

29th September 1937

**THE  
LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

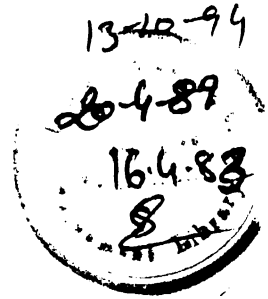
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**Volume VI, 1937**

*(18th September to 29th September, 1937)*

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



PUBLISHED BY THE MANAGER OF PUBLICATIONS, DELHI.  
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, SIMLA.  
1938.

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# Legislative Assembly.

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

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

MR. MATHURADAS VISSANJI, M.L.A.

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# LEGISLATIVE ASSEMBLY.

Wednesday, 29th September, 1937.

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

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### ADJUSTMENT OF LUGGAGE RATES BETWEEN BENARES CANTONMENT AND ALLAHABAD ON THE EAST INDIAN RAILWAY.

873. \***Mr. Sri Prakasa** : Will the Honourable Member for Commerce and Railways state :

- (a) if there is a system of specially adjusted railway fares between Benares Cantonment and Allahabad on the East Indian Railway ;
- (b) if the luggage rates are not similarly adjusted ;
- (c) if Government propose to consider the desirability of recommending to the railway administration to have specially adjusted rates for luggage also ; and
- (d) if it is a fact that a bicycle carried between Benares Cantonment and Allahabad costs more than a third class fare between the two stations ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) Yes.

(b) and (c). Passenger fares between Benares Cantonment and Allahabad by the East Indian Railway route have been equalised with those applicable by the Bengal and North Western Railway route. Rates for luggage are the same by the two alternative routes and, therefore, need no adjustment.

(d) Yes, but this would have been so, even if the passenger fares had not been adjusted.

**Mr. Sri Prakasa** : With reference to part (d), will the Government consider whether it is certainly not unreasonable to charge more for a twenty-seer bicycle than for a three-maund man ?

**The Honourable Sir Saiyid Sultan Ahmad** : The fare on both sides would be the same as on the B. N. W. Railway and the East Indian Railway and therefore it is difficult to make any further adjustment.

**Mr. Sri Prakasa** : I have no objection if the B. N. W. Railway also will reduce its fare ?

( 2621 )

**The Honourable Sir Saiyid Sultan Ahmad :** If the Honourable Member will put down another question, I will see what can be done.

**BOOKING OF LUGGAGE ON THE EAST INDIAN RAILWAY.**

874. **\*Mr. Sri Prakasa :** Will the Honourable Member for Commerce and Railways state :

- (a) if it is a fact that on the East Indian Railway luggage can only be booked from the station of departure to the station of destination for which the ticket is purchased ;
- (b) if Government are aware of the inconvenience caused to passengers when they carry luggage which is to be left where they break journey on the way or to take more luggage from such places ; and
- (c) whether Government are prepared to recommend to the authorities concerned to facilitate the booking of luggage from any station to any station on the route for which a passenger holds a ticket ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) and (b). No. Passengers who intend to break journey at one or more stations *en route* on the East Indian Railway may book their luggage to the intermediate stations. I am laying on the table a copy of the rule relating to booking of luggage when breaking journey, appearing on page 219 of the East Indian Railway current time table.

(c) Does not arise.

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*Booking of luggage when breaking journey.*

(1) Passengers who intend to break journey at one or more stations *en route* may either book their luggage to accompany them throughout, or book a portion of their luggage, or the whole, direct to the station for which they have taken tickets.

(2) Passengers who intend to break journey, and who require their luggage to accompany them should, when they book their luggage, inform the luggage clerk at which station or stations they wish to break their journey, in order that the names of such stations may be entered on the back of their luggage tickets.

(3) Before passengers start from such halting places, any luggage found in excess of the quantity entered on the luggage ticket issued at the commencement of the journey will be weighed and charged for.

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**Mr. Sri Prakasa :** May I know if it is possible for a passenger who breaks journey on the way, to take some more luggage and get this booked for the rest of the journey ?

**The Honourable Sir Saiyid Sultan Ahmad :** I cannot answer that without notice. If the Honourable Member wants an answer, I shall certainly make enquiries.

**APPOINTMENT OF INDIAN AGENTS OR TRADE COMMISSIONERS IN CERTAIN COUNTRIES.**

875. **\*Mr. S. Satyamurti :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) all the countries to which Trade Commissioners or Agents on behalf of the Government of India have been appointed ;

- (b) the reasons why there are no Indian Agents or Trade Commissioners in the United States of America, Canada, Australia, New Zealand, Trinidad, Fiji, British Guiana, Dutch Guiana, Egypt, Kenya, and China ;
- (c) the number of Indians resident in those countries ; and
- (d) whether they propose to consider the appointment of Agents or Trade Commissioners to all these countries ?

**Mr. Y. N. Sukthankar :** (a), (b) and (d). Indian Trade Commissioners have so far been appointed in England, Germany, Italy and Japan. An officer for the post of Indian Trade Commissioner in East Africa, which will include Kenya, has already been selected and is at present undergoing preliminary training. The question of appointing Trade Commissioners in the United States of America and Egypt is now under the consideration of the Central Government. Government do not consider it necessary at present to appoint separate Indian Trade Commissioners in the other countries mentioned.

The question of the appointment of Agents in other parts of the Empire is the concern of the Education, Health and Lands Department, and outside the Empire, of the External Affairs Department.

(c) I lay on the table a statement giving the required information as far as it is available.

*Statement showing the Number of Indians resident in Certain Countries.*

<i>Empire countries :</i>	<i>Estimated Indian population.</i>
1. Canada .. .. .	1,599
2. Australia .. .. .	2,404
3. New Zealand .. .. .	1,166
4. Trinidad .. .. .	1,51,076
5. Fiji .. .. .	85,002
6. British Guiana .. .. .	1,38,334
7. Kenya .. .. .	34,955
<i>Foreign countries :</i>	
1. United States of America	5,850
2. Dutch Guiana .. .. .	36,150
3. Egypt .. .. .	1,025
4. China .. .. .	4,000 (approx- imately).

**Mr. S. Satyamurti :** With reference to the reply to part (b) of the question, may I know if the Government of India are absolutely free in the matter of appointing Trade Commissioners or Agents, as and when they think it necessary or desirable, or have they got to get the consent of the Colonial Office in Great Britain ?

**Mr. Y. N. Sukthankar :** As regards Agents, I would suggest the Honourable Member to put that question to the appropriate department.

**Mr. S. Satyamurti :** With regard to Trade Commissioners, may I know if the Government of India are free to appoint them to all countries where they consider the appointment desirable or necessary, or have they got to take orders or consult the Colonial Office in Great Britain ?

**Mr. Y. N. Sukthankar :** The Colonial Office has nothing to do with the appointment of Trade Commissioners.

**Mr. S. Satyamurti :** With reference to the appointment of Trade Commissioners, is the matter settled between the Commerce Department and the Education, Health and Lands Department, or is each question decided by each department without reference to the other ?

**Mr. Y. N. Sukthankar :** As far as I am aware the selection of Trade Commissioners is always made by the Government of India.

**Mr. S. Satyamurti :** May I know whether, in deciding the question with regard to a particular country or colony, whether a Trade Commissioner or Agent is to be appointed, the decision is arrived at by the Department of my Honourable friend or whether the matter is decided in consultation between his Department and the Department of Education, Health and Lands ?

**Mr. Y. N. Sukthankar :** Some consultation always takes place in such questions which concern more than one department.

**Mr. S. Satyamurti :** What are the considerations on which the Government come to the conclusion either to appoint a Trade Commissioner or an Agent ?

**Mr. Y. N. Sukthankar :** A suitable man is appointed as Trade Commissioner if a Trade Commissioner is required, or if an Agent is required, a suitable Agent is appointed.

**Mr. S. Satyamurti :** I am not asking about the personality of the Trade Commissioners or of Agents. I am asking what are the considerations which enable the Government to come to the conclusion with respect to a particular country or a British colony, that the appointment should be that of a Trade Commissioner or of an Agent ?

**Mr. Y. N. Sukthankar :** I want notice of the question.

**Mr. K. Santhanam :** With reference to part (b) of the question, may I know what are the present channels by which trade contacts can be established between Indian merchants in India and the merchants in these countries for export and import ?

**Mr. Y. N. Sukthankar :** Where there are no Trade Commissioners, naturally we avail of the services of the British consuls in establishing trade contact.

**Mr. S. Satyamurti :** With reference to part (b), except in the countries which my Honourable friend mentioned, namely, the United States of America, Egypt and East Africa, with regard to other countries, are Government considering the appointment of Trade Commissioners or of Agents in those other countries ?

**Mr. Y. N. Sukthankar :** The answer has already been given, *viz.*, we do not consider it necessary to appoint any Trade Commissioner in other countries at present. As regards Agents, the question may be addressed as suggested earlier, to the appropriate department.



**Mr. S. Satyamurti** : Has my Honourable friend given the answer on behalf of his department, that is with reference to Trade Commissioners, or has he given the answer on behalf of the Department of Education, Health and Lands also ?

**Mr. Y. N. Sukthankar** : Only with reference to our own department, that is the Commerce Department.

**Mr. S. Satyamurti** : In view of the fact that this question refers both to the Commerce Department and the Department of Education, Health and Lands, may I know why my Honourable friend has not been able to get the answer from the department concerned and give the answer in this House ?

**Mr. President** (The Honourable Sir Abdur Rahim) : Because it concerns another department, he cannot give the answer. The question must be addressed to the appropriate department.

**Mr. S. Satyamurti** : I am asking then—how are the interests of Indians in those countries, especially Fiji, British Guiana and Trinidad being protected or looked after ? Is there any machinery, to the knowledge of the Government of India, to watch the interests of Indians there, apart from trade relations, to make suitable representations either to the Government of India or to the Government of those countries ?

**Sir Girja Shankar Bajpai** : If the question is addressed to me, and you like, Sir, I can deal with it.

**Mr. President** (The Honourable Sir Abdur Rahim) : Very well.

**Sir Girja Shankar Bajpai** : As regards the colonies mentioned by my Honourable friend, I think I have already said that the question of appointment of Agents is under consideration.

**Mr. S. Satyamurti** : In all those countries ?

**Sir Girja Shankar Bajpai** : In the territories which I described to him before.

**Mr. S. Satyamurti** : May I know whether the Government of India are free to appoint Agents, without reference to Colonial Office of Great Britain ?

**Sir Girja Shankar Bajpai** : We have to consult the Colonial Office before appointments can be made.

**Mr. S. Satyamurti** : Is there any provision of the Government of India Act, 1919 or 1935, which requires the Government of India to consult the Colonial Office of Great Britain with respect to appointment of Agents in other countries where Indians are settled whose interests in the judgment of the Government of India deserve the appointment of an Indian Agent ? If there are no provisions in the Government of India Act, is there any convention to the effect that permission of the Colonial Office should be taken before making such appointments ?

**Sir Girja Shankar Bajpai** : It is the universal convention that before you appoint Agents in other countries, you have to consult the Government of the countries concerned. As regards the Colonies, if the Government of India want to appoint an Agent, they have to consult the Colonial Office.

**FINAL REGISTERED ACCOUNTANTS EXAMINATION.**

876. **\*Mr. S. Satyamurti :** (a) Will the Honourable Member for Commerce be pleased to state the total number of candidates who appeared for Final Registered Accountants Examination in 1935, 1936 and 1937 and the number of passes each year and percentage thereof ?

(b) Will Government be pleased to state the reason for the low percentage of passes ?

(c) Is it not a fact that the candidates appearing for this examination are not new entrants but those who have been appearing over and again and that they are also practical men belonging to audit profession ?

(d) What is the percentage of passes in highest professional examinations in the United Kingdom, *i.e.*, Chartered and Incorporated Accountants Examination (Official figures : 40 to 45 per cent.) ?

(e) Are Government prepared to give some more chances to failed Registered Accountants candidates with or without articles in view of changed rules to appear for Final Registered Accountants Examination by amending the rules ? If not, why not ?

(f) Have Government received any memorial from the Registered Accountant Students' Union, Madras, through the Local Government, and what do Government propose to do in this matter ?

(g) Do Government propose to consider the advisability of publishing a Blue Book on the working of the Indian Accountancy Board in order to provide the public authentic information ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a)

Year.	No. appeared.	No passed.	Percentage.
1935 .. .. .	178	11	6.2
1936 .. .. .	174	26	14.9
1937 .. .. .	191	19	9.9

(b) Obviously the candidates were not up to the requisite standard.

(c) Most of the candidates who appeared at the Final Examination, during these years, were persons who had failed at the Government Diploma Examination in Accountancy held by the Accountancy Diploma Board, Bombay, in the years 1932, 1933 and 1934. Government have no information as to whether these candidates are actively engaged in the audit profession.

(d) Government have no information.

(e) No ; in the interests of the profession no further relaxation of the Rules is considered justified.

(f) No, but a representation was addressed direct to the Central Government. It was carefully considered but as stated, in reply to (e), no further relaxation of the Rules was considered justified.

(g) Government will consider the suggestion. Last year a Press note was issued giving information about the working of the Indian Accountancy Board.

#### SPECIAL TAX ON INDIAN REFRESHMENT ROOMS ON THE NORTH WESTERN RAILWAY.

877. \*Dr. Ziauddin Ahmad : (a) Will the Honourable Member for Commerce and Railways please state whether it is a fact that the North Western Railway Administration is contemplating charging a special tax on Indian refreshment rooms ?

(b) Will the tax be levied on all the contractors of refreshment rooms, vendors and ice-vendors ?

(c) Is it not contrary to the undertakings given by the Railway Member on the floor of this House, and in the Central Advisory Committee ?

The Honourable Sir Saiyid Sultan Ahmad : (a) and (b). The charging of a special tax is not contemplated. It is possible, however, that the Honourable Member is referring to a proposal which is under consideration to call for tenders from approved contractors for the platform vending rights at stations on the North Western Railway. On the assumption that the Honourable Member is referring to this matter, I am laying on the table an extract from the proceedings of the North Western Railway Advisory Committee held on the 9th October, 1936, when this proposal was considered by the Committee.

(c) Not that I have been able to trace.

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*Extract from the Proceedings of the 152nd Meeting of the North Western Railway Advisory Committee held on the 9th October, 1936.*

#### SUPPLEMENTARY AGENDA.

12. Subject No. I.—Settlement of vending contracts by the tender system. (By the chairman).

The chairman asked the committee to give their views on the suggestion that vending contracts at stations should be sold or that the railway should levy a tax for vending facilities provided at stations. He explained that in addition to allotting vending contracts free of charge, certain accommodation is also given free of rent or on nominal rent and that such contracts which are of the nature of monopolies in railway station premises can be considered to have an appreciable revenue value to the railway without detriment to the public. The members considered that the railway should take steps to sell these contracts by tender in future ; that lists of approved contractors should be maintained and that the call for tenders should be limited strictly to those contractors on the approved list or lists. The committee further considered that the interests of the public could be safeguarded by terms in the contract on the lines of the present contract terms. They expressed the opinion that individual contractors are required at large stations but that for smaller stations divisions can be

divided into sections and each section let to a single contractor. It was suggested that proceedings of the Vending Sub-Committee of the Advisory Committee, which sat about two years ago, should be examined in this connection.

The chairman explained that no decision had been reached but he had put this subject on the agenda for unofficial discussion in order to obtain their views.

**Mr. Lalchand Navalrai :** Is the Honourable Member aware that the Central Advisory Council decided that there will be only nominal rent on the refreshment rooms and reasonable fees on stalls ?

**The Honourable Sir Saiyid Sultan Ahmad :** I have come to know about it only this morning from the Honourable Member.

**Mr. Lalchand Navalrai :** Is the Honourable Member also aware that in view of that Resolution, the charges that are now proposed are too exorbitant and unequal ?

**The Honourable Sir Saiyid Sultan Ahmad :** That I cannot say.

**Dr. Ziauddin Ahmad :** Are Government aware that the North Western Railway administration is now looking into the accounts of the refreshment rooms with a view to charging them a percentage on the profits ?

**The Honourable Sir Saiyid Sultan Ahmad :** I have no information.

**Mr. Lalchand Navalrai :** Is the Honourable Member aware that the assessment of this rent and stall fees should be levied by the Agents with the concurrence of the Advisory Committees ?

**The Honourable Sir Saiyid Sultan Ahmad :** I can give no final assurance on that point, but the Central Advisory Council is meeting on the 2nd October, and the Honourable Member may bring up that matter before it.

**Mr. S. Satyamurti :** Will Government consider the desirability of having no discrimination between Indians and Europeans in the matter of refreshment rooms and charging rents for them ?

**The Honourable Sir Saiyid Sultan Ahmad :** Certainly, Sir.

**Pandit Lakshmi Kanta Maitra :** What did the Honourable Member mean by the phrase " approved contractors " ?

**The Honourable Sir Saiyid Sultan Ahmad :** Approved contractors are those who are approved by the administration.

**Pandit Lakshmi Kanta Maitra :** Is it a fact that for these vending contracts tenders were called for over the whole of the North Western Railway ? If so, what is exactly meant by saying that contracts are called for from approved contractors ?

**The Honourable Sir Saiyid Sultan Ahmad :** Those who are considered reliable by the administration and those who will be able to perform their part of the contract.

**PROPOSED AMENDMENT OF THE RULES ENABLING THE INDIAN LEGISLATIVE ASSEMBLY TO DISCUSS MATTERS OF PRIVILEGE.**

678. **\*Mr. S. Satyamurti** : Will the Honourable the Leader of the House be pleased to state :

- (a) whether Government have considered the result of the voting of the House on the proposed amendment of the rules to enable the House to discuss matters of privilege with precedence over other business ;
- (b) whether Government propose to carry out the vote of the House as expressed on Sardar Sant Singh's amendment ; and
- (c) if not, why not ?

**The Honourable Sir Nripendra Sircar** : (a) Yes.

(b) No.

(c) For the reasons indicated by me in the course of the debate on the Resolution and on Sardar Sant Singh's amendment thereto.

**Mr. S. Satyamurti** : May I know whether Government propose to make any rule on this matter, with regard to the discussion of questions of privilege on the floor of this House ?

**The Honourable Sir Nripendra Sircar** : As at present advised, the answer is in the negative.

**Mr. S. Satyamurti** : May I know whether the result of it is that the position will remain exactly as it is today, that is to say, giving no opportunity to the House to discuss questions of privilege ?

**The Honourable Sir Nripendra Sircar** : I do not admit the last part of the statement in the question but, as I have said, I cannot add anything further. At the present moment there is no desire to move any Resolution or to change any rules.

**Mr. S. Satyamurti** : In view of the fact that the suggestion was thrown out by the Chair in the course of the discussion on Sardar Sant Singh's motion, may I know whether in coming to the conclusion to make no rules at present on the matter, Government consulted the Honourable the President of this Assembly ?

**The Honourable Sir Nripendra Sircar** : No, Sir. Before we moved our Resolution there were certain consultations.

**Mr. S. Satyamurti** : I am asking with regard to events after the passing of that Resolution by this House.

**The Honourable Sir Nripendra Sircar** : I have answered that in the negative.

**Mr. S. Satyamurti** : May I know why Government came to the conclusion to make no rules, without consulting the Honourable the President of the Assembly ?

**The Honourable Sir Nripendra Sircar :** The reasons are given in answer to part (c).

**Mr. S. Satyamurti :** No reasons are given there, but a reference is only made to a speech in the course of the debate. I am asking with regard to events which happened subsequently, *i.e.*, why in coming to the conclusion that they need make no rule at present they did not consult the Honourable the President from whom the suggestion originated in the course of the debate in this House.

**Mr. President** (The Honourable Sir Abdur Rahim) : I do not think that can be asked. In the course of the debate on Sardar Sant Singh's motion I threw out certain suggestions for the Government to consider them. When the matter was brought up in the form of a Resolution the House would not accept the proposals made by Government and they wanted modifications which Government did not agree to. The position now is, as I understand from the Leader of the House, that Government are not now agreeable to lay down any rule relating to the discussion of questions of privilege, their original proposals having been negatived.

**Mr. S. Satyamurti :** I am only asking why, in coming to their conclusion not to make any rules, Government did not consult the Honourable the President.

**The Honourable Sir Nripendra Sircar :** From the amendments which were carried in the House we know that nothing but a change of rules in the terms of those amendments will satisfy the House ; and I gave reasons in my speech as to why they were not acceptable to Government. It is no good consulting any further.

#### APPOINTMENT OF A PERMANENT TARIFF BOARD.

879. **\*Mr. S. Satyamurti :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) the number of *ad hoc* Tariff Boards appointed during the last five official years, the subjects referred to them, the personnel of these Tariff Boards, the results of their enquiry and the action taken thereon ; and
- (b) whether Government propose to appoint a permanent Tariff Board consisting of persons of the status of Judges of High Court with a view to inspire public confidence, and if not, why not ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) I lay on the table a statement giving the information asked for. Detailed recommendations of the Tariff Board on each enquiry are set out in the Reports, copies of which are in the Library.

(b) No, Sir. Government have no reason to believe that the personnel selected for the Tariff Boards in the past has not inspired public confidence. In this connection I would invite attention to the debate on the adjournment motion moved and withdrawn by the Honourable Member on the 1st of September, 1936, in this House.

*Statement showing the enquiries made by the Tariff Board during the past 5 years and the action taken by the Government of India thereon.*

No. of <i>ad hoc</i> Tariff Boards appointed during the 5 years ending March, 1937.	Subject of Enquiry.	Personnel.	Recommendation made by the Tariff Board and the action taken by the Government of India thereon.
1	2	3	4
11	<p>1. Additional protection to the Cotton Textile Industry. (1932).</p> <p>2. Protection to the Glass Industry (1932).</p>	<p>Dr. J. Matthai, President. Mr. Fazal Ibrahim Rahimkoola and Mr. G. T. Boeg, C.I.E., I.C.S. Members.</p> <p>President and Members as above. Mr. G. S. Bozman, Secretary. Mr. F. W. Hodkin, B. Sc., F.I.C., Technical Adviser.</p>	<p>Recommended grant of additional protection. Import duties were increased by Notification No. 341-T.(164), dated the 30th August, 1932.</p> <p>Recommended protective duties on certain glass manufactures. The Board's investigation however showed that the industry is dependent on imported Soda ash which represents over 70 per cent of the cost of raw materials. The Government of India were not therefore satisfied that the conditions laid down by the Fiscal Commission for the grant of protection were fulfilled by the industry. Pending development of indigenous sources of soda ash a rebate of import duty was however granted in respect of soda ash required by glass factories. Resolution No. 458-T.(14), dated the 22nd June, 1935.</p>

No. of <i>ad hoc</i> Tariff Boards appointed during the 5 years ending March, 1937.	Subject of Enquiry.	Personnel.	Recommendation made by the Tariff Board and the action taken by the Government of India thereon.
1	2	3	4
	3. Continuance of protection to the Cotton (Textile) Industry (1932).	Dr. J. Matthai, President. Mr. Fazal I. Rahimtoola } Mr. G. T. Boag, C.I.E., } I.C.S. } Members.	Protection recommended and granted. Indian Tariff (Textile Protection) Amendment Act, 1934.
	4. Protection to the Sericultural Industry (1933).	Mr. Fazal I. Rahimtoola, President. Mr. G. T. Boag, C.I.E., } I.C.S. } Members. Mr. H.R. Batheja, I.E.S.	
	5. Continuance of protection to the Iron and Steel Industry (1934).	Dr. J. Matthai, President. Mr. G. Wiles, C.S.I., } C.I.E., I.C.S. } Members. Mr. G. A. Natesan	Continuance of protection recommended and granted. Indian Iron and Steel Duties Act, 1934.
	6. Removal of tariff inequality in respect of Carbon Brushes and Healds and Reeds (1934).	Dr. J. Matthai, President. Mr. G. Wiles, C.S.I., } C.I.E., I.C.S. } Members. Mr. G. A. Natesan	The Board recommended a reduction in the duty on Carbon blocks from 25% to 15% <i>ad val.</i> This was done by a notification issued under section 23 of the Sea Customs Act. In respect of healds the Board recommended an increase in the import duty. Its calculations were however



based on the assumption that imported yarn was used by Indian manufacturers while the evidence showed that suitable and cheaper yarn can be supplied by Indian mills. Moreover the representations of the applicant firms were aimed at securing substantial protection rather than the removal of tariff inequality and on the evidence before them Government were unable to accept the Board's finding. For reasons similar to the last one Government were also unable to accept the recommendation of the Tariff Board for an increase in the customs duty on imported reeds :—Resolution No. 38-T.(10), dated the 23rd March, 1935.

The Board found that the claim was not substantiated. This finding was accepted by Government.

Protective duties were recommended on certain woollen manufactures. The Board's analysis however showed that the industry was divided into two main branches, *viz.*, worsted and woollen. The former was handicapped by the comparative smallness of the home market and was dependent for the most part on imported raw material. Government therefore decided that this Branch did not satisfy the most important condition laid down by the Fiscal Commission for the grant of protection.

Mr. G. Wilec, C.S.I.,  
C.I.E., I.C.S., President.

Mr. Fazal I. Rahimtoola }  
Mr. H. R. Bhatheja } Members.

President and Members as above.  
Mr. J. Addyman, Technical Adviser.

7. Removal of tariff inequality in respect of shuttles (1935).

8. Protection to the Woollen Textile Industry (1936).

No. of <i>ad hoc</i> Tariff Boards appointed during the 4 years ending March 1937.	Subject of Enquiry.	Personnel.	Recommendation made by the Tariff Board and the action taken by the Government of India thereon.
1	2	3	4
	<p>9. Classification of paper (1936) ..</p>	<p>Mr. Fazal I. Rahimtoola President.</p> <p>Mr. H. R. Batheja .. Member</p>	<p>As regards the woollen branch a very important section representing at least 50% of its production did not place its case before the Tariff Board. Government therefore decided to defer action on this part and to give an opportunity to the interests concerned to substantiate their case if they so desired. In the meantime a grant of Rs. 5 lakhs spread over 5 years was sanctioned for the benefit of the Cottage and small scale woollen industries. Resolution No. 9-T.(7)/35, dated the 23rd January, 1936.</p> <p>The Board's recommendations in connection with the re-classification of certain varieties of paper were accepted by Government and given effect to by the issue of executive instructions to Customs Officers. Resolution No. 202-T.(3)/35, dated the 23rd May, 1936.</p>

<p>10. Level of duties necessary to provide adequate protection to the Indian Cotton Textile Industry against imports from the United Kingdom (1936).</p>	<p>Sir Alexander Murray, Kt., C.B.E.,                  Mr. Fazal I. Rahimtoola                  Dewan Bahadur A. Ramaswamy Mudaliar.                  Rai Bahadur H. Mookerjee, A.M.C.T. (Manchester), Technical Adviser.                  Mr. C. M. Ker, I.C.S.,</p> <p style="text-align: right;">President.                  }                  Members.                  }                  Secretary.</p>	<p>The Board recommended a reduction in the protective duties on certain varieties of piece-goods of United Kingdom origin. The recommendations were accepted by Government and effect was given to them by the issue of a notification under section 4 of the Indian Tariff Act. Resolution No. 341-T.(10)/36, dated 25th June, 1936.</p>
<p>11. Enquiry to ascertain the extent of protection required by the Indian sugar industry from 31st March, 1938 to 31st March, 1946.</p>	<p>Sir Geoffrey Bracken, K.C.I.E., C.S.I., I.C.S.,                  Mr. Fazal I. Rahimtoola                  Dr. L.C. Jain, M.A., Ph. D., D.Sc., Econ. (London)                  Mr. K. B. Bhatia, I.C.S.,</p> <p style="text-align: right;">President.                  }                  Members.                  }                  Secretary.</p>	<p>The enquiry is in progress.</p>

**Mr. S. Satyamurti** : With reference to clause (b), may I know whether, apart from the personnel, Government have considered the desirability of having a permanent Tariff Board, so that there may not be necessity each time for taking *ad hoc* men from time to time ?

**The Honourable Sir Saiyid Sultan Ahmad** : I would invite attention to the debate on the adjournment motion moved and withdrawn by the Honourable Member on the 1st September, 1936, in this House, in which this very point was discussed.

**Mr. S. Satyamurti** : Have Government reconsidered the question, since that date ?

**The Honourable Sir Saiyid Sultan Ahmad** : No, Sir.

**Mr. S. Satyamurti** : Are Government aware of the dissatisfaction in the country over the recommendations of what is known as the Murray Committee ?

**The Honourable Sir Saiyid Sultan Ahmad** : No, Sir.

**Mr. S. Satyamurti** : May I know whether Government have examined the question from the point of view suggested in clause (b) of the question, since September, 1936 ?

**The Honourable Sir Saiyid Sultan Ahmad** : No, Sir.

**Mr. S. Satyamurti** : May I know why they have not re-examined the question ?

**The Honourable Sir Saiyid Sultan Ahmad** : We have examined the point of view and we have found that there is no dissatisfaction.

#### NEGOTIATIONS FOR AN INDO-BRITISH TRADE AGREEMENT.

850. **\*Mr. S. Satyamurti** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether his attention has been drawn to a message published in the *Hindustan Times*, dated the 11th September on page 1 entitled " Indo-British Trade Talks " ;
- (b) whether it is a fact that before the Indo-British Trade talks were postponed in August last, little or no progress had been made in the settlement of important issues ;
- (c) whether it is a fact that the non-official advisers desire to return to India as early as possible as the negotiations are yielding no results ;
- (d) whether it is a fact that the main hitch in these negotiations hitherto has been in regard to jute and cotton piece-goods ;
- (e) whether the British Delegation desires to commit Indian advisers to voluntary reduction in exports of jute and especially of jute manufacturers, as the Dundee interests have been clamouring for an import duty on Indian jute manufactures ;
- (f) whether the Government of India have been consulted on this matter, and have given any instructions to the Indian Delegation, and if so, what they are ;

- (g) whether the British textile interests incidentally demand a complete abolition of duty of Lancashire imports of textiles into India or in the alternative a substantial reduction in the duty which has been already reduced from 25 to 20 per cent. last year in pursuance of the Murray Report ;
- (h) whether the Indian advisers have definitely refused to agree to this demand and whether Government have given them any definite instructions on this matter ;
- (i) when Government expect the negotiations to be over ; and
- (j) whether before concluding any agreement with Great Britain on this and other allied matters the Government will fulfil their pledges to the House and take the verdict of the House and act accordingly ; and if not, why not ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) Yes, Sir.

(b) to (h). Government are not prepared during the course of the negotiations to make public details relating to progress, the nature of the proposals put forward by either party, their instructions to their delegate, or the advice tendered by the non-official advisers, etc., etc.

(i) The Honourable Member is referred to the reply given by me to part (a) of Mr. Mohan Lal Saksena's starred question No. 225 in this Session.

(j) The Honourable Member is referred to the replies given by me to part (c) of his own starred question No. 15 and its supplementaries in this Session. Government have given no pledges whatsoever.

**Mr. S. Satyamurti :** With reference to the answer to clause (i) of the question, may I know whether Government expect to be in a position to make at least an *interim* statement to this House, before the Session concludes ?

**The Honourable Sir Saiyid Sultan Ahmad :** No.

**Mr. S. Satyamurti :** With reference to the answer to clause (j) of the question and the information that he gave that Government have given no pledges whatever—I will not pursue the matter now as it is not proper at question time—I am asking whether Government definitely refuse now to commit themselves to take the verdict of the House, before they come to any agreement with Great Britain ?

**The Honourable Sir Saiyid Sultan Ahmad :** Government have not come to any conclusion whether they will consult or abstain from consulting the Assembly.

**Mr. S. Satyamurti :** Since we are drawing to the close of the Session, I am asking in the terms of the question whether Government definitely refuse to give an undertaking to this House that, before they come to any conclusion, they will consult and take the verdict of the House, and abide by it.

**The Honourable Sir Saiyid Sultan Ahmad :** I am afraid I must repeat my answer—I can give no further information. Government have not come to any conclusion whether they will consult or abstain from consulting the Assembly.

**Mr. S. Satyamurti** : May I know, in view of the fact that the Session is concluding in a week or so, and we shall not meet again till the third week in January or thereabouts, whether Government propose to postpone any decision of this question till the Assembly meets ?

**The Honourable Sir Saiyid Sultan Ahmad** : I regret I cannot add to my answer already given.

**Seth Govind Das** : Have Government received any further information as to when this agreement is going to be concluded ?

**The Honourable Sir Saiyid Sultan Ahmad** : No.

**Seth Govind Das** : May I take it that Government propose to come to conclusions without consulting this House ?

**The Honourable Sir Saiyid Sultan Ahmad** : I cannot add to the answer already given.

**Mr. K. Santhaman** : With reference to the answer to part (c), have the Government now ascertained the reasons why Dr. Subbarayan has not proceeded to England ? We were told some days ago that they had not ascertained. I want to know now whether they have now ascertained.

**The Honourable Sir Saiyid Sultan Ahmad** : The question here is as regards non-official advisers desiring to return to India : there is no question with respect to any one going from India.

#### INCONVENIENCE DUE TO THE CLOSING OF THE LEVEL CROSSING GATES TO THE WEST OF PATNA JUNCTION RAILWAY STATION.

881. **\*Mr. S. Satyamurti** (on behalf of Mr. Satya Narayan Sinha) : (a) Is the Honourable Member for Commerce and Railways aware of the serious trouble which is caused to the general public of Mithapur area in Patna town on account of the long closings of the gates of the railway level crossing just to the west of the Patna junction railway station ?

(b) Have Government taken any action to remove that trouble ? If not, do they propose to take any action now ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) and (b). As a result of a meeting between the Director of Industries, Bihar, East Indian Railway officials and some members of the public on June, 23rd, 1937, orders have been issued which, it is hoped, will reduce detention to road traffic at this crossing.

#### GRIEVANCES OF OWNERS OF *Ekkas* AND TONGAS AT LUCKNOW JUNCTION AND BENARES CANTONMENT STATIONS.

882. **\*Mr. Mohan Lal Saksena** : (a) Will the Honourable Member for Commerce and Railways be pleased to state whether it is a fact that at Lucknow junction and Benares Cantonment stations the *ekka* and *tonga-wallas* have to pay the police-men on duty a pice or so each time that they get a hire in addition to the payment to the railway contractor ? If so, do Government propose to take necessary steps so that the practice may be stopped ?

(b) Are Government prepared to draw the attention of the station superintendents to this grievance of the *ekka* and *tonga-wallas* and to see that they are not unnecessarily harassed ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) and (b). The Honourable Member's attention is invited to the reply I gave on the 13th instant to part (d) of Mr. Sri Prakasa's starred question No. 464. The matter will be considered on receipt of the information which has been called for.

**QUARTERS PROVIDED FOR THE MEMBERS OF THE INDIAN LEGISLATIVE ASSEMBLY IN SIMLA.**

**883. \*Babu Kailash Behari Lal :** (a) Will the Honourable the Leader of the House be pleased to state if it is not a fact that the number of quarters provided for the Members of the Assembly in Simla is less than what is required having regard to the actual number of Members ?

(b) Are Government aware that on account of the paucity of accommodation in Simla even on rent the Members are put to much inconvenience ?

(c) Are Government aware that Members coming with their families are allotted accommodation in barracks like that of Longwood Range which are not suitable for Indian families at all ?

(d) Are Government aware that the so called orthodox quarters at Longwood Range have got latrines adjacent to the bed rooms which no orthodox Indian tolerates ?

(e) Are Government aware that commodes of the so-called European style are provided in the quarters at Longwood which are classed as orthodox type of quarters ?

**The Honourable Sir Nripendra Sircar :** (a) Yes.

(b) No.

(c) The quarters set apart for Members are allotted by ballot and the Longwood Range quarters are regarded for this purpose as orthodox quarters. Government are not aware that Longwood Range quarters are unsuitable for Indian families, as Members with families have lived there in the past and no complaint has ever been received. No separate quarters are set apart for Members bringing their families but such Members are given preference in the ballot over joint or single applicants and it is for the Member who is allotted a quarter to accept it or not.

(d) A furnished bathroom is attached to each quarter. Hitherto no objection has been raised to this.

(e) Yes.

**Seth Govind Das :** Since Government accept that the number of quarters in Simla is less than the number of Members, do Government think it proper not to hold any more Sessions of the Assembly in Simla but hold both the Sessions in Delhi ?

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

**Seth Govind Das** : It arises out of this question, Sir, as there is a deficiency of quarters.

**Babu Kailash Behari Lal** : To whom has a Member to complain regarding any inconvenience in the matter of accommodation ?

**The Honourable Sir Nripendra Sircar** : I have said that we have received no complaints.

**Mr. Badri Dutt Pande** : Is it the intention of the Government to introduce the flushing system, as this commode system is both unscientific and unsuitable for orthodox people ?

**The Honourable Sir Nripendra Sircar** : I cannot say.

**Mr. Lalchand Navalrai** : May-I know if it is a fact that the bath rooms are very near the sitting rooms and if so, will the Honourable Member make some arrangement by which this may be improved ?

**The Honourable Sir Nripendra Sircar** : Perhaps then the complaint may be that the bath rooms are too far off.

**Babu Kailash Behari Lal** : Do I understand that a Member has to complain to the Honourable the Leader of the House regarding inconvenience of accommodation ?

**The Honourable Sir Nripendra Sircar** : That is a complete misunderstanding.

**Babu Kailash Behari Lal** : I personally made a complaint to the President of the House Committee and I put a question whether the House Committee sat last year or not, and that question was rejected. May I know whether my petition was forwarded to the Leader of the House ?

**The Honourable Sir Nripendra Sircar** : No petition has been forwarded.

†884\*—885\*.

#### RUNNING OF DIRECT TRAINS BETWEEN PATNA AND JAMSHEDPUR.

886. **\*Mr. Ram Narayan Singh** : Is the Honourable Member for Commerce and Railways aware of the fact that railway journey from Jamshedpur to Patna and from Patna to Jamshedpur takes a lot of time and requires several changes at several junctions, and if so, is he prepared to ask the Railway authorities concerned to make an immediate arrangement for running a train or two directly between Patna and Jamshedpur every day ?

**The Honourable Sir Saiyid Sultan Ahmad** : Yes, but the running of particular services is a matter primarily for consideration of Railway Administration, taking into account the needs of the traffic offering. I am, however, sending a copy of this question and of my reply to the Agents of the East Indian and Bengal Nagpur Railways for consideration.

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†For these questions and replies thereto, see pages 2661-62 of these Debates.



**Mr. Ram Narayan Singh :** May I know whether the Honourable Member will send his own recommendation for this purpose along with the question ?

**The Honourable Sir Saiyid Sultan Ahmad :** I have given the answer. I will send the question with my reply.

**PERCENTAGE OF MUSLIMS IN VARIOUS BRANCHES OF RAILWAY SERVICES.**

887. **\*Maulvi Muhammad Abdul Ghani :** (a) Will the Honourable Member for Commerce and Railways be pleased to state whether he has seen the statement I regarding the communal composition of superior and subordinate Railway services for the periods ending 31st March, 1935, 1936 and 1937 submitted by the various Railway Companies under the Government of India, Home Department, Resolution No. F. 14|17-B.|33, dated the 4th July, 1934, and also the Railway Board Resolution No. E-34-C.M.|113, dated the 12th December, 1934 ?

(b) If so, will he please state the percentage of Muslims in various branches of the said services during the said periods ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) I have seen statement No. I, regarding the communal composition of superior and subordinate Railway services for the period ending 31st March, 1935, prepared under the Resolutions referred to by the Honourable Member. A statement for the period ending 31st March, 1936, is under compilation. Figures for a statement for the period ending 31st March, 1937, are being obtained.

(b) I would refer the Honourable Member to my reply to his unstarred question No. 120 asked by him on the 21st September, 1937, in this House, which gives the available information with Government.

**TOLLS REALISED ON THE SONEPURE RAILWAY BRIDGE.**

888. **\*Maulvi Muhammad Abdul Ghani :** Will the Honourable Member for Commerce and Railways please state :

- (a) the total expenditure on the Sonepore Railway Bridge over Bengal and North Western Railway ;
- (b) the proportionate expenditure for the foot paths on either side of the said bridge ;
- (c) the total amount of tolls realised by the Bengal and North Western Railway Company till 31st April, 1937 ; and
- (d) whether any resolution regarding the abolition of tolls on the said bridge was passed by the Bihar and Orissa Legislative Council ; if so, the result of the said resolution ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a), (b) and (c). The attention of the Honourable Member is invited to the answer given in this House on the 15th September, 1924, to parts (b) and (c) of Mr. Gaya Prasad Singh's starred question No. 1907. Information collected by Government for the purpose of a memorandum prepared in 1934 showed that the average annual receipts from tolls amounted to Rs. 15,425. The exact amount recovered up to 30th April, 1937, is not known.

(d) Government have no information. Attention is invited to letter No. 826-C. Ry. [V.T.-1 of 1924, dated the 30th September, 1924, from the Government of Bihar and Orissa, a copy of which was placed on the table on 22nd January, 1925, in reply to Mr. Gaya Prasad Singh's question No. 4. No further reference on the subject has since been received from that Government.

APPOINTMENT TO THE POST OF SUPERINTENDENT OF INSURANCE.

889. \*Mr. G. V. Deshmukh : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) how many Indians have acquired qualifications as Actuaries ;
- (b) how many of them are Associates and how many of them are Fellows, either of the Institute of Actuaries (England), or the Faculty of Actuaries (Scotland) ;
- (c) if Government will give preference to such of the Indian Actuaries as are Fellows of either of the two bodies in the matter of the appointment of the Superintendent of Insurance ; and
- (d) if Government are prepared to accept the principle that no person who is a Fellow of either of the two Associations will be eligible for the post of the Superintendent of Insurance ?

The Honourable Sir Saiyid Sultan Ahmad : (a) and (b). As far as Government are aware there are—

five Fellows of the Institute of Actuaries, London,  
one Fellow of the Faculty of Actuaries in Scotland, and  
fifteen Associates of the Institute of Actuaries, London.

(c) and (d). The Honourable Member is referred to the speeches of the Honourable the Law Member and Mr. S. C. Sen on page 903 of the debates of this House, dated the 31st August, 1937, and to my replies to question No. 364 asked by Mr. Badri Dutt Pande on the 8th September, 1937, and its supplementaries.

ATTEMPT TO DERAIL THE GAYA-MONGHYR PASSENGER TRAIN.

890. \*Babu Kailash Behari Lal : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) if it is a fact that on the morning of 13th September, 1937, an attempt was made to derail the Gaya-Monghyr passenger train and the situation was saved by the pluck of the driver ;
- (b) if the authorities have been able to find out the culprit ; and
- (c) if the authorities have instituted any enquiry into this incident ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) From enquiries which I have made, I learn that the Railway Administration have no knowledge of any such accident.

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

**EMPLOYMENT OF INDIANS IN THE LEAGUE OF NATIONS OFFICES.**

891. **\*Mr. C. N. Muthuranga Mudaliar :** (a) Will the Honourable the Leader of the House be pleased to state if any action has been taken on previous questions and Resolutions in the Assembly with reference to the increased employment of Indians in the League of Nations offices and the International Labour office in Geneva, as well as any other offices to the upkeep of which India contributes in any way ?

(b) Will the Honourable Member please lay on the table of the House a copy of the Establishment List of the League and the International Labour offices in Geneva and state how many Indians are employed there at present and on what pay ?

(c) Are Government prepared to consider the advisability of taking steps to see that retired Indian officials who express a desire to serve in the League offices are given every facility for such employment there ? If not, why not ?

**The Honourable Sir Nripendra Sircar :** (a) If the Honourable Member had studied the answers given to the previous questions to which he refers, he would have been aware that the answer is in the affirmative.

(b) The staff list of the League Secretariat, International Labour Office and other allied organisations is published annually in the official journal of the League, copies of every issue of which are placed in the Library immediately on their receipt. The staff list for 1937 has not yet been published. The Honourable Member will find the staff list for 1936 on pages 1098 to 1130 of the official journal for October, 1936.

The number of Indian employees has increased since the staff list for 1936 was issued and the latest information available was given in detail in my reply to part (b) of Mr. Satyamurti's starred question No. 210 on the 31st August, 1937. The pay of all ranks of the League establishment will be found in the staff list but I am unable to state the pay of Indians entertained since the list for 1936 was issued.

(c) In any suitable case Government would be glad to bring an application of this nature to the notice of the appropriate authority.

**Sir H. P. Mody :** In view of the fact that Sir Frank Noyce and I had recently a discussion with the Director of the International Labour Office on the question of the larger employment of Indians in the League and the International Labour Secretariat and favourable consideration was promised to our representations, will the Government of India be pleased to pursue the matter further ?

**The Honourable Sir Nripendra Sircar :** In answer to previous answers given in the regrettable absence of Sir Homi Mody, I replied that we have pursued that matter, and we have done all that is possible.

**RE-EMPLOYMENT OF EUROPEAN INDIAN CIVIL SERVICE OFFICERS AFTER RETIREMENT.**

892. \***Mr. C. N. Muthuranga Mudaliar** : Will the Honourable the Leader of the House be pleased to state if it is a fact that many European Indian Civil Service officers after retirement are re-employed in Indian States and elsewhere ?

**The Honourable Sir Nripendra Sircar** : The question should have been addressed to the representative of the Home Department.

**CONSTRUCTION OF THE PATNA JUNCTION RAILWAY STATION.**

893. \***Babu Kailash Behari Lal** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) with reference to the answer given by Government during the last Delhi Session regarding the construction of the Patna junction Railway station, as to how far the construction of the building has progressed ;
- (b) if it is not a fact that the building is not likely to be completed during the current year as given out by Government ; and
- (c) if the building is being constructed through a contractor, who is the contractor ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) Brickwork is approaching completion on two out of the four masonry blocks. Work cannot be started on the two remaining blocks till the first two blocks are finished.

(b) Probable date of completion is expected to be July, 1938.

(c) Udham Das.

**Babu Kailash Behari Lal** : What is the answer to part (c) of the question ?

**The Honourable Sir Saiyid Sultan Ahmad** : Udham Das.

**Babu Kailash Behari Lal** : From which province he comes ?

**The Honourable Sir Saiyid Sultan Ahmad** : I do not know.

**Babu Kailash Behari Lal** : The Honourable Member has given his answer with reference to part (c), but I want to know from which province the contractor comes ?

**The Honourable Sir Saiyid Sultan Ahmad** : I cannot say.

**ASSAULT OF AN INDIAN GOVERNMENT SERVANT IN THE VIZAGAPATAM PORT.**

894. \***Mr. K. S. Gupta** : Will the Honourable Member for Commerce and Railways state :

- (a) whether an Indian servant of Government was assaulted recently by the agents' representative of a ship in the Port of Vizagapatam who is an Englishman and a guest of the Traffic Manager of the Port of Vizagapatam ;

- (b) whether the matter was reported to the Traffic Manager, who in turn instead of safeguarding the interests of his subordinate said that the aggressor was justified in taking the law into his own hands ;
- (c) whether the aggrieved person demanded an enquiry and whether the Traffic Manager threatened the aggrieved with dismissal in case of further pressure for enquiry ; and
- (d) whether the Honourable Member propose to give necessary instructions to safeguard the interests of the subordinate staff (outdoor) who go to the moorings even at nights ?

**The Honourable Sir Saiyid Sultan Ahmad :** With your permission, Sir, I propose to answer questions bearing serial Nos. 894, 895 and 896 together.

The information is being called for, and a reply will be laid on the table in due course.

#### RACIAL DISCRIMINATION IN THE SUPERVISORY CADRE IN THE VIZAGAPATAM PORT.

†895. \***Mr. K. S. Gupta :** Will the Honourable Member for Commerce and Railways state :

- (a) whether appointments are being made to the supervising cadre in the Port of Vizagapatam on the principle of racial preference or on the principle of efficiency coupled with seniority ;
- (b) whether it is a fact that one Mr. J. A. D'Costa—a typist in the Traffic Manager's office is appointed to officiate as a Junior Assistant Quay Foreman, while there are many Indian subordinates of the outdoor section who are qualified for the job ;
- (c) what are the educational or technical qualifications of the supervising staff of the Port of Vizagapatam—(i) Quay Foreman, (ii) Assistant Quay Foreman, and (iii) Boat overseer ;
- (d) what are the educational qualifications of the Indian Tally Clerks ;
- (e) whether it is a fact that the whole responsible outdoor work is done by Tally Clerks only ;
- (f) whether the Honourable Member is aware that Indian employees in Supervising Cadre and in sheds were not allowed to draw their salaries according to the approved scales of pay ;
- (g) whether it is a fact that the claims of Tally Clerks are always overlooked when vacancies occur in the Supervising staff of the outdoor work ; and
- (h) whether Government are aware that there is differential treatment by the traffic authorities with regard to distribution of work, giving leave, and giving time compensation off, between the Anglo-Indians and Indians of the outdoor section ; if so, the reason why there should be any differential treatment ?

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†For answer to this question, see answer to question No. 894.

**DENIAL OF PROVIDENT FUND BENEFITS TO WORKERS IN THE VIZAGAPATAM PORT.**

†896. \***Mr. K. S. Gupta** : Will the Honourable Member for Railways and Commerce state whether he is aware that the benefits of the Provident Fund are denied to several workers in the employment of the Vizagapatam Port ?

**BENEFITS OF PROVIDENT FUND TO THE TRAIN LIGHTING STAFF ON THE NORTH WESTERN RAILWAY.**

897. \***Mr. Sham Lal** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether it is a fact that the train lighting inferior staff on line of the North Western Railway is monthly rated and the train lighting workshop staff is daily rated ;
- (b) whether the train lighting inferior staff on line is not allowed to enjoy the benefit of provident fund, whereas the train lighting workshop staff are entitled to the benefit of provident fund ;
- (c) whether it is a fact that in 1936 the Honourable Member for Commerce and Railways replying to a question in the Assembly said that the question of allowing the train lighting inferior staff on line the benefit of provident fund could not be considered then as there was a deficit in the railway budget ; and
- (d) if the reply to the preceding part be in the affirmative, whether Government are now prepared to consider the question when the earnings of the railways have considerably gone up ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) I would refer the Honourable Member to Schedules ' B ' and ' C ' of the North Western Railway's Gazette Extraordinary, dated the 6th August, 1934, a copy of which is in the Library of the House, which gives the information available with Government.

(b) I would refer the Honourable Member to the reply given to part (e) of starred question No. 1148, asked by Bhai Parma Nand on the 12th March, 1936, in this House. I would also refer the Honourable Member to rule 6 (d) of the State Railway Provident Fund Rules, a copy of which is in the Library of the House.

(c) Presumably the Honourable Member is referring to the Honourable Sir Muhammad Zafrullah Khan's reply to parts (b) and (e) of starred question No. 1148 asked by Bhai Parma Nand on the 12th March, 1936, in this House. If so, I would inform the Honourable Member that the extension of benefits of Provident Fund to the inferior staff, who are not entitled to it under the present rules, was postponed not because of a deficit in the railway budget, but on financial grounds.

(d) In view of the reply to part (c) above, this does not arise.

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†For answer to this question, see answer to question No. 894.

**Mr. Sham Lal :** May I know, Sir, why, when provident fund is being provided for staff employed in insurance companies, no attempt is being made to provide provident fund for train lighting inferior staff ?

**The Honourable Sir Saiyid Sultan Ahmad :** I should like to have notice of that question.

**RETRENCHMENT OF CERTAIN PERSONS OF THE TRAIN LIGHTING STAFF ON THE NORTH WESTERN RAILWAY.**

898. **\*Mr. Sham Lal :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether it is a fact that in 1935 thirty-six men of the train lighting staff on line of the North Western Railway were retrenched on the ground that they were inefficient ;
- (b) whether it is a fact that the retrenched persons were given twenty-eight months' leave, out of which twenty-four months was on half salary and four months on full salary ;
- (c) whether Government are aware that after they had drawn their full salaries for three or four months the Agent issued a circular to the effect that their whole leave should be considered without pay ;
- (d) whether it is a fact that the full salaries drawn by these persons for the three or four months were deducted from their gratuities ;
- (e) whether it is a fact that two of the employees who were retrenched on account of being inefficient were re-employed on less salaries ; and
- (f) if the reply to the preceding part be in the affirmative, why those persons who were considered inefficient were again employed ?

**The Honourable Sir Saiyid Sultan Ahmad :** I am obtaining information and will lay a reply on the table of the House in due course.

**RETRENCHMENT ON THE NORTH WESTERN RAILWAY.**

899. **\*Mr. Sham Lal :** (a) Will the Honourable Member for Commerce and Railways be pleased to state if it is a fact that retrenchment was made on the North Western Railway in 1931 ?

(b) Is it a fact that the Railway Board wired to stop reduction after 9th July, 1931 ?

(c) Is it a fact that persons were brought under reduction even after that date ?

(d) Is it a fact that some of the members of retrenchment staff were re-appointed in old scale on the same pay which they were drawing at the time of their discharge ?

(e) Is it a fact that no mention was made while appointing them and the offers made to them were clear that they were given old pay and scale ?

(f) Is it a fact that they were brought into new scale in 1935 from the date of their re-appointment and even the confirmed hands in old scales were not spared ?

(g) If so, what led to this action and is it in accordance with rules ?

(h) Is it a fact that the recoveries of over-payments received by them in old scales of pay were from 18th November, 1935 and onwards ?

(i) Is it a fact that the employees concerned on appeal against this order were re-assured that no recovery on account of over-payments relating to the period prior to 18th November, 1935, will be made ?

(j) Is it a fact that in spite of the above assurance a circular letter has recently been issued ordering to recover the over-payments from 1st October, 1934 ?

(k) Have similar recoveries been made on other State-managed Railways ?

(l) If the answer to the above be in the affirmative, will Government be pleased to state whether the Agents were authorised to recover the over-payments received by the retrenched staff in good faith and whether Government are prepared to consider their case and replace them in old scales refunding the amount recovered ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) Yes.

(b) and (c). Instructions were issued by the Railway Board to the Agents of State-managed Railways, in a telegram, dated the 8th July, 1931, that discharge of employees should be suspended with immediate effect and until the following October, it being pointed out to them that the orders did not apply to :

- (i) men already under notice of discharge ;
- (ii) men engaged for purely temporary purposes ;
- (iii) gazetted officers.

(d) to (l). Government have no information. I would, however, refer the Honourable Member to Railway Board's letter No. 807-E.G. | II, dated the 31st August, 1934, on the subject, a copy of which is in the Library of the House. Government have no reason to believe that the orders contained in the letter referred to have not been observed by Railway Administrations. I am, however, sending a copy of this question to the Agent, North-Western Railway, for such action as he may consider necessary.

#### POST OF DRIVERS HELD IN ABEYANCE ON THE NORTH WESTERN RAILWAY.

900. \***Mr. Sham Lal :** (a) Will the Honourable Member for Commerce and Railways be pleased to state whether it is a fact that a few posts (about 33) of drivers grade III on the North Western Railway have been held in abeyance (some in 1934 and the rest in 1936) to allow automatic promotion to the Loco. Running Staff, Grade IV ?

(b) If the reply to part (a) be in the affirmative, will Government state the number of Indians, Anglo-Indians and Europeans thus deprived of their promotions ?



(c) Is it also a fact that those thus affected are mostly Indians ?

(d) Are Government aware of the fact that supernumerary posts were sanctioned in grade IV against the vacancies of grade III, *vide* North Western Railway Agent's letters No. 755-E.157-II, dated the 7th November, 1934, and the 14th March, 1936, thus usurping the rights of grade III people and putting a deadlock on their further promotion for a considerably long period ?

(e) If so, what action did Government take against the North Western Railway Administration in withholding the vacancies of grade III ?

(f) If no action has so far been taken, are Government prepared to make necessary arrangements to release the above mentioned vacancies in grade III ?

(g) Will Government also state if the allotment of Loco. Running staff, grade III, has from time to time been reduced ? If so, why and under what circumstances ?

(h) Is it not a fact that the above mentioned reduction has affected mostly the Indians ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) to (h). Government have no information. These are matters of detailed administration within the competence of the Agent, North Western Railway, to deal with. Government have no reason to believe that there has been any racial discrimination in this matter as alleged by the Honourable Member. I am, however, sending a copy of the question to the Agent, North Western Railway, for such action as he may consider necessary.

**DENIAL OF FACILITIES TO MR. V. V. NARASIMHAN TO ATTEND THE SITTINGS OF THE MADRAS LEGISLATIVE ASSEMBLY.**

901. **\*Mr. C. N. Muthuranga Mudaliar :** (a) Will the Honourable Member for Commerce and Railways be pleased to state whether the attention of Government has been drawn to the following report of a Resolution passed at a meeting held under the auspices of the Madras Government Press Workers' Union under the Chairmanship of the Honourable Minister for Agriculture, Madras Government, reported in the *Hindu*, dated the 9th September, 1937 (page 15) :

"Mr. P. R. K. Sarma moved another resolution condemning the attitude of the Madras and Southern Mahratta Railway management who would not permit Mr. V. V. Narasimham, M.L.A., (Provincial) to attend the Assembly sittings. Mr. Narasimham was a railway employee and represented labourers in Guntur, etc., districts in the Assembly (Madras) " ?

(b) Are Government prepared to call for a report from the Agent, Madras and Southern Mahratta Railway as to the correctness or otherwise of the above report ?

(c) If the report is correct, do Government propose to consider the advisability of instructing the Agent, Madras and Southern Mahratta Railway to give necessary facilities to Mr. Narasimham to attend the Madras Assembly sittings ?

(d) In view of the fact that the Assembly (Madras) is now in session, is the Honourable Member prepared to expedite the matter ?

**The Honourable Sir Saiyid Sultan Ahmed :** (a) to (d). The matter, which has just been brought to the notice of Government by the Honourable Member's question, is at present under consideration. A reply will be laid on the table of the House in due course.

**Mr. C. N. Muthuranga Mudaliar :** May I know, Sir, if the Honourable Member referred to is now attending the session in the Madras Assembly ?

**The Honourable Sir Saiyid Sultan Ahmad :** I have no information.

**Mr. Mohan Lal Saksena :** Will the Honourable Member issue instructions that he should be allowed to attend ?

**The Honourable Sir Saiyid Sultan Ahmad :** No. The matter is under consideration.

†902\* to 906\*.

**GRATUITY WITHHELD FROM CERTAIN EMPLOYEES IN THE JAMALPUR RAILWAY WORKSHOP.**

907. **\*Mr. Mohan Lal Saksena :** (a) Will the Honourable Member for Commerce and Railways be pleased to state whether any employees in Jamalpur Workshop, East Indian Railway, have been granted only 50 per cent. of their gratuity during the last two years ? If so, will Government lay a statement giving their names and the reasons for which the gratuity has been withheld ?

(b) How many employees, if any, were not granted gratuity simply because the strike-period was not included in their service for purposes of gratuity while it was counted for purposes of retirement ? Are Government prepared to consider their cases and grant the gratuity ?

(c) How many women employees of the Jamalpur Engineering, if any, discharged on medical grounds have not been granted gratuity and why ?

**The Honourable Sir Saiyid Sultan Ahmad :** I am obtaining certain information and will lay a reply on the table of the House in due course.

**PROSECUTION OF EMPLOYEES OF JAMALPUR RUNNING SHED AND STOPPAGE OF ALLOWANCE OF PERMANENT WAY STAFF AT JAMALPUR.**

908. **\*Mr. Mohan Lal Saksena :** (a) Will the Honourable Member for Commerce and Railways be pleased to state how many employees of Jamalpur Running Shed have been prosecuted under Railway Act during the last two years and with what results and whether they have been compensated on acquittal ? If not, why not ?

(b) How many of those convicted have been discharged and how many retained ? Will Government state the reasons for this differentiation ?

(c) Has the allowance of Permanent Way staff, Jamalpur, been stopped ? If so, why ? Why are they not allowed overtime when they are made to work after the fixed hours ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) to (c). I am obtaining information and will lay a reply on the table of the House in due course.

†For these questions and replies thereto, see pages 2661-62 of these Debates.

## NON-STOPPAGE OF PUNJAB EXPRESS TRAINS AT JASIDIH JUNCTION.

909. \*Pandit Lakshmi Kanta Maitra (on behalf of Dr. P. N. Benerjea) : (a) Is the Honourable Member for Commerce and Railways aware that Jasidih junction is an important station on the East Indian Railway where large numbers of passengers catch the trains or alight from them every day ?

(b) Is it a fact that since October, 1936, the Punjab Express trains (17-Up and 18-Down) have ceased to stop at this station ?

(c) Are Government aware that Jasidih and the adjacent town of Baidyanathdham are important places of health resort besides being famous places of pilgrimage ?

(d) Are Government aware that the non-stoppage of these Express trains has deprived large numbers of passengers from and to Calcutta and other places in Bengal of the advantage of a very convenient train ?

(e) Are Government aware that the loss of this convenience has diverted to some extent the passenger traffic to stations on the Bengal Nagpur Railway ?

(f) Is it a fact that the earnings of the East Indian Railway at this station have decreased owing to the non-stoppage of these Express trains ?

(g) Are Government prepared to consider the desirability of advising the East Indian Railway authorities to reconsider their decision in regard to this matter ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a), (b) and (c). Yes.

(d) Representations to this effect have been made.

(e) and (f). Government have no information.

(g) No. Nos. 17-Up and 18-Down are long distance Express trains intended mainly for passengers travelling to destinations beyond Jasidih. Such trains cannot be stopped at intermediate stations which they are not intended to serve without seriously inconveniencing long distance passengers and causing overcrowding of the trains. There are six Up trains (from Howrah) and six Down trains (from Moghal Sarai) which stop at Jasidih. I understand, moreover, that, in order to meet the wishes of passengers to and from the sanatoria stations in Bihar, the East Indian Railway authorities have altered the timings of 21-Up Howrah-Gaya-Mokameh fast passenger.

**Pandit Lakshmi Kanta Maitra** : Do I understand, Sir, that the Punjab Express is not stopping even now at this station ? And in view of the fact that this is an important pilgrim station, is it not desirable that the Government should allow this train to stop at this station ?

**The Honourable Sir Saiyid Sultan Ahmad** : The Howrah-Gaya-Mokameh fast passenger will stop at that station.

**Pandit Lakshmi Kanta Maitra** : And not the Punjab Express ?

**The Honourable Sir Saiyid Sultan Ahmad** : No.

## NON-STOPPAGE OF PUNJAB EXPRESS TRAINS AT JASIDIH JUNCTION.

910. \***Pandit Lakshmi Kanta Maitra** (on behalf of Dr. P. N. Banerjea) : (a) Will the Honourable Member for Commerce and Railways state if it is a fact that Jasidih junction is a more important station than Jhajha from the point of view of passenger traffic ?

(b) If the answer to part (a) be in the affirmative, will the Honourable Member be pleased to state why the Punjab Express trains (17-Up and 18-Down) stop at Jhajha but do not stop at Jasidih junction ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) Government are not in possession of the passenger traffic statistics of individual stations, and are not, therefore, in a position to express an opinion on the matter.

(b) I understand that the trains referred to are required to stop at Jhajha for engine watering purposes.

**Pandit Lakshmi Kanta Maitra** : May I ask the Honourable Member to send down these questions to the Agent for such action as he may consider necessary ?

**The Honourable Sir Saiyid Sultan Ahmad** : Yes.

## INTERPRETATION OF THE WORD "JANGAD" BY THE BOMBAY HIGH COURT.

311. \***Dr. G. V. Deshmukh** : Will the Honourable the Law Member please state :

(a) whether he received a representation from the jewellery merchants of India regarding the necessity of removing the difficulty in the jewellery trade caused by the interpretation of the word "*jangad*" by the Bombay High Court ;

(b) whether any inquiry was made in connection with it and any decision has been arrived at ; and

(c) whether it is intended to introduce any legislation in respect of this subject ; if so, when ?

**Mr. Y. N. Sukthankar** : (a) Yes.

(b) and (c). The Provincial Governments concerned have been consulted regarding the practice followed in the jewellery trade relating to *Jangad* transactions, and the desirability of undertaking legislation on the subject. Their views are now under the consideration of the Central Government.

**Mr. Badri Dutt Pande** : What is this "*jangad*" ?

**Dr. G. V. Deshmukh** : I will explain it privately.

**Mr. Bhulabhai J. Desai** : Is it intended to undertake legislation at an early date ?

**Mr. Y. N. Sukthankar** : No. The position is this. The very Diamond Merchants' Association who applied to us in the beginning and pointed out the urgency of legislation have now come with a request that we should postpone it as there is an exactly similar case before the High Court of Bombay and they want to await the decision of the High Court.

**Mr. Badri Dutt Pande :** What does this word "jangad" mean ?

**Dr. G. V. Deshmukh :** It is not my duty to explain ; otherwise I would have done it.

**The Honourable Sir Nripendra Sircar :** "Jangad" means an *amanat* or deposit. That is what the representation says.

**Mr. Bhulabhai J. Desai :** The decision of the High Court was that in the event of a broker being entrusted with goods on *jangad* he is not treated as a trustee but he is entitled to sell them to himself. The position in the Bombay market throughout has been that unless it is held to be a trust it will be impossible to carry on business entrusting goods of large value to ordinary brokers. Is the view of Government this that they expect the decision to be reversed, and that is why they are waiting ?

**The Honourable Sir Saiyid Sultan Ahmad :** The position really is this. When we received representations from the merchants individually and through associations we consulted all the Provincial Governments and the last Provincial Government which took a long time to reply was the Bombay Government, perhaps because of the change of Ministry there. Therefore, we had to wait for the opinion of the new Ministry. We have now received the reply and we are considering as to what should be done.

**Mr. Bhulabhai J. Desai :** Is there any difference of opinion on the question that in order to facilitate and protect business it is necessary to create such transactions as trusts ?

**The Honourable Sir Saiyid Sultan Ahmad :** There is a slight difference of opinion but not very great.

**Mr. Bhulabhai J. Desai :** If the decision of the Bombay High Court is not received in a similar case at an early date reversing this, will Government then undertake legislation at an early date ?

**The Honourable Sir Saiyid Sultan Ahmad :** That will be considered independently of the decision of the High Court if it is not received earlier.

#### APPOINTMENT OF THE CHIEF MEDICAL OFFICER OF THE EAST INDIAN RAILWAY.

912. **\*Pandit Sri Krishna Dutta Paliwal :** Will the Honourable Member for Commerce and Railways state :

- (a) if Sir Hassan Suhrawardy has resigned his post as a Chief Medical Officer of the East Indian Railway ;
- (b) what arrangements have been or are being made to fill up the vacancy caused by this resignation ; and
- (c) if Government propose to take into consideration the claims of senior Indian Medical Officers when filling up the vacancy ?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) No. The nature of the arrangement between the Government of India and the Government of Bengal in regard to his services is still under consideration.

(b) and (c). I would refer the Honourable Member to my reply to parts (c) and (d) of starred question No. 384 asked by Seth Govind Das on the 8th September, 1937, in this House.

**Mr. Sham Lal :** May I ask who is officiating for Sir Hassan Suhrawardy ?

**The Honourable Sir Saiyid Sultan Ahmad :** The answer was given in my reply to the question referred to.

**Mr. Mohan Lal Saksena :** Is it not a fact that the person who is officiating is not the seniormost person ?

**The Honourable Sir Saiyid Sultan Ahmad :** That also was given in my reply.

**Mr. Mohan Lal Saksena :** Is it not a fact that he has been appointed because he happens to be a European ?

**The Honourable Sir Saiyid Sultan Ahmad :** No.

**Seth Govind Das :** Was no Indian with that qualification available for that appointment ?

**The Honourable Sir Saiyid Sultan Ahmad :** If the Honourable Member will refer to my replies to his very question No. 384 he will get the answer there.

#### STANDARDISATION OF WEIGHTS AND MEASURES.

913. \***Prof. N. G. Ranga :** Will the Honourable the Commerce Member be pleased to state :

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

**The Honourable Sir Saiyid Sultan Ahmad :** (a) Yes.

(b) Some representatives at the last Industries Conference drew attention to the confusion caused by the use of different weights but the proceedings of the Conference do not show that any such suggestion as is referred to in the latter portion of this part of the question was made at the Conference.

(c) Under the new constitution the Provincial Governments are competent to legislate with regard to weights and measures and the Federal Government have power to legislate only for the establishment of standards of weight. The recommendation regarding the standardisation of weights and measures contained in the report on the marketing of wheat in India is at present under the consideration of Government.

**Prof. N. G. Ranga :** What do Government propose to do in regard to the establishment of standardisation of weights and measures all over India ?

**The Honourable Sir Saiyid Sultan Ahmad :** I said we are considering the question.

**Seth Govind Das :** Are Government aware that this consideration is going on for years now and that on account of there not being a uniform weights system the traders and the consumers are being put to the greatest possible inconvenience ?

**The Honourable Sir Saiyid Sultan Ahmad :** Without admitting all the statements made in the question it must be remembered that under the new constitution the Provincial Governments are competent to legislate with regard to weights and measures and we have power to legislate for the establishment of standards of weight only. The matter is being considered as to what should be done as quickly as possible.

**Seth Govind Das :** Under the circumstances will it not be advisable for the Central Government to have negotiations with all the Provincial Governments so that as far as possible there may be one sort of weight in the whole country ?

**The Honourable Sir Saiyid Sultan Ahmad :** We will consider that.

**Mr. S. Satyamurti :** Do Government expect to be in a position to bring up legislation on the standardisation of weights, in the ensuing Delhi session ?

**The Honourable Sir Saiyid Sultan Ahmad :** We can give no definite undertaking, but the matter is being pursued as far as we can.

**Mr. S. Satyamurti :** Will the Government of India, considering this as an all-India matter, address all the Provincial Governments on the desirability of having uniform weights and measures ?

**The Honourable Sir Saiyid Sultan Ahmad :** I have already said in answer to Seth Govind Das's question that this matter will be considered.

†914\*—915\*.

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†These questions were withdrawn by the questioner.

SELECTION OF ALLAHABAD AS THE VENUE FOR THE ENQUIRY OF THE BIHTA RAILWAY DISASTER.

916. \***Mr. Ram Narayan Singh** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) their reasons in full for selecting Allahabad as the venue for the enquiry of the recent Bihta railway disaster in preference to Bihta or Patna ;
- (b) whether his attention has been drawn to the editorial comments of the *Search Light*, dated Patna, the 15th September, 1937, and the *Hindustan Times*, dated Delhi, the 18th September, 1937, on the question of the venue for the enquiry referred to in part (a) above ; and
- (c) if so, in view of the strong public protest from all sides of the country against their choice of the venue for the enquiry referred to in parts (a) and (b) above, whether he is prepared to consider the desirability of reconsidering the question and of selecting Bihta or Patna as the venue for the said enquiry in preference to Allahabad ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) Allahabad was selected to suit the convenience of the Honourable the Chief Justice of the Allahabad High Court who has been entrusted with the holding of the enquiry.

(b) Yes.

(c) The suggestion has been considered but it is regretted that it is not thought feasible to change the venue.

**Mr. Mohan Lal Saksena** : May I know whether the witnesses who will go to Allahabad will be allowed passes or given travelling allowance ?

**The Honourable Sir Saiyid Sultan Ahmad** : Yes.

**Mr. S. Satyamurti** : May I know whether the Chief Justice of the High Court will be performing the duties of Chief Justice, while he is conducting the enquiry ?

**The Honourable Sir Saiyid Sultan Ahmad** : I have no definite information except what I have seen in the press, that at that time there will be another Chief Justice acting in his place.

**Mr. S. Satyamurti** : In view of that, what are the considerations of convenience which prevent him from sitting at the scene of the disaster, if he is not performing the duties of Chief Justice also ?

**The Honourable Sir Saiyid Sultan Ahmad** : We have to look to his convenience.

**Mr. Mohan Lal Saksena** : What is the procedure for the selection of witnesses ?

**The Honourable Sir Saiyid Sultan Ahmad** : That will have to be left, first of all, to the Judge himself—as to the form in which the enquiry should be held.



**Mr. Mohan Lal Saksena :** Surely there must be some authority to advise the Honourable Judge, and may I know what suggestion the Government are making in that behalf ?

**The Honourable Sir Saiyid Sultan Ahmad :** As a matter of fact, what has been suggested is that counsel will appear on both sides, on behalf of the public also, at the expense of the Government, and they will find out what sort of witnesses would be required and what evidence should be given.

**Mr. Mohan Lal Saksena :** May I know if any public association or any other persons are taking interest on behalf of the public ?

**The Honourable Sir Saiyid Sultan Ahmad :** These are matters of detail. We can come to no decision here as to how it should be done.

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

IMPORT OF TWISTED SILK FROM JAPAN.

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

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

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

**The Honourable Sir Saiyid Sultan Ahmad :** (a) Imports of twisted silk are not separately recorded in the Trade Returns. I lay on the table, however, a statement showing imports from Japan of yarn made from silk other than waste or noils which include twisted silk.

(b) Government have received no specific complaints in the matter from silk manufacturers in India.

(c) The claim of the silk industry as a whole for further assistance against Japanese competition is being examined at present.

*Statement showing the Imports of Yarn made from Silk other than waste or noils from Japan into India.*

Year.		Quantity.	Value.
		Lbs.	Rs.
1934-35	.. .. .	126,426	4,86,419
1935-36	.. .. .	112,636	4,83,488
1936-37	.. .. .	174,435	7,03,260
Five months April—August of 1937	.. .. .	113,008	4,76,142

NOTE.—Figures for April—August of 1937 relate to British India excluding Burma

**Mr. S. Satyamurti** : By whom ?

**The Honourable Sir Saiyid Sultan Ahmad** : By our officer on special duty.

**Mr. S. Satyamurti** : Do Government propose to appoint an *ad hoc* Tariff Board for the purpose ?

**The Honourable Sir Saiyid Sultan Ahmad** : No.

**Mr. S. Satyamurti** : May I know whether Government are aware that there is a great deal of silk weaving in Mysore and Madras and that it is suffering owing to ruinous Japanese competition which is not giving any adequate scope for the indigenous silk industry ?

**The Honourable Sir Saiyid Sultan Ahmad** : As I have said, we have received no specific complaint in this matter from the silk manufacturers in India.

**Mr. S. Satyamurti** : May I know if this gentleman who is in charge of this inquiry will get into touch with the manufacturers of silk in Southern India, particularly in Mysore, to find out whether there is this ruinous competition ?

**The Honourable Sir Saiyid Sultan Ahmad** : As a matter of fact, they have got to get into touch with him but I would consider the suggestion and see if we cannot get into touch with them.

**Mr. N. V. Gadgil** : Will Government move in the matter if complaints are received ?

**The Honourable Sir Saiyid Sultan Ahmad** : I have answered that question just now.

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(b) WRITTEN ANSWERS.

GRIEVANCES OF THIRD CLASS MATRICULATES EMPLOYED ON THE NORTH WESTERN RAILWAY.

884. \***Maulana Zafar Ali Khan** : (a) Will the Honourable Member for Commerce and Railways please state whether .

(i) it is a fact that the minimum standard of educational qualification as fixed by the Railway Board *vide* its letter No. E-35-R.R.-81, dated the 28th August, 1936—paragraph 53—regarding the recruitment and training of subordinate staff on State-managed Railways is simply matriculation without any distinction of the division in which a candidate has passed that examination ;

(ii) it is also a fact that the third division matriculates of recognised universities are not allowed to compete in the various competitive examinations for clerical posts in the North Western Railway .

- (iii) it is further a fact that third division matriculates who have put in some eight or nine years service in lower grades and as typists have been refused promotion—or transfer in the case of typists—in the clerical line for no other reason than that they are third division matriculates ;
- (iv) it is still further a fact that third division matriculate number-takers on the North Western Railway in the grade Rs. 31—3—40 are eligible for promotion in the clerical line under the Agent's letter No. 753-E.201, dated the 30th September, 1935, to all divisions on the North Western Railway while the same concession has been refused in the case of typists in the grade Rs. 39—3—60 and store distributors and challandars in the grade Rs. 36—2—46 ; and
- (v) it is likewise a fact that no such bar of division stands in the way of candidates for posts in the North Western Railway Accounts Department and third division matriculates are allowed to sit at the competitive examinations held by the Railway Accounts Department ?

(b) If the answer to sub-clauses (a) (i), (ii), (iii) and (iv) be in the affirmative, how will the Honourable Member for Commerce and Railways explain the obvious discrepancy between (i), (ii), (iii) and (iv) and how does the Honourable Member propose to reconcile them ?

(c) If the answer to sub-clause (a) (v) be also in the affirmative, how is it that the Railway Accounts Department is permitted to deviate from the practice followed under sub-clauses (a) (ii) and (iii) ?

**The Honourable Sir Saiyid Sultan Ahmad :** With your permission, Sir, I propose to reply to questions Nos. 884 and 885 together.

As regards question No. 884 (a) (i), the reply is in the affirmative.

As regards question No. 884 (a) (ii), I would refer the Honourable Member to paragraph 64 of the Rules for the recruitment and training of subordinate staff of State-managed Railways, a copy of which is in the Library of the House. Under this paragraph an Agent of a State-managed Railway has the power to make subsidiary rules to suit conditions on his railway.

As regards other parts of questions Nos. 884 and 885, I am making enquiries and will lay a reply on the table of the House in due course.

#### GRIEVANCES OF THIRD CLASS MATRICULATES EMPLOYED ON THE NORTH WESTERN RAILWAY.

†885. \***Maulana Zafar Ali Khan :** Is the Honourable Member for Commerce and Railways prepared to take early and effective steps to redress the crying grievance of third class matriculates employed on the North Western Railway and uphold the uniform principle that the minimum qualification for candidates for all subordinate posts in the Railway shall be the matriculation examination without any bar of division ?

†For answer to this question, see answer to question No. 884.

## OFFICERS IN THE REFORMS OFFICE.

902. \*Maulana Zafar Ali Khan : Will the Honourable the Leader of the House please state whether it is a fact :

- (a) that in the Reforms Office of the Government of India there are at present five officers (above the rank of Superintendent and Chief Superintendent) ; and
- (b) that of these four are Hindus (three Madrasis), one Christian (English), and there is *no Muslim* ?

The Honourable Sir Nripendra Sircar : The reply to both parts of the Honourable Member's question is in the affirmative.

## STENOGRAPHERS IN THE REFORMS OFFICE.

903. \*Maulana Zafar Ali Khan : Will the Honourable the Leader of the House please state whether it is a fact :

- (a) that there are at present three stenographers in the Reforms Office ; and
- (b) that all of them are Madrasi Hindus ?

The Honourable Sir Nripendra Sircar : The reply to both parts of the Honourable Member's question is in the affirmative, but it may be stated that one other stenographer, who is a Muslim, is at present on deputation and likely to return shortly.

## SALARY OF RAO BAHADUR V. P. MENON.

904. \*Maulana Zafar Ali Khan : Will the Honourable the Leader of the House please state :

- (a) whether it is a fact that the present salary of Rao Bahadur V. P. Menon is Rs. 3,000 a month ;
- (b) whether it is a fact that his salary on the 1st January, 1930 was about Rs. 300 a month ; and
- (c) if so, in what respects his ability and efficiency have so considerably increased during the last seven years as to justify an increase of ten times in his emoluments ?

The Honourable Sir Nripendra Sircar : (a) Mr. Menon holds the post of Deputy Secretary in the Reforms Office on a pay of Rs. 1,750 a month, but is at present officiating as Joint Secretary on a pay of Rs. 3,000 a month in place of Mr. Conran-Smith who will return at the end of October.

(b) The facts are not correctly stated in the question. In January, 1930, Mr. Menon was drawing pay at the rate of Rs. 425 a month.

(c) The exceptional ability of this officer fully justifies the promotion accorded to him.

**MUSLIM CLERKS IN THE OFFICE OF THE LOCO. SUPERINTENDENT, AJMER.**

905. \*Khan Sahib Nawab Siddique Ali Khan : (a) Will the Honourable Member for Commerce and Railways be pleased to state whether :

- (i) it is a fact that the number of Muslim clerks in the office of the Loco. Superintendent, Ajmer, was about 16 against a total of 129 clerks, in the year 1932, whereas, it now (in 1937) stands at 12 only, thus reducing the ratio of the Muslim clerks in the above named office from 12½ per cent. in 1932 to about 9½ per cent. in 1937 ; and
- (ii) it is a fact that in the above named office there was at least one Muslim head of section (head-typist) in the year 1932, out of a total of eight heads of sections belonging to different communities, whereas in 1937 there is not a single Muslim head of section, thus bringing the ratio of the Muslims in that category from 12½ per cent. in 1932 to zero per cent. in 1937 ?

(b) If the reply to the last part be in the affirmative, will the Honourable Member for Commerce and Railways be pleased to state why the percentage of the Muslim clerks in general and that of heads of sections in particular in the office of the Loco. Superintendent, Ajmer, has been reduced to these unjustifiable figures specially in view of the orders of the Government of India issued from time to time for increased representation of the Muslim community in the railway services ?

(c) Are Government prepared to direct the Bombay, Baroda and Central India Railway Administration to redress the grievances of the Muslim community ? If not, why not ?

The Honourable Sir Saiyid Sultan Ahmed : With your permission, Sir, I propose to reply to questions Nos. 905 and 906 together.

Government have no information. The staff referred to by the Honourable Member are not Government servants, but are the servants of the Bombay, Baroda and Central India Railway. I may add that, in making direct recruitment to their services the Bombay, Baroda and Central India Railway have agreed to follow the communal percentage laid down by Government. I am, however, sending a copy of the question to the Agent, Bombay, Baroda and Central India Railway, for such action as he may consider necessary.

**GRIEVANCES OF MUSLIM APPRENTICES IN THE LOCO. AND CARRIAGE SHOPS AT AJMER.**

†906. \*Khan Sahib Nawab Siddique Ali Khan : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) the respective numbers of Muslim, Hindu and Anglo-Indian ' A ' grade apprentices in the Loco. and Carriage Shops at Ajmer who passed their course of apprenticeship since 1921, and the number of such passed apprentices fixed on monthly wages from each community upto 1937 ;

†For answer to this question, see answer to question No. 905.

- (b) whether it is a fact that since 1921, 13 Muslim 'A' grade apprentices have passed their course in the Loco. and Carriage Shops, Ajmer, but with the exception of Muslim apprentices all are still unfixed and on the daily rate of pay, whereas, almost all the non-Muslim 'A' grade apprentices have been fixed on lucrative monthly wages in some cases superseding the senior Muslim apprentices ;
- (c) if the reply to part (b) be in the affirmative, the reason for this sort of treatment of the Muslim community ;
- (d) whether Government are prepared to direct the Bombay, Baroda and Central India Railway Administration to redress the grievances of the Muslim community in this respect, if not, why not ; and
- (e) whether the Rajputana and Central India Muslim League sent any representation about the grievances referred to in this and the preceding question to the Agent of the Bombay, Baroda and Central India Railway in or about June, 1937, and if so, what action the Agent has taken on the said representation ?

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#### UNSTARRED QUESTIONS AND ANSWERS.

##### ABSENCE OF A SHED FOR *Ekkas* AND *Tongas* AT THE ETAWAH RAILWAY STATION.

179. **Dr. Ziauddin Ahmad** : (a) Will the Honourable Member for Commerce and Railways please state whether it is not a fact that there are no *ekkas* and *tongas* shed and no water troughs for the ponies at the railway station at Etawah, East Indian Railway ?

(b) Is it not a fact that the Divisional Superintendent, Allahabad, is now levying a small tax on *tongas* and *ekkas* with the object of providing amenities to the ponies and *ekka* and *tonga* drivers ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) and (b). Government have no information, but this is being called for and a reply will be laid on the table in due course.

##### POLICY OF NOT GIVING RETROSPECTIVE EFFECT TO ANY MEASURE.

180. **Mr. Muhammad Azhar Ali** : Will the Honourable Member for Commerce and Railways please inquire and state :

- (a) whether it is the policy of the Government of India in the Railway Department not to give any measure a retrospective effect ;
- (b) whether the Railway Administrations are bound to carry out the policy of the Government of India in the Railway Department ;

- (c) whether the circular letter No. 396-E.31, dated the 20th October, 1936, defied the instructions given in Railway Board's letter No. 1339-E-17, dated the 13th September, 1925; and
- (d) whether the Honourable Member is prepared to reverse the said circular; if not, why not?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) It is not clear what sort of "measure" the Honourable Member's question contemplates. If he has in mind orders affecting the privileges of establishments, Government do not ordinarily give retrospective effect. In special circumstances, this may be warranted and cases are considered on the merits.

(b) The State-owned Railways are required to comply with any general or particular orders relevant to the case.

(c) and (d). In the absence of particulars as to the authority who issued the circular letter quoted, I am unable to trace it.

#### CLASSIFICATION OF THE STAFF IN THE RAILWAY BOARD.

181. **Mr. Muhammad Azhar Ali :** Will the Honourable Member for Commerce and Railways please state :

- (a) the Service (Classification, Control and Appeal) Rules under which the pensionable staff of the Imperial Secretariat Services serving with the Government of India, Railway Department (Railway Board) are governed;
- (b) whether the staff of the Imperial Secretariat Services with the Government of India, Railway Department (Railway Board) are classified as railway servants within the definition of section 3 (7) of Act IX of 1890; if so, under what authority;
- (c) the administrations within the definition of section 3 (6) of Act IX of 1890 which employ the staff of the Imperial Secretariat Services as Railway servants within the definition of section 3 (7) of Act IX of 1890;
- (d) whether the Government of India, Railway Department (Railway Board) is a Railway Administration within the definition of section 3 (5) and (6) of Act IX of 1890, and the difference between the Government of India, Railway Department (Railway Board) and the Railway Administrations and whether these two administrations are parallel to each other or subordinate; if so, to whom; and
- (e) whether the Railway Board is the governing and controlling body of the Government of India, Railway Department?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) to (e). I would refer the Honourable Member to my reply to unstarred question No. 173 asked by Mr. Ram Narayan Singh on the 24th September, 1937, in this House.

**ACKNOWLEDGMENT OF COMMUNICATIONS FROM ASSOCIATIONS, COMMERCIAL BODIES, ETC., BY THE RAILWAY BOARD AND ADMINISTRATIONS.**

182. **Mr. Muhammad Azhar Ali** : Will the Honourable Member for Commerce and Railways please state :

- (a) whether the policy declared in reply to unstarred question No. 398 asked in this House on the 20th March, 1936 regarding the acknowledgment of communications from Associations, commercial bodies, etc., is applicable to the Railway Department (Railway Board) and is to be observed by Railway Administrations ; if not, why not ; and
- (b) whether he will lay a statement of the complaints received by (i) the Secretary to the Governor General, and (ii) the Honourable Member for Commerce and Railways and the Honourable the Home Member from Associations of Railway Workers against the defiance of the said policy by the Railway Board and by the Railway Administrations since 20th March, 1936, together with the actions taken thereon ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) The policy referred to is applicable generally to the Railway Department. I may, however, add that Departments of Government do not ordinarily enter into correspondence of any kind with unrecognised trade unions or associations, except in regard to their applications for recognition or appeals to the Railway Board against the decisions of Agents of State-managed Railways refusing to grant recognition.

(b) The information asked for is not readily available and the Government do not consider that the labour and cost involved in its compilation will be justified by the results to be obtained.

**COMMUNICATION OF OFFICIAL DOCUMENTS, ETC., TO SERVICE UNIONS OR ASSOCIATIONS, ETC.**

183. **Mr. Muhammad Azhar Ali** : (a) Will the Honourable Member for Commerce and Railways please state whether the policy declared in the second part of the reply to unstarred question No. 162 asked in this House on the 16th October, 1936, *viz.*, ' It is open to the Union to ask for copies of *any communication* affecting the service the Union represents ' is applicable to the Railway Department (Railway Board) and is to be obeyed by Railway Administration ; if not, why not ?

(b) Will the Honourable Member lay a statement of the applications received from Trade Unions of Railway Workers for the supply of publications and communications to them by the Railway Department (Railway Board) since 1934 ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) The reply quoted by the Honourable Member, in the first part, does not refer to any policy but merely mentions a course of action. As regards the second part I would refer the Honourable Member to the reply given to part (a) of question No. 182 asked by him on even date.



(b) The information asked for is not readily available and the Government of India do not consider that the labour and cost involved in its compilation will be justified by the results to be obtained.

**RULES EMPOWERING THE RAILWAY BOARD AND ADMINISTRATIONS TO MODIFY, AMEND OR ANNUL THEIR ORDERS.**

184. **Mr. Muhammad Azhar Ali** : Will the Honourable Member for Commerce and Railways please inquire and state the rule under which the Railway Department (Railway Board) and the Railway Administrations are empowered to modify, amend or annul their orders after a period of over a year and to give such modifications, amendments or cancellations the retrospective effect ?

**Mr. B. M. Staig** : There is no rule on the subject. An authority empowered to issue an order is competent to determine the date from which it should have effect. The Honourable Member may rest assured that the merits of the case are fully considered before an order is given retrospective effect.

**ENQUIRY CLERKS ON THE NORTH WESTERN RAILWAY.**

185. **Mr. Muhammad Azhar Ali** : Will the Honourable Member for Commerce and Railways please state :

- (a) the qualifications required for the post of an enquiry clerk on the North Western Railway ;
- (b) whether a ticket collector on Rs. 60 per mensem is eligible for appointment as an enquiry clerk ;
- (c) whether the scale of the post of an enquiry clerk at Simla is Rs. 105—5—140 ;
- (d) whether a booking clerk drawing Rs. 90 is eligible for the post of an enquiry clerk ;
- (e) whether it is necessary for the post of an enquiry clerk to qualify in coaching and goods duties ; and
- (f) whether there is any enquiry clerk on the North Western Railway who is holding the post and has not qualified himself for the post ; if so, under what circumstances ?

**The Honourable Sir Saiyid Sultan Ahmad** : (a) to (f). These are matters of detailed administration within the competence of the Agent, North Western Railway, to deal with. I am, however, sending a copy of the question to the Agent, for such action as he may consider necessary.

**ACKNOWLEDGMENT OF COMMUNICATIONS FROM ASSOCIATIONS, COMMERCIAL BODIES, ETC., BY THE RAILWAY BOARD AND ADMINISTRATIONS.**

186. **Mr. Ram Narayan Singh** : (a) Will the Honourable the Railway Member please state whether the policy declared in reply to unstarred question No. 398 asked in this House on the 20th March, 1936, regarding the acknowledgment of communications from Associations, commercial bodies, etc., is applicable to the Railway Department (Railway Board) and is to be observed by Railway Administrations ? If not, why not ?

(b) What punishment is prescribed for its defiance by the Railway Department (Railway Board) and by the Railway Administrations? If none, why not?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) I would refer the Honourable Member to the reply which I have just given to part (a) of question No. 182, asked by Mr. Muhammad Azhar Ali.

(b) Does not arise.

COMMUNICATION OF OFFICIAL DOCUMENTS, ETC., TO SERVICE UNIONS OR ASSOCIATIONS, ETC.

187. **Mr. Ram Narayan Singh :** (a) Will the Honourable the Railway Member please state whether the policy declared in the second part of the reply to unstarred question No. 162 asked in this House on the 16th October, 1936, viz. : ' It is open to the Union to ask for copies of *any communication* affecting the service the Union represents ' is applicable to the Railway Department (Railway Board) and is to be obeyed by Railway Administration? If not, why not?

(b) What punishment is prescribed for its defiance by the Railway Department (Railway Board) and by the Railway Administrations; if none, why not?

**The Honourable Sir Saiyid Sultan Ahmad :** (a) I would refer the Honourable Member to the reply which I have just given to part (a) of question No. 183, asked by Mr. Muhammad Azhar Ali.

(b) Does not arise.

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STATEMENTS LAID ON THE TABLE.

*Information promised in reply to parts (b) and (c) of unstarred question No. 22 asked by Mr. N. M. Joshi on the 19th February, 1937.*

SENDING OF UNREGISTERED LETTER MAIL BAG TO DABHOL IN CHARGE OF THE CAPTAIN OF FERRY STEAMER.

(b) and (c). Arrangements have been made with the Bombay Steam Navigation Company whereby, with effect from the ensuing fair weather season, the Bombay-Dabhol ferry service will be utilised for the conveyance of the mails of Dabhol and Guhagar as a regular measure. The question of sending the mails under the weighment system does not, therefore, arise.

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*Information promised in reply to starred questions Nos. 16, 17 and 18 asked by Mr. Sham Lal on the 23rd August, 1937.*

REFUSAL TO ALLOW THE SEVA SAMITI TO SUPPLY WATER TO PASSENGERS AT THE HISSAR RAILWAY STATION.

*Question No. 16.—(a) to (d). Yes.*

(e) The existing facilities consist of two water huts, one for Hindu and one for Muhammadan passengers, which are provided with earthenware receptacles for the storage of cool drinking water. Water taps are also provided on the platforms. There are three watermen employed at this station, one being on duty throughout the day, assisted by a second man during a part of that period, and the third is employed at night. With the exception of three trains, all the trains at this station are dealt with either in the early morning or after sunset.

(f) and (g). The Agent, Bombay, Baroda and Central India Railway, reports that the District Traffic Superintendent, Delhi, has been instructed to continue to permit the Seva Samiti to supply drinking water to passengers, until such time as the general examination of the question of the adequacy of the Railway's arrangements in regard to this facility at all stations has been completed and a decision arrived at on the results of such examination.

REFUSAL TO ALLOW THE SEVA SAMITI TO SUPPLY WATER TO PASSENGERS AT THE  
HISSAR RAILWAY STATION.

*Question No. 17.*—(a) The Agent, Bombay, Baroda and Central India Railway, reports that there have been no complaints against this Association.

(b) On receipt of a representation, the Railway Administration restored the permission previously granted to the Association, which had been withdrawn.

REFUSAL TO ALLOW THE SEVA SAMITI TO SUPPLY WATER TO PASSENGERS AT THE  
HISSAR RAILWAY STATION.

*Question No. 18.*—A reference is invited to the reply to parts (f) and (g) of question No. 16.

*Information promised in reply to starred question No. 373 asked by Mr.  
Mathuradas Vissanji on the 8th September, 1937.*

SALE OF A BUILDING OF THE BOMBAY PART TRUST.

(a) A temporary building consisting of two blocks of 24 rooms each was constructed in 1920-21 at the Ballard Pier for use as a hostel by ocean-going passengers at a total cost of Rs. 1,91,567. It was originally anticipated that the hostel would only be required for three years, after which it would be demolished. The demolition value of the materials was then estimated at Rs. 32,400 only. The East Wing was actually demolished in 1926 and Rs. 3,665 nett was realised; the West Wing was demolished in 1936 and Rs. 3,010 was realised, after paying for the cost of demolition. The Cook House which was included in the total cost is still in use for the restaurant at Ballard Pier Station. The revenue earned from this hostel during 1921-35 amounted to Rs. 1,80,081 and the cost of maintenance to Rs. 35,975. The total net receipts including receipts from sale of materials have so far amounted to Rs. 1,51,681.

(b) Jungle wood, brick panelling and asbestos cement sheets.

The rates for the various building materials were then extremely high; the price of much of the materials being more than double the prices today.

It must be remembered too that the building was intended to be only of a temporary nature; and its depreciation was naturally rapid.

(c) Bombay Port Trust Engineering Department.

(d) The Tata Construction Company, Limited.

(e) No.

(f) The proposals for demolition of the building were unanimously approved by the Board of Trustees. The resolution, in the case of demolition of the East Wing, read "Sanctioned"; and, in the case of the remaining wing of the building, "The Committee's recommendation is sanctioned".

(g) None of the Trustees dissented from either of the resolutions.

*Information promised in reply to starred question No. 407 asked by Seth Hai  
Sir Abdoola Haroon on the 9th September, 1937.*

DISABILITY PENSIONS. CLAIMS FOR.

(a), (c), (d), (e) and (g). In the absence of a concrete case, it is not possible to give accurate information. The reference to recommendation No. 9 of the War Pensions Committee in part (a) is not relevant.

(f) Yes, under Article 24 (f) of the Royal Warrant, dated the 6th December, 1919.

*Information promised in reply to parts (a) and (b) of starred question No. 538 asked by Mr. Amarendra Nath Chattopadhyaya on the 15th September, 1937.*

**PURCHASE OF METAL POLISH BY THE INDIAN STORES DEPARTMENT.**

(a) The following purchases of "Brasso" and "Glasso" metal polishes were made by the Indian Stores Department during the years 1935-36 and 1936-37, and during the first four months of the current financial year :

	"Brasso".		"Glasso".	
	No. of tins of assorted sizes.	Value.	No. of tins of assorted sizes.	Value.
		Rs.	Rs.	Rs.
1935-36 .. .. .	21,116	14,012	444	190
1936-36 .. .. .	15,678	10,160	6,526	3,050
1937-378 (April to July .. .. .)	9,876	6,340	2,842	1,155

(b) The following purchases of various brands of Indian metal polish were made by the Indian Stores Department during the same period :

	"Lotus" brand.		"Hutchies" brand.		"Brytol" brand.		"Red Seal" brand.	
	No. of tins of assorted sizes.	Value. Rs.	No. of tins of assorted sizes.	Value. Rs.	No. of tins of assorted sizes.	Value. Rs.	No. of tins of assorted sizes.	Value. Rs.
		Rs.		Rs.		Rs.		Rs.
1935-36 .. .. .	5,886	2,995	3,230	1,406	1,454	358	5,197	3,654
1936-37 .. .. .	3,321	1,865	..	..	6,752	2,006	588	159
1937-36 (April—July) .. .. .	455	243	835	348	2,133	632	189	473

*Information promised in reply to starred question No. 713, asked by Mr. Sham Lal on the 22nd September, 1937.*

**DEATH OF ONE KAPURIA, SWEEPER, EMPLOYED IN THE MOUNTAIN ARTILLERY TRAINING CENTRE AT THE AMBALA CANTONMENT.**

(a) Kapuria, aged 28, was placed under arrest in the unit guard room in the ordinary way on a charge of theft in the quarter of a Jemadar. He confessed to the theft.

(b) Government have no information.

(c) No.

(d) Yes.

(e) Yes, with the consent of his relatives. There were no signs of any abrasions, bruises, etc., or any organic defects, except of the heart.

(f) The medical diagnosis was heart failure.

(g) Does not arise.

*Information promised in reply to starred question No. 727, asked by Mr. K. M. Jedhe on the 22nd September, 1937.*

**PROPOSAL TO INCREASE THE WATER TAX IN THE JUTOGH CANTONMENT AND INSPECTION OF SIMLA HILL CANTONMENTS.**

(a) Yes.

(b) The answer to the first part is in the affirmative, and to the second in the negative.

(c) Yes, but the statement that the Deputy Director, Military Lands and Cantonments, did not visit any of the bazar areas in the Simla Hill Cantonments is incorrect.

(d) The Deputy Director, Military Lands and Cantonments, inspects Cantonments under section 47 of the Cantonments Act, 1924, which does not require him to make enquiries from the residents of Cantonments. The public may, however, represent to him their grievances or difficulties, if any, either direct or through their elected representatives on the Boards.

*Information promised in reply to parts (b), (c) and (d) of starred question No. 817 asked by Mr. Ram Narayan Singh on the 27th September, 1937.*

**MEAT ALLOWED TO SOLDIERS AND CATTLE KILLED FOR THE PURPOSE.**

(b), (c) and (d). The approximate annual requirements of meat, the number of animals required and the cost of the meat are as under :

Kind of meat.	Quantity of meat.	Number of animals.	Cost.
	Tons.		Rs.
Beef ..	7,680	75,000 cattle	13,76,000
Mutton ..	400	36,000 Sheep and goats.	1,78,000
Total ..	8,080	1,11,000	15,54,000

\*Includes requirements for hospitals as well as for issues on payment.

## MOTION FOR ADJOURNMENT.

### INDISCRIMINATE ASSAULTS AND OUTRAGES MADE BY BRITISH SOLDIERS AT DAGSHAI.

**Mr. President** (The Honourable Sir Abdur Rahim) : I have received notice of a motion for adjournment of the business of the House from Mr. Avinashilingam Chettiar, as follows :

“ I propose to move the adjournment of the business of the Assembly for the purpose of discussing a definite and specific matter of urgent public importance of recent occurrence, namely, the indiscriminate assaults and outrages made by British soldiers stationed at Dagahai in the Punjab and the refusal of the military authorities to help to bring the offenders to book.”

What is this ? Is it a riot ?

**Mr. T. S. Avinashilingam Chettiar** (Salem and Coimbatore *cum* North Arcot : Non-Muhammadan Rural) : The statement in the papers is to the effect that several people have been assaulted and that one has been murdered.

**Mr. President** (The Honourable Sir Abdur Rahim) : Are not the courts open ?

**The Honourable Sir Nripendra Sircar** (Leader of the House) : We have now received information which says that an officer is investigating the matter. Two Privates of the Royal Scots have been arrested and formally placed before the Simla magistrate for trial. The matter is there *sub judice* now.

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

## THE INSURANCE BILL.

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

**Mr. Chapman-Mortimer**, Amendment No. 785.

**Mr. T. Chapman-Mortimer** (Bengal : European) : Sir, the amendment\* which I moved just before the House adjourned last night is a somewhat technical matter and difficult also to explain. I ought perhaps to remind Honourable Members that in the case of the winding up of insurance companies you have two types of valuation,—what is known as the *gross premium valuation* and what is known as the *net premium valuation*. Provision is made for these two different types of valuation in the Sixth Schedule. If Honourable Members will turn for one moment to the Sixth Schedule on page 70, they will see there that the basis is to be determined by an actuary approved by the Court and the Actuary so approved shall, in determining as aforesaid, take into account (a) the purpose for which such valuation is to be made, and so on.

Now, Sir, the *gross premium valuation* is used in a case where an amalgamation between two companies is to take place and the *net premium valuation* is used where a cash distribution of the company's

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\*“ That in clause 51 of the Bill, after the word ‘ company ’, occurring in the first line, the words ‘ for the purpose of a cash distribution of the assets ’ be inserted.”

assets is to take place. Now, in the case of a gross premium valuation, it may and certainly would happen in very many cases that the policy showed a negative value, that is to say, it would appear as an asset in the balance-sheet of the company. It is obviously not the intention of an amalgamation that policy-holders should have to pay out of their own pockets to enable the amalgamating companies to proceed with the amalgamation. So, as I have said, in the case of amalgamation, since you use the gross premium valuation, it is not desirable,—it may be misleading in fact,—that the notice of the exact value of the policy should be circulated as is proposed here to every policy-holder. I would in this connection remind the House of the provisions of the Companies Act in regard to amalgamations which of course would hold good in the case of insurance companies as in any other case. Now, Sir, one difficulty is this. If you have a policy-holder who sees that, when he gets a notice, his policy shows a negative value and if he thinks that, therefore, he is expected to pay up, he will say 'I do not want this amalgamation'. Now, it is obviously in the interests of every policy-holder of a weak company that you should have an amalgamation, because if you amalgamate there is some chance that the wretched policy-holder will get something. It may also easily happen that a strong company absorbing a small and weak company would see to it that they would guarantee the liabilities under the policies or at the worst they would only write them down to a small extent, whereas if there was a cash distribution to be made for the purpose of liquidation and complete winding up of the company, in that case obviously the policy-holder would get far less. That, Sir, is really the purpose underlying our amendment. If the amendment is not carried, the effect will be to render nugatory to a very large extent the provision which I have just referred to in the Sixth Schedule. I should also like to point out to the House that if they read clause 51, they will see from the wording that the intention of those who framed the clause was that it should really apply only in the case of a winding up for the purpose of a cash distribution of the assets. Now, Sir, I think that if our amendment is accepted, it will go far to facilitate amalgamations and I trust that the House has been sufficiently persuaded of the soundness of my argument that it is the right course to adopt. Sir, I move.

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

“ That in clause 51 of the Bill, after the word ‘ company ’, occurring in the first line, the words ‘ for the purpose of a cash distribution of the assets ’ be inserted.”

**Mr. Bhulabhai J. Desai** (Bombay Northern Division : Non-Muhammadan Rural) : If I understand the Honourable the Mover of this amendment correctly the reason why he wishes to limit the section to the case of a cash distribution of assets is that in that case it would facilitate matters in case a dispute is raised. If that is not so, I do not understand that there is any other object. It is perfectly true that, for purposes of mutual amalgamations, the insolvent company and the other company with which it amalgamates must show the policy-holders the relative rights that they are going to have in the amalgamated company, and, therefore, if the intention merely is to leave those rights unaffected and confine the question of valuation to a case of cash distribution, I would have no objection, but if it is to serve any larger purpose, then I object to it.

**Mr. T. Chapman-Mortimer** : It is not to serve any larger purpose.

**Mr. S. C. Sen** (Government of India : Nominated Official) : Sir, I am sorry to have to oppose this amendment. In the first place I do not quite understand why my friend, Mr. Chapman-Mortimer, says that it will, in any way, affect the putting through of amalgamations. If I have read the section aright, Sir, it only means that the liquidator, in the case of winding-up, has got to ascertain the values of the respective policy-holders in respect of their policies. I have been told by my Honourable friend that this will hamper amalgamations, but I do not know whether his attention has been drawn to the fact that since the last twenty-five years this very same rule has been in existence and has not worked any hardship. If the Honourable Members will look at the Sixth Schedule of the existing Act they will find that what clause 51 is, only the last paragraph of the Sixth Schedule of the existing Act. I daresay that if during the last twenty-five years this has worked without any injustice, then it is likely to work without any injustice in the future.

**Mr. L. C. Buss** (Nominated Non-Official) : Have there been any amalgamations during that period ?

**Mr. S. C. Sen** : Sir, I am not quite sure. Sir, the position is this. So far as clause 51 is concerned, let us for one minute turn to what it means. It says :

“ In the winding up of an insurance company and in the insolvency of any other insurer the liquidator or assignee as the case may be in the case of all persons appearing by the books of the company to be entitled to or interested in the policies granted by the company shall ascertain the value of the liability of the company to each person and shall give notice of such value to those persons in such manner as the Court may direct.”

Let us take the case of an ordinary winding-up first. The liquidator has got to ascertain the liabilities on the one hand and the assets on the other hand and then distribute it either *pro rata* or in full. For the purpose of finding out liabilities, whether for amalgamation or otherwise the valuation is essentially necessary and all that this section gives is a right to the policy-holder, in case he does not agree with the liquidator's valuation, to go to court and say, “ I do not agree ”. And why should he be limited only to the case of cash distribution and not generally ? That is a matter which we have not been able to follow. Besides this provision has been in existence from 1912 and apparently has not worked any injustice, and my friend has not been able to cite any cases where it has, in practice, worked any injustice ; we feel inclined, Sir, in view of these considerations, to oppose this.

**Mr. F. E. James** (Madras : European) : Sir, I would like to point out to my Honourable friend, Mr. Sen, that it is true that there may not have been amalgamations in the past and that, therefore, this provision has not operated as a hardship. But this provision, which is suggested in the Clauson Bill, is now considered to operate to the detriment of amalgamations in the United Kingdom, and I understand that they are trying to have this particular provision amended in the sense which we have suggested. I may also point out to my Honourable friend, Mr. Sen, that amalgamations of insurance companies, after this Bill comes into force, will be inevitable, and that, therefore, the argument from past experience



will not apply. We apprehend very definitely, from our experience of the position in England and of the apprehension there that amalgamations may be thwarted in that country by reason of this provision, that the same difficulty will be found in India after this Bill comes into force.

**Mr. K. Santhanam** (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : Sir, I do not rise either to oppose the amendment or to support it but simply to state what I understand the position to be. As I understand it, the ascertainment of liability will have to depend upon the object for which the ascertainment is made. If it is for the purpose of an amalgamation, we have to do it in a particular manner ; if it is for the purpose of a cash distribution, we have to do it in a different manner. Similarly, in the case of amalgamations, it should be largely a case of negotiations between one company and another, between one actuary and another. I, therefore, suggest to the Government that they may consider the amendment. I am not an actuary but that is how it strikes me and I would suggest to the Government that they may consider and see if they cannot accept it. I do not see any harm in it.

**Sir Cowasji Jehangir** (Bombay City : Non-Muhammadan Urban) : Sir, I am quite in agreement with what my Honourable friend has just said. Amalgamations have not taken place in the past because there was no new insurance Act but, after this Bill becomes an Act, it is more than possible that there may be many amalgamations. The old Act will then have been tested ; it may not have been tested up till now. So far as I can see the position, it is this ; there are two kinds of liquidation. One is a liquidation where the assets have to be distributed and the company goes out of existence and the policy-holder is given what is due to him. The other kind of liquidation is a voluntary liquidation to enable amalgamation. In the latter case there is no necessity really to ascertain what the assets are in the case of each policy-holder because the company that will take over the liquidating company will take over the responsibility of discharging all the obligations of the liquidating company. Then why go to the trouble of ascertaining what each policy-holder is entitled to, when the main company is being taken over completely by another company ?

**Mr. S. C. Sen** : May I ask my Honourable friend a question ? Does he suggest that for the purposes of amalgamation the ascertainment of liabilities on the policies is not necessary ?

**Sir Cowasji Jehangir** : I do not think that when one big company is going to take over another small company it assures itself of what it is doing, and if you put companies to the trouble of having to work out what is due to each policy-holder, it may hinder such amalgamations. As the matter is still in doubt in the minds of the Government, I would respectfully suggest that they may take time to consider it and not oppose it completely and throw it out, because I do believe that there is a great deal in what Mr. Chapman-Mortimer has said and if the Bill is left as it is, it will hinder amalgamations in the future, which is not the object of any Honourable Member in this House. I support my Honourable friend on the Congress Benches, who has made the suggestion for a little delay if the Government are not able to make up their minds immediately, or, if they feel that they are not on certain ground and will not accept the amendment straightaway, I do not think there can be any harm in a little consideration.

**The Honourable Sir Nripendra Sircar (Law Member) :** Sir, I want to add only a few words. Clause 51 to which the amendment has been moved has been taken *verbatim* from the Clauson Committee's Report. That Committee had, as its members, most eminent men, including representatives of most insurance interests and we have taken it from that ; and I am informed by my friend, Mr. Chapman-Mortimer, that although this is what they reported, subsequently, the Board of Trade or some other people came to the conclusion that this is not quite good and not quite workable ; but, on the arguments which have been advanced by my friend, Mr. Chapman-Mortimer, I am not at the present moment at all convinced, that the policy-holder should not have the right to know as to what his policy has been valued at. I should have thought that that is a matter of primary importance. I have got a policy in one company that is going to be amalgamated with another, and should I not know what is going to be the amount of the valuation of my policy ? My friend, Sir Cowasji Jehangir's suggestion is that we should take time. Well, Sir, if, at the end of a year they have not been able to make up their mind—we have made up our mind all right—then I do not think a day's adjournment or a night's reflection will advance us any further. I oppose the amendment.

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

“ That in clause 51 of the Bill, after the word ‘ company ’, occurring in the first line, the words ‘ for the purpose of a cash distribution of the assets ’ be inserted.”

The motion was negatived.

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

“ That clause 51 stand part of the Bill.”

The motion was adopted.

Clause 51 was added to the Bill.

Clause 52 was added to the Bill.

**Mr. President (The Honourable Sir Abdur Rahim) :** Before I put clause 53, I would like to dispose of the matter which stood over yesterday. It is the amendment of Prof. Kianga. I understand that it is going to be withdrawn.

**Prof. N. G. Ranga (Guntur cum Nellore : Non-Muhammadan Rural) :** Sir, I beg leave of the House to withdraw my amendment No. 2 on Supplementary List No. 6, which runs as follows :

“ That after sub-clause (6) of clause 37 of the Bill, the following new sub-clause be inserted :

‘ (6) The provisions of this section shall not apply to the chief agent or special agent who organise insurance business for any insurer in some defined area but the chief agent or special agent shall not receive more than sixty per cent. of the first year's premium and seven per cent. of the renewals of the policies procured by them through their organisation, from the insurer ’.”

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

**Prof. N. G. Ranga : Sir, I move :**

“ That after clause 38 of the Bill, the following new clause be added :

‘ 38A. That the Local Government may, by notification in the local official gazette, direct that every insurer shall establish and maintain a provident fund for the benefit of his employees and the said fund shall be governed by the provisions of Act 29 of 1925 (Provident Fund Act, 1925), provided there is no other provision for the benefit of the said employees.’ ”

**Mr. F. E. James :** Sir, I rise on a point of order. I want to submit to the Chair that this amendment is out of order because it extends the scope of the Bill. It has been ruled, on more than one occasion in this House, that the scope of the Bill is contained in the preamble to the Bill and in the clauses as introduced to this House.

**Mr President (The Honourable Sir Abdur Rahim) :** There are 106 clauses in this Bill.

**Mr. F. E. James :** My point is that for the first time an amendment is sought to be made which brings in the question of the establishment of provident funds for the benefit of the employees. The purpose of this Bill is to consolidate and amend the law relating to insurance and I submit that that does not cover provisions, however admirable they may be, for establishing provident or other schemes for the employees of insurance companies.

**Mr. President (The Honourable Sir Abdur Rahim) :** In the existing law, is there no such provision as this ?

**Mr. F. E. James :** No, Sir, and I would remind you that on several occasions, during last year's debate on the Companies Bill, provisions were sought to be moved which were very much in line with this provision, making it compulsory upon certain companies, registered under the Companies Act, to provide provident funds for their employees. When objection was taken on these amendments, the Chair was pleased to rule that they were beyond the scope of the Bill. There have been a large number of rulings in previous years relating to this particular matter and it is very largely due to the course of these rulings that I felt it my duty to raise this point at this stage. I submit that this amendment is out of order, because it is beyond the scope of the Bill.

**Mr S. Satyamurti (Madras City : Non-Muhammadan Urban) :** Sir, with regard to the scope of the Bill, you will notice that the Preamble says :

“ Whereas it is expedient to consolidate and amend the law relating to the business of insurance.”

**Mr. President (The Honourable Sir Abdur Rahim) :** I want to know if there is any provision in the existing law which is analogous to this amendment.

**Mr. S. Satyamurti :** My Honourable friend, Mr. James, gave the analogy of the ruling which you gave last year, with regard to the Companies Bill, and to which I shall presently refer. But that was an amending Bill. This is not merely an amending Bill, but this is a consolidating and amending measure.

**Mr. President** (The Honourable Sir Abdur Rahim) : That makes the Honourable Member's position worse. It means that there are provisions in the present law which are sought to be consolidated by this Bill.

**Mr. S. Satyamurti** : So long as the business of insurance includes this, the amendment is in order. The scope of the Bill is governed by the preamble which says : ' to consolidate and amend the law relating to the business of insurance ' . Unless my Honourable friend goes to the extent of contending that regulating the conditions of employees of all insurers—even the Local Governments directing insurers, provide provident funds for their employees—is outside the scope of the business of insurance, I submit the amendment is in order. The ruling which you gave last year was a limited one. The reference is to the Assembly Debates, Vol. VI, page 878. The matter was argued, and you said :

“ The point of order raised is whether the amendments No. 7 and No. 9, and other amendments of that kind which deal with what are called key industry companies and public utility companies are in order. The objection is that the amending Bill is limited to certain purposes, (*that was the reason given*), and the purposes of the amending Bill are to be gathered, as has been pointed out before, from the Preamble read with the clauses and the Schedules. My attention has not been drawn to any clause of the amending Bill or even in the main Act, VII of 1913, which deals specifically with key industries or public utility companies. Now, I am asked to decide whether the clauses dealing with these companies mentioned in amendment No. 7 and also amendment No. 9 and other similar amendments, if any, are within the scope of the Bill or not. I have no doubt whatever that having regard to the scope of the Companies Act as well as the amending Bill now before the House, these amendments are beyond the scope of this Bill.”

I submit that that Ruling does not cover the case of the amendment now before the House.

I want to invite your attention, if I may, to the Ruling reported in the “ Decisions from the Chair ”, Vol. II. It is Ruling No. 579 which says :

“ In discussing the admissibility or otherwise of Mr. Thampan's amendment, the Chair has first to decide the scope and purpose of the Bill. The Chair agrees with the Leader of the Opposition that this Bill must be construed as being primarily intended for affording protection to certain industries. The amendment of the Indian Tariff Act is the means by which that object is achieved. Therefore, the primary scope and purpose of the Bill is to afford protection for certain industries. That being the scope and purpose of the Bill, the Chair has now to decide whether, in view of that the amendment is in order. The opinion of the Chair is that when the Indian Legislature agrees to give protection to a certain industry, it is entitled to say that the industry shall enjoy that protection only if it satisfies certain conditions laid down by the House. Viewed from that point of view, the Chair has no hesitation in holding that the amendment is in order. The ruling is supported also by a previous ruling given by the Chair. On the 4th June, 1924, when the Steel (Protection) Bill was being discussed, Mr. V. J. Patel wanted to move a clause to this effect :

‘ Provided that nothing in this section shall apply to any company, firm or other person who starts the business of manufacturing steel after the passing of this Act, except to the extent and in the manner to be determined by a Resolution of the Legislative Assembly in that behalf ’,

and the Chair ruled on that occasion :

“ I have heard sufficiently on the point of order. In the light of the discussions, that have taken place, I have now come to the conclusion that as pointed out by Pandit Motilal Nehru, this amendment really circumscribes the scope of the Bill and limits it to companies of a particular kind, and that being the case, I am now of the view that it is not out of order.”

The Chair therefore holds that the amendment of Mr. Thampan is in order."

Then, Sir, you will kindly see Ruling No. 580.

**Mr. President** (The Honourable Sir Abdur Rahim) : The amendment referred to in the Ruling, just now read, did not tend to widen the scope of the amending Bill.

**Mr. S. Satyamurti** : I just now read out the amendment which was sought to be moved then :

" Provided that nothing in this section shall apply to any company, firm or other person who starts the business of manufacturing steel after passing of this Act, except to the extent and in the manner to be determined by a Resolution of the Legislative Assembly in that behalf."

That is to say, it was really trying to exempt from the scope of the Bill certain classes of business which started later on. You will also kindly look at Ruling No. 580 which is more or less *ad idem* with the amendment which my Honourable friend, Prof. Ranga, now seeks to move. That Ruling says :

" Mr. Joshi sought to move an amendment protecting conditions of labour in the industries concerned, when objection was taken that the amendments to protect labour were not in order in a Tariff Bill and that such amendments had been ruled out before :

The President pointing out that the ruling had been revised, observed :

The ruling pointed out by the Honourable the Legislative Secretary certainly makes the position difficult, because, according to that ruling, the Chair definitely ruled out of order amendments trying to regulate labour conditions in an industry ; but the Chair now finds that the President on that occasion—perhaps at a later stage—gave the ruling to which the Chair drew the attention of the House just now. From this the Chair has to conclude that the President changed his mind, and in the opinion of the Chair his later ruling is more equitable than the first ruling, especially in view of the fact that Mr. Joshi has drawn attention to a ruling in 1928 on a similar amendment. Chair must, therefore, hold that the amendment of Mr. Joshi is in order. At the same time, the Chair would point out that while it holds that Mr. Joshi's amendment is in order, an elaborate discussion on labour conditions will be out of place on this amendment."

I say, Sir, the present amendment is on a much stronger footing. On the former occasion that was a purely tariff protection Bill in which Mr. Joshi sought to move an amendment to protect the conditions of labour, and it was held to be in order. In this case, this Bill is to consolidate and amend the law relating to business of insurance altogether. My Honourable friend, Prof. Ranga, merely wants an amendment which gives power to the Local Governments to provide for provident funds in insurer's offices, where no other provision exists. I submit, therefore, that this amendment is within the scope of the Bill, as defined here, and my Honourable friend, Prof. Ranga's amendment merely seeks to regulate the business of insurance, so far as it concerns the employees of insurance, and I submit it is in order.

**The Honourable Sir Nripendra Sircar** : Sir, I did not intend to take any point of order in connection with this particular amendment, but I did want and I shall want to take this point in connection with some other amendments. But as the point has been raised and as the matter has been discussed, I should like to draw your attention to what has

[Sir Nripendra Sircar.]

been referred to by my Honourable friend, Mr. Satyamurti, and I would request you to have in your hand, Vol. VI—Legislative Assembly Debates, page 875. The discussion really starts from page 871.

“ *Prof. N. G. Ranga* : Sir, I beg to move the following amendment : ”

Then, you will find, Sir, that the amendment moved on that occasion covered four pages of close print. Speaking generally, the amendment sought to give certain amount of privileges for labour employed in companies and things of that kind. I then took objection and I wish to draw your attention to the arguments of Mr. Satyamurti reported at page 875 :

“ *Mr. S. Satyamurti* : I should like to submit first of all that the title of the Bill is ‘ A Bill further to amend the Indian Companies Act, 1913, for certain purposes ’. I speak subject to correction, there is no purpose of the Companies Act, which is not within the scope of the present amending Bill, starting from the definition section leading to the winding up of companies, including banking companies, foreign companies, private companies, and various other items, balance sheets, and what not, are all dealt with in this amending Bill. In fact every Chapter of the old Act is touched upon in this amending Bill.

*Mr. President* : In the original Act, is there any provision relating to key industries and public utility companies, and all that.

*Mr. S. Satyamurti* : I submit that is not the point at issue.

*Mr. President* : This is an amending Bill to the original Act.

*Mr. S. Satyamurti* : The original Act itself does not deal with these classes of companies ; it deals with certain classes of companies, as also this amending Bill, *vis.*, private companies, banking companies, foreign companies. It is not, as if either the original Act itself or the amending Bill deals only with one class of companies. Both the original Act and the amending Bill, to my knowledge, just now deal with three classes of companies, besides ordinary joint stock companies, namely, foreign companies, banking companies and private companies. I submit therefore that my Honourable friend’s amendment which seeks to bring within the scope of the Companies Act a new class of companies is undoubtedly within the scope of the Bill.

*Mr. President* : How undoubtedly ?

*Mr. S. Satyamurti* : Because it is open to the Companies Act normally speaking to define and lay down provisions with regard to different classes of companies. The Companies Act, original as well as this Bill both deal with different classes of companies.

*Mr. President* : The Chair has got to decide what is the scope of the Bill, that is the narrow issue before the House.

*Mr. S. Satyamurti* : The scope of the Bill is to amend the Indian Companies Act for certain purposes.

*The Honourable Sir Nripendra Sircar* : Hereinafter appearing.

*Mr. S. Satyamurti* : All the purposes of the Companies Act appear here, from birth to death and funeral ceremonies and the Bill deals with winding up, prospectus directors, managing agents, and in fact everything is there in this amending Bill.

*The Honourable Sir Nripendra Sircar* : What about Part VIII ? You say every Chapter is included.

*Mr. S. Satyamurti* : I want to draw your attention to some relevant passages in May’s Parliamentary Practice. The practice in the House of Commons is summarised at page 404 :

‘ Amendments are out of order, if they are irrelevant, to the Bill or beyond the scope of the Bill or of the clause under consideration.’

I submit that the scope of this Bill undoubtedly is to deal with companies of various kinds.

*Mr. President* : The Chair wants to draw attention to the Ruling appearing in Volume V of Legislative Assembly Debates, Part III :

' The scope of the Bill is defined in the preamble read with the clauses and the schedules '."

I rely, Sir, on this, that is to say the scope of this Bill is to be found in the Preamble and read with the clauses and the schedules. I mean that is where you find the scope of the Bill. To continue the quotation :

" *Mr. S. Satyamurti* : I submit, Sir, that the scope of the Bill taking it in the light of the ruling which you have just now read out, is reading the title, the preamble, the clauses and the schedules together and undoubtedly this amending Bill deals with different classes of companies."

" *Mr. President* : Can the Honourable Member put in another class of companies ?

*Mr. S. Satyamurti* : Why not, Sir ?

*Mr. President* : Only because they are joint stock companies ?

*Mr. S. Satyamurti* : The company proposed in the amendment of Prof. Ranga is going to deal with a particular class of joint stock companies. The Act deals with joint stock companies, and my Honourable friend wants to persuade the House to agree to putting certain provisions with regard to a particular class of joint stock companies. You will notice, Sir, from the same set of Rulings which my Honourable friend read out, there is another ruling.

*Mr. President* : The Honourable Member's contention is that he has given notice of an amendment containing suggestions or proposals as to how to deal with these companies.

*Mr. S. Satyamurti* : That is the next point. I submit the amendment really attempts to deal with one class of joint stock companies in a particular manner, whatever the House may think of it. I submit such an amendment is within the scope of the Bill. I want you to refer to ruling No. 188 on page 104 where the Deputy President ruled : "

Then, he sets out the ruling and goes on to say :

" I am relying in this ruling on the words : ' as it is intimately connected with other sections which are being amended.'

My submission to you, Sir, is that, after all, this Bill and the original Act deal with various classes of joint stock companies. The amendment of Prof. Ranga deals with one class of joint stock companies. Lastly, I will draw your attention to the House of Commons Standing Orders which are printed as an Appendix to May's Parliamentary Practice. Standing Order 34 says : .....

*Mr. President* (The Honourable Sir Abdur Rahim) : Is it necessary to read all that ?

The Honourable Sir Nripendra Sircar : My friend may say that I am doing him an injustice by giving quotations from his speech ; and, when you have endured so much, there is only one more paragraph left. This is at the bottom of page 877 :

" *Mr. President* : It really means within the scope of the Bill.

*Mr. S. Satyamurti* : The word ' scope ' is a very big word. What is the scope of the present Bill ; to amend the law with regard to joint stock companies, and to lay down different provisions.

*Mr. President* : For the purpose hereinafter appearing."

[Sir Nripendra Sircar.]

Now, Sir, I come to the final argument of Mr. Satyamurti and your ruling :

“ *Mr. S. Satyamurti* : You will notice, Sir, that the proposed amendment of Prof. Banga merely suggests the various restrictions that are to be placed before these companies are registered. He merely wants to restrict the application of this Act to these companies in a particular manner. I am not speaking on the merits of the amendment at all,” etc.

Then, I come to your ruling which is at the middle of page 878.

**Mr. President** (The Honourable Sir Abdur Rahim) : You need not read it.

**The Honourable Sir Nropendra Sircar** : Now, if you come to the Preamble, I submit that the word “consolidate” makes no difference. If you will kindly turn to the Preamble of this Bill, you will find :

“Whereas it is expedient to consolidate and amend”,.....

**Mr. President** (The Honourable Sir Abdur Rahim) : What is the meaning of the word “consolidate” ?

**The Honourable Sir Nripendra Sircar** : I am coming to that.

“and amend the law relating to the business of insurance.”

That is to say, there are certain laws already in existence relating to insurance,—the Act of 1912, the Act of 1928 and the Provident Societies Act. The object is to consolidate all these three Acts together in one Bill and also to make extensive changes in those Acts. But, when we apply the test which you yourself pointed out, the scope of this Bill is to be found from what ? From the clauses which are appearing here *plus*, if it is a consolidating Bill, turn to these three Acts, that is to say, as if the scope has got to be found from those three Acts.

**Mr. President** (The Honourable Sir Abdur Rahim) : There is no such provision in any of those Acts,—is that so ?

**The Honourable Sir Nripendra Sircar** : That is my point ; there is no such provision in any of those Acts in connection with Provident Fund Societies. And I shall advance one more argument before there is any reply to mine, and that is this. If we proceed in this way, then because we are consolidating the insurance law, first of all we lay down that there should be a provident fund for the workers ; next, that the Managing Agents should be supplied with fire arms and you must amend the Arms Act, because the Managing Agents are detested and they may be shot down. (Laughter.) Next it will be said that we should now arrange for labour ; that will be done under this Act. And why not excise ? That is to say, free entry for certain kinds of *ganja* and other things for the workers. If you persist on that footing you can, in the guise of having an insurance law, practically legislate on everything. But your ruling is quite clear and I submit.....

**Mr. President** : This is a new clause sought to be added after clause 38,—is it not so ?

**The Honourable Sir Nripendra Sircar** : Yes, Sir ; a new clause nothing like which appears in either of those Acts.

**Mr. President** (The Honourable Sir Abdur Rahim) : I do not see that it has any particular affinity to clause 38.



**The Honourable Sir Nripendra Sircar :** No, Sir ; but it has got to be placed somewhere. (Laughter.) That, Sir, is my submission.

**Mr. M. S. Aney (Berar : Non-Muhammadan) :** Sir, I beg to submit that this is not really a consolidating measure in the sense that it only brings together the existing law which is contained in three different statutes. It adds something more and for that reason those words "and amend the law relating to the business of insurance" have been inserted there. These amendments are not merely for the purpose of making a consolidating measure only but also to improve the insurance business which exists today, in some other way. For that reason, there have been certain new principles added in this measure, principles which do not find any place in any of those three statutes to which reference was made by the Honourable the Law Member. For example, there is the principle of licensing of agents ; there is no reference to that in the old Acts. The only thing for you to see is whether the amendment which my Honourable friend, Prof. Ranga, wants to make has got any relation to the business of insurance or not. I cannot imagine that the business of insurance can be done without any consideration to those through whom that business is to be carried on. The employees are as much a part of the business as the employers ; and, as we have made rules regarding insurers and the insured, we have to conclude that any rules that will affect those through whom this business of insurance is to be carried on are entirely within the scope of the words "business of insurance". Therefore, I believe, an amendment which relates to provident fund relates to the condition of service of the employees, and, therefore, that amendment cannot be ruled out as being beyond the scope of the business of insurance which it is the object of this Bill to amend and improve.

**Mr. Bhulabhai J. Desai :** Sir, I must ask you to endure me for a few minutes notwithstanding the long reading of the dissertation from past speeches on this occasion. I respectfully agree that the ruling on the occasion when an amendment was sought to be moved to the amending Bill to the Indian Companies Act would have very little guidance in this matter. It is no use borrowing words which were used on that occasion for the purpose of judging this. In a matter like this, I quite agree that the line is always difficult to draw, and it is more a matter of first impression, more a matter of principle, than a matter of being guided by rules or what was said on previous occasions in specific instances of amendments sought to be moved.

The points I wish to make are these : the first is what my Honourable friend, Mr. Aney, has already made, that it is not consolidating in the sense merely of bringing together in one place provisions of different Statutes : if that were so, most of the provisions in this Bill would not be in existence—for instance, the provisions in the last chapter we were dealing with, licensing of agents up to the penalties provided for doing business except through them. Secondly it would not have opened up the question of limiting their commission. Here, the most relevant point is this : and I wish to remind the House and you, Sir, that the question of limitation of commissions had to be dealt with as only one part of what it was possible to do scientifically—the expense ratio of running the insurance business. If that expense ratio had to be considered, I respectfully submit and I defy any man here to say that

[Mr. Bhulabhai J. Desai.]

the consideration of a provident fund or similar item of expenditure in an insurance business would not be a necessary item in arriving at the expense ratio : so that, though we have had to omit the provisions relating to expense ratio for other reasons, namely, the difficulty of a scientific basis to arrive at, the fact still remains that it was admitted that, if we could have arrived at that scientific basis, a scientific solution of that question, it would have properly found its place in this Bill. If that had been so, it goes without saying that a part of the expenditure of the company, to wit, subscription to provident fund for its servants, would have been one of the items of expenditure. It is, therefore, not a mere consolidating Bill in the sense of bringing the law together : it is not merely an amending Bill, amending the existing law : it is both consolidating and amending, that is, it puts the whole law together and extends it in all directions in order that the insurance business may be covered by it. I submit that is the sole object of the Bill. Otherwise, as was pointed out by my friend, Mr. Sham Lal, just now, we would not have the provision that was passed yesterday with reference to contracts between the employer and the employee as regards renewal premium. The House may feel that, on an occasion of this kind, we need not insist on the question of a provident fund—that is a different issue. But have we not got in this Bill provisions like these in clause 53, the question of reciprocity of treatment of Indian insurance companies with reference to those of foreigners who trade in our country ?

**The Honourable Sir Nripendra Sircar :** That is in the Bill.

**Mr. Bhulabhai J. Desai :** Yes ; but what I am trying to point out is that the scope of the Bill cannot be determined by what is put into it by those who have introduced the draft Bill. I think it is a misconception. It is an entire misconception to imagine like that. Supposing there is a matter entirely foreign to the Bill. Suppose, for instance, to take my Honourable friend's own illustration—the matter of *ganja*—he generally very astutely undoubtedly takes off the attention of the House to some ridiculous subject which could not possibly come within the scope of the Bill, and thereby hopes to prove that a particular thing is not within the Bill—I quite agree that it is one of the methods of astute advocacy, but at the same time we must also guard against it. Supposing, for example, this particular provision about *ganja* had been put in, the mere fact that it was brought in by the Government would not have prevented me from raising the point that it is not within the scope of the Bill : so that, it is not conclusive at all—the fact that a particular provision is brought in in the Bill. That being so, the matter has to be dealt with not necessarily by what there is in the Bill. . . .

**Mr. President (The Honourable Sir Abdur Rahim) :** Is not that the rule ? If the Government bring in a Bill and any amendment to any clause is brought in, then we must judge whether the amendment is or is not within the scope of the Bill, as introduced by the Government.

**Mr. Bhulabhai J. Desai :** That is a different point. If I seek to add a provision, as my Honourable friend said, say, under Miscellaneous—the place is not the issue at all—it is no amendment to any of the clauses,

it is admittedly an addition. The point seems to be that what they have brought in stands on a quite different footing to an item which we submit is within the scope of the Bill.

**Mr. President** (The Honourable Sir Abdur Rahim) : This is really a new item.

**Mr. Bhulabhai J. Desai** : That is not disputed : I am admitting it for the purpose of my argument.

**Mr. President** (The Honourable Sir Abdur Rahim) : It does not even purport to be an amendment to an existing clause.

**Mr. Bhulabhai J. Desai** : I admit that. I say, any addition brought in here is within the scope of the Bill so long as it is relevant : the fact that it is an addition does not make any difference. We are dealing with an extension of the law as it existed in scattered places : the question is what are the final limits of this extension : that is the only issue, because it goes without saying that they have extended it. Supposing it was possible to have arrived at a scientific solution, it would have been open to this House to say that no insurance company shall have, as its expenditure, more than so much percentage of its annual premia.....

**Mr. President** (The Honourable Sir Abdur Rahim) : Is not that to ensure the soundness of the insurance business—the limitation to be put on commissions and all that ?

**Mr. Bhulabhai J. Desai** : That is so. That, again, is putting the wrong question for this reason : you may say, the soundness of the business is within the Act, but you have proved nothing by it, that something else in addition to soundness is not within the scope of the Act.....

**Mr. President** (The Honourable Sir Abdur Rahim) : Apart from the illustration of *ganja*, take the question of finding house accommodation for employés and things like that.

**Mr. Bhulabhai J. Desai** : I submit with very great deference that that is not the same thing : if provision were made in terms of house accommodation, then it could be taken up. Let me put it this way : supposing a Bill came up relating to the textile industry : it is well known that in all western countries at any rate, part of that business includes provision for house accommodation, old age pension and every other kind of amenity, for the purpose of the soundness and the efficiency of the business. In fact, it is put on that very ground : if it did not contribute to the efficiency of the business, it would be entirely out of the scope of the Bill.....

**Mr. President** (The Honourable Sir Abdur Rahim) : You mean if a Bill dealing with the question of the textile business was introduced, then such an amendment would be in order ?

**Mr. Bhulabhai J. Desai** : Supposing a Bill was introduced for the purpose of regulating the textile business.....

**Mr. President** (The Honourable Sir Abdur Rahim) : Yes, but it depends on the clauses of the Bill.

**Mr. Bhulabhai J. Desai :** I am only trying to follow up your idea of the soundness of insurance business. Therefore, I was taking another allied business, textiles. I think efficiency and soundness require this. My friends on the other side say : " If you do not give us so much salaries and so much accommodation and these occasional passages and rest, the business of the administration will suffer ". How is that within the Act ? I submit with very great deference,—here is a business for which we are legislating.....

**Mr. President (The Honourable Sir Abdur Rahim) :** Supposing you add a provision like this, and similar other provisions for the employes. Then, is it not fair to the House that full opportunity should be given to Honourable Member to consider all such provisions and bring in amendments ? In that case, where will be the end ?

**Mr. Bhulabhai J. Desai :** The answer to that is this, Sir. Supposing, no part of the House desired it necessary or useful to make further provisions, that is no answer.....

**Mr. President (The Honourable Sir Abdur Rahim) :** It has been laid down that it must be within the scope of the Bill.

**Mr. Bhulabhai J. Desai :** I am not disputing it at all. It is common ground between the Chair.....

**Mr. President (The Honourable Sir Abdur Rahim) :** I said it must come within the scope of the Bill.

**Mr. Bhulabhai J. Desai :** The question would still remain that you cannot bring it within the scope of the Bill. Now, Prof. Ranga, has given his amendment in time as required by rules, and the question is, if the matter is within the scope of the Bill meaning thereby if it can be said to relate to the business of insurance. That is the short way in which the question must be answered ultimately. I submit, with great deference, it does relate to the insurance business. Who dares say that it is entirely unrelated to insurance business ? If it relates to insurance business, then it does come within the scope of the Bill.

**Mr. President (The Honourable Sir Abdur Rahim) :** Objection has been raised to this amendment on the ground that it purports to widen the scope of the Bill. The amendment is that provision should be made for a provident fund for the benefit of employes of an insurance company or rather an insurer. The scope of the Bill, as has been more than once laid down by the Chair, is to be judged from the preamble, the Title, the clauses of the Bill and the Schedules. You must take the whole Bill into consideration in order to ascertain what is the scope of the Bill. The Honourable the Leader of the Opposition very rightly points out that the Bill is not only a Consolidating Bill but an Amending Bill, which includes within its scope additions to the Bill which are relevant to the clauses of the Bill and which are not outside the scope of the Bill. The Bill in the first instance is a consolidating one, and I understand,—at any rate it is not disputed,—that the existing laws relating to the business of insurance do not contain any sort of provisions for instituting provident funds for the benefit of employes of an insurer. But it is argued that it is justifiable to have a clause in the Bill by way of amendment for that purpose. Now, there are more than 100 clauses to this Bill, and my attention has not been drawn to a single clause

which can be said to bear any affinity to the amendment now before the House. The amendment which is sought to be made is in the form of a new clause to be inserted after clause 38 of the Bill which deals with the licensing of agents, and neither that nor have I been able to find a single other clause throughout the Bill which deals with or relates to the subject of provident fund for the employés of an insurance company.

As for the rulings, I have gone through most of the rulings, but in a matter like this uniformity cannot be expected ; each case has to be considered with reference to the nature of the Bill before the House, and, as I have pointed out, and as is quite clear, this Bill refers to the carrying on of insurance business. I don't say that provident fund for the benefit of employees of insurance companies has not got some sort of connection with the carrying on of insurance business or any other business of that character, but that sort of relation is a very remote one, and it cannot by any means be said that an amendment like this comes within the scope of the Bill. I, therefore, rule that the amendment is out of order.

We now take up clause 53.

The question is :

“ That clause 53 stand part of the Bill.”

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

“ That in clause 53 of the Bill, the words ‘ or otherwise ’, occurring in the eighth line, be omitted.”

I would ask Honourable Members to turn to that clause which deals with the power of the Central Government to impose reciprocal disabilities on non-Indian companies. I submit that this clause is part of a general scheme. I would invite the attention of the House to clause 3 (2) (e) which provides for an insurer, having his principal place of business or domicile outside British India, to supply a statement verified by an affidavit made by the principal officer of the insurer, setting forth the requirements (if any) not applicable to nationals of the country in which such insurer is constituted, incorporated or domiciled, which are imposed by the laws or practice of that country upon Indian nationals as a condition of carrying on insurance business in that country. That is a requirement which has to be fulfilled by an insurer desiring to carry on insurance business in this country. If the House will turn to sub-clause (3) of clause 3 they will see a very stringent provision laid down there. A non-Indian insurer cannot register, or, if registered, his registration is liable to be cancelled if the Superintendent is satisfied that Indian nationals are debarred by the law or practice of his country from carrying on the business of insurance there or that any requirement imposed upon him by clause 53 is not satisfied.

I would remind the House that in this connection the Superintendent has no discretion whatsoever ; he has no option. If he is satisfied as to these things, he must either withhold registration in the case of an application for registration, or cancel a registration already made if an insurer is doing business in this country. With those clauses in mind I would now ask

[Mr. F. E. James.]

the House to turn to clause 53 which is now under consideration. This clause consists of 3 or 4 different parts to which I will presently draw the attention of the House. The first lays down that where any "special requirement" is imposed upon an Indian insurer as a condition of carrying on insurance business,—“Special requirement” is not defined; it is not easy to understand what exactly a “special requirement” would mean. It is a requirement which may apply not only to an Indian insurer wishing to do business in that country, but to all foreign insurers doing business in that country. In other words, that special requirement may not be discriminatory as far as India alone is concerned; it may be some special requirement which is imposed for reasons of internal administration upon all foreign insurers, whether Indian or not, doing business in that particular country. In other words, it is really a comparison of legislation which is the basis of the wording of that part of the clause. It is not so much the extent of discrimination which is in question; it is a comparison of the laws in that country with the law in this country. That is the first point. The second point is this, “. . . any special requirement whether as to the keeping of deposits or assets in that country or otherwise. . . .”. I suggest that these words “or otherwise” give a meaning to the application of this clause which I do not think is the intention of this House to give, if I understood the Bill as it has emerged from the Select Committee. The words “or otherwise” would include all kinds of comparatively minor requirements which foreign companies operating in that country might be required to fulfil,—which might be requirements with no object of discriminating against foreign countries but merely for administrative purposes. Take an extreme case,—there may be a special requirement in a country that all foreign companies doing the business of insurance in that country should submit certain returns on a pink form. Obviously, I am sure that the House does not wish to import into this clause the application of that extreme meaning or interpretation. Therefore, our suggestion is that the words “or otherwise” should be deleted, a suggestion made with a view to assisting to interpret more clearly what I believe to be the real desire of the House. There is a third part of this clause to which I would draw attention, and that is where it lays down that :

“The Central Government shall, if satisfied of the existence of such special requirement, by notification in the Official Gazette, direct that the same requirement, or requirements as similar thereto as may be, shall be imposed upon insurers of that country as a condition of carrying on the business of insurance in British India.”

It is not the Superintendent in this case, it is the Central Government, —presumably under the existing constitution,—the Governor General in Council; and he has no option whatsoever. When an obligation is placed upon the Government of the day by a Statute, it is not enough to say that the Government need not pay particular care in regard to that obligation. A statutory obligation is placed upon Government by this clause. What will be the result? It is true, that in regard to an insurer from abroad wishing to do business in this country for the first time, Government have an opportunity of ascertaining the laws of the country from which he comes, because of the requirement in clause 3 to file an affidavit stating whether there are any special requirements

by law in his country which do not apply to the nationals of his own country. But what about insurers from other countries already doing business here ? An obligation is clearly laid upon the Central Government to keep in the closest possible touch with all amendments of the laws in other countries where Indian insurers may be doing business, whatever those amendments may be, if they relate to or if they impose an obligation upon foreign insurers in those countries. Whatever they may be, immediately the Central Government must, by notification—it has no option—direct that the same requirement or requirements as similar thereto as may be, shall be imposed upon insurers of that country doing business here. I suggest that that is an onerous obligation which will be very difficult for the Central Government to carry out adequately. Allow me to direct the attention of the House to our own amendment. We propose the deletion of the words “ or otherwise ”. We have later on the Order Paper an amendment which is an alternative to this, which gives the Central Government some discretion in the matter by changing the word “ shall ” into “ may ”. That is an alternative, but we suggest that the deletion of the words “ or otherwise ” would remove some of the difficulties which I have enumerated. What will be the effect of the removal of those words ? The effect will be this, that where there is any special requirement imposed upon Indian insurers wishing to do business in any other country as to deposits or assets action must be taken in India. I am quite aware that it may be argued that the operation of this clause may be severely restricted by this amendment. I may assure the House that it is not our intention, in any way, to take away from India weapons which are suitable and necessary for her in the defence of her own interests. But our point is this : that the special requirements that are likely to be asked of an Indian insurer in any other country, substantial requirements in which there may be discrimination, will almost invariably relate either to deposits or to assets. That is really the substantial matter in which discrimination is likely to take place. If there are other matters, and there are a large number of matters which may occur to the minds of Honourable Members of this House, I suggest that they will be covered completely and entirely by the provisions of sub-section (3) of section 3. As far as this particular clause is concerned, we consider it is much more satisfactory if this wide provision ‘ or otherwise ’ is removed and that the test of discrimination as far as legislation is concerned, having in mind the fact that the Central Government has no option in the matter, should be limited to the question of deposits or assets. In other words, our amendment, if it is accepted by the House, will remove what we believe to be a very real danger, as the clause now stands, of unnecessary or harassing restrictions on foreign companies doing business here, while at the same time preserving in essence, in substance, the principle of reciprocity in those material matters on which discrimination against Indian companies doing business in other countries is likely to be made. To put it shortly, we do attempt, while preserving what is essential in this clause, to remove what may be petty. Sir, I move.

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

“ That in clause 53 of the Bill, the words ‘ or otherwise ’, occurring in the eighth line, be omitted.”

**The Honourable Sir Nripendra Sircar :** I am not entitled to speak on behalf of the Select Committee nor to disclose what happened in the Select Committee but I think I should tell the House what is in my mind as a Member of the Select Committee. We want to keep full powers of retaliation. I do not think there will be any disagreement as to that. On the other hand, I really intend, that it should be confined not merely to deposits or assets, because by confining it to merely deposits or assets, we may be omitting certain matters which are cognate to those two things. (Hear, hear.) On the other hand, if you put it "or otherwise", I quite see it may be said that the Government of India have got to keep themselves acquainted with the amendments of insurance law of every part of the world. What I do suggest is this. Possibly my Honourable friend, Mr. James, will be able to think, during the mid-day adjournment, of some words which will come to my rescue. I shall be grateful if he will be able to think of some other words which may be added to make it perfectly clear that what is wanted by section 53 is retaliation in the matter of keeping of deposits or assets and any matter, if I may use the technical expression, which is *eujesdum generis* with it, that is, of the same kind, type or genus. I am quite willing, if the House will agree to make it perfectly clear that the Government of India is not taking upon itself the duty of finding out minute changes in trivial matters in connection with the laws of the whole world. On the other hand, I object to the deletion of the words 'or otherwise', unless some words are added which will make it clear that our power is not limited to merely the two items which we have mentioned but there may be similar items which are cognate to it. That is my suggestion. If any of my friends, in any part of the House, will suggest a suitable form of words, I shall be quite willing to accept it and in that case and in that case alone I would agree to the words 'or otherwise' being deleted but if that is not done, then I shall have to oppose it.

**Sir Cowasji Jehangir :** What happens in this case. Suppose a country has a law or regulation whereby while allowing Indian insurance companies to transact business in their countries prevents nationals from India being employed by them in those countries ?

**The Honourable Sir Nripendra Sircar :** That is covered by sub-clause (3) of clause 3.

**Sir Cowasji Jehangir :** If the country absolutely refuses to allow India to have a branch in their country. If they have a regulation of this sort, it is not covered.

**The Honourable Sir Nripendra Sircar :** How can we possibly be acquainted with the laws of the whole world in connection with matters which are not important. What I suggest is a middle course—that we should not confine ourselves merely to deposits or assets. There may be other matters which are of equal importance and of the same nature. That is my suggestion and I would ask Honourable Members to kindly think over the matter during the interval. I have nothing further to add. I have finished.

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



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

**Mr. T. S. Avinashilingam Chettiar** (Salem and Coimbatore *cum* North Arcot : Non-Muhammadan Rural) : Sir, I am rather surprised at the way in which the European Group moves these amendments.....

**The Honourable Sir Nripendra Sircar** : Sir, I was having a talk with the Leader of the Opposition and there is every chance of our being able to settle a formula, and, if the House has no objection you may be pleased to take it first thing tomorrow morning. It will give us a little time. The matter is of great importance and I do not want to be rushed.

**Mr. Deputy President** (Mr. Akhil Chandra Datta) : That is certainly very desirable and I hope the House will agree to it. Does the House agree to its standing over till tomorrow morning ? (*Voices* : Yes.) Very well, it will stand over. No. 787.

**Mr. F. E. James** : I take it that that amendment will also stand over till we have discussed the previous one.

**The Honourable Sir Nripendra Sircar** : That is connected.

**Mr. Deputy President** (Mr. Akhil Chandra Datta) : Very well. This may also stand over along with No. 786.

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

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

“ That clause 54 stand part of the Bill.”

No. 793. Mr. Satyamurti.

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

“ That in clause 54 of the Bill, after the words ‘ referred to ’, in last but two lines, the words ‘ or in the matters specified in (f) above ’ be inserted.”

Sir, with those words, it will cast on the insurer the duty to report to the Government the changes in the special requirements, if any, of the nature specified in clause 53, imposed in the country of origin of the insurer on Indian nationals. It will meet one of the objections urged this morning, and I think that, whatever the decision of the House may be on clause 53, the working of that clause should be made smooth and easy for everybody concerned. I move, Sir.

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

“ That in clause 54 of the Bill, after the words ‘ referred to ’, in last but two lines, the words ‘ or in the matters specified in (f) above ’ be inserted.”

**The Honourable Sir Nripendra Sircar** : Sir, I accept the amendment.

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

“ That in clause 54 of the Bill, after the words ‘ referred to ’, in last but two lines, the words ‘ or in the matters specified in (f) above ’ be inserted.”

The motion was adopted.

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

“ That clause 54, as amended, stand part of the Bill.”

The motion was adopted.

Clause 54, as amended, was added to the Bill.

Clause 55 was added to the Bill.

**The Honourable Sir Nripendra Sircar :** Sir, before you come to the Provident Societies, there are three matters which have been left over,—clauses 10, 12 and 2. I do not want the Schedules to be taken now, they may be taken in their proper turn, but these three matters which were left over may be finished now. They won't take a very long time. One, I may remind the House, is the question of the definitions in clause 2. I moved an amendment that was debated at great length. That may be disposed of now. We understand there is no very serious objection, but if there is, that can be finished now.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** I am told by the Secretary that they have not got the amendments here. They may be held over.

**The Honourable Sir Nripendra Sircar :** We can proceed in the meantime.

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

“ That clause 56 stand part of the Bill.”

**Pandit Lakshmi Kanta Maitra (Presidency Division : Non-Muharamadan Rural) :** Sir, I move :

“ That for sub-clauses (a) to (g) of clause 56 of the Bill, the following be substituted :

- (a) Life assurance business—the survival by a person of a stated age or a number of years and for death.
- (b) Social and ceremonial insurance—birth, failure of issue, marriage or other social, religious or ceremonial contingencies.
- (c) Unemployment insurance—loss of or retirement from employment.
- (d) Accident or sickness insurance—disablement in consequence of sickness or accident.”

**Sir, this is a very simple amendment.** It aims at a better classification than what is to be found in this clause. The merit of a classification I believe rests mainly on its simplicity and clarity. In this particular case the House will note that the classes of insurable contingencies have been grouped together in such a manner that it lends itself to some confusion and also gives rise to practical difficulties in the working of provident insurance societies. Sir, if the House will turn to clause 74 (1) as also sub-clause (2) it will see that after this Bill is passed into law provident insurance societies will be required to maintain separate accounts for all the classes of business they transact, and in that connection it will be noticed that for life insurance as also for endowment policies they will have to keep separate accounts. Life policies and endowment policies can all be grouped under one head, life business. It is a common practice in insurance business transactions that wherever any premia are received by these Provident Societies, they group them under the head ‘ premia ’

and whenever expenses are incurred under the head of 'commission' they put them down as commission accounts. It will be extremely difficult for these provident societies to find out what particular percentage of the premia has come under the head of life policies and what portion has come under the head of endowment policies, also what particular portion has been spent for commission in respect of life policies and what portion has been spent for commission in respect of endowment policies. The present classification, as it stands, introduces some amount of confusion. I, therefore, submit that if we adopt the classification which has been proposed in the amendment, which clearly describes the class of workable contingencies under different groups and heads, I believe it will help the provident societies to work out in a far more efficient and better way than under the clause as it stands now. Moreover, it will be noticed that it is practically impossible to earmark the amount of commission in respect of these different classes of business. Besides, according to sub-clause 6 (1), which has already been passed, life insurance business means and includes whole life insurance business as well as life endowment business, and for actuarial purposes any actuary will have them classified into one type of life business and not two. So, instead of having this rather confused classification as proposed in clause 56, I suggest a simpler one and that for the better working of the companies concerned and for giving better facilities for keeping proper accounts and for running their business on practical business lines.

Sir, I move.

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

"That for sub-clauses (a) to (g) of clause 56 of the Bill, the following be substituted :

- ' (a) Life assurance business—the survival by a person of a stated age or a number of years and for death.
- (b) Social and ceremonial insurance—birth, failure of issue, marriage or other social, religious or ceremonial contingencies.
- (c) Unemployment insurance—loss of or retirement from employment.
- (d) Accident or sickness insurance—disablement in consequence of sickness or accident '."

**Prof. N. G. Ranga :** Sir, I am certainly in favour of the principle underlying this amendment. I am glad my Honourable friend, Pandit Lakshmi Kanta Maitra, has thought of including some of these very important things for which people like me in this country stand. It is a pity that, when this clause 56 was being framed or when it was being considered at the Select Committee, some of the important things that are mentioned in this amendment, such as social and ceremonial insurance, unemployment insurance, etc., were not included in it. I do not know whether Government have considered this particular amendment given notice of by my Honourable friend, Pandit Lakshmi Kanta Maitra, but I am sure, if Government were to pay any attention to it, it will not be impossible for them to include some of these items in clause 56 and thus improve it. In view of the fact that Government have already included sub-clause (h) by which the scope of this clause will be extended by Provincial Governments, I hope Government will see the justice in including part (c) of this amendment also. They will thus extend the scope of the

[Prof. N. G. Ranga.]

clause and leave no room for any doubt later on. I, therefore, support this amendment and appeal to Government to extend the scope of this clause.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Sir, I am really unable to see what this amendment seeks to include except that there are some headings given. On the other hand, I am sorry to see that some of the important matters have been left out.

**The Honourable Sir Nripendra Sircar** : Education has been left out.

**Mr. M. Ananthasayanam Ayyangar** : Education has been left out and other subjects are left out. Please refer to clause 56 as it stands. Sub-clause (b) says :

“ the survival by a person of a stated age or contingency.”

It is a comprehensive thing, as it stands. It may be a death policy or it may be an endowment policy. Various other matters may be brought in that category. That comprehensive expression has been left out in this amendment. Then, education, which is provided for under clause (g), has been left out and other social and ceremonial functions are included. Thus, the most important matters, which ordinarily the provident societies cater for, have been left out. Barring a few head lines, there is nothing new in this amendment. I therefore see no necessity for substituting the present clause by any other clause. The clause, as it stands, is all-comprehensive and may be left alone.

**The Honourable Sir Nripendra Sircar** : Sir, not only is there any improvement but Honourable Members will see that the most important sub-section (h) is taken away, that is, ‘ any other contingency which may be prescribed or authorised by the Provincial Government’.

**Some Honourable Members** : It is not taken away.

**The Honourable Sir Nripendra Sircar** : I beg your pardon. Then, what about the education ? That goes. I am now talking of the amendment as it stands. Then, Sir, it is a complete misfit if you accept the amendment. Let us see how the clause reads by incorporating the amendment :

“ 56. In this part ‘ Provident society ’ means a person . . . . . receives premiums or contributions for insuring money to be paid on the happening of any of the following contingencies, namely :

(a) A life assurance business.”

Surely, ‘ life assurance business ’ is not a contingency. The amendment really requires a lot of change. I am now more on the matter of substance than these technicalities. I submit the amendment is no improvement at all in any way and I particularly object to this arrangement which is in clause 56 being disturbed. The onus is on my Honourable friend to show that there is improvement. I submit there is none.

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

“ That for sub-clauses (a) to (g) of clause 56 of the Bill, the following be substituted :

- ‘ (a) Life assurance business—the survival by a person of a stated age or a number of years and for death.
- (b) Social and ceremonial insurance—birth, failure of issue, marriage or other social, religious or ceremonial contingencies.
- (c) Unemployment insurance—loss of or retirement from employment.
- (d) Accident or sickness insurance—disablement in consequence of sickness or accident ’.”

The motion was negatived.

**Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) :** Sir I beg to move :

“ That in clause 56 (h) of the Bill, for the word ‘ Provincial ’ the word ‘ Central ’ be substituted.”

Sir, the Government never intended that Provincial Governments should come into the picture. In the Bill, as originally introduced, the word ‘ provincial ’ is not there. This clause 56 refers to provident societies and the clause provides that premiums and contributions should be paid for certain contingencies. Now those contingencies are described from (a) to (g) and the House knows the description. The last sub-clause (h) says :

“ any other contingency which may be prescribed or authorised by the Provincial Government,”

That means that the Central Government are not laying down contingencies other than specific contingencies for which premiums have to be paid and they are leaving the authorisation or the prescription of these contingencies to the Provincial Governments. I do not understand why this power should be left to the Provincial Governments. At any rate, I find that when the original Bill was introduced there was no such power given to the Provincial Governments. We find in clause 51—that was the clause in the old Bill corresponding to the present clause 56—sub-clause (h) merely stated :

“ Any other contingency which may be prescribed.”

Under that no contingency was left to the Provincial Governments to be prescribed. I submit, therefore, presumably the original intention of the Government was to leave this to the Central Government. The whole Bill that is being now enacted into an Act is being made by the Central Government and every function that is to be provided for is by the Central Government. There is no reason, whatsoever, why this power should be given to the Provincial Governments. At any rate, I find no reason for doing so. What do we find in the Select Committee’s report under clause 51 :

“ We have supplied an obvious omission relating to one of the common activities of Provident societies and we have empowered the Provincial Government to add to the insurable contingencies.”

I do not see any reason why this power is given to the Provincial Governments. The whole framework of this Bill is to keep the powers in the hands of the Central Government and when it is a Central subject, these other contingencies referred to in sub-clause (h) should also

[Mr. Lalchand Navalrai.]

be prescribed by the Central Government. I do not know what reason there will be for the Government to accept the Select Committee's report. It may be said, however, that the contingencies that may arise in each Province may vary from Province to Province but the contingencies which arise should be similar. That is the reason why I say that the Central Government should have the power to prescribe these contingencies instead of leaving them to the various Provincial Governments. I would appeal to the House to consider this point and leave this question also in the hands of the Central Government. Sir, I move.

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

“ That in clause 56 (h) of the Bill, for the word ‘ Provincial ’ the word ‘ Central ’ be substituted.”

**Mr. S. C. Sen :** Sir, I have to oppose this amendment. The Honourable the Mover said that there was no reason given for introducing the word ‘ Provincial ’ in the Bill. If I may draw the attention of the Honourable Member to the portion of the report upon which this provision is based, he will find that the original recommendation was for the use of the words ‘ Local Government ’. I refer the Honourable Member to paragraph 333 of the recommendations upon which this Bill is based. But apart from that, under the existing Act under section 24, the Local Governments have been delegated the power of fixing the contingencies and that for a very good reason, namely, because in the different provinces there are different contingencies which have got to be provided for and under the existing Act they have been provided for in the rules framed by the different Local Governments. As must be obvious to the House the Local Ministries are likely to be more alive to the needs of their Provinces than the Central Government. For this reason, an obvious omission in the Bill as introduced was really supplied as it has emerged from the Select Committee. Sir, I oppose the amendment.

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

“ That in clause 56 (h) of the Bill, for the word ‘ Provincial ’ the word ‘ Central ’ be substituted.”

The motion was negatived.

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

“ That clause 56 stand part of the Bill.”

The motion was adopted.

Clause 56 was added to the Bill.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** As regards the proposed amendments which were held over in regard to clauses 2 and 4, may I point out that, if these amendments are taken up before the Honourable the President resumes the Chair, one Member will be put to some disadvantage and inconvenience. I do not think it will make any difference if it is taken up tomorrow or today. If the House so desires, those amendments might stand over till tomorrow morning.

**The Honourable Sir Nripendra Sreer :** They may be taken up after the President comes back to the Chair. In the meanwhile, other amendments might be proceeded with.

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

“ That clause 57 stand part of the Bill.”

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

“ That in clause 57 of the Bill, after the word ‘ rupees ’, occurring in the fourth line, the following be added :

‘ excluding bonuses, but a society on completion of the full deposit of Rs. 50,000 as per clause 63 following, shall be entitled to issue policy or a series of policies on a single life up to and not exceeding Rs. 1,000 ’.”

Clause 57 allows the provident societies to issue a policy or series of policies of Rs. 500 and deprives the policy holders of anything more than Rs. 500 in the shape of bonuses which are allowed in higher insurance companies. The question is that if the provident society completes the quota of deposit of Rs. 50,000, I think it will be justified in claiming the privilege of issuing policies up to Rs. 1,000. In the higher insurance companies, when a company deposits Rs. 50,000, it is allowed to issue policies up to any amount. In this case, it is rather an injustice if the provident societies are not allowed to issue policies up to Rs. 1,000 when they have completed the deposit of Rs. 50,000.

Sir, I move.

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

“ That in clause 57 of the Bill, after the word ‘ rupees ’, occurring in the fourth line, the following be added :

‘ excluding bonuses, but a society on completion of the full deposit of Rs. 50,000 as per clause 63 following, shall be entitled to issue policy or a series of policies on a single life up to and not exceeding Rs. 1,000 ’.”

**Pandit Lakshmi Kanta Maitra :** Sir, I rise to support the amendment. After the clauses we have so far passed an insurance company can after completing its initial deposit of Rs. 50,000 issue a policy to the extent of 2 or 3 lakhs ; there is no bar to that, there is no restriction of any amount. All that is sought in this amendment is that so long as the provident societies do not complete their quota of statutory deposit, let the amount be restricted to Rs. 500 ; but when these societies have completed their quota of Rs. 50,000, it is only reasonable that they should be permitted to issue a policy or a series of policies on any single life up to Rs. 1,000. Besides this, there is another point. Why should we by legislation stop these companies from paying any bonuses that might accrue on these policies ? We ought not to do it ; that would be very unfair as the interest of the policy holders will be affected thereby. If any profit is earned, if after actuarial valuation it is found that really the company is in a position to pay more than Rs. 500, why should that benefit be denied to the policy holders ? After the passing of this Bill the provident societies would be placed on an actuarially sound basis, as sound as any other ordinary insurance companies. There would be

[Pandit Lakshmi Kanta Maitra.]

the supervision of the Insurance Superintendent, there would be the actuarial valuation every five years. So I submit that if the policy-holders can earn anything by way of profit on their policies and if the companies can allow that and if the actuary finds that it is feasible and permissible on the part of the companies to allow that bonus, legislation should not stand in the way. Sir, I support the amendment.

**Mr. S. C. Sen :** Sir, there are two parts of this amendment. With regard to the first part, namely, the question of excluding bonuses, we quite admit that there is a good deal to be said and as a matter of fact the matter will come up for discussion in the next amendment. But as regards the question of allowing an increment of policies to the extent of Rs. 1,000, we oppose it and on this principle, *viz.*, that the majority of the Indian life insurance companies issue policies of about Rs. 1,000. And directly you allow the provident societies to cut into it, there will be competition which it is not the intention of the Legislature to allow. Apart from that, my Honourable friend will also realise that the limitations which we are putting by this legislation upon life insurance companies are entirely different from those which are being put upon Provident Insurance Societies, and they cannot possibly be put on a par as regards these policies of Rs. 1,000. I would, therefore, oppose the last part of the amendment but as they are rolled up into one the whole amendment has got to be opposed. The first part may be brought up when we discuss the next amendment. Sir, I oppose.

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

“ That in clause 57 of the Bill, after the word ‘ rupees ’, occurring in the fourth line, the following be added :

‘ excluding bonuses, but a society on completion of the full deposit of Rs. 50,000 as per clause 63 following, shall be entitled to issue policy or a series of policies on a single life up to and not exceeding Rs. 1,000 ’.”

The motion was negatived.

**Mr. M. Ananthasayanam Ayyangar :** Sir, I move :

“ That to clause 57 of the Bill, the words ‘ exclusive of any profit or bonus ’ be added at the end.”

This amendment speaks for itself. There is a prohibition against provident societies paying more than Rs. 500 on any policy or policies. Now at the time the policy is issued, what the bonus will be it will not be possible for any insurer to know with any accuracy. I adopt in their entirety the arguments that my Honourable friend, Pandit Maitra, addressed to the House on the previous amendment, so far as the first portion is concerned. I hope Government will see its way to accept the amendment.

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

“ That to clause 57 of the Bill, the words ‘ exclusive of any profit or bonus ’ be added at the end.”

**Mr. S. C. Sen :** Sir, we accept the amendment.



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

“ That to clause 57 of the Bill, the words ‘ exclusive of any profit or bonus ’ be added at the end.”

The motion was adopted.

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

“ That clause 57, as amended, stand part of the Bill.”

The motion was adopted.

Clause 57, as amended, was added to the Bill.

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

“ That clause 58 stand part of the Bill.”

**Pandit Lakshmi Kanta Maitra :** Sir, I move :

“ That in clause 58 of the Bill, all the words beginning with the words ‘ and no provident society ’ and ending with the words ‘ as its name ’ be omitted.”

The object is simply to allow existing companies to retain their names and not to allow new companies which might be established hereafter to use the name of ‘ life insurance ’. I know that if the existing companies are forced to drop the words “ life insurance ” from the names of their companies, it would create a sense of distrust in the minds of those who insure with these companies ; for after all these provident societies have generally to deal with uneducated illiterate people in the countryside, and the result of the forced deletion of the words “ life insurance ” from these will have great repercussions on the business itself. Therefore, I suggest in this amendment that so far as the existing companies are concerned they should be allowed to retain their present name and future companies only will come under the operation of this clause.

Sir, I move.

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

“ That in clause 58 of the Bill, all the words beginning with the words ‘ and no provident society ’ and ending with the words ‘ as its name ’ be omitted.”

**Mr. S. C. Sen :** Sir, I am afraid I have got to oppose this amendment. The idea of clause 58 is to prevent confusion between the two classes of companies and if we accept the amendment the whole idea underlying the clause will be lost. . . . .

**Pandit Lakshmi Kanta Maitra :** But the business will be protected !

**Mr. S. C. Sen :** I do not think my Honourable friend is right in saying that. All that we want is that any company carrying on provident insurance business must have the word “ provident ” in it in order to make it clear that it carries on the business of provident insurance as distinguished from life insurance. That whole object will be lost if the amendment is accepted. Sir, I oppose.

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

“ That in clause 58 of the Bill, all the words beginning with the words ‘ and no provident society ’ and ending with the words ‘ as its name ’ be omitted.”

The motion was negatived.

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

“ That clause 58 stand part of the Bill.”

The motion was adopted.

Clause 58 was added to the Bill.

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

“ That clause 59 stand part of the Bill.”

**Mr. K. Santhanam :** Sir, I move :

“ That in clause 59 of the Bill, after the word ‘ child ’ the words ‘ grand-child ’ be inserted.”

No speech is necessary. I do not know how this escaped the vigilance of the Honourable Mr. Sri Prakasa in the Select Committee ; perhaps he was relating some story then !

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

“ That in clause 59 of the Bill, after the word ‘ child ’ the words ‘ grand-child ’ be inserted.”

**Mr. S. C. Sen :** Sir, we accept the amendment.

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

“ That in clause 59 of the Bill, after the word ‘ child ’ the words ‘ grand-child ’ be inserted.”

The motion was adopted.

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

“ That clause 59, as amended, stand part of the Bill.”

The motion was adopted.

Clause 59, as amended, was added to the Bill.

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

“ That clause 60 stand part of the Bill.”

**Mr. Lalchand Navalrai :** Sir, I move :

“ That in the proviso to sub-clause (2) of clause 60 of the Bill, for the words ‘ one year ’ the words ‘ three years ’ be substituted.”

Clause 60 refers to the dividing principle with regard to provident funds. It has been provided that the dividing system in the provident funds is going to be abolished. But some grace is going to be allowed by a proviso which has been added to clause 60 that if the insurer applies, within three months, to the Superintendent, after the commencement of

this Act, that the business of the provident fund will be continued on the revival system, the Superintendent can allow it for one year. One year is too little time and, therefore, amendments have been proposed, and I see that there is an amendment No. 807 of Mr. Sri Prakasa asking that the period of one year might be extended to ten years : but that has not been moved : then I had another amendment No. 808, asking for five years. But I find that when this same question arose yesterday with regard to insurance companies, the Government and the Congress more or less virtually joined hands in saying that it should not be more than three years ; thus, Mr. Ayyangar's amendment was carried yesterday, that the insurance companies may carry on, on the dividing principle, for three years. Sir, I take that precedent and hope today I will see that the Government and the Congress join again and keep to that precedent they set up yesterday. I find that one year is too little : even two years is too little : but three years may give at least breathing time to them to reorganise their old business. Three years is not much and I do not see that there should be any objection to three years being granted. Therefore, Sir, I move.

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

“ That in the proviso to sub-clause (2) of clause 60 of the Bill, for the words ‘ one year ’ the words ‘ three years ’ be substituted.”

**The Honourable Sir Nripendra Sircar :** Sir, my friend, Mr. Lalchand Navalrai, pointed out that I had joined hands and accepted No. 770. He however, failed to point out to the House the material difference between No. 770 and his amendment. Amendment No. 770, which was accepted in case of life assurance, is hedged in with this condition—‘ provided that in the case of an insurer who continues to carry on insurance business on dividing principle after the commencement of this Act he shall withhold the distribution, etc. etc.’.....

**Mr. Lalchand Navalrai :** The whole thing will be left to the Superintendent.

**The Honourable Sir Nripendra Sircar :** The Superintendent has no power of any kind under my friend's amendment, and I hope that my friend will see that what he wants is that the dividing principle which the House has condemned should go on for three years without restriction of any kind. That is the essential difference between what I accepted and what I refuse to accept. I know I have joined hands with the Congress Party for downing the European Group, I have joined hand with Europeans for downing Congress Party and if I join hands with the Nationalist Party I may be able to down everybody. (Laughter.)

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

“ That in the proviso to sub-clause (2) of clause 60 of the Bill, for the words ‘ one year ’ the words ‘ three years ’ be substituted.”

The motion was negatived.

**Mr. S. Satyamurti :** Sir, I move :

“ That in the proviso to sub-clause (2) of clause 60 of the Bill, for the words ‘ one year ’ the words ‘ two years ’ be substituted.”

[Mr. S. Satyamurti.]

I do not want to argue the position, but if the Government extend their hands in favour of this amendemnt, I shall grasp them.

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

“ That in the proviso to sub-clause (2) of clause 60 of the Bill, for the words ‘ one year ’ the words ‘ two years ’ be substituted.”

**Mr. S. C. Sen :** Sir, we accept it.

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

“ That in the proviso to sub-clause (2) of clause 60 of the Bill, for the words ‘ one year ’ the words ‘ two years ’ be substituted.”

The motion was adopted.

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

“ That clause 60, as amended, stand part of the Bill.”

The motion was adopted.

Clause 60, as amended, was added to the Bill.

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

“ That clause 61 stand part of the Bill.”

**Pandit Lakshmi Kanta Maitra :** Sir, I move :

“ That in sub-clause (4) of clause 61 of the Bill, for the words ‘ cancel a registration ’, in line 5, the following be substituted :

‘ apply to the Court and obtain sanction for cancellation of the registration ’.”

Sir, the amendment is quite clear and speaks for itself. But, as it has been my painful experience in this House that no speech, no argument however strong or reasonably advanced by us, will carry conviction on the other side, it is no use wasting my breath or the time of the House by making a speech in support of the amendment. At the same time, I am extremely pained to see that no assistance, no relief, no sympathetic consideration of any kind has been given to the body of small insurance companies known as Provident Insurance Societies which have been doing tremendous service to this country by giving the benefit of insurance to the poor and illiterate people on the countryside, and the pity is that this portion of the Bill has not at all received the attention it deserves. Sir, I don't see the slightest chance of any of my amendments relating to this subject being carried, and so I simply move this amendment and place it before the House. I know I am fighting a lonely battle, but I will continue to do it till the end as the forlorn champion of a lost cause. I shall then have, at least, the satisfaction of having tried to do my humble bit to these much maligned yet eminently useful bodies. Sir, I move.

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

“ That in sub-clause (4) of clause 61 of the Bill, for the words ‘ cancel a registration ’, in line 5, the following be substituted :

‘ apply to the Court and obtain sanction for cancellation of the registration ’.”

**The Honourable Sir Nripendra Sircar :** Sir, as my Honourable friend has deviated from his usual course and he has put up a proposition which is reasonable, I shall join hands with the Nationalist Group of the Congress in this matter and accept the amendment.

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

“ That in sub-clause (4) of clause 61 of the Bill, for the words ‘ cancel a registration ’, in line 5, the following be substituted :

‘ apply to the Court and obtain sanction for cancellation of the registration ’.”

The motion was adopted.

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

“ That clause 61, as amended, stand part of the Bill.”

**Mr. S. C. Sen :** Sir, may I say that there is a consequential amendment which it is necessary to make in the proviso as a result of the acceptance of this amendment. You will find that in the proviso it is stated “ Provided that the Superintendent of Insurance may, if he thinks fit, instead of cancelling a registration under sub-clause (i) of clause (a) of this sub-section, etc.” But instead of the words “ cancelling a registration ” the words “ applying for cancellation of the registration ” should be substituted.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** With the consent of the House I accept this amendment for consideration. The question is :

“ That in the proviso to clause 61, for the words ‘ cancelling a registration ’ the words ‘ applying for cancellation of the registration ’ be substituted.”

The motion was adopted.

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

“ That clause 61, as amended, stand part of the Bill.”

The motion was adopted.

Clause 61, as amended, was added to the Bill.

Clauses 62 and 63 were added to the Bill.

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

“ That clause 64 stand part of the Bill.”

**Fandit Lakshmi Kanta Maitra :** Sir, I move :

“ That part (k) of sub-clause (1) of clause 64 of the Bill be omitted.”

If Honourable Members will turn to the body of section 64 itself, they will find that there is an exhaustive list which should be complied with in framing the rules after the commencement of this Act. In this list occurs (k) which runs thus—Every Provident Fund Society established after the commencement of this Act shall in its rules set forth *inter alia*—‘ the proportion of the annual income of the society which may be disbursed on and the provisions to be made for meeting the expenses of the management of the society ’.

I believe, Sir, it is absolutely unnecessary. We have never fixed statutorily any expense ratio. In paragraph 362 Mr. Sen has definitely stated that in this country it is not possible to fix any expense ratio. What you are not going to do by a Statute I would not allow you to do by the rules ; how can you fix it ?

**An Honourable Member :** The society can fix it.

**The Honourable Sir Nripendra Sircar :** The society is quite free. It can fix 50 per cent. today and change it to 60 per cent. tomorrow. There is no compulsion on the societies that they must fix it at something.

**Pandit Lakshmi Kanta Maitra :** Do I understand from the Honourable the Leader of the House that these companies can from time to time change the ratio as they like ?

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

**Pandit Lakshmi Kanta Maitra :** In that case, I beg leave of the House to withdraw my amendment.

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

**Pandit Lakshmi Kanta Maitra :** I beg to move :

“ That in sub-clause (2) of clause 64 of the Bill, for the word ‘ six ’, in line 4, the word ‘ twelve ’ be substituted.”

I only want a little more time to allow the companies to adjust themselves to the changed conditions. Sir, I move.

**Mr. S. C. Sen :** I will join hands once more with the Nationalist Party and accept it.

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

“ That in sub-clause (2) of clause 64 of the Bill, for the word ‘ six ’, in line 4, the word ‘ twelve ’ be substituted.”

The motion was adopted.

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

“ That clause 64, as amended, stand part of the Bill.”

The motion was adopted.

Clause 64, as amended, was added to the Bill.

Clauses 65 and 66 were added to the Bill.

Clause 67 was added to the Bill.

Clauses 68 and 69 were added to the Bill.

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

“ That clause 70 stand part of the Bill.”

I have received just now notice of an amendemnt to clause 70 from Mr. Ayyangar.

**Mr. M. Ananthasayanam Ayyangar :** It is only a consequential amendment.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** Will the Honourable Member explain his amendment.

**Mr. M. Ananthasayanam Ayyangar :** My amendment is to this effect :

“ That in clause 70 of the Bill, for the word ‘ and ’, occurring in the ninth line, a comma be substituted, and, after the word ‘ duties ’, occurring in the tenth line, the words ‘ and be subject to the liabilities ’ be inserted.”

What I want is that in addition to clothing the auditor with rights and privileges he should also be subject to the liabilities which are imposed upon an auditor by section 145 of the Indian Companies Act.

**Mr. F. E. James :** We have not been supplied with a copy of the amendment, and we object to the amendment being moved.

**Mr. M. Ananthasayanam Ayyangar :** We have made a similar change with regard to life insurance and general insurance business at an earlier stage and I want that that should also be incorporated here.

**The Honourable Sir Nripendra Sircar :** Before you rule on this, may I point out to the House and to Mr. James that what is happening is not hurting anybody, but the amendemnt makes it clear that the auditor will not only discharge the duties, but it corrects an omision, namely, that he will also be subject to the liabilities of an auditor. I would welcome this as correcting a mistake we have made and I hope my Honourable friend, Mr. James, will not press his objection.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** I take it that there is no objection. The Honourable Member can move his amendment.

**Mr. M. Ananthasayanam Ayyangar :** I move ;

“ That in clause 70 of the Bill, for the word ‘ and ’, occurring in the ninth line, a comma be substituted, and, after the word ‘ duties ’, occurring in the tenth line, the words ‘ and be subject to the liabilities ’ be inserted.”

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

“ That in clause 70 of the Bill, for the word ‘ and ’, occurring in the ninth line, a comma be substituted, and, after the word ‘ duties ’, occurring in the tenth line, the words ‘ and be subject to the liabilities ’ be inserted.”

The motion was adopted.

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

“ That clause 70, as amended, stand part of the Bill.”

The motion was adopted.

Clause 70, as amended, was added to the Bill.

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

“ That clause 71 stand part of the Bill.”

**Pandit Lakshmi Kanta Maitra :** Sir, I move :

“ That in sub-clause (f) of clause 71 of the Bill, all the words beginning with the words ‘ if the actuary finds ’ and ending with the word ‘ and ’, in the 6th line, the following be substituted :

‘ If, as a result of an actuarial valuation, a deficit is disclosed, the Actuary shall state in his report ’.”

This is a very simple amendment. I need not explain it. Sir, I move.

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

“ That in sub-clause (j) of clause 71 of the Bill, all the words beginning with the words ‘ if the actuary finds ’ and ending with the word ‘ and ’, in the 6th line, the following be substituted :

‘ If, as a result of an actuarial valuation, a deficit is disclosed, the Actuary shall state in his report ’.”

**Mr. S. C. Sen :** We are prepared to accept the amendment, but I would suggest that only the words up to “ if so ” in the fifth line, should go.

**The Honourable Sir Nripendra Sircar :** I would inform the Honourable Member that if his amendment is accepted, the whole clause would not make grammar.

**Mr. F. E. James :** The actual wording of the clause would be this :

“ If, as the result of an actuarial valuation, a deficit is disclosed, the Actuary shall state in his report the extent to which, in his opinion, existing contracts should be modified.”

I think it is a reasonable amendment and Government ought to accept it.

**Mr. S. Satyamurti :** If, I understand the scope of the amendment, the clause, as amended, will read like this :

“ If, as the result of an actuarial valuation, a deficit is disclosed, the Actuary shall state in his report the extent to which, in his opinion, existing contracts should be modified or existing rates of premium should be adjusted to make good the deficiency in the assets.”

At present, as the clause is worded, the Actuary can state whether the society is insolvent. That goes. Secondly, he can say whether the society should be wound up or not. That also goes. The only thing that remains is the extent to which existing contracts should be modified. I think this amendment takes away the whole scheme of safeguards in the proviso. I strongly oppose the amendment.



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

**Pandit Lakshmi Kanta Maitra** : I beg leave of the House to withdraw my amendment.

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

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

“ That clause 71 stand part of the Bill.”

The motion was adopted.

Clause 71 was added to the Bill.

Clause 72 was added to the Bill.

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

“ That clause 73 stand part of the Bill.”

**Pandit Lakshmi Kanta Maitra** : Sir, I move :

“ That after sub-clause (3) of clause 73 of the Bill, the following be added :

‘ But this sub-section shall not apply to a society established before the commencement of this Act which has undergone actuarial valuation within two years before or one year after the commencement of this Act, and as the result of which a surplus has been disclosed ’.”

The idea is that existing societies should not be compelled to submit their schemes already in operation for actuarial examination unless as a result of the usual actuarial examination some deficit is disclosed. I propose actuarial examination for all new schemes, not for existing schemes, because there will be periodical actuarial examination by the actuaries. If after actuarial examination, the actuaries do not take any objection to existing schemes, why should they be again dragged out and submitted to an examination. Sir, I move.

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

“ That after sub-clause (3) of clause 73 of the Bill, the following be added :

‘ But this sub-section shall not apply to a society established before the commencement of this Act which has undergone actuarial valuation within two years before or one year after the commencement of this Act, and as the result of which a surplus has been disclosed ’.”

**Mr. S. C. Sen** : Sir, I oppose this amendment. This provision is made for the purpose of putting an end to the abuse which is at present prevalent, namely, of working unscientific schemes. The actuarial valuation will show the net result of the business and find out whether there is a surplus or not and the fact that there may be a surplus will be no guarantee that all the schemes worked are actuarially sound. The acceptance of this amendment will mean going against the whole scheme and I oppose the amendment on that ground.

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

“ That after sub-clause (3) of clause 73 of the Bill, the following be added :

‘ But this sub-section shall not apply to a society established before the commencement of this Act which has undergone actuarial valuation within two years before or one year after the commencement of this Act, and as the result of which a surplus has been disclosed.’ ”

The motion was negatived.

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

“ That clause 73 stand part of the Bill.”

The motion was adopted.

Clause 73 was added to the Bill.

Clause 74 was added to the Bill.

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

“ That clause 75 stand part of the Bill.”

**Pandit Lakshmi Kanta Maitra** : Sir, I move :

“ That in sub-clause (1) of clause 75 of the Bill, for the words ‘ fifty per cent.’, wherever they occur, the figures and words ‘ 33½ per cent.’ be substituted.”

Sir, we discussed the principle of it at great length in connection with the general insurance companies, and I will not repeat the arguments here again. Sir, I move.

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

“ That in sub-clause (1) of clause 75 of the Bill, for the words ‘ fifty per cent.’ wherever they occur, the figures and words ‘ 33½ per cent.’ be substituted.”

**Mr. S. C. Sen** : Sir, the principles underlying these things have been so often agitated in this House that I need not repeat them and I oppose.

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

“ That in sub-clause (1) of clause 75 of the Bill, for the words ‘ fifty per cent.’, wherever they occur, the figures and words ‘ 33½ per cent.’ be substituted.”

The motion was negatived.

**Dr. P. N. Banerjee** (Calcutta Suburbs : Non-Muhammadan Urban) : Sir, I beg to move :

“ That in sub-clause (1) of clause 75 of the Bill, for the word ‘ fifty ’, wherever it occurs, the word ‘ forty ’ be substituted.”

Sir, the object of this amendment is to allow a somewhat greater latitude in the matter of investments to provident fund societies than is allowed in the case of other insurance companies. The reason for which we have moved this amendment is that these provident fund societies are very small concerns, and, if they are able, consistently with safety, to invest their assets in profitable investments, then that will be beneficial to the shareholders as well as to the policy holders. Sir, the most surprising thing which we have noticed in connection with the discussion

on this Bill is the attitude of the Honourable the Law Member. He began the discussion of the Bill by pouring ridicule on big business, but so subtle is the method employed by big business in winning over people as its adherents that before the Bill had made any substantial progress the Honourable the Law Member himself, in spite of his best efforts to save himself, fell an easy prey to its machinations. (Hear, hear.) Sir, a slight change in his attitude is noticeable just at the present moment, but what is the reason for this? The reason is that there is no rivalry between big business and the provident fund societies which carry on business on a very small scale. Big business has perhaps released its stranglehold on the Honourable the Law Member to a very slight extent.

**An Honourable Member** . What about the Congress ?

**Dr. P. N. Banerjea** : Sir, in regard to my amendment I hope big business will again release its stranglehold on the Honourable the Law Member and allow him to accept the amendment. Sir, my amendment is a very modest one and I hope it will commend itself to the House.

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

“ That in sub-clause (1) of clause 75 of the Bill, for the word ‘ fifty ’, wherever it occurs, the word ‘ forty ’ be substituted.”

**The Honourable Sir Nripendra Sircar** : Sir, my Honourable friend, Dr. Banerjea, being a professor of economics, has shown an economy of reason and commonsense in this matter. We have been hearing so much about the young lives but the House will remember that I quoted to them case after case where the young companies have brought their life fund to a negative condition and still more cases where the life fund is in a wholly unsatisfactory condition,—less than one year’s premium ! All these gallant champions of young lives,—have they contradicted me ? Have they contradicted any of my facts ? What do they want ? No prevention of rebate, no limitation of maximum commission, nothing doing, putting no restrictions. (*Interruptions, and Voices of “ No, no ”.*)

**Mr. S. Satyamurti** : And all this out of the policy holders’ money !

**The Honourable Sir Nripendra Sircar** : Have they realized what a negative life fund means ? My friend, Pandit Lakshmi Kanta Maitra, must realize that it means that they have been spending—whose money ? They have been spending, in the first place, the whole of the life premium and then they have been spending the shareholders’ money, part of the capital.

**An Honourable Member** : We are not contradicting.

**The Honourable Sir Nripendra Sircar** : It is no good saying, “ we are not contradicting ”. (*Interruptions.*) I am not giving way. Let me have my stranglehold on the 40 per cent. (*Laughter.*) Sir, I do not think I should take much more time over the 40 per cent. My friend talked about my kindness for big business when we put down 55 per cent. and when I did that he was one of the gentlemen who vociferously shouted for lowering it.

**Pandit Lakshmi Kanta Maitra** : We said we want 50 per cent. by way of investment in Government securities.

**The Honourable Sir Nripendra Sircar** : That is what my friend meant but what was expressed by his Leader was just the opposite.

**Pandit Lakshmi Kanta Maitra** : My speech is there ; we have made that very clear.

**The Honourable Sir Nripendra Sircar** : I am glad that in spite of so many interruptions my friend has not got up interrupting me in my statement that these life funds are in a negative condition and in many more cases they are in a most deplorable condition. I am giving him a chance to interrupt me half a dozen times but he cannot do it. Sir, I oppose this amendment.

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

“ That in sub-clause (1) of clause 75 of the Bill, for the word ‘ fifty ’, wherever it occurs, the word ‘ forty ’ be substituted.”

The motion was negatived.

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

“ That clause 75 stand part of the Bill.”

The motion was adopted.

Clause 75 was added to the Bill.

Clauses 76 to 79 were added to the Bill.

Clauses 80 to 84 were added to the Bill.

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

“ That clause 85 stand part of the Bill.”

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

“ That clause 85 of the Bill be omitted.”

If Honourable Members will look at amendment No. 893, they will see that it is our intention to have a comprehensive clause giving rights of appeal in many more cases than are contained in clause 85 only. Sir, I move.

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

“ That clause 85 of the Bill be omitted.”

The motion was adopted.

**Mr. F. E. James** : Sir, before you go on to Part IV, may I make a submission ? Before we dealt with provident societies, it was suggested that we might go back to those clauses which had been left over ; but, unfortunately, the papers had not yet been distributed. They have now been distributed, and I suggest it would be convenient to take them up now before we take up Part IV.

**Mr. President (The Honourable Sir Abdur Rahim) :** It has been suggested that it would be more convenient to dispose of those clauses which have been left over before going to Part IV.

**The Honourable Sir Nripendra Sircar :** I suggest that we had better finish Part IV first. It will not take very long.

**Mr. President (The Honourable Sir Abdur Rahim) :** Is that the general desire of the House ?

**Honourable Members. :** Yes.

**Mr. Lalchand Navalrai :** Sir, I beg to move :

“ That after clause 85 of the Bill, in the Heading of Part IV, after the words ‘ Mutual Insurance Companies ’ a comma and the words ‘ Mutual Insurance Societies ’ be inserted.”

**Sir, I will explain my amendment.** Part IV refers to Mutual Insurance Companies and Co-operative Insurance Societies. This Part gives some conveniences and some facilities and also some concessions in the sections which follow, beginning from section 86 to section 92. But these concessions would be availed of only by Mutual Insurance Companies and Co-operative Insurance Societies. There is a section of insurers which is called ‘ Mutual Insurance Societies ’.

**Mr. B. Das (Orissa Division : Non-Muhammadan) :** Are they to be found in your province ?

**Mr. Lalchand Navalrai :** They are to be found in my province also. Sir, I referred to these Societies the other day and I brought it to the notice of the House that these Mutual Insurance Societies are carrying on their business like the Mutual Insurance Companies. But there is some difference between these two bodies and, on that account, I do not like the idea of excluding these Societies from the provisions of Part IV. Now, I would like to explain the difference between these two bodies. Part IV provides for Mutual Insurance Companies, which are defined in clause 86 (a) as follows :

“ Mutual Insurance Company means an insurer, being a company incorporated under the provisions of the Indian Companies Act, 1913, which has no share capital and of which by its constitution only policy-holders are members.”

Now, a Mutual Insurance Society has also no share capital but the only difference is this that these Societies are not incorporated under the Companies Act, otherwise they are on the same level as the Mutual Insurance Companies. My submission is that when there are such Societies in existence, why the same provisions should not be applied to them. There are several Mutual Insurance Societies in India, for example, the Mutual Insurance Society, Hyderabad, Mutual Insurance Society, Karachi and I think there is one in the Punjab also. My submission is that nothing is being lost by giving the same convenience to a Society which is not incorporated under the Companies Act. Under this Bill you say that an insurer is required to be registered. Therefore, what does it matter if they are not registered under the Companies Act. My point is that the same convenience should be given to Mutual Insurance Societies as is given to Mutual Insurance Companies. Therefore, I ask that in this Chapter there should be a definition of the Mutual Insurance Society and those words may be

[Mr. Lalchand Navalrai.]

inserted between the words ' Mutual Insurance Companies ' and ' Co-operative Insurance Societies '. I have given an amendment with regard to this definition also which may be moved hereafter, but I may just inform the House what I mean by these Mutual Insurance Societies. A Mutual Insurance Society means an unincorporated body of individual insurers which has no share capital and of which, by its constitution only, policy-holders are members.

**Babu Baijnath Bajoria** (Marwari Association : Indian Commerce) : Is there any difficulty in getting these Societies incorporated ?

**Mr. Lalchand Navalrai** : They have been getting along like this for a long time. The point is why these Co-operative Societies are being given this concession ? They are not registered under the Companies Act. These Mutual Insurance Societies have worked all along without being incorporated and without any complaint being brought against them. I am only submitting that to the consistent, we should have all these insurers on the same basis. If you are going to give some concessions to mutual companies, why not to societies ? Sir, I move.

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

" That after clause 85 of the Bill, in the Heading of Part IV, after the words ' Mutual Insurance Companies ' a comma and the words ' Mutual Insurance Societies ' be inserted."

**The Honourable Sir Nripendra Sircar** : Sir, if what my Honourable friend has said in this House is true, I see an avenue of fresh income for my Colleague, the Honourable the Finance Member. Mutual Insurance Society of which my Honourable friend has given us some idea is tried to be defined by him in a later amendment as :

" an unincorporated body of individual insurers which has no share capital and of which by its constitution only policy-holders are members."

I wonder how they can go on if they are not incorporated. Either they must be incorporated under the Companies Act or they must be incorporated under the Co-operative Societies Act. If my Honourable friend will only hand me over the names I shall be able to get Rs. 1,000 from each of them under the amendment to the Company Law, section 4. I shall be only too glad to have their names. Under the Company law,—

" no company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act. No company, association, or partnership consisting of more than 20 persons shall be formed.....unless it is registered....."

Let us see what is the position. These are insurers unincorporated with no share capital, they make profits by investment and they divide the profits. They are doing it for profits, not for love and, therefore, they come under section 4 of the Companies Act. I submit we are not going to encourage this illegal thing which I understand is being carried on in Sind—in Karachi and other places, I am not at all surprised at the mention of the names of those places. That surely cannot be done. If Honourable Members will see Part IV, it will be observed that from clause 86, right down to section 92, there is no mention of any mutual insurance society. My Honourable friend's idea is to define mutual insurance society and bring

it in Part IV. What is a mutual insurance society. For that we have to go back to the definition. My Honourable friend, Mr. Lalchand Navalrai, when he was interrupted by an Honourable Member from his side, I think it was Babu Baijnath Bajoria, and asked how they are going on without incorporation he said : ' I admit there are difficulties '. But what are those difficulties ? How are they going on without being incorporated ?

**Mr. Lalchand Navalrai :** They have been going on in the sense of receiving premiums.

**The Honourable Sir Nripendra Sircar :** My Honourable friend's contention amounts to this : that theft and dacoity have been going on for a number of years, therefore, let us legalise it. This can't be done. I oppose the amendment.

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

" That after clause 85 of the Bill, in the Heading of Part IV, after the words ' Mutual Insurance Companies ' a comma and the words ' Mutual Insurance Societies ' be inserted."

The motion was negatived.

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

" That clause 86 stand part of the Bill."

**Mr. K. Santhanam :** Sir, I beg to move :

" That in clause 86 (a) of the Bill, after the word ' only ' the words ' and all ' be inserted."

The object of this amendment is that every policy-holder of a mutual society should be a member. There are many mutual societies which, by rules, take away the right of being a member from among the policy-holders. They say that only those who take out policies for a certain sum, say, Rs. 3,000 or over are eligible to be members. Many of these societies issue small money policies ranging from Rs. 500 and above. By the rules many of these small policy-holders are shut off from being members. Thus, these mutual societies get out of the rules governing shareholders societies and they have also the privileges of mutual societies. I want mutual societies to be pure and simple mutual societies and necessarily by statute to give the right of membership and the power of voting to every policy-holder. Sir, I move.

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

" That in clause 86 (a) of the Bill, after the word ' only ' the words ' and all ' be inserted."

**Dr. P. N. Banerjea :** Is this good grammer, " and all " the policy-holders ?

**Mr. Bhulabhai J. Desai :** At any rate it carries good sense.

**Dr. P. N. Banerjea :** Please put it in proper form before the House adopts it.

**The Honourable Sir Nripendra Sircar :** You can put it.

**Dr. P. N. Banerjea :** Only policy-holders are members and all policy-holders are members.

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

“ That in clause 86 (a) of the Bill, after the word ‘ only ’ the words ‘ and all ’ be inserted.”

The motion was adopted.

**Mr. Thirumala Rao** (East Godavari and West Godavari *cum* Kistna Non-Muhammadian Rural) : Sir, I beg to move :

“ That in clause 86 (b) of the Bill, after the figures ‘ 1912 ’ the words ‘ or under an Act of a Provincial Legislature governing the registration of Co-operative Societies ’ be inserted.”

This is self-evident. That Act has been replaced by other Acts. Sir, I move.

**Mr. S. C. Sen** : Sir, we accept it.

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

“ That in clause 86 (b) of the Bill, after the figures ‘ 1912 ’ the words ‘ or under an Act of a Provincial Legislature governing the registration of Co-operative Societies ’ be inserted.”

The motion was adopted.

**Mr. Thirumala Rao** : Sir, I beg to move :

“ That in clause 86 (b) of the Bill, after the words ‘ share capital ’ the words ‘ on which dividend is payable ’ be inserted.”

Sir, after the incorporation of the amendment, the clause will read thus :

“ Co-operative Insurance Society ” means an insurer being a society registered under the Co-operative Societies Act..... which has no share capital on which dividend is payable.”

For the registration of co-operative societies a nominal share capital is charged by the Act itself and, therefore, in this amendment it says : ‘ no dividend is payable ’ on that nominal capital. If these words are inserted, it will be all right. Sir, I move.

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

“ That in clause 86 (b) of the Bill, after the words ‘ share capital ’ the words ‘ on which dividend is payable ’ be inserted.”

**Mr. T. Chapman-Mortimer** : Sir, I oppose this amendment. I do not understand what the Honourable the Mover means when he says “ on which dividend is payable ”. Does he mean that dividends must be payable ? Obviously when there are no profits there can be no dividends ; and I do not see what else it can mean in this context. “ Share capital ” has a very definite meaning in company law and company management, and it seems to me to be unnecessary to change the clause from what it is at present. I oppose the amendment.

**Mr. M. Ananthasayanam Ayyangar** : Sir, my Honourable friend Mr. Chapman-Mortimer, has unfortunately not understood the scope of this amendment. Under the definition of “ insurance society ”, it has been made obligatory that there should be no share capital. The Co-operative Societies Act of 1912 passed by the Central Legislature as also the Co-operative Societies Acts passed in Madras and other provinces which have superseded this Act of 1912 so far as the provinces



We concerned, insist that there should be shares and shareholders before a society can be registered. The policy-holder comes into the company after the company comes into existence. Therefore it will be absolutely useless to include in part IV co-operative insurance societies, when as a matter of fact you restrict these insurance societies only to such societies as have no share capital. Because, under the Co-operative Societies Act no society can be registered and come into existence unless they have shares and share capital. This we have provided by this amendment. We have kept in view the spirit of the definition. The shareholders ought not to be able to draw dividends on their shares because if they draw dividends the societies become ordinary proprietary societies. The difference between a proprietary society on the one hand and mutual or co-operative societies on the other is that there is no proprietary interest, no shareholders whose interests conflict with those of the policy-holders. That is why special provisions are made for mutual and co-operative societies, but by the very constitution of the co-operative society it is impossible to bring a co-operative society into existence either for the purpose of carrying on insurance business or for the purpose of giving loans or as a stores purchase business without other shareholders at the outset. For any business to be carried on by a co-operative society it must first start with shares and share capital, although that may be only nominal. Before a society is registered let each policy-holder take one-rupee share and become a shareholder. Thereafter he would not be given any dividend on the amount of the shares which he holds. It is only for the purpose of making him eligible as a member that he should hold a nominal share. Otherwise the chapter on co-operative societies will be useless because no co-operative society can come into existence without share capital.

**Mr. M. S. Aney :** Have you got any society like that today which has got policy-holders as nominal shareholders ?

**Mr. M. Ananthasayanam Ayyangar :** Yes, there are not only policy-holders with nominal shares but others also. But now under this definition we exclude those others who are not policy-holders. But it is necessary that policy-holders must be nominal shareholders. In Madras there is a society with large business and my friend Mr. Ramadas Pantulu is one of the directors. It is at his instance that we proposed this amendment. Therefore to bring a co-operative society into existence and to enable it to function as an insurance society share capital is necessary. To avoid its becoming a proprietary concern we have added the words "on which no dividend is payable". Therefore, the mischief of a proprietary concern will be avoided, and this amendment will enable co-operative societies to function as insurance societies.

**The Honourable Sir Nripendra Sircar :** Sir, I do not know if it is too much to ask the House and the Chair to let the matter stand over till tomorrow. Possibly my Honourable friend explained it in a very lucid manner, but at half past four anything more than 300 words per minute is rather difficult to follow. (Laughter.) I understand my Honourable friend is on safe ground, because Mr. Pantulu has said something and that must be correct, but I had no opportunity of looking up these Acts.

**Mr. Bhulabhai J. Desai :** Section 5 clearly says that.

**The Honourable Sir Nripendra Sircar :** I am sure my friend is right, but I want to be convinced that he is not wrong (Laughter), and if the House does not mind, I would like this to stand over till tomorrow.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then we will proceed to the other amendments.

**Mr. M. Ananthasayanam Ayyangar :** Sir, I beg to move :

“ That in clause 86 (b) of the Bill, after the word ‘ only ’ the words ‘ and all ’ be inserted.”

This amendment follows the other amendment that we passed in relation to mutual companies where we said that in mutual companies all policy holders must be shareholders and members. Now, as far as co-operative societies are concerned, only policyholders can be members, but it is also necessary to say that all policy holders should also be members because whoever is in charge of a mutual society or a co-operative society generally tries to convert it practically into a shareholders’ concern restricting the right of policy holders to take part in the proceedings by fixing a very high minimum that the policy holder should have at least a policy of Rs. 10,000 in his favour thus reducing the number of qualified members considerably. The House accepted this amendment with respect to mutual insurance societies and I want the same amendment to be adopted with respect to co-operative societies also.

Sir, I move.

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

“ That in clause 86 (b) of the Bill, after the word ‘ only ’ the words ‘ and all ’ be inserted.”

**Babu Baijnath Bajoria :** Sir, I think the proper words should be ‘ all policy holders only ’ and not ‘ only and all ’.

**The Honourable Sir Nripendra Sircar :** Sir, I should very much like clause 86 to stand over till tomorrow. In any case, half of it is going to stand over and the other half may stand over as well.

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

“ That clause 87 stand part of the Bill.”

**Mr. Mohan Lal Saksena** (Lucknow Division : Non-Muhammadan Rural) : Sir, I move :

“ That clause 87 of the Bill be re-numbered as clause 87 (1), and, after the clause so re-numbered, the following new sub-clause be added :

‘ (2) A mutual insurance company or a co-operative insurance society may issue debentures or raise secured loans on the security of its assets, including statutory deposit for an amount not exceeding twenty-five thousand rupees to be redeemed within a period of not more than five years from the date it commences business ’.”

As Honourable Members are aware, under clause 7 of the Bill the deposits made by an insurer cannot be charged except for the benefit of policy holders. We know that in the case of mutual life companies there

is no share capital. How is the deposit money to be found ? At present the practice is that the money is raised on the security of the deposits. So I propose by this amendment that an opportunity should be given to mutual companies to raise money and charge the security money for a period of not more than five years to the extent of Rs. 25,000. If this amendment is not passed, the difficulty is that mutual companies cannot come into existence. After all, how is the money to be raised ? There is no share capital. Those persons who decide upon starting a mutual company have to pool some money : but that money is not secured. Unless, therefore, the House decides that mutual companies should not come into existence henceforth, this provision is necessary. Sir, I move.

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

“ That clause 87 of the Bill be re-numbered as clause 87 (1), and, after the clause so re-numbered, the following new sub-clause be added :

- (2) A mutual insurance company or a co-operative insurance society may issue debentures or raise secured loans on the security of its assets, including statutory deposit for an amount not exceeding twenty-five thousand rupees to be redeemed within a period of not more than five years from the date it commences business.”

**Mr. S. C. Sen** : Sir, I am sorry to oppose this amendment. While realising that there may be certain difficulties in the way of mutual societies, I cannot overlook the fact that under section 9 (3) we have made the life insurance fund, as also statutory deposits (which are the best part of the assets), the security of the policy holders : therefore, if we accept this amendment we will be really giving the go-by to this security which we have already created for the benefit of the policy holders. In these circumstances I would ask my Honourable friend to withdraw his amendment.

**Mr. Bhulabhai J. Desai** : Sir, I would like to say a few words, so that my friends on the other side may appreciate the position. I am not easily moved in this matter as regards security ; but I do not think it has been realised that an initial debt has got to come into existence if a mutual society has got to satisfy the conditions in the Bill. If my friends will please turn to clause 89—the deposit clause—it says :

“ Every Mutual Insurance Company and every Co-operative Insurance Society shall in respect of the life insurance business carried on by it in British India deposit and keep deposited with one of the offices in India of the Reserve Bank of India, for and on behalf of the Central Government, a sum of two hundred thousand rupees in cash or in approved securities estimated at the market value of the securities on the day of deposit.

The deposits referred to may be made in instalments, etc., etc.”

My friends must, therefore, remember that there is no share capital : there must be some source from which the fund is to come, and if they desire that no mutual society should ever come into existence, they can then, with a clear conscience, oppose this amendment. What is intended to be provided is this, that for the first instalment—as it has happened in the case of other mutual companies in their origin, four or five or ten people put up a sufficient sum of money just to begin—none the less they are the creditors of that society. It may be that the societies have grown like that in the hope of paying off that debt after it flourishes, and most

[Mr. Bhulabhai J. Desai.]

of such debts have been paid off hitherto ; but for the coming into existence of any mutual society in future, supposing it was difficult to find the first deposit—and that is why I have taken care to restrict the 50 to 25, and to be redeemed within a period of five years.....

**The Honourable Sir Nripendra Sircar :** What will happen if it is not redeemed ?

**Mr. Bhulabhai J. Desai :** Then, the charge will cease to exist.....

**The Honourable Sir Nripendra Sircar :** How ?

**Mr. Bhulabhai J. Desai :** Because the only charge that is allowed by the Act is a charge to be redeemed within five years.

**The Honourable Sir Nripendra Sircar :** I know that : that will mean that if there is no redemption, the debenture holder will come down.

**Mr. Bhulabhai J. Desai :** Then, the society will die as it deserves to die. We have thought out the point. Let me put it in this way. Either a society flourishes in which event the debt will be redeemed ; or if the society does not get membership, and so on, then there is no objection to the debenture holder killing it. After all, killing is a wrong word in this connection. The debenture holder has got the 25, and he only gets it back : there is no question of killing anything. There is no question of taking anything which belongs to another. I, therefore, respectfully submit that this is a little assistance intended to be afforded for the initiation in its origin to mutual insurance companies, and I hope that will not be grudged by the House.

**The Honourable Sir Nripendra Sircar :** Sir, I have listened with great care to my Honourable friend ; but the position which the House has got to consider is this : money is raised on debenture to the tune of Rs. 25,000. The company goes on working with the assets remaining charged in favour of the debenture holders for five years. In the meantime, a fairly large number of policy holders have come in. They have paid their premiums. If the company does not flourish, then the debenture holder comes down—on whom ? The policy holders will be destroyed. That is the whole thing. If the company is unable to redeem, within five years, if that expectation is not carried out and if the debenture holder comes down, then my Honourable friend said that they will be destroyed as they deserve ; but who will be destroyed ?

**Mr. Bhulabhai J. Desai :** No one.

**The Honourable Sir Nripendra Sircar :** The policy holders will be destroyed. Where is their security ? The debenture holders will sell up their assets.....

**Mr. Mohan Lal Saksena :** In addition to the deposit, they will be paying 33 per cent. of their premia : that is not charged.

**Mr. Bhulabhai J. Desai :** What will happen is this : the first 25,000, which does not come from the policy holders' monies at all, will be deposited : then, in due course of time, if the members do come in, a proportion of their premium is also being deposited in order to take it up to Rs. 2 lakhs, so that the contingency that will arise will be this : that no

money is available for any further deposit at all, because if further monies can be deposited there can be no question that the first 25,000 will be paid off. Then whatever remains, assuming that the society comes to grief, will be governed by the provisions for winding up. There is no question about anybody taking anybody else's money. The first 25,000 that is provided by the demand for deposit is all that he will get in any event.....

**The Honourable Sir Nripendra Sircar :** I am sorry I remain unconvinced. It is all very well to say that as the premiums come in a portion of them will be going on deposited and so on : but here is the debenture holder in whose favour charges have been created.....

**Qazi Muhammad Ahmad Kazmi (Meerut Division : Muhammadan Rural) :** On his own money : he has advanced the money and the charge is on his own money.

**Mr. N C. Chunder :** The more honest course is to do away with the deposit.

**The Honourable Sir Nripendra Sircar :** I think that in one word sums up the situation. I do not think I can add anything further ; and I oppose the amendment.

**Dr. P. N. Banerjee :** Sir, the difficulties which have been pointed out in the case of Mutual Companies are even greater in the case of Co-operative Insurance Societies. I have some knowledge of the working of the Co-operative movement, and I may tell the House that the deposit which the Co-operative Insurance Societies have been asked to make has been found in the past by issuing debentures. What will be the position at the present day ? These debenture holders will have no security, because the deposit will no longer form the basis of such security. Therefore, debenture holders will ask for their money back, and when they demand it, how will the Co-operative Societies pay ? They will have to go into liquidation, and that would be a great calamity. Sir, co-operation has not made much progress in this country,—at least it has not made so much progress as it ought to have made,—and if we stifle the Co-operative movement by the provisions of this Act, it will be a great misfortune. The Honourable the Law Member pointed out the difficulty in the way of policy holders, but the policy holders are the same as shareholders in the case of Mutual Companies and Co-operative Societies. Therefore, Sir, the only straightforward course is to do away with deposits altogether, as has been suggested by Mr. Chunder. If you retain the provisions relating to deposits, then it will be impossible to allow these mutual companies and co-operative societies to carry on their work. They will have to be closed down.

**An Honourable Member :** The question may now be put.

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

is :  
 " That clause 87 of the Bill be re-numbered as clause 87 (1), and, after the clause re-numbered, the following new sub-clause be added :

' (2) A mutual insurance company or a co-operative insurance society may issue debentures or raise secured loans on the security of its assets, including statutory deposit for an amount not exceeding twenty-five thousand rupees to be redeemed within a period of not more than five years from the date it commences business '."

The Assembly divided :

AYES—41.

Abdul Qaiyum, Mr.  
Aney, Mr. M. S.  
Ayyangar, Mr. M. Ananthasayanam.  
Banerjee, Dr. P. N.  
Bhagavan Das, Dr.  
Chaliha, Mr. Kuladhar.  
Chattopadhyaya, Mr. Amarendra Nath.  
Chaudhury, Mr. Brojendra Narayan.  
Chettiar, Mr. T. S. Avinashilingam.  
Das, Mr. B.  
Datta, Mr. Akhil Chandra.  
Desai, Mr. Bhulabhai J.  
Deshmukh, Dr. G. V.  
Gadgil, Mr. N. V.  
Gupta, Mr. K. S.  
Hans Raj, Raisada.  
Hosmani, Mr. S. K.  
Jedhe, Mr. K. M.  
Jogendra Singh, Sirdar.  
Joseph, Mr. George.  
Kailash Behari Lal, Babu.

Lalchand Navalrai, Mr.  
Maitra, Pandit Lakshmi Kanta.  
Mangul Singh, Sardar.  
Misra, Pandit Shambhu Dayal.  
Mudaliar, Mr. C. N. Muthuranga.  
Muhammad Ahmad Kazmi, Qazi.  
Pande, Mr. Badri Dutt.  
Raghubir Narayan Singh, Choudhri.  
Ramayan Prasad, Mr.  
Ranga, Prof. N. G.  
Rao, Mr. Thirumala.  
Saksena, Mr. Mohan Lal.  
Santhanam, Mr. K.  
Satyamurti, Mr. S.  
Sham Lal, Mr.  
Sheodass Daga, Seth.  
Singh, Mr. Gauri Shankar.  
Singh, Mr. Ram Narayan.  
Sinha, Mr. Satya Narayan.  
Sri Prakasa, Mr.

NOES—49.

Abdul Ghani, Maulvi Muhammad.  
Abdul Hamid, Khan Bahadur Sir.  
Abdullah, Mr. H. M.  
Ahmad Nawaz Khan, Major Nawab Sir.  
Aikman, Mr. A.  
Asghar Ali, Sheikh.  
Bajpai, Sir Girja Shankar.  
Boyle, Mr. J. D.  
Buss, Mr. L. C.  
Chapman-Mortimer, Mr. T.  
Dalal, Dr. R. D.  
Dalpat Singh, Sardar Bahadur Captain.  
DeSouza, Dr. F. X.  
Fazl-i-Ilahi, Khan Sahib Shaikh.  
Ghiasuddin, Mr. M.  
Ghulam Muhammad, Mr.  
Gidney, Mr. C. W. A.  
Griffiths, Mr. P. J.  
Grigg, The Honourable Sir James.  
Hudson, Sir Leslie.  
James, Mr. F. E.  
Jawahar Singh, Sardar Bahadur Sardar Sir.  
Kamaluddin Ahmed, Shams-ul-Ulema.  
Kushalpal Singh, Raja Bahadur.  
Lang, Mr. J. C.

Lloyd, Mr. A. H.  
Mackeown, Mr. J. A.  
Manavedan Raja, Rao Bahadur K. C.  
Mani, Mr. R. S.  
Mehta, Mr. S. I.  
Mody, Sir H. P.  
Mudie, Mr. R. F.  
Nagarkar, Mr. C. B.  
Nayudu, Diwan Bahadur B. V. Sri Hari Rao.  
Ogilvie, Mr. C. M. G.  
Parsons, Lieut.-Colonel A. E. B.  
Pursell, Mr. R. S.  
Rahman, Lieut.-Colonel M. A.  
Roy, Mr. S. N.  
Scott, Mr. J. Ramsay.  
Sen, Mr. S. C.  
Sher Muhammad Khan, Captain Sardar Sir.  
Sircar, The Honourable Sir Nripendra  
Spence, Mr. G. H.  
Staig, Mr. B. M.  
Stewart, The Honourable Sir Thomas.  
Sukthankar, Mr. Y. N.  
Thorne, Mr. J. A.  
Tylden-Pattenson, Mr. A. E.

The motion was negatived.

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

“ That clause 87 stand part of the Bill.”

The motion was adopted.

Clause 87 was added to the Bill.

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

“ That clause 88 stand part of the Bill.”

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

“ That in clause 88 of the Bill, for the words and figures ‘ 31st day of December, 1936 ’ the words and figures ‘ 26th day of January, 1937 ’ be substituted.”

This is only a consequential amendment. Sir, I move.

**The Honourable Sir Nripendra Sircar :** I do not object.

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

“ That in clause 88 of the Bill, for the words and figures ‘ 31st day of December, 1936 ’ the words and figures ‘ 26th day of January, 1937 ’ be substituted.”

The motion was adopted.

**Dr. P. N. Banerjea :** I beg to move :

“ That in clause 88 of the Bill, for the words ‘ twenty-five thousand rupees ’ the words ‘ fifteen thousand rupees ’ be substituted.”

It has just been pointed out that the difficulty to which mutual companies and co-operative societies will be put by insisting on deposits and not allowing them to issue debentures will be very great. The Government have, for the moment, carried the day. They have won against us, but it is up to them to point out how the deposit will have to be made,—where the funds will come from for making the deposit. That will be the honest and straightforward course for them to adopt. In this connection I should like to point out that there are other amendments on the agenda paper and these amendments should be moved along with this amendment. If the amendment of which notice has been given by my Honourable friend, Mr. Amarendra Nath Chattopadhyaya, amendment No. 855, is moved by him, then I will withdraw my amendment in his favour.

**Some Honourable Members :** Go on with yours.

**Dr. P. N. Banerjea :** I will go on, but I wish to point out to the House the effect of this amendment. Here are some amendments for the reduction of the amount of the working capital and Mr. Amarendra Nath Chattopadhyaya proposes to do away with the deposit altogether and that should come first.

**Mr. President (The Honourable Sir Abdur Rahim) :** Then the Honourable Member can withdraw his amendment.

**Dr. P. N. Banerjea :** I do not withdraw.

**Mr. President (The Honourable Sir Abdur Rahim) :** Mr. Amarendra Nath Chattopadhyaya's amendment No. 855 refers to another clause.

**Dr. P. N. Banerjea :** My amendment relates to the working capital and it has been said by Government actuaries that the mutual companies can carry on their work without much working capital. If you refer to the report of these actuaries you will find that in 1915 the actuary made that remark, and again in 1929 that was the remark made and Mr. Sen in his report points out that these mutual companies do very good work and their working expenses are very low. The Registrar of Joint-stock Companies in the United Provinces has pointed out that an exception should be made in the case of mutual companies, and Co-operative Insurance Societies practically stand on the same footing. As regards working capital these concerns are very small. Their establishment is not large. They do not hire big

[Dr. P. N. Banerjea.]

buildings for their offices and they can manage to get on with a small working capital. Rs. 15,000 in their case is quite large, and the amendment which stood in the names of three Members of the Congress Party, namely, Messrs. Santhanam, Ananthasayanam Ayyangar and Vencatachalam Chetty suggested Rs. 10,000. In my opinion, Rs. 10,000 would have been quite all right, but in order to be modest in my demand I ask for Rs. 15,000. I hope the Government will see their way to accept this amendment.

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

“ That in clause 88 of the Bill, for the words ‘ twenty-five thousand rupees ’ the words ‘ fifteen thousand rupees ’ be substituted.”

**The Honourable Sir Nripendra Sircar** : May I just make a statement before the House disperses ? As I intimated to some Members of the Opposition, I have been quite willing to reduce some of the amounts, but the difficulty of dealing with individual amendments is this. If I agree to the first amendment to reduce from Rs. 50,000 to Rs. 25,000, in the belief that it will be the only reduction, but the next one is called and I may be expected to agree to another reduction of the amount. I am, therefore, suggesting to the parties who are pressing for reduction of these amounts in connection with mutual assurance companies that they might meet us tomorrow morning before the matter is taken up again, and then we will be able to come to some arrangement.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 30th September, 1937.