as to enable the bad months of November and December to be tided over for the purpose of maintaining sufficient quotas for different classes of consumers within the country;

(c) whether there was no real attempt at organising the office of the Coal Commissioner till it was transferred to the control of the Honourable Member's Department;

(d) whether the target fixed at one time by the Coal Commissioner had to be revised later so as to reduce it;

(e) in what proportion of cases, the targets fixed for individual collieries producing superior grades of coal have been reached or exceeded;

(f) in what proportion of cases the targets fixed for individual collieries producing lower grades of coal have been reached or exceeded;

(g) the reasons for the failure of any class of collieries to achieve the targets fixed; and

(h) the extent to which the collieries producing superior and the lower grades of coal, respectively, are likely to benefit from the financial inducements indicated by the Honourable Member in his reply to part (d) of the aforesaid question?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) Yes, I think so.

(b) No, Sir.

(c) I would invite the attention of the Honourable Member to the answer given by me to part (d) of his question No. 15 on the 1st November 1944. In

that reply I have described the various stages by which the office of the Coal Commissioner was organised.

(d) The Honourable Member is presumably referring to the target fixed for the purposes of the E. P. T. free bonus payable at 6 monthly intervals. This target was not fixed by the Coal Commissioner, but by Government. It has not been reduced.

(e), (f) and (g). Information is not available at present.

(h) It is too early to indicate the extent to which various collieries will be benefited.

REVIEW OF WORK OF COAL CONTROL BOARD.

392. *Mr. K. C. Neogy: (a) Will the Honourable the Supply Member be pleased to make a statement reviewing the work of the Coal Control Board ever since its constitution in the spheres of production and distribution, respectively?

(b) Has any complaint come to the notice of the Honourable Member that the constitution of the Board is not sufficiently representative of different shades of interest and that the duties and functions of the Board as originally conceived have been abridged in practice?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) The Coal Control Board held its first meeting on 3rd May, 1944. The purpose of the Coal Control Board is to advise Government on all matters connected with the working of the Colliery Control Order, 1944, in general and in particular of certain clauses of that Order dealing with the fixation of prices of coal, distribution and stacking of coal and the question of Government issuing directions to any colliery owner prohibiting or limiting the mining or production of any grade of coal or coke. Its members include representatives of the principal mining associations, the Associated Chamber of Commerce, the Federation of Indian Chambers of Commerce and Industry and the Indian Coal Merchants' Association.

(i) The Coal Control Board has held seven meetings. The principal matters upon which it has tendered advice to Government are as follows:—

(1) the fixation of prices of coal and coke;

(2) the issue of orders regarding middlemen's commissions;

(3) the question of prohibiting or limiting the mining or production of any grade of coal;

(4) the possibility of increasing coal production by the adjustment of inter-colliery boundaries;

(5) the question whether Government should protect a particular colliery owner against a land lord if in any case Government orders a colliery to produce coal in a manner to which the land lord objects;

(6) the supply of consumer goods to colliery labour;

(7) the procurement and distribution of mining stores and equipment;

(8) the manner of dealing with complaints about the quality of coal supplied to consumers;

(9) the Coal Commissioner's distribution scheme;

(ii) The advice of the Coal Control Board on these and other matters has been of considerable assistance to Government.

(b) Altogether three representations have been received asking for seat on the Coal Control Board. One from Messrs. Tata Iron and Steel Company is still under consideration. The request from the All-India Trade Union Congress was turned down as matters affecting colliery labour do not directly arise out of the functions allotted to the Board under the Coal Control Order. They were asked to bring any matter affecting labour to the notice of the Government of India in the Labour Department. Certain colliery owners who are not members of one or the other of the recognised Associations wanted a seat on the Coal Control Board, but their request was not granted.

NEW COAL MINES OPENED.

393. *Mr. K. C. Neogy: (a) Will the Honourable the Supply Member please state how many new coal mines have been opened since the control scheme came into operation and in which different areas?

(b) Has any order been issued or is proposed to be issued prohibiting the opening of any new mine otherwise than with the concurrence of Government?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) As far as I know 14 new mines have been opened, most of which are situated in Bihar and Bengal area.

(b) No, Sir.

COAL MINES ACQUIRED FOR WORKING.

394. *Mr. K. C. Neogy: Will the Honourable the Supply Member please state whether Government have acquired or propose to acquire any coal mine for being worked by it? If so, in which areas, for what reasons and on what terms?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Government have not so far acquired any mine. They are considering the question of taking over one colliery on lease. The terms are being negotiated.

PROPOSED INCREASE OF BASIC QUOTA FOR IMPORTS FROM UNITED KINGDOM.

395. *Mr. K. C. Neogy: (a) Will the Honourable the Supply Member be pleased to state whether his attention has been drawn to the statement made by the Chief Controller of Imports on October 18, 1944, to the Andhra Chamber of Commerce that the basic quota for imports from the United Kingdom is proposed to be increased from 12½ per cent. to 50 per cent. in the case of certain goods?

(b) Has his attention been also drawn to the statement of the President of the Indian Merchants' Chamber at its quarterly meeting in Bombay in August last protesting against the present import policy of Government?

(c) Is it a fact that considerable quantities of textiles have been imported from the United Kingdom; and, if so, what has been the total of such imports so far?

(d) What has been the increase in the percentage of quota for imports of soaps, toilet requisites, liquor, bleaching powder, caustic soda, soda ash, sodium bichromate, sodium sulphide and other chemicals, separately?

(e) Is the Honourable Member aware that the increased imports of such goods may force several industries producing these chemicals or using these chemicals for production of consumer goods to close down? Is it a fact that specific assurances of protection or continued Government assistance were given to some of these industries when they came to the Government's aid at the beginning of the war?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: The Honourable Member for Commerce will answer this question.

FERTILIZERS MISSION.

396. *Mr. Manu Subedar: (a) Will the Honourable the Supply Member be pleased to state whether the Mission which came to deal with fertilisers has returned? If so, when is its report going to be published?

(b) Is it a fact that the men connected with this Mission were present or past employees of the Imperial Chemical Industries?

(c) Did Government receive any applications from Indian capitalists to be permitted to set up this industry, and, if so, why have these applications been rejected?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) The Technical Fertilizer Mission has not yet returned to England. The report of the Mission has been received by Government and published.

(b) Mr. G. C. Gowing, the head of the Mission and Mr. Rigg, one of the members, are employed by Imperial Chemical Industries. Mr. T. H. Riley, the third member, is from the Power Gas Corporation Limited, and represents the British Chemical Plant Manufacturers' Association.

(c) Yes.

I would draw the attention of the Honourable Member to my reply to parts (c) and (d) of question No. 341 just answered by me. No applications have been rejected.

PURCHASE OF NITROGEN INDUSTRY PLANTS FROM AMERICA.

397. ***Mr. Manu Subedar:** (a) Will the Honourable the Supply Member be pleased to state if it is a fact that there are several plants for Nitrogen industry set up by the Government of the United States of America for the purposes of the war, which will be out for sale?

(b) If the answer to (a) above is in the affirmative, is there any reason why these plants should not be purchased for India instead of paying heavily for second-hand plants from the United Kingdom?

(c) Have Government put this matter before the Standing Advisory Committee connected with any of the Departments or before any members of the Legislature?

(d) Do Government propose to make a complete statement of their policy in connection with the fertiliser industry?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) Government have no information to this effect, and are not interested in second-hand plant in any case.

(b) Government have no intention of buying second-hand plant from anywhere.

(c) As above.

(d) Government are about to discuss their urgent short-term policy of manufacturing a substantial quantity of badly needed artificial fertilizers with a representative All-India Committee, and with Provincial Governments. They will decide their short-term policy in the light of these discussions.

UNSTARRED QUESTIONS AND ANSWERS

DISMISSALS, ETC., ON CERTAIN DIVISIONS OF NORTH WESTERN RAILWAY.

54. **Mr. Lalchand Navarai:** Will the Honourable Member for Railways be pleased to state:

(a) the number of employees (i) removed from service, and (ii) dismissed on the Karachi, Quetta, Multan and Ferozepur Divisions of the North Western Railway during the half-year ending the 31st March, 1944; and

(b) how many of them appealed and how many were re-instated on each Division, separately?

The Honourable Sir Edward Benthall: A statement giving such of the required information as is readily available in respect of subordinate staff only is attached. Information regarding inferior staff is not readily available and I cannot undertake to collect it under the present conditions.

Statement showing subordinate staff removed from service or dismissed etc. during the half-year ending 31st March 1944 on the Karachi, Quetta, Multan and Ferozepore Divisions of the North Western Railway.

Division	Removed from service			Dismissed from service		
	Number of subordinates removed from service	Number of staff who appealed against their removal from service	Number of staff who were reinstated as a result of appeal	Number of subordinates dismissed from service	Number of staff who appealed against their dismissal	Number of staff who were reinstated as a result of appeal
Karachi	27	2	1	2	2	...
Quetta	3	1	...	2	1	...
Multan	4	...	...	...	...	...
Ferozepore	1	1	...	1	...	...

BENEFIT OF PASSING SUBORDINATE ACCOUNTS SERVICE EXAMINATION EARLIER THAN SENIORS IN RAILWAY ACCOUNTS DEPARTMENTS.

55. Mr. K. C. Neogy: (a) Will the Honourable Member for War Transport please state if it is a fact that the benefit of passing "Subordinate Accounts Service Examination" earlier than seniors is granted to the comparatively junior incumbents in all the Accounts and Audit Departments of the Government of India in one form or another, and that no such facility is conceded in the Railway Accounts Departments?

(b) Is it a fact that in March, 1942, a representation was submitted to the Financial Commissioner of Railways to extend the said facility to the Railway Accounts Departments as well, and that final orders thereon have not yet been passed?

(c) When are orders likely to be passed on the above representation?

The Honourable Sir Edward Benthall: (a) Yes. Some benefit for earlier passing of Subordinate Accounts Service Examination is being conceded in the Civil and Railway Audit Departments but not in the Railway Accounts Department.

(b) and (c). The Honourable Member is presumably referring to the representation received from the N. W. Railway Accounts staff in March 1943. The matter which involves detailed examination from different points of view is under the consideration of the Railway Board but it will be some time before final orders can be issued.

VISITS OF REGIONAL OFFICERS MEERUT, TO CERTAIN STATIONS ON SHAHDARA (DELHI) SAHARANPUR LIGHT RAILWAY.

56. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state:

(a) if it is a fact that the Regional Food Controller, Meerut and the Regional Marketing Officer, Meerut, visited the Railway stations at Bhagpat Road, Baraut, Kandla, Shamli, etc., on the Shahdara (Delhi) Saharanpur Light Railway between the 1st August, 1942, and the 31st October, 1943; if so, on which dates and with what result, if not, what the true fact is;

(b) if it is a fact that the Inspector under those Regional Officers also visited those stations twice in a week during that period; if so, with what result, and, if not, what the true fact is; and

(c) if it is a fact that between the 1st August, 1942, and the 31st October, 1943, no prejudicial act against the movement by rails of goods has been reported by any of the Regional Officers and their Inspectors to the Railway Administration or to the Railway Board or to the Controller of Priorities; if not, when and to whom it was reported?

The Honourable Sir Edward Benthall: A reference has been made to the Provincial Government concerned and a reply will be laid on the table on receipt of a reply from that Government.

PROHIBITION OF MOVEMENT OF SODA ASH AND FULLER'S EARTH ON CERTAIN STATIONS OF RAILWAYS.

57. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state whether it is a fact that the movement of soda ash and fuller's earth by rail for a distance beyond two hundred miles on stations on the East Indian Railway, from stations on the Shahdara (Delhi) Saharanpur Light Railway and from stations on the North Western Railway is prohibited? If so, under whose orders and for what reasons? If not, what is the correct fact?

The Honourable Sir Edward Benthall: The information is being collected and will be laid on the table in due course.

INSTRUCTIONS FOR RESERVATION OF BERTHS FOR MEMBERS OF CENTRAL LEGISLATURE ON NORTH WESTERN RAILWAY.

58. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please lay a statement on the table of the House of the instructions for the reservation of berths for the Members of the Central Legislature from stations on the North Western Railway particularly from Delhi and Lahore Railway stations? If not, why not?

The Honourable Sir Edward Benthall: All Divisional Superintendents on the North Western Railway have received instructions to arrange to give all reasonable assistance to Honourable Members of the Legislative Assembly for the reservation of accommodation for their journeys to and from Assembly Sessions. The Divisional Superintendent, Delhi, has authorised the purchase of tickets by Honourable Members in advance of the date of the commencement of the journey, earlier than it is admissible to the general public, so as to enable Honourable Members to purchase their tickets and secure reserved accommodation with the minimum difficulty.

PROCEDURE RE BOOKING OF GOODS TRAFFIC.

59. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please place on the table of the House a statement of the procedure prescribed and in force on Railways for the forwarding and booking of the goods traffic? If not, why not?

The Honourable Sir Edward Benthall: The general rules prescribed for the booking and forwarding of goods are contained in Chapter I of the Indian Railway Conference Association Goods Tariff No. 26, a copy of which is in the Library of the House.

In regard to the actual supply of wagons, the attention of the Honourable Member is invited to the reply I gave in this House on 9th August, 1943, to Hajee Chowdhury Muhammad Ismail Khan's Starred Questions Nos. 258 and 259.

REFUSAL OF RESERVATION OF BERTHS FROM LAHORE STATION FOR MEMBERS OF CENTRAL LEGISLATURE.

60. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state if it is a fact that reservation of berths from the Lahore station if and when desired by the Honourable Members of the Central Legislature, as a rule, was refused on the ground that there was no room? If so, why; and what useful purpose is served by giving notice of travel a week earlier?

The Honourable Sir Edward Benthall: The answer to the first part is in the negative. The Administration state that no specific complaint to this effect has come to their notice. The second part does not arise.

DISTRICT MAGISTRATES' DIRECTIONS TO CERTAIN RAILWAY STATION STAFF IN UNITED PROVINCE RE MOVEMENT BY RAIL OF COMMODITIES.

61. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state the dates on which the Railway staff at stations within the Meerut and Muzaffarnagar Districts of the United Provinces received directions issued from August, 1942 to date under Rule 81 of the Defence of India Act Rules by the District Magistrates for the movement by rail of commodities mentioned in the direction?

The Honourable Sir Edward Benthall: The information is not readily available and I regret I am not prepared to ask Railways to compile it, as such compilation for the large number of stations involved and for a period of some 27 months would entail an expenditure of time and labour which is not justified in present war time conditions.

MEETING OF REGIONAL FOOD CONTROLLER MEERUT, PRICE CONTROL OFFICERS MUZAFFARNAGAR ETC., AT DELHI.

62. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state:

(a) if it is a fact that a meeting of the Regional Food Controller Meerut, Price Control Officers Muzaffarnagar, a representative of the North Western Railway and the Superintendent, Shahdara (Delhi) Saharanpur Light Railway took place at 5, Underhill Road, Delhi, on the 15th June, 1943; if so, what the proceedings of that meeting were, if not, what the true fact is;

(b) if it is a fact that the loading of through traffic by the Shahdara (Delhi) Saharanpur Light Railway to the North Western Railway is limited to an outside average of forty wagons per day; if not, what the true fact is;

(c) if it is a fact that the Regional Food Controller, Meerut, wrote to the Government for an increase in the "load off take" by the North Western Railway from the Shahdara (Delhi) Saharanpur Light Railway; if so, with what result; if not, what the correct fact is; and

(d) if it is a fact that a meeting of the Regional Food Controller Meerut, Superintendent Shahdara (Delhi) Saharanpur Light Railway and the Assistant Transportation Officer, North Western Railway, Delhi Division, was held on or about the 2nd September, 1943, in the office of the Divisional Superintendent, Delhi Division; North Western Railway; if so, what its proceedings were; if not, what the correct fact is?

The Honourable Sir Edward Benthall: (a) The reply to the first part is in the affirmative. As regards the second part the proceedings are confidential.

(b) The daily quota allotted to the Shahdara (Delhi) Saharanpur Light Railway is 26 N. G. wagons via Delhi Shahdara and 25 N. G. wagons via Saharanpur.

(c) The Regional Food Controller, Meerut is an Officer of the Provincial Government and I am not aware what correspondence he has had with his Government.

(d) As regards the first part, there is no record of any such meeting having been held in the office of the Divisional Superintendent, Delhi. The latter parts do not arise.

CHECKING AND AUDITING OF ACCOUNTS OF SHAHDARA (DELHI) SAHARANPUR LIGHT RAILWAY.

63. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state:

(a) the arrangements of checking and auditing the accounts of the Shahdara (Delhi) Saharanpur Light Railway in 1938 and 1943;

(b) who is the person responsible for the Central Government for the accuracy of those accounts and their correct auditing;

(c) what the qualifications of the Auditors who audited and checked the station accounts in 1943 of that Railway were; and

(d) whether the staff of the Auditor General in India also made the statutory check and audit in 1943 of that Railway; if so, with what result?

The Honourable Sir Edward Benthall: Information is being obtained and will be placed on the table of the House as soon as received.

AMOUNT PER HEAD PAID IN KIND IN THE RAILWAY GRAIN SUPPLY SCHEME.

64. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state the amount per head paid in kind in the Grain Supply Scheme, to Railway servants, stating *inter alia* the expenditure of establishment and miscellaneous added to the actual cost of the grain purchased per maund?

The Honourable Sir Edward Benthall: I would refer the Honourable Member to my reply to Bhai Parmanand's Unstarred Question No. 37, asked in the Legislative Assembly on 6th November, 1944.

COMPLAINTS AGAINST HINDU REFRESHMENT ROOM AT DELHI RAILWAY STATION.

65. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please lay on the table a list of the complaints received against the Hindu Refreshment Room at the Delhi Railway Station on the North Western Railway during the preceding two years, and the action taken thereon?

The Honourable Sir Edward Benthall: Ten complaints were made against the Hindu Refreshment Room at Delhi Station, during the period from 1st November 1942 to 31st October 1944, of which five were, on enquiry, found to be unjustified and in the other five, the Contractor was warned.

REDUCING THE CAPACITY OF TEA CUP ON EAST INDIAN RAILWAY BY MESSRS. BALLABHDAS ESHWARDAS.

66. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state the reasons for reducing the capacity of tea cups from 10 ounces to 5 ounces against the increase in prices of a cup of tea on stations of the East Indian Railway vended and contracted by Messrs. Ballabhdas Eshwardas?

The Honourable Sir Edward Benthall: I have called for information and the reply will be placed on the table of the House in due course.

INCREASE OF PRICE OF TEA CUP ON EAST INDIAN RAILWAY BY MESSRS. BALLABHDAS ESHWARDAS.

67. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state if it is a fact that the rate for a cup of tea sold by Ballabhdas Eshwardas on the East Indian Railway was increased from 0-1-0 to 0-1-6 whereas the North Western Railway refused to increase for the reasons that the present rate admitted of a large margin of profit (Item 10 of the Minutes of a meeting held in Lahore on the 27th May, 1944, of the Sub-committee of the North Western Railway Advisory Committee)?

The Honourable Sir Edward Benthall: The reply to the first part is in the affirmative. But the increase has not been confined to articles sold by Messrs. Ballabhdas Eshwardas, as the prices of articles sold by other vending contractors have also been generally increased on the E. I. Railway. As regards the second part, the N. W. Railway have not agreed to increase the rate for tea because it was advised by its Local Advisory Committee that no increase in rates for tea was called for.

PROSECUTION OF ASSISTANT STATION MASTERS OF RAJPURA STATION.

68. Mr. G. Rangiah Naidu: Will the Honourable Member for Railways please state:

(a) if it is a fact that during the preceding six months two Assistant Station Masters of Rajpura station on the North Western Railway were prosecuted by the Government Railway Police Sub-Inspector, Ambala Cantonment under Section 353/332 of the Indian Penal Code; if so, whether any enquiry was made by the Divisional Superintendent, Delhi Division, North Western Railway, before they were suspended from their office on demand by the said Sub-Inspector; if no enquiry was made, the reasons therefor; if not, what the correct fact is;

(b) if it is a fact that during the preceding six months one Permanent Way Inspector, one Sub-Permanent Way Inspector and three or four Gangmen of Ambala Beat on the North Western Railway were prosecuted by the Government Railway Police Sub-Inspector, Delhi, under Section 353/332 of the Indian Penal Code and on the 30th October, 1944 they were discharged as the charge was not established against them by the Cantonment Magistrate, Ambala Cantonment; if so, whether the Divisional Superintendent made enquiries before they were made over to the Police for presentation in that court; if no enquiry was made, the reasons therefor;

(c) whether the Divisional Superintendent, Delhi Division, North Western Railway made the necessary arrangements for the defence of the Railway servants accused in those cases for offences alleged to have been committed while on duty against the police constables who were in uniforms; if no arrangements have been made, the reasons therefor; and

(d) the amount re-imbursed to those Railway servants who incurred expenditure for their defence and for securing acquittal; if no amount has yet been paid, the reasons therefor?

The Honourable Sir Edward Benthall: (a) The reply to the first part is in the affirmative. As regards the latter portion, no enquiry was considered necessary.

(b) I would refer the Honourable Member to my reply to Unstarred Question No. 19 asked by Mr. Muhammad Azhar Ali on 1st November, 1944. No enquiry was considered necessary.

(c) The reply to the first part is in the negative. As regards the second part, it is not obligatory to do so, nor was it considered necessary.

(d) No claim for disbursement of expenses has so far been preferred by the staff concerned.

MOTION FOR ADJOURNMENT.

FORCING THE KOLHAPUR DURBAR TO ACCEPT DETERIORATED FOODGRAINS.

Mr. President (The Honourable Sir Abdur Rahim): I have received from 12 Noon. Mr. G. V. Deshmukh a motion for adjournment of the business of the Assembly relating to "the action of the Government of India in forcing the Kolhapur Durbar to accept foodgrains much of which was unfit for human consumption".

Has the Honourable Member obtained the consent of the Governor General to his motion?

Mr. Govind V. Deshmukh (Nagpur Division: Non-Muhammadan): No, Sir. It came to my notice only last evening.

Mr. President (The Honourable Sir Abdur Rahim): When was this done?

Mr. Govind V. Deshmukh: A statement was made on November 6th at Kolhapur by the Judicial Minister, who is connected with the Food Advisory Council, to the effect that "nearly two lacs of bags of foodgrains were in stock but much of it was unfit for human consumption. The Durbar had no choice but to accept whatever grain was supplied by the Government of India".

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member ought to have obtained the consent of the Governor General first.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): The matter may be adjourned and taken up tomorrow. How is it possible to obtain prior consent when one learns about a thing the same morning?

Mr. President (The Honourable Sir Abdur Rahim): Honourable Member ought to know what the rules are. The Honourable Member should have applied for the consent of the Governor General and if there was delay in obtaining it, could have explained to the House that the delay was due to that. That would have been the proper procedure. The motion under the circumstances is not in order.

THE PUBLIC DEBT (CENTRAL GOVERNMENT) BILL—contd.

Mr. President (The Honourable Sir Abdur Rahim): The House will now proceed with the discussion of the Motion moved by the Honourable Sir Jeremy Raisman.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I rise to continue my speech of yesterday. The question before the House is whether the securities could be given by the bank on presentation of a certificate from a District Magistrate or whether the bank should insist upon getting a certificate from a court. I have shown and the Honourable Members who moved their amendments have shown that it will be quite sufficient if the District Magistrate certifies that the person who applies for the certificates after the death of the original holder is a member of the joint family and is also its manager. Then there should be no objection in giving him the securities. This is a question which affects the joint Hindu family and I fully sympathise with my friend Mr. Sri Prakasa for his pleading that those customs and manners of the Hindu joint family which have held good for so long should not be disturbed. I am glad to note one thing that in spite of the Western wave that has come in, my Honourable friend has not been carried away by it. My Honourable friend Mr. Sri Brakasa in spite of his sojourn in England has not been swayed away from our customs and manners in spite of this Western wave. But does he know that there are other friends of his, like Dr. Jayakar and Dr. Deshmukh, who profess to be Hindus now and Hindus even after death, are responsible for disintegrating this society of the joint Hindu family. Dr. Jayakar had put in a Bill to say that if a member of a Hindu joint family has secured his professional career by the

help of the joint family property, his earnings should not be considered to be the income of the joint family.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the Bill.

Mr. Lalchand Navalrai: In like manner the Hindu customs and manners are being disintegrated. Now what I am submitting is this: So far as this Bill is concerned a question has been asked by my friend, the Honourable Baronet, as to what is the prejudice against giving a certificate from a court. My Honourable friend has been a member of the Executive Council and also belongs to commercial societies but perhaps he does not know what is happening in courts and therefore does not recognise the cause of the prejudice against courts. For a certificate of a court you have to go to a lawyer and you know how his clerks and others will fleece you first. Then come to the fees of the lawyer and in the court you have to pay stamp duty. They say that there is no stamp to be paid but that is afterwards, not until the certificate is received. But in the first place he pays all costs and also all other things that he has to pay before he gets a certificate. And then there is the delay, which takes away the very purpose or object of the measure. Therefore there is so much of difference between getting a certificate from a District Magistrate and one from a court. In the former case the procedure is very simple. The District Magistrate is supposed to know the joint families in his jurisdiction and as such there will not be much difficulty in getting a certificate from him. So far as that certificate is concerned, if it is obtained, then the responsibility of the bank has gone, because if there are rivals, it will be a question between those rivals. But if satisfactory guarantees are given to the bank and the bank gives away the money, then the question will be between those rivals and they will naturally go to court to establish their own interests. In that way it is most prejudicial to go to court.

It has been said that no court fees will be paid on the certificate when it is obtained from the court. My friend Mr. Sethna quoted one authority; but there are several authorities to show that court fee has to be paid; in practice actually it is being paid in several courts. But apart from that, what does the Succession Act itself say? In that Act there is no provision that the certificate has to be obtained in a joint family by the manager or a member of the family and the practice is also the same. When we go to the civil court asking for a certificate the reply is that the Act does not apply and that the joint family does not require any certificate. If that is so, the Succession Act requires to be amended. What we get is this: we get an order from the court that no certificate in a joint family is needed. Then when we get that order to any authority or any person and show that, we get our money and the transaction is done. In the like manner there should not be much difficulty in doing so.

Then I would like to say a word with regard to limitation. It has been shown that if this is a trust, then certainly section 10 of the Limitation Act which says that no time bar will be recognised in case of trusts will apply; but then I must say very clearly that that section refers to specific trusts. If it is a specific trust, then no limitation can apply. But in any other case, if it is a deposit then article 60 of the Limitation Act applies; and until and unless you make a demand it remains a deposit even for any number of years. It is only when you make a demand—it is three years from that date that are required for coming to court. Therefore there is no question of limitation also involved in this matter. The matter is very simple. We want convenience; we want there should not be any prolonged or protracted proceedings to obtain a certificate and then to receive our own money. It is nobody else's money; if the manager has died, then another manager must have it; the members of the family should have it without any inconvenience; otherwise it will be that people will not invest their money in securities and that will be detrimental to the banks and to the Government. Therefore I hope these amendments that have been tabled will be accepted.

Mr. N. C. Chunder (Calcutta: Non-Muhammadan Urban): Mr. President, several amendments have been suggested to this Bill. Just at the present moment I do not think other clauses need our attention more than clauses T

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and 44, because to my mind they do show a departure by Government from the principles which have hitherto been accepted as principles guiding the relation between the Crown and its subjects.

First, let me take clause 24. There is nothing in the Indian Limitation Act which prevents Government from pleading limitation and therefore there is no question that even now Government can plead limitation

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): How many years can they plead now?

Mr. N. C. Chunder: Any time; just as you and I can plead limitation, Government can plead limitation.

Sir Cowasjee Jehangir: Three years?

Mr. N. C. Chunder: Three years, yes, where three years rule applies; six years where six years rule applies and twelve years where twelve years rule applies. It is only when the Government brings the suit they get sixty years. So far as Government is concerned, as against Government any suit is barred within the ordinary period of limitation. So it is not that they are going to add anything new; but as you are aware, limitation does not end the right; it merely bars the remedy; it does not extinguish the right; and so it has always been that when the Crown deals with its own creditors, the Crown never plead limitation; for after all limitation has to be pleaded and the Crown never pleads limitation for the simple reason that the Crown does not say, "Yes; the right may be there, but your remedy has been barred; therefore I will not recognise your right." That is a position which the Crown never takes and that is why clause 24 is being sought to be introduced today, because there they will create a sort of prescription; they will say, "it is true that it is almost ridiculous for Government to plead limitation, but what can we do? Here is a statute which says that after 12 years we are not to recognise any claim on this security." That is why clause 24 is being brought in. It is to create a sort of prescription in favour of Government; and that, I think, is a departure from the principle which has hitherto been accepted not only in this country, not only in the United Kingdom, but all over the world, so far as the relation between the state and its subjects are concerned. I do not know whether that is the real motive underlying it; but save on this ground I cannot conceive of any other reason why clause 24 has at all been brought into this Bill.

Then with regard to clause 7, the rule was there. In the first place, this proviso was there. It has been said that it was with regard to renewal of a promissory note.—it was not for substitution, but it was in case of renewal. But after all the difference is a difference between Tweedledum and Tweedledee, and Tweedledee is easier to pronounce than Tweedledum, perhaps, because after all you get a renewed promissory note in the name of the new manager. So much the better. Nobody is affected with notice of anybody's prior right. So much the better for the family. So, whether it is renewal or whether it is substitution, the difference is merely academic and it did not at all make any practical difference one way or the other. But the rule was there. After all that was the principle which Government has hitherto accepted, and I will give you the reason why Government accepted that. It is said "Well, you can take out letters of administration at no cost". Supposing I do take out letters of administration I agree with my Honourable friend, Mr. Sethna, that there is no bar in the sense that there is no question of jurisdiction. The court can grant me the letters of administration even though the property belongs to a Mitakshara family. But they have not looked into the effect of section 211 which my Honourable friend, Mr. Avinashilingam Chettiar read out to the House. I shall read it out and I will put my own interpretation on it. This section 211 had never fallen to be considered for the simple reason that it had not been to the interests of Government, it had not been to the interests of anybody, unless he would be a member of the Mitakshara joint family to raise this question; but the question is, assuming that you do get letters of adminis-

tration entitling you to recover the amount on the promissory note, can you get it lawfully? Does it confer on the administrator any title to that money? I say—decidedly not, on section 211. If you read section 211, it says:

“When the deceased was a Hindu, Muhammadan, Sikh or Jaina or an exempted person, nothing herein contained shall vest in an executor or administrator any property of the deceased person which would otherwise have passed by survivorship to some other person.”

Nothing, not even the grant of letters of administration would vest in the administrator any right to the Government promissory notes, if they actually belonged to the Mitakshara joint family. So this clause was put in. In those days, I must say that legislation used to be conducted more carefully. In these days, they are conducted in a very haphazard way. It may be our fault. But some how or other, people who framed laws in those days considered that they were responsible, it may be, because they had no popular criticism until the Bill actually became law. You, Sir, have very much wider experience than any of us can ever hope to attain. You must have seen that most of the Bills drafted now would suffer very much by comparison with the previous legislation. In fact, there have been taunts made by courts off and on. They say ‘We do not know what the legislature meant but we have to give the section some sensible meaning. So let it be so and so’. Things like that have happened. You see that that is one of the reasons why Government in order to protect itself more than to protect the joint family provided that. It is not the case reported in A. I. R. 1942 Lahore which decided for the first time but there were earlier decisions that so far as the joint Mitakshara family is concerned, if the Government promissory notes had passed by survivorship, then they would attract what now has become section 250 of the Indian Succession Act but which in those days was in the Probate and Administration Act. So far as that section is concerned, section 250 or its corresponding section in the Probate and Administration Act, when that Act was in force, would be attracted and so no duty would be payable. In fact, section 19D of the Court Fees Act also says something to that effect. It means this—that even if you leave aside in your affidavit of assets these Government promissory notes it would not harm you. Even then the executor or administrator can recover the money. But leave that aside. That is not the point that we are considering. Why is it that even in 1920, when the Indian Securities Act was passed this proviso was retained. It was for this reason that even with letters of administration you may be safe or you may not be safe. Possibly the courts may say “Well, it does not matter. Here is a third party who has paid the money in accordance with the letters of administration. He being an innocent party is not responsible for it. He cannot be made liable to pay over again.” That may be so or that may not be so. That is a point, however, which it would be difficult to express any opinion on the floor of this House, as you yourself will realise and there may be points of view which may be urged against this view—that even though an innocent party, if he had noticed that somebody was claiming, he would not be safe. That is a point which does not arise now. These difficulties may arise and that is why this protection was made. Let there be some authority which Government appoints. Let him go into the matter. If that authority says—so and so is the representative of the joint family, let the money be paid to so and so, and there is an end to it. So, when Government thinks that that was for the benefit of the Mitakshara joint family, Government ignores that it was more for the benefit of Government itself. For these two reasons, I shall certainly to the extent of any influence that I have in this House resist the passing of clause 7 and clause 24 in the form in which they have been brought before this House.

The Honourable Sir Jeremy Raisman (Finance Member): Sir, I would like to be brief and to be practical in dealing with the points which have been raised in this debate on the consideration motion. I must admit that a good deal more has been said than I anticipated, and I wish to assure the House that it was no part of Government's intention to make any important change in the existing law. Our main object was to produce a simple codification of the present provisions and to adjust them only to the extent necessary to meet

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the changed conditions arising from the greater extent to which Government debt is now held in the form of stock certificates.

The three main points on which interest is concentrated are those which were raised by my Honourable friend Mr. Sri Prakasa. I may say straight-away that I am perfectly prepared to maintain the existing position in regard to all those three points. It follows from that that as regards the first point, namely, receiving of notice of trust, I shall not be able to make any change. That is the present position and as far as I am aware it has always been the position, that notice of trust is not receivable in respect of a Government security. It is not merely a matter of the extreme inconvenience to the agent who is to manage the public debt if he is liable to be involved in litigation regarding the exact beneficiaries of the property in question, but it is also, I believe, the case that, if a notice of trust were receivable, it would militate very greatly against the negotiability of securities. It would mean that the purchaser of a security would never know with whom he has to deal; it would mean that the purchaser of a security might be involved in having to go behind the actual individual in whose name the security is held, and that would be a serious disadvantage to the community at large as well as to the owners of Government securities.

It has been pointed out by my Honourable friend Mr. Sethna that such abatement as is possible of the rigour of this provision has, in fact, been provided in sub-clause (2) which enables the Bank as an act of grace and without any liability to record in its books such directions by the holder of the security for the payment of interest on or the maturity value of or the transfer of the security as the Bank thinks fit. That means to say that for all practical purposes the Bank can accept instructions so long as it is not involved thereby in the legal consequences of having accepted notice of a trust.

On the other two points—clauses 7 and 24—, I am prepared to reproduce the position as it actually exists today. But I must point out that that means that the amendments which have been proposed will have to be carefully considered. Even the amendment of my Honourable friend Mr. Krishnamachari will require some slight change because the existing concession relates only to the renewal of a promissory note, and it also provides for the acceptance of a certificate after such inquiry as may be prescribed. Those two features are not contained in Mr. Krishnamachari's amendment.

Mr. N. C. Chunder: Have you noted Mr. Neogy's amendment?

The Honourable Sir Jeremy Raisman: Yes, I have noted that amendment and I shall make a suggestion in a minute or two.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly Non-Muhammadan Rural): So far as your latter objection is concerned, it is stated in the amendment—by such authority as may be prescribed—and then you can prescribe the method of inquiry also.

The Honourable Sir Jeremy Raisman: I do not think that is quite correct. The power to prescribe the authority would not connote the power to prescribe the inquiry. However, as I shall suggest in a moment, these amendments will require a little time for consideration. I am going to ask, if you will agree, Sir, that we do not today proceed to the clauses but we go on with the other business so as to enable me to prepare amendments which will be, I hope, agreeable to the House and will thus expedite the business of the House.

Mr. President (The Honourable Sir Abdur Rahim): I would agree unless there be any objection on the part of Honourable Members. Some Members might say that they have been taken by surprise as they expected the Bill to go on. If there is no objection, further consideration of the Bill will stand over and the House will proceed to the next motion on the list.

Sir Cowasjee Jehangir: May I ask whether . . .

The Honourable Sir Jeremy Raisman: I am not yet finished. I have got to deal with clause 24. Since I have been asked some questions on this clause, I had better explain what I have in mind at this moment. As regards this

clause, the simple position, as I understand it, is that at the present moment there is no specific limitation with regard to the amount payable on the maturity of a security. There is no limitation in fact, in regard to the principal of a security. There is at the present time a limitation in regard to claims for interest: the limitation is six years. Well, Sir, the Select Committee was prepared to have a simple limitation for 12 years applicable to both principal and interest but that has been widely criticised in the House and, as I said a little time ago, Government has no desire to make any substantive change in the rights of holders of securities. I am, therefore, prepared to amend clause 24 so as to preserve the existing position, that is to say, to remove any provision for a limitation of the principal amount and to restrict the limitation of claims for payment of interest to six years, which is the present position.

The last speaker very rightly pointed out that legislation of this kind has to be drafted with great care and although I have already with me drafts which would carry out the amendments which I am prepared to put before the House, I suggest that it would be very much in the public interest that we should not proceed immediately to the clauses. But if time could be given tomorrow, I think I can explain these amendments to Honourable Members who have studied the matter and secure that the measure is dealt with in a suitable form tomorrow.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North-Arcot: Non-Muhammadan Rural): Does not amendment No. 12 meet the situation?

The Honourable Sir Jeremy Raisman: No, it does not meet the situation because part of the ground covered by that amendment has now been absorbed into clauses 12 and 19. The only thing that is left is the point of limitation, which can be dealt with more simply by an amendment of clause 24.

Sir Cowasjee Jehangir: May I ask the Honourable Member whether, in connection with the point of recognising trusts, any change can be made in this Bill, even if the Honourable Member was willing and the House wanted it? So far as I can make out, you could not make that change in this Bill.

The Honourable Sir Jeremy Raisman: The only thing that could have been attempted in this Bill, I suppose, was to remove from the Public Debt Authority the freedom which it has enjoyed up to this time, not to receive notices of trusts. That is all that could be done; no more positive provision than that could be made.

Sir Cowasjee Jehangir: That would not meet the point of view of the Opposition.

The Honourable Sir Jeremy Raisman: No, it would not.

Mr. Abdul Qaiyum (North-West Frontier Province: General): If there does exist a provision about limitation regarding interest, and if it is the desire of the Government not to bring about any change, would it not be advisable to leave out this new clause altogether, and be content with the law as it is?

The Honourable Sir Jeremy Raisman: In order to reproduce the existing position, it will have to be provided that the limitation is to six years, because this Bill will supersede the present Indian Securities Act in which that limitation is embodied.

Sir Cowasjee Jehangir: May I ask whether the limitation of six years is applied now for the payment of interest?

The Honourable Sir Jeremy Raisman: Yes.

Sir Cowasjee Jehangir: So far as I can remember, I got interest for 25 years on a piece of paper which I had forgot all about. How is it that I got that interest?

The Honourable Sir Jeremy Raisman: It is possible that *ex-gratia* payments have been made. As my Honourable friend Mr. Chunder pointed out, Government do not always stand on their legal rights.

Sir Cowasjee Jehangir: But such a provision would make them stand on their legal rights.

The Honourable Sir Jeremy Raisman: It is already the position under sections 19 and 18A of the Securities Act. There is that limitation:

"The Government shall be discharged from all liability in respect of the security. . . . (a) in the case of payment—after the lapse of six years from the date on which payment was due."

Sir Cowasjee Jehangir: They can do it if they want to. I hope that power will not be taken away.

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

"That the Bill to consolidate and amend the law relating to Government securities issued by the Central Government and to the management by the Reserve Bank of India of the public debt of the Central Government, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I have no objection to the consideration of the Bill clause by clause being postponed and the next item on the agenda being taken up if that is the general desire on the part of the House.

Several Honourable Members: Yes, the consideration of this Bill clause by clause can be postponed.

Mr. President (The Honourable Sir Abdur Rahim): The next item is in the name of the Honourable Dr. B. R. Ambedkar.

THE INDIAN TRADE UNIONS (AMENDMENT) BILL.

The Honourable Dr. B. R. Ambedkar (Labour Member): I do not propose to make the motion* that stands in my name.

THE INSURANCE (SECOND AMENDMENT) BILL.

The Honourable Sir M. Aziz Huque (Member for Commerce, Industries and Civil Supplies): Sir, I move:

"That the Bill further to amend the Insurance Act, 1938 (Second Amendment) be referred to a Select Committee consisting of Mr. Bhulabhai J. Desai, Mr. Abdul Qaiyum, Mr. N. C. Chunder, Mr. Satya Narayan Sinha, Mr. Muhammad Nauman, Mr. H. A. Sathar, Mr. H. Essak Sait, Sir Mchammad Yamin Khan, Mr. Akhil Chandra Datta, Mr. T. T. Krishnamachari, Mr. T. Chapman-Mortimer, Mr. E. L. C. Gwilt, Rai Bahadur Sir Seth Bhagchand Soni, Sir Vithal N. Chandavarkar, Sir Abdul Halim Ghuznavi, Mr. Hooseinbhooy A. Lalljee, Mr. L. S. Vaidyanathan and the Mover and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, in view of certain amendments which have been tabled, let me explain the purpose of this Bill. The Insurance Act was passed in 1938. Some substantial amendments were made in the Act in 1941. But the administration of the Act brought to light several flaws and defects and lacunae. We tried to change it by an Amending Act of 1944 to remove only two of these defects. But in the meantime, the war, the financial structure of the country and the wealth which has accumulated in certain sections have brought about a situation in which the insurance business has fared exceedingly well and there are now many more policy holders with many more companies and in a much stronger position. As a result of that, we feel that the other defects which are vital should not be allowed to remain on the statute book, but that some changes should be made in the law existing for the time being. As Honourable Members are aware there is an Insurance Advisory Committee consisting of representatives of insurance interests in the country and also of persons nominated from among those connected with insurance business and others which have been provided for in the Act. We consulted this Committee and this Committee is in substantial agreement with most of the provisions which are now brought before the House. They aim firstly at affording more protection to the policy holders, secondly, making the insurance companies financially more stable thirdly, eradicating some of the unhealthy practices which

*That this Assembly do recommend to the Council of State that the Bill further to amend the Indian Trade Unions Act, 1926, be referred to a Joint Committee of this Assembly and of the Council of State and that the Joint Committee do consist of Members."

hamper the healthy growth of insurance business in the country. The House will see that the important amendments provide for:

- (i) separate investment of assets in the life insurance fund;
- (ii) raising the life fund to an amount equal to the liabilities under life insurance policies before registering an insurance company for other classes of insurance business, e.g., fire, accident, marine;
- (iii) restricting the amount of commission payable to employers of insurance agents, e.g., Chief Agents, and the terms of their contract;
- (iv) assessing solvency or otherwise of a life insurance company or provident society without taking into account its uncalled capital;
- (v) cancellation of registration of an insurance company or provident society which delays beyond a certain period payment of a claim after it has been adjudicated in a court of law;
- (vi) preventing insurance companies and provident societies from remunerating their executive heads, managers, managing directors, etc., on a commission profit sharing basis;
- (vii) taking away from the scope of Married Women's Property Act, 1874, nominations in favour of wife and children made under section 39 of the Insurance Act; and
- (viii) the transfer and amalgamation of provident societies with the sanction of the Superintendent of Insurance.

These are some of the main features of the Bill. I will not take up much of the time of the House except to explain a few features which we are finding at present difficult. For example under the existing law a foreign insurance company has to submit annually a statement showing the assets held by such insurance company in India and audited by a person duly qualified under the law of the insurer's country. Similarly, clause (b) requires the revenue account of such an insurer to be audited by such an auditor. There is no provision by which any statement of account of a company operating in India being audited by an auditor qualified only under the provisions of the Indian Companies Act. The result is that, as we have seen in war time, if it is a Canadian company or a New Zealand company or any other foreign company outside India, its account is to be prepared in India and sent to the countries of those companies being audited by their qualified Accountants.

This means inevitable delay for a very long time. I feel, Sir, that it is inconsistent with the present position of India that Indian auditors qualified under the Indian Companies Act should not be allowed to audit the accounts of foreign companies as they are able to audit the accounts of big Indian Insurance companies in this country. Similarly there is a provision applicable to a non-British Indian insurance company requiring them to submit revenue account in respect of Indian business in the form set forth in the Third Schedule. On a comparison with section 11 (1) (c), the corresponding section applicable to British Indian insurers, it is found that the words "in accordance with the regulations contained in Part I of the Third Schedule" do not find a place in section 16 (2) (b), though they occur in section 11 (1) (c). This has been taken advantage of by some U. K. and foreign insurance to whom section 16 applies and interpreted to mean that they are not bound to follow the regulations in Part I of the Third Schedule and that only British Indian insurers have to follow them. The result is that information regarding gross premium income under regulation 7 and statements in Forms DD, DDD and DDDD are not supplied by some of the foreign insurers.

From the debates in the Legislative Assembly during the passage of the original Insurance Bill, it appears that Members then understood that the information under Regulation 7 regarding gross income was to be given by U. K. and other insurers also. After the Bill was passed by the Assembly, it was examined in this Department and the discrepancy was noticed. An amendment to bring in line was suggested but the amendment was overlooked and not introduced in the Council of State. I feel today that we should try to rectify this omission and bring it in line with the intention of the Legislature as when the Insurance Act was passed in 1937.

[Sir M. Azizul Huque.]

Then, Sir, there is one difficulty which we are experiencing in the administration of the Insurance Act. Section 29 prohibits the grant of loans and advances to any other company or firm if there are common directors. In other words, one insurance company cannot grant a loan or advance to another company with a common director. Somehow or other, as the legal interpretation stands, it satisfies the law if exactly at the time when the loan was granted there was no common director. And we have seen a case in which there was a common director who retired for some time, the loan was granted and very soon after he came back. (A voice: "After one hour.") One hour or one week is all the same for the purpose of the Act. I feel that that is not desirable and it should not be allowed in the interest of insurance business in this country.

Again, in connection with winding-up proceedings, the Superintendent of Insurance, where he is satisfied that a company is not able to manage its own affairs, can prefer an application to the relevant court for winding-up proceedings. Against any decision the party concerned can file an appeal; but if for some reason or other the Superintendent of Insurance is not satisfied with the decision of the lower court he has no power of appeal. The result is that in many cases owing to some legal defect it is not possible for the Superintendent of Insurance to take proper action.

Then again there are cases where under the present law the managing agent or manager or other officer of an insurance company who properly obtains or wrongfully withholds or wilfully misapplies any property belonging to the insurance company can be prosecuted; but for the purpose of this prosecution, it can be done only by the insurance company or by a policy holder. There was some time ago a case where the managing director of an insurance company misappropriated the funds of the company to the extent of one lakh of rupees. When this misappropriation was discovered the managing director was able to square up with all concerned near about him and no further proceedings were taken against him. We feel that the Superintendent of Insurance should have power to file a complaint, in the interest of the insurance companies and also in the interest of the large body of policy holders concerned. The present law does not give him that power and we feel that it is time when he should have that power, in a proper case where private proceedings are not taken, to take action against the managing director of a company. After all it is necessary to safeguard the interests of the large bulk of policy holders who have no organised opinion of their own for the time being in many cases.

Then we want to take power to see that the managing director should not be able to nominate his successor. We have come across a case where a company entered into a contract with its managing director for a term of 15 years on a very liberal remuneration basis. He was allowed to retire during the term and nominate his successor for the balance of the term on the same remuneration. Now human nature being what it is, one may not be able to find out a successor of the same calibre as the managing director himself; but surely it is not right in the interest of the insurance financial structure of this country that the managing director should have the power to nominate his successor, specially in cases where very liberal terms are offered to him.

Mr. T. Chapman-Mortimer (Bengal: European): May I know the date of that particular incident?

The Honourable Sir M. Azizul Huque: About three years ago.

Sir, there are other provisions in the Bill which go into the structure of insurance business of this country. I will only add one word with regard to section 10. At present an insurance company carrying on life insurance business is not obliged to keep the assets corresponding to life insurance fund separate from its other assets. Keeping of separate assets belonging to the life insurance fund is, however, necessary in the interest of holders of life insurance policies. It is therefore proposed to insert a provision making it

obligatory for insurance companies to keep such assets as distinct from other assets.

Again we have seen cases where an insurance company is not able, or has not enough finance, to pay its policy holders. There have been cases in court and judgments passed, yet no payment has been made; but the company is still merrily functioning and issuing new life policies. It is not in the interest of the financial structure of this country that insurance companies which should take immediate and prompt steps to pay a policy holder should not pay him and yet continue to function and issue new policies.

Then there are other detailed points as regards the paid-up capital and what should constitute paid-up capital and what capital, for the purpose of considering the solvency of the company, should be taken into consideration. One main feature of this Bill is to bring about a demarcation between provident fund societies and insurance companies, and the Bill seeks to provide this no man's land.

I do not think I need narrate the other circumstances. I propose that all these matters and questions of principle should be carefully considered by the Select Committee. I have no intention of hurrying this thing through. I am quite prepared to consider any point of view which may be raised, but I believe the time has come when all these questions of principle should be properly considered in a Select Committee of this House.

Sir, I move.

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

"That the Bill further to amend the Insurance Act, 1938 (Second Amendment) be referred to a Select Committee consisting of Mr. Bhulabhai J. Desai, Mr. Abdul Qaiyum, Mr. N. C. Chunder, Mr. Satya Narayan Sinha, Mr. Muhammad Nauman, Mr. H. A. Sathar, H. Essak Sait, Sir Mohammad Yamin Khan, Mr. Akhil Chandra Datta, Mr. T. T. Krishnamachari, Mr. T. Chapman-Mortimer, Mr. E. L. C. Gwilt, Rai Bahadur Sir Seth Bhagchand Soni, Sir Vithal N. Chandavarkar, Sir Abdul Halim Ghuznavi, Mr. Hooseinbhooy A. Lalljee, Mr. L. S. Vaidyanathan and the Mover and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, I move:

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st January, 1945."

I should like to make it clear at the outset that this is not intended to be a dilatory motion. I have no intention of staying the hands of Government in this matter. But I think the House is aware that on this question of the Insurance Act Government have not been able to evolve an Act which will meet any situation as and when it arises. On the last occasion, in 1941, the then Commerce Member when he brought in an amending Bill in this House said that the House would probably be seeing the last of these amendments. But the Honourable Member now in charge of Commerce has again to bring in another amending Bill. So far as the Bill itself is concerned, I am assured by the interests concerned that there are many provisions which they would probably be welcome with suitable amendments. But on account of the very nature of this amending Bill which seeks to cover a very wide field, I think the Select Committee, unless it is going to be fortified with the opinion of the interests concerned, will not be able to adequately deal with the various provisions of the Bill before us. I should like to state that there are certain clauses which are perhaps very necessary but they are very ambiguous. Take, for instance, clause 16 on which the Honourable the Mover laid stress. Perhaps it

is very desirable but at the same time it seems to serve to lay an embargo on the appointment of a successor to a manager or a managing director altogether in so far as the man who retires has some voice or any say in it. It is rather vague as it stands today.

Again, there are provisions like clause 20 which would need very careful examination. I am glad, Sir, that the Honourable Member has mentioned that he will not hustle the Select Committee and perhaps he will also allow the Select Committee to take evidence provided the interests concerned are prepared to give evidence before the Select Committee. But, I think, on the

[Mr. T. T. Krishnamachari.]

whole the interests will be best served by a postponement of this Bill to 31st January, 1945 by which time, I believe, the interests concerned can send in their opinions, and for the Select Committee to meet thereafter.

I do not know if the Honourable Member will have something to say about this aspect of the matter, but I have moved this motion for the purpose of telling this House that so far as the interests involved are concerned, they have not made up their mind and though they welcome many provisions of the Bill they feel that great scrutiny is necessary and their interests will best be served by a circulation motion rather than by allowing the Select Committee to consider it straightaway. Sir, I move.

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

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st January, 1945."

Sir Vithal N. Chandavarkar (Bombay Millowners' Association: Indian Commerce): Sir, whenever a motion for circulation is moved; my instinct is always to support it, but in this case I believe and I know that the Commerce Department especially the Honourable the Commerce Member has taken particular care to have previous consultations with all interests concerned who have made a special study of this highly technical question.

Sir, I am not at all 'at home' with all the technicalities of the matter, but my information is based on the advice given to me by certain insurance experts from Bombay that on the whole this Bill should be supported and that there should be no delay in enacting the measure. If any question of principle had been brought forward by my Honourable friend, Mr. Krishnamachari, which went to the root of the Bill, I think the House would have been well advised to accept this motion for circulation, but as he has only asked for postponement on the ground that further consideration is necessary, and on the other hand he has welcomed the Bill and he has not attacked any underlying principle of the Bill, I think the best thing for the House would be to support the motion made by the Honourable the Commerce Member.

I believe the meeting of the Select Committee will not be called till the Budget Session. The Bill has been widely circulated and we can go back to our constituencies, especially the Commerce interests, and ask them to fortify us with their views. I am glad, Sir, the Honourable the Commerce Member has provided a very wide basis for the constitution of the Select Committee and those of us who are in the Select Committee can come back to with all the suggestions we receive from our constituencies and place them before the Select Committee. Moreover, in view of the very sympathetic attitude of the Honourable the Commerce Member, I am sure that reasonable suggestions will be acceptable to Government. I have also certain suggestions to make which I shall place before the Select Committee. I shall not take the time of the House except to request this House to accept the motion for reference to a Select Committee.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I have very few words to say. . . .

The Honourable Sir M. Azizul Huque: It is a relief!

Mr. Lalchand Navalrai: To you? All right, I will give you more relief then.

Sir, I rise in the interest of younger companies as I feel that some justice should be done to them. There are two propositions before the House—one is for circulation of the Bill and the other is for referring it to the Select Committee. Personally I do not feel myself competent to say whether sufficient opportunity has been afforded to the commercial interests to examine the Bill or not, but I should be happy if the Bill is circulated for eliciting public opinion because in any case it is not a dilatory motion, for it is not going to be considered by the Select Committee within the next few days.

Sir, I find that young companies have been given some relief in the sense that they have been allowed to give a certain amount of money to the Chief

Agent and the agents. But I would like to draw the attention of the Select Committee to this question when it is considered by them that this relief, which I have mentioned, should not be nullified by any other body. The Honourable Member knows, and the House knows too, that there are certain associations dominating these insurance companies. They take groups of insurance companies in their fold and then give instructions and even lay down the rates of commission which should be given to the Chief Agent and agents. Therefore, if the effect of these provisions is nullified by these extraneous companies, the interests of younger companies will be adversely affected. Therefore I would like to suggest to the Honourable Member that a proviso should be inserted, namely, 'notwithstanding those other companies the provisions of this Bill will be carried'—to safeguard against that. At present if you allow 20 per cent. for agents to the younger companies and if those under whom they work and who dominate them ask them to give lesser, in that case the benefit that you are giving under this Bill will be nullified.

Then, Sir, under the Act, no maximum is laid down in respect of what they should give to the Chief Agent. But now it has been provided that the maximum rate would be 20 per cent. for old companies and 22½ per cent. for younger companies. I would suggest that for younger companies it should be raised to 25. My reason for suggesting this increase is to enable younger companies to secure the services of good Chief Agents who will not otherwise be attracted to younger companies. Under the present Bill if the maximum is fixed at 20 per cent. and 22½ per cent. for Chief Agents of old and young companies respectively, the Chief Agents of the younger companies will be able to keep for themselves only 10 per cent. which is just the same as in the case of Chief Agents of old companies. Unless therefore some further attraction is offered, no good firms would be willing to come forward to work for younger companies. This perhaps was also the view of the non-official Advisory Committee on insurance; their opinion was that it should be given more than 22½ per cent. Considering all these interests of the younger company, I hope the Honourable Member in charge and the members of the Select Committee will not overlook the two points I have specially brought to the notice of the House.

Mr. N. M. Joshi (Nominated Non-Official): May I ask for some information? Some clauses of this Bill refer to Provident Societies and I would like to know from the Honourable Member whether in the consultations which he held before he introduced this Bill, he consulted any representatives of Provident Societies. What is likely to happen is that when the Government of India is thinking of changing this Insurance law, it is quite possible that the interests of these small societies may not be looked after. Whenever Government hold consultations they consult big Insurance companies and it is quite likely that the interests of the small Insurance companies which are not intended for profit-making may suffer. I would like the Honourable Member to tell me whether representatives of the Provident Societies have been consulted before the Bill was introduced.

Prof. N. G. Ranga (Guntur cum Nellore: Non-Muhammadian Rural): I rise to oppose the Bill as a whole and for this reason. Even when the original Bill was brought before this House I raised the point that it is the duty of any Government which has the interests of the people at heart to nationalise this industry, this highly remunerative industry, so that it would be possible for the Government to come into possession of adequate funds for any schemes of reconstruction it may have on hand. Sir, the Reconstruction Committee of the Executive Council has suggested certain schemes which are expected to cost not less than Rs. 1,000 crores in post-war times, and it suggests that a large portion of this money can be obtained through floating loans in this country and encouraging the public to lend to it so that it could be possible for it to finance its reconstruction schemes. What better source of income for such reconstruction schemes can there be than these constantly growing funds,

[Prof. N. G. Ranga]

these accumulating funds of the Insurance companies and insurance business? Why is it that the Government which is anxious to launch upon these very costly and enormously costly reconstruction schemes, does not even consider the idea of nationalising this industry and why is it that Government even though it is prepared to appoint special experts to study the various defects that have come to light in the working of this Act and this profit-making industry has not chosen to appoint two experts to work out a plan for the nationalisation of this industry? I could understand the present position if Government had examined the matter in a scientific and systematic manner with the aid of the requisite experts and in consultation with the interests of commercial concerns in this country and the general public and then came to the conclusion that the nationalisation of this industry is either not advisable or practicable. But they have not made any such effort till now. It is easy for my Honourable friend to think that this suggestion may not be considered very seriously, but it is wrong for him to do so because even in this country there is a precedent. The Government of Mysore. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member may continue his speech after lunch.

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

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

Prof. N. G. Ranga: Sir, I was saying that I was dissatisfied with the Government's failure to begin to enquire whether and in what manner this insurance industry can come to be socialised, so that it will be possible for the Government to find a part of the large funds which the Government of India are anxious to gather at the end of the war in order to finance their proposed and prospective Post-war Reconstruction Schemes. I wish to say, Sir, that this proposal of mine is quite a feasible and business proposition. There is already a precedent in this country. The Mysore Government, I learn from my Honourable friend Mr. Sami Vencatachalam Chettiar, is already managing this industry on a nationalised basis and it is able to give satisfaction to both the policy holders as well as the general public of that State. There is another precedent. There is the Postal insurance business and I am told now that war risks insurance also is undertaken by some relevant section of this Department. So far as postal insurance is concerned, I am assured on very good authority that its operational expenses or management expenses are the lowest, being not more than ten per cent., whereas the lowest expense ratio of the most efficient company in this country is not lower than 20 per cent. Therefore we have these precedents in this country. In addition to this there is an Oxford Economist, Mr. Cole, who says in regard to this question of insurance and the necessity for nationalising it:

"It is best to nationalise insurance, both because it is an important source of funds for capital investment and because the State can give the insured, especially if his means are small, a much better return for his money than is possible with the wasteful duplication of administrative machinery under private enterprise."

The only point that had been brought out by various economists of the last century in England was that private enterprise would be more efficient than state enterprise. Here is an economist who, however, maintains today in 1944, that private industry is wasteful, is more costly and State enterprise can certainly be less expensive and more economical.

Dr. P. N. Bannerjee (Calcutta Suburbs: Non-Muhammadan Urban): Provided we have a State of our own.

Prof. N. G. Ranga: It is quite true that only a Swaraj Government can give the best possible satisfaction. But even as this Government is constituted today, it is busy preparing its schemes in anticipation of the advent of such a Swaraj Government and I wish to protest at the failure of this Government

even to begin its investigations in this direction and see how far it can try to nationalise this industry, so that it will be possible for them to finance better its own reconstruction schemes.

Even in this country the general public opinion has been for sometime in favour of the nationalisation of this industry. Therefore this Government cannot plead ignorance either of that fact or of any sort of a desire on the part of the public that Government should go into this matter with as serious a mind and zeal as is necessary. Sir, as long ago as 1930 the Central Banking Enquiry Committee submitted its report. There was a minority report appended to it and it was signed by my Honourable friend, no less a businessman than Mr. Manu Subedar, who is here on my left and this businessman found it possible even so long ago to advocate the necessity as well as the advisability of nationalising this industry. Therefore I am strengthened in saying that it is a feasible, it is a businesslike, and it is a useful proposition and I do not know why the Government does not wish to undertake it. Here is a friend of mine, Mr. Sami Vencatachalam Chettiar, who has very considerable experience in insurance business, being the Managing Director as well as the President also of a number of insurance companies, and he assures me that it will be the very first business to be managed and managed satisfactorily and also profitably, if only the State would take it up. In this country we have a number of agricultural provinces. They are all in need of reconstruction, in need of industrial development and therefore they want funds. Today from all these areas various insurance companies are collecting funds and taking them over to Bombay or Lahore or Calcutta. All these companies are concentrated in these few prominent cities. What is to happen to the needs of those other agricultural provinces in the way of industrial development? Their Provincial Governments are not enabled, or encouraged or assisted by the Central Government to develop their own social insurance, their own socialised national insurance. This is a question which the Government of India will have to address themselves to.

I wish to record my emphatic protest against a statement made only recently by the Member in charge of Post-war Planning and Development. He said, Sir, that the Government are convinced that in post-war times the greatest encouragement should be given to private enterprise and as far as it would be possible, the basic industries should be carried on by private enterprise and not by the State. If really that represents the attitude and the policy of this Government I wish to protest against it. It is not fair that this Government should try to tie the prospects of the future Government hand and foot by its schemes based on this assumption that private enterprise alone should be encouraged, in regard to the development of the basic industries of this country and not that the State should take up these questions.

I wish to state in this House that the National Planning Committee took it for granted as axiomatic that of those industries which should be necessarily nationalised and socialised, insurance must be the very first one. I am sure there is no difference of opinion as between different political parties in regard to the necessity for nationalising this industry. Therefore I wish to suggest to the Honourable Member in charge of this Bill that he should make a definite statement of the policy of the Government in regard to this particular industry, as to whether or not they are going to consider seriously and investigate the possibilities for the nationalisation of this industry in post-war time. If the Honourable Member is not prepared to give any sort of assurance, if, on the other hand, he only comes to this House to strengthen his hands to control the vagaries of these various private enterprises, which are plying their trade in this particular industry, then I can only tell him that he is doing a wrong thing and he is not doing any justice either to himself or to this House or to the country.

Sir I oppose this measure.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore cum North Arcot: Non-Muhammadan Rural): Sir, it is the considered view of many of us

[Mr. T. S. Avinashilingam Chettiar]
that insurance is eminently fitted to be managed by the Government of the country. It is not only from the point of view of profit, which my Honourable friend, Professor Ranga, emphasised, but also from the point of view of benefit. It will be a happy day if we can have universal and compulsory insurance, which will be of benefit to the poorest and the lowest in the land. But, as has been agreed, it requires something more than the present Government to achieve.

This Bill seeks to amend the Insurance Act which was passed a few years ago. In the matter of insurance, what we should consider is a matter of long range policy. It is not like the joint stock companies which seek to achieve their ends today and pay profit. The insurance investor gets his profits, if I may say so, after a long long time, after 20 or 25 years: possibly he does not get it—his children get it. . . .

Mr. Hoeseinbhoy A. Lalljee (Bombay Central Division: Muhammadan Rural): Life insurance is intended for children.

Mr. T. S. Avinashilingam Chettiar: In these circumstances the duty of the State is great to see that these companies are run properly, that they invest their monies properly, and that their monies are available after a long long time, over which the present insurer has no hold. So I think it is necessary that all provisions which should be made to supervise and look into and look after the proceedings and investment and other aspects of insurance companies are right and necessary. In this matter I would refer to page 6 of the Indian Insurance Year book of 1943. In that they have said:

"The main pitfall of the insurance business is inadequacy of premiums, heavy expenses and heavy early lapses."

I know of insurance companies which in their anxiety to catch a lot of business in the first year give a premium of about 50 per cent. . . .

Mr. Hoeseinbhoy A. Lalljee: They used to give 90 per cent!

Mr. T. S. Avinashilingam Chettiar: Quite possible. I hear that some companies even give 90 per cent. This is done with a view to catch business. with the result that when later premiums fail it becomes a dead weight on the insurance companies. So I do really think that this way of catching business at uneconomic rates of competition should be put an end to in the interests of the policy holder.

Secondly, the matter of heavy expenses comes in when large monies are paid to managers and managing agents; and it is essential to control this for the reason, that today the monies are coming in because people have lots of money in their hands, but the payment which they have to pay back comes much later and so it seems today to the insurance companies that they are carrying on very well, whereas it may not be really so if looked at from the proper long range point of view; and so it is necessary for the Government of any country to make regulations to the effect that insurance companies are conducted on real long range vision.

As regards lapses, the danger is especially present today. We have an inflated currency today; the people have lots of money in their hands, but this amount of money may not come to them in the coming years when inflation slowly subsides and when depression starts, with the result that many people who have gone in for inflated insurance policies today may not be able to pay the premiums in later life; and so I do think that it is necessary in the interests of the companies themselves and it is very necessary in the interests of the insurers or policyholders that restrictions should be put which will prevent these companies going aground.

Now, I would just like to say a few words about the clauses. It is true that in some cases even after the courts have upheld the claims of the insurers, the monies have not been paid. It is unfortunate that such cases exist. In my opinion these are trusts and the trustees, if they are to be real trustees, should not even wait for the claims to go to court, but as soon as they are satisfied that the claims are correct and legal they must be paid immediately.

without any delay. So, I welcome the provision in clause 3 of the Bill which makes it incumbent upon the Superintendent of Insurance to go into these matters when such reports arrive and if necessary cancel the registration.

There are one or two other things which we welcome, *e.g.*, clause 7 which makes it necessary that life insurance funds should be invested and kept apart from other assets of the insurer and providing that a person carrying on life insurance business shall not be entitled to embark on other classes of insurance business, unless the Superintendent of Insurance is satisfied that the life insurance fund is adequate for the purpose. I think this provision is necessary. There are other provisions with which we may agree.

But there are certain provisions in this Bill over which I would like to have the opinions of the people concerned. I have had a talk with the Honourable Member in charge of the Bill and also with my friend, the Honourable Mr. Vaidyanathan, to whose experience in the insurance line I would like to pay a tribute. My Honourable friend the Commerce Member said, when I asked whether he had received any opinions and whether he could give us those opinions, he had one simple line in answer—"What are opinions for? Our insurance Advisory Board has unanimously accepted it". That is rather funny. In a matter like this which concerns provident societies, which concerns commission agents, which concerns many vested interests and which concerns the policyholders' interests also, I would have thought that the Government would have circulated this for public opinion to the various companies concerned and the various interests and people concerned. I have omitted to refer to one very important interest in this insurance business—and that is the interest of the insurance agents themselves. None of these people have been consulted to our knowledge. Not only have they not been consulted, but, as I understand, no pains have been taken to consult them. And may I tell you that unless we have the opinions of the various points of view, it is difficult for laymen to go into the matter and judge it; and so I would like, even within the brief space of time that may be available between now and the coming Session, that this Bill should be circulated to the people concerned, to the various interests concerned, and their opinions received, and not only received, but that the opinions may be circulated to the Members of this House before the Bill comes up again for discussion.

After making this preliminary remark about getting opinion, I would refer only to a few other points. Clauses 4 and 25 refer to the matter of undesirable competition between insurers and provident societies. Clauses 16, 32, 23, 24, 34 and 41 are some of the clauses on which I would like to have public opinion.

So, while generally we support the principle of the Bill, that is, that measures are necessary to see that insurance companies are conducted well and on the right basis and from the point of view of ensuring to the policyholder the payment many years later of what he pays today and while supporting the principle of the Bill, we would request that he should get opinions about many of these provisions that he seeks to put in now.

There is one other matter which I should like to mention before sitting down and that is the amendment to section 29 which the Honourable Member referred to in his speech. In his speech he said that there was a company or there were two companies in which there was a common director. There is a provision in section 29 that you cannot lend money to any director of the company or to any company which has a common director. The gentleman resigned his job just for a day or two, got the money loaned to the other company and then after the transaction was finished he came back and took up his old job. The incident was very enlightening. That only shows how people would like to circumvent the law, wherever it suits their purpose. It is therefore very necessary that provisions should be inserted which will prevent such a thing. We generally support the principle of the Bill.

Mr. Hooseinbhoy A. Lalljee: Sir, I rise to support the motion moved by my Honourable friend the Commerce Member and I should like to congratulate him most heartily for taking this matter up at the earliest possible opportunity. Owing to the war, we really neglected a good deal of our other activities which ought to have been taken into consideration even during the war.

With regard to this Act, it is well known that an amendment was brought in 1938. A large number of vagaries existed then. Great injustice was done to the assurers and the malpractices that were existing were brought to light and if Government were vigilant they would immediately have followed up with other amendments in accordance with the facts which were brought to their knowledge. The facts which the Honourable the Commerce Member has placed before us have been existing even after 1938 and the amendment of 1941. My friend Mr. Chettiar just now placed before us some of the defects and the remedies which are badly needed and I wonder why after all that he has said he still desires that these defects should be allowed to continue to exist even for a day. That legitimate claims in these days should be paid promptly is a question over which I am sure Mr. Chettiar will agree with me and I say, Sir, that the provision that has been made in this respect is necessary and should be put into force immediately.

Then my friend the Honourable the Commerce Member has rightly pointed out the conditions that are prevalent with regard to safety of investments. Here again everybody would agree with the common sense point of view put forward by Mr. Chettiar—namely, that investments belonging to the Life department should be kept separate. The life insurance companies are the trustees and as such it is their bounden duty to see, and we ought to make it compulsory, that funds regarding life insurance must be kept separate from all other funds. In the interests of the assurers, this ought to have been done and I say that it should be done immediately. I do not see why any delay should occur there. Nowadays a number of companies are coming forward and are being floated every day and those who know what happened after the last war should certainly take a lesson and say that before the war ends we must take immediate action to see that those funds which have been gathered from the people for life insurance must be protected.

My friend has also pointed out something with regard to the appointment of the Directors. I think that is a most essential thing to be done. We have seen this sort of thing going on in one of the most influential companies. I was informed that a Director, a very high personage known in society, was the Chairman and the most wonderful thing was that during the time he was on the Board, practically guiding the destinies of the Board his firm was appointed the chief agents and when that was brought to notice what do we find? The gentleman resigns and is re-elected. Very little time passed between the two events. Let us not allow such loopholes. Let it be freely and frankly admitted that, human nature being what it is, the people must be protected.

This is not the only instance. In many other companies these things have been happening. Very recently owing to the action and the vigilance of the Commerce Department and the Industries Department, some mills and some other concerns have come to trouble. My friends have not disclosed the names of the directors of those companies. They have only contented themselves by keeping a control over those concerns but if the names of those directors were disclosed and the connection they have with those companies for a number of years, it would be a great thing to learn whether other companies which have not been caught red-handed would not also have been implicated in those cases. It is a fair assumption to be taken. Somehow or other these things are going on and at least for the life policies I do think that the life companies must be immediately protected. Not a day should pass.

Then, Sir, there is another important thing. I do not know why the Honourable the Commerce Member has not brought in one more clause with regard to the appointment of Chief Agents. At present 40 per cent. of the first premium is allowed directly in the first instance and thereafter 5 per cent. for renewal. There is a Chief Agent and what does he get? And who is this gentleman? Since we first abolished the Managing Agents and brought in the Managing Directors, the commission went on. The son succeeds and the son is naturally as good as the father and furthermore, the Managing Director even today under this Act can appoint his son as the Chief Agent and get 20 per cent. more. That is the way. That is why I say that we ought to make a provision also for the fact that as to what this agent is going to do and who will be that person. It should be provided,

as in the Companies Act, that the person appointed as the Chief Agent by the Managing Director or the Board of Directors shall not be directly or indirectly interested with the Managing Director or any of the Directors of the Board. That must be clearly set out. You do not want the Managing Agent to get the commission but you want his son to get the commission as the Chief Agent. That is the position.

I think everybody knows here that practically all over Europe the life insurance business is run by the Government. In France, Italy and even in Germany the life insurance companies were the business of the Government. In fact, the life insurance companies were working as the agents of the Government. Life insurance business is of such an importance that those Governments have been making it a National Department of the Government. Why should not do the same here? Why should we copy the example of Great Britain? Great Britain is a mighty power, but its population is small and they can manage their affairs very well because there is a strong public opinion there. If this system has existed in Great Britain, it is not right that it should also exist in India. In fact, it ought not to exist in India at all. One really wonders why the life insurance business has not been made a State Department by the Government of India, which is the case all over the world except Great Britain. It is the responsibility of the Government to see that the poor people do insure, the children are insured and that the Government will have to look after them. We started the War Risk Department of the Government, and they can manage it. The insurance companies are mere agents. A day may come when this 40 crores ought not to be spent in any other way except for the use of the Life Insurance Fund and make all the life insurance companies the agents of the Government. As regards the business of trusteeship, nobody can claim my trusteeship, although my son may say that he is my trustee. My trustee is he who keeps my funds for my children and gives them my money when I am no more. That is the duty of the Government and of every National Government. I do hope that during the time of my Honourable friend the Commerce Member he will try to bring in a Bill to that effect and the country will welcome it, the masses will welcome it and most of my friends of the Congress Party and of the Muslim League will certainly support it. I wish to make it clear that most of them will support it, not all. But I am sure the country will welcome it. With these words I support the motion and hope and trust that it will be put into operation immediately.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I am glad Government have brought this measure though I must say there has been considerable delay in putting through some of the improvements which were necessary and but for the war Government had no excuse to make that delay. I am, however, glad to see my friend Mr. Vaidyanathan in this House. He is a man whom we trust and love in Bombay and whose absence we miss. I feel quite sure that with his close knowledge of the working of the companies in Bombay and with his grasp of the issues as between the insurers on the one side and the insured and the various types of life insurance companies and Provident Fund companies on

[Mr. Manu Subedar.]

the other, all the necessary improvements will be made in this measure in the Select Committee.

Sir, I want to refer to one or two small points. In clause 16 there is a definite provision that the Manager shall not be paid except on the basis of a salary and that no commission shall be paid to him. This is a very salutary rule and we all support it. But there is the Branch Manager and there is the Agency Manager and there is the man in a distant part who says he will get you lot of business if you fix him at a salary of Rs. 500. Sir, the company must necessarily tell this new man that we can only give you Rs. 50 a month to start with but "if you bring business to use we shall give you more. We shall pay you on the basis of the business which you bring." While it is perfectly correct that there is evil in the managing system with its commission, with its private family sort of establishment, that evil had to be uprooted and that any variant of that evil in the form of a Managing Director who has got sons and brothers-in-law and various other connections with whom he spreads out in various offices in that company must be done away with. It is quite true that Government should use every vigilance, direct or indirect, and if they have not got a sufficient C.I.D., they should engage a few more. I plead on purely business grounds that there are fields in which people bring business, promise to bring business, talk big and ask for a big salary to start with and it would be fatal to any insurance company to promise large salaries to a Branch Manager or to a small agency or to a distant party who is merely a glorified canvasser but is called a Manager by courtesy. In such cases I feel that the interpretation of clause 16 should be made clearer and there should be no objection to the payment of commission, that is to say, payment by results to people who promise business but who have not yet brought any business.

Then, Sir, with regard to clause 4, it is very desirable that competition between Provident Fund Companies and Insurance Companies should be eliminated, but in making this elimination what have the Government done? Clause 4 decreases the minimum limit for life insurance companies to Rs. 1,000 and increases the maximum limit for Provident Societies to Rs. 750. This is rather strange because the premium of Provident Societies is higher than that of the Insurance Companies. Besides Government have made no provision, as far as I can see, for those who want to get a policy of between Rs. 750 to Rs. 1,000. It is very desirable that this particular range of policies should be also open to the public either by one or the other of this agency. It is also desirable that Provident Societies should be encouraged to develop special type of insurance business which cannot be taken up by insurance companies and should not be encouraged to do business which rather runs counter to the normal and legitimate activities of the insurers.

Then, Sir, I would like to refer to the other point. This Bill seeks to modify sections 27 and 28 of the original Act, and yet it appears that the Government have taken no account of the numerous representations which they have received with regard to the relaxation of the rule by which 55 per cent. of the investments must be made compulsorily in Government and approved securities.

Now, Sir, I want this Government to take this matter logically, not today but at such reasonable time when they are ready for it. Either you take all the money which comes from life insurance business and which, as I said, in the Central Banking Committee's minority report, is capable of running economically and to the advantage of the policy holders. You should take the whole insurance field in your hands and retain all the funds which come and use them for such public purposes as you have got. But if you are going to leave the field to private companies, as you have left it now, then you must consider the business and financial difficulties of those private companies. And in this case my friend Mr. Vaidyanathan will be the very first man to endorse what I am saying. In this case, owing to a progressive fall in the rate of

yield of Government securities, the figures and the well-balanced financial accounts of some of these companies have got into serious difficulties. And they say that they are willing to put it in Government paper but it is not yielding them that rate which they assumed when they started business, the rate which they earned before, and that while the expense ratio remained the same or increased, the yield from the major part of their investments was progressively going down. This is a dilemma which must be considered, having regard to the fact that the Government in England, and following it our own Government here, are promising and threatening that the lower money rate policy will continue. If it is to continue, please consider whether it is possible for insurance companies to lock up their funds in these Government and approved securities to the extent to which they are called upon to do, and whether it does not seriously disturb the financial equilibrium on which they have based their policy so far. On the other hand, as I say, I am entirely in favour of the general suggestion that life insurance business is capable of being managed economically by the State. As a matter of fact in the Government insurance scheme in which Government servants alone are at present admitted,—I do not see why other people also should not be admitted,—the expense ratio is 7 per cent. whereas the expense ratio of the New India Insurance Company, which is the lowest among insurance companies as far as I know, is 23 per cent. Now who loses this 16 per cent? It is definitely lost to the policyholder. It must come out either of less benefit given to him or greater premium charged to him. This is a question, as I said, not in connection so much with this Bill but a matter of permanent policy, and I have no doubt that when Sir Ardeshir Dalal goes into planning and spreads himself out to the extent of so many crores in this direction and so many crores in the other direction and consults the Finance Member, he will find that most of these are mare's nests, that most of these projects he will not have money to carry out. These are high-sounding projects, telling people that they are going to build palaces for them hereafter and my Honourable friend the Transport Member promises to give the third class passenger things which will put to shame the present first class amenities, and so on. All these promises will depend on finance; and I say in the search for more finance, for regularly creating finance in large bulk, life insurance promises the best field. And further, Sir, life insurance has only touched a very small fringe of the population today; it has catered for the rich. Many of the rich people have taken out policies running into lakhs of rupees. But many of the poor people, to whom family life and the desire and anxiety to provide for their children must be as keen and acute, either do not understand it or they have no facilities or in the past they have been cheated by canvassers, by bogus companies and by all sorts of adverse regulations. If they failed to pay one or two premiums their policies used to be confiscated; but now Government have provided that where premiums are paid for a few years, they must be paid something. But are Government aware that the Surrender value of such policies are so low that it is nothing short of expropriation, so far as the poor people are concerned? I say there are a good many evils associated with the insurance enterprise in this country. Recently we see evidence that every bank wants to have an insurance company and every insurance company wants to turn itself into a bank with a common directorate. The same evil that my Honourable friend Mr. Lalljee mentioned, an evil which could not be unknown to Government will arise. I say there is something dangerous in the kind of development which is now taking place and watchfulness was never more required by Government than it will be hereafter. And I trust that not only will the provisions of this Bill, as far as they affect directors, be very much strengthened, but that in practice the Superintendent of Insurance will justify his appointment and satisfy the country that nothing untoward is being done. Because, when the collapse comes it will come simultaneously. But do not let us wait till the collapse comes. Let us be watchful; in the interval let us weed out the bad ones and mete out model punishment to them as a guidance and warning to the others. Sir, I support the motion.

Sir Cowasjee Jehangir (Bombay City; Non-Muhammadan Urban): Sir, I should like to echo the last sentiments of my Honourable friend who spoke just now. Watchfulness will be more necessary perhaps in the future than even today, and the signs are that many evils may crop up which we are not quite certain of just now. I rise to point out two facts which have been repeated twice in this House but which are not quite correct. If Government desire to nationalise life insurance, by all means let them do so. But to say that private companies cost much more to run than if managed by Government is not quite accurate. My Honourable friends Mr. Chettiar and Mr. Manu Subedar said that Government do their insurance work at an expense ratio of 7 per cent. and the best company to Mr. Manu Subedar's knowledge does it at 23 per cent. These are totally different kinds of business and I am surprised that Mr. Manu Subedar should have made this mistake. Government insurance is confined to its own servants, it has to do no canvassing, it carries all the risk itself, it has no investments and no capital to raise; and all it has to do is to register the names of those who are to be insured and the amounts. A private insurance company has to raise capital, has to invest it, has to find its clientele, has to maintain it, and above all, it has to see that it is honestly and efficiently run. A percentage of 23 is not so high; another company may be a little lower. Even if it is 23 per cent. and Government's cost is 7 per cent. all I can say is that Government's expense ratio may be one or two per cent. too high.

Mr. T. S. Avinashilingam Chettiar: What is the lowest rate that you know?

Sir Cowasjee Jehangir: I understand 22 per cent. is the lowest. There is just one more point on which I venture to disagree with my Honourable friend. I am very glad that Government have not brought in a clause to amend that section which provides that insurance companies shall invest 55 per cent. in Government paper. This is not the time to make such a change. If, as my Honourable friend Mr. Chettiar said, safety, stability and honesty are to be our aims and must be our aims, then I think if an amendment is to come to that section, it should come in the other direction. Fifty-five per cent. in Government paper leaves 45 per cent. for the Directors to play about with. I make no insinuation, I make no imputations, but I do think that in some companies 45 per cent. is a little too much for the Directors to play about with.

Dr. P. N. Banerjee: Fifty-five per cent. *plus* the compulsory deposits.

Sir Cowasjee Jehangir: All told it is 55 per cent. The point I was trying to stress was that there is a good deal of temptation now-a-days to get control over companies which have large sums with which the Directors can play about with. That should be discouraged. The more the margin to play about with, the more the temptation for new multi-millionaires to get hold of these companies.

Dr. P. N. Banerjee: What about the old multi-millionaires? They are left to themselves.

Sir Cowasjee Jehangir: Unfortunately, they do not increase. At any rate, Mr. Deputy President, I can only repeat that I am very glad that such an amendment is not before the House. I fully realise the difficulties of insurance companies mentioned by my Honourable friend Mr. Manu Subedar. Government paper is at a very high rate and the return is very low indeed. But they do have 45 per cent. to earn more and if they can invest this 45 per cent. judiciously, I do not think they have reason to grumble, especially when there are companies, at least one to my knowledge where under the Articles of Association, nearly the whole of 100 per cent. is to be put into Government Paper and that company must be affected in the long run. Taxation is now restricted, as much as in England very luckily, but it ought to go further and that ought to help. I have nothing further to say, Mr. Deputy President, except to hope that Government will keep a watchful eye over this great, I will call it national, enterprise and will do their best to see that malpractices

do not creep in, and that when they see the very first signs of such malpractices creeping in, they will not hesitate to bring in legislation before this House and will threaten to do so to stop the malpractices that some people may have in view.

Mr. T. Chapman-Mortimer: Mr. Deputy President, two motions as I understand it are before the House. The first is the motion of the Honourable the Commerce Member that this Bill be referred to a Select Committee. The second is the motion of my Honourable friend Mr. Krishnamachari, who unfortunately is not at the moment in the House: his suggestion is that the Bill be circulated for eliciting public opinion. Now, Sir, we, in this Group, feel that there are very powerful reasons why support should be given to the motion of the Honourable the Commerce Member. At the same time, I personally sympathise very much with the point of view of Mr. Krishnamachari. My Honourable friend Mr. Krishnamachari feels, as many of us do feel, that Government is increasingly by-passing this Assembly by having consultations with powerful people outside, either in the form of Advisory Committees or otherwise, and then they come along and say, "well now; this House, we hope will pass our Bill. We referred it to expert opinion, and expert opinion agrees with us and we think you should put on the rubber stamp and make this Bill an Act"! Now, Sir, from that point of view, I sympathise with the attitude of my Honourable friend Mr. Krishnamachari. At the same time, as I have said, we, in this Group, are not going to support his motion. We believe that the Honourable the Commerce Member and the Superintendent of Insurance,—whom we all welcome here in this House today,—have taken a very great deal of trouble about this Bill. They have sought to improve insurance legislation so as to make it as water-tight as possible. As the two last speakers have said, there is no type of legislation in this country where it is more necessary that Government should adopt an attitude [in my Honourable friend Sir Cowasjee Jehangir's phrase] of watchfulness,—where they should adopt an attitude of very stringent enforcement of the law—than in insurance legislation. I do not propose to weary the House by going into details with regard to most of the 43 clauses in this Bill. I propose to confine myself to three main clauses, namely, clauses 16, 19 and 20. Now, Sir, if Honourable Members will refer to the Bill, they will find that clause 19 seeks to amend section 40 of the Act. As it is a little difficult to follow all this, I may remind the House that section 40 provides for prohibition of payment by way of commission, or otherwise for procurement of business; that is to say, it lays down certain restrictions and conditions upon procurement of insurance business. Now, Sir, with regard to that clause, there are three changes which the Government have in mind. The first change is the proposal in sub-clause (a), to insert after sub-section (1) a new sub-section. That sub-section proposes that so far as the Insurance agent, holding a valid licence from an Indian State is concerned; he should be treated for the purpose of this section and also sections 41 and 43 the same as an agent licensed under the Act to operate in British India. I have not examined closely the precise constitutional significance underlying Government's proposal. This is not the place to raise that. At the same time, I should like to draw the attention of the House to the wording of that proposed new sub-section, *viz.*, the use there of the word 'person'. (We know that an Insurance Agent as defined in the Act is not any person but an individual) and then the Bill says that a "person" holding a valid licence is an Insurance agent under the law of the State should be treated in a certain manner. Well, it may be that that is all right, but until we know what the precise legislation in a State is, it is very difficult for us to express any opinion, more especially as this point has to be studied very carefully, in connection with clauses 16 and 20. In that same clause 19 the Bill provides for reduction from 15 per cent. to 10 per cent. in the commission to be paid to insurance agents. That is a matter that we shall have to examine very carefully in the Select Committee. But I should just like to mention this point to the House when we consider this general proposition.

[Mr. T. Chapman-Mortimer.]

before the House. The point I would suggest for Honourable Members' consideration is this, that there are various kinds of insurance agents; some do all their own work in the way of preparation of policies and so on and so forth, others, may be little more than canvassers. It is obvious that if you are going to reward all these people in the same manner, what may be worth while for a canvasser would not be worth while for some one who is engaging highly qualified staff and who is doing a very large amount of work and probably in some cases in effect providing a guarantee to the insurer, that what is accepted in the way of any particular policy is a policy for which he is standing in the shoes of a guarantor, as it were. In other words, the insurance agent in such a case, is in his own person a guarantee that any business which he gives is good. Well, Sir, I mention that fact because it is very important.

The other point which is important is this. For many years in this country 15 per cent. has been the generally accepted rate that is payable to an insurance agent. The Government have given no clear reason that I can follow for this change. In some cases, Government propose to differentiate between so-called "young" companies and the old companies. I consider this is a most obnoxious principle. It is perfectly true that Government can turn round and say that the precedent is already in the Act. It is in the Act. After a long hard fight, Sir N. N. Sircar had to give way on this point and he made a provision in sub-section (ii) of section 40 to that effect, viz., provided that in the case of life insurers during the first ten years of their business they will be able to pay higher commissions to their agents than older companies will be able to do. This is a most obnoxious principle and I am very surprised indeed that the Government of India have actually embodied it on their own initiative in the Bill. May I explain one of the things that will inevitably follow from it. Let us take an old established insurance company,—I am not talking, of course, of companies like New India because they are strong and so well established that they in the long run will have nothing to fear; or at least perhaps less to fear than others,—but take a smaller and less powerful company. In such a case it has its agents scattered all over the country. These agents are now going to be restricted to 10 per cent. commission. But a few multi-millionaires who make colossal fortunes out of black-marketeering, profiteering and other methods of making money in war time, come along and start insurance companies. In this connection, if I may digress for a moment, I was extremely interested in the remarks of my Honourable friend, Mr. Manu Subedar. He made, if I may say so, one of the best speeches on a technical subject that I have ever listened to in this House, and he drew attention to the activities of those who are forming insurance companies in close connection with banks and those who are forming banks in close connection with insurance companies. This is a subject I know a little about, because I have been studying some of the ramifications of some of these new companies very closely indeed, and, therefore, knowing what I do, and what I am sure Mr. Manu Subedar also knows, I am astonished that the Government of India should have made in the Bill which they have placed before this House a provision to give yet another advantage to some of these people. Frankly I am very surprised indeed that they should have done this and I hope when the time comes they will agree to the deletion of that proviso.

Clauses 16 and 20 must really be taken together, because though the one provides for the restriction of commission of managers and the other deals with chief agents, they cannot be considered apart. The House will remember that in 1937 we agreed unanimously—all parties agreed—that in the case of insurance business the managing agent should be eliminated. Quite properly. We all know the kind of abuses that managing agents of insurance companies and banks indulge in and the unanimous feeling of this House was that these people should go. Now, Sir, if you study carefully these provisions of clauses 16 and 20 linked up with 19 and other aspects of insurance law, which I need not refer to here, it is very clear to me at least that what, in fact, Government is doing—unwittingly no doubt—is to restore the position for managing

agents. The Honourable the Commerce Member mentioned a case—I hope he will tell us much more about it at a later stage—where someone had appointed himself, or got himself appointed, as a managing director for a long term of years. Now, Sir, I do not know when that happened, but if it happened after 1937, all I can say is that something ought to be done about the Commerce Department, because they and their Superintendents of Insurance, especially Mr. Thomas and my Honourable friend, Mr. Vaidyanathan, know very well that the intention of the House was that managing agents should go and if you look in the Companies Act you will find that a managing agent not merely means.....

The Honourable Sir M. Azizul Huque: May I interrupt my Honourable friend for a moment? I do not remember whether I mentioned it then, but actually this happened in an Indian State. If that Bank had been working in British India, it would, I am sure, have encountered many difficulties.

Mr. T. Chapman-Mortimer: Thank you, Sir. I am grateful for this information. But in regard to this question of managing agents, the managing agent is not a person called by that name. The managing agent, according to the definition which Sir N. N. Sircar drafted very largely himself, is a person by whatever name called if such person is in fact a managing agent. If I get my co-directors to nominate me as a managing director on terms which in fact mean that I am a managing agent, all I can say is, the sooner the Commerce Member and his able Assistants get on to me the better! I am not saying this in criticism either of my Honourable friend Mr. Vaidyanathan or his predecessor because I think that they both have done an enormous amount to clean up the insurance business in India, but I mention it as a point for us all to bear in mind. If Government are going to argue that because of this case, you must have this new provision in clause 16 or a new provision in clause 20, I say that if they are going to take that line then we in turn are entitled to say "what have you been doing"? Don't say you have got no powers because we know that under the Insurance Act you have got ample powers to deal with such cases, and furthermore if someone is a managing director but in fact, is a managing agent and that is contrary to insurance law, you are entitled to proceed against him in the Court.

Clause 16 proposes that no manager or other adviser or person acting in an advisory capacity shall be remunerated by way of commission. Now, in regard to this question of commission, I should, first of all, like to say that in common with the Honourable the Commerce Member and the Honourable the Superintendent of Insurance, I entirely agree with them that not merely in insurance business but all over this country there has been widespread abuse of "commission". We all know how many people have been altering their Articles of Association so that commission shall be payable to the managing agents—before E. P. T. for example, and many other cases can be given. Government therefore feel that something must be done about this and so they propose to limit commission. But what then do they do? They merely say that if a man is a manager he may not be rewarded by way of commission. But supposing I am the insurer and I have a manager who formerly has been very valuable to me and has brought me much of business, I say 'I am sorry I cannot reward you by commission any more, so I think you had better join the Board of Directors and I am sure my colleagues will reward you. If they agree with my suggestion and if you become a director you will then be rewarded by way of commission or share in profits'. Now, Sir, it does seem to me fantastic to suggest that when the very people who control a company,—the people who decide its policy, the people who are primarily responsible not merely to the shareholders but to the policyholders,—that these people should be allowed to remunerate themselves in any way they like and nobody else should be allowed to be remunerated on the same basis. Not that I suggest for one moment that they should not be rewarded by way of commission on profits,—Commission on profits may or may not be an excellent way of rewarding your staff

[Mr. T. Chapman-Mortimer.]

or your directors—I merely suggest that for the Government to come along and say to this House 'you cannot reward a manager on the basis of commission on profits while you can do so in the case of a director' is something which I find myself unable to understand—more especially as in my experience Directors very naturally do not pay more to their staff, or to their agents or to their chief agents or to anybody else than they have to pay as a rule. There are of course exceptional Directors. Some of us get more pay than we deserve, but the fact remains that generally speaking Directors are pretty careful about how much they do pay!

Mr. Hoosenbhoy A. Lalljee: Very, very careful!

Mr. T. Chapman-Mortimer: They are not so careful as to how they take remuneration from other companies! I do not want to say any more about that clause, but it will be obvious to the House from what I have already said that I am opposed to it and we in this Group unanimously feel it will, if put into force, in fact, not be enforceable because it will be got round and evaded by all the dishonest people while the honest people will be bound down by it.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): That always happens!

Mr. T. Chapman-Mortimer: But in this case it is liable to much more abuse than usual. My Honourable friend knows very well why; because he is a banker and he has much experience in this matter. He knows, and I know, and most of this House knows that the reason why there has been so much abuse of commission in the last two or three years has been due to financial reasons and not to other reasons such as have been alleged. In other words, primarily the abuses that we have seen in the last two or three years have arisen from the inflationary tendencies which have been so widespread ever since the early part of 1942. In the case of Chief Agents, of course, if Government are going to restrict commissions they must define what an agent is and they have sought to do so in clause 20.

With regard to clause 20, I do not propose to go into any detail, but I would comment again that a feature appears there which appears also in clause 19, namely, the distinction which is sought to be drawn between an agent of a new company and an agent of an old company. It is clear to anyone who has any knowledge of Insurance business that the effect of the latter half of sub-section (3) of the proposed new section 40A will be that many old established insurers will lose business to some of the new Insurance companies that have come into existence as a result of inflation in the last three or four years. So, Sir, we strongly object to that provision also.

I do not think there is anything more that I have to add at this stage except to repeat what I stated in the beginning, namely, that we in this Group support Government in their desire that this Bill should be referred to a Select Committee.

Mr. L. S. Vaidyanathan (Government of India: Nominated Official): The Honourable the Commerce Member will deal with the points raised by the speakers and I am only now answering one or two points raised by my Honourable friend, Mr. Chapman-Mortimer, which bear on the technical side of the issue. Firstly, he referred to section 19 and he said he was not in a position to understand fully the implication of the new clause 1A. I may say in this connection that if there is a British Indian insurer and I will take the case of New India, as it has been already mentioned on the floor of this House, the British Indian insurer transacting business in an Indian State, according to the law as it stands at present, cannot pay commission to an agent of New India confining his activities exclusively to the Indian State unless he takes out double license. The position now is to enable New India to pay commission to that agent he has to take out a license from British India and since he is working as an agent in the Indian State he has to take a license from the State as well. There are laws of other States also which have been

loosely drawn up to the effect that no insurer can pay commission to any agent in India unless that State license also is taken. Let me call that State "A". Then all the agents of New India will have to take licenses not only from Mysore, Baroda etc. but also from British India and that state A. To avoid these anomalies it is now sought to provide that if any agent holds a valid license of an Indian State then he will be also a licensed agent in British India so that the British Indian company can without a double or triple license pay him commission. That is only what is sought to be brought in the terms of that clause.

My Honourable friend Mr. Chapman-Mortimer also objected to the favourable treatment that has been sought to be given to young companies in the provisos to clause 19 and also to some provisos in clause 20. He himself, to the best of my knowledge, played a very important part when the Insurance Bill was passed and became the present Act in the year 1937-38, and at that time the Legislature did make some discriminatory provisions in favour of the young insurers defining them as insurers within 10 years of incorporation, and if we did not repeat that principle then the Government would be criticised on the score that they have not been quite consistent and it has been felt that these are very desirable provisions unless my Honourable friend, Mr. Chapman-Mortimer, is going to make out a case that these provisions are going to militate substantially against the sound working of insurance in general and of these young companies in particular.

He again drew reference to clause 16 in the terms of which it is proposed to limit the remuneration of Managers. Sir, I have been in this position as Superintendent of Insurance for about a year and in this short period the number of applications that have flooded me with respect to starting of new companies has been enormous and more than that very undesirable features have been noticed in that the method of remuneration to be paid to those persons who are at the helm of affairs which are not put in the shape of open rupees, annas and pies but in the shape of modest and pity evoking small figures as 5 per cent. on first premium and 3 to 4 per cent. on renewal premiums. This is a very undesirable feature which should find no place in the Articles of Association of any Insurance Company. Here is Mr. X, the Manager of an Insurance Company and there is a proposal before him to consider whether to accept or reject. Naturally he has to consider the proposal on its own merits as to whether it deserves to be accepted or not. On the other hand human nature being what it is, there may be a sub-conscious suggestion that if he rejects this proposal, 5 per cent. on first premium will not go into his pocket and another 3 or 4 per cent. for another 20 years. It is desired to put down all these undesirable features. Commission of 5 per cent. on the first year's and 2 or 3 per cent. on the renewal premia, which one might say in terms of pity as small, will actually amount to lakhs when companies expand and grow to be very rich and big and we are all visualising the day when Indian insurance companies will grow into big concerns and we have to provide having that day in view.

There was one point made about insurance having been nationalised in Mysore. In Mysore there is a state scheme, as we have the postal scheme which is thrown open to government servants. They have to pay a premium up to ten per cent. on their salaries compulsorily. And there is also a public scheme which is thrown open to the members of the public but there is a great difference between having a public scheme run by Government for the service of the general population and nationalising this insurance industry as a whole.

I have got nothing further to say and I am sure the Honourable the Commerce Member will reply to the other points raised in the discussion.

The Honourable Sir M. Azizul Huque: Sir, I am grateful to the different sections of the House for the favourable response which has been given by the different Parties with reference to the Insurance Amending Bill. In spite of a lurking criticism or suggestion here and there and in spite of my friend Mr. Krishnamachari's motion for circulation, there is no doubt that the consensus of opinion, so far as this House is concerned—and I take it that that

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is a reflex of the opinion in the country—is that the time has come when, merely on the score of ourselves being in the midst of a war, we cannot and should not sit tight, but must do something to rectify some of the abuses which have already crept into in some of the insurance companies and are likely to creep in more in future months or years in the insurance structure of this country. I am really grateful to the Honourable Members of the House for that.

Sir, several questions have been asked as regards the previous consultations and my friend, Mr. Chapman-Mortimer, almost generalised it as the characteristic of Government movements today in the way of bringing legislation by consulting a few persons. I would only remind my friend Mr. Chapman-Mortimer that we are in the midst of a war and in the midst of a war it is not always possible to have the dilatory method of a long-drawn out procedure, particularly in a country like India which, as my friend Mr. Chapman-Mortimer knows, is a vast country with four hundred million people, where quick consultations between one part and another is extremely difficult and specially at the present moment. At the same time, the fact that we have on occasions erred on that side does not indicate that we do not mean to take into consideration all points which are brought to our notice. In this particular case (and here I might say that I do sometimes feel that experts are dangerous horse power which may have to be kept under a certain amount of non-technical control) we did consult a properly constituted body, where there were representatives of all the insurance interests, including the provident societies about which my friend Mr. Joshi asked me, and I must say that on some of the points there was quite lively discussion on the principles which have been embodied in this Bill. We did consult the chief agents. Not only that I promised in that committee that as soon as the Bill is drafted it will be sent to every member of the Insurance Advisory Committee consisting of Indians and Europeans, representatives of business houses, insurance companies, provident societies and other interests. We have done that. It is not my intention, as I said before, to rush through. What I propose is also neither to dilate nor to rush through nor to make any unnecessary delay. Subject to the assent of the Honourable the Law Member, who is always the Chairman of these Select Committees, I do not propose to call this committee earlier than about the beginning of January. In the meantime I want to circulate this Bill once again to the members of the Insurance Advisory Committee. I want to call a formal meeting of the committee, have their views recorded properly and have them circulated to members of the Select Committee.

Mr. E. L. G. Gwilt (Bombay: European): Will the Honourable Member see to it that a copy of this Debate is sent to every member of the Committee?

The Honourable Sir M. Azizul Huque: It will be very difficult for me to arrange that.

Mr. T. Chapman-Mortimer: I do not want to interrupt the Honourable Member but I should like to be quite clear on one point. Supposing this is sent to the Committee and they say "Oh, yes, we want this and this and something else". These are the views of the Advisory Committee and with these if he comes back to this House, does it mean that we are bound to accept them?

The Honourable Sir M. Azizul Huque: My friend knows the constitutional position. When the House is in seisin of a piece of legislation and it goes to a Select Committee, that Select Committee has the fullest right to go into the questions relevant and within the scope of the Bill and this House has a full right to take up that matter which is reported by the Select Committee. My friend Mr. Chapman-Mortimer, as I said, has raised some of the points affecting the issues of the Bill itself. Similarly, it may be that other interests have got their own points of view and I want that the Select Committee should be fully cognizant of the different points of view on the different sections which are incorporated to the Bill itself.

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): Why not have witnesses before the Committee?

The Honourable Sir M. Azizul Huque: I will leave witnesses to the criminal and civil courts. My friend will understand that.

I say that perhaps, in view of the present circumstances regarding paper particularly, it will not be possible for me to circulate this Bill except to some of the important industrial and trade organisations of this country and I do hope that that will at least give the general public, which is interested, an opportunity to consider the merits of the Bill. There are the Associated Chambers of Commerce, the Federation of Indian Chambers of Commerce and Industry and the Federation of Muslim Chambers of Commerce and other organisations of all-India importance. I propose to send this Bill, to ascertain their views to such associations which are of an all-India importance and I want to place their views also before the Select Committee. But having done that my duty is to leave it to the members of the Select Committee and their good judgment. I want the Committee to be appraised of all the opinions on this Bill. After that, it is my intention that subject to the Select Committee coming to a decision on this matter, to take up legislation in the next Session. If there are any other points of importance which arise I shall certainly take them into consideration.

My attention today on the floor of the House and for the last few days has also been drawn to various other objectional and deplorable features in the insurance business of this country. I am fully in agreement with all those who feel the time has come when not only we should be watchful but that we should be particularly watchful that the India of the future is not handed over to a few monopolists in one way or the other. It is a great country and has a greater future before it and it will be an evil day for India when she will be dominated by a few either in the field of politics or economics. I yield to none in my desire that we should take every possible step to see that a few

4 P.M. monopolists do not control the economic future of India. If there is anything in the insurance line by which we can help that objective, I can assure you that we shall not be behind in bringing in relevant legislation in this House and as soon as possible. I am told that there are other malpractices; I am told that there are people who are trying to capture some of these organisations to play with the money which they may have in these concerns. It will be my duty to keep a watch over that thing, and at any stage if I find the situation is coming to such a pass in which it is becoming a feature at least with some of these concerns, we will do our best to bring in the relevant legislation, or at least bring it to the notice of the House through the relevant legislation.

My Honourable friend, Mr. Vaidyanathan, has replied to some of the points which have been raised by Mr. Chapman-Mortimer and others. I do not think I need say anything more. I am quite cognisant of the fact that there will be difference of opinion as to whether industry as a whole or insurance business in particular should be a private enterprise or a state concern. (*An Honourable Member:* "State certainly".) I would certainly welcome that day. But I am personally a bit nervous to take that step immediately today. (*An Honourable Member:* "Why?") Because I find how similar state enterprises are being discussed through questions and resolutions in such ways, as when the station master of a particular station refusing a wagon to a particular person becomes a matter brought up before this Assembly through interpellations—I at least would wait for a little better atmosphere before I think of changing the present system. (*An Honourable Member:* "You must not be afraid of criticism.") I want criticism, I want discussion; but I want my friend also to realise that we are not living one thousand years in the past or one thousand years in the future, but living in today and the atmosphere of today. If leaving the financial and other structures intact in this country, I am asked to break down the entire insurance structure of some of the biggest companies in India which have

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devoted years to making this business a success, and if I am asked by legislation to destroy the whole of that structure, I will hesitate to do it for the time being, at least till a national Government is in power. It is no use my friends criticising me saying that I do not represent the people, and in the same breath coming to me and saying "You must take steps which only a national Government can do". A national Government can only exist when you have got complete confidence in those who are responsible for the decision of questions of policy. I am not saying whether I do represent the people or not. I am not saying whether my Honourable friend is correct or incorrect. All I say is that in the existing state of affairs Prof. Ranga's discussion is not just the proper thing for this House to decide

Prof. N. G. Ranga: Why do you not begin that at any rate?

The Honourable Sir M. Azizul Huque: I am quite prepared, as I say. My objective is quite at one with his. I entirely agree with him and I do hope it will be possible some day—I do not know when that day will come when we can rebuild all the existing structures. I would very much like that the cities of Bombay and Calcutta and Delhi should be rebuilt after wiping away every building. I would desire that every building should be built by the side of the Jumna, but I cannot destroy the buildings which are existing today. That is my difficulty

Mr. T. T. Krishnamachari: Does the Honourable Member want to bring Fort Stikbine on to the Jumna? Ask for the assistance of the War Transport Member!

The Honourable Sir M. Azizul Huque: I do not want to turn Delhi into a Venice by having a few pleasure boats there. But as I say my difficulty is that. I do not know what a national Government will do; they might think of completely destroying this city and rebuilding it. That might be in consonance with their ideal: that might or might not be in the best interests of the country. But situated as I am, I cannot possibly destroy a whole city in order to rebuild it. There are abuses, there have been pitfalls, there have been mistakes; there are things which we desire and desire anxiously to rectify. But I ask of Prof. Ranga seriously, when we rebuild, does he want the whole city of Calcutta, or Bombay or Madras to be demolished and then rebuilt? I am therefore a bit hesitant in expressing my views on this matter, and I think in this Legislature it is the problems of today and the problems of the next few years which should suffice for myself. If I am able through your help to do something better for today, I would ask Prof. Ranga to dream his dream and think only of tomorrow but I will try to do my best, to do what I can, for today. As regards the question of the future of this insurance, I entirely agree that insurance should cover a much wider field, not only life and fire and accident, but there should be insurance of crops, insurance of cattle, insurance against sickness, old age and many other forms of insurance. I yield to none in my desire that all these things should come. But as the Commerce Member in charge of insurance for the time being, I am merely concerned for the time being to see what I can do in order that these things may become possible in the future—to build on a clean solid foundation whatever little structure we are raising today. When the superstructure and the palatial buildings come, Prof. Ranga may have the credit for himself; I shall be happy if I can find that one little brick has been added and that it stands solidly to support the framework. I oppose the circulation motion.

Mr. Deputy President (Mr. Akhil Chandra Datta): Does Mr. Krishnamachari press his circulation motion?

Mr. T. T. Krishnamachari: I am not withdrawing my motion.

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

31st January, 1945.

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the

The motion was negatived.

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

"That the Bill further to amend the Insurance Act, 1938 (Second Amendment) be referred to a Select Committee consisting of Mr. Bhulabhai J. Desai, Mr. Abdul Qaiyum, Mr. N. C. Chunder, Mr. Satya Narayan Sinha, Mr. Muhammad Nauman, Mr. H. A. Sathar, H. Essak Sait, Sir Muhammad Yamin Khan, Mr. Akhil Chandra Datta, Mr. T. T. Krishnamachari, Mr. T. Chapman-Mortimer, Mr. E. L. C. Gwilt, Rai Bahadur Sir Seth Bhagchand Soni, Sir Vithal N. Chandavarkar, Sir Abdul Halim Ghuznavi, Mr. Hooseinbhoy A. Lalljee, Mr. L. S. Vaidyanathan and the Mover and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

THE INDIAN RICE COMMITTEE BILL—*contd.*

Mr. Deputy President (Mr. Akhil Chandra Datta): The next is the motion moved by Mr. Tyson on Tuesday the 7th November, 1944, about the Rice Committee Bill. Prof. Ranga.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): The other day I was saying just before the House rose that it was wrong on the part of the Government to have come forward with this proposal on the ground that they do not make any provision whatsoever for any contribution from the Central Government or the Provincial Governments towards the finances of the proposed committee in addition to the funds that are to be provided by the growers concerned. As I have said before, I have very strong objection to this innovation. It is the duty of the Government here and in the provinces to finance research and other activities intended to benefit those who are interested in the production of various crops in this country and also in various trades and industries. In fact, it has been the practice of this Government to finance more and more schemes of industrial and technological researches in this country in the interests of commerce and industry and Government did not come forward with any proposal to demand that the people concerned should pay for all these services. Indeed the Reconstruction Committee of the Executive Council itself suggests that in post-war times the Central Government as well as the Provincial Governments should finance such activities as scientific and industrial research, planning and technical enquiries undertaken in conjunction with the representatives of industry, geological and mining surveys; the provision of facilities for training technical staff in both subordinate and higher grades, including where necessary, training overseas; obtaining of technical experts from overseas, allocation of priorities for machinery, provision of power and transport facilities, finance, either direct or through some kind of National Development Corporation in which the public can participate, organisation of internal and external markets, *e.g.*, through an Indian Export Corporation; tariffs or other means of safeguarding industries; statistics and commercial information.

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

All these things are proposed to be organised in future and they are to be financed by the Central Government and if necessary by the Provincial Governments also. There is no mention here by the Executive Council Special Committee to the effect that the interests concerned should make any kind of contribution. I do not know why the Government are so very anxious that such an important body of producers as the rice growers should now be made to tax themselves in order to finance all necessary scientific research.

Sir, even the Royal Commission on Agriculture did not approve of the idea of forming a special committee like this for rice crop in this country. It has taken special objection to it on the ground that such committees organising latitudinal researches will only be duplicating the work of various Provincial Governments and may be of the Central Government also and it maintained that so far as paddy growing in this country is concerned, so many people are interested in it that it would be the special duty and responsibility of the Central Government as well as the Provincial Governments to finance the required research and not to throw the burden of the research on the shoulders of the persons concerned.

[Prof. N. G. Ranga]

It is true that the Royal Commission on Agriculture also suggested that certain trades interested in any particular crop may be expected to finance any special research that may be organised for it but it had in its view—and in fact the precedents that have been quoted by my Honourable friend Mr. Tyson also support this view,—only those who are interested in such crops whose export markets had to be developed and in whose production only a few rich and well organised planters are interested. Even if you take the Lac Committee or the Cotton Committee and other committees dealing with tea and coffee, you will find that there are a few very big planters, who are very well organised and who are able to look after themselves. They can form themselves into very able and effective organisations and they are interested in exporting a very large portion of their produce to other countries. Therefore they are anxious to improve the prospects for more and more profitable exports to other countries. And so it might have been argued that it was desirable on the part of the Government to have expected them to finance their own marketing organisation. But so far as rice is concerned, even what we produce in this country is not enough. We do not want any outside markets for our rice. We are only anxious to cater to our own consumers in this country. It is only if we produce more and more it will be possible to make India self-sufficing in the matter of rice. Therefore the question of trying to find markets outside India does not arise and I do not know why the Government are so very particular that this committee should be formed at this stage and that it should be financed only at the cost of the producers.

It may be argued that after all this particular cess is so small and that it is expected to be recovered from the rice mill owners and therefore it is not likely to fall on the shoulders of the peasants. This is a wrong impression and wrong assumption also. In actual practice, it has been found in the South as well in the Punjab, where the Sales Tax has been imposed that although it had to be paid in the first instance by the tradesmen, it had necessarily either to be deducted from the price that was being paid to the peasants or to be added on to the price the consumers had to pay. So, this particular cess can be shifted on to the shoulders of the peasants and this will certainly happen in post-war times when the imports from Burma, Siam and other countries would be coming in and every ton of these imports would be able to settle the price of the total production of rice in this country and in those days we cannot be quite sure whether the Government of India would be quite willing to come forward and give the necessary protection against these imports. In these circumstances what will happen is that the peasants will have to bear the burden of this particular cess.

Then, Sir, this is only the thin end of the wedge. There is no guarantee that it will stop here. Now, the Government have come forward with this proposal of six annas per ton. Once we pass this Bill and allow this Committee to be established, it will be open and possible for the Government also to come forward and propose an increase in the rate of the excise duty. The burden will grow and will go on increasing and these burdens will be in addition to those which the peasants have to bear in the provinces. I want to register my protest against this method of indirect taxation and increasing the financial burdens that are being levied upon our peasants.

Coming to the proposed functions of this Committee, I find that even in this regard. Government has not been sufficiently liberal or far sighted. Even in the Final Act of the United Nations Conference on Food and Agriculture which has been proposed in pursuance of the recommendations of the Hot Springs Conference in America about two years ago, we find that they propose to work to better the condition of the rural populations, organisation and successive stages in the distributing and marketing, methods of reducing costs of production and distribution, demand and prices, trends of fluctuations in production, prices and the incomes of the peasants, provision and use of credit for agriculture, scale of enterprise, economical use of labour and machinery and gross and net income in relation to output and consumption.

There is no mention at all of any of these items. Then, Sir, domestic and international trade also ought to be studied according to this Hot Springs Conference—and other aspects of national and international economy. Their land tenure and co-operative system should also be studied; the possibilities for giving subsidies for production have to be studied. Then, they have to study adult education and the presenting of the case of the agriculturist for loans before their respective Governments as well as the monetary organisation. Then, there is the provision of alternative employment for our agriculturists in case they are un-employed as a result of any economical methods of production which may be introduced. They also propose that the Governments concerned should study the enlargement of foreign markets and increased storage, processing and marketing facilities and commodity arrangements. The Government of India have not thought, that through this Committee it may be possible for them or they expected this Committee to try to get into commodity arrangements with the producers of rice in other countries so that it may not be possible for them to dump their surplus rice in this country. There is no such proposal at all.

Even coming to the Reconstruction Committee of the Executive Council, I find that their idea of the future of the agriculturist in this country is much more liberal than what is now proposed to be done by this Committee and by the Government. Their scheme also includes organised marketing, financing of agriculture, common buying and selling, crop planning, elimination of middlemen, imports of foodgrains to be controlled, guaranteed prices to be assured to the peasants. Then, Sir, they suggest that the Central Government must accept responsibility for greatly increased measure of expert advice, equipment, finances to the provinces and also maintenance of Central research. But this Government comes forward and says that the Central Government will give up as many of these responsibilities as possible. They must do the minimum possible work so far as the peasants are concerned and the peasants themselves should finance their own research and their own marketing. There is no effort being made to give any kind of assurance that the Central Government will be prepared to place funds at least to the extent to which this Committee is going to provide through this excise duty.

Coming to the details of this Committee, I find that an unequal representation has been provided for the various provinces. As my Honourable friend Dr. Banerjea pointed out the other day, all our provinces are not equally interested in the production of rice. Bengal comes first and Madras comes next and then all other provinces, but it is proposed that all the provinces should be given equal representation. In other clauses also the Government seem to be aware of the unequal importance and therefore they have provided differing quantum of representation on this Committee. That is a very serious mistake. If they are anxious that every province must be represented on this Committee, then it is open to them to see that no province which deserves more representation than the minimum is denied that additional representation merely because the smallest producing provinces have to be given the minimum representation. Sir, there are to be 51 members on this Committee. The Government suggests that the growers, who are actually going to pay this cess and for whom this Committee is intended, are to have only 14 members. The other 37 members are to represent various other interests. They may say that Provincial Governments are going to represent the growers and various other classes also but the quantum of representation given to the Provincial Governments does not necessarily mean that the growers are going to be represented in the main. Then, they suggest as many as 12 representatives for the rice industry.

Mr. N. M. Joshi (Nominated Non-Official): What about the consumers?

Prof. N. G. Ranga: They are supposed to be consumers. Then there is the Associated Chambers of Commerce. I knew that the Europeans had a number of rice mills in Burma, but I did not know that they owned so many rice mills in this country as to deserve so much representation on this Committee.

[Prof. N. G. Ranga.]

These 10 representatives are to come here on behalf of the Provincial Governments. The Provincial Governments are to send 12 people representing rice industry. We do not know whether the Provincial Governments are going to be given so much power as to decide who is to represent the rice trade and industry. These very same Provincial Governments are given also the right to select the so-called representatives of the growers. Why should it be so? Whenever you make any representation for the labour or trade and commerce of this country, you certainly do not give the right to the Provincial Governments concerned to select the representatives on behalf of these concerned interests. On the other hand, you try your best to get the real representatives of these concerned interests. Then, why is it that you do not take any trouble to make any provision for the automatic representation to be provided on this Committee for the organisations that are there today in this country for the concerned interests, that is, the growers of paddy and the producers of rice.

Then, Sir, they give the power to the Governor General to determine the tenure of office for these people as to how many years they are to work and at what stage any particular member's place on this Committee will be terminated. This is too drastic a power to be given to the Governor General. If this Committee is to come into existence at all and if its members are to be assured of a definite tenure of office, then it ought not to be left to the discretion of the Governor General to fix the tenure of office for these members but it ought to be fixed by this House. It is too late in the day for the Government to come here and ask this House to agree to an official President for a Committee like this. Even for such a House as this, we have a non-official President and for a Committee of the type that is now under consideration there is all the more reason why we must have a non-official President. The proposed President happens to be also the Vice-Chairman of I.C.A.R. I would like the Government to tell us on how many Committees he is expected to preside. And the number of these Committees is constantly increasing. These Committees are generally appointed by I.C.A.R. I know on very good authority that this gentleman does not even find sufficient time to preside over these Committees to give his advice and suggestion to them. It also sometimes happens that because it is not so easy for this gentleman to preside over all the sessions of these Committees, the duration of these Committees is sometimes curtailed very much. Therefore, it is best for the Government to try to introduce the principle of having non-official Presidents not only for this Committee but for several other Committees also.

There is a strong body of public opinion in this country that this House should not proceed with this Bill. There are many Honourable Members even in this House who are definitely opposed to the principle underlying this Bill. And, for very good reasons too. I have already given some, and I propose to give one more and it is this. Where a big interest like this is concerned, where all the consumers in the country are so much interested in getting more and more produce, it ought not to be the special concern of the producers alone, first of all to pay for it and to organise it and look after the progress of this industry. The responsibilities of the consumers also must be recognised and secondly for a body of producers like these, it is the responsibility of the Government as a whole as well as the Provinces to take up all relevant questions concerning their welfare and progress and develop the necessary institutions, finance the necessary research and provide adequate warehousing facilities, assure them of a minimum price, minimum and reasonable standard of living and give them every possible encouragement so that they would be willing, they would be encouraged to continue their present praiseworthy and industrious activities in this most essential national product and also hope for a better future so far as their own daily activity is concerned. But I find that this Government is not interested in that production and that is why I find it impossible to associate myself with this Bill and agree with the Honourable Member Opposite to send the Bill to the Select Committee.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member moved his amendment?

Prof. N. G. Ranga: Yes, Sir, I already moved it.

Mr. Hooseinbhoy A. Lalljee (Bombay Central Division: Muhammadan Rural): I have an amendment in my name which I may be permitted to move.

Mr. President (The Honourable Sir Abdur Rahim): Is it also for circulation?

Mr. Hooseinbhoy A. Lalljee: No, Sir. It is for altering the date, from 14th November to 17th November. I move:

"That in the original motion for the words '14th November, 1944' the words '17th November, 1944' be substituted."

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

"That in the original motion for the words '14th November, 1944' the words '17th November, 1944' be substituted."

The discussion will now proceed on the original motion as well as the amendments.

Shrimati K. Radha Bai Subbarayan (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Mr. President, my Honourable friend from Nellore was quite right when he said that there was a good deal of opposition to this Bill in the country, and that some Honourable Members of this House agree with it. I am opposed to this Bill and I would urge this Honourable House to reject it completely. If they think that it is too drastic a course, I would commend to them the amendment moved by my Honourable friend Prof. Ranga.

First, let me assure this House, Sir, that I fully appreciate the importance and the need for improving the production and marketing of rice and rice products and research in rice. But I am fully convinced that this Bill does not recommend the correct method of achieving that purpose. It has become a habit with this Government to create funds and constitute Committees to spend those funds, ostensibly with the object of improving the production and marketing and so forth of a certain product. The statement of Objects and Reasons itself reminds us that there are already in existence a certain number of funds and Committees to spend them. But that is no argument for bringing forward further legislation of the same kind. To the man in the street, the impression is that while these ornamental Committees meet occasionally to survey the work of their Departments under highly paid officials, the condition of the common man has, far from improving, actually deteriorated. As for example, tea and coffee have become completely prohibitive luxuries to the poor man.

Apart from that general question, Sir, I agree with my Honourable friend Prof. Ranga that rice cannot be included in the same category of products, such as tea and coffee and I agree with the reasons he has stated. Rice is the universal commodity of food in our country, grown by millions of small cultivators, while tea and coffee and like products are produced by a limited number of people, generally wealthy capitalists who are more interested in the export of these products than in their marketing inside the country. But the marketing of rice will be marketing of staple food in the country and it naturally deserves a different kind of consideration.

I assert again that I do consider it is necessary to improve the cultivation of rice by research. But it should not be done by imposing a burden on the poor with extra taxation. I agree with Prof. Ranga that the system of levying a cess to collect money for this fund which this Bill is going to create is not the right process by which we should collect funds. Land and agriculture are provincial subjects and a large portion of the provincial revenues come from land tax which is the highest tax that prevails in this country. It is the primary responsibility therefore of the Provincial Governments to conduct research in products from land such as rice. I also do not understand why this Government should single out rice for research at this particular moment and

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not pay any heed to other commodities such as millets, particularly wheat, which would give more scope for research. Some of the cultivators of rice in Madras asked me, is it because the Government of India do not want to go contrary to the wishes of their favourite, the Punjab Government, as that Government surely will not be prepared to allow the Central Government to intrude on their provincial domain and to burden their cultivators with an excise duty. If I remember right, I think the Honourable Mover of this Bill mentioned that almost all Provincial Governments, with one exception, supported this Bill. But I should like to point out to this House that the opinion of the present Provincial Governments are not likely to represent the popular point of view. Most of the rice producing provinces are under section 93 and the few others. . . .

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands): What about Bengal which is the largest rice-growing province? That is not under section 93.

Shrimati K. Radha Bai Subbarayan: I was just going to refer to that point. The provinces which appear to have popular Governments do not really enjoy the benefits of a popular Government in the strictest sense of the term. When such is the case, I think it is very wrong for an irresponsible alien Government that we have today to be influenced by similar and semi-irresponsible Governments in the provinces. That is an additional reason for urging this House to consider that there is no urgency for this measure at the present moment.

Another objection which has already been stated by my Honourable friend Prof. Ranga is that this excise duty will fall on what are known as producer-consumers. In my province,—and I am not arrogating to myself any knowledge of the conditions in my province, which I actually do not have, there is a vast number of cultivators who are producer-consumers; and I feel sure that this excise duty will fall very heavily on them. I do feel, Sir, that it is wrong to burden them especially when land is a provincial subject and the Provincial Governments are already taxing it to its maximum capacity. It is highly unjust for the Central Government to encroach on the duties of the Provincial Governments by this insidious method of levying a cess. I do not know if the Central Government have got the legal right; that is a matter for the legal *pundits* to consider. But I do feel that they have no moral right what ever to levy this cess on produce from land. This Government could ask for contributions from the Provincial Governments from their land revenues if they want this Government to do their work for them.

The Honourable the Mover of the Bill remarked that the cess would work out to less than one pice per maund and only one anna per person in a rice-eating family. I do not know how he arrived at the latter calculation, how he could find out how many rice eating families there are and how many members there are in a rice-eating family, in the short time that he has had to consider the subject. However, even if it is true, I do deprecate the habit of the Government, of emphasising the plea that it works out only to so many pices or so many annas per head, every time legislation is being considered for fresh taxation in this country. Government ignore the fact that pices develop into annas, annas develop into rupees, and the vast majority of people in this country are in rags and are facing semi, and often complete, starvation. It was only the other day that I read in the press a report of a statement made by one of our great scientists in London.—I believe it was Sir J. C. Ghose,—that on the present average wage in India her people could only live as a half-naked and half-starved nation. When such is the condition of the overwhelming mass of people in this country, it is wrong at this present juncture, when life is becoming harder and harder, for this Government to add to the burden of taxation and give a further tendency to raise the price of food commodities. For, as my Honourable friend, Prof. Ranga, has already pointed

out, though this tax is to be paid by the millowner, it will eventually fall on the producer and the consumer.

I would also point out that though the Honourable Mover of the Bill says it is only six annas a ton it will, in practice, be many times six annas; for there will be a number of incidental expenses connected with the payment of this cess. For instance, the millowner will have to invest more in paper, which is difficult because of paper scarcity; he will have to undertake many trips,—if he is living in a village,—to the headquarters town to get the requisite forms and to get proper instructions about the filling in of these forms and the keeping of records. And as we know from our experience in this country for over a hundred years, no official can be seen without some little present,—to use a mild term,—being offered to several petty subordinates. All these items may appear trivial when I mention them here but when added up they make the cess, which appears to be small, really a large one.

In passing, I should like to say with regard to paper that while Government through the department of my Honourable friend the Commerce Member proclaim day in and day out that because there is scarcity of paper the public should be economical in its use, Government themselves find ways and means to be extravagant in the use of paper. Douglas Reed in one of his books points out that the same thing happens in England, and I suppose this Government, being subordinate to that Government, must follow its example. If we make a survey of all the legislation that has been brought forward in this House by Government, we shall find that innumerable kinds of forms have been prescribed and printed and all kinds of records are to be kept involving much expenditure on paper. But that, as I said, is just in passing. My main point here is that it will be very hard, particularly for small millowners in villages who come under this Act, to keep these records and fill in these forms and get proper instructions about them.

I do not want to go into many details with regard to the clauses but I should like just to refer to a few of them. I am afraid, Sir, that if this Bill is passed into law it will become an instrument for harassing and persecuting the millowners. I am convinced, from my knowledge of conditions in my province, that if the war continues and this Bill comes into force during the war, it will become an instrument for extorting contributions to the war fund as the sales tax is being used today. Another point I should like to mention, is that I find it difficult to approve of the clause which makes the decision of Government final when there is a dispute between a millowner and Government with regard to the assessment of the cess. I know there are other Acts which have such provisions, but it does not follow that it is a good system. I do feel that when a decision has to be arrived at in respect of a dispute between two parties, the opinion of one of them should not be the final decision. While discussing this point with some of my Honourable colleagues, they pointed out to me that if this is not done litigation will increase, but I do not think that litigation will increase to such an extent as to cause inconvenience either to the public or to the Government or to the courts. I think the Central Government is inclined to take upon itself the rights and duties of a court of law and this tendency must be checked as far as possible. With regard to the people, as far as I know, it is much more expensive to appeal to the Government and get their decision than to secure a verdict from the courts; and in the latter case there is at least the satisfaction that a judiciary has given an impartial decision while such satisfaction is not possible when an appeal is made to the Government about its own action. I also do not like that the Collector should be invested with as much authority as this Bill proposes to do in sections 11, 12 and 13. I am afraid that if the Collector has such powers—there may be many Collectors who are conscientious and efficient and I cast no aspersion on them as a class—but they are dependent on their subordinate officials for doing the routine work—and these powers of the Collectors might help in making this Bill as I said before an instrument for harassment and persecution of millowners.

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Whatever be the measures and however good they may be that are brought forward by this Government, I do feel that the benefit of these measures cannot be realized to the fullest extent as long as this Government is not responsive and responsible to the people. That, of course, has been said here repeatedly. But I must point out that it is also an argument for the rejection of this most imperfect measure. I would also emphasise that at the present moment when the country is going through a food crisis, I do feel it is the duty of this Government to direct as much as possible of their attention, energy—and I hope they have plenty of energy—and revenues for supplying the people of this country with food and other necessities of life and saving them from death by starvation and epidemics. During all these many years when our country has been under British Rule, no effort was made to improve the rice cultivation. What hurry is there now to bring forward a measure of this kind to do it, particularly when everybody admits that a full and general survey has to be made of everything concerning the welfare of the people for post-war reconstruction. For years, rice cultivation has been deteriorating and the area under rice has been decreasing as far as I can understand. This Bill gives no guarantee that it is going to tackle the question, whether those cultivators who were tempted to abandon rice cultivation for the production of what is known as money crops, like jute, will be encouraged to revert back to rice cultivation in view of the fact that there is not sufficient food in the country, and it must not be dependent on imports of foodgrains. When one thinks over this matter deeply, one wonders whether this Government has brought forward this measure just because there has been a great deal of criticism in this country and outside about the Government's policy or lack of policy to tackle the food question in this country efficiently, and they now want to show that they are greatly concerned about this matter and that they are doing their best. Or, is it because they want to give a patriotic colour to the cloak with which they cover their policy of intensive exploitation of this country for the benefit of our alien rulers. When all these questions are facing us, I do think it is wrong for us to support a measure of this kind and I ask the House to reject it or circulate it for public opinion.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): Sir, the House will remember that I moved an amendment to send this Bill for circulation in order to elicit public opinion before the 28th of February, 1945. I will confine myself to my amendment alone. I won't go into the merits of the Bill, nor will I take the House through its clauses.

At the outset I want to make it clear that I quite appreciate the objective behind the Bill. I not only agree with it, but I am willing to support it to the farthest extent that I can go, but what I feel is that rice is a matter too vast to be dealt with in a hurried and hasty way. My Honourable friend has modelled this Bill on the Acts that we have passed for constituting committees for coffee, tea, coconut, and so on. Coffee, coconut, tea and things like that are located in certain small areas in this country. They are comparatively small crops and can be dealt with in a much easier manner than rice. Rice is a very important food crop in this country and it is grown over vast tracts of land. The life of millions and millions of people depends on it, and everybody, all over the country, is very much interested in seeing that we are able to produce more rice, better rice and produce it much more easily. Therefore, I feel that the people in the country should be given an opportunity to express their views with regard to what they consider necessary for achieving these objects. My Honourable friend himself has supported me in my demand for circulation in stating that by circulating the Bill departmentally to the Provincial Governments he was able to get from them some very useful suggestions which he has incorporated in this Bill. If official circulation of it to the Provincial Governments was of so much use, I certainly feel that if the whole country—people who are interested in it, associations of cultivators, co-operative

societies, and so on—is given an opportunity to express its views on this matter, we will certainly receive very many more useful suggestions which may help the object that we have in view. Then, Sir, I have one or two points on which I should like the country to express its view. I do not think, Sir, that the Bill as it is placed before the House is an adequate measure for gaining the object that my Honourable friend has in mind.

(It being Five O'Clock.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can continue his speech to-morrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 15th November, 1944.