

15th April 1946

# THE LEGISLATIVE ASSEMBLY DEBATES

## Official Report

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Volume V, 1946

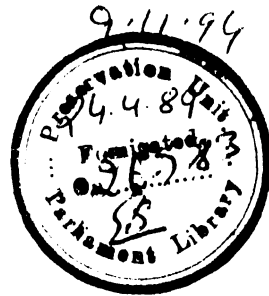
( 1st April to 15th April, 1946 )

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### FIRST SESSION

OF THE

## SIXTH LEGISLATIVE ASSEMBLY, 1946



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1947

LEGISLATIVE ASSEMBLY

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*Deputy President*

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SRI SRI PRAKASA, M.L.A.

MR. T. CHAPMAN-MOERTIMER, M.L.A.

SARDAR MANGAL SINGH, M.L.A.

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LEGISLATIVE ASSEMBLY

Monday, 15th April, 1946

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Deputy President (Sir Mohammad Vamin Khan), in the Chair.

MEMBER SWORN

Mr. Krishnanath Ganesh Ambegaokar, I.C.S., M.L.A. (Government of India: Nominated Official).

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

RESTRICTION ON FREEDOM OF PRESS

†1774. \*Mr. Ahmed E. H. Jaffer: (a) Has the Honourable the Home Member seen the report of an important speech delivered by Mr. T. K. Ghosh at Allahabad on the 16th February last at the All-India Newspaper Editors' Conference and published in the *Hindustan Times* of the 17th February, 1946?

(b) Is it a fact that during the Calcutta famine of 1943 newspapers in this country were prohibited by Government from publishing all the news of the disaster?

(c) Are Government aware that the newspapers in India are denied freedom of publishing news as is enjoyed by the Press in Britain?

(d) In what respects have the newspapers in India during the war time been subjected to restrictions on their freedom?

(e) What penalties were imposed upon the Indian newspapers during the war period?

(f) When will these penalties be removed?

(g) When do Government propose to remove all the restrictions imposed under the Defence of India Rules and the Indian Press Emergency Powers Act, now that the war is over?

(h) Is it a fact that 'inhuman atrocities were committed and are still being committed by Government agents on a mass scale at many places' as reported by Mr. Ghosh in his speech referred to in part (a) above?

**The Honourable Sir John Thorne:** (a) Yes.

(b) No such prohibitory order was issued by the Central Government or by the authorities in centrally administered areas.

(c), (d) and (g). The special war time restrictions on the Press in India were imposed under Defence of India Rules 36, 39, 40 and 41. Restrictions necessitated by the war have now been withdrawn. The question of bringing the Press laws in India into line with those in Great Britain and of withdrawing the emergency legislation affecting the Press has been raised in a resolution of the All-India Newspaper Editors' Conference and, as I stated in reply to starred question No. 802 on the 8th March, is now under consideration.

(e) and (f). I have not comprehensive information of the penalties awarded for contravention of the law or of directions thereunder and its collection would involve an expenditure of time and labour disproportionate to the results.

(h) No.

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† Answer to this question laid on the table, the questioner being absent.

CERTAIN ORDER OF SIGNAL'S OFFICER OF AN R. A. F. STATION *re* TREATMENT TO INDIAN SUBORDINATES

†1775. \*Sjt. B. S. Hiray: Will the War Secretary be pleased to state:

(a) whether his attention is drawn to the news item in the Evening News of the *Hindustan Times*, dated the 23rd March, 1945, under the Head "Blimp in India";

(b) whether it is a fact that as alleged in that news, a Station Signals' Officer of an R. A. F. Station in India has issued such order;

(c) whether it is a fact that that order contains the following statement "Be familiar with your (Indian) servants and you will need to kick their bottoms to make them obey you";

(d) whether it is a fact that the same order also contains the following "All the servants should be handled with firmness that has made the European a highly respected resident in India"; and

(e) whether Government are aware that the order is resented by the British Airmen and that they have demanded its withdrawal?

**Mr. P. Mason:** (a) Yes, Sir, I have seen the item, on which action has already been taken.

(b), (c) and (d). Yes, Sir.

(e) I think it very probable that the order was resented, Sir, and I hope so. The order has been withdrawn.

RECRUITMENT OF WAR SERVICE MEN TO I. C. S.

1776. \*Ahmed E. H. Jaffer: (a) Will the Honourable the Home Member please state the procedure in which Indian Officers from His Majesty's Forces are being selected for the Indian Civil Service (I. C. S.)?

(b) Are they called in groups according to their age or service in the Army or according to their academic and army records?

(c) Is it a fact that the vacancies accrued after the termination of the war are being reserved for the war service officers?

(d) What is the number of vacancies of the I. C. S. so far reserved for Indian officers during the war and after the termination of the war?

(e) How many of such vacancies have already been filled by Indian officers?

(f) Is any consideration or preference being given to candidates who were selected to appear in the competitive I. C. S. Examination in 1943 or before and who had also applied for Emergency Commission and were called in for Military training before they could sit for the I. C. S. Examination?

(g) If no consideration or preference is being given to such officers, why are their chances and prospects being ignored?

(h) How many such officers have applied for employment in the I. C. S.?

**The Honourable Sir John Thorne:** (a) All eligible candidates for the war-reserved vacancies in the Indian Civil Service are to be tested by a selection board. Selection will be made by the Federal Public Service Commission after interviewing those candidates whom it decides to summon on the basis of the selection board reports.

(b) No. Candidates are summoned as and when they are found by the Federal Public Service Commission to satisfy the recruitment regulations.

(c) No. Reservation terminated with vacancies accruing in 1945.

(d) 95 vacancies in the Indian Civil Service accruing up to the end of the year 1945 have been reserved for Indian candidates with war service.

(e) No vacancy has been filled so far.

(f) and (g). No. By virtue of the preliminary selection referred to by the Honourable Member such candidates were merely given the right to appear at the competitive examination. They now enjoy this right by virtue of their war service.

(h) The information asked for is not available.

**PAYMENT OF TRAVELLING EXPENSES OF MEMBERS OF ALL-INDIA NEWSPAPERS EDITORS' CONFERENCE**

1777. \*Miss Maniben Kara: Will the Honourable Member for Information and Arts please state:

(a) whether Government are aware that travelling expenses of the members of the All-India Newspaper Editors' Conference on certain occasions are borne by Government;

(b) when such arrangement, came into existence, and what the rates and conditions are under which such allowances are paid;

(c) the total amount paid by Government on this account since such arrangement has come into existence; and

(d) whether, in view of the fact that a large number of newspapers, who were unable to agree with the policy of this organisation, have remained out of it, Government propose to revise its attitude towards this organisation and cease to pay travelling allowances to its members from public funds?

**The Honourable Sir Akbar Hydari:** (a) Yes.

(b) and (d). The arrangements came into force in May 1941. The members of the Conference were paid a sum not exceeding single first class railway fare from their place of residence to the place of meeting and back, for a maximum number of four meetings in a year. It has now been decided in agreement with the All-India Newspaper Editors' Conference that travelling allowance should be paid to the members only when Government themselves wish a meeting to be called.

(c) Rs. 57,300 roundly.

**Miss Maniben Kara:** Is it not a fact that newspapers, which do not subscribe to the same views as some of the nationalist newspapers, like the Muslim League papers, the organs of the Scheduled Caste Federation, the Radical Democratic Party papers, are put at a disadvantage because of this grant being given by Government only to nationalist newspapers?

**The Honourable Sir Akbar Hydari:** As I have said, we do not propose to give these facilities unless the conference is called to Delhi or Simla as the case might be at the wish of the Government. When they meet of their own accord, we will not pay them any thing; also non-membership of the conference does not constitute any disability to avail of any facility granted by the Government of India to members in general. Government would be prepared to consider the legitimate claims of non-members on all occasions; for example, when Government call this conference for their own purposes and find that Editors of certain important papers or representing important interests are not on the conference, we would of course invite them and we might give them the same facilities.

**Haji Abdus Sattar Haji Ishaq Seth:** Will the Honourable Member repeat the answer to the last part?

**The Honourable Sir Akbar Hydari:** If Government find that they wish to call a conference again at any time for their own purposes and find that certain important interests are not represented they will of course invite them and they will give the same facilities as they do to other members of the conference.

**Miss Maniben Kara:** Is it not a fact that the Government gave recognition to this particular organisation in the past? Is it not a fact that even on the question of giving quotas to papers, this organisation was consulted and naturally newspapers representing the Scheduled castes Federation, the Radical Democratic party and the Muslim League Party were put to a great disadvantage?

**The Honourable Sir Akbar Hydari:** That is completely incorrect. The quotas were granted on quite different principles. The committee which advised the Government was not the A.I.N.E.C. but the Advisory Committee attached to the Department and we showed particular consideration to newspapers representing the views of depressed classes and the Muslim League.

**Mr. Muhammad Nauman:** As the Honourable Member said that non-membership is not a disability, will the Honourable Members say how many Editors were invited outside the membership of this organisation whenever it so happened?

**The Honourable Sir Akbar Hydari:** I want notice.

**Mr. Muhammad Nauman:** It arises out of this answer which the Honourable Member gave, that non-membership does not constitute a disability. Will the Honourable Member quote any instance where non-membership did not constitute a disability?

**The Honourable Sir Akbar Hydari:** I want notice.

**Haji Abdus Sattar Haji Ishaq Seth:** Arising out of the new arrangements will the Honourable Member tell me whether before this new arrangement, every time this conference was called by Editors did Government pay travelling allowance?

**The Honourable Sir Akbar Hydari:** I have already said, yes. But this arrangement has now stopped.

**Haji Abdus Sattar Haji Ishaq Seth:** In that case, how did my Honourable friend satisfy himself that those who did not belong to this conference, if they wanted to come before, were given facilities?

**The Honourable Sir Akbar Hydari:** I want notice. I am not aware of what happened in those years, from 1940 to November 1945, I cannot therefore answer this off hand. If the Honourable Member will put down a question. I shall answer it.

**Haji Abdus Sattar Haji Ishaq Seth:** Even when the old arrangements were in vogue, did the Government realise that a large number of editors were not getting these facilities?

**The Honourable Sir Akbar Hydari:** I cannot say what the Government thought then.

**Shri Mohan Lal Saksena:** Is it not a fact that the editors of the two papers referred to by my Honourable friend Miss Kara, namely, *Dawn* and *Vanguard* are residents of Delhi and no question of payment of travelling allowance arises in their case?

(No reply was given)

**Miss Maniben Kara:** I may inform my Honourable friend that there are other papers besides these two belonging to other parties which do not subscribe to the views of this organisation. In view of this will Government now consider the question of still continuing this concession?

**The Honourable Sir Akbar Hydari:** I have already said that this concession has ceased, and that in future these people will pay their own travelling expenses unless and until Government convene them for their own purposes.

**Sri M. Ananthasayanam Ayyangar:** May I know if the word "purposes" has been defined?

**The Honourable Sir Akbar Hydari:** The Honourable Member can look at a dictionary.

**Mr. Ahmed E. H. Jaffer:** Are they paid board and lodging expenses also in addition to travelling allowance?

**The Honourable Sir Akbar Hydari:** No, Sir.

#### MUSLIM OFFICERS IN CENTRAL EXCISE COLLECTORATE, CALCUTTA

1778. \***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable the Finance Member please state if it is a fact that in the Central Excise Collectorate, Calcutta, the ten first class gazetted posts of Collector, Deputy Collector and

Assistant Collectors are held by non-Muslims and that out of the forty-five second class gazetted appointments, there are only eight Muslims?

(b) Is it a fact that in the course of expansion of the Central Excise Department during the last four years, the Central Board of Revenue drafted from the Calcutta Custom House eleven officers for promotion to first and second class gazetted appointments in the Central Excise Department and that some of these eleven officers were selected from the Subordinate non-gazetted rank of the Custom House for promotion to the first class gazetted posts, but the cases of suitable Muslim officers were totally overlooked?

(c) if the answers to (a) and (b) be in the affirmative, do Government propose to redress the grievances of Muslims immediately?

**Mr. K. G. Ambegaokar:** (a) For a correct understanding of the position, I would invite the attention of the Honourable Member to the Statement which Mr. Cook laid on the table of the House in reply to Starred Question No. 323, by Mr. Abdur Rahman Siddiqi, on the 18th February, 1946, and also to his reply to part (b) (i) of Maulana Zafar Ali Khan's Starred Question No. 1073, on the 19th March, 1946. Two more posts of Superintendent in the Calcutta Collectorate have been filled since 1st January 1946: one of them by a Muslim. Recently, moreover, orders have been issued posting a Muslim Assistant Collector to this Collectorate as Headquarters Assistant. As Mr. Cook has previously explained, the Superintendents in the three Northern India Collectorates belong to a combined cadre, of which about 90 per cent are Muslims; of the 24 posts of Assistant Collector in these Collectorates three are held by Muslims.

(b) The facts are not as stated in the question. The position is that out of eight officers drafted into the Central Excise Department from the Calcutta Custom House, four were appointed as Superintendents; the other four were appointed to special posts in the Inspectorate and were subsequently appointed as Assistant Collectors. At least one Muslim Officer of the Calcutta Custom House was considered for these appointments. In any event, such small groups of transfers and promotions, considered in isolation, afford no guide to the communal representation in the service.

(c) Does not arise.

**Sri M. Ananthasayanam Ayyangar:** May I know what proportion has been fixed for the scheduled castes and if all these places have been filled by members of that community?

**Mr. K. G. Ambegaokar:** I am sorry I have not got the information here.

**Sri M. Ananthasayanam Ayyangar:** Can not the Honourable Member say what percentage is reserved for that community?

**Mr. K. G. Ambegaokar:** I shall require notice because it does not arise out of the original question.

#### MUSLIMS IN CALCUTTA CUSTOMS HOUSE

1779. **\*Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable the Finance Member please state if it is a fact that the Calcutta Customs House has nineteen first and second class gazetted appointments in which there are only four Muslims?

(b) Is it also a fact that at the Calcutta Customs House there are thirteen Inspectors and eight Superintendents, and that all of whom are non-Muslims?

(c) Is it also a fact that in the course of the last few months twelve officiating arrangements have been made in the Customs Appraisers service and that not a single Muslim has been given a chance?

(d) If the answers to (a), (b) and (c) be in the affirmative, do Government propose to take immediate steps to secure adequate representation of Muslims in the Customs Service?

**Mr. K. G. Ambegaokar:** (a) Yes, Sir. The establishment of the Calcutta Custom House includes seven Class I posts which are filled by members of the

Imperial Customs Service and twelve Class II gazetted posts. Recruitment to the former is effected through the Federal Public Service Commission and is made strictly in accordance with the orders regarding communal representation; appointments to the latter are made by promotion and are not, therefore, governed by those orders.

(b) Yes. Appointments to these posts also are made by promotion, and are not governed by the orders regarding communal representation.

(c) Appointments to the appraising staff, Calcutta Custom House, are made by the Collector of Customs. Since November 1945 seven officiating promotions to the rank of Appraiser have been made from the Examining Officers' cadre. These promotions were based on merit and seniority and included one Muslim. One Muslim Appraiser has recently been appointed by the Central Board of Revenue to officiate as a Principal Appraiser in this Custom House.

(d) Government have no reason to suppose that recruitment is not made on the prescribed communal basis.

**Mr. Ahmed E. H. Jaffer:** With regard to these promotion posts, is it a fact that the claims of Muslims have been overlooked?

**Mr. K. G. Ambegaokar:** Promotions must go strictly by merit.

**Dr. Sir Zia Uddin Ahmad:** Has not the principle been laid down in this House very often that if the claims of a senior Muslim officer are overlooked, the head of the department or office will personally look into it and see that the order was properly observed?

**Mr. K. G. Ambegaokar:** I have no doubt that that is being observed.

**Dr. Sir Zia Uddin Ahmad:** Was it observed in this case?

**Mr. K. G. Ambegaokar:** I have no doubt it was done. But I must ask for notice because I have not got that information with me now.

**Dr. Sir Zia Uddin Ahmad:** Will the Honourable Member under take to see that some senior officer looks into the files of individual cases which are being passed over?

**Mr. K. G. Ambegaokar:** Whatever pledges have been given on the floor of the House will be carried out.

**Dr. Sir Zia Uddin Ahmad:** And one pledge that was given was that when the claims of a senior Muslim officer are overlooked the head of the department will personally look into the file.

**Mr. K. G. Ambegaokar:** Yes, Sir.

**Mr. Muhammad Nauman:** As all these promotions have gone to non-Muslims who seem to have the monopoly of merit, will those officers be taken to task who appointed these Muslims who have not been able to come up to the mark?

**Mr. K. G. Ambegaokar:** No, Sir.

**Mr. Muhammad Nauman:** Why not?

**Mr. K. G. Ambegaokar:** Orders are passed strictly according to merit and there is no question of taking any one to task.

**Mr. Muhammad Nauman:** As merit is found to be a monopoly of non-Muslims will the Honourable Member enquire how that has happened?

(No reply was given)

#### TAX ON TOBACCO

†1780. **\*Mr. Tamizuddin Khan:** Will the Honourable the Finance Member be pleased to state:

(a) the estimated yield of tax on tobacco during the current financial year from the different Provinces of British India;

† Answer to this question laid on the table, the questioner being absent.

(b) the estimated yield of tax from the different districts of Bengal during the current financial year; and

(c) whether the Honourable Member is aware that in practice the main burden of the tax is shifted by traders on to growers of tobacco; if so, how Government propose to safeguard the interests of the growers?

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

(c) No, Sir. The attention of the Honourable Member is invited to the reply given to part (d) of question No. 1081, by Mr. Manu Subedar.

#### GOVERNMENTS' POLICY *re* POST-WAR INDUSTRIAL DEVELOPMENT

**1781. \*Prof. N. G. Ranga:** Will the Honourable Member for Planning and Development be pleased to state:

(a) what action is being taken to see that all the Departments of Government keep in mind the Governments statement on Industrial policy published on the 21st April, 1945, in preparing their plans for development, in approving of new schemes for enterprises and factories in order to properly safeguard the interests of the community as per the principles laid down in that statement; and

(b) why it is that this Department did not see to it that the Food Department did provide for an effective voice for Government either in share holding or in Directorate or profit distribution, etc., in giving permission to the nine sugar factories, after this statement was published and to the seven Vanaspati factories which were technically marked as not being of Post-War Schemes?

**The Honourable Sir Akbar Hydari:**(a) The plans for post-war development drawn up by other Departments are sent to the Planning Department for scrutiny, and its advice is taken before Government takes a decision.

(b) The Honourable Member is under a misapprehension. Paragraph 7(i) of the Government Statement of Industrial Policy states that basic industries of national importance may be nationalised, provided adequate private capital is not forthcoming, and it is regarded as essential in the national interest to promote such industries. For the purpose of Government's policy, neither the Sugar nor the Vegetable Ghee industry, has been defined as a basic industry nor are these industries for which private capital is not forthcoming. In terms therefore of the statement of Policy, the question of Government gaining a controlling interest or other share in the new Sugar or Vanaspati factories does not arise.

**Prof. N. G. Ranga:** In part (b) there is the question of profit distribution also. What do the Government of India propose to do in order to see that these Vanaspati factories that are being started now will not keep for themselves all the profits that they make but will retain only the prescribed maximum rate of profit and place the rest of it either at the disposal of the general revenues of the Government of India or distribute the money among their own workers or for the benefit of consumers?

**The Honourable Sir Akbar Hydari:** I have already answered that.

**Prof. N. G. Ranga:** There is no answer. Is it not a fact that the Government of India's policy in regard to the maximum rates of profit to be distributed, and so on, is considered to be applicable to all industries?

**The Honourable Sir Akbar Hydari:** Where have the Government of India laid down maximum rates of profit?

**Prof. N. G. Ranga:** In the statement of policy published by the Government of India it is stated that it is the responsibility of the State to see to the rate of profits, distribution of fair wages to be paid to the workers and fair prices to be charged to the consumers.

**The Honourable Sir Akbar Hydari:** That does not mean laying down a maximum in the case of the vegetable ghee and sugar industries.

**Prof. N. G. Ranga:** What do the Government of India propose to do in respect of new factories? Do they wish to leave it wholly to private enterprise, whatever profits they may make and whatever wages they may pay?

**The Honourable Sir Akbar Hydari:** I submit that question does not arise out of part (a). My Honourable friend asked whether the Planning Department was consulted in this matter and I replied in the affirmative.

**Prof. N. G. Ranga:** Are we to understand that the Government of India do not consider themselves responsible for any sort of plan to be made for the working of these various factories that are being started now with the help and encouragement of the Government of India?

**The Honourable Sir Akbar Hydari:** No, I never said that. We are responsible for that. We laid down the distribution and the location of these factories.

**Sjt. N. V. Gadgil:** May I know what sort of control is exercised on industries, to which encouragement is given by the Government?

**The Honourable Sir Akbar Hydari:** I have dealt with that in my speech, and in any case I do not think it arises out of this question.

**Prof. N. G. Ranga:** So far as I remember he mentioned nothing at all. The Honourable Member was so economical in his speech that he did not say anything.

**Sri M. Ananthasayanam Ayyangar:** This question arises out of the Honourable Member's reply to part (b) of the question: "Whether it is a fact that this Department did not see to it that the Food Department did provide for an effective voice for Government either in share holding or in Directorate or profit distribution," etc.?

**The Honourable Sir Akbar Hydari:** I have already answered that question.

**Sri M. Ananthasayanam Ayyangar:** My question arises out of the Honourable Member's reply to part (b). May I know if the Honourable Member has looked into the prospects, the managing agencies, etc., of some of these seven ghee factories in the Province of Madras in which nothing is left to the shareholders? Has he considered that before giving permission to these factories?

**The Honourable Sir Akbar Hydari:** No, Sir.

**Sri M. Ananthasayanam Ayyangar:** Why not? What is the kind of control which Government is exercising in this connection?

**The Honourable Sir Akbar Hydari:** All the reasons are given in answer to part (b) of the question.

**Mr. Deputy President:** Next question.

**Sri M. Ananthasayanam Ayyangar:** It is a very important question. The Honourable Member ought not to be allowed to sit without fully answering this question.

**Mr. Deputy President:** Next question.

SEPARATE PANEL FOR COTTAGE INDUSTRIES UNDER PLANNING AND  
DEVELOPMENT DEPARTMENT

1782. **\*Prof. N. G. Ranga:** Will the Honourable Member for Planning and Development be pleased to state:

(a) if it is a fact that at the first meeting of the Standing Committee for this Department, a recommendation was made for the establishment of a separate panel for cottage industries and that this recommendation was reiterated by me at its second meeting in September, 1945;

(b) why Government have so far not appointed this panel;

(c) when they will appoint it; and

(d) what progress has been made in the proposed Industrial Investment Corporation and how far the recommendations of the Committee are accepted in constituting the Corporation?

**The Honourable Sir Akbar Hydari:** (a) Yes.

(b) and (c). I invite the Honourable Member's attention to my reply to part (a) of his Starred Question No. 1292, for the 27th March, 1946.



(d) It is proposed to introduce legislation for the establishment of an Industrial Finance Corporation.

In drafting the Bill, due consideration is being given to the recommendations of the Committee.

**Prof. N. G. Ranga:** How long does Government propose to take to establish this panel for cottage industries?

**The Honourable Sir Akbar Hydari:** I cannot give you a date.

**Prof. N. G. Ranga:** Are they considering the possibility of establishing that panel at all? It is more than one year since the Government of India accepted the recommendation we made on the committee.

**The Honourable Sir Akbar Hydari:** I think, to the best of my recollection, in my answer on the 26th of March I informed the Honourable Member that it was found impracticable at that stage to constitute a panel for cottage industries because on enquiry we found that various Provincial Governments had instituted enquiries on their own; and cottage industries are industries which are peculiarly within the province of each Provincial Government as my Honourable friend will realise and appreciate if he consults the Ministries now being formed in the Provinces.

**Prof. N. G. Ranga:** Is there any expert in the Planning and Development Department who is competent to advise them in regard to cottage industries and how they are likely to be affected in regard to any plans that they make for the development of any one of the industries?

**The Honourable Sir Akbar Hydari:** My Honourable friend knows that the cottage industries are very numerous. If we began appointing experts for each of the cottage industries existing in the country, my Honourable friend would be the first to criticize our action, but that does not mean to say that where the question of a cottage industry comes up we have not got available advice from the provinces and various people who are interested in that particular cottage industry, and we duly take it.

**Mr. Ahmed E. H. Jaffer:** Is it not a fact that no meeting of the Standing Committee for the Planning Department has been convened during this Session? If so, why not?

**The Honourable Sir Akbar Hydari:** It is a fact that no meeting of the Committee attached to the Planning Department has taken place. I did not think it necessary to trouble the Honourable Members of this House with a meeting considering that there were so many questions on planning and development; but if it is the wish of the House to have a meeting during the hot weather I am prepared to convene it.

**Mr. Ahmed E. H. Jaffer:** May I ask the Honourable Member why did he trouble us in electing members from this House if no meetings are to be held?

**Shri Mohan Lal Saksena:** Is it not a fact that certain cottage industries which came into existence during war have closed down now and as a result of that a large number of workers have been thrown out of employment? Will not the Government consider the question of re-employing them?

**The Honourable Sir Akbar Hydari:** That is perfectly true and we are trying to find out what we can do to help some of these industries finding business and so on. But I cannot give a definite answer at this stage because the matter is under consideration. I can assure the Honourable Member that we are very much alive to this problem.

**Prof. N. G. Ranga:** Will the Government consider the advisability of calling for a conference of Provincial Ministers who will be in charge of cottage industries and take counsel with them as to how best the Government of India can assist the cottage industries?

**The Honourable Sir Akbar Hydari:** I will certainly consider that if I am here at the time . . . . .

**Sjt. N. V. Gadgil:** The sooner you go, the better.

**The Honourable Sir Akbar Hydari:** . . . . .but the point is, as I have informed the Honourable Member, that different Provincial Governments are now carrying on investigation into the cottage industries in the provinces. It is only when the results of these investigations are put before the Provincial and the Central Government that there would be some use in a conference. Simply gathering people together for a conference does not solve the problem.

**APPOINTMENT OF MRS. KHIN ZAW IN CENTRAL NEWS ORGANIZATION, ALL-INDIA RADIO**

**1783. \*Shri Mohan Lal Saksena:** (a) Will the Honourable Member for Information and Arts please refer to reply to starred question No. 925 asked on the 18th March, 1946 and state the amount of pay on which Mrs. Khin Zaw was originally appointed?

(b) Will he please lay a statement on the table of the House to show how the qualifications, experience and seniority of other Indian officers in the News Organisation compare with those of Mrs. Khin Zaw?

(c) Has Mrs. Khin Zaw any journalistic qualifications and experience?

(d) Was the post of Reference Officer advertised in the Press?

(e) Why was not the selection of a candidate for the post of Reference Officer entrusted to the Federal Public Service Commission?

(f) Will he lay a statement on the table of the House showing the number of applications received and how the qualifications of the applicants compare with Mrs. Khin Zaw?

(g) Was Mrs. Khin Zaw removed by Lt. Col. Whitehouse when she was appointed News Editor in the English Political Warfare Section? If so, on what grounds?

(h) When Lt. Col. Whitehouse found Mrs. Khin Zaw incompetent for the job, what action, if any, was taken by the Department to demote her?

(i) What steps are now being taken to fill the vacancy of special Officer, Far East Broadcasts?

**The Honourable Sir Akbar Hydari:** (a) Rs. 400 in the scale of Rs. 400-20-600.

(b) A statement is laid on the table of the House.

(c) She has not worked on a newspaper but before appointment to All India Radio she had worked in the Counter Propaganda Directorate where her duties included the editing of news.

(d) Yes.

(e) During the war recruitment to temporary posts was not ordinarily entrusted to the Federal Public Service Commission.

(f) 168 applications were received. The time and labour involved in compiling the statement asked for will not be commensurate with the results achieved.

(g) *First part.*—No.

*Second part.*—Does not arise.

(h) Does not arise.

(i) The question of filling the post substantively along with the general question of External Services is under consideration.

*Statement showing relative seniority, experience and qualifications of officers in the Central News Organisation, All India Radio, holding posts in the following grades, News Editor (Rs. 550-25-900) and Assistant News Editor (Rs. 400-20-600)*

Name and present designation (in order of seniority)	Service record in AIR	Previous professional experience	Qualifications
1. Mr. G. L. Obhrai, Special Representative (Tenure post)	14-6-43—20-5-44 Programme Executive News Editor Special Representative (Tenure post) 20-5-44—6-1-46 7-1-46—	Practised as a barrister	B. A. (Hons.), Oxford, Bar-at-Law
2. Mr. Abbas Ali Khan	2-6-44— News Editor	Worked 3½ years in an editorial capacity in the Hyderabad State Broadcasting Station (Rs. 300)	Matriculate
3. Mr. P. N. Chopra, News Editor	3-7-44—1-5-45 News Editor Special Representative (Tenure post) 1-5-45—1-1-46 2-1-46— News Editor	Worked 2½ years on Civil and Military Gazette, Lahore (Rs. 175)	M. A. Punjab
4. Mr. Mohamuned Sarfraz, News Editor.	12-1-42—3-1-43 Sub-Editor 3-1-43 2-6-44 Assistant News Editor 2-6-44— News Editor	...	M. A. (First Class) Punjab
5. *Mrs. G. Khin Zaw, News Editor.	22-2-43—8-5-44 Assistant News Editor 8-5-44—31-9-44 Reference Officer News Editor 1-8-44—	Worked in Burma for 8 years in a permanent post of Lecturer in English in Rangoon University (Rs. 400). In India worked for 8 months in the Counter Propaganda Directorate, first as Monitor-Translator and later as Assistant Counter Propaganda Officer (Rs. 400)	B. A. (Hons. First Class) Rangoon

Name and present designation (in order of seniority)	Service record in AIR	Previous professional experience	Qualifications
6. *Mr. N. C. Chaudhuri, News Editor.	12-5-44—20-4-45 20-4-45— Talks Officer News Editor.	Worked for 5 years on Modern Review, Calcutta and for 4 years as Secretary to Mr. Sarat Chandra Bose (Salary not known); for 2 years as staff artist (Bengali Commentator) first in Delhi Station AIR and later in CNO, AIR (Rs. 475).	B.A. (Hons. First Class), Calcutta.
7. *Mr. K. Shungloo, News Editor	1-6-45— News Editor.	Worked for 3 years as Officer-in-charge, Army Training Class, Punjab University and for 2 years as Lecturer in English in the University (Rs. 260).	B.A. (Hons), Oxford, Diploma in Economics and Politics, Oxford.
8. Mr. V. B. Prasad, News Editor	2-10-39—15-11-41 16-11-41—14-11-43 15-11-43—19-4-45 Assistant Sub-Editor. Sub-Editor. Assistant News Editor.	Worked for 2 years on Merry Magazine and My Magazine, Madras (Rs. 100 and for a year as a Senior Sub-Editor on the Indian Express, Madras (Rs. 70).	...
9. Mr. K. Kasipati, News Editor.	20-4-45— 25-6-39—28-2-42 1-3-42—10-3-44 11-3-44—30-4-45 News Editor Telugu Translator-Announcer Sub-Editor. Assistant News Editor.	Worked for a short time as a Sub-Editor on Swarajya, Madras and later as a Reporter on the Mail, Madras (Rs. 150); also employed for a few months as a Script Writer in Sarathi Films and Prakjyothi Films, Madras.	B.A. Andhra, LL.B. Benares.
10. Mr. P. C. Chatterjee, Assistant News Editor.	1-5-45— 28-6-43—9-5-44 9-5-44— News Editor. Sub-Editor Assistant News Editor.	...	M.A. Punjab.
11. Mr. Hitinder Singh Vahali, Assistant News Editor.	1-6-44— Assistant News Editor.	Worked for 15 months as an Apprentice on the Statesman, Calcutta and Delhi (Rs. 200).	B.A. Punjab.

12. Mr. Ihsanul Haq, Assistant News Editor.	8-9-42—9-5-44	Sub-Editor	Worked for about 7 years on the Eastern Times, Lahore, first as an apprentice and finally as Joint Editor (Rs. 105). Worked for 1½ years as an Assistant Editor on the Liberator, Madras.	M.A. Punjab, LL.B.
13. Mr. M. M. Sayeed, Assistant News Editor.	22-6-44—	Assistant News Editor.		B.A., Aligarh.
14. Mr. M. M. Chatterjee, Assistant News Editor.	19-7-43—9-5-44 10-5-44	Sub-Editor Assistant News Editor.	Worked for 11 months on Capital, Calcutta (Rs. 209) and for 15 months as a Journalist in the Counter Propaganda Directorate, Government of India (Rs. 210). Worked for a few months in Home Department, Government of India (Rs. 140).	B.A. (Hons.), Calcutta.
15. Mr. Abdul Ghani Eirabie, Assistant News Editor.	1-11-43—9-5-44 10-5-44	Sub-Editor Assistant News Editor.		M.A., Punjab, Diploma in Journalism, Punjab.
16. Mr. Sayeedul Haq	2-6-44—	Assistant News Editor.	Worked for a short while as a Publicity Organiser, Bihar Government (Rs. 300).	M.A., Patna.
17. Mr. R. V. Aiyar, Assistant News Editor.	28-8-42—9-5-44 10-5-44—	Sub-Editor Assistant News Editor.	Worked for 6 years on the Times of Malaya, Ipoh (Rs. 250), for 3 years ran a paper called The Indian Malaya and for 3 years worked on the Straits Times, Singapore (Rs. 400).	Matriculate.
18. Mr. V. S. Mani, Assistant News Editor	27-9-39—28-2-42 1-3-42—20-7-44	Assistant Sub-Editor. Sub-Editor	Worked for 8 years in the API mainly as a Reporter (Rs. 175).	Do.
19. Mr. Syed Ghulam Resool, Assistant News Editor.	21-7-44— 12-6-44—	Assistant News Editor.	Worked for 7 months as an unpaid Sub-Editor on the daily Liberator, Madras.	B.A., B.L. Madras.
20. Mr. Samar Sen, Assistant News Editor.	20-6-44—	Assistant News Editor.	Worked for 4 years on the academic staff of the Commercial College, Delhi (Rs. 170).	M.A., Calcutta.
21. Mr. Hamid Jahl, Assistant News Editor.	10-7-44—	Assistant News Editor.	....	B.A., Punjab.

\* The seniority of these officers was determined by the dates of their appointment the seniority of the others, as these others were all selected on the same date, was determined according to an order of merit fixed by the Selection Committee.

**Mr. Muhammad Nauman:** With reference to part (f) may I know if the applications were scrutinized at that time . . . . .

**Diwan Chaman Lall:** And by whom?

**Mr. Muhammad Nauman:** . . . . . and if the Government have got a record of these, why dont they place it on the table of the House?

**The Honourable Sir Akbar Hydari:** Of course the applications were scrutinized, and to the best of my recollection about six or seven of them were selected for interview. If the House wants that the names of these 168 people with their qualifications should be placed in the Library of the House I would be willing to do so, but it is not worth while putting the information on the table of the House. It would be a waste of paper.

**Mr. Muhammad Nauman:** It will help us to judge whether the best person was selected or not, and how the selection has been made.

#### SHOOTING OF AN INDIAN SENTRY BY A BRITISH OFFICER AT GENERAL PURPOSES TRANSPORT COMPANY SINGAPORE

1784. **\*Mr. Sasanka Sekhar Sanyal:** Will the War Secretary be pleased to state:

(a) whether at the General Purposes Transport Company, Singapore, one Indian sentry, while on duty was shot dead by one of the British officers in February, 1946;

(b) if the answer to (a) is substantially in the affirmative, the name of the sentry so killed and the circumstances of the incident;

(c) whether there was firing between the Indian personnel on the one hand and the British personnel on the other; and whether four British officers were killed;

(d) whether the incident has been followed by enquiry; if so, the nature of the said enquiry; and

(e) whether any one in this connection has been taken into custody and is awaiting trial or enquiry?

**Mr. P. Mason:** (a) to (e). No, Sir, the incidents described by my Honourable friend are entirely imaginary.

#### ADVANCE ALLOWANCES TO I. N. A. PERSONNEL OVERSEAS

1785. **\*Mr. Sasanka Sekhar Sanyal:** Will the War Secretary be pleased to state:

(a) whether he is aware that, although it was said that advance allowances were being given to the I.N.A. personnel overseas, it is generally found that no such allowances are being given in a large number of cases and that even subsistence allowances are not being given in Malaya;

(b) what steps are being taken by Government to remedy the matter;

(c) the policy of Government; and

(d) whether in Malaya, Government are making any distinction between I.N.A. and what is called ex-I.N.A. men?

**Mr. P. Mason:** (a), (b) and (c). It must be remembered that the I.N.A. who surrendered to our forces in the field or were captured were regarded at the time by our troops as renegades. In spite of this, they were accorded treatment as enemy prisoners of war in respect of rations, clothing and amenities where possible. Where however our troops who were fighting for their lives were themselves short of rations, the amenities provided for captured enemy personnel would obviously not be up to the prescribed scales.

When the members of the I.N.A. were brought back to bare camps however, orders were issued that they should be given monthly allowances equivalent to the following rates:

Officers	Rs. 30
V. C. Os.	Rs. 11 4-0
Other Ranks	Rs. 5-10-0

These orders were not however actually implemented, because, first, owing to extreme shortage the purchase of foodstuffs locally was forbidden to all troops, and secondly N.A.A.F.I. amenities were also in short supply and priority was naturally given to troops who had remained loyal.

After October last year members of the I.N.A. at Bidadari received full rations, including cigarettes. No clothing and personal effects were ever removed from members of the I.N.A. at Bidadari and issues of soap and replacements of unserviceable clothing were made as necessary. Hair cutting and shaving were done under normal arrangements.

(d) I regret I am quite unable to understand the Honourable Member's question.

**Mr. Sasanka Sekhar Sanyal:** Will the Honourable Member be pleased to state the date or dates on which his Department collected the materials which he has furnished in the answers?

**Mr. P. Mason:** Since the question was put—the last ten days.

†1786.\*

INCONVENIENCE DUE TO INSTRUCTIONS TO GROWERS TO SELL TOBACCO  
BEFORE FEBRUARY

**1787. \*Shri D. P. Karmarkar:** Will the Honourable the Finance Member be pleased to state:

(a) whether Government are aware that an announcement was made by village officials by Tom Tom in villages in the Gokak Taluka in the Belgaum District (Bombay Province) that tobacco growers must sell their tobacco before the end of February; if so, whether the announcement was authorised, and what its object was; whether the growers have been instructed to pay excise duty on tobacco in case they wanted to keep tobacco with them longer;

(b) whether Government are aware that the abovementioned instructions are likely to cause great inconvenience and loss to the grower; and

(c) what Government propose to do to alleviate the inconvenience caused by the above instructions?

**Mr. K. G. Ambegaokar:** (a), (b) and (c) I have called for a report and a reply will be laid on the table of the House in due course.

**Shri D. P. Karmarkar:** Does the Honourable Member agree that there is nothing to warrant an imposition of a restriction of that kind, so far as the growers are concerned because the tax is on the sales?

**Mr. K. G. Ambegaokar:** Until I have seen the report I am unable to make a statement.

**Prof. N. G. Ranga:** What is the answer given? Are they making enquiries?

**The Honourable Sir Archibald Rowlands:** Yes Sir.

**Sri M. Ananthasayanam Ayyangar:** Has the Honourable Member made any announcement to proclaim by beat of drums?

**Mr. K. G. Ambegaokar:** So far as I am aware, no instructions have been given.

†This question was postponed to be answered on the 18th April, 1946.

**Mr. Ahmed E. H. Jaffer:** Why was not the report obtained within ten days since notice of this question was given? The Government could have got the reports telegraphically?

**Mr. K. G. Ambegaokar:** An enquiry has been made from the Collector, Central Excise, Bombay and the reply has not been received yet.

**Prof. N. G. Ranga:** Will Government be good enough to inform Collectors and others concerned about the conclusions that were reached recently in a conference between the Central Board of Revenue and some of the representatives of the Tobacco growers?

**Mr. K. G. Ambegaokar:** Certainly.

#### PROMOTION OF COTTAGE INDUSTRIES AS PART OF POST-WAR PLANNING AND DEVELOPMENT

**1788. \*Shri D. P. Karmarkar:** Will the Honourable Member for Planning and Development be pleased to state:

(a) whether it is a fact that promotion of cottage industries has been included in post-war planning and development;

(b) whether it is a fact that a preliminary survey has been made to ascertain the possibility of cottage industries; if not, whether Government propose to undertake such a survey;

(c) what steps have already been taken to make an organised attempt for the promotion of cottage industries as part of post-war planning and development; and

(d) whether Government propose to make an earmarked grant to Provinces for this purpose; if so how much for each Province?

**The Honourable Sir Akbar Hydari:** (a) Yes.

(b) and (c). I refer the Honourable Member to my reply to Starred Question No. 1292, for the 27th March, 1946. I would like to mention that at the time I laid on the table a statement of all the schemes of Provincial Governments for the development of cottage industries.

(d) This will be considered on receipt of the recommendations from the Provincial Governments and the report of the Economic Adviser.

**Prof. N. G. Ranga:** Has any effort been made by the Government of India to contact the All India Village Industries and the head of it, that is Dr. J. C. Kumarappa in order to benefit from their experience as to how to promote the cottage industries?

**The Honourable Sir Akbar Hydari:** If my Honourable friend will look at the statement I have already placed on the table of the House under the heading 'Madras', he will find that the Madras Government has got something like twelve schemes of cottage industries, among which is the handloom industry in which he is greatly interested. I can only presume that in working out a scheme for the handloom industry, they have consulted the appropriate people.

**Shri D. P. Karmarkar:** In view of the shortage of cloth in the country, will the Government take steps to encourage hand spinning and hand weaving?

**The Honourable Sir Akbar Hydari:** We are already doing all that we can to encourage handloom weaving by making available yarn to the extent possible.

**Prof. N. G. Ranga:** Is it not a fact that the Government has not given any special encouragement to cottage industries after this Department has come into existence? For instance, is it not a fact that the five lakhs given to handloom weaving industry, another five lakhs to sericulture and another five lakhs to the woollen industry—they were given years ago before this Department was thought of? After this Department came into existence no help has been given by the Central Government to cottage industries.

**The Honourable Sir Akbar Hydari:** As regards the five lakhs grant to the handloom industry, if my Honourable friend had joined the Handloom Board,



which I invited him to join, he would have learnt that it was at the request of the Board that that grant was not distributed during the last financial year for the reason that the Board has certain schemes for the encouragement of the Handloom industry which may require considerably larger sums of money and the Board felt it was little use making grants in little bits for this and that which would not have the desired effect.

**QUALIFICATION ETC., OF MEMBERS OF COMMERCE AND FINANCE POOL.**

1789. \*Mr. Manu Subedar: (a) Will the Honourable the Finance Member please state when the Commerce and Finance Pool was created?

(b) How many members are there now of this Pool?

(c) What are the qualifications, the position held and the present emoluments of each of them?

(d) Is any reorganization of the services proposed generally? If so, are the arrangements of the Pool being revised?

(e) To what conclusions have Government come with regard to the usefulness of the Pool in the past?

**The Honourable Sir Archibald Rowlands:** (a) On the 2nd February 1939.

(b) Fifty two of whom twelve officers are still under training and have not been confirmed in the Pool.

(c) The qualifications are (i) membership of one of the services enumerated in paragraph 4 of Finance Department Resolution No. F. 28(6)-Ex. II/38, dated the 2nd February, 1939, published in the *Gazette of India* of the 4th February, 1939, and (ii) selection from these services on the recommendation of the Establishment Committee. A statement of the positions held and the emoluments drawn by these officers is placed on the table.

(d) Not at present.

(e) The formation of the specialised cadre of officers has been a great success.

*The names below have been arranged in the order of dates on which the officers started service in the Pool. When two or more officers started service on the same date, the names have been arranged in the order in which they entered service of origin*

Name of officer	Position held	Deptt. of origin.	Emoluments
1. Mr. K. R. K. Menon	Director of Inspection Income-tax, C. B. R.	M. A. D.	Rs. 3,000
2. „ K. K. Chettur	Joint Secretary, Commerce Department	I. A. & A. S.	Rs. 3,000
3. „ R. K. Nehru	Joint Secretary, Commerce Department	I. C. S.	Rs. 3,000
4. „ F. M. Innes	Chief Controller of Imports and <i>ex-officio</i> Joint Secretary, Commerce Department (on leave)	Do.	Rs. 3,250
5. „ K. G. Ambegaokar	Joint Secretary, Finance Department	Do.	Rs. 3,000
6. „ H. M. Patel	Joint Secretary, Secretariat of the Executive Council	Do.	Rs. 3,000

Name of officer	Position held	Deptt. of origin	Emoluments
7. Mr. M. Ikramullah	Member, Indian Coal-fields Committee	I. C. S.	Rs. 3,000
8. " R. S. Symons	Joint Secretary, Finance Department (on leave at present)	Do.	Rs. 3,000 O. P. £ 13-6-8
9. " Mohammad Ali	Financial Adviser, War and Supply	I.A. & A.S.	Rs. 3,500
10. " C. N. Sharples	Deputy Director, Indian Supply Commission, London	I.C.S.	Rs. 1,800 S. P. Rs. 400 O. P. £ 30
11. " H. A. C. Gill	Collector of Central Excise, Delhi (on leave from 20-3-46)	Do.	Rs. 1,900 S. P. Rs. 400 O. P. £ 30
12. " B. C. A. Cook	Joint Secretary, Finance Department	Do.	Rs. 3,000 O. P. £ 13-6-8
13. " J. B. Shearer	Joint Secretary, Finance Department	Do.	Rs. 3,000 O. P. £ 13-6-8
14. " R. L. Gupta	Joint Financial Adviser, Food	Do.	Rs. 1,800 S. P. Rs. 400
15. " G. R. Kamat	Deputy Financial Adviser Supply Finance, Bombay	Do.	Rs. 1,700 S. P. Rs. 400
16. " P. C. Padhi	Commissioner of Income-tax, Madras	I.A. & A.S.	Rs. 1,500 S. P. Rs. 400
17. " A. K. Roy	Officer on Special Duty, Income-tax Department	Do.	Rs. 1,350 S. P. Rs. 400
18. " Abdul Qadir	Officer on Special Duty, Income-tax Department	Do.	Rs. 1,275 S. P. Rs. 400
19. " E. S. Krishnamoorthy	Deputy Secretary, Commerce Department	Imp. Cus. S.	Rs. 1,275 S. P. Rs. 400
20. " S. A. Hasnie	Joint Financial Adviser, Supply Finance	I.A. & A.S.	Rs. 1,250 S. P. Rs. 400
21. " N. Dandekar	Commissioner of Income-tax, Punjab, N.W.F.P. and Delhi	I.C.S.	Rs. 1,600 S. P. Rs. 400 Addl. P. Rs. 550
22. " V. G. Matthews	Collector of Customs	Do.	Rs. 2,450 O. P. £ 13-6-8
23. " L. R. Chambers	Deputy Financial Adviser Military Finance (on leave from 16-3-46)	Do.	Rs. 1,500 S. P. Rs. 400 O. P. £ 30
24. " M. S. Bhatnagar	Collector of Central Excise, Delhi	I.A. & A.S.	Rs. 1,200 S. P. Rs. 400
25. " Mumtaz Hasan	Deputy Financial Adviser, Military Finance	Do.	Rs. 12,00 S. P. Rs. 400
26. " K. R. P. Aiyangar	Deputy Secretary, Finance Department	Do.	Rs. 1,350 S. P. Rs. 400

Name of officer	Position held	Deptt. of origin	Emoluments
27. Mr. B. B. Ghosh	Deputy Financial Adviser in the office of the Joint Financial Adviser Munitions, Production Calcutta	I.A. & A.S.	Rs. 1,275 S. P. Rs. 400
28. „ S. Ranganathan	First Secretary, Central Board of Revenue	I.C.S.	Rs. 1,600 S. P. Rs. 400
29. „ B. K. Nehru	Deputy Secretary, Finance Department	I.C.S.	Rs. 1,425 S. P. Rs. 400
30. „ R. J. Pringle	On deputation to the Government of Bengal	I.C.S.	Rs. 1,500 S. P. Rs. 400 O. P. £ 30
31. „ R. Narayanaswami	Deputy Financial Adviser, Communications	M.A.D.	Rs. 1,275 S. P. Rs. 400
32. „ G. Swaminathan	Deputy Secretary, Finance Department	I.A. & A.S.	Rs. 1,000 S. P. Rs. 400
33. „ W. G. Alexander	Joint Financial Adviser Military Finance	I.C.S.	Rs. 1,600 S. P. Rs. 400 O. P. £ 30
34. „ N. N. Wanchoo	Deputy Secretary, Food Department	I.C.S.	Rs. 1,425 S. P. Rs. 400
35. „ A. A. Burney	Second Secretary, Central Board of Revenue	I.A. & A.S.	Rs. 1,200 S. P. Rs. 400
36. „ A. S. Lall	Deputy Secretary, Finance Department	I.C.S.	Rs. 1,425 S. P. Rs. 400
37. „ K. N. Kaul	Deputy Secretary, Finance Department	Income-tax Dept	Rs. 1,500 S. P. Rs. 400
38. „ K. C. Roy	Under Secretary, Finance Department	I.C.S.	Rs. 1,275 S. P. Rs. 150. Personal Pay Rs. 250 Q.P. £ 35.
39. „ B. N. Banerjee	Deputy Secretary, Commerce Department	Imp. Cus. S.	Rs. 600 S. P. Rs. 400
40. „ S. Jagannathan.	Deputy Secretary, Finance Department	I.C.S.	Rs. 1,275 S. P. Rs. 400
	<i>Officers on probation in the Pool</i>		
1. Mr. S. K. Banerji	Assistant Financial Adviser (Supply Finance), Bombay	I.A. & A.S.	Rs. 500 S. P. Rs. 300
2. „ J. A. Wahmsley.	Assistant Commissioner of Income-tax, Bengal	I.C.S.	Rs. 1,200 S. P. Rs. 150 O. P. £ 25
3. „ Tarlok Singh	Under Secretary, Finance Department	Do.	Rs. 1,200 S. P. Rs. 150
4. „ A. C. Bose	Assistant Financial Adviser, Communications	I.A. & A.S.	Rs. 450 S. P. Rs. 300
5. „ V. Vedantachari	Assistant Commissioner of Income-tax, Bombay	Do.	Rs. 450 S. P. Rs. 150

Name of officer	Position held	Department of origin	Emoluments
6. Mr. L. K. Jha	Deputy Secretary, I and S. D. (Br. Sectt. M. P.) Calcutta	I. C. S.	Rs. 1,150 S. P. Rs. 400
7. „ Zinkin	Assistant Financial Adviser, Communications	Do.	Rs. 1,150 S. P. Rs. 150 O. P. £ 25
8. „ Indarjit Singh	Under Secretary, Finance Department	I. A. & A. S.	Rs. 450 S. P. Rs. 300
9. „ S. D. Nargolwala	Assistant Collector of Customs, Calcutta	I. C. S.	Rs. 750 S. P. Rs. 100
10. „ K. B. Lall	Under Secretary, Commerce Department	Do.	Rs. 1,150 S. P. Rs. 150
11. „ A. V. Venkateswaran.	Assistant Financial Adviser in the office of the Joint Financial Adviser (Munitions Production) Supply Finance Calcutta	Imp. Cus. S.	Rs. 425 S. P. Rs. 300
12. „ J. F. Hosie	Assistant Financial Adviser, Military Finance	I. C. S.	Rs. 1,150 S. P. Rs. 150

NOTE—1. The emoluments given above are those (except in a few cases which are up to date) drawn by the officers on the 1st November 1945.

2. The fact that an officer is officiating or substantive has not been mentioned.

**Mr. Manu Subedar:** May I know whether Government have found the number adequate for their purposes, in view of the expansions which have taken place in Central Services?

**The Honourable Sir Archibald Rowlands:** No, Sir. They are most inadequate.

**Mr. Manu Subedar:** Is Government aware that there is a certain amount of dissatisfaction at the selections and it is alleged that certain people are selected who were not quite up to the mark and certain others who thought themselves smarter were left out?

**The Honourable Sir Archibald Rowlands:** Well, Sir, rejected candidates are never satisfied. I am absolutely satisfied that the Committee makes its selections according to the best judgment of the material available and their assessments of the candidates were good.

**Prof. N. G. Ranga:** Who recruits these bodies and what is the object? Is the Public Services Commission responsible or the Finance Member?

**The Honourable Sir Archibald Rowlands:** I have already answered that in my answer to the question.

**Mr. Manu Subedar:** Who are on the Establishment Committee?

**The Honourable Sir Archibald Rowlands:** I will give you the information. At the moment the Establishment Committee consists of the Chairman of the Public Services Commission who is the Chairman of the Committee, the Deputy Auditor General of India, the Principal Secretary of the Finance Department, the Commerce Secretary, a Member of the Central Board of Revenue and the Secretary to the Executive Council.

**Mr. Manu Subedar:** Is there any intention to recruit more into this pool from the people who are working in the Provinces?

**The Honourable Sir Archibald Rowlands:** Those who are there are all drawn from the Provinces. The difficulty has been that the Centre and the Provinces, owing to the expansion of their activities, want qualified officers to discharge these duties.

**Mr. Ahmed E. H. Jaffer:** May I ask the Finance Member why has this preferential treatment been given to Mr. Manu Subedar that he should himself reply to his question, when my question is being replied to by his Secretary?

**The Honourable Sir Archibald Rowlands:** I assure you, Sir, that there is no communal preference.

**Mr. Manu Subedar:** What steps are being taken by Government to raise this figure and recruit directly from the numerous people who may be available, people who may have worked in the Supply Department or who may have worked in business offices? What steps will Government take to recruit directly and expand the number in the Pool which the Honourable Member said has been found useful?

**The Honourable Sir Archibald Rowlands:** I think the Honourable Member's mind is working on the same lines as my own. All I can say is that the main reason why nothing has been done so far during my tenure of office is that I have only 24 hours in the day.

#### AUCTIONING OF THEIR STALLS BY CANTONMENT BOARD, KASALI

**1790. \*Pundit Thakur Das Bhargava:** (a) Will the War Secretary kindly state if it is a fact that the Cantonment Board of Kasauli auction their stalls every year to merchants?

(b) Is it a fact that merchants applied to the Board that reasonable rents be fixed for the stalls and that the stalls be not auctioned off every year?

(c) what objection do Government have to lease out these stalls to merchants for a period of at least five years at once?

**Mr. P. Mason:** (a) and (b). Yes, Sir.

(c) The matter rests entirely with the Cantonment Board, in accordance with section 200 of the Cantonments Act, 1924.

#### FORFEITURE OF SECURITY DEPOSITS BY CANTONMENT BOARD, KASALI

**1791. \*Pundit Thakur Das Bhargava:** (a) Will the War Secretary please state if it is a fact that the Cantonment Board of Kasauli takes security deposits in respect of rent of stalls from merchants to whom they are auctioned?

(b) Is it a fact that the Board has resolved to forfeit some of these deposits on the plea that some of the instalments were not regularly paid by the merchants, although the security deposited was more than ample to meet the defaults of payment of instalments?

(c) Are Government aware that security is taken to meet such contingencies of default and that the forfeiture of the securities constitutes a great hardship on the merchants? If so, do Government propose to order the refund of the securities so forfeited?

**Mr. P. Mason:** (a) Yes, Sir. The Board takes security deposits to safeguard itself against any infringement of the conditions of agreement by the lessee.

(b) Some security deposits were forfeited by the Board on account of infringement of certain conditions of the agreement by the stall-holders. This was done in accordance with the terms of the agreement.

(c) Under the conditions of the agreement it is for the Board to decide whether the whole or part of the security should be forfeited in the event of a breach of the conditions. The Government do not propose to interfere with the discretion of the Board.

## FORFEITURE OF SECURITY DEPOSIT BY CANTONMENT BOARD, KASALI

1792. \*Pundit Thakur Das Bhargava: (a) Will the War Secretary please state if it is a fact that security deposit of some stall-holders was also ordered by Cantonment Board of Kasauli to be forfeited on the plea that they closed their shops in winter when there is practically no business in Kasauli?

(b) Is it also a fact that this practice of closure of shops in Kasauli is of long standing?

(c) Are Government aware of the hardships and loss consequent upon such forfeiture and do Government propose to order refund of securities?

**Mr. P. Mason:** (a) Yes; this was done by the Board under clause 3 of the agreement with the stall-holders concerned.

(b) Yes, but it is contrary to the terms of the agreement accepted by the stall-holders.

(c) Attention of the Honourable Member is invited to the reply to part (c) of Starred Question No. 1791.

**Prof. N. G. Ranga:** Does this Cantonment Board work according to the Cantonment Board Act?

**Mr. P. Mason:** It works according to the Cantonment Board Act.

## CONDITIONS IMPOSED UPON HOLDERS OF STALLS AUCTIONED BY CANTONMENT BOARD, KASALI

1793. \*Pundit Thakur Das Bhargava: (a) Will the War Secretary kindly state if Government are aware that stalls in Kasauli have been auctioned for the present year for seven months only and that a condition of keeping the same open without the express permission of the authorities has been imposed upon the stall-holder?

(b) Are Government aware that a further condition of keeping the stalls open for forty hours a week has also been imposed?

(c) Do Government propose to direct the Cantonment Board, Kasauli to desist from imposing such conditions upon merchants?

**Mr. P. Mason:** (a) The Board originally proposed to auction the stalls for seven months, but on further consideration consequent on representations from stall-holders they have auctioned the stalls for twelve months as in the past. The condition to keep the stalls open is not a new condition but has always been included in the agreement.

(b) Yes—in modification of the previous condition that the stalls should be kept open throughout the year.

(c) Government have no reason to believe that the conditions imposed by the Board are either harsh or unnecessary. They are however making further enquiries in the matter.

**Shri Mohan Lal Saksena:** Are Government aware that during the war these shopkeepers and others are not allowed to be ejected under the law unless they make a default in payment of rent?

**Mr. P. Mason:** I do not quite see how it arises out of the present question.

**Shri Mohan Lal Saksena:** It arises in this way: At present every year a person has to bid for his shop in order to retain it. The suggestion is that instead of auctioning the shops every year, they may be leased out for a number of years, so that there will be a saving both to the customers and shopkeepers in cantonment areas, where the customers are mostly soldiers?

**Mr. P. Mason:** That would be a loss to cantonment revenues, which are badly needed.

**Shri Mohan Lal Saksena:** Why are not private owners of houses and shops permitted to eject shopkeepers or tenants? They also suffer loss in rent.

**Mr. P. Mason:** I do not understand the point.

**Mr. Deputy President:** Why not Government follow the same principle in regard to private owners?

**Mr. P. Mason:** Still I am unable to see the point.

**GRANT OF MILITARY LAND TO PEASANTS FOR GROWING FOOD PRODUCTS**

**1794. \*Prof. N. G. Ranga:** Will the War Secretary be pleased to state, with reference to his answer to starred question No. 1431 asked on the 1st April 1946:

(a) under what conditions military lands are being granted to peasants who are anxious to grow thereon food products, i.e., in regard to rent, time and tenure;

(b) the approximate extent of the land that is being made available for such cultivation by peasants;

(c) whether any tractors belonging to the military authorities will be made available to the peasants who will take these lands for cultivation;

(d) why such of the military personnel as hail from the peasant classes are not encouraged to grow food crops on such lands; and

(e) if some of them are already doing so, how many of them are thus engaged and on what area of land, and with what results?

**Mr. P. Mason:** (a) and (b). Military lands outside cantonment areas, e.g., camping grounds, are being leased to peasant cultivators at a purely nominal rent and in some cases free.

The tenure is for one year, at the conclusion of which an extension may be granted to enable the cultivator to harvest any standing crops.

Such land is not required to be handed back in its original condition.

In cantonments, schemes are being worked out and implemented by military units, with a view to securing the maximum production from any available land which is suitable for growing crops.

(c) No tractors are at present available for cultivation of such lands. Tractors are in short supply and efforts are being made to get them from the U. K. on arrival army schemes will get first priority, but any surpluses will be given to local civil authorities for cultivation purposes.

(d) and (e). All military personnel are being encouraged to grow food. The number employed on such schemes and the area of the land under cultivation by them or by civilian peasants cannot be given without reference to all military commands in India which would involve much time and labour, but I can assure the Honourable Member that the results so far achieved are encouraging and it is hoped that the army will become self-supporting in the near future in respect of many more of their food requirements than at present.

**Prof. N. G. Ranga:** In order further to intensify this particular campaign of food production on military lands will Government consider the advisability of ascertaining for their own information the total extent of the land that is available for cultivation or fit for being cultivated and the extent of land that has actually been brought under cultivation?

**Mr. P. Mason:** Merely as a matter of statistics? I am not quite sure whether there will be any great value in it. It will take sometime. I will see whether it is worth doing.

**Khan Abdul Ghani Khan:** In view of the fact that there are extensive grass farms under military control which may not be needed now, will Government consider the advisability of leasing them to ordinary cultivators for food production?

**Mr. P. Mason:** They certainly are now being used for the cultivation of vegetables and other forms of food already and it will be a question whether they can produce anything surplus to military requirements. I think it is more economical to use them for producing food crops by military units and thus avoid drawing from the supplies of the civilian population.

**Prof. N. G. Ranga:** Government have granted large pieces of land in Sar-godha and other canal areas of the Punjab to people on condition that they

breed horses for military purposes. If so, will Government consider the advisability of minimising the total extent of this horse breeding for military purposes in India in view of the progressive mechanisation of the army?

**Mr. P. Mason:** There are of course horse breeding farms in the Punjab but I do not think that arises out of this question.

**Prof. N. G. Ranga:** Whatever land can be saved from what is meant for horse breeding purposes can be utilised for food production and that is why I put that question.

**Mr. P. Mason:** I should require notice of that.

**Mr. Ahmed E. H. Jaffer:** Will A-1. land also be leased in cantonments for this purpose?

**Mr. P. Mason:** I am afraid that is a technical term which is beyond me.

**Prof. N. G. Ranga:** With reference to part (c) of the question the Honourable Member said that they have certain schemes whereby they hope to develop cultivation with the help of tractors, which they hope to import and that these schemes will get the first preference on the tractors. May I know how many such schemes Government have for development of agriculture on the military lands?

**Mr. P. Mason:** Every unit has a scheme of its own and there are well over 5,000 units.

#### STATION DIRECTORS OF ALL-INDIA RADIO AT CALCUTTA AND BOMBAY

1795. **\*Sri S. T. Adityan:** Will the Honourable Member for Information and Arts be pleased to state:

(a) whether the Station Director of the All-India Radio at Calcutta knows the Bengali language; and

(b) whether the Station Director of the said Radio at Bombay knows Marathi or Gujarati languages?

**The Honourable Sir Akbar Hydari:** (a) and (b). No.

**Mr. Sasanka Sekhar Sanyal:** May I know from the Honourable Member whether ignorance of the language of the Province was considered a qualification?

**The Honourable Sir Akbar Hydari:** No, Sir.

**Mr. Sasanka Sekhar Sanyal:** Then why is that a man who does not understand the language of the Province was selected?

**The Honourable Sir Akbar Hydari:** A Station Director's is an administrative post. It is recognized that it is desirable that he should know the language or the languages of the particular province in which he is Station Director. But we cannot always ensure that. In Dacca the Station Director does know Bengali.

**Mr. Sasanka Sekhar Sanyal:** Will my Honourable friend consider the desirability of appointing a man who does not speak any Indian language?

**The Honourable Sir Akbar Hydari:** Yes, if my Honourable friend so wishes.

**Sri S. T. Adityan:** It is admitted that these two Station Directors do not know the language of the Province. Are there like cases in other provinces also?

**The Honourable Sir Akbar Hydari:** No. Take for example the Station Director in Bombay. There are three languages in Bombay: Gujarati, Mahratti and Hindustani. We cannot get a man who knows all the three languages. The present incumbent knows one of the three languages.

**Shri D. P. Karmarkar:** What does the Honourable Member mean by 'Madrasi' language?

**The Honourable Sir Akbar Hydari:** I 'did not say 'Madrasi'. I said Maharatti.

**Mr. Sasanka Sekhar Sanyal:** Which of the three languages is known to the Bombay Station Director?

**The Honourable Sir Akbar Hydari:** I think Hindustani.



**PUNJABI [STATION] DIRECTORS AND OFFICERS IN PROGRAMME STAFF OF ALL RADIO STATIONS**

**1796. \*Sri S. T. Adityan:** Will the Honourable Member for Information and Arts please state:

(a) how many Station Directors there are in the employment of the All-India Radio;

(b) how many of the said Station Directors are natives of the Punjab Province;

(c) the number of officers in the programme staff of all Stations of the All-India Radio; and

(d) how many of the said officers are natives of the Punjab Province?

**The Honourable Sir Akbar Hydari:** (a) 9; (b) 4; (c) 196; (d) 51.

**Prof. N. G. Rangh:** What is the reason for this predominant representation of Punjabis in the cadre of Directors of these Stations?

**The Honourable Sir Akbar Hydari:** Your guess is as good as mine.

**EXEMPTION TO LANSDOWNE CANTONMENT BOARD AGAINST DEFENCE OF INDIA RULES CONTROLLING HOUSE RENT**

†1797. \*Sjt. Seth Damodar Swroop: (a) Will the War Secretary please state if he is aware of the fact that the Cantonment Board, Lansdowne has been charging excessively high rent for the shops belonging to the Board almost regularly every year and in several cases the rent for the year 1944-45 and 1945-46 is almost double the rent charged in the previous year as is clear from the figures given below?

Shop No.	Rent per mensem for								
	1943-44			1944-45			1945-46		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
58	10	0	0	16	8	0	20	0	0
59	10	0	0	19	0	0	30	0	0
60	10	0	0	15	0	0	31	8	0
61	10	0	0	30	0	0	30	0	0
203A	10	0	0	23	0	0	34	8	0
203B	10	0	0	20	8	0	27	0	0

If so, will he be pleased to state the reasons that have led the Board to the policy of regular enhancement of rent?

(b) Are Government aware of the hardship undergone by the poor tenants of the shops in these hard days on account of these yearly enhancement of rent, and why has the Cantonment Board been exempted from the operation of the Defence of India Rules controlling the house rents?

**Mr. P. Mason:** (a) and (b). Information has been called for and a reply will be laid on the table of the House in due course.

†Answer to this question laid on the table, the questioner being absent.

INDIAN ARMY, NAVY AND AIR FORCE PERSONNEL HANGED, TRANSPORTED FOR LIFE AND IMPRISONED DURING WAR.

**1798. \*Shri Mohan Lal Saksena:** (a) Will the War Secretary be pleased to lay on the table of the House a statement giving the names and addresses of persons in the Indian Army, Navy and Air Force who were sentenced to death and hanged during the pendency of war and the offences, stating in each case what facilities of defence were given to them?

(b) Will he also lay on the table of the House a similar statement giving names of all persons belonging to the Indian Forces who were sentenced to transportation and imprisonment?

(c) In view of the changed circumstances, will he consider the advisability of releasing them?

**Mr. P. Mason:** (a) The number of persons in the Indian Armed Forces who were hanged during the recent war is 78. The offence in the majority of cases was murder.

The usual facilities for defence of a person under trial by court martial were accorded to these men. In general, these facilities are free communication with witnesses and with any friend, defending officer or legal adviser whom they may wish to consult.

(b) The number of persons sentenced to transportation is 185 and to imprisonment 36,930. (These figures do not include the number of persons convicted by civil courts, nor those of R.I.N. personnel who were punished summarily with imprisonment—upto a maximum of three months—by the Commanding Officers of various ships and establishments. In the case of the Indian Army, figures are included only up to 30th September, 1945, and cover troops in the India Command.)

(c) As I have already stated in this House, a Committee is now engaged in reviewing all these sentences of transportation and imprisonment.

**Prof. N. G. Ranga:** May I know the significance of this? It is stated that the number of persons sentenced to imprisonment is 36,930. Are these people still being kept in jail as prisoners or as detenus?

**Mr. P. Mason:** Certainly not. Many of them have been sent out long ago. Some of them had sentences as short as one month.

**Prof. N. G. Ranga:** May I know how many of them are still in jail?

**Mr. P. Mason:** I want notice.

**Prof. N. G. Ranga:** Were they all sent to jail during the course of the six years, that is ever since the war began?

**Mr. P. Mason:** Yes.

**Shri Mohan Lal Saksena:** In the case of those who were hanged, may I know whether they were permitted to have defence counsel?

**Mr. P. Mason:** That is the answer I gave just now.

DEPUTY INDUSTRIAL ADVISERS IN PLANNING AND DEVELOPMENT DEPARTMENT

**1799. \*Seth Yusuf Abdoola Haroon:** Will the Honourable Member for Planning and Development please state:

(a) how many Deputy Industrial Advisers there are in the Planning and Development Department and how many of them are Muslims;

(b) their original pay before they were taken in the Department, and their appointment salary and present day salary;

(c) whether it is proposed to entertain more Deputy Industrial Advisers; if so, for what panel;

(d) if it is a fact that two of the Deputy Industrial Advisers left the Department; if so, the reasons therefor;

(e) the reasons for quick rise in pay of the Deputy Industrial Advisers which they would not have earned in the course of their own service; and

(f) whether there were no Muslims available who could be promoted to that position from the Assistant Industrial Advisers?

**The Honourable Sir Akbar Hydari:** (a) Five; none of whom is a Muslim.

(b) I lay a statement on the table of the house.

(c) Yes, two; one for the panel on prime movers, automobiles and tractors; and the other for the panel for electrical machinery and equipment.

(d) Yes. One joined the Commerce Department on appointment to a better post, and the other on the completion of his work in the Department.

(e) Increases in their pay were made taking into account the nature and responsibilities of their work.

(f) No.

*Statement*

Name of D. I. A.	Original Pay	Appt. Pay	Present Pay
	Rs.	Rs.	Rs.
1. Mr. K. C. Kooper . . . . .	1,100	1,400	1,450
2. Dr. M. K. Maitra . . . . .	1,000	1,400	1,450
3. Dr. K. A. N. Rao . . . . .	800	1,200	1,500
4. Mr. C. S. N. Raju . . . . .	2,000	2,500	2,500
5. Mr. S. S. Iyengar . . . . .	1,500	2,000	2,000

**Mr. Muhammad Nauman:** May I know how many of them were drawn from business houses and whether they were drawn only on the basis of experience with meagre education?

**The Honourable Sir Akbar Hydari:** I think they were all drawn from business houses but I am not quite sure.

**Mr. Muhammad Nauman:** May I know whether it is not true that they were not drawn on the basis of any economic education except on the basis of experience and the favour of the Honourable Member in the Government?

(No answer was given).

**Dr. Sir Zia Uddin Ahmad:** Now that the war is over, are not these people going to their original jobs?

**The Honourable Sir Akbar Hydari:** Some of them are going back. But it should be remembered that they were not engaged for purposes of war but for post-war purposes.

**Mr. Ahmed E. H. Jaffer:** May I know the reason for not appointing a Muslim to any of these posts? Were Muslims not available?

**The Honourable Sir Akbar Hydari:** If my Honourable friend has had the same experience as I have had, he would find that it is very difficult to get Muslims for these technical posts. I make him an offer now whether he will let me have a panel of competent Muslims.

**Seth Yusuf Abdooli Haroon:** I will.

**Mr. Muhammad Nauman:** What are the qualifications required.

**The Honourable Sir Akbar Hydari:** I will let you know.

**Seth Yusuf Abdoola Haroon:** Is it a fact that the original pay of these Advisers was doubled when they were taken into the Department?

**The Honourable Sir Akbar Hydari:** It was not doubled except in one case, I think. It is so in one case.

**Seth Yusuf Abdoola Haroon:** And then their pay was further raised after about a few months.

**The Honourable Sir Akbar Hydari:** Only in two cases

**Prof. N. G. Ranga:** With reference to part (c) of the question why is it that Government have not thought of appointing another Deputy Industrial Adviser to help them in regard to cottage industries?

(No answer was given.)

#### ASSISTANT INDUSTRIAL ADVISERS IN PLANNING AND DEVELOPMENT DEPARTMENT

**1800. \*Seth Yusuf Abdoola Haroon:** Will the Honourable Member for Planning and Development please state:

(a) how many Assistant Industrial Advisers there are at present in the Department and how many of them are Muslims;

(b) whether Government propose to consider the claims of Assistant Industrial Advisers for promotion as advisers in view of their year's service and responsible work in their own panels; and

(c) whether Government propose to consider, particularly, the claim of the Muslim Assistant Industrial Advisers for the vacancies caused long ago by the Muslim Deputy Industrial Advisers, before the department gets wound up?

**The Honourable Sir Akbar Hydari:** (a) Three; one of whom is a Muslim.

(b) Yes.

(c) These posts are not filled according to any communal ratio; but as I have already assured the Honourable Member, the claims of all the Assistant Industrial Advisers for promotion will be considered when a suitable occasion arises.

**Prof. N. G. Ranga:** Is it a fact that Government have not got either a Deputy or an Assistant Adviser in regard to cottage industries?

**The Honourable Sir Akbar Hydari:** Yes.

**Prof. N. G. Ranga:** Why is it that Government do not think of having at least one Adviser competent to advise them in regard to cottage industries?

**The Honourable Sir Akbar Hydari:** I have exhaustively dealt with this question of cottage industries on numerous occasions.

#### TRANSFER OF MANAGEMENT OF SALT WORKS, MAURIPUR AND EXCISE FROM SIND GOVERNMENT TO CENTRAL GOVERNMENT.

†**1801. \*Seth Sukhdev:** (a) Will the Honourable the Finance Member be pleased to state when the Government of India propose to take over from the Sind Government the management of the Salt Works at Mauripur as well as excise?

(b) Is it a fact that Salt and Excise are administered by the Government of India direct in all other Provinces?

(c) Are Government aware that the Central revenue will increase if the management is taken over by the Government of India as soon as possible?

**Mr. K. G. Ambegaokar:** (a) to (c). Without accepting the implication of the question, I may say that steps are being taken by the Government of India to take over the Salt and Central Excise administration in the Province of Sind.

†Answer to this question laid on the table, the questioner being absent.

NUMBER OF LADY RELATIVES OF WAR DEPARTMENT OFFICIALS EMPLOYED UNDER:  
GOVERNMENT OF INDIA.

†1802. \*Seth Sukhdev: Will the War Secretary be pleased to state:

(a) how many ladies (wives and relatives of officials) were employed under the Government of India in the War Department during the last six years, stating how many (i) Europeans and Anglo Indians, and (ii) Indians;

(b) how many of them are still working; and

(c) whether it is proposed to dispense with their services, since the war is now over?

**Mr. P. Mason:** (a) and (b). The required information is not readily available and can only be furnished after considerable research of the records of the past six years. The total number of ladies at present employed in G. H. Q. is 101 civilians and 352 in the Services. Of the civilians, 96 are Europeans and Anglo-Indians and five are Indians. Of those in the Services, 266 are Europeans and Anglo-Indians and 83 Indians. 22 of the 96 civilian Europeans and Anglo-Indian ladies are wives or daughters of officers.

(c) Yes, Sir. They will be compulsorily retrenched as reductions in establishment take place.

EXPENDITURE ON AND WORK DONE THROUGH F. P. S. C.

†1803. \*Seth Sukhdev: Will the Honourable the Home Member be pleased to state:

(a) how many members and officers including the chairman are employed by the Federal Public Service Commission;

(b) how much amount was spent during the last six years on the maintenance of the establishment of the Commission;

(c) how many officers were recruited through the commission during the last six years for the (i) Indian Civil Service, (ii) Imperial Police, and (iii) other Imperial Departments;

(d) the reasons for maintaining this establishment when most of the important examinations were discontinued; and

(e) the reasons for having so many members on the Federal Public Service Commission?

**The Honourable Sir John Thorne:** (a), (b) and (c). I place a statement containing the information on the table.

(d) Although examinations for recruitment to the Secretary of State's Services have been suspended for the last two years, examinations for the Government of India Central Services have continued and these have always formed the major part of the Commission's examination programme. The resumption of recruitment to war service vacancies in the Indian Civil Service, the Indian Police, and the Central Services, has involved the Commission in a very great increase of work. Moreover, the conduct of examinations is only one of the important functions performed by the Commission. The Commission has also to recruit otherwise than through examinations, and to advise on disciplinary cases, promotions to the Central Services Class I, pension cases, and appeals and memorials.

(e) During the last few years the work of Members of the Commission has very greatly increased. The regular Members of the Commission have been very fully occupied, and the temporary Additional Members were appointed for the special purpose of presiding over the selection boards for recruitment to war reserved vacancies.

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†Answer to this question laid on the table, the questioner being absent.

## Statement

(a) The permanent strength of the Commission consists of a Chairman and three Members, with a permanent staff, of a Secretary and an Assistant Secretary. In addition, two Additional Temporary Members have been appointed, and a third is likely to start work shortly. These Additional Temporary Members have been appointed in connexion with the recruitment to war service vacancies in the Indian Civil Service, the Indian Police and the Central Services, and they have been acting as Presidents of the preliminary Selection Boards appointed for the purposes of that recruitment. A temporary post of Assistant Secretary has also been created in connexion with this work; and a temporary post of Deputy Secretary on account of the increased work of the Commission in other directions.

—	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46
(b) Pay of Officers . . . . .	2,44,098	2,13,070	1,99,353	1,88,592	1,90,215	2,19,050
Pay of establish- ment . . . . .	71,803	73,558	73,388	74,312	83,201	1,35,200
Allowances, Honoraria, etc.	17,025	16,110	39,433	40,580	63,927	1,14,250

—	1940	1941	1942	1943	1944	1945
(c) Indian Civil Service . . . . .	11	15	6	9		
Indian Police . . . . .	10	8	5	5		
Other Imperial Services . . . . .		...				

**POLICY ENUNCIATED IN "INDIA TELLS THE WORLD" ISSUED BY FOREIGN PUBLICITY OFFICE.**

1804. \***Shri Mohan Lal Saksena:** (a) Will the Honourable Member for Information and Arts be pleased to state how many pamphlets, confidential or otherwise, have been issued by the Foreign Publicity office?

(b) Will he be pleased to give their names, dates of issue and also place a copy of each pamphlet in the Library of the House?

(c) When was the pamphlet entitled "India Tells the World" issued?

(d) Is it a fact that in the introductory observation it is pointed out that "in the course of work, it has become increasingly clear that India has many advantages as a centre for British Commonwealth publicity in Asia" and further that the present pamphlet was to some extent an amplification of a previous one entitled "Propaganda in the Middle East"?

(e) Do Government approve of the policy enunciated in the above pamphlet regarding foreign propaganda and publicity? If so, was the name approved by Government?

**The Honourable Sir Akbar Hydari:** (a) and (b). A statement is laid on the table giving the information as nearly as can be ascertained. Copies of pamphlets in English and Indian languages have been placed in the Library of the House. It hardly seems worth while supplying copies of the pamphlets in various foreign languages. There is no such thing as a confidential pamphlet.

(c) This is not a pamphlet. It is a discussion of methods of publicity for official use only.

(d) I regret I am not prepared to discuss the contents of a confidential official document.

(e) Does not arise.

*Statement*

English Pamphlets—	Date of Issue.
1. The Example of Turkey . . . . .	June, 1943.
2. Swords & Ploughshares . . . . .	June, 1944.
3. Mr. Churchill's Harvard Speech . . . . .	(Out of print) Oct., 1943
4. De Gaulle invents the Armoured Division	1942
5. Studies in Russian History . . . . .	October, 1945.
6. What's in an Indian Name? . . . . .	October, 1945.
7. The Indian Studies. Series I to IV (Omnibus edition also printed)	March '44 to May '45 March, 1946
8. The Two Mystery Stories . . . . .	June, 1945.
9. India 1945 . . . . .	July, 1945.
10. India 1944 . . . . .	August 1944.
11. The Indian States . . . . .	1944
12. Evolution of Commonwealth (condensed from Argument of Empire by W. K. Hancock).	1944
 Pushtu Pamphlets—	
1. Tojocularity . . . . .	March, 1942.
2. Flock of Cranes . . . . .	April, 1942.
3. Wings . . . . .	June, 1942.
4. Queen of Seas . . . . .	June, 1942.
5. Da Dunia Zura . . . . .	September, 1945.
6. Kazi of Cardova . . . . .	April, 1942.
7. Mother Fights Hitler . . . . .	September, 1942.
8. President Roosevelt's Speech September, 1942	October 1942.
9. Mr. Churchill's Speech in the House of Com- mons ; August, 1942.	September, 1942.
10. Mr. Churchill's Speech Nov. 1942 . . . . .	September, 1942.
11. do July, 1942 . . . . .	"
12. do. May, 1942 . . . . .	"
13. Death to the Innocent . . . . .	(Out of stock) October, '42
 Urdu Pamphlets—	
1. Mr. Churchill's Speech in the House of Commons	May, 1942.
2. Mr. Churchill's Speech in the House of Commons	July, 1942.
3. Mr. Churchill's Speech in the House of Commons	September, 1942.
4. Mr. Churchill's Speech in the House of Commons	November, 1942.
5. Swords & Ploughshare . . . . .	June, 1944.
 Hindi Pamphlets—	
1. Swords & Ploughshare . . . . .	June, 1940.
 Persian Pamphlets—	
1. Sutun-i-Panjom . . . . .	Issued during 1941.
2. Alman Cheh Me Khahad ? taman giti ra . . . . .	Do.
3. Nazari Be Auzai Jang . . . . .	Do.
4. Moj-i-Kootah-i-Berlin . . . . .	Do.
5. Auz ai Balkan . . . . .	Do.

## Persian Pamphlets—contd.

	Date of Issue
6. Istagasa-i-Akhlaqui Ba Hitler . . . . .	Issued during 1941.
7. Jang dar Mediteraneh Shadidtar Migardad . . . . .	Do.
8. Raftar-i-Naziha Ba Koodekan . . . . .	Do.
9. Britaniai Kabir-ra-Mutafaqin . . . . .	Do.
10. Ba Zoore-Shamshir . . . . .	Do.
11. Major Shah's Radio Talks No. 2 . . . . .	(Out of stock)1943.
12. A Mother Fights Hitler . . . . .	June, 1942.
13. Europe . . . . .	Do.
14. Karla . . . . .	July, 1942.
15. Hitler and I . . . . .	June, 1942.
16. Paris Calling . . . . .	June, 1942.
17. Mr. Tamaddun's Radio Talks . . . . .	September, 1942.
18. Collapse of German Army in 1918 . . . . .	February, 1943.
19. Army of Today . . . . .	January, 1943.
20. Taking Off . . . . .	Do.
21. Joan of Paris . . . . .	Do.
22. Day Will Dawn . . . . .	June, 1943.
23. London City of Culture . . . . .	September, 1943.
24. Souvenir of the Iranian Cultural Mission's Visit to India . . . . .	September, 1944.
25. Radio Talks by Major Abdus Samad: Series 3 . . . . .	August, 1943.
26. Generals and Generalship by Lord Wavell . . . . .	October, 1942.
27. Winston Churchill . . . . .	February, 1942.
28. Iran and England by S. M. Tamadun . . . . .	July, 1943.
29. Escape by Ethel Vance . . . . .	March, 1944.
30. School of Slavery (the story of the film) . . . . .	April 1943.
31. Two Great Men (Peter the Great & Gardinal Richelieu) . . . . .	Do.
32. Pukar . . . . .	July, 1942.
33. Ramayana . . . . .	August, 1943.
34. King Arthur . . . . .	November, 1944.
35. David Copperfield . . . . .	March, 1944.
36. Don Quixote . . . . .	September, 1944.
37. Gulliver's Travels . . . . .	March, 1945.
38. Brothers Karamazov . . . . .	March, 1944.
39. Indias Natural Resources . . . . .	October, 1945.
40. Swords & Ploughshares . . . . .	August, 1944.
41. English Persian Phrase Book . . . . .	May, 1945.
42. India 1945 . . . . .	November, 1945.
43. Kishor Hai Balkan . . . . .	(Out of stock) 1941.
44. Radio Talks by Major Abdus Samad: Series I . . . . .	(Out of stock) August, 1943.
45. International Lady . . . . .	(Out of stock) July, 1942.

## French Pamphlets—

	Issued during 1941-43.
1. Gargantua . . . . .	"
2. L' exemple De La Turquie . . . . .	"
3. Examen De Conscience . . . . .	"
4. La Grande Bretagne A-T-Elle "Laisse Tomber" Ses Allies? . . . . .	"
5. Complet En Irak . . . . .	"
6. Paris Sous L' occupation Allemande . . . . .	"
7. Soleil Levant.....Soleil Couchant . . . . .	"



French Pamphlets—contd.	Issued during 1941-43
8. Quatre Hommes Sur Le Theatre D'extreme-Orient	"
9. Lettres De Francois En Allemagne	(Out of stock).
10. Deux Enfants S'evadent	"
11. La Grande-Bretagne	"
12. Royal Navy (La Marine Royale Britannique)	"
13. Ce Que Less Naziz Font De L' enfance	"
14. Lettres De France	"
15. Des Mines Dans Le Canal De Kiel	"
16. Napoleon Et Hitler En Russie	"
17. Deux Enfants S'evadent—10	"
18. Colomba	"
19. Trois Contes De Perrault	"
20. Le Cid	"
21. Le Printemps Dans La Poesie Francaise	"
22. Due Village a la Prison	"
23. Jeune Fille Allemande	"
24. Vers La Lumiere	"
25. L'Allemagne Et Sa Volonte De Destruction	"
26. La Jeunesse Allemande Et Le Reve De Victorie Nazie	"
<b>French Pamphlets</b>	<b>Issued during 1941-43</b>
1. Une Page D'histoire	(Out of stock).
2. L'avenement Des Forces Mecaniques	(Out of stock).
3. Dieu Le Veut	"
4. Jeanne D'arc, Patronne De La France	"
5. Reflexions Sur La Defaite De La France	"
6. Menace Japonaise Sur Le Pacifique	"
7. Nouvelles Lettres De France	"
8. L'inde Est Bien Defendue	"
9. Winston Churchill, l'Enemi No. 1 d'Hitler	"
10. Le Petrole Dans Le Proche-Orient.	"
11. Les Dictateurs Et La Mystique De La Violence	"
12. La Flotte Francaise Libre	"
13. Grandeur D'une Petite Nation	"
14. Il Faut ecraser le Nazisme	"
15. La France Est Necessaire A La Civilisation	"
16. Dunkerque.....Vu Par Un Chef D'escadrille	"
17. La Guerre Aerienne	"
18. Les Musulmans Devant La Guerre	"
19. Hitler Ne Gagnera Pas	"
20. La France Libre	"
21. La Science Dans Les Chaines Nazies	"
22. Le Petrole Et La Strategie Allemande	"
23. La Tradition Francaise	"
24. Paris, Ville Occupee	"
25. Homage A L'angleterre	"
26. Le Nacissisme Allemand	"
27. Les Chances De Hitler En Russie	"
28. Pourquoi Combat La Russie.	(Out of stock).

## French Pamphlets—concl'd.

29. Le Reich Coupable . . . . .	..
30. L'Afrique Francaise Libre . . . . .	..
31. Ces Mysterieux Anglais . . . . .	..
32. La France A Travers Le Presse Allemande.	..
33. Methodes Allemandes . . . . .	..
34. L'Allemand Moyen Ou L' anarchiste A La Recherche De L' authenticite.	..
35. Temoignage D'un Americain Sur L' Angleterre.	..
36. Le Double Enjeu De La Campagne Germano-Russe.	..
37. Au Service De L'Allemagne . . . . .	..
38. L'Independance De La Syrie . . . . .	..
39. Une Mere Resiste Aux Nazis . . . . .	..
40. Le Dilemme Espagnol . . . . .	(Out of stock).
41. L'heritage Des Germaines . . . . .	Do.
42. L'entente Cordiale . . . . .	Do.
43. La Crise De L'entente Cordiale . . . . .	..
44. L'envers De L' "Ordre Nouveau" . . . . .	..
45. Les Ouvriers Sous Le Talon Nazi . . . . .	..
46. Fonction Universelle De La France . . . . .	..
47. Evasions . . . . .	..
48. La Belgique Sous Le Joug des Nazis . . . . .	(Out of stock).
49. Vie D'une Nation . . . . .	..
50. La Propagande Allemande En France Occupee.	..
51. Le Miracle Chinois . . . . .	..
52. L'Italie Pays Occupe . . . . .	..
53. Au Service De La France Libre . . . . .	..
54. Ce Qu'on Chante A Paris . . . . .	..
55. L'armee De La France Libre . . . . .	..
56. Les Ressorts Secrets De La Resistance Sovietique.	..
57. La Puissance Militaire Russe . . . . .	(Out of stock).
58. Dans Paris Occupe . . . . .	..
59. Misere Pillage En France . . . . .	..
60. Le Martyre des Otages de Chateaubriant.	..
61. Le Process De Riom . . . . .	..
62. Bir-Hakeim . . . . .	..
63. Radio Ennemie . . . . .	..
64. Principes et Ideals de L'Empire Britan- nique (by Barker).	..
65. Textes Francais Pour le Jeunesse No. 3 "Les Grandes Scenes du C".	(Out of stock).
66. Textes Francais pour le Jeunesse No. 6 "Chateaubriant".	Do.
67. Tenebres Sur le Allemagne (The Lights Go Down) by Erika Mann.	Do,
No. 2 "Le Noel de Frau Murks" . . . . .	Do.
No. 3 "Le Marriage Manque de Herr Huber".	..
"Le Ruse due Professeu Haber- mann".	..
No. 4 "L'Exode" "Compagnons d'In- fortune".	(Out of stock).

Date of Issue.

## Russian Pamphlets—

- |  |   |
|--|---|
| 1. Russian Primer . . . . .                | January, 1944.                          |
| 2. Russian Reading Book. (Reader). . . . . | February, 1945.                         |
| 3. Swords and Ploughshare . . . . .        | May, 1944.                              |
| 4. Russian Phrase Book . . . . .           | January, 1946.                          |
| 5. Bilingual Series II and III . . . . .   | January, 1945 and 1946<br>respectively. |

## Arabic Pamphlets—

- |   |                  |
|---|------------------|
| 1. The Beautiful Carla—Between her Love<br>and Promise.                     | October, 1943.   |
| 2. Muslims in America . . . . .   | February, 1943.  |
| 3. Paris Calling . . . . .  | May, 1943.       |
| 4. Joan of Paris . . . . .  | July, 1943.      |
| 5. Day will Dawn . . . . .  | December, 1943.  |
| 6. Ramayana . . . . .   | November, 1942.  |
| 7. King Arthur . . . . .  | November, 1944.  |
| 8. David Copperfield . . . . .  | April, 1943.     |
| 9. Don Quixote . . . . .  | June, 1944.      |
| 10. Gulliver's Travels . . . . .  | August, 1945.    |
| 11. Brothers Karamazov . . . . .  | September, 1945. |
| 12. Robinson Crusoe . . . . .   | September, 1945. |
| 13. Three Musketeers . . . . .  | March, 1945.     |
| 14. Three Great Men (Peter the Great,<br>Cardinal Richelieu and Alexander). | November, 1943.  |
| 15. Suspicion (the story of the film) . . . . .                             | June, 1944.      |
| 16. The Noble Trio . . . . .  | September, 1945. |
| 17. Eugene Grandet . . . . .  | December, 1945.  |
| 18. India 1945 . . . . .  | January, 1946.   |
| 19. Swords and Ploughshares . . . . .                                       | June, 1944.      |
| 20. English-Arabic Phrase Book . . . . .                                    | September, 1945. |
| 21. India's Natural Resources Pamphlet . . . . .                            | August, 1945.    |
| 22. Collapse of the German Army in 1918 . . . . .                           | September, 1944. |
| 23. Enemies of Race . . . . .   | August, 1943.    |
| 24. Pukar . . . . .   | August, 1943.    |

**Shri Mohan Lal Saksena:** May I know why he is not prepared to give out the contents? As a matter of fact I disclosed the contents to the House the other day.

**The Honourable Sir Akbar Hydari:** It is a confidential official document. All the copies of this document are numbered. One copy was purloined and I have a very shrewd suspicion where it is. But it is a well established rule which I think my Honourable friends opposite will find of use, that confidential official documents should not be made public. However, if my Honourable friend has any prurient suspicion as to what this document contains, I am prepared to show it to members of the Advisory Committee of this Department.

**Mr. Deputy President:** Question hour is now over.

## (b) WRITTEN ANSWERS

## EUROPEANS IN FOREIGN PUBLICITY OFFICE

1805. \***Shri Mohan Lal Saksena:** (a) Will the Honourable Member for Information and Arts please state if it is a fact that the present incumbent in charge of the Foreign Publicity Office as well as his assistants are Europeans? If so, why were not Indians appointed to these posts?

(b) Is it also a fact that the present incumbent in charge of the Printing Section is an English man?

(c) Is he aware of the overwhelming public resentment in this respect?

**The Honourable Sir Akbar Hydari:** (a) The head of the Publications Division is Lt. Col. G. E. Wheeler, who is a European. It is not a fact that all his assistants are Europeans. Europeans have been appointed to some posts in the Publications Division on account of their special technical, linguistic or literary qualifications. A majority of the posts are, however, held by non-Europeans.

(b) Yes.

(c) No, though I am aware of considerable ill-informed criticism.

#### DISCONTINUANCE OF DEARNESS AND WAR ALLOWANCES OF OFFICERS DRAWING Rs. 1,000 PER MENSEM AND ABOVE

**1806. \*Shri Mohan Lal Saksena:** (a) Will the Honourable the Finance Member be pleased to state what action he proposes to take on the cut motion passed by the Assembly on the 30th March, 1946 regarding Dearness and War allowances paid to officers drawing Rs. 1,000 and above?

(b) Will he consider the advisability of not taking any action on the new proposal made by the Finance Committee in its meeting held on the 23rd of March, 1946, making the allowances retrospective from 1st July, 1945?

(c) In view of the unanimous opinion of the elected members of the House, will he consider the advisability of the discontinuance forthwith of such allowances?

**The Honourable Sir Archibald Rowlands:** (a) The grant will be reduced to the extent of the cut.

(b) and (c). Presumably the Honourable Member has in mind the proceedings of meeting of the Standing Finance Committee held on the 16th March, 1946. Orders sanctioning retrospective effect to the enhanced rates of both dearness and war allowances from 1st July, 1944, were issued on the 22nd March, 1946, and Government do not propose to rescind these. They will, however, take into account the strongly expressed feelings of the House on the occasion of the next review.

#### PRODUCTION AND IMPORT OF ALKALOIDS OF OPIUM

**1807. \*Sri S. T. Adityan:** (a) Will the Honourable the Finance Member please state the normal annual requirement of alkaloids of opium (Codeine, morphine, and heroin) for India?

(b) What quantity of the said drugs is produced annually in the Government factory at Ghazipur?

(c) Do Government propose to allow imports of the said drugs from foreign countries?

(d) Do private manufacturers in Great Britain and the United States of America produce the said drugs under a licence?

(e) Has the Indian Chemical Manufacturers' Association been requesting Government to allow Indian manufacturers to produce the said drugs under a licence and control?

(f) What action, if any, have Government taken on the request of the said Association?

**Mr. K. G. Ambegoakar:** (a) I am afraid it is not possible to form an accurate estimate of India's normal annual requirements of opium alkaloids. The quantities actually obtained are known but Government are not in a position to say how far these quantities satisfied the demand. Codeine and morphine salts are procurable from the Government of India's opium factory at Ghazipur

and from abroad and the average quantities obtained annually from both these sources before and during the war were as follows:

	Codeine lbs.	Morphine lbs.
In the pre-war years (1935-39)	113	245
In the war years (1940-44)	233	776

Heroin (otherwise Diacetylmorphine) is not manufactured in India and imports of this drug during 1943, 1944 and 1945 were 50 lbs. and 94 lbs. and 64 lbs. respectively.

(b) The average annual production of codeine and morphine salts at Ghazipur before and during the war were:

	Codeine lbs.	Morphine lbs.
In the pre-war years (1935-39)	203	1,106
In the war years (1940-44)	207	1,880

A part of these quantities was exported out of India.

(c) Yes, subject to the Import Trade Control Regulations in force from time to time.

(d) Yes.

(e) Yes.

(f) The matter has been considered carefully. In view of the necessity for the strictest control over these dangerous drugs and since the Government factory at Gazipur is fully capable of meeting India's present needs for opium alkaloids (other than heroin, of which only small quantities are required) it has been decided that private manufacture should not be permitted.

#### INDIA'S PARTICIPATION IN BRETTON WOODS FUND AND BANK AND REPAYMENT OF STERLING BALANCES.

1808. \*Mr. Manu Subedar: (a) Will the Honourable the Finance Member please state whether the preliminary meeting of Governors of the Bretton Woods Fund and Bank has finished, and whether the representative of the Government of India has sent any interim report?

(b) What appointments have been made, and on what terms, in connection with the Bretton Woods Fund and Bank, and who will bear the cost?

(c) What further consideration has been given to matters connected with India joining this institution, and is any material prepared for determining India's par of exchange?

(d) When do Government propose to bring in legislation to repeal or modify sections 40 and 41 of the Reserve Bank of India Act?

(e) What progress has been made in negotiations for the repayment of sterling by the United Kingdom, and is a British delegation coming here to discuss this matter, or is the Cabinet Delegation seized of this issue?

The Honourable Sir Archibald Rowlands: (a) to (e). I hope that the Honourable Member will agree that it would be more useful to defer dealing with the questions raised until the Committee appointed by the House has had an opportunity of discussion with Sir Chintamani Deshmukh, who has arrived in Delhi today for this very purpose.

#### ALLEGATIONS OF CORRUPTION AND DISCRIMINATION AGAINST INDIANS IN H. M. CUSTOMS.

1809. \*Mr. Manu Subedar: (a) Has the attention of the Honourable the Finance Member been drawn to the article in the "Blitz" of Bombay, dated the 30th March, 1946, headed "even high Officials involved in Rampant Corruption and nepotism in H. M. Customs"?

(b) Is it a fact that eleven Indian officers, who have been working, have been given notice and that the Customs Collector is seeking to engage more men? If so, what is the reason?

(c) Has a senior officer of the Board of Revenue gone down to Bombay to enquire into the complaints, which have been made of discrimination against Indian passengers and corruption and nepotism generally? If not, why not?

**The Honourable Sir Archibald Rowlands:** (a) Yes. I have seen the report and though it bears much internal evidence of gross exaggeration, I have asked that the allegations which it contains should be thoroughly investigated.

(b) Yes. It is true that eleven temporary officers have been given notice. This is, however, only with a view to making those posts which have been reserved for war service candidates available to such candidates and not, as has been suggested, as a result of any racial conspiracy to secure the preventive service as a monopoly for Anglo-Indians. Actually, three of those who have been given notice are Anglo-Indians. Further, the officers, who have been given notice, will be considered together with other candidates when recruitment is made in the vacancies not reserved for war service candidates.

(c) No, Sir; Not yet. The Collector of Customs is already engaged upon a personal investigation and has been instructed to submit a full report to the Board.

#### CONTEMPLATED ACTION BY GOVERNMENT AGAINST LT. ISHAQ SOBANI, INDIAN NAVAL OFFICER

1810. \***Mr. Manu Subedar:** (a) Has the attention of the War Secretary been drawn to the account in the *Blitz* of Bombay, dated the 30th of March, 1946, relating to Lieut. Ishaq Sobani an Indian Naval Officer?

(b) Has this officer been arrested?

(c) What are the charges against him?

(d) When is he going to be tried and by whom?

(e) Will the assistance of non-official lawyers be available to him?

(f) Is it a fact that this officer tried to restrain the strikers to confine themselves to their protests and demonstration?

(g) Are Government aware that but for him, a much bigger damage would have been done?

(h) Where is this officer now?

**Mr. P. Mason:** (a) Yes, Sir.

(b) Yes, Sir.

(c) The charges, Sir, are not yet complete. As soon as the enquiry is complete, the charges will be framed and handed to the accused.

(d) When the enquiry is complete he will be tried by Naval Court Martial.

(e) Yes, if he wishes to employ them.

(f) and (g). Those, Sir, are matters on which no doubt the Court will reach a conclusion after hearing the evidence, and on which neither the Honourable Member nor I can at present be in a position to form an opinion of any value.

(h) In the transit camp at Colaba.

#### RESERVATION OF SEATS IN I. O. S., I. P. S., I. M. S. AND I. M. D. FOR SCHEDULED-CASTE AND TRIBAL YOUTHS

1811. \***Prof. N. G. Rang:** Will the Honourable the Home Member be pleased to state:

(a) what special steps are being taken to recruit either by nomination or through competitive examinations youths of scheduled castes and tribal peoples to the I.C.S., I.P.S., and I.M.S., or I.M.D.;

(b) whether any places are reserved for them at all; if so, how many out of what totals; and

(c) whether it is proposed to reserve any seats for them during this and the next year to be filled by nomination; if so, what steps are being taken to encourage the youths of these peoples to apply for these posts?

**The Honourable Sir John Thorne:** (a) to (c). (i) *Indian Civil Service.*—Recruitment is now being made only to war-service vacancies. The Secretary of State has not reserved any vacancies specifically for Scheduled Castes candidates, but the question whether any special measures are necessary to secure a suitable share of vacancies for such candidates will be considered when the process of selection now proceeding is more advanced.

(ii) *Indian Police.*—Recruitment is at present being made only to war-service vacancies. Recruitment to this Service is made on a regional basis and the rules relating to communal representation do not apply. The initiative in ensuring adequate representation for minority communities in this Service rests with the Provinces with whom consultation on the question is now proceeding.

(iii) *Indian Medical Service and Indian Medical Department.*—The Home Department is not concerned with these Services, but I understand that the whole question of recruitment to the Military Medical Services is at present under the consideration of the Government. No recruitment is now being made on a permanent basis to the Indian Medical Service. Emergency Commissions are, however, being granted in the Indian Medical Service and the candidates best qualified are appointed irrespective of the community to which they belong. No recruitment is now being made to the Indian Medical Department, which has been transferred to the Indian Army Medical Corps.

(iv) No special measures are being taken to recruit tribal peoples in the Government Services.

**UNEMPLOYMENT IN CENTRAL GOVERNMENT OFFICES IN CALCUTTA DUE TO REPLACEMENT OF PRESENT INCUMBENTS BY WAR RETURNED MEN**

**1812. \*Sree Satyapriya Banerjee:** Will the Honourable the Home Member be pleased to state:

(a) whether it is a fact that about 10,000 (ten thousand) temporary employees of the Central Government offices in Calcutta have been threatened with unemployment;

(b) whether it is a fact that this is due to the replacement of 70 per cent. of the present incumbents by war-returned men;

(c) whether Government have any immediate scheme to prevent the unemployment referred to above;

(d) whether his attention has been drawn to the resolution passed at a meeting of the temporary employees of the Central Government offices in Calcutta held on the 4th February, 1946;

(e) whether the resolution mentioned above suggested certain measures to meet the situation;

(f) whether Government have considered the desirability of accepting those suggestions; if not, why not; and

(g) whether he is aware of the possibility of a social upheaval, in case such a large number of men are faced with destitution and starvation on account of unemployment; if so, what steps Government propose to take to eliminate such a possibility?

**The Honourable Sir John Thorne:** (a) and (b). I have no information as to the number of temporary employees in the Central Government's offices at Calcutta who are likely to be thrown out of employment in the near future. But it is unlikely that any employee has yet been retrenched to make room for war service men, because appointments of these have not yet been made. Even when the permanent vacancies reserved for men with war service have been filled it is unlikely that 10,000 men will be displaced on this account in Calcutta.

(c) to (g). The following provision has already been made for temporary Government servants employed during the war:

(i) In competing for future vacancies they will be allowed to deduct their temporary service for the purposes of the maximum age limit.

(ii) Instructions were issued last November that, where recruitment is not made through the Federal Public Service Commission or by means of competitive examination, future vacancies should be filled from among retrenched men through the employment exchanges.

(iii) They have been given the same employment exchange facilities as have been granted to demobilised soldiers. This gives them the same opportunity of securing non-Government employment.

I have not seen the resolution referred to dated the 4th February, 1946, but I have seen one dated the 21st December, 1945. Government cannot be expected to absorb, at the cost of the public revenues, all persons whom it was found necessary to employ temporarily during the war, any more than they can continue to maintain the Armed Forces at war strength.

**DETENTION AND CONFISCATION OF MONEY OF MR. KANDIAH, ARRESTED AT  
TRICHINOPOLY RAILWAY STATION**

**1813. \*Sree Satyapriya Banerjee:** Will the Honourable the Home Member be pleased to state:

(a) whether Government are aware that one Mr. V. Kandiah was arrested on the 31st December, 1944, at the Trichinopoly Railway Station and detained in custody there and later on detained as an enemy agent in Madras for a month and then detained at the Parliament Street Police Station, New Delhi, up to the 26th November 1945;

(b) whether it is a fact that he had a considerable sum of money with him at the time of his arrest; if so, the amount of money;

(c) whether it is a fact that Government confiscated the sum of money referred to in (b);

(d) whether it is a fact that after his release on the 26th November, 1945, he wanted to stay in the Madras Presidency but was not allowed to do so; if so, why;

(e) whether it is a fact that he was escorted to Jaffua in Ceylon and a sum of Rs. 1,000 only was given to him, instead of the sum found with him at the time of arrest, as final payment;

(f) whether Government propose to pay back the whole money referred to in (b); and

(g) whether Government have any objection now to grant him permission to come back to the Madras Presidency and reside there?

**The Honourable Sir John Thorne:** (a) Yes, but the date of arrest was 1st January, 1945.

(b) Yes. Over Rs. 13,000.

(c) The money was confiscated by the Government of Madras.

(d) The Government of India took no action to prevent his staying in Madras.

(e) Yes.

(f) and (g). This is for the Government of Madras to decide.

**PAYMENT OF BONUS COMPENSATION, ETC., TO MR. A. S. RAY, CHIEF PETTY OFFICER  
R. I. N. RENDERED DEAF.**

**1814. \*Sree Satyapriya Banerjee:** Will the War Secretary be pleased to state:

(a) whether it is a fact that Mr. A. S. Ray was the chief Petty Officer, R.I.N.;



(b) whether it is a fact that he became deaf as a result of circumstances attributable to war;

(c) whether it is a fact that he has been discharged owing to deafness; if so, whether any bonus or compensation has been paid to him; if not, why not; and

(d) whether he proposes to reconsider the question of payment of bonus or compensation to him, if it has been already refused?

**Mr. P. Mason:** As far as is known, Sir, no rating by the name of A. S. Ray has been invalidated out of the R. I. N. through deafness. If Honourable Member will supply further details of name and number I will look into the matter further.

#### AMENITIES TO B. O. R.'s AND INDIAN N. C. O.'s.

**1815. \*Sree Satyapriya Banerjee:** Will the War Secretary be pleased to state:

(a) whether it is a fact that Garrison children schools are provided for the families of B.O.R. in cantonments and free conveyance is also given for them and that no such arrangements are made for the children of Indian soldiers;

(b) whether it is a fact that when a B.O.R. proceeds on leave he gets ration allowance at Rs. 2-14 per diem and that when an Indian soldier proceeds on leave he forfeits his ration allowance of Re. 1-6 per diem;

(c) whether it is a fact that a B.O.R. while travelling on duty is entitled to a Second class fare warrant and that he gets the same class of accommodation when he proceeds on leave and that when an Indian N.C.O. proceeds on duty he gets an Inter class Railway warrant but only a third class fare warrant when he goes on leave;

(d) whether it is a fact that when a B.O.R. proceeds on field service his family is entitled to free accommodation or compensation in lieu thereof and that when an Indian soldier proceeds on field service he gets nothing;

(e) whether it is a fact that a B.O.R. is paid Rs. 80 per mensem for his wife and also a child allowance at the rate Rs. 56 per mensem and that an Indian soldier gets nothing; and

(f) if the answers to the above be in the affirmative, the reasons for this discriminatory treatment meted out to the Indian soldiers and whether he proposes to remove this discrimination at a very early date?

**Mr. P. Mason:** (a) Yes, Sir.

(b) No, Sir. Indian troops now receive a ration allowance of annas eight per day during leave.

(c) The facts are as stated except that Indian N.C.Os. are now entitled to Inter Class accommodation on all occasions including journeys on leave at Government expense.

(d) It is true, Sir, that the families of British Other Ranks are given accommodation or compensation in lieu when a soldier proceeds overseas but that is because they are not in their own country and have no homes to go to. Indian soldiers serving overseas receive expatriation allowance which is intended to cover the additional expenses of the soldier and his separated family.

(e) It is true that a B.O.R. gets a separate marriage and family allowance while an Indian soldier does not although his consolidated rates of pay do include family allowance. But all these questions, and this one specifically, have been referred to a Committee of Experts.

(f) As I have explained on more than one occasion during this session, matters regarding pay, allowances, travelling facilities and accommodation for the members of the fighting services of various countries are based on the cost of living and other factors in those countries. It is for this reason that the American soldier gets higher pay than the British soldier who in turn gets higher

rates than the Indian soldier. To attempt to equate these factors would affect the whole economic structure of the country and create impossible demands in every branch of Government service.

**LOW SCALES OF PAY OF NON-GAZETTED POSTS IN POLICE, JUDICIAL AND OTHER GOVERNMENT DEPARTMENTS OF AJMER-MERWARA**

**1816. \*Pandit Mukut Bihari Lal Bhargava:** Will the Honourable the Home Member please state if Government are aware that the scale of pay of the non-gazetted posts in the Police, Judicial and other Government Departments of Ajmer-Merwara is considerably much lower than the scale of pay of similar posts in other Provinces of India? If so, what is the reason for this disparity, and do Government propose to revise their scale to bring them in level with other Provinces?

**The Honourable Sir Archibald Rowlands:** The rates of pay for non-gazetted posts in Ajmer-Merwara have been fixed with reference to local conditions and compare favourably with those sanctioned for similar posts in certain provinces. The Government of India are however setting up machinery for an enquiry into the adequacy of the existing scales of pay for all posts under the Central Government including those in Ajmer-Merwara.

**SALARIES COMMISSION TO REVISE SCALES OF PAY OF CENTRAL GOVERNMENT SERVANTS**

**1817. \*Shri Mohan Lal Saksena:** Will the Honourable the Finance Member be pleased to state:

(a) whether it is a fact that a Salaries Commission has been set up to revise scales of pay of all the cadres of the Central Government servants; if so, the names of the Chairman and members of the Commission as well as the terms of reference of the Commission;

(b) when the Commission is likely to report; and

(c) whether the report will be brought for discussion before the Assembly?

**The Honourable Sir Archibald Rowlands:** (a) Yes. Government will issue a statement when the personnel of the Commission is complete.

(b) and (c). I cannot forecast the future.

**MILITARY CAMPAIGN GROUNDS ON GRAND TRUNK ROAD IN BIHAR FOR CULTIVATORS TO GROW MORE FOOD**

**1818. \*Babu Ram Narayan Singh:** (a) Will the War Secretary please state the number and names of the military camping grounds on the Grand Trunk Road in Bihar, and whether these grounds will be leased out or sold to cultivators to grow more food?

(b) Is it a fact that these camping grounds have not been used for military purposes for long?

**Mr. P. Mason:** I have called for the required information in respect of camping grounds on the Grand Trunk Road in Bihar and will let the Honourable Member know the result as soon as possible. As I have said before, however, that the general policy in regard to all surplus military lands, including camping grounds, is to release as many as possible for the purpose of growing more food.

**CONVEYANCE ALLOWANCE TO CERTAIN CLERKS OF ORDNANCE INSPECTION DEPOT, DELHI**

**1819. \*Prof. N. G. Ranga:** (a) With reference to the reply to part (c) of starred question No. 1488, dated the 1st April, 1946, which affirms that conveyance allowance is given to those clerks of the Ordnance Inspection Depot, Delhi, who reside beyond five miles from the Office, will the War Secretary be pleased to state why the clerks who reside within three to four and four to five miles are not allowed to draw the respective conveyance allowance, in

spite of the fact that the order regarding the grant of conveyance allowance applies equally to all the three categories?

(b) In view of the position stated in (a) above, does he propose to issue necessary instructions to remove the hardship caused to the latter two categories, making good, at the same time, the loss they have suffered up to this time? If not, why not?

**Mr. P. Mason:** (a) I think the Honourable Member is under a misapprehension. As I explained before, there are differences in the conditions of service of clerks employed in establishments under the Master General of the Ordnance and those employed in the M. G. O. Branch of G. H. Q. The terms and conditions of service of the latter are related to those for clerks in the Government of India, while the terms and conditions of service of the former who are employed in establishments all over India, are laid down separately.

(b) No, Sir, for the reasons given above.

#### MANUFACTURE OF RAILWAY ENGINES, MOTOR CARS, TRACTORS, ETC.

**1820. \*Mr. G. B. Dani:** Will the Honourable Member for Planning and Development be pleased to state:

(a) whether the Government of India desire to encourage the manufacture of Railway Engines, Motor Cars, tractors etc. which are required for public convenience and public economy; and

(b) whether any import licence has been obtained for plants and other necessary materials for the manufacture of the above named machineries?

**The Honourable Sir Akbar Hydari:** (a) Yes. Government are remodelling the locomotive workshops at Kanchrapara for making locomotives. They have also entered into an agreement with the Tata Locomotive and Engineering Co. Ltd., for the manufacture of locomotives at Tatanagar. For this purpose, the Singhbhum Workshops of the East Indian Railway were sold to the company on the 1st June 1945, and the firm have started making locomotive boilers as a preliminary step towards the ultimate production of complete locomotives.

In order to report on the possibilities of manufacturing automobiles and tractors in India, a Panel has been appointed which has held preliminary meetings, and is collecting factual data.

(b) No application for an import licence for plant and machinery for the manufacture of railway engines and tractors under the post-war capital goods scheme has been received but two import licences—one for a plant for the manufacture of automobiles and component parts; and the other, for a plant for the assembly of motor vehicles, have been issued.

#### PROSECUTIONS UNDER MILK CONTROL ORDER IN DELHI

**1821. \*Babu Ram Narayan Singh:** Will the Honourable the Home Member please state:

(a) whether Government are aware that prosecutions under the Delhi Milk Control Order are, in effect, summary prosecutions;

(b) whether the Chemical Analyser who reports on milk being adulterated or otherwise, is a local official;

(c) whether any maximum punishment is prescribed by the Order referred to in (a);

(d) whether culpability in cases under the Milk Control Order referred to in (a) is based on the Chemical Analyser's report referred to in (b) or on some other evidence;

(e) if the replies to (a) to (d) be in the affirmative, the particular section of the Defence of India Act under which the prosecutions referred to in (a) are made summary prosecutions; and

(f) the total number of prosecutions under the Milk Control Order in Delhi and the total amount of fines realized by way of punishment for violating the provisions of the order as regards selling adulterated milk?

**The Honourable Sir John Thorne:** The question should have been addressed to the Health Secretary. It has accordingly been transferred to the list of questions for the 17th April, 1946, when it will be answered by the Health Secretary.

**STOCKING OF PASSING SHOW CIGARETTES AND PROSECUTIONS UNDER HOARDING AND PROFITEERING ORDINANCE IN DELHI PROVINCE**

**1822. \*Babu Ram Narayan Singh:** Will the Honourable the Home Member please state:

(a) whether any maximum quantity of cigarettes of the Passing Show Brand which a dealer can obtain for possession or for sale is prescribed for the Delhi Province under the Hoarding and Profiteering Ordinance;

(b) whether the supply of cigarettes referred to in (a) is a regular supply or it depends on the quantity available for a single transaction;

(c) if the answers to (a) to (b) be in the affirmative, the maximum that is fixed for possession by a casual customer of the Passing Show cigarettes in one transaction; and

(d) the number of prosecutions launched for transactions of the Passing Show cigarettes below packet of ten cigarettes and the total amount of fines recovered so far as a result of convictions for the alleged breach of rules referred to in (a)?

**The Honourable Sir John Thorne:** The question should have been addressed to the Honourable Member in charge of Industries and Supplies.

**SCALES OF PAY, ETC., AND SUPPLY OF RATIONS TO POLICE MEN IN AJMER-MERWARA**

**1823. \*Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable the Home Member please state the scale of pay of a police constable and a Head constable in Ajmer-Merwara and the dearness allowance he is getting?

(b) Is it a fact that ration supply of the Police constables and Head constables at Ajmer for the month of February, 1946, lasted up to the 25th February, 1946, only?

(c) Is it a fact that the Police constables and Head constables in Ajmer had to go without ration up to the 4th March, 1946?

(d) Is it a fact that some of the constables in the parade fell down as they had been hungry for a number of days before the incident took place? If so, who was responsible for the non-supply of ration to these persons in time, and what steps do Government propose to take to ensure regular supply of ration to these persons in future?

**The Honourable Sir John Thorne:** (a) The scale of pay of Constables in Ajmer-Merwara is: Rs. 22—1/3—23—1/7—24—1/7—25, with a selection grade of Rs. 27 for men of over 25 years' service. Scale of Head-Constables is: Rs. 30—1—45. Men drawing less than Rs. 40 get Rs. 14 dearness allowance, and those drawing above Rs. 40 get Rs. 16 as dearness allowance.

(b) and (c). No. Sanctioned rations have been maintained in the Lines messes throughout and men not feeding in messes have been able to draw their controlled rations along with the rest of the public.

(d) No: but on the 18th February 1946, when 200 men were being detailed for duties at about midday, one man became giddy and had to be helped away..

**UNSTARRED QUESTIONS AND ANSWERS**

**TAKING POSSESSIONS OF SHRI GANDHI SEVA ASHRAM, RAM TAL KATHARIA, DELHI PROVINCE AND ITS MOVEABLE PROPERTY BY GOVERNMENT**

**215. Pundit Thakur Das Bhargava:** (a) Will the Honourable the Home Member kindly state if it is a fact that the Shri Gandhi Seva Ashram of Ram

Tal Katharia in the Delhi Province was in possession of Master Biharilal and his son Jyoti Prakash when Government took possession of the same in 1942 through one Tula Ram, temporary Manager of the Ashram?

(b) Is it a fact that master Biharilal had built houses on the Ashram lands for the school, the Library, the hospital and for his own residence and that Government took possession of all the buildings and the moveable property found in the Ashram?

**The Honourable Sir John Thorne:** (a) and (b). I am informed that Master Biharilal had made certain additions to existing structures and had been in occupation of part of the buildings. When the premises and moveable property were seized by Government in 1942, one Tula Ram was in possession.

**MOVEABLE PROPERTY OF SHRI GANDHI SEVA ASHRAM, RAM TAL KATHARIA, DELHI PROVINCE**

**216. Pundit Thakur Das Bhargava:** (a) Will the Honourable the Home Member please state if it is a fact that Government returned some of the moveable property of the Shri Gandhi Seva Ashram to one Tula Ram and confiscated many other articles?

(b) Do Government propose to give details of the articles so confiscated?

(c) Is it a fact that a list of articles was prepared when Government took charge of these articles and that a copy of the list was, in spite of many requests, never supplied to Master Biharilal?

**The Honourable Sir John Thorne:** (a) Yes.

(b) A list of the property confiscated is laid on the table of the House.

(c) Master Biharilal made one request for a copy of the list which was not furnished to him.

*List of the property confiscated*

S. No.	Description of property	Number.
1	Wooden Charkhas	6
2	Atairan	13
3	Wooden desk	1
4	Coloured chalk boxes	9
5	White copies (blank)	43
6	Black ink	1/2 seer
7	Small counting frame	1
8	Accounts books	24
9	Map of India	1
10	Map of Punjab	1
11	Map of Delhi Province.	1
12	Small wooden black-board	1
13	Iron bar used for ringing bell	1
14	Wooden boards	4
15	Attendance Register	1
16	Table bell	1
17	Taqlas	3
18	Bal Pothi	1
19	Shaisho Budh	4
20	Bunyadi Raster Mersakam	1
21	Hindi Qaida	4
22	English translation	1
23	Copies of students daily programme	5
24	Teacher's Diary	1
25	Compass (mariners)	1

*List of the property confiscated*

<i>S. No.</i>	<i>Description of property</i>	<i>Number</i>
26	Compass (drawing)	1
27	Bundle of broken Atairan	1
28	Taqlies	28
29	Atairan Taqli	1
30	Map of Katwaria village	1
31	Wooden roller	1
32	Wooden foot	1
33	Bundle of card boards	23
34	World map	1
35	Map of Europe	1
36	Wooden Almirah containing Hindi books	16
37	Books in English	15
38	Subscription copies in cut state	31
39	New subscription copies	11
40	Small globes	2
41	Note-books of daily accounts	7
42	Urdu Qaidas	5
43	Brass Compass	1
44	Broken wooden Charkha	1
45	Wooden boxes containing Hindi books	38
46	File of Risala Section Pattar Kal 1937	1
47	Books in English	3
48	Wooden boards	3
49	Wooden Takhat	2
50	Black Board	1
51	Wooden Board	1
52	Books in Hindi	50
53	Books in English	6
54	Books in Urdu	31
55	Wooden Takhat	4
56	Wooden desk	1
57	Wooden Charkha	1
58	Broken cycle without number	1
59	Weaving and spinning material	1
60	Worn out material such as taslahs, bories and charkha etc.	
61	Jute Bag containing one seer of cotton	1
62	Khaddar Congress flags	4
63	Khaddar cotton	1
64	Strings	2
65	Volume of the monthly Dharam Risala	1
66	Volume of the monthly Dharam Risala (Vedic)	1
67	Hindi Qaidas	17
68	Soot Desi Wazni	1 Sr. & 6 Chhataks
69	Uniform shirts of Khaddar	11
70	Khaddar shorts	14
71	Congress Flag	1
72	Urdu books	5
73	Sanad from Perbh Kartail which is in frame	
74	Black copies	3
75	One book entitled " Hamare Zamane ki Ghulami " in Hindi.	
76	One book entitled " Rashtraya Gavan " in Hindi.	

**RETURNING OF SHRI GANDHI SEVA ASHRAM, RAM TAL KATHARIA, DELHI PROVINCE TO PREVIOUS OWNERS**

**217. Pundit Thakur Das Bhargava:** (a) Will the Honourable the Home Member please state if Government are aware that the houses and the lands of the Shri Gandhi Seva Ashram have been given back to the villagers of Ram Tal Katharia, that they were never made over to Master Biharilal and his son Jyoti Prakash and that these lands and houses are now possessed by villagers?

(b) Do Government propose to restore the lands and houses of the said Ashram to Master Biharilal, Jyoti Prakash or Master Tula Ram from whom they took the possession in 1942?

**The Honourable Sir John Thorne:** (a) Yes.

(b) Possession of the property has already been restored to the villagers, in whose name it stands.

**AMENITIES TO CERTAIN INDIAN AND BRITISH ARMY OFFICERS.**

**218. Babu Ram Narayan Singh:** Will the War Secretary please lay on the table of the House a comparative statement showing the rates of pay, allowances, ordinary, disability and family pensions and all other pecuniary benefits admissible on "Active Service" in India and outside India to (i) British Officers, Non-Commissioned Officers, Soldiers and Followers, and (ii) to Viceroy's Commissioned Officers, Non-Commissioned Officers, Soldiers and Followers of His Majesty's Indian Forces during the 1939-45 War?

**Mr. P. Mason:** I would refer the Honourable Member to Army Regulations (India), Pay and Allowance Regulations, Pension Regulations, India, and the Royal Warrant for Pay, Appointment, etc., and to the relevant Army Orders, Army Council Instructions, Army Instructions (India), and India Army Orders which have been issued from time to time. The whole question is being examined by a Committee.

**APPEALS AGAINST CLAIMS FOR WAR PENSIONS TURNED DOWN BY CERTAIN AUTHORITIES**

**219. Babu Ram Narayan Singh:** Will the War Secretary please lay on the table a statement showing:

(a) the number of claims for war pensions on account of death and disablement in 1939-45 War which were turned down by (i) the Regimental authorities, (ii) the Controller of Military Accounts and Pensions, (iii) the Adjutant General in India, and (iv) the War Department; and

(b) the number of appeals withheld against the rejections of War Pension Claims referred to in (a)?

**Mr. P. Mason:** The labour involved in preparation of an answer to this question would be out of proportion to the value of the result.

**WHEREABOUTS OF MR. BHABESH CHANDRA BHADURI AND OTHER INDIAN STUDENTS IN GERMANY.**

**220. Seth Sheodass Daga:** Will the Honourable the Home Member be pleased to state:

(a) if he is aware of the miserable plight of the parents and relations of the Indian students in Germany;

(b) the numbers of the Indian students in the three zones of Germany occupied by the Russians, Americans and British;

(c) whether the Indian students are detained in different zones or in the British zone alone;

(d) if it is possible to give out their names;

(e) whether Government are aware of the whereabouts of Mr. Bhabesh Chandra Bhaduri of the Central Provinces, a student of Bakelite and Engineering in Germany;

(f) if it is possible for the relations of the students to correspond with them;

(g) if it is a fact that he was last seen in Berlin on the day the Allies entered that city; and

(h) whether any steps have been taken for the early repatriation of the Indian students?

**The Honourable Sir John Thorne:** (a) The Government of India can appreciate the anxiety felt by parents and other relations of Indian students in Germany.

(b), (c), (d) and (e). I have no information of any Indian student detained in the American or Russian Zones. For the British Zone such information (not necessarily exhaustive) shows that Messrs. Suresh Chandra, Braja Lal Mukherji, Promode Ranjan Sen Gupta and Tarachand Roy are detained and that Mr. Bhabesh Chandra Bhaduri is billeted with the Quaker Relief Organisation at 63, Marienburg, Cologne.

(f) Ordinary postal communication with Germany has not yet been resumed.

(g) No.

(h) The Government of India have continued to press for the speedy repatriation of Indians with a clean record. But they cannot undertake to ask for the repatriation of Indians whose detention has been found necessary by the local administration in the interests of security.

#### MOTIONS FOR ADJOURNMENT

#### DEPUTATION OF AN INDIAN TO THE MEETING OF COUNCIL OF FOREIGN MINISTERS AT PARIS IN PLACE OF SIR GEOFFREY PRIOR

**Mr. Deputy President:** I have received notice of an adjournment motion from Sir Vijaya Ananda "to discuss the question of deputing an Indian (in place of Sir Geoffrey Prior) to the meeting of the Council of Foreign Ministers on the 25th April 1946, to represent the Indian point of view". Has the Honourable Member got to say anything about this?

**Maharajkumar Dr. Sir Vijaya Ananda** (United Provinces: Landholders): Sir, I put a question about this and got an answer on the 11th, on which I base this motion. May I read it out? The answer was:

"The Honourable Member presumably refers to the first meeting of the Council of Foreign Ministers, which was held in London in September 1945. The Government of India appointed Sir Geoffrey Prior to represent their views on any question on which India as one of the United Nations may be invited to submit views for the consideration of the Council. No Indian official with the requisite experience was available at short notice at that time."

As regards the urgency of this matter. The Assembly is closing on the 18th. The Council of Foreign Ministers is meeting at Paris on the 25th instant. Who is going to represent this country? That is the question. Is Sir Geoffrey Prior going to represent this country or is an Indian going to represent this country? If an Indian is going to represent this country, then I shall gladly withdraw my adjournment motion. In any case India cannot be left unrepresented at the forthcoming meeting at Paris. Upon this I sent in my adjournment motion.

**Mr. Deputy President:** Has the Honourable Member got to make any point whether there is any Indian as a Foreign Minister here in India?

**Maharajkumar Dr. Sir Vijaya Ananda:** No. I wish to know if Sir Geoffrey Prior is being sent to this meeting, and if so why an Indian is not being sent in his place?

**Mr. H. Weightman** (Secretary, External Affairs Department): Sir Geoffrey Prior is not being sent to the Council of Foreign Ministers to be held in Paris on the 25th of this month; nor is any one else. We have no opportunity to send any one to this meeting. The Honourable Member has been under some misapprehension, I think. When the first meeting of the Foreign Ministers of the United Kingdom, the United States and the United Soviet Socialist Republics



was held in London in September 1945, we did have some reason to hope that it might be possible for India amongst other United Nations to place before that meeting her own particular views on questions concerning the framing of the peace treaties. Sir Geoffrey Prior was in London on leave at that time; there was very short notice; our interests were largely, though not exclusively concerned with the Middle East and neighbouring areas; Sir Geoffrey Prior had been our representative on the Middle East War Council and is a very considerable expert on Middle East affairs; and he was therefore nominated to represent our views if the opportunity occurred. As everybody knows, that first meeting of the Foreign Ministers broke up with nothing accomplished. Later on a further meeting of the Foreign Ministers of the three great powers was held in Moscow, where no other country was invited to send a representative; but a procedure was evolved for the preparation and consideration of peace treaties with the European ex-enemy countries, less Germany. That, then, leads to the coming meeting of the Foreign Ministers in Paris, where they will consider the first drafts of these treaties. When they have reached their conclusions on those drafts, they will be placed before the peace conference at which India will be represented by a full scale delegation. But at this Paris meeting of Foreign Ministers, there is no room for us or for any other country to send a representative.

**Maharajkumar Dr. Sir Vijaya Ananda:** How did they come to send a representative in the first instance in September?

**Mr. Deputy President:** Order, order: the Honourable Member says that nobody is going to attend this meeting—neither Sir Geoffrey Prior nor anybody else. Therefore the question does not arise. I rule this motion out of order.

#### TRAIN COLLISION AT ITWARI

**Mr. Deputy President:** I have received another motion from Sir Vijaya Ananda—"to censure the Government for continued gross negligence and utter disregard to public safety, of the Railway Authorities resulting in a collision of two passenger trains at Itwari and serious injuries to 40 passengers." Has the Honourable Member got anything to say?

**Maharajkumar Dr. Sir Vijaya Ananda:** As everybody is aware, within the last month and a half or two, there have been three very serious accidents. In the case of Itwari the train was standing on the platform and another train came and ran into it. So, forty people were injured. What I am saying is this: the railway authorities must be brought to book. Their utter disregard for public safety is becoming so apparent that it is very unsafe to travel these days: 40 people have been injured at Itwari, and I submit that the Government should be censured on this.

**The Honourable Sir Edward Benthall** (Member for Railways and War Transport): Sir, I do not know that you would wish me to give some details of this accident.

**Mr. Deputy President:** No; at this stage I want to know whether the Honourable Member has any objection to this being admitted, and if so, on what grounds.

**The Honourable Sir Edward Benthall:** Yes, Sir; I have objections. The adjournment motion seeks to censure Government for continued gross negligence and utter disregard of public safety and seeks to hang that on the accident at Itwari. The Government of India utterly denies that there is continued gross negligence and utter disregard of public safety. An accident of this sort, which my Honourable friend says has resulted in serious injuries to 40 passengers, is the result of the failure of some individual railway servant and not to any gross negligence on the part of Government or disregard of public safety. The 40 passengers who were injured were not severely injured as my Honourable friend states.

**Maharajkumar Dr. Sir Vijaya Anand:** Only if they are dead, you will take notice of it?

**The Honourable Sir Edward Benthall:** Sir, I protest. I can give the full facts of the case now—I gave them to the Central Advisory Council on Saturday. But I suggest that, as ex-Presidents have ruled, a railway accident cannot by itself be the reason for allowing an adjournment motion to be brought in. Due precautions are taken by Government. As happens to be the case in this particular instance, failure of a railway servant is bound to happen from time to time. It happens in all countries and therefore I submit that this not a question for the adjournment of the House.

**Mr. Deputy President:** Will the Honourable Member say what he has stated in another place?

**The Honourable Sir Edward Benthall:** I shall be glad to give details. If there is to be an adjournment motion, I should prefer to give it then. If there is not to be, then I should be glad to give the details.

**Mr. Deputy President:** If the mover of the adjournment motion is satisfied after hearing the details, then he may not move the adjournment motion.

**The Honourable Sir Edward Benthall:** I should be glad to give the Honourable Member all the relevant details of this accident provided my Honourable friend will withdraw his motion.

**Maharajkumar Dr. Sir Vijaya Ananda:** That will not cure the malady of having continued accidents.

**The Honourable Sir Edward Benthall:** I have said that the Government has its rules, etc., in operation which are designed to prevent these accidents. There are human failures and what the House is asked to do is to censure an individual who may ultimately be found to have been the cause of this accident.

**Mr. Deputy President:** I am asking the Honourable Member to place the facts, though that is not the procedure that ought to be followed, simply because so many questions have been discussed of a similar nature. I want to find out the facts and facilitate the discussion. After hearing the Honourable Member, I may give my ruling in the light of the facts given.

**Maharajkumar Dr. Sir Vijaya Ananda:** The accident took place while a train was standing at the platform and I submit that it is absolute negligence and sheer disregard for safety. If two trains were running in opposite directions, I could understand there being an accident but this is absolute neglect of duty.

**The Honourable Sir Edward Benthall:** The facts of the case are these. The accident took place at Itwari which is a two line station on the Bengal Nagpur Railway, in the Bilaspur section I think. The main line is the platform line and the second line is a loop. On the night of the 10th, at about 21-35 hours. 12 Up passenger from Howrah was admitted into the main line and was halted at the platform. The 13 Down passenger coming the other way was scheduled to cross at Itwari but by some error which has to be investigated,—I cannot say who made it, because that would be an injustice to people under suspicion,—by some error the 13 Down was admitted into the same line as the stationary train and there was a collision at a slow speed. The buffers and buffer beams of the two engines were somewhat damaged. On the 13 Down there were two engines of which one was being taken to a shed for overhaul. The front one was damaged. The leading coach of 12 Up, that is the stationary train, was damaged and partially derailed and the second coach was damaged. The screw coupling on the 5th coach of the other train, 13 Down was broken. Apparently no other damage was done to the train. The Guard and the brakesman of 13 Down were slightly injured. The khalassies of both 13 Down and 12 Up were slightly injured. The driver of 13 Down was slightly injured but he continued at his work. Of the passengers 40 were slightly injured. They were treated by the Civil Surgeon at Nagpur, by the G. I. P. doctor and by the Sub Assistant Surgeon at Itwari and they proceeded on their journey. After first aid treatment, 40 passengers continued on their journey. Three passengers were taken to the Military hospital at Nagpur and on the

morning of the 11th they were progressing favourably; I have no further information about them. One military personnel was taken to Kamptee and was discharged. The Railway officers on the spot made a preliminary inquiry but I do not propose to disclose what the result was, because there will be a formal official inquiry by the Railway in the normal course of events and of course, as is usual in these cases, the Government Inspector of Railways under the Posts and Air Department will carry out his formal inquiry in due course and will officially report who is to blame.

**Maharajkumar Dr. Sir Vijaya Ananda:** This is due to sheer carelessness. Within the last month, there have been accidents to the Dehra Dun Express, one in Bengal and now this one. This is sheer carelessness and my Honourable friend talks of minor injury. Minor injuries to Indians don't matter at all?

**The Honourable Sir Edward Benthall:** I must protest at that remark and at these continual suggestions that accidents to passengers are caused by the carelessness of the Railway Department. I really must protest.

**Mr. P. B. Gole (Berar: Non-Muhammadan):** There is a double line at Itwari, which is between Nagpur and Kamptee and how is it that the trains could cross and how could they dash against each other?

**The Honourable Sir Edward Benthall:** It is a loop line. There are two lines in the station. There is one line outside and the train was admitted from the single line on to the wrong line in the station. Why it was admitted will be found out by the inquiry of the Posts and Air Department. In the Railway Department we have formed our own ideas of the reasons for the accident. It is no good by disclosing them here firstly because they will be suspect and secondly because it will be unfair to the railway servant who appears to have been the cause of this accident.

**Mr. Deputy President:** I think this matter has been discussed so often in this House that there is no necessity to censure Government on each and every accident that takes place. (*An Honourable Member:* "It is becoming the usual practice".) The Honourable the President has held very clearly and I do not want to go against his ruling that there is no necessity . . . . .

**Mr. Abdur Rahman Siddiqi (Calcutta and Suburbs: Muhammadan Urban):** I rise to a point of order. That ruling of the President against which you do not propose to go was not stated from the Chair in this House. Has it got any status in our proceedings or is it you that will give a ruling on the point raised?

**Mr. Deputy President:** I have given my ruling.

**Mr. Abdur Rahman Siddiqi:** I am standing on my right as a member of this House. You told us that because the President had decided the matter one way or the other you would not like to go against it. That gives an indication of a mind that suggests that you might have decided otherwise. I should very much like to be assured that decisions given from the Chair do come from the Chair.

**Mr. Deputy President:** I assure the Honourable Member that whatever ruling I have given has been given after due consideration and thinking that the previous ruling was quite right and therefore I have given that ruling.

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#### MISLEADING INFORMATION IN ANSWER TO QUESTIONS IN THE ASSEMBLY RE APPOINTMENT OF MEMBERS OF RAILWAY BOARD

**Mr. Deputy President:** I have received notice of an adjournment motion from Diwan Chaman Lall who wishes to discuss a matter of urgent public importance of recent origin, namely:

"The action of the Government Member for War Transport in giving incorrect and misleading information to the House in answer to Starred Question No. 1704, and supplementary questions on 11th April, 1946, to the effect that appointments of the Members of the Railway Board, have been made on the basis of seniority whereby Indians could not be appointed without doing injustice to senior European officers."

**The Honourable Sir Edward Benthall** (Member for Railways and War Transport): Sir, on the 11th instant, the Honourable Member asked his question No. 1704, I answered it and I answered supplementary questions also. On the 12th instant my Honourable friend opposite sought to adjourn the business of the House by reason of the unsatisfactory answers given by the Government in response to this question. Sir, the Honourable the President ruled—I am reading from the newspaper report, which I think is substantially correct:

“as regards the complaint of unsatisfactoriness, the President said, he did not know if the Adjournment Motion could be based on it. Looking at the replies given by the Railway Member, the President was unable to agree that they were unsatisfactory in the sense that they kept back any information, or that the manner or tone was unsatisfactory. He could not admit the Motion as it stood.”

Now, Sir, today my Honourable friend moves a second Adjournment Motion suggesting that my answers given on that date were incorrect and misleading. Now, Sir, I suggest that my Honourable friend's Adjournment Motion is based purely on an after thought. Finding that the answers given on a previous occasion were ruled by the President as not “unsatisfactory”, he now seeks to re-open the question a second time by altering the words to read, “incorrect and misleading”. I deny that these were incorrect and misleading. But, Sir, I do not think it is necessary to argue that point because I maintain that my Honourable friend had ample opportunity to raise this question on the 12th instant when he labelled my replies as unsatisfactory. I therefore submit, Sir, for your Ruling that this Adjournment Motion is out of order on these grounds. If you do not hold to that Ruling, then I deny that the statements were incorrect or misleading. But, Sir, in view of what I have said, the latter question does not arise.

**Diwan Chaman Lall** (West Punjab: Non-Muhammadan): Sir, my Honourable friend the Member for War Transport is apparently suffering from some confusion of thought. He will realise that when he referred me to a previous occasion when the Adjournment Motion was ruled out on the ground that it was not clear to the Honourable President that the replies were unsatisfactory, he should know the distinction between unsatisfactory replies and the replies that are misleading and incorrect. They were stated to be unsatisfactory because my Honourable friend was asked on that occasion, ‘is he prepared to disclose the names of Indians who have been considered for this particular appointment?’ My Honourable friend then got back into his shell and refused to give this House the information as to the names of Indians whose names were considered for this appointment. Today I have been able to discover that the statements made by my Honourable friend on the floor of the House, apart from this fact that he did not disclose the information which led to the unsatisfactory nature of the replies, the replies which he gave were incorrect and misleading. I want therefore to seek your permission on that basis, apart from the basis of the unsatisfactory nature of the replies which I am not referring to at the present moment.

**The Honourable Sir Edward Benthall:** It might be convenient if I point out that my Honourable friend is exactly confirming what I said. He moved the Motion on the 12th saying that the replies were unsatisfactory. He was in full possession of those replies on the 11th and he should therefore have given his notice on the 11th. He did not do so. He is now seeking to raise this question for a second time under a different wording.

**Diwan Chaman Lall:** The trouble is this, that there is none so blind who will not see. My Honourable friend has raised this point of urgency. If he had waited a little while, I would have given the answer on that particular point. He gave me these replies on the floor of the House on the 11th. He said this: that these posts go by seniority. I was not in possession of that information which we considered to be correct. Because the Honourable Member, in due regard to the office he holds, had taken upon himself the responsibility to make certain statements on the floor of the House. I took that statement to be correct but today information has come into my

possession according to which the statement made by my Honourable friend is incorrect and misleading. Let me tell my Honourable friend that as far as the point of urgency is concerned, it is today that the information comes into my possession and it is only today that I realise that the statement made by my Honourable friend on that occasion was incorrect and misleading. This is the first occasion on which it comes into my possession. I give notice, of the adjournment motion within an hour of the information coming into my possession. It was not in my possession then. I could not have challenged him there and then. I had not got that information in my possession at that time. The information comes into my possession today and at the earliest possible moment, I give notice of the adjournment motion. Now, Mr. Deputy President, let me inform my Honourable friend what the information is. I take it that my Honourable friend does not take objection to the terms of the Motion as tabled, regarding that he made a statement to the effect that these posts of the Railway Board must go by seniority.

**The Honourable Sir Edward Benthall:** Will my Honourable friend point out where in my replies I have said that?

**Diwan Chaman Lall:** My Honourable friend is charging me as follows: "that after that he had an opportunity to state that in his objections and he did not do so".

**The Honourable Sir Edward Benthall:** No, Sir. I said, I would refute the point.

**Diwan Chaman Lall:** Let me again refresh my Honourable friend's memory. My Honourable friend said towards the end of the replies that he gave the historical fact that so many years ago Europeans had been imported into the service and therefore because of that historical fact giving them priority in service as a result of seniority, other people could not go over the heads of those Europeans and no injustice should be done to those Europeans. We were discussing at that time, Mr. Deputy President, the question of Mr. Rowlerston of O. & T. Railway. Now, Sir, Mr. Rowlerston happens to be a man imported from a company-managed railway and therefore the question of seniority *qua* those who are already in State service does not arise. My Honourable friend then misled the House by not telling this House this particular relevant fact that he was in company-managed service, that he has been taken over and therefore, *qua* those who are already in State employment, the question of seniority does not arise. That is number one. The second point is, my Honourable friend knows perfectly well that even if you take the period of Mr. Rowlerston's service in company management, his service is much less than the service of Indians available to my Honourable friend. Mr. Rowlerston who is being appointed as a Member of the Railway Board has less service than probably four Indian officers. Take the case of one Indian officer, Mr. Giani.

**Mr. Deputy President:** The Honourable Member need not go into details.

**Diwan Chaman Lall:** That is only for the purpose of satisfying you, Mr. Deputy President. I am bound to give you all the facts regarding this allegation of mine that my Honourable friend, when he said as what he did in his answer, that he was not leading the House correctly, but that he was misleading the House. He says historical reasons were that officers who joined the service 25 years ago were largely Europeans. I remember he quoted to the House the statement that two-thirds of the officers were Europeans, perhaps ten years before 90 per cent. were Europeans and therefore all the officers who are right at the top would naturally expect to be considered for higher posts and a great majority of them are Europeans and it is not easy to Indianise these posts without doing serious injustice to officers who have served India loyally and well. The implication is obvious that these are the senior officers and they are Europeans, they cannot therefore be superseded by Indians who are not as senior as they are, and therefore because they cannot be superseded by Indians not senior, these Europeans have been appointed. Sir, I challenge

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that statement. I have given one instance; I am prepared to give a series of other instances in regard to this matter, to prove that this statement is incorrect.

**Mr. Muhammad Ismail Khan** (Cities of the United Provinces: Muhammadan Urban): Sir, on a point of order, I should like to know whether the whole motion is being argued now. The only question now is whether an adjournment motion can be based on answers being misleading and incorrect. Previously it has been decided by the President that the unsatisfactoriness of answers cannot be the basis of an adjournment motion. But today there is a definite allegation that the answers are incorrect and misleading. If you hold that this can be the basis of an adjournment motion all this speech can be relevant, otherwise I submit it is all irrelevant.

**Mr. Deputy President:** I have pointed out to the Honourable Member that he need not go into the details, and he is just explaining how the statement became misleading.

**Diwan Chaman Lall:** Sir, I am grateful to my old and dear friend Nawab Ismail Khan for having quite correctly pointed out what you, Mr. Deputy President, also pointed out. It is immaterial and unnecessary to go into all the details; the fact is that I am prepared to take my stand upon these points:

(a) that the matter is urgent because the information came into my possession only today with reference to the statement made by my Honourable friend the other day;

(b) that I have at the earliest possible moment given notice of this motion;

(c) that it is a matter of great public importance that the House and the country should be misled in this particular manner;

(d) that I have facts and figures with me which will disprove the statements made by my Honourable friend.

I therefore submit that the matter is urgent, of public importance and of recent origin.

**Mr. Deputy President:** With reference to these officers in the company-managed railways, was the question of their seniority decided when they were absorbed into Government service?

**The Honourable Sir Edward Benthall:** Yes, Sir. They came in on the same basis of seniority as the State Railway servants.

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar** (Leader of the House); With reference to the Honourable Member's statement that he got this information only this morning, the test is whether he could have got it earlier. He could have got it days ahead. The fact that the particular officer was not in a State Railway and other facts about him are well known and were available to everybody. The fact that the Honourable Member came to know about it only this morning does not make it such a fresh fact as to constitute a justification for an adjournment motion.

**Mr. Deputy President:** I have seen the replies given on the 11th April. On the 12th April the motion was discussed and the fact that Mr. Rowlerston came from the O. & T. Railway should have been known to the Honourable Member when he brought this adjournment motion. It is also well known that the O. & T. Railway has recently been taken over by Government; and that is why I asked whether the seniority of these officers who came to State employment was considered. All this had been known to the public for a long time; there is a cadre for these officers in Government service and they were recruited on the basis of seniority.

**Diwan Chaman Lall:** Sir, may I interrupt for one minute? The 13th and 14th were holidays. My Honourable friend makes a statement which we take to be correct. We have not got the advantages of my Honourable friend's secretariat behind us. We immediately instituted inquiries and we got the information this morning. And you must take my word for it that we attempted to get the information immediately this thing happened and we were unable to

get it until this morning. This matter refers not only to this motion but to other Indians to whom I shall refer later.

**Mr. Deputy President:** The Chair is concerned with the fact whether or not a misleading answer had been given or whether the Honourable Member could get the information or not. I believe the Honourable Member's statement that he did not know it and probably no Member of his party knew it. But it was known to the public that Mr. Rowlerson was the General Manager of the O. & T. Railway and that it had been taken over by Government about two years ago, and also that the staff of these company-managed railways was taken over on certain conditions. I take the word of the Honourable the Railway Member that the question of seniority was decided then and on that basis Mr. Rowlerson was entitled to get this. All these things could have been known. The Chair is not concerned with whether the Honourable Member did or did not get this information; the only test is whether he could or could not get it when the adjournment motion was discussed on the last occasion. I think if I allow this adjournment motion it will create a precedent for future occasions and there will be no end of adjournment motions on the same issue whenever a new matter will come to light. After this matter has been so much debated I do not think I should give my consent to this motion.

### BANKING COMPANIES BILL

**The Honourable Sir Archibald Rowlands** (Finance Member): Sir, I move:

"That Mr. K. G. Ambegaokar be appointed to the Select Committee on the Bill to consolidate and amend the law relating to banking companies, *vice* Mr. B. C. A. Cook, resigned."

**Mr. Deputy President:** The question is:

"That Mr. K. G. Ambegaokar be appointed to the Select Committee on the Bill to consolidate and amend the law relating to banking companies, *vice* Mr. B. C. A. Cook, resigned."

The motion was adopted.

### INSURANCE (SECOND AMENDMENT) BILL—*contd.*

**Mr. Manu Subedar** (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I should like to respond to the appeal made by the Honourable Leader of the House to economise time. But I may make a counter-suggestion to him that Government will have to revise the whole agenda and drop out a few of the Bills which can very conveniently and properly be taken to the next session. But much as I would like to curtail the remarks which I was going to make and which will now be dealt with in the Select Committee, I should like the attention of the House to be drawn to a very great issue of principle which is involved in this Bill. I welcome this Bill; in fact I was blaming Government for not having brought this Bill earlier; and the principle in it to which I wish to refer deals with clauses 6 to 12, particularly with regard to the capital structure, voting rights, remuneration of managers, common directorship, compensation and investments. Sir, there is an unsocial and anti-social spirit in this country—I do not say it has been caused wholly by British rule in this country—a spirit of greed by which private people will exploit their opportunities as and when they arise in their own interest, regardless of the consequences on others, and more particularly regardless of the consequences on society as a whole. This spirit pervades this country right from top to bottom. Every time a control of any kind is instituted it creates opportunities which are availed of by some people concerned in order to fill their own pockets. Every time a regulation is brought in there is an attempt to evade it. I am associated with insurance for the last 27 years, or rather I was associated very actively 27 years ago with it, when I started one of the companies which is now the second company in Bombay. In this field of insurance which I have therefore observed closely and



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in which I have seen all the developments, the evil has transcended all limits. The Committee on which my honourable friend, Sir Cowasjee Jehangir, presided has gone into this, all the evils were brought to the notice of the committee by the Bombay Shareholders Association, and what has happened is this: that every time there is an opportunity to evade the law, to get round it, to do something within the limits of the existing law, it has been done. Already, Sir, powerful interests are pursuing Members of the Select Committee to whittle down some of the provisions of this, that or the other as provided in this Bill. It has been pointed out to me that only four or five cases of this evil have occurred in the past, why do you try to penalize 250 companies, and mostly the Indian companies will be penalized whereas the European companies operating in this country will not have the burden of these regulations. This is in my opinion, Sir, an entirely misleading logic. All laws are made not because everybody is a thief, but because there are a few thieves aboard. All provisions in the interest of society generally are undertaken because there is a bad spirit, a bad spirit of greed which is pervading, opportunities for private enterprise which are given by law are abused and people use every opportunity to feed private interests at the sacrifice of general or the public interests. As I said, Sir, this bad spirit is pervading all sections of society, but those at the top, particularly the directors or others, are overdoing it. These sections are so powerful that they can command the services of the best lawyers to study the law and to find out how to evade it. They are competing with Government for the services of civil servants and I dare say there are very few Indian civil servants high up in this Government who have not been formally or informally approached by one or the other of these various groups of big directors who want to engage their services. What for? In order to use their influence to get round the provisions of the law in their own specific case. Sir, there is an anti-social spirit in fighting which every state is concerned and the legislature should fight that spirit and put it down. This spirit has increased very much under British Rule during the last thirty years, and I therefore welcome this particular measure.

May I illustrate in what way the spirit is working? Take the directors of the Bombay Stock Exchange or Bullion Exchange. What do they do? Every time there is a crisis the decision of the Bullion Exchange or the Stock Exchange is such as to favour the directors who are sometimes bulls and sometimes bears. In other words, there is no principle but the private interests of the Directors count more than the general interests. These are influential men, some of them have powers with the Congress, some of them have powers with the Muslim League, and all of them have power and direct link with this Government. They are powerful people. When they sit in the Coal Board, they see that their own concerns get enough. It does not matter what happens to the trade generally. When this Government invites them to conferences and committees they are out again to make sure that their own concern gets everything; the trade does not matter. When they were invited on those 29 panels which the Planning Department has instituted, what did most of them do? They found out what was necessary for them. They tried to promote their own interests and the general interest took a very small place in their attention. It is this spirit which is at the root of the evil which my Honourable friend envisaged.

**Sir Cowasjee Jehangir** (Nominated Non-Official): May I ask my Honourable friend whether members of that very well known institution which he represents in this House are not invited by Government for advice, and does he put them under the same category?

**Mr. Manu Subedar**: I am very glad my Honourable friend raised this issue. My Honourable friend is always and constantly in the habit of asking who represents whom. May I ask whom he represents in this House?

**Sir Cowasjee Jehangir**: That has nothing to do with the issue. The Honourable Member should answer my question.



**Mr. Manu Subedar:** Quite so. I am answering the question. As I was saying, this poison of private greed at the expense of public welfare has spread everywhere, and it pervades all classes. Let us take the class of Government servants, let us take corruption. What is the meaning of that? That the personal interests of the parties immediately concerned are more important than observance of rules and laws and the general interest of the community is sacrificed. I do not mind, if there are people in the institution which I represent here if they are guilty people of this type, I do not mind saying that I am very glad that this regulation is coming and that it will regulate the affairs. I am speaking here not constantly, as various people point out, not in the interest of so and so. This sectional interest is another evil created by this Government. We are here as legislators and let my friend find fault with what I am saying, not for whom I am speaking.

As I say, there are evils of this type which have grown up and what is at the root of it is that if opportunities are made available by law for certain people through abuse, then they will avail themselves of it to their own advantage and to the detriment of the state, shareholders, and everybody. Therefore, I am very glad that this particular motion in the form in which it has come before us has come, and I trust that the provisions in this Bill will not be whittled down in so far as they restrict these opportunities.

I do not say that every one concerned in the management of these companies is dishonest or intends to do something wrong, but the honest ones and the good ones have to suffer by regulation which causes inconvenience. They have to agree to eschew multiple interests if they have got more than one interest in which they are concerned. All these regulations are calculated to improve the general health of business and I, Sir, representing my institution and fully conscious of that responsibility, I say we welcome every measure which puts the business life of this country on a sound footing, which improves the health of the business and which curtails the opportunities for the wrong-doer by abusing the provisions of law, and generally for promoting his own private greed at the expense of society.

We permit private enterprise at present. What would happen if private enterprise did not behave itself in respect of the provisions which we are now introducing? What would happen would be that the demand for nationalization of these concerns will arise. I myself, Sir, recommended in 1931 in the minority banking report that life insurance business was one of the things in which it was legitimate and proper field for state enterprise. I recommended this at the time when nationalisation of business was not as fashionable as it is today. Why did I do it? I did this because of the relative cost of administration. For example, in the insurance scheme, which is worked for Government servants in this country, the cost of administration is seven per cent to eight per cent whereas the cost of administration of the very best companies is 23 per cent, and it rises to 46 per cent, in some cases. All this extra cost is naturally paid by the insured, by the public, and therefore there is a specific case for considering whether something may not be done in order to reduce the overall costs because life insurance business does permit itself to that routine arrangement which, if this competition and canvassing were omitted, could be done at a much lower cost than it is done at present. I had other reasons in the interest of the country as a whole which induced me to recommend for consideration that life insurance business should be nationalised. But those friends of mine who are suggesting nationalization in a hurry not merely for life insurance but for many other things, I invite them to consider that vicious spirit of private greed which has grown up in this country. What happened with regard to the grain trade and the cloth trade, rubber and various other trades under control? What has happened as regards the administration of some of these things which technically were for that purpose and partially it could be said that these particular trades were nationalised? What has happened? Has not this Government heard over and over again that the opportunities were abused, the public bribed the officials, and the officials took

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the bribe, and generally the administration has not proved quite as satisfactory and successful as all of us, including the Government, would have liked? If that is so, let us seek the reason for the phenomenon. It is the same keen pursuit of predatory self-interest masquerading often as public interest. It is the same self-interest which ignores what happens to society and members of the public and is solely concerned with its own immediate profits and convenience. Therefore, Sir, if we tried to get away by the method of nationalization from the evils which are occurring in private enterprise, then we are still not getting away from the root evil which, in my opinion, is of the same order. We must check sufficiently those predatory and piratical instincts of the ordinary normal citizen, of the official, of the businessman and we must create sufficient self-respect for some social interest in this country so that a man will learn to subordinate his own interest and to regulate it within the regulations laid down by the State and will permit the general interest to prevail and will not attack the general interests for his own private profit. We must create the spirit of citizenship which will strike at the root of these evils. They shall not go undetected by the people in the surroundings, by the employees of these particular persons, by the people in the trades or in the activities which are regulated. My friend, Mr. Griffiths, tried to put down black-marketing in Bengal. He will agree with me, I trust enthusiastically, that the spirit which creates black-marketing here and all the other anti-social activities, is the bad spirit which I am referring to, and this Bill is to be welcomed because it is an attempt in one direction to check that anti-social and bad spirit.

Now, Sir, with regard to the investments policy which is also covered here. I will not detain this House very much. But I must say that it has been pointed out to me—and it will require serious thinking—that many of the companies' investments have been reckoned on the basis of 3½ per cent. There is first the fall in the realization of Government securities when Government will borrow at 2½ per cent, and there is generally a tendency for the earnings to fall. If in addition, restrictions of the kind which are intended to be put in this Bill are placed—I am mentioning the problem—it is suggested that the earnings will still further fall and if that happens, undoubtedly the consequence will be either the companies will be wiped out or the general rate of premium will have to be increased. This is a problem which will have to be carefully gone into in the Select Committee, and personally I would think that if we have a capable authority—considering the number of companies is relatively limited—who is in a position to know what is sound and what is unsound, I would be personally inclined to give a little larger power of discretion to this authority in certain fields and under certain stated and relevant circumstances, in order that, at all events during the next few years, until the world settles down a little more, those companies which would otherwise feel the pinch, would not be driven out of the field altogether or would not be imperilled.

Then, Sir, with regard to the point which my friend Mr. Sanyal so eloquently and with very great passion put forward, namely, the point with regard to the agents. I think my Honourable friend has given in the Bill latitude for certain companies for the next few years. I would extend that latitude with regard to agents on the basis of the total amount of annual earnings which they are making, and those of them, for example, who are below one thousand rupees I would submit their rate of remuneration not to be seriously diminished. There are various other ways of dealing with these problems. I think the labourer is worthy of his hire and I would not like to see agents of insurance companies as a class being singled out at a time when we are fixing the minimum wages for various working classes, and advocating other rules and regulations for the provision of a proper standard of life for other people. I would not like this class, by any provisions of this Bill to be singled out for being further reduced from the very low standard of earnings which they have got.

Sir, I support the Bill.

**Mr. Abdur Rahman Siddiqi** (Calcutta and Suburbs: Muhammadan Urban): Mr. Deputy President, I should have liked to have spoken a bit later on this motion, but after hearing my predecessor, I felt that some of the misconceptions he has formed about the mentality of the Indian insurance businessmen require to be corrected.

**Mr. Manu Subedar**: Not all. Only a small fringe.

**Mr. Abdur Rahman Siddiqi**: Before I do that I should like to draw the attention of the Honourable the Commerce Member to the fact that one cannot legislate with panic in his heart. You have got to take into consideration things as they are but you cannot ignore the fact that we have passed through many years of war, in which it will be difficult to find businessmen, government officials, and middlemen who were entirely honest. That money has been made illegally, black-marketing has been the vogue and it has been tolerated by those who had to enforce the law, I do not deny that but the language used by the Honourable the Commerce Member was unworthy of the man who was trying to legislate in order to remove certain black spots in the business of insurance. May I also draw his attention, Sir, to the fact that life business is not the only aspect of insurance in the world. When you think of insurance also take into consideration the other lines and branches of insurance. To punish the many, even in the life section, because a few have committed mistakes is neither just nor equitable. All persons connected with assurance and insurance in this country are not thieves or blood-suckers. No company would succeed if it ignored the interests of the policyholder. There is a new spirit abroad in the country after the war. People have been talking of the masses, they have

**1 P.M.** been talking of the workers and peasants; but they have ignored other sections of society which are equally necessary, if we wish to advance as a nation all along the line. That being so, I do not understand why the policyholder alone should be taken under the protecting wings of high-flown oratory and the shareholder left out. More than that, there is a group of people who work from morning till night, giving the best they can to help insurance companies and their shareholders and policyholders through their expert knowledge of insurance and in keeping the companies on the road to progress. If this group were not present every company, like those I am talking of now, would collapse. The profits that are made deserve to be distributed on an equitable basis between the policyholder and the shareholder who brought the company into existence and the expert also deserves to be remunerated. Just because half a dozen people behave badly I would not label the whole of the insurance world in this country as composed of rascals and blackguards. The language used not only by my colleagues to my right but even by the Government spokesman, requires, if I may use the word, revision, reconsideration and withdrawal.

**The Honourable Dr. Sir M. Azizul Huque** (Commerce Member): On a point of explanation, Sir, I made it quite emphatically clear that whatever hard language I used was with reference to those whose nefarious practice is the subject matter of this Bill. I never said anything general of insurance business.

**Mr. Abdur Rahman Siddiqi**: Mr. Deputy President, I agree that no word was uttered about the good companies and no reflections were cast upon them. There are, so far as my information goes, 206 companies in India, out of which perhaps six have not behaved well. In fact in the report of the Committee established to investigate the undesirable trends and features in the management of insurance companies, every reference made is to one company here and another there or one man in Bombay and another in Timbuctoo who misbehaved. I entirely agree with the Honourable the Commerce Member that he said nothing about the good insurance people but the Bill which he has brought before us is built on the supposition of that panicky attitude of mind which the Committee that investigated insurance affairs in Bombay has put into his mind. The law should certainly punish the guilty but if a law is framed with the intention of

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punishing the good also, I consider the whole outlook and the juridical background deserving of revision and correction. I hope the Select Committee will do that.

I have no intention to go into the details of the Bill, because we want to save time. I hope I shall be elected to the Select Committee and allowed to have my say there. But the policy of the investment of funds, visualised by the Honourable the Commerce Member and his advisers, is one which will break the back of Indian insurance. Insurance companies are nation-building institutions. If you go and sit on the brains of the Boards of Directors and dictate to them as to where they should invest their money and that everything must go into Government or approved securities, as I have said, insurance companies will be debarred from discharging their big function in the advancement of national industries and in the advancement of national institutions which build the nation. Although I do not suspect the intentions of the Honourable the Commerce Member, I do question the whole outlook, whether Indian insurance companies should or should not be allowed to play their proper role in the rebuilding and reconstruction of the country. Indian insurance companies are small today and perhaps the longest period of an insurance company in our country is 50 to 60 years. Most of the insurance and assurance companies came into being after the war of 1914-18. We have not got those huge reserves which insurance companies in other countries have. I support the whole purpose of this law. I had pleaded that we should pass this amending Bill in this session. Now it is going to a Select Committee and the final decision will be delayed. But the whole outlook should be to build up Indian insurance not on the background of half a dozen black-sheep in the insurance world but with a view to assist, help and encourage Indian insurance, so that one day insurance companies in India may help the nation to go ahead as they have done in other countries.

The Honourable Member who spoke before me talked of an expense ratio of seven per cent in the Post Office and governmental insurance management and 23 per cent of expenses under company management. I should not like to cross swords with him but he would understand that the seven or eight per cent ratio of expenditure of Government assurance arrangements do not have branch offices. They do not have agents. They do not publish any propaganda literature. They are worked like a department of the Government and we of non-governmental institutions have suggested and criticised that even seven per cent is a higher ratio for such departmental insurance offices. On the other hand I consider that 23 per cent for regular limited liability companies is a very fair figure. In fact my heart will not break if it went up even to 40 per cent. I hope the Honourable the Commerce Member will agree that if the insurance companies in their life departments were so rapacious and were out to tear to pieces their clients, whose lives they assure, they would not get any business. Yet, if you were to look at the balance sheets of the companies, you will find that the business of the insurance companies is going higher and higher from year to year. If we were all what we have been painted to be, I am sure we would not have carried out insurance business successfully in this country. I would, therefore, urge upon the Honourable the Commerce Member to reconsider his whole outlook, come forward and assist those who are not guilty. In doing so, I feel certain, he will have done great service to the country.

I could go on speaking to the resolution. But the Honourable Member who preceded me uttered a phrase that "the health of the business should be maintained". I agree. The health of the business must be maintained. But the remedy he has offered is rather on the way to kill the patient than to let Indian insurance survive and go ahead. I would beg all friends on both sides of the House to see to it that this great institution of nation-building is not smothered. There are agencies out to smother it. Our business here should be to see to it

that they do not succeed. He has used another phrase "labour is worthy of the hire". This view is expressed better by the old Persian adage:

*'Mazdoor-i-khush dil kunad kar-i-besh.'*

Therefore, those who work insurance either as managers, or as clerks in the offices, or as agents or sub-agents in the field, will give a better return if they receive their wages on a decent scale.

Another point to which I wish to draw the attention of the Honourable the Commerce Member is that the tables prepared by most of the companies are at four per cent. Some that looked ahead calculated their tables at  $3\frac{1}{2}$  per cent. Our investments give sometimes two and sometimes three, and with the deductions of the income-tax and its many progenes the yield is  $1\frac{1}{2}$  per cent. Therefore, if I have to meet my liabilities I must either increase, as he said, the premium rate, or I must increase my business. I shall not get an increase in my business if I am the rascal that I have been painted.

Sir, I welcome the Bill and support its being sent to the Select Committee. I do hope that by the time we meet in the Select Committee the Honourable the Commerce Member will extend his kindness and generosity to us because we deserve it.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

**MR. VASUDEV LENDUDDI** (Ahmednagar Millowners Association: Indian Commerce): Sir, the genesis of this Bill has been due to two causes. One is the undesirable features that have crept into the insurance business of late. The other is the internal competition that has been going on in the insurance trade, due to a keen desire of the various companies to get at the business that has been available to the insurance trade. Lately, due to the war conditions and the inflationary trend that has been established in this country due to the Government policy, many people have come to possess vast amounts of money, and some of them naturally tried to get into the insurance trade with a view to get possession of the vast funds which the insurance companies possess, so that they could use these funds to their advantage and make more money. The result has been that shares of insurance companies have been sold at fabulous prices, out of proportion to the interest they were bearing, and consequently the insurance companies themselves had to suffer. Many new banks tried to get possession of insurance companies by buying up shares and some insurance companies also tried to get into some new banks. To avoid this state of affairs, the Cowasji Jehangir Committee was appointed, and as a result of the recommendations of that committee, there have been certain proposals put before us, so that these nefarious activities may be put a stop to.

The other cause is about the internal competition. These two matters have to be mended and the result is the present Bill. However, the competition between the new and the old companies has been so serious that insurance expenses have gone up tremendously; and with a view to come to a settlement, the old and the new companies got together and devised certain schemes whereby they might be able to help both the new and the old companies and reduce their expense ratio. The new Companies are at a certain disadvantage because with the old companies there have been vast resources and a highly trained staff; and as a result the only thing that the new and small insurance companies had to do was to undercut them and that has brought about this situation. The result of this undercutting has been uneconomic to a certain extent and the ultimate sufferer has been the policyholder. If the expense ratios are reduced naturally the insurance companies will be benefitted more than at present. If we take

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for example the expenses of the life insurance companies as proposed in the present Bill, we will find that for the old companies with a business of two crores or more they propose to allow 80 per cent as expenses on the first year's premium and 13 per cent on the renewal premium. I will come to the difference between the first year's premium and the renewal premiums later on—but I would just compare the first schedule and the alternative schedule that has been provided in this Bill. If we look at the alternative schedule we will come to the conclusion that it has been devised only with a view to help very big insurance companies to the detriment of the new and small companies. I feel that there is no necessity for this alternative schedule, because if we look at the figures given in the alternative schedule—for ten crores of rupees and more insurance business the figure given for expenses in the first year is 85 per cent while in the first schedule it is 80 per cent for business of two crores and more. On the one side small companies have been accommodated, while on the other side in this alternative schedule that accommodation has been sought to be taken away. If by the first schedule the big companies can afford to do that business by 80 per cent expenses, why is it sought that 85 per cent expenses is to be given to them under the alternative scheme? Similarly, in the renewal premiums also it comes to 13 per cent in the first schedule and 14½ per cent in the alternative schedule; and therefore I feel that it will be a great injustice perpetrated both ways, one way to the new and small companies and the other way, the bigger companies will be given an unnecessary advantage of that five or seven or whatever per cent it is. I would draw the attention of members of the Select Committee to this very great inequality that has been sought to be perpetrated in this Bill as against the small companies.

Now, coming to the expenses side of the first year's premium and the renewal expenses, the renewal expenses are sought to be given, ranging from 13 to 20 per cent: that is, for an insurance company that is well established it will be 13 per cent; and out of that if renewal commissions to agents is taken out, the expense ratio would be eight per cent. In the first year the agent's commission would be 35 per cent—and if this is taken out from the 80 per cent, there will still be 45 per cent left for incurring expenses. I cannot understand why there is this huge difference between renewals and the first year's expenses, of between eight and 45 per cent. No doubt, in the first year, the working expenses are certainly heavy—new policies have to be taken out, medical expenses have to be borne, and a little more clerical work has to be done: but 45 per cent as against eight per cent is certainly heavy and if this expense can be reduced, I am sure tariffs can be reduced to the advantage of the policyholders. There are various defects in the Bill a few of which I will here refer to. Regarding general insurance, the expense to be allowed is 20 per cent while in life insurance we allow only eight per cent on renewals. No doubt general insurance has to be taken every year but I cannot understand why the expense should be 20 per cent because when a general insurance policy has been taken it is always taken year after year and generally the client goes to the original company in a great majority of cases and as that is the position the difference between life insurance expense of eight per cent on the renewals and 20 per cent in general insurance is certainly heavy. I feel the expense ratio of 20 per cent can be and ought to be reduced to 15 per cent which would ultimately go to the benefit of the policyholders which ought to be the main criterion in selling insurance. Regarding the general insurance business the Insurance Association issued a memorandum in which they have given certain facts. The facts are that the claims ratio has been going down slowly and during the period of 1939-43 the claims ratio has been 33.2 and that has given a profit to the companies of 17.9 per cent, according to their figures. Now, while drafting this Bill or while suggesting several changes in the Bill the insurance companies want to get 45 per cent, to be calculated as claims ratio. Their fear is that this 33 per cent is a very low and an exceptional figure but in future it may be that the claims ratios may be heavier as had been



n the years 1980-82. I for one do not feel that the claims ratio may be heavy but taking for granted that the claims ratio would be heavy, do they want that the claim ratio should be considered at 45 per cent while considering the expense ratio, etc., and pocket the difference themselves? It may be allowed for the time being but the difference between the actual expense ratio and the expense ratio demanded by the insurance companies should not be allowed to be pocketed by shareholders because that extra claim ratio which has been set aside would be at the cost of the insured and so I would propose that this difference between the actual claim and the claims ratio of 45 per cent proposed may be set aside as an insurance fund for various emergencies that may arise in future and later on if it is found that the expense ratio is certainly lower than 45 per cent the same may be squared up by reducing the tariff rates for the general insurance. The ultimate aim of the insurance, both life and general, therefore should be how to sell the insurance cheap to the public and how to make the public more insurance minded, both in the sphere of life as well as general. India is a country where insurance is not in vogue as in other countries. The insurance figures as compared with the U. K. and the U. S. A. are extremely low. Probably the figures would be 1 to 200 or 1 to 150 and that is why there is a huge scope for getting more insurance business and that can only be done if insurance business is being attended to in a very scientific manner and at less expense to the insured and that is why these expenses ought to be reduced and that is why specially so far as the general insurance is concerned this extra difference between the claims ratio proposed and the actual claims ratio should be set aside for a general fund that may help in future to reduce insurance tariff.

Further the position regarding insurance agents is a little strange. There have been about 90,000 insurance agents in this country whose average annual income is less than Rs. 30. That is there must be thousands who may not be getting even Rs. 10 or 20 a year. These persons who earn only Rs. 10 or 20 are naturally not insurance workers and the real insurance workers suffer because there are so many hundreds and thousands who simply butt in as insurance workers being relatives of the insured or some friends of some insurance company officers and also specially the policyholders may be desiring to oblige somebody and that is the reason for these low earnings. If these people are eliminated by putting into the clauses of the Bill that a certain amount of insurance will have to be taken, that would be a good proposition. I find from the Bill that there is that proposition that every insurance agent will have at least ten thousand rupees worth of business in a year. I would like to find out whether it is not worth while to make that limit a little higher. I would therefore suggest to the Select Committee to go deeply into the matter as to how a real insurance agent can be benefitted by getting more work, so that although their remuneration has been fixed at a certain percentage their earnings may not go down but may increase in future.

Further in this Bill nowhere it has been specified what will be the remuneration of the Chief Agent. Something ought to be specified that the Chief Agent's remuneration will not be more than a certain percentage. Otherwise in the expense ratio that has been allowed a position would arise when the Chief Agents may be given in certain companies more income which they would in turn, shift to the policyholders and which would again create an unhealthy competition. Similarly the remuneration of Managers and Managing Directors ought to be specified because if you specify the remuneration of the Agent, the Chief Agent and various other expenses, why should we not specify certain expenses for managerial staff because the same difficulty would arise that if the managerial staff is paid very heavily and which the big insurance companies will be able to allow . . . . .

**Sir Cowasjee Jehangir:** There is a provision.

**Mr. Vadilal Lallubhai:** Will you let me know the provision?

**Sir Cowasjee Jehangir:** I cannot tell you now. It is there.

**Mr. Vadilal Lalubhai:** The expenses are devised in a way that the big insurance companies will be able to give very handsome salaries to their managers and managing directors, whereby they will be able to circumvent the clauses of this Bill to the detriment of the new insurance companies and the small insurance companies. So, Sir, some device should be found whereby this circumvention which is sought to be availed of might be removed. Regarding investments clauses, there has been a tightening of investments, but I would rather wish that the tightening should be perfect in a few spheres rather than in so many items as has been suggested in the Bill, because on one side you tighten up the sources of investment, and on the other you also give a proviso whereby if the Directors unanimously decide they will be able to invest wherever they like. Probably some difficulty would arise if a Director who is not honest tries to put a premium on his agreeing to be unanimous with the wishes of the other Directors and thereby he may be able to get some gains for himself. Rather, I would suggest that so far as investments are concerned, there should be a high percentage of voting for Directors, so that one individual, if he wants to take any advantage may not be able to do so. Instead of having several sub-clauses about investments two or three items which might have been harmful in the past may be taken away and there should be no latitude given in those items. Some exemption is being given for investments according to section 29. In this section it is allowed that you can loan your monies to banks. That is the thing which the Jehangir committee had to investigate because banks bought the insurance company shares and insurance companies deposited large amounts in certain new banks. Here again you seek to allow these kinds of investments in these banks. I wish the matter is gone through thoroughly and if there is any difficulty or defect found it may be removed.

In clause 11, new section 31-A(1) (ii) there is a provision for payment of commission to a person not being an officer of an Insurer. This person is probably a third person. Already there is the Chief Agent, there is the Agent, and now there is going to be the third person who will also be paid some commission. I do not understand why this third person should intervene between the management and the Chief Agent, and to how many persons you are going to give this commission and if that happens, naturally, as I said before the big companies will be able to circumvent the provisions of the Bill and will be able to harm the rightful share of business that new companies should have. Regarding the clause for whole time officers, it has been stated that wholetime officers will be employed by those insurance companies whose life fund is 25 lakhs and those of other companies whose fund is 50 lakhs. Now, Sir, we know that life fund accumulates very quick in the case of life insurance companies, and in the case of general insurance companies, it accumulates rather slow. You should not put life fund and other insurance funds on equal basis; that is 25 lakhs may be life fund, but to put another 25 lakhs for general fund, it is rather high. If the general insurance company has no life department, it would suffice if the general insurance fund is only about 15 lakhs and no more, but if it is general insurance company including life department, then the figure may be 40 lakhs. This anomaly of 50 lakhs in place of 15 lakhs should be looked into. I feel this is too heavy an accumulation of funds for allowing a whole time officer for a general insurance company.

Regarding penalties, I see that penalties are levied on insurance agents and not on insurers in the case of life insurance companies. Rather, if anybody breaks the law, it will be both the insurer and the insurance agent. While the insurer is a big company, the insurance agent is an individual. We ought to see that we do not put in any way more difficulties in the way of insurance agents than in the way of insurers. If regulations are infringed we ought to put heavier penalty on the insurance company than on the insurance agent.

In another sub-clause it has already been laid down what the penalty is for an insurer. Clause 14(5) lays down a penalty of Rs. 10,000 for an insurer:

"If any insurer contravenes any provision of this section other than sub-section (1) he shall be punishable with fine which may extend to ten thousand rupees."



They are making here an exception in the case of the insurer in case of sub-section (1). That exemption, according to me, ought not to be there. Rather the insurer should have heavier penalty. All the same, penalty of Rs. 10,000 should be put here.

Sir, when this Bill is considered in the Select Committee and when various matters are discussed there, I hope the expense ratio which is allowed, if it is considered high, will be lowered. If the claim ratios of general insurance companies and actual claim ratio fund are set apart, I am sure the whole insurance industry will benefit as then they will be in a position to reduce the tariffs to the satisfaction of the policyholders which would ultimately give them more and more business.

Sir, in conclusion I would again say that the advantage that is being given to big companies under this Bill in the alternative scheme of expenses should be dropped as that is an unfair advantage which big companies would try to exploit. I do not know whether this is deliberate or accidental, and I hope it is accidental and I hope this anomaly will be removed. With these observations, I conclude.

**Pandit Govind Malaviya** (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, the Bill for amending the Insurance Act which is now before us has been recommended to this House in its present reading by the Honourable the Commerce Member, with a speech which has left some of us at a loss to understand, not only the purport of the Bill which it sought to pilot, but also the purport of the speech which the Honourable the Commerce Member thought fit to make. Some other Honourable Members who preceded me have already referred to the tirade which the Honourable the Commerce Member indulged in against profiteers, black-marketeers and others. There will not be any one in this House or outside it who has the interest of the country and its people at heart who will not be at one with him in all that he said against these anti-social people. But one failed to understand, Sir, what all that had to do with the Bill that was placed before the House, unless it was sought to make out that all the problems that have arisen in regard to insurance in this country and all this legislation was being pushed through merely because some people having earned money—illegal money in the black market or elsewhere—were going to make it impossible for decent business to exist. The committee presided over by my Honourable friend Sir Cowasjee Jehangir was appointed to look into the matter of shares of companies being bought over by other persons. It has been sought to be made out that there was something unspeakably evil about that prospect or that matter. We have been told that the whole edifice of insurance might have fallen down and the entire future of the country would have been jeopardised if steps had not been taken to make it impossible for anyone or any set of people—call them by whatever name you like—to be able to purchase over the shares of any insurance company. Was this panicky attitude dictated, as I once before asked in this House, by the fact of a certain attempt to effect a transfer of shares of a very big company, a company to which my Honourable friend Mr. Sanyal referred the other day as having paid dividends of Rs. 125 per share of Rs. 100? Could it be due to a panic created in the minds of its shareholders and owners, of whom, I believe my Honourable friend the gallant Knight from Bombay is a prominent member? Could it be that this panic was created by an effort in the past on the part of some other persons, long before black markets came into vogue, to corner the shares of that company? Could it be that it was felt that the interests of some people who possessed the hen that laid the golden eggs for them day after day and year after year, required this? Was it due to a fear of the interests of these few people being jeopardised that all these drastic provisions have been thought out? A big sledge-hammer has been invented to kill a small fly which might have concerned one or two or three or four companies here or there. Sir, I do not wish to make any accusations; I am only trying to seek light and express some doubts and suspicions which might naturally cross the minds of those who wish to look for the causes and the reasons for this Bill and

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its provisions and fail to find any in the speech that the Honourable the Commerce Member was good enough to make in its support. Sir, we have heard of attempts made by certain big financiers to purchase over certain insurance companies and their stock. Does it lie in the mouth of an Honourable Member of this Government to call them all the names that the Honourable the Commerce Member did the other day, when, at every step and over every item, every day, every morning, every noon and every evening, if not every night, Government went hand in glove with these very financiers and industrialists and raised its entire edifice—be it about war work or any other work—on their support and co-operation? Was it not this Government which by its own methods and by its own corruption and inefficiency allowed black markets to go on as they did and connived at them in order that its own dirty work might be done? And if with all that, some of these people, not in one or two places only but in almost every sphere of life, went about purchasing things here, there and everywhere at fabulous prices and went about causing havoc in the ordinary social, industrial and business organisation everywhere and still about whom Government did not raise its little finger, how is it, one wonders, that just when some of them thought of purchasing over the interest and the stock of some big insurance companies the minds and consciences of those who constitute this Government and its henchmen were troubled and they began to think of the catastrophe which was going to befall people, all the evils which we were faced with, all the stringent measures that had to be adopted and all the long or short rope that had to be given to people in order that the interests of society might be safeguarded? I should like to know, Sir, the purpose and the object with which this Bill has been brought forward. We had an Insurance Amendment Bill only a few weeks ago. We have this Bill now, certain clauses of which, the Honourable Member said, were based on the recommendations of the Cowasjee Jehangir Committee. The other clauses, he said, had not been brought in along with the previous amending Bill because they were of a controversial nature. May I ask what has transpired within these few weeks to make the Commerce Member feel that these controversial clauses, which he did not care to bring in during the course of the previous Bill, should be brought in now? What is the purpose of these clauses? Legislation, in all healthy and normal society and State, can have one of two purposes; one, to foster and help the growth of desirable things, and the other to prevent and check the perpetration of wrong and injurious things. I ask, Sir, what crisis has developed in the history of insurance business of this country that all these far-reaching and controversial clauses, as the Commerce Member has admitted, should be brought in now at this fag-end of a long and tiring session when everybody's mind is jaded and everybody is anxious somehow to get done with things; when Bills and legislation which would affect the well-being of 400 million human souls are being rushed through during the brief space of a few minutes? I ask, Sir, is this the time, was this the occasion when a Bill of such far-reaching importance, a Bill the clauses of which admittedly are of a controversial nature, which lays down provisions without which insurance business in the country would not come to a standstill, nor which, by a magic wand, would make the business of insurance in this country expand by leaps and bounds tomorrow, may I ask, Sir, what justification there could be for bringing in a Bill of that nature at this fag-end of the Session? Sir, if the object of the present members of this Government is to get the credit for rushing through legislation even till the last day of their existence, good luck to them. If the object of the Government is to bring about a legislation which theoretically and technically would be hailed as a perfect piece of legislation and if they think—whether rightly or wrongly, it does not matter—that it is their object to bring forward a legislation of that nature and to pass it merely for the sake of passing it, without any more urgent objective behind it, one could understand it. But, Sir, the lecture we had from the Honourable the Commerce Member yesterday and the rhetoric that he indulged in, the fervour which he showed, almost the crusading zeal that he exhibited, made one rub one's eyes in wonder and scan the Bill once again to find if there was really some of Solomon's wisdom contained in it. Frankly, Sir, I have not been able to find it. I beg, therefore, Sir, to submit that it is wrong of the

Government to bring forward this Bill at this stage and try to rush it. Legislation about insurance in other countries has been proceeded with on the most cautious and careful lines possible. The library of the Legislative Assembly here unfortunately could not supply me with some books that I wanted, I am therefore not able to quote exactly, but I believe the Honourable the Commerce Member who should be supposed to be familiar with all relevant things about insurance legislation will bear me out that the American law of insurance, which has been largely depended upon by this Government for legislating upon the insurance law in this country, after it had been first thought of and conceived, was allowed to be carefully and thoroughly considered by different committees of policyholders, of management of insurance companies, of Government and other committees, and that it was not before twelve or fifteen years, when almost every part of the country interested in that subject had carefully considered the matter and placed its opinion before the Government, it was not till then, Sir, that that law was enacted. If in a country like America in the State of New York, where the average insurance intelligence of people and the interest which they take in insurance is developed to a remarkably higher extent than in this country, there, Sir, if the Government thought fit to allow a proposal for legislation in this behalf to lie for the expression of public opinion for so long as twelve or fifteen years and then only felt competent to go about it, is it right that in this country we should try to rush this Bill in this manner? Similar has been the case in other countries also. I therefore ask as to where is the need or the justification for this course?

I had given notice, Sir, of an amendment that this Bill should be circulated for eliciting public opinion, but in view of the fact that the Honourable the Commerce Member seems to have set his heart upon it, I am not going to move that amendment and I shall agree to the proposal that the Bill be referred to a Select Committee in the hope that the Select Committee will thrash out the Bill, but the provisions of the Bill, as I shall show when I come to them, sole and the only viewpoint of the interest of insurance in India and of India as a whole and will then reshape it in such manner that it shall do no harm either to the business which it seeks to protect or to the people to whom it will relate.

Sir, several clauses of the Bill have already been referred to. Members have already spoken about the different clauses in it. There is the main portion of the Bill relating to investments. We have already heard a great deal about it, but, Sir, it is so important a matter that nothing that is said about it can be too much. The insurance companies in India are already required by law to invest 55 per cent of their assets in Government securities. There are companies in this country—I know at least of one very big company—which by its own regulations invests all its funds in Government securities and approved securities. It cannot, it does not even contemplate to invest its funds in any other way. It may be all right for that company to have a Bill of this nature passed which should compel all others also to fall in line with that provision that no funds should be invested anywhere except in Government securities.

**Sir Cowasjee Jehangir:** That is not the provision of the Bill.

**Pandit Govind Malaviya:** Sir, I know that that is not the language of the Bill, but the provisions of the Bill, as I shall show when I come to them will mean, if not exactly what I have said, then very nearly what I have said and will leave little discretion for any company to invest its funds in anything except Government securities, and securities which will not fetch a higher return than Government securities yield. Government securities today yield something like 2 per cent. As another Honourable Member has already stated, the tables of the various life insurance companies in this country are prepared on the basis of 4 per cent. or 3½ per cent., even after the drastic changes that have been introduced during the last few years. Otherwise, the tables of most companies had been prepared on the basis of 5 per cent. Now, Sir, if interest which these companies are going to earn is to be 2 per cent., it should not be difficult for anybody to imagine what the rates of premia for insurance will have to be.

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India is a poor country. There is need for popularising insurance. It is essential for the well-being of our people that insurance should spread among them. If they are finding it well nigh impossible to go in for sufficient or even nominal cover even at the present rate of premia, may I ask how the Government imagine that when the premia are raised very much higher, people will be able to insure themselves in this country? You can very well say it does not matter to me. I shall have a mathematically sound proposition. I shall have a proposition which an actuary and a financier will pass and approve. I do not care whether the result is that you have a proper and practical possibility to live upon. If that is the attitude of the Government, one can understand these provisions. But if this Bill intends to safeguard the interests of insurance, of policyholders and insurance companies and their funds only, then may I ask how all that will be done if insurance does not itself thrive, if insurance itself does not flourish, if it does not itself expand? How will you have a thing without the basis of it? Therefore this proposition of confining investments to approved securities, to shares which have for at least five years paid regular dividends—in other words, the market prices of which will be proportionately at a level where the yield will not be more than the yield on Government securities—how are insurance companies going to live? Sir, the clauses give to the insurer the right to have landed property and houses, but that again, Sir, for the use of the insurer alone. May I ask what the meaning of that clause is? May I ask the purpose with which it has been put up? May I ask in all sincerity as to how that is going to help insurance companies or policyholders? Or is it that by a mere whim, you have put into the Bill clauses which have neither relevancy nor meaning, nor purpose, but which you in your wisdom have taken the fancy to bring in? You probably imagine that thereby you will be able to put insurers on a sound basis, while in actual practice, even though you may put it on a theoretically sound basis, you will actually kill it root and branch.

Sir, there are other clauses regarding investment. There is a clause, Sir, that a Superintendent of Insurance will have the right to ask an insurance company to realise the assets of anyone of its investments whenever he chooses. The Bill does not merely try to lay down how investments shall be made. The Bill does not content itself with providing the lines on which work shall be done and laying down the penalty which will be there to see to it that nobody transgresses those provisions, but the Bill goes a step further and gives to the Superintendent of Insurance powers of a most arbitrary nature, that in his simple whim or fancy he might ask my Honourable friend, the Knight from Bombay, to realize all the money that he owns in the shares of the Oriental Insurance Company. I really do not know, Sir, how a provision like that should at all be necessary. On the contrary, there can be a great deal of indefinable mischief implied. We have had a Superintendent of Insurance during the last few years, to whom this country will feel grateful for the good work he has done. That Superintendent, Sir, has left.

**Mr. Ahmed E. H. Jaffer** (Bombay Southern Division: Muhammadan Rural): He is there!

**Pandit Govind Malaviya:** I am sorry, otherwise possibly I would not have given him the praise that I have.

But, Sir, another Superintendent of Insurance has to be appointed. Several days ago, Sir, I along with some other Honourable Members of this House sent notice of a question to the Honourable the Commerce Member and requested that, in view of the fact that the matter was urgent and that the Assembly session was soon coming to a close, he might be good enough to admit the short notice question and give a reply. The question was as follows:

**The Honourable Dr. Sir M. Azizul Huque:** On a point of order. Is it fair that a short notice question contents should be introduced here? I am prepared to give him all the information. Owing to the exigencies of official work, I could not do it before. I am now prepared to give him the information at an moment. It is not that I wanted to keep things.

**Pandit Govind Malaviya:** This question was sent to the Honourable Member on the 8th or 9th April. Today it is the 15th. The question did not ask for information which had to be collected from anywhere. The question did not seek enlightenment on points about which there can be any controversy. Simple files which must be lying on the table of the Honourable Member had to be turned over and the information given. But I am sorry to say, Sir, leave alone the question being admitted, we have not had even the courtesy of a reply that it would not be admitted.

**The Honourable Dr. Sir M. Azizul Huque:** I cannot say I remember to have received it. I can say that the subject matter is still not finally decided and that is probably the reason, but I will find out and give the information to my friend tomorrow.

**Pandit Govind Malaviya:** I handed over the question with my own hands to the officials and I do not know why it should not have reached him. Besides, obviously, the Honourable Member knows the text of my question. But he says he does not remember. Very well, that fact itself lends support to what I was going to say. As I was saying the question was:

"If applications have been called for for filling the post of Superintendent of Insurance: If so, what are the qualifications set out in the notification inviting such applications: How many applications have been received: If a special and independent committee will be appointed to make the selection from among the applicants: If not, why not? and How does the Honourable Member propose to fill up the post and when?"

**Haji Abdus Sattar Haji Ishaq Seth (West Coast and Nilgiris: Muhammadan):** Sir, is this all relevant to the motion before the House, that the Bill be taken into consideration? We have been sitting here patiently but this is too much.

**Pandit Govind Malaviya:** I think nothing could be more relevant to insurance than the appointment of the Superintendent of Insurance. If my Honourable friend is unable to see that point I shall have nothing to say.

**Mr. President:** The point to which the Honourable Member was referring was the provision which invests the Superintendent with the power of realising securities and his contention was that the Bill gives authority to the Superintendent not only to regulate the investments but even to realise them, and that such a power in the hands of the Superintendent of Insurance is likely to affect adversely insurance companies. That seems to be the point.

**The Honourable Dr. Sir M. Azizul Huque:** The Honourable Member is asking about recruitment.

**Mr. President:** I am just going to see what the Honourable Member is going to say further. Perhaps his point is that the appointment of the Superintendent being entirely left in the hands of the Government, any man may be appointed and there was no guarantee that a suitable person who is capable of exercising proper discretion is likely to be appointed. I believe the Honourable Member has some such thing in his mind. Let us see what further he is going to say.

**Pandit Govind Malaviya:** Sir, you have put it very much better than I could. The point is so obvious that any reasonable man would see it and I hope the Government will. Such a question was not answered. As I said, no information had to be collected about it. The Government must have proceeded in the matter and if they have not it would be a peculiar state of things. They ought to be able to tell us what they had done and how far they have gone, and the fear is that probably they may delay in such a manner that this Assembly meanwhile may be adjourned and then they would make the appointment so that we may not be able even to judge the man's merits and some man who might be a favourite of the Government (we say it from our experience in this country) may be foisted upon all the insurance companies, not because he has the ability for his work, not because he has even the integrity to perform his duties properly but just because he has to be patronised. The favouritism and

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nepotism of this Government are well known. With that fear lurking in our minds, the powers which are sought to be given to the Superintendent of Insurance make us wonder as to what insurance companies are going to be in for.

During the course of the last Bill I pleaded with the Government and I pressed it on them that they should give consideration to the question of having certain clauses in this Bill of a nature which would leave scope and room for an appeal on behalf of aggrieved parties from the decisions of the Superintendent of Insurance. I left it at that hoping, particularly in view of the assurance which the Honourable the Commerce Member gave, that the matter would be brought up along with this Bill. But I find no such provision. There is no provision for any appeal. There is no second consideration of what the Grand Moghul might take into his head to do in regard to the investments of any company. Sir, I hope therefore that this question will be looked into very carefully by the Select Committee and this provision which gives the power to the Superintendent to call upon any company to realise their investment of any particular nature will be removed.

Section 7 of the Bill says that no advances or loans are to be granted. There were already provisions of that nature in the old Bill. We are thankful that this clause has a provision which somehow leaves out the advances to agents. But it does something very much worse and that is that it rules out the possibility of insurance companies advancing loans for housing schemes and for housing purposes. It is a very important point which I hope the Select Committee will look into. All the world over today the problem of housing is as important as anything else can be. In India particularly the Government and other non-official agencies are all of one opinion that houses should be constructed for the poor, for the needy and others. We know very well that nothing can help that to a greater extent than that insurance companies should have their own housing schemes and provide residential accommodation to their clients. It is a perfectly sound scheme. Nothing could be sounder than schemes of that nature. But, Sir, this provision seeks to take away that right from insurance companies.

Similarly it leaves no room for insurance companies to invest in debentures or preference shares, unless they are debentures or preference shares which have been there for five years and have throughout paid dividends. Debentures as we know are always secured against block: therefore there can be no question at all of any risk in investing in debentures: and the advantage they possess is that they yield a little higher rate of interest than what the other shares yield. Now my friends over there will know very well that debentures usually are called for five years or about that time. Therefore, by the time an insurance company can purchase debentures, by the time an insurance company can think of taking up some debentures, they are redeemed by those who have offered them. I can understand a restriction about investments of a speculative nature regarding shares. I can understand well conceived regulations which would prevent any undue risk on the funds provided by policyholders. I am not against that in principle. But, Sir, behind the cloak of that principle, to lay down provisions which would make it impossible for insurance companies to carry on their business on a profitable basis and thereby make it profitable for their policyholders too, is a step in the wrong direction.

There are similar other provisions in those clauses which will jeopardise the entire possibility of insurance companies developing on healthy and prosperous lines. I hope the Select Committee will very carefully go into all that and will not be stampeded by the report signed by the members of the Sir Cowasjee Jehangir Committee—names which every one of us respects, names which each one of us recognises as names of capable and experienced people,—but names which have yet to establish their claim as well-wishers, pioneers and leaders of the spread of insurance throughout the length and breadth of this country. I mean no personal reflection upon any one of them. As I have said, they are names which command our respect and admiration—each one of them in their



own line. But, as I said, those respectable friends could not possibly have the vision before them of a country of 1,500 miles of length and breadth with 400 millions of inhabitants, being covered by a net-work of insurance organization so that not a soul in this country would stand the risk of being uncovered and unprovided for. That vision—I say this entirely in an impersonal manner—could not possibly have been present before their minds. As it seems, that vision has not been present even before the minds of the framers of this Bill. I hope the Select Committee will look into the future and judge every provision from the view point whether it will help.

The next clause that I should like to refer to is clause 11 of this Bill. It lays down that officers of insurance companies shall not be paid on a commission basis. In other words they should have fixed salaries, but no commission or bonus, or anything you might call it, shall be paid to them under the terms of their employment. This again is a clause which is going to severely affect the well-being of by far the largest number of insurance companies in this country. That brings me to the point as to how far these companies have been able to cover the field in that direction. We have about two hundred insurance companies in this country. But those two hundred companies, or at least most of those which cover large business, are confining themselves—not because they do not wish to do otherwise, but some how in the very nature of things have to confine themselves—largely to urban areas. The real interior of the country, the real people of the country, have not been touched and they cannot be touched, because they will need local attention, local organisation and local effort, which very big companies sitting at a far off distance would not be able to run or control. Therefore, the need of this country is that there should be a large number of small insurance companies run on proper lines, run under laws and regulations which would leave them no room for going wrong or endangering the money invested by policyholders, that there should be a net-work of such small insurance companies, the expenses of which would be naturally very small and would be nominal, each of which would cover a small area intensively and carry insurance to every hut and every dwelling in the interior of the country. This provision, that commission basis payment should not be permitted, will make it impossible for small companies to carry on their business. I will give a small illustration. A company appoints a certain officer on Rs. 200 a month on the expectation that that man will create an organization which would produce about 2 lakhs of business in the year. It is found at the end of the year, or at the end of the second or third year, that that man has produced much more than two lakhs in a certain year. Let us say it is 5 lakhs. That man will come to the company and say "I have done much more; so, you must now give me a salary of Rs. 500 a month". This clause will lay down that either the company should give him a salary of Rs. 500 or do nothing else for him. In case the company increases his salary to Rs. 500 and the next year the man does only 2 lakhs business, as he had been originally expected to do, the company will suffer by Rs. 8,600 during that year and will have no option but either to dispense with the services of that capable man or to pay him again at a higher rate, or dissatisfy him by reducing his salary.

**Mr. President:** I want to be clear on one point. Am I right in believing that, under the clause, payment on commission basis in respect of life insurance business is permissible?

**Pandit Govind Malaviya:** I am afraid it is not so. If I am wrong the Honourable the Commerce Member will correct me. But I believe the clause has no such provision. The clause says clearly that payment on commission basis also shall not be permissible to officers.

**Mr. President:** In clause 11, proposed Section 31A, it is stated:

"Notwithstanding anything to the contrary contained in the Indian Companies Act ..... no insurer shall after the expiry of two years from the commencement of the Insurance Act.....

(c) be directed or managed by, or employ as manager or officer or in any capacity any person whose remuneration or any part thereof takes the form of commission in respect of his insurance business other than life insurance business."

**Pandit Govind Malaviya:** If you will kindly look at clause (b) of the same it says :

"(b) be directed or managed by, or employ as manager or officer or in any capacity any person whose remuneration or any part thereof takes the form of commission or a share in the valuation surplus in respect of his life insurance business."

I am referring to that . . . . .

**Mr. President:** But there it is a question of surplus—the words are "commission or share in the valuation *surplus* in respect of his life insurance business".

**The Honourable Dr. Sir M. Azizul Huque:** That is there.

**Pandit Govind Malaviya:** If that is so, I shall be very happy; but as I saw it, the commission mentioned is one thing and a share in the surplus is the second thing. It reads like this—"any person whose remuneration takes the form of a commission, or a share in the valuation surplus in respect of his life insurance business." I shall be very happy indeed if the Honourable Commerce Member will agree to make the point clear.

**The Honourable Dr. Sir M. Azizul Huque:** I think if my friend will look at clauses (b) and (c) together and put them side by side, he need not make a pause carefully after the word 'commission' in order to find out its meaning. The Honourable President has made it quite clear.

**Pandit Govind Malaviya:** In any case, if it is the fault of my understanding I shall be very happy to own it; and if my point is secured I do not mind being called a fool even.

**Mr. President:** That is not the point.

**The Honourable Dr. Sir M. Azizul Huque:** All I say is, that really these are all points which can be threshed out in Select Committee without difficulty.

**Sir Cowasjee Jehangir:** All these are Select Committee points—every one of them.

**Mr. President:** I just wanted to know what the Honourable Member's objections were, and as I could not follow them, I wished to get them clarified.

**Pandit Govind Malaviya:** As I said, in case that interpretation is correct, I have nothing more to say about it and I shall be very happy if the Honourable Commerce Member will agree to have it so clarified that there will be no argument at all about that point or any doubt about it. That is all and I shall leave it at that.

Then Sir, I have also before me the provision regarding a reduction of commissions payable to agents. I should very much like to go into that question because I consider that that is the bed rock upon which all insurance stands and will stand; but I shall not go into that at this stage because of the very clear exposition which my friend the Honourable Mr. Sanyal has already made yesterday of the various aspects of that question; and I hope that that will be looked into most carefully in the Select Committee and not be ignored, as insurance agents are the foundation upon which alone insurance companies can prosper. There is no point in our saying that the commission of insurance agents should be reduced, when as Mr. Sanyal said, everywhere we are thinking of increasing the wages of workers and labourers and producers. It is a point which is of the utmost importance, but as it has been already dealt with and as we shall have an opportunity to go into it in the Select Committee, I shall not take the time of the House in developing that.

The next point which I wish to refer to is about Chief Agents. That again becomes a question of the few big companies trying to secure through this Bill what they can afford and what they find to their advantage, and thereby compel companies with smaller resources either to take to white elephants in the shape of regular offices everywhere, or to forego the possibility of developing their business. There can be no third possibility. The difficulty is on the one hand that they will be restricted to the limit of expenses which they can incur and rightly so, because that is a step in the right direction; whether small or



big, all companies should be ruthlessly made to limit themselves to a certain proportion of expenditure. But on the one hand, we are laying down that clause that they cannot spend more than a certain figure; and on the other hand we are laying down that these small chief agents shall not exist. What happens in the case of these chief agents is that they are appointed by companies on the basis of doing business. It is more or less, if I may say so, an arrangement, on an *ad valorem* basis: if they bring you business, you pay them their commission; if they do not bring you business you do not suffer and they do not lose; while on the other hand in the case of offices, what happens is that first of all a company must have an office of a proper type which involves a great deal of expenditure; whether that office is able to pay its way and get sufficient business is a matter for the future. Therefore, by this provision we shall be compelling all companies either to restrict their activity or to go in for a method which will be hazardous, in other words, which will entail a risk upon the monies of the policyholders which will be invested in the company. I think the Honourable Commerce Member waxed eloquent and professed his desire to safeguard the interests and the funds and monies of these policyholders. I therefore ask him to explain how this provision by which he leaves no room to any company except to have expensive offices everywhere, how this clause will avoid the risking of the money of the policyholders of these small companies. Similarly the clause that a chief agent can only function if he has at least 12 good productive agents under him and produces at least Rs. 1,20,000 worth of business in the year should be at least modified, if not dropped altogether. We must have chief agents of smaller type also, so that smaller companies may be able to utilise them. There are other sub-clauses also regarding chief agents which try to do away with them. I hope it will be realised that those clauses also will actually stand in the way of the development of insurance and I hope that therefore they will be removed.

Sir, I then come to the tables for over-all expenses. They are a very desirable thing and I give my fullest support to the principle; but the Honourable the Commerce Member stated that these tables have been framed after a careful consideration of the various representations, which had been made about them. I therefore take it that they must be sound in their basis; but, from the practical point of view, these tables will require a great deal of modification. To take one very prominent aspect of it, the tables lay down certain categories and the top most category is, if I am not mistaken, of companies which have a total business of more than 10 crores or something like that. Now, there will be companies which will have 50 lakhs of business in force, there will be companies which will have 10 crores of business in force, and there will be companies which will have 50 crores of business in force. Now, as will be very easily seen, a proportion of their assets—a small fractional proportion of even half per cent. of the assets of companies which have 20 crores of business in force, will be in geometrical contrast to what will be available to companies which have only 2 crores, or one crore, or 50 lakhs or even 5 lakhs of business. Therefore, I would submit that more grades should be inserted; and also the question of considering the minimum figure for the total business in the lowest grade should also be gone into. That is what I would suggest, because, while on the one hand it is a very good thing to have such a law limiting over-all expenses, we must not forget that in this country we have got many other difficulties also. There are one or two or five large companies which are able to dominate the whole field of insurance. For them it will be easy with all these provisions to go on expanding further and further, while it will be impossible for smaller companies to do so. In the American law on insurance, on the basis of which I understand this Bill has been framed, there are provisions not only to limit the overall expenses of companies but also to set a limit to the increase in the new business of companies in any year.

[At this stage Mr. President vacated the Chair which was then occupied by Mr. Deputy President (Sir Mohammad Yamin Khan).]

Sir, this is a very important point to which I wish to draw the attention of the Honourable the Commerce Member. I suppose he must be familiar with

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it already could I have his attention. Sir? There is that provision in the American law which lays down that during any year no company can have more than a certain percentage of increased new business in a year over its previous year's business. If we have this overall limitation of expenses, I would suggest the need and the desirability of having a clause of that nature which would leave room for all companies in the country to develop and will not result in future in large companies overshadowing all other companies and gradually pushing them out of existence and monopolising the whole insurance business to themselves. That is a feature which I wish to urge on the consideration of the Honourable the Commerce Member. All these things indicate the need of considering all these provisions as inter related to each other. My fear is that the framers of the Bill have gone about putting in these clauses almost from the subjective point of view. A clause which is considered good, which is considered theoretically correct, is inserted without due consideration having been given to the effect which it will have in total with the other clauses upon insurance business in India. I therefore suggest that a provision for fixing a limit to company's increase in annual new business during any year should also be brought into the Bill.

Next, I wish to refer briefly to the provision contained in section 12 of the Bill regarding companies being compelled to have whole time officers in case their life fund exceeds 25 lakhs of rupees. Every one of these clauses, as I said, has to be weighed in the scale as to whether it is going to help or hinder the expansion of insurance business. I again say it from my knowledge of insurance companies in this country that it will not be possible for all insurance companies to get first rate men to guide their business, if they have to keep them as whole time men, because then they will have to pay them salaries which their resources would not be able to stand. If the argument is advanced that they should be content with people of less ability, well, it will mean that the companies will not flourish as they should. The Bill and the law of insurance at it stands already lay down sufficient safeguards and sufficient restrictions to ensure that companies cannot be run in a haphazard or undesirable manner. We have a very tight inflexible law of insurance and we are making it much more tight and inflexible. Therefore there is no danger of any man playing ducks and drakes with insurance. Why then have this clause which will make it impossible for some companies to have at their helm people who will guide them and carry them to success and yet not become a burden upon them to an extent which the companies should not be able to bear. I hope the Select Committee will go into it. Another surprising thing is that while this clause lays down such a provision with regard to the executives, it actually inserts a sub-clause saying that this provision shall not apply to actuaries. I cannot understand why if the first is essential, the second can come in. I would not suggest that this clause should be there. I am for the removal of both restrictions but the anomaly is there. The argument, I suppose, will be that there is not a sufficient number of actuaries available in this country. Well, it should be for the actuaries to decide whether they would take up service with any one particular company or would set up as consulting actuaries who would be serving a large number of companies and getting their fees from them all. Besides, steps should be taken to increase the number of actuaries in the country which is not only desirable but essential and which I hope will be done. I have referred to this to point out how haphazardly the clauses of this Bill have been jumbled together. You cannot have one thing one way and another thing another way.

There is another clause Sir, that there should be no common directors of insurance companies. I may to some extent understand somebody arguing that there should be a whole time director or whole time executive but I fail to understand how there should be any danger to insurance if a man who is considered fit for it, a man who by his advice and by his guidance is able to help a company to carry on successfully and well, how it will be detrimental to the interest of any company whether he is a director of one company or more

companies. I do not think we have still reached that stage in the commercial, industrial and business development of this country that every director of every company should be so fabulously paid that he should have to do nothing else in life. Therefore I would request the Honourable the Commerce Member to tell us as to what is in his mind in bringing forward this proposal. In his speech he did not take us into confidence with regard to the reasons for any one of these provisions. He made a general speech. We are unable to understand the reason why no one may be a director of different companies. As I said, this will be a block in the way of progress and therefore I hope that this will be removed.

I will now come to section 19 of the Bill. I should like to read it, because it is a very very important point. It says:

"The Superintendent of Insurance may by notice require any insurer to supply him with any information relating to his insurance business, and the insurer shall comply with such requirement within such period as may be specified in the notice."

Now, Sir, every one of the clauses of the Insurance Act as it stands today, every one of the clauses of the first recent amendment to the Insurance Act which we passed a few weeks ago, every one of the clauses of this Bill lays down in iron rigidity the method and the manner in which an insurance companies shall be run, the manner in which its returns shall be submitted, the manner in which its books shall be maintained, the manner in which its funds shall be dealt with, its expenses controlled; and, in every single detail, it is laid down what a company shall do and what it shall not do. There are powers in the hands of the Superintendent that whenever he feels that a company is doing anything wrong, he can intervene. But, Sir, to give these additional powers to the Superintendent will mean—I do not say it will necessarily be so, but legislation must safeguard against dangers and possibilities—it will mean that any Superintendent of Insurance who feels piqued about any particular company and who wants to make life impossible for that company will be able under this clause to send them a directive from day to day, asking them to submit this and that, send him books, send him statements, send him returns, which will make the normal working of that office impossible. I said I do not apprehend that any Superintendent of Insurance will necessarily do so. I am not suggesting that. But we are here to legislate in an intelligent manner.

**Diwan Ohaman Lall:** Question.

**Pandit Govind Malaviya:** I share the question, but at any rate we all fool ourselves in imagining that we are trying to do so. In any case, we should not leave loopholes in our laws which can make it possible for a Superintendent of Insurance to go on like that and make it impossible for a company to go on, if he takes it into his head to do so. What is the safeguard? There is no right of appeal, there is no provision for appeal. There is no provision for the Insurance company to say to the Superintendent, "No, we do not think you should call for this. We have neither the time nor the funds to waste on this compilation, at this moment. Three months hence, or six months hence or twelve months hence, at the end of the year, you are going to have all these details in our statements and you will have all the time to scrutinise". There is no such safeguard. Therefore, I submit that this is a clause which can make the smooth working of an insurance company impossible. I hope this also will be looked into.

There is just one thing more which I wish to say. One has got to be clear in one's mind as to the direction in which he wants to go. Insurance in this country, during the last several decades, has developed on most successful lines. Nobody who would dispassionately and impartially look at things can but voice a word of praise and congratulation for the manner in which insurance has gone on. I know that, however rare, there have been black sheep, there have been bad examples as there must be everywhere. We should legislate in such a manner that the danger of such black sheep doing injury to society should be

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removed. But, Sir, ultimately, you must either depend on the ability and integrity of the people of a country in business line to carry on things in a proper manner subject to such general guidance, control and restrictions as you might think fit, or the only other course for you is to take over the entire management of insurance companies in your own hands. You cannot possibly have the cake and eat it. You cannot possibly lay down a legislation which will fetter the discretion and right of action and decision of the executives of insurance companies from 'A' to 'Z' and yet which would call upon them to make a success of it; which would compel them, on account of provisions of your law, to take a course which will defeat the very object you have in view. Therefore, Sir, there is only one course open and that is that we should take over the control and management of all insurance companies in this country by nationalising them forthwith. It is a course which is not only desirable but which is thoroughly practicable. Look at what is being done in other countries. Look at the insurance protection which people have elsewhere. I do not want to go into that very interesting subject because that will take possibly a couple of hours more. But, Sir, every one who is interested in insurance knows what the requirements and the possibilities in those directions are in this country especially, which is so poor, where,—possibly the Honourable the Commerce Member does not know it, because I do not know what practical touch he has had with insurance, but those who have anything to do with insurance know that,—where, the average man finds it impossible even to dream of an insurance policy in this life. The premium which one has to pay is beyond his imagination. In a country like India we have got to think of ways by which we should be able to provide insurance cover for every one. The ways are that we should completely nationalise insurance and take it into the hands of the Government; we should ruthlessly cut down the expenses of management which every company has got to make just now. We should provide not only for limitation of expenses at 95 per cent., or 99 per cent., but at 25 per cent. and 30 per cent. We should cut out all speculative elements about insurance business, not only in the matter of investments, but in the matter of premia payable by policyholders. Let there be no lures for big bonuses and big profits. Let there be simple policies which will provide insurance cover without profits which would be taken out on a satisfactory compulsory basis, which would involve no expenditure or practically negligible expenditure in the shape of medical fees and scrutiny and the commission, which you will have to pay to the agent—I have pleaded here for the agent—and yet I say this because those conditions will make it possible for us to reduce the commissions which are payable to the agents not from 40 to 35 per cent., but from 40 per cent. to ten per cent. and probably even less, because, in the actual net result, on account of the statutory obligation for everybody to go in for insurance, the income which each agent will get even at the rate of 5 or 10 per cent. will be far in excess of what he gets today even at the rate of 70 and 80 per cent., which, in spite of the law limiting agents' commissions to 40 per cent., there is no company in this country which does not connive at. Just imagine what it means. From 70 or 80 per cent. we bring it down to 10 or 15 per cent.; we bring down the expenses from 90 or 99 per cent. to 20 or 25 per cent. And instead of each policy costing eight or ten or fifteen or fifty rupees to procure, they will come in by themselves almost on the lines of something like income-tax coming in by itself. We will then be able to reduce the rates of our premia to an extent which should be unimaginable at present. I cannot guess the figures; it is for the great actuaries and the great highlights of the department of insurance to work out. But, probably they do not think it worth while to do so. Probably all their energy and ability and attention are devoted to fabricating new clauses for the statute which would make it impossible for insurance companies to invest in funds which will yield more than 2 per cent. There is the expert friend, sitting near by in the galleries of this House at this moment; I would appeal to him specially to devote his undoubted talents and his genius to that task and earn for himself a permanent

name in the Insurance history of this country by preparing the requisite tables and an entire scheme of national insurance under which every man in this country, poor and rich, will be free from worry and anxiety. I hope he and all others and also the members of the Select Committee will devote their attention to these requirements which I have tried to place before this House, and that the Bill when it comes out of the Select Committee will be shorn of all its objectionable features and will really help to set insurance on a solid and flourishing basis in this country.

**Prof. N. G. Ranga** (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I will not give myself more than five minutes and I hope to make my few points in this short time. Lest it should be said that our party is only interested in the business and technical side of insurance and is not really keen on the nationalisation of insurance business. I wish to say here and now that we stand for unadulterated and complete nationalisation of insurance. Very many objections were raised to many of the clauses of this particular Bill. I only wish to mention a few clauses with which generally I personally am in agreement. In the proposed section 31A (clause 11) I do not agree with the provision relating to the payment of a share in the profits of insurance business other than life insurance business. I do not see any reason why a share in the profits also shall be paid to some of the employees of the insurers; I do not wish to go into the reasons now.

Then I am glad that in sub-section (2) of that proposed section 31A there is a ban imposed on directors nominating their successors, and so on. I am also glad that in the proposed section 31B power is sought to be given to the Central Government to limit the remuneration to be paid to various employees of the insurance business; but I take objection to the particular phrase used here, "the normal standards prevailing in insurance business". I do not know why it should be confined to insurance business alone; it ought to be "the normal standards prevailing in the country."

Then we come to clause 12 which proposes the insertion of new section 32B and deals with prohibition of common officers and requirement to appoint whole-time officers. I agree with this also. With regard to sub-section (2) of this proposed section 32B I agree that we should certainly have this whole-time officer.

Then coming to clause 15, provision is made for only two people to represent the policyholders in the insurance company. I want more; whether you will have three or four or any other number is for the Select Committee to say. I know it cannot be so very satisfactory as when the whole of this business is nationalised, but anyhow this is a good beginning.

In clause 16 there is a prohibition put upon common directors. Here I am afraid I cannot agree with some of our technical experts who have spoken before me who took objection to this particular clause and said that any one individual should be allowed to be a Director of more than one company. I cannot agree with this. If any one is interested in insurance business he should become Director only in one company so that he may give his full and real attention to that company only, and we can break up the directors of business in all the various kinds of business that we shall have developed in various parts of the country.

Coming to the question of nationalisation, on an earlier occasion I pleaded with the Finance Member, but in vain, for an inquiry to be made into the business side of nationalisation. Just now my Honourable friend Pandit Malaviya has appealed to the expert that we have in India on insurance to try and prepare a plan for that particular thing. I think it is high time for Government to go into this matter a little more seriously than they have done up till now. What is it that Government have done so far to encourage insurance in this country? They have performed only police functions and nothing more. This Bill too seeks to do that business a little more carefully than it has been done till now. They have not done very much to encourage insurance business in this country. I want them to take up that particular responsibility and

[Prof. N. G. Ranga]

develop at the earliest possible moment their plans for providing crop and cattle insurance for our people. More and more we are coming to realise how great is the necessity for these insurance schemes. Cyclones, floods and pests are visiting different parts of our country in different years. In one year the whole section of peasantry in one part of the country is ruined, and in another year another section. I do not see any reason why the whole of the peasantry of this country should not be brought into one comprehensive crop and cattle insurance so that they can pool their resources, equalise their troubles and disorders and try to save one another, and in that way insure each other. In this of course I do recognise one difficulty; peasants left to themselves may not be able to do this and therefore the State has got to take a hand in this matter. The State may even have to be prepared to subsidise such an insurance or pay a very large portion of the administrative costs of such insurance. But anyhow the time has come when our Government must take up such matters, prepare plans and keep them ready, in the hope that when the change comes—which we all expect to happen as early as possible—it will be possible for the new dispensation to take up this matter as earnestly as they can and go ahead with their activities based upon the plans or the inquiries that the present Government are able to make. On an earlier occasion my Honourable friend tried to twit me by saying that I am extremely obstinate. I am proud of being very obstinate about things that I believe in. This is one of the things in which I believe, and I am extremely anxious that the Honourable Member should again make an earnest effort to give an assurance to us that he will apply his mind to this particular matter and see to it that his experts go into this matter.

Some observation was made about the appointment of a Superintendent of Insurance. It does not matter who that gentleman is so long as he is not an I. C. S. officer, and he is an Indian actuary; and if that gentleman is found to be thoroughly incompetent it will be left to his successor to dispense with that gentleman and get another. But we must make an experiment with our own people; it does not matter with whom. Let him make an experiment with an Indian and an Indian alone.

**The Honourable Dr. Sir M. Azizul Huque:** I think I will reply first to my Honourable friend, Prof. Ranga, as regards nationalization. This question has indeed been raised ever since I made my speech in connection with reference to the Select Committee of the first Insurance Bill. But, Sir, if the political situation of the country was definitely known to me at that time or even today, I could plan as to what I should do, but surely a momentous matter of that importance could not be expected to be taken up by me, knowing as I did that the political conditions might change any moment and somebody else might take over charge from me at any moment. My Honourable friend can at least give me the credit that I know that nationalisation is a matter of some importance to the economy of the country. As to insurance, I made it clear that if Indian agriculture has to be helped, then more than insurance of the non-agriculturist, it is necessary that insurance should envelope the life of the agriculturist in his crop, and cattle. It is from that point of view that I am anxious and I have been anxious to take up the matter, but there are certain things about which one is absolutely helpless. My Honourable friend, Mr. Malaviya, was complaining that he is helpless against so many powers vested by law in the Superintendent of Insurance. We are also helpless in some matters in this House too. For example, a speech which can be and might to be finished in ten or fifteen minutes takes 75 minutes. We have to tolerate quite a number of things, and life is such that we have to tolerate many things in this evil world.

I completely repudiate the charge that this Bill has been fabricated in the interest of big companies. Government never thought of any of the big companies, much less 'fabricating in the interest of big companies'. I know fabrication is a special favourite of certain persons, but I can assure him that this Bill has not been fabricated in the interest of big companies.

**Pandit Govind Malaviya:** You protest very loudly.



**The Honourable Dr. Sir M. Azizul Huque:** I cannot imitate the bulk of my Honourable friend either in his size or in his voice, so I hope my Honourable friend will kindly pardon me for the weakness in my voice or for my size.

My Honourable friend asked me as to what I was going to do about the Superintendent of Insurance. Sir, so far as the Superintendent of Insurance is concerned, I understood from the trend of debate in this House that they were not in favour of appointing any official or a member of the Indian Civil Service in this post, and it was expressed by different sections that we should have some one connected with insurance business and with some experience of insurance work. My answer to the question of my Honourable friend, Mr. Malaviya, is that I have been trying to find someone who is not an I.C.S. and who has some experience of insurance business. And I am candid enough to say that as this post had been held by a European and by a Hindu gentleman, I propose, if possible, to find a suitable Muslim for this post. I hope that the reason why this short notice question . . . . .

**Pandit Govind Malaviya:** May I know from the Honourable Member if that will be the criterion in the matter?

**The Honourable Dr. Sir M. Azizul Huque:** No. That criterion comes last of all after consideration of competency. But I hope, Sir, that that was not the object of the short notice question which was put.

**Pandit Govind Malaviya:** No, Sir.

**The Honourable Dr. Sir M. Azizul Huque:** All I can tell my Honourable friend is that this question of the appointment of a Superintendent of Insurance never went before the Federal Public Service Commission; it has always been considered on its own merits after consulting such insurance opinion as may be possible to consult in this country. It will be done in exactly the same manner as it has been done in the past.

**Pandit Govind Malaviya:** Will the Honourable Member just give us an assurance that he will consult some *ad hoc* committee? It does not matter whether a Muslim is selected or a Hindu is selected; whoever he may be we will be very happy.

**The Honourable Dr. Sir M. Azizul Huque:** I have said nothing more than this that I will appoint one in exactly the same manner as it has been done in the past. I will follow the same procedure and as far as my conscience, judgment, and patriotism go, I will try to appoint the best man. I can inform my Honourable friend that I have consulted the best opinion I can, and it is only after being advised in the selection of the candidate that I am venturing to appoint the gentleman.

**Pandit Govind Malaviya:** Why not consult the Assembly?

**The Honourable Dr. Sir M. Azizul Huque:** But the unfortunate part of it is that a certain amount of protest is always made when a Muslim is appointed to a high post.

**Prof. N. G. Ranga:** No, Sir.

**The Honourable Dr. Sir M. Azizul Huque:** I am not referring at all to many in the Congress benches. I know there are men in the front benches opposite who will support me genuinely.

**Pandit Govind Malaviya:** On a point of order. I must protest against this bringing in by the Honourable Member of an extraneous matter into this debate. Never has the question of Hindu or Muslim or anybody been in the mind of anybody and I feel that it is a matter of great regret that it should be in the mind of the Honourable the Commerce Member. The whole question is about the ability and qualifications of the man who may be appointed. If he is a Muslim so much so good; we don't mind; we shall be very happy. But the question of Hindus and Muslims should not be brought in. That was never raised. I request the Chair to rule that the Honourable the Commerce Member has no right to suggest that it was on the ground of Hindu or Muslim that this question was asked. We want a careful consideration of the matter, because

we have seen the ability of the Insurance Department and we do not want any one without requisite ability to be appointed.

**The Honourable Dr. Sir M. Azizul Huque:** I have not made any reflection on anybody. Just as my Honourable friend stated that this was not the object of Government, similarly I am saying, in exactly the same parliamentary way, 'I hope that was not the object of my Honourable friend in putting the short notice question'. I did not say that that was his object. I remember, Sir, in one of the famous Irish speeches, the parliamentary way was 'I will not call him a fool because that is unparliamentary'! I have not gone so far. All I have said is that I hope that that was not the object with which that question was put. I have made it quite clear that I shall appoint in the interest of the Department, in the interest of all sections, and I have got the best advice available and I shall follow the method which has always been followed in the past. I know that there are friends on the other side who will support me in this, namely that if in the interest of the country I can find a qualified Muslim it is my duty to find him for such appointment.

**Some Honourable Members** (on the Opposition Benches): By all means do it.

**The Honourable Dr. Sir M. Azizul Huque:** My Honourable friend talks of relevancy. Was there anything relevant in his reading out the short notice question and explaining the reasons as to why he put this question in great details? What was behind all that? Was it relevant? My Honourable friend wants to talk to me about relevancy. He wanted to show to this House . . . .

**Pandit Govind Malaviya:** Is the Honourable Member questioning the President's ruling?

**The Honourable Dr. Sir M. Azizul Huque:** So far as this Bill is concerned, I can give him the assurance that on the details which he has suggested—I cannot speak for anybody who will be after me—that if I am there, my duty as the Member will be to find out the largest common denominator of agreement among the Members. I am not trying to force any opinion on the House or on the Select Committee. My duty is to bring before the House and the Select Committee such matters as have been reported by the previous Select Committee and the recommendations of the Cowasjee Committee.

Yesterday I heard a number of speeches about Chief Agents. It is unfortunate that sometimes people do not know or even try to know the past history of a case. I was very much criticised about agent's remuneration. My friend, Mr. Sanyal, criticised me. Since he is not here, he has probably gone out to find some butter elsewhere, as he complained that I have no butter in me. He spoke about the Agent's remuneration. Does my friend know that this clause was not in the Government Bill at all, that it was introduced in the Select Committee, and Mr. Bhulabhai Desai, whose name anyone can take with a certain amount of pride, and the other Members put that clause in? Today it is too late for him to blame Government for it unless those who have eyes do not wish to see facts as they are.

As regards the present Bill, we have tried to find out an adjustment. We have tried to improve the position from what was suggested by the Select Committee. Yet there was a full debate of forty minutes simply on the Chief Agent's remuneration clause. That is why I sometimes feel when a Bill is referred to the Select Committee, they should look at the facts.

As regards the question of overall expenditure, it was the Select Committee which introduced it, and those who know this will still come to the House and say that Government is responsible.

**Pandit Govind Malaviya:** May I know who has opposed it here?

**The Honourable Dr. Sir M. Azizul Huque:** Sir, sometimes truth works so much havoc in home and its surroundings that the people feel impatient. Overall expenses is a clause which was introduced in the Select Committee. Similarly the clause about officers, whether they should have a percentage of



premium as a remuneration. We provided in the original Bill that no manager or technical adviser should be remunerated on a percentage basis. It was the Select Committee which introduced the present clause. Therefore to condemn the Government for these clauses is not fair. Mr. Sanyal yesterday said that the report which I had circulated showed that the Bill had been drafted on the recommendations of the Cowasjee Committee and he enquired about the agent's remuneration, in that report, forgetting that certain provisions which I omitted from the first Bill had been brought into this Bill. In a matter of such importance, one cannot expect to do much unless he carries the legislature with him. Therefore, my duty is to bring the proposals as recommended by the Select Committee the last time and being long enough in politics, I have never tried to push my own opinion in a matter of this character. The man who tries to push his opinion is thwarted at every stage. The man who is prepared to hear the opinion of others will be able to get large measure of agreement or unenimity of views as far as possible from the others. That is the line which I have taken and that is the point of view from which I have brought forward this Bill. I do not think it is necessary for me to say anything more.

But my friend, Pandit Malaviya, whom I cannot forget easily, has referred to this fact that if there is one murder committed in this society, in the interests of other ninety-nine good persons, you must not have any law of crime. That is the gist of his argument, forgetting that the law of crime, or any law for that matter, is really needed because society consists of only a few persons who do wrong and it is against the acts of those that laws are promulgated. Therefore, when I tried to bring this before the law, it is not because I felt that all the insurance companies are bad. That cannot be. It will be a complaint against whole human nature to say so. But it is against some insurance companies. To give one example, and I think Pandit Malaviya knows it well that the share of a company running in the Bombay market on one particular day at about Rs. 280 immediately rose up in the same day to Rs. 1,000, because one man went to the market and purchased every share in order to capture the company. Surely that state of affairs even the other 99 per cent. are good, should be checked.

**Dr. Sir Zia Uddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): What did the Government do?

**The Honourable Dr. Sir M. Azizul Huque:** That is why I have brought this legislation. There is another case and I am referring from the judgment of a High Court as to why some check is necessary. "With regard to so and so, he was pitch-forked into the position of a Managing Director of such and such bank without having any experience whatsoever of bank business. He was the Managing Agent of such and such insurance company before he got the present position and he struck me as being completely a creature of another man in this suit."

If these are the judgments of cases, as also facts in the market—there is not one case but twenty or thirty cases where interlocking of a most vicious character is found between insurance and financial companies,—it is time that Government should bring this measure and it is in that spirit and in all humility that I brought this legislation in the hope that some remedy should be found to check this state of affairs.

As regards the responsibility of Government, I do hope it will be realized more and more that it is not as much of the Government as of the legislature as a whole. Our duty is to initiate matters, but the responsibility of deciding on those measures is on the legislature and it is from that spirit that I have brought it and I hope and trust that whether I am here or not, the wisdom of the House will decide to eradicate evils which have entered into the present system of insurance. This is all I have to say.

**Mr. Deputy President:** The question is

"That the Bill further to amend the Insurance Act, 1938 (Second Amendment) be referred to a Select Committee consisting of the Honourable Sir Asoka Roy, Pandit Govind Malaviya, Mr. T. V. Satakopchari, Mr. R. K. Choudhury, Mr. B. B. Verma,

[Mr. Deputy President]

Mr. R. V. Reddiar, Mr. P. K. Salve, Shri Sri Prakasa, Mr. Manu Subedar, Haji Abdus Sattar Haji Ishaq Seth, Mr. A. R. Siddiqi, Mr. Ahmed E. H. Jaffer, Nawab Siddique Ali Khan, Choudhri Abid Hussain, Mr. M. A. F. Hirtzel, Mr. C. P. Lawson, Sir Cowasjee Rai Bahadur D. M. Bhattacharyya and the Mover, that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five, and that the Committee be authorised to meet at Simla."

The motion was adopted.

### MICA MINES LABOUR WELFARE FUND BILL

**The Honourable Dr. B. R. Ambedkar** (Labour Member): Sir, I move:

"That the Bill to constitute a fund for the financing of activities to promote the welfare of Labour employed in the Mica Mining Industry, as reported by the Select Committee be taken into consideration."

The Bill has emerged practically as it was from the Select Committee with changes which are so inconsequential that I think it would be wrong on my part to take the time of the House to refer to it. I will therefore do no more than move the motion.

**Mr. Deputy President:** The question is:

"That the Bill to constitute a fund for the financing of activities to promote the welfare of Labour employed in the Mica Mining Industry, as reported by the Select Committee be taken into consideration."

The motion was adopted.

**Mr. Deputy President:** The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

**Mr. Deputy President:** Clause 5.

**Pandit Mukut Bihari Lal Bhargava** (Ajmer-Merwara: General): Sir, I beg to move:

"That in sub-clause 3 (a) of clause 5 of the Bill, after the word 'fund' and before the word 'and', the following be inserted namely:—

'Provided that no officer shall be deemed to be competent to enter a private dwelling house between the hours of sunset and sunrise and in case of such dwelling house being occupied by women without proper notice of such entry to the inmates.'"

**Mr. Deputy President:** The Honourable Member just now has given notice of this amendment. It has not been circulated to the members.

**The Honourable Dr. B. R. Ambedkar:** Sir, I object to it.

**Mr. Deputy President:** I am afraid this amendment has come too late and it cannot be permitted at this stage.

**Prof. N. G. Ranga** (Guntur cum Nallore: Non-Muhammadan Rural): Have you any objection to that?

**The Honourable Dr. B. R. Ambedkar:** I strongly object to it.

**Mr. Deputy President:** Does the Honourable Member want to speak on Clause 5?

**Pandit Mukut Bihari Lal Bhargava:** No, Sir.

**Mr. Deputy President:** The question is:

"That clauses 5 and 6 stand part of the Bill."

The motion was adopted.

Clauses 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**The Honourable Dr. B. E. Ambedkar:** Sir, I move:

"That the Bill, as amended, be passed."

**Mr. Deputy President:** Motion moved:

"That the Bill, as amended, be passed."

**Pandit Govind Malaviya** (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, before we finally pass this Bill I should like to make a few remarks which have an indirect bearing upon it. The Bill itself is one which we all support and for which I should like to offer my congratulations to the Honourable the Labour Member. But I have a fear in regard to this Bill in the fact that it is going to be worked by a Department which is presided over by an Honourable Member who has scant regard for accuracy about things and as such it would not be safe for him to have laws in his hands which may affect the well being of the people. It happened that sometime ago here in this House one day, the Honourable Member during the course of a debate in another connection was pleased to make certain remarks. I do not care so much to go into the incorrect and irrelevant personal remarks which he made about myself but the utterly baseless and brazenly untrue and slanderous remarks which, without any reason or occasion, he made against the greatest and universally honoured national institution, the Benares Hindu University . . . .

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar:** On a point of order; Sir, all this has nothing to do with this Bill. We are on the third reading stage and I do not think it is necessary to resurrect some old speech of my Honourable colleague and try to answer it on this occasion. The next budget speech will be the proper occasion when all this can be discussed.

**Mr. Deputy President:** The Honourable Member must confine himself to the Bill, because on the third reading it is usual to make observations whether a Bill will be beneficial or not. If this practice is followed there will be no objection.

**Pandit Govind Malaviya:** I entirely agree and I bow to your ruling, Sir. What I wish to submit is that a Bill of this character has got to be administered in a certain manner to bring out the inherent good in it, and that therefore an Honourable Member who is so incapable of knowing well known facts about institutions like even the Benares Hindu University, that he should have said utterly groundless and malicious things about it, which, on the authority of the Pro-Vice Chancellor who today is the highest executive authority in the University and who is a Kayastha and not a Brahman . . . . .

**Mr. Deputy President:** This has got nothing to do with the Bill. The Honourable Member must confine himself to the Bill.

**Pandit Govind Malaviya:** If that is your ruling, Sir, I bow to it.

**Mr. Deputy President:** The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

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## STATEMENT OF BUSINESS

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar** (Leader of the House): Mr. Deputy President, the progress in this House of legislation contemplated by the Government has been more slow than even the Government Benches had anticipated. We have now to revise our views as to what legislation and what motions we should necessarily place before this House in the short time at our disposal during the next three days. I have had opportunities of consulting my Honourable colleagues and certain sections of opinion in this House and I am convinced that if the next item in the name of my Honourable colleague, *vis.*, the Bill further to amend the Indian Trade Unions Act, 1926, is taken up there will be no time for any other subject being discussed in this session of the House. We are anxious to close this session on

[Sir A. Ramaswami Mudaliar]

Thursday, the 18th, as my predecessor, Sir Edward Benthall has said. Having regard to all this I should like to state to the House that my Honourable colleague the Labour Member does not propose to move at present the Bill to amend the Indian Trade Unions Act.

**Diwan Chaman Lall** (West Punjab: Non-Muhammadan): Sir, in regard to the Trade Unions Bill (a) it is not of a controversial nature.

**Several Honourable Members:** It is very controversial.

**Diwan Chaman Lall:** If my Honourable friends consider it to be controversial they are entitled to their opinion. As I said, so far as my party is concerned I can say definitely that none of us would make even a single speech and would be willing to take the Bill straight to the Select Committee and any controversy that might arise can arise in the Select Committee or on the floor of the House when the Bill comes back from the Select Committee. I consider the Bill to be of very great importance and since both parts of the House are agreed that it is a matter of great importance I suggest that that Bill may be taken up. In regard to the Minimum Wages Bill that is a matter for circulation and I see no reason why that legislation should not be brought before the House. Then we had a definite assurance given to us that the I.L.O. matter will be discussed. Any subject can be made a subject of controversy but I submit that having promised a debate on that subject, I hope that the resolution will be not only tabled but also moved. Then there is the question of the Estates Duty. These are matters of great importance and I take it that there is time from now on till the 18th to discuss these matters. I do not see any reason why we should not go on in a regular manner, starting from the Trade Unions Bill to the others and I think we shall be able to complete the immediate business in hand.

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar:** I only state that we have decided on the best information that we could have as regards the time that will be taken with reference to each of these measures  
5 P.M. which are contemplated for discussion by the House; and I am perfectly satisfied that if this measure, namely the Bill regarding the Trade Unions Act is taken up; the time of the House will be almost completely exhausted in the discussion of this question. Therefore, the only decision that the Government of India has come to at present is that that matter cannot be taken up. The rest stands. We can see from day to day how we can adjust our programme with a view to securing at least those things which must be passed before the House rises on Thursday.

**Sjt. N. V. Gadgil** (Bombay Central Division: Non-Muhammadan Rural): Do I understand that the Congress Party was consulted with respect the dropping of this Bill, namely the Trade Unions Bill?

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar:** No party was consulted as regards the dropping of any particular measure. That is a decision by the Government. The parties were consulted as to what time will be taken in the discussion of particular measures and I am bound to say that the Congress Party generally stated that it will not take any long time over it. But I have also to consult other parties and we are satisfied that if this Bill is proceeded with it will take two days.

**Diwan Chaman Lall:** May I suggest that this measure may be put in the list, last, so that in case we reach it the Bill can be discussed?

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar:** That is done.

**Diwan Chaman Lall:** But the other matter that will vitally consume the time of the House is the discussion on the Report of the Public Accounts Committee. Then, this matter may be put last.

**Sir Cowasjee Jehangir** (Nominated Non-Official): May I submit since we are running so short of time that question hour be given up and that there shall be a convention that no adjournment motion be moved?

**Mr Abdur Rahman Siddiqi** (Calcutta and Suburbs: Muhammadan Urban): I support the Honourable Member's suggestion because elimination of question time may be a great saving.

**Prof. N. G. Ranga** (Guntur *cum* Nellore: Non-Muhammadan Rural): I am told by the Chief Whip of our party that he has already communicated to the Leader of the House our desire that the discussion on the Report of the Public Accounts Committee shall be postponed to the first two days of the next session so that we will be able to devote all the time for the rest of the business.

**The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar**: It will be at the end of the agenda, and if it cannot be disposed of it will go on to the next session.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 16th April 1946.

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