

# **LOK SABHA DEBATES**

**SECOND SERIES**

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*[10th May to 22nd May, 1957]*



**FIRST SESSION, 1957.**

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**LOK SABHA SECRETARIAT**  
**New Delhi.**

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N.B.—The sign + above a name of a Member on Questions, which were orally answered indicates that the Question was actually asked on the floor of the House by that Member.

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LOK SABHA

Friday, 24th May, 1957.

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair.]

ORAI ANSWERS TO QUESTIONS

### पुस्तकालयों का विकास

\*३२६. श्री श्रीनारायण दास : क्या शिक्षा तथा वैज्ञानिक गवेषणा मंत्री यह बताने को कृपा करेंगे कि :

(क) देश में पुस्तकालयों के विकास के लिये जो परामर्शदात्री समिति बनाई गई है उस के मुख्य कृत्य क्या है ;

(ख) क्या समिति ने पुस्तकालयों के विकास के प्रश्न पर विचार किया है; और

(ग) यदि हां, तो उस की मुख्य सिफारिशों व सुझाव क्या हैं ?

शिक्षा तथा वैज्ञानिक गवेषणा मंत्रालय में राज्य मंत्री (डा० का० ला० श्रीमाली) :

(क) एक विवरण सभा पटल पर रख दिया गया है। (हेल्लो परी. शेष २, अ. बन्ध संख्या ४८)

(ख) समिति की बैठक अभी नहीं हुई है।

(ग) प्रश्न नहीं उठता।

श्री श्रीनारायण दास : इस समिति में कितने सदस्य हैं और इस समिति का संगठन किस सैद्धान्तिक आधार पर किया गया है ?

डा० का० ला० श्रीमाली : इस समिति में नौ सदस्य हैं। इस में उन लोगों को रखा

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गया है, जिन को लाइब्रेरी साइंस का विशेष ज्ञान है।

श्री श्रीनारायण दास : क्या इस सम्बन्ध में इस बात का ख्याल नहीं रखा गया है कि इस में हर प्रान्त से एक एक सदस्य लिया जाय ?

डा० का० ला० श्रीमाली : जी नहीं, इस समिति को प्रान्त के आधार पर नहीं बनाया गया है।

श्री श्रीनारायण दास : क्या इस समिति का निर्माण करते समय प्राल इंडिया लाइब्रेरीज एसोसियेशन के इस सुझाव पर विचार किया गया था कि केन्द्र में एक स्थायी संस्था देश में पुस्तकालयों के विकास तथा पुस्तकालय आन्दोलन को आगे बढ़ाने के लिये होनी चाहिये ?

डा० का० ला० श्रीमाली : जो कमेटी बनाई गई है, वह इन सारे प्रश्नों पर विचार करेगी और जब इस की रिपोर्ट आयेगी, तो फिर इन सब मामलों पर गवर्नमेंट विचार करेगी।

Shri Ranga: Are any plans being made to see that centres other than capitals will have a central library which would be specially aided by the Union Government?

Dr. K. L. Shrimall: Yes, Sir. The Government of India are financing not only Central libraries in the States, but also district libraries, even libraries which are at the district level. I would refer the hon. Member to a pamphlet which was issued by the Ministry of Education some time back. The pamphlet is placed in the Library. That will give a fair idea of the whole development scheme of the libraries in India

**Shri Ranga:** Will there be any Members from both Houses of Parliament on this Committee?

**Dr. K. L. Shrimall:** I do not think Members of Parliament are on this Committee. The main purpose in making selection of Members was to get Members who have special knowledge of libraries.

**Shri V. P. Nayar:** The hon. Minister said that the Government of India will finance not merely libraries in the capital cities, but also in the districts. I want to know whether this committee has been asked to make recommendations regarding the increase of grants given to Library Associations which are functioning well, as for example, the Granthsala Sanghom of Kerala.

**Dr. K. L. Shrimall:** The whole plan was prepared in consultation with the State Governments and the Planning Commission and the Education Ministry and the grants will be given according to this plan and according to the needs of the State Governments.

#### **Aeromagnetic Survey of Punjab**

\*328. **Shri D. C. Sharma:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the term of foreign oil experts who carried out aeromagnetic survey of the Punjab has submitted its report; and

(b) if so, what are the possibilities of oil deposits there?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) and (b). The report of the aeromagnetic survey has just been received and is being studied.

**Shri D. C. Sharma:** In which regions of the Punjab has this aeromagnetic survey been carried out?

**Shri K. D. Malaviya:** The aeromagnetic survey in the Punjab was car-

ried out in the Jaisalmer area, on the northeast and southwest of Jaisalmer. These two portions were marked out for the survey.

**Shri D. C. Sharma:** May I know from which country this team of oil experts was drawn?

**Shri K. D. Malaviya:** They were not so much of oil experts. A team from Canada came to conduct an aeromagnetic survey of the Indo-Gangetic basin, a portion of Rajasthan and a very small portion of Punjab which incidentally came in the way of their survey. The object of this aeromagnetic survey was to assess the depth of the earth right from what we call the mother rock up to the surface where we stand. And these depths which are properly assessed by aeromagnetic instruments can go to help us a lot in the subsequent oil prospecting programme.

**Shri Amjad Ali:** How long will it take to revert to the seismic and geological survey, after the aeromagnetic survey is completed?

**Shri K. D. Malaviya:** We do not wait for the results of the aeromagnetic survey to start our own investigations, both gravimetric and seismic. We had already started some prospecting work in the Jaisalmer area and also in the Punjab area, but not in the U.P. area.

We were waiting for the results and the interpretation of the results of this aeromagnetic survey. Now that we have got them, we shall either have to pin-point all those areas which are further indicated by the aeromagnetic survey, or we may have to abandon certain areas.

That is why I said that these reports are being studied, and a specific programme, modified according to the aeromagnetic survey can only be formulated after a certain time.

**Shri C. D. Pande:** Has this aeromagnetic survey been found to be infallible and accurate, according to the experience of other countries, or has

it to be substantiated or be followed by drilling, as we have done in the Jwalamukhi area? In drilling absolutely necessary, even after the aeromagnetic survey?

**Shri K. D. Malaviya:** Nothing is final except the drilling. It is all to be confirmed by a series of different types of investigations. What the aeromagnetic survey gives us is only the depth of the earth at a point where the survey is done.

**Shri P. C. Bose:** May I know whether any Indian technicians were given the opportunity to be associated with the experts during the survey work?

**Shri K. D. Malaviya:** In every phase of the survey, our own people were associated.

**Shri Ranga:** What is the latest position in regard to the drilling experiments that are being carried on in the Jwalamukhi area?

**Shri K. D. Malaviya:** I would suggest to the hon Member to put a separate question, because this question deals only with the aeromagnetic survey.

#### Oil Companies

**\*329. Shri Narayanankutty Menon:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) what are the figures of gross and net profits earned by Burmah Shell, Standard Vacuum and Caltex Oil Companies in their refining and distribution business inside the territory of India during the years 1955 and 1956; and

(b) the amounts transferred overseas by these companies out of these profits?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) (i) The gross and net profits made by the Burmah Shell and Standard Vacuum Refineries during 1955 are indicated in their Balance-sheets and Profit & Loss Accounts for the year 1955. These are available in the Parliament Library.

Audited accounts of these companies for 1956 are not yet ready.

(ii) The Caltex Refinery was under construction during 1955 and 1956 and have, therefore, not published their audited accounts. The question of profits made by them during these years does not arise.

(iii) Government has not so far received the balance sheets and profit and loss accounts of the oil distribution companies.

(b) The information so far available is placed on the Table of the House [See Appendix II, annexure, No. 49.]

**Shri Narayanankutty Menon:** In the statement that has been laid on the Table of the House, it is mentioned that no information is available as regards the remittances made by the Burmah Shell Co. by way of profits. Are we to understand that they were remitting their profits during these two years without the knowledge of this Government?

**Shri K. D. Malaviya:** No. We have made enquiries as to why the Burmah Shell Co. have not sent their intimations with regard to profits and so on. As soon as we get the information, we shall be in a position to give more information to the House about this.

**Shri Narayanankutty Menon:** Is it a fact that before the remittance were made in 1955 and 1956, the Government or the Reserve Bank had no information about the remittances?

**Shri K. D. Malaviya:** I presume that the Reserve Bank has always been keeping in touch with all the remittances that are made by these companies.

**Shri H. C. Mathur:** Am I to understand that the remittances are made without any sanction or permission of Government?

**Shri K. D. Malaviya:** No, Sir; remittances are always made according to a specific arrangement made between the Government and the company.

**Shri Keshava:** What is the amount that Government have realised by way of excise and other levies on these companies?

**Shri K. D. Malaviya:** I require notice.

**Shri V. P. Nayar:** I find from the statement that figures are given as regards remittances of Caltex and also Stanvac. I want to know what is the specific reason for which Government are not able to furnish the same information regarding Burmah-Shell?

**Shri K. D. Malaviya:** I have said that the figures for Burmah-Shell are not available. We could not collect them within the time-limit set for me to answer this question. I am making further enquiries and I will let the House know about it.

#### Compulsory Deposit of Reserves

- †  
\*330. { **Shri L. N. Mishra:**  
      **Shri Shree Narayan Das:**

Will the Minister of Finance be pleased to state:

(a) whether the scheme of compulsory deposit of company's reserves has been implemented; and

(b) if so, the agency through which it is being implemented?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) The deposit scheme envisaged under Sections 10(2B) and 10(2C) of the Income-Tax Act consists of two parts—one in respect of current profits of the company and the other in respect of its accumulated profits and reserves. The first part of the scheme is in the process of implementation. In respect of the deposits out of reserves, the question of fixation of percentage for the current year is under consideration.

(b) The scheme is proposed to be administered through the Central Board of Revenue acting on the advice of a Board of Referees.

**Shri L. N. Mishra:** May I know whether separate arrangements have been made for current profits and accumulated reserves?

**Shri B. R. Bhagat:** That is what I answered in part (a).

**Shri L. N. Mishra:** May I know on what basis the Board of Referees, referred to in part (b), will be constituted?

**Shri B. R. Bhagat:** There would be a Board of three or four referees. They would be selected on the basis of how far they would be able to help in the implementation of the scheme.

**Shri Heda:** May I know the rate of interest that Government would guarantee or pay on these compulsory deposits in case the money is deposited with Government or invested in something else? Is a minimum rate guaranteed?

**The Minister of Finance (Shri T. T. Krishnamachari):** The provision itself indicates that the rate of interest will be regulated by reference to the bank rate ruling at the time.

**Shri Heda:** Higher bank rate?

**Shri C. D. Pande:** If the same party which has deposited this money as reserve wants to have a loan from that reserve, what will be the rate of interest charged by Government?

**Shri T. T. Krishnamachari:** It is not contemplated that any loan will be given.

**Shri Tyabji:** May I know whether the rules framed under the deposit scheme have now been finalised?

**Shri T. T. Krishnamachari:** They are in the stage of being finalised.

**Shri L. N. Mishra:** May I know by what time part II of the deposit scheme will be put into operation?

**Shri T. T. Krishnamachari:** I am not in a position to say definitely by what time it would come into operation.

**District Jail, Delhi**

\*331. **Shri Radha Raman:** Will the Minister of Home Affairs be pleased to state:

(a) when will the existing District Jail be shifted to its new site at Tehar near Tilak Nagar;

(b) whether the new District Jail building is ready for use; and

(c) if not, when it will be completed?

**The Minister of State in the Ministry of Home Affairs (Shri B. N. Datar):** (a) By about October 1957.

(b) and (c). The new Jail building has not yet been entirely completed. Certain essential portions such as the Kitchen Block, the Grain Godown and the Undertrails' Block will be completed by the end of August 1957, whereafter the new Jail will be ready for use.

**Shri Radha Raman:** May I know what is the capacity proposed for this jail for prisoners, and has any account been taken of the future needs of growing Delhi?

**Shri Datar:** The capacity would be about 1500.

**Shri Radha Raman:** May I know if there are certain modern amenities which are going to be provided in the new jail that is under consideration? If so, what are they?

**Shri Datar:** There are a number of new amenities that are going to be provided there on the basis of the recommendations of Dr. Wreckless and also of the recommendations of the Punjab Jail Reforms Committee.

**Shri Radha Raman:** What is the total amount that the Government is going to spend on this jail?

**Shri Datar:** Rs. 80 lakhs.

### Exploration of Mineral Wealth in Punjab

†  
\*332. { **Shri Bahadur Singh:**  
          **Shri D. C. Sharma:**

Will the Minister of Education and Scientific Research be pleased to refer to the reply given to Unstarred Question No. 437 on the 29th November, 1956 and state whether detailed reports about the deposits of mineral wealth in Punjab have been submitted by any of the officers of the Geological Survey of India engaged in the exploration work there?

**The Deputy Minister of Education and Scientific Research (Dr. M. M. Das):** No, Sir.

The reports are likely to be received by about September, 1957 after analytical, petrological and other necessary investigations on the samples collected, have been carried out.

**Shri Bahadur Singh:** May I know whether Government is in a position to say if at any place any party has found silver and gold?

**Shri M. M. Das:** As I have said, we have not yet received the reports. The work is being carried on by geologists and the final reports we have to get by September, 1957.

**Mr. Speaker:** Next question—question 333.

**Shri L. N. Mishra:** Sir, may I suggest that along with question No. 333, question 358 may also be taken?

**Mr. Speaker:** If the same Minister has to give the reply then it does not matter.

**The Minister of Finance (Shri T. T. Krishnamachari):** They are related, Sir.

**Mr. Speaker:** Both of them may be answered together.

**World Bank**

\*333. **Shri H. C. Mathur:** Will the Minister of Finance be pleased to state:

(a) the extent of the assistance sought from World Bank; and

(b) what projects for the implementation of our Second Five Year Plan have been referred to the World Bank for assistance and what agreements, if any, have already been reached?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) and (b). The Government of India have not specified any particular figure for the assistance sought from the World Bank; but have only indicated the need for assistance to finance the foreign exchange costs of the development programmes in the Second Five Year Plan. Of these, so far, the World Bank had selected for early consideration the following projects:—

- (i) The second expansion programme of IISCO;
- (ii) An initial loan in support of the railway investment programme;
- (iii) Such additional projects in the field of transportation, notably ports and shipping, as may upon further investigation prove suitable for Bank consideration;
- (iv) The Koyna and Rihand hydro-electric projects, the two new projects of the Damodar Valley Corporation, and the expansion of the Trombay Steam Plant.

Agreements relating to two loans, one of \$ 20 million for the expansion programme of IISCO and the other of \$ 5.6 million for purchase of Boeing Jet-aircrafts for the Air India International Corporation, have since been signed.

**Loan from World Bank**

†

\*358. { **Shrimati Tarkeshwari Sinha:**  
**Shri L. N. Mishra:**

Will the Minister of Finance be pleased to state:

(a) the progress made in regard to negotiations with the World Bank for loan for the expansion of Indian Railways; and

(b) whether any amount has been promised by the World Bank for import of railway rolling stock and steel?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) Technical scrutiny of the project was completed in February 1957 by a team of consultants from the World Bank; and a delegation from the Government of India is now conducting further negotiations in Washington.

(b) No Sir, not yet.

**Shri H. C. Mathur:** May I know which of the projects referred by the Government of India have been dropped from consideration—I mean are not being considered?

**Shri T. T. Krishnamachari:** I have no idea of having dropped any of these projects.

**Shri H. C. Mathur:** Now, we have been told that these four projects have been taken up by the World Bank for consideration and for finalisation. My question is how many were the projects referred to the Bank out of which these 4 are being considered.

**Shri T. T. Krishnamachari:** These projects that are being referred to are projects that are now under consideration; they have not been taken up. They largely cover a number of projects in regard to railway expansion. We have under consideration projects for port expansion. These projects are in various stages of preparation and the World Bank has been intimated that we may approach them for a loan on account of these pro-



jects. But, there is no question of anything being dropped at the present moment.

**Shri H. C. Mathur:** What is the delay in the finalisation of the railway project and why has a second visit by the Railway Board been necessitated?

**Shri T. T. Krishnamachari:** The hon. Member is apparently quite unfamiliar with these practices between the bankers and borrowers. There is a lot of technical data that is necessary and the question of purchase from various sources depends upon the amount claimed. These and other matters are all matters of negotiation and it would undoubtedly take a long time. There is no use saying that the moment we send the delegation, they are having their bags ready for doling out the cash. It is a process of convincing them that we need these. They have a right priority and they are not obtainable from other sources. These matters do take time and involve a lot of negotiations.

**Shri L. N. Mishra:** Apart from the schemes that have been detailed in reply to part (b) of the question, may I know whether the Government is approaching the World Bank for help in respect of some other projects also?

**Shri T. T. Krishnamachari:** Broadly, it has been indicated to us that the World Bank would be prepared to consider projects in the public sector which involve development of transport capacity which means, railways, ports and perhaps even shopping development of power and also irrigation projects. These are broadly the projects for which the Government is approaching the World Bank for assistance in relation to foreign exchange needs of the Government. There are certain private enterprise projects also for which we are sponsoring the application of the private enterprise.

**Shri V. Raju:** The Minister said that the loan applications of the pri-

vate industry were also being sponsored by this Government to the World Bank. Is it the policy of the Government to recommend private capitalistic industries also to be given loans by the World Bank? If so, would not this lessen the total loan capacity that the Government may take for public enterprise?

**Shri T. T. Krishnamachari:** Whatever we recommend for acceptance by the World Bank, it is in the nature of financing private enterprise in respect of their foreign exchange needs. They are considered to be projects of a very high priority and therefore, no other consideration creeps in excepting that we want these projects completed. Whether the total amount that is set apart for India is a fixed sum and whether any loan that is given to the private enterprise will be by way of mitigating the total amount set apart for India are matters of speculation at the present moment, because we have no particular amount fixed. I have no reason to believe that, merely because certain private enterprises are being supported for loan by the World Bank, the interests of the Government of India in respect of its loans would suffer.

**Shri Kasiwal:** It has been complained that far more assistance is being given for development purposes by the World Bank to countries in the Latin American region than to countries in the South East Asian region. May I know whether there is any possibility of greater diversion of funds from that region to this region?

**Shri T. T. Krishnamachari:** So far as I am concerned, I am not in a position to answer this question in relation to any country other than India. And I hope that so far as we are concerned the position would be such as would be favourable in respect of our loan demands.

**Shri Tandia:** May I know what will be the rate of interest payable on these loans and when they are repayable?

**Shri T. T. Krishnamachari:** The rate of interest, as my hon. friend would understand, depends upon the project, the period for which the loan is asked for, and it varies from loan to loan.

**Shri Heda:** May I know approximately what will be the loan involved in the foreign exchange that is needed for the schemes enumerated under the three heads given here?

**Shri T. T. Krishnamachari:** It is difficult to say that, until we get from the World Bank an idea as to what they are going to finance. I cannot say precisely what our foreign exchange needs will be. Actually our foreign exchange needs are considerably greater than what we can expect the World Bank to finance so far as our Railway requirements are concerned.

**Shri Joachim Alva:** In the matter of the purchase of boeing jets for the Air India International, was it open to the Air International, to go to other world centres of aviation and buy similar jets, or did the World Bank give any kind of direction that these should be purchased only from America?

**Shri T. T. Krishnamachari:** Well, Sir, so far as the loan that has been floated by the Air India International is concerned, their needs are not completely covered by the loan that is given by the World Bank. We have had a floatation in New York, America, and we are also expecting some loan in respect of the sterling component of the needs of the Air India International in respect of the purchase of boeing jets.

**Shri H. C. Mathur:** May I know what is the estimated expectation of the Government of India?

**Mr. Speaker:** Order, order. We will go to the next question.

#### Zoological Survey Headquarters

\*334. **Shri Sadhan Gupta:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is proposed to shift

the Headquarters of the Zoological Survey of India from Calcutta; and

(b) if so, the reasons therefor?

**The Deputy Minister of Education and Scientific Research (Shri M. M. Das):** (a) No, Sir. The matter is under consideration.

(b) Does not arise.

**Shri Sadhan Gupta:** Is it a fact that it was completed to build a fire-proof house to house the valuable collections under the Zoological Survey of India, and the construction of this House has now been abandoned because of the decision to transfer the headquarter of the Zoological Survey of India from Calcutta, although the preliminary work in connection with the construction was undertaken two years ago?

**Shri M. M. Das:** It is a fact that a decision was taken for building a fire-proof building for preserving the spirit-preserved specimens of the Zoological Department and also other departments in Calcutta, but the construction was not begun. It has not yet been abandoned. There has been some difficulty and the construction has been simply postponed for the time being.

**Shri C. K. Bhattacharyya:** What are the difficulties?

**Shri S. C. Samanta:** May I know whether the difficulties have been discussed with the State Government of West Bengal? If it is a question of want of lands, may I know whether the 50 acres of land lying with the Central Government there will be utilised?

**Shri M. M. Das:** As far as I know, no discussion has been held with the State Government, but it is a fact that the Government of India has got some areas of land in Calcutta. What is the exact area of that land, whether it is 50 acres or 100 acres, I do not know. Only recently the Government of West Bengal acquired for the Gov-

ernment of India about 27 acres of land in exchange of the Hastings House property which formerly belonged to the Government of India.

**Shri Sadhan Gupta:** May I know what the difficulties actually are, because the House apparently was to have been constructed in the compound of the Indian Museum in Calcutta and so it does not appear to be a question of want of land?

**Shri M. M. Das:** Perhaps the hon. Member is referring to the fire-proof building. I do not know what is the exact cause for postponing construction of this building. The decision was taken in the year 1952. The information which is at present at my disposal—and I do not want to commit myself upon that—is that there is a small tank in the compound of the Indian Museum in Calcutta. That tank was to be filled up and the building was to be built there. Therefore, some time must pass for the settling up of the newly filled tank. Some such difficulties are there.

**Shri B. C. Ghose:** From the answer to the first part of the question, I presume that it is not proposed to shift the headquarters from Calcutta. Then, I should like to ask what is the matter under consideration.

**Shri M. M. Das:** I think so far as my poor knowledge in English goes, we have interpreted this question as to whether the Government of India have decided to shift the headquarters of the Zoological Survey of India from Calcutta.

**Shri Sadhan Gupta:** The word is "proposed".

**Shri M. M. Das:** There is a difference between "whether it is proposed to shift" and "whether there is a proposal before the Government to shift".

गैर-सरकारी कोयला खानें

\*३३५. श्री रघुनाथ सिंह : क्या इस्पात, खान और ईंधन मंत्री यह बताने की कृपा

करेंगे कि :

(क) इस समय कितने गैर-सरकारी कोयला खानें बन्द पड़ी हैं,

(ख) उन के बन्द होने के क्या कारण हैं; और

(ग) इस संबंध में सरकार क्या कार्यवाही करने जा रही है ?

**खान और तेल मंत्री (श्री के० बे० मालवीय) :** (क) से (ग): प्रश्नी जानकारीयाँ उपलब्ध नहीं हैं जो कुछ भी जानकारीयाँ एकत्रित की जा सकेंगी, सभा पटल पर प्रस्तुत कर दी जायेंगी ।

**श्री रघुनाथ सिंह :** आप को कितने दिनों में जानकारी प्राप्त होगी ? आप जानते हैं कि कोयले की बहुत शार्टेज है हिन्दुस्तान में, और जब खानें इस प्रकार से बन्द रहेंगी तो देश का काम कैसे चलेगा ?

**श्री के० बे० मालवीय :** वास्तव में बात तो यह है कि इस जानकारी से कोई सहायता नहीं मिलेगी जो कि चीफ इंस्पेक्टर आफ माइंस धीरे धीरे एकत्र कर रहे हैं । रहा यह कि कौन सी खान बन्द हो गई और क्यों बन्द हो गई, यह दूसरा प्रश्न है और यह समस्या कि हम किस तरह से अपना कोयले का उत्पादन बढ़ा सकें यह बिल्कुल दूसरा प्रश्न है । जहाँ तक कोयले के उत्पादन को बढ़ाने का प्रश्न है यह बड़ा गम्भीर मामला है और गवर्नमेंट इस पर विचार कर रही है । इस का कार्यक्रम भी बन गया है और १२ मिलियन टन कोयला बढ़ाने का प्रबन्ध गवर्नमेंट कर रही है । अलग अलग खानों के बन्द हो जाने का जो कारण है, उस से हमें ज्यादा सहायता नहीं मिलेगी, लेकिन हम उसे एकत्र कर रहे हैं और जैसे ही वह सूचना मिल जायेगी हम आप के सामने रख देंगे ।

**Shri A. C. Guha:** How long will the Government allow these private collieries to be closed down and when do the Government intend to intervene so that the collieries may be worked?

**Shri K. D. Malaviya:** Government have been taking steps from time to time to this effect. So far as the rules and the laws are concerned, according to them, we compel the collieries to carry on the production of coal in the private sector. But there are various reasons for which these individual mines have closed down. For instance, the depth of the coalmine seams is exhausted and so no coal would be found, or, there is difference in the terrain or the cost of production goes up. Therefore, the private sector is reluctant to produce further coal. All these reasons led us to come to a certain policy decision. According to that policy decision, we have ourselves taken the responsibility of increased production of coal on which programme we are now going ahead.

**Shri T. B. Vittal Rao:** Some coalmines are closed down not because there are no seams but they could not raise coal at economic costs. For that purpose a Committee has been appointed and the report of the Committee is before the Government, suggesting the amalgamation of certain coalmines. May I know at what stage are the recommendations of that Committee?

**Shri K. D. Malaviya:** That report is under consideration of the Government. It will take sometime for us to reach conclusions.

#### Contribution to Political Parties

\*336. **Shri Bharucha:** Will the Minister of Finance be pleased to state:

(a) whether the attention of the Government has been invited to a judgment of the Calcutta High Court delivered by Justice P. B. Mukherjee on 28th February, 1957 on the application of Indian Iron and Steel Co. Ltd., seeking Court's sanction to make contribution to political parties and alter its memorandum of association; and

(b) the steps Government propose to take in the matter?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) Yes, Sir.

(b) Such contribution to political funds can validly be made by companies if it is permissible in terms of their memoranda of association and may be sanctioned by their Boards within the limits allowed under section 293(1)(e) of the Companies Act, 1956. The Court have in this case directed that a proper disclosure of all such payments should be made in the company's accounts. Whether it is necessary to make this disclosure a general requirement of the Law is the only matter to be considered.

**Shri Bharucha:** May I know whether the Government is aware that the learned judge, in the course of his judgment, has explicitly questioned the propriety of political parties receiving money from companies for influencing their policy?

**Shri T. T. Krishnamachari:** It is an *obiter dictum* and naturally all those *obiter dicta* pronounced by high judicial personages are taken note of.

**Shri Dange:** Is it a fact that the Government has given a loan of about Rs. 7 crores to this company and whether that loan is for furthering production or for contributions to the election fund of the Congress Party.

**Shri T. T. Krishnamachari:** What is the company?

**Shri Dange:** The Indian Iron and Steel Company.

**Mr. Speaker:** The Indian Iron and Steel Company: It is in the question.

**Shri T. T. Krishnamachari:** My hon. friend is new to this arena, and if he gets a little more experienced he will then find that questions of this nature fail after some investigation. Such loans are being given to iron and steel companies. I think the outstanding loan is Rs. 9 crores. The amount has been given somewhere round about 1952. Therefore, my hon. friend would understand that this loan has nothing whatever to do with any contribution that this company or any other company might make to the funds of any political party.

**Shri H. N. Mukerjee:** In view of the observations of the Judge of the Calcutta High Court in this particular case and the reports regarding the big money interests supplying money on the eve of the elections to the Government party funds, may I know if Government has referred the matter to the Election Commissioner, so he can examine its impact upon the fairness or otherwise of the elections being conducted in the country and also with a view to recommending the likely changes in the present law of elections?

**Shri T. T. Krishnamachari:** This question of contribution by parties and organisations to political party funds is something probably which will have to be gone into later on—not only big money interests that contribute to political parties but also other interests which are compelled to contribute to the funds of political parties as a result of a certain agitation carried on by political parties on their behalf. It is common knowledge that oftentimes the bonus that is extracted by unwilling labourers from their employers is used for political parties by the people who take part in the agitation. All these matters will have to be gone into sometime. (*Interruption*). May be the hon. Member will table a resolution and we will consider it.

**Shri Tyabji:** May I know whether the hon. Minister is aware that the Bombay High Court also considered this matter very carefully and after adjourning the matter, came to the opinion that it was quite right and proper for companies to make this contribution?

**Mr. Speaker:** Next question.

#### Defence Employees in Nepal

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\*338. { **Shri T. B. Vittal Rao:**  
**Shri S. M. Banerjee:**  
**Shrimati Ila Palchoudhury:**

Will the Minister of Defence be pleased to state:

(a) whether service conditions for

Defence employees serving in Nepal have been framed; and

(b) if not whether Government contemplate making special rules governing their allowances etc.?

**The Deputy Minister of Defence (Sardar Majithia):** (a) Our Defence employees serving in Nepal are governed by the same terms and conditions of service as are applicable to them in India. Certain allowances/concessions, according to scales laid down, are, however, allowed to them, while serving in Nepal, in addition to their normal pay and allowances.

(b) Does not arise.

**Shri S. M. Banerjee:** May I know whether any decision has since been taken to bring the civilian employees in the defence department working in Jammu and Kashmir area within the purview of the labour legislation, and if not, why?

**Sardar Majithia:** I do not see any connection this question and the question that has been tabled.

**Shrimati Ila Palchoudhuri:** May I know if the Government is aware that owing to the military personnel being stationed in Nepal, anti-India feeling is being generated over there?

**Sardar Majithia:** The Ministry of External Affairs might answer that question.

**Shri Manaen:** May I know the number of defence employees in Nepal, for what purpose they stay there and the period for which they will stay there?

**Sardar Majithia:** The defence personnel are employed in the Indian Military Mission and also in the the Indian Embassy there; there are also employed on the construction of roads.

**Shri Manaen:** May I know the number in each category?

**Mr. Speaker:** These details cannot be given here.

**Shri Ranga:** Why is it necessary that we should keep our defence employees there in Nepal? Is it at the request of the Nepal Government or for any other purpose?

**Sardar Majithia:** So far as the Indian Military Mission was concerned, it was definitely at the request of the Nepal Government. So far as the construction of the road is concerned, it is under the Colombo Plan.

**Shrimati Ila Palchoudhuri:** May I know the nature of the mission in Nepal and what they are supposed to be doing there?

**Sardar Majithia:** They were originally taken by the Nepal Government to train their army on modern lines.

#### General Elections

\*339. **Shri S. C. Samanta:** Will the Minister of Law be pleased to state whether foreign observers came to India to watch the working of the polling system in India during the recent elections?

**The Minister of Law (Shri A. K. Sen):** Yes, Sir. Two officers of the Government of Pakistan and a party of 40 officers sent by the Government of Nepal visited India to watch the working of the polling system in India during the recent General Elections.

**Shri S. C. Samanta:** May I know, Sir, whether these foreign observers had published articles in the Press of their country commenting on our elections?

**Shri A. K. Sen:** If any particular article is referred to we shall be very happy to take note of that.

**Shri S. C. Samanta:** May I know whether, excepting the two countries mentioned by the hon. Minister, any other countries have commented, and those comments have been sent?

**Shri A. K. Sen:** No comments have so far been sent to us, as far as our information goes.

**Shri Thirumal Rao:** Did any foreign correspondents tour the country during the general elections, and if so, has it come to the notice of Government?

**Shri A. K. Sen:** I am sure many foreign correspondents must have toured the country and reported about the progress of the elections. But if any particular report is referred to, we shall be glad to take note of it.

**Shri Thirumal Rao:** It is not a matter for surmise. I want to know whether any information with regard to these foreign correspondents is in the hands of Government.

**Shri A. K. Sen:** If the hon. Member has any particular correspondent in view, we want notice of it.

**Mr. Speaker:** Does not Government keep in touch with reactions in the foreign Press about important matters?

**Shri A. K. Sen:** We do keep in touch with the reactions in the foreign press about the elections, but if any particular country, or any particular correspondent is referred to, we want notice of that and we shall enlighten the House on that.

**Shri Kasliwal:** May I know whether after having experience of our elections, there is a possibility of early elections in Pakistan?

**Shri A. K. Sen:** How does that question arise?

**Shri Hem Barua:** May I know whether these observers who came from Pakistan and who were referred to by the hon. Minister came in order to receive training in election work or they came to report on the working of democracy in this country.

**Shri A. K. Sen:** What exact connection they had with their respective States or Governments is a matter which is within the special knowledge of the observers and their respective states. We could only see them touring this country and reporting on the progress of the elections. More than

that it is difficult to surmise, nor is it possible or proper to expect in the matter.

**Shri Radhelal Vyas:** May I know whether it is a fact that the Pakistani observers came to this country at the request of Pakistan or without any request from that Government?

**Shri A. K. Sen:** That is for Pakistan to enlighten us. We have no information as to what particular instructions...

**Shri Radhelal Vyas:** Did they come at the request of the Pakistan Government to the Government of India?

**Shri A. K. Sen:** For that notice is needed, whether the Government of India extended any invitation or not. That does not strictly arise out of this.

**Shri B. S. Murthy:** As regards the Pakistani observers the hon. Minister was pleased to say that he had no idea as to their *bona fides*. May I know whether Government had not taken any steps to see whether they were *bona fides* observers before they were allowed to tour the country?

**Shri A. K. Sen:** As far as my recollection goes, I never used the expression "*bona fide*". What I said was what specific connection they had with their respective States or Governments was a matter within the special knowledge of the observers and the States.

#### Royalty on Minerals

\*340. **Shri M. R. Krishna:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether it is a fact that the Union Government have agreed to the enhancement of the royalty on the minerals available in the States to help the States with more revenue for their development purposes; and

(b) if so the number of States which have obtained this concession?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) Yes, Sir; but the primary object of the enhancement

was to bring the royalty rates into line with the general rise in the level of prices, rentals, and wages. Its incidental effect will doubtless be to augment the revenues of State Governments.

(b) The enhanced rates are applicable uniformly to all States throughout India.

**Shri M. R. Krishna:** May I know what is the total amount that the Andhra Pradesh Government will be getting from the Centre as royalty, and also whether the Central Government proposes to give any loan to Andhra Pradesh?

**Shri K. D. Malaviya:** I am afraid I will not be able to give that information just now because I have not got those details.

**Shri M. R. Krishna:** May I know whether the royalty which will be received by the State Governments would be spent for specific purposes or for the general development of the schemes?

**Shri K. D. Malaviya:** That is for the Andhra Pradesh Government to decide, as to what they will do with the increased royalty that they will get.

**Mr. Speaker:** Are they earmarked for any purpose, is there any direction by the Centre?—that is what he wants to know.

**Shri K. D. Malaviya:** No, Sir, there is no earmarking.

लाला प्रवृत्त राम : क्या मंत्री महोदय  
बतलायेंगे कि इस वक्त पंजाब को क्या रायेल्टी  
दी जाती है ?

की कं. दे. मा. व. य. : प्रलग प्रलग  
खनिज की प्रलग प्रलग रायेल्टी निर्धारित  
की जाती है। मुझे मालूम नहीं कि किस चीज  
के बारे में माननीय मंत्री जानना चाहते  
हैं।

**Shri V. P. Nayar:** May I know what increase is proposed to be given in the matter of royalty on the ilmenite

sands exported from Kerala; and may I further know whether in fixing the increase Government have gone into the question of the local prices for ilmenite as also its price in U.S.A.?

**Shri K. D. Malaviya:** As regards the specific question relating to ilmenite I would request my hon. friend to put a separate question.

**Shri Sambandam:** May I know the amount allotted to Madras State and how much they have realised?

**Shri K. D. Malaviya:** Nobody allots any royalty to the States. It all depends on how much ores are worked in that particular State, and on the quantity of that ore depends the income from royalty.

**Shri Thirumal Rao:** With regard to this royalty, does the State Government have its own arrangement to collect it or does the State Trading Corporation here at the Centre make the collection for the States?

**Shri K. D. Malaviya:** I presume the State Government does all the work in connection with the collection.

#### Archaeological Finds near Bela

\*341. **Shri Bibhuti Mishra:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is a fact that archaeological finds have been discovered recently at a place three miles away from Bela Railway Station, on the Patna-Gaya Branch line; and

(b) if so, the significance of these finds?

**The Minister in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) Yes Sir.

(b) The finds relate to pre-Mauryan settlement, going back to about 1000 B.C., of a people who made red and black ware.

**श्री बिभूति मिश्र :** इस खोज में कौन कौन सी चीजें मिली हैं ?

**डा० का० ला० श्रीवाली :** मैं ने निवेदन किया कि लाल और काले बर्तन मिला है।

**श्री बिभूति मिश्र :** क्या सरकार ने इन के ऐतिहासिक काल का पता लगाया है ?

**डा० का० ला० श्रीवाली :** मैं ने जनाब से यह कहा था कि जो चीजें मिली हैं उन से पता लगता है कि १००० बी० सी० के समय की हैं।

Asiatic Society, Calcutta

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\*342. { **Shri H. N. Mukerjee:**  
**Shri C. K. Bhattacharyya:**

Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is a fact that Government have received a request from the Asiatic Society, Calcutta, for repairs to its historic building and for the setting up of a department of South-East Asian studies; and

(b) if so, the action taken thereon?

**The Minister in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) Yes, Sir.

(b) The schemes of the Society were considered by the expert Committee on Indology. On their recommendation, it was decided that no grants should be paid to the Society for these projects.

I might be permitted to add, Sir, that my colleague Dr. Das had further consultations with the Society in the matter, and the Society has been asked to send its revised proposals.



**Shri H. N. Mukerjee:** In view of the library of the Asiatic Society, which contains some very valuable Tibetan and other oriental manuscripts, being in a very bad condition, will Government offer some assistance to the library in particular?

**Dr. K. L. Shrimali:** As I said, we are awaiting the revised proposals from the Society.

**Shri H. N. Mukerjee:** Is Government aware that the President of the Asiatic Society, Dr. S. N. Sen, is making almost a desperate appeal to the country to come up with funds to assist the Society; in view of that, will Government do something in the matter and see that they otherwise help the Society?

**Dr. K. L. Shrimali:** I would certainly consider all reasonable requests which are made by the Society. That is all that I can say at the present moment. I cannot make any definite commitment unless we receive proposals from the Society.

**Shri A. C. Guha:** May I know what is the annual grant given to this Society by the Central Government and if there is any proposal to increase the grant?

**Dr. K. L. Shrimali:** Since 1953-54, the Government of India have been making the Society a grant of Rs. 25,000 annually. Rs. 20,000 for general maintenance and Rs. 5000 towards cataloguing of manuscripts. In addition to this, the Government of India also agreed to grant Rs. 24,000 to the Society for the implementation of its scheme for a survey of the manuscripts in the libraries in Nepal. I would like to inform hon. Members that the Society were not able to utilise the grant so far. In fact, the first instalment of Rs. 12,000 was paid to them in October, 1955. The Survey party of the Society proceeded to Nepal, for the first time, in October-November, 1956. Unfortunately, they went without the prior approval of the Nepal Government. The purpose was not fulfilled. I understand that they are taking further action in that matter.

**Shri Biren Roy:** Is the Government aware that even the ceiling of this building is nearly falling down and unless steps are taken before the monsoon sets in Calcutta, many valuable manuscripts and documents will be destroyed?

**Dr. K. L. Shrimali:** I would request the hon. Member to ask the Society to send their proposals as quickly as possible. They would be examined.

#### Indian Naval Canteen Service

**\*343. Shri Warrior:** Will the Minister of Defence be pleased to state:

(a) the status of the Indian Naval Canteen Service employees;

(b) whether there are any rules regulating the conditions of service of these employees?

**The Deputy Minister of Defence (Sardar Majithia):** (a) The status of the employees of the Indian Naval Canteen Service is that of private employees.

(b) The existing terms and conditions of service of an employee of the Indian Naval Canteen Service are described in his letter of appointment, a copy of which is placed on the Table of the House. [See Appendix II, annexure No. 50.]

**Shri Narayanankutty Menon:** May I know whether the Industrial Disputes Act and other labour laws are applicable to the employees of Indian Naval Canteen Service?

**Mr. Speaker:** He said, No, they are all private servants.

**Shri Narayanankutty Menon:** My question was whether the Industrial Disputes Act and other labour legislations are applicable to the employees of the Indian Naval Canteen Service.

**Sardar Majithia:** I have already replied that they are private employees.

**Shri V. P. Nayar:** Does he say that private employees will not come within the scope of labour laws?

**Mr. Speaker:** It is a matter of opinion.

**Shri V. P. Nayar:** I thought he was merely distinguishing the employees as private because they are not in Defence services.

**Mr. Speaker:** They are not Government employees.

**Shri B. S. Murthy:** May I know the reasons why the Indian Naval Canteen Service is treated as private, when the profits of the service are going to the amenities of the naval cadets?

**Sardar Majithia:** It is managed by a Board of Control. It took a loan. It is not a public fund. It is a private fund. Therefore, they are private employees.

**Mr. Speaker:** Next Question.

**Shri Kasliwal:** No. 344.

**Shri N. R. Muniswamy:** I suggest, question 349 may also be clubbed along with this.

**Mr. Speaker:** We are not allowing more than three questions to each Member. All these questions, if they are clubbed together, only a few Members will have their questions asked which will occupy the whole of the question hour. Questions are dispersed over the entire list of questions for the day. Therefore, if on the floor of the House, Members ask leave for clubbing of questions, the object of dispersing them will be frustrated. Anyhow, as far as this question is concerned, I will allow it. Hereafter, I won't allow such clubbing.

#### Reserve Bank of India

\*344. **Shri Kasliwal:** Will the Minister of Finance be pleased to state whether it is a fact that the Reserve Bank of India has recently issued a warning to scheduled banks against providing excessive finance on the security of shares?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** It is a fact that the Reserve Bank has asked Banks not to advance monies for speculation on shares.

#### Reserve Bank of India

\*349. **Shri N. R. Muniswamy:** Will the Minister of Finance be pleased to state:

(a) whether the Reserve Bank of India issue periodical directives to all banks in respect of principles to be adopted while making advances to parties seeking loans; and

(b) the procedure to check advances for wrong purposes?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) The Reserve Bank of India have powers under the provisions of the Banking Companies Act, 1949, to give directions to any banking company in particular or banking companies generally in relation to their advances portfolio and they issue such directives if and when the circumstances so require.

(b) The Reserve Bank of India get periodical returns furnished by the banks and undertake periodical inspections of the banks. In particular cases, officers are specially deputed by the Reserve Bank to verify whether their instructions are followed by the banks.

**Shri Kasliwal:** Presumably this direction was issued in order to curb speculative activity in shares, but under the Securities Contracts Act the Stock Exchanges have been invested with large powers to put a curb on such speculative activity. May I know why the Stock Exchanges have not taken steps to put an end to such unhealthy activity?

**The Minister of Finance (Shri T. T. Krishnamachari):** That question should be addressed to the Stock Exchanges.

**Shri N. R. Muniswamy:** May I know whether it is a fact that instructions were issued by the Reserve Bank to

all commercial banks not to receive deposits from local bodies on pain of cancellation of licences?

**Shri T. T. Krishnamachari:** I would require notice.

#### **Kasaragodu Taluk (Kerala)**

**\*345. Shri Wodeyar:** Will the Minister of Home Affairs be pleased to state:

(a) the percentage of Kannada speaking people in Kasaragodu Taluk (Kerala) to its total population; and

(b) whether Government have received any representation so far to amalgamate this taluk into the State of Mysore?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):** (a) The percentage of people speaking Kannada as mother tongue in Kasaragodu taluk is 6.3. This is exclusive of the Tulu Population.

(b) Representations have been received for the merger of that portion of the Kasaragodu taluk which lies to the north of the Chandragiri river with Mysore.

**Shri Wodeyar:** Has it come to the notice of the Government that in the recent elections the question of transferring Kasaragodu Taluk to Mysore was the main issue?

**Shri Datar:** I am not aware whether it was a main issue. There were a number of issues in the General Elections.

**Shri Pocker Sahib:** May I know whether these representations contain any facts which were not in existence at the time the States Reorganisation Act was passed, and whether the Government did not take all these facts into consideration at that time?

**Shri Datar:** I have not been able to follow the hon. Member.

**Mr. Speaker:** The question is whether all these facts and circumstances were not present before the Government before the States Reorganisation Act was passed.

**Shri Datar:** They were present not only before Government but before Parliament as well.

**Dr. K. B. Menon** rose—

**Mr. Speaker:** The hon. Member, if he is not able to see, cannot go on standing like this. He must seek the assistance of any Member by his side.

**Dr. K. B. Menon:** May I know the percentage of the Malayalam and Telugu speaking population in that area?

**Shri Datar:** So far as the Taluk of Kasaragodu as a whole is concerned, 12.00 hrs.

the Malayalam population is 72 per cent, Kannada population 6.31 per cent and Tulu population 14.2 per cent.

**Mr. Speaker:** The Question Hour is over.

**Shri Narayanakutty Menon:** One more question.

**Mr. Speaker:** I cannot allow. The Question Hour is over.

**Shri S. M. Banerjee:** I am not asking a question.

Question 361 is an important question regarding Sales Tax. Either it should be answered tomorrow or a written answer should be given.

**Mr. Speaker:** The hon. Member will kindly read the rules.

**Shri Achar:** May I know the proportion in the north of the Chandragiri River?

#### **WRITTEN ANSWERS TO QUESTIONS**

##### **Capital Goods**

**\*327. Shrimati Tarkeshwari Sinha:** Will the Minister of Finance be pleased to state:

(a) whether any agreement has been reached between India and Japan to supply capital goods on a system of deferred payment; and

[Shrimati Tarkeshwari Sinha.]

(b) whether Japan has also agreed to give long term credit to this country?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) No, Sir.

(b) Does not arise.

**सामान्य सीटों पर चुने हुये अनुसूचित जातियों के उम्मीदवार**

\*३३७. श्री भवत वर्मन : क्या बिचि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि हाल के सामान्य निर्वाचनों में कुछ द्विसदस्यीय निर्वाचन-क्षेत्रों में दोनों सीटों पर अनुसूचित जातियों और अनुसूचित आदिम जातियों इत्यादि के उम्मीदवार चुने गये हैं;

(ख) यदि हां, तो कौन कौन से निर्वाचन क्षेत्र में, और

(ग) इस संघ में यदि कोई विशेष कदम उठाने का विचार किया जा रहा है, तो वे क्या हैं ?

बिचि मंत्री (श्री अ० कु० सेन) : (क) जी हां, ५ संसदीय निर्वाचन क्षेत्रों में और १३ (विधान) सभा निर्वाचन क्षेत्रों में;

(ख) एक वक्तव्य पटल पर रखा गया है। [इच्छित पत्रिका २ अनुसूच संख्या ५१]

(ग) सरकार इस मामले में कोई विशेष कदम उठाने की आवश्यकता नहीं समझती।

**Adult Blind Training Centre,  
Dehra Dun**

\*346. Shrimati Ila Palchoudhury: Will the Minister of Education and Scientific Research be pleased to lay a statement showing:

(a) the training capacity of the Adult Blind Training Centre, Dehra Dun;

(b) the number of persons who applied for admission during each of the years 1954 to 1956;

(c) the number of persons who were actually admitted during each of the years mentioned in (b) above; and

(d) the total number of persons who completed the two-years training course during each of the year from 1954 to 1956?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** A statement giving the information is laid on the Table of the House. [See Appendix II, annexure No. 52.]

**Life Insurance Corporation  
Employees**

\*347. Shri Anirudha Sinha: Will the Minister of Finance be pleased to state:

(a) whether the Life Insurance Corporation has completed the work of reviewing the appointments of officers made provisionally;

(b) if so, the progress made and results achieved so far; and

(c) the steps taken so far to remove the since cures, if any?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) and (b). No, Sir. The Senior Services Committee which was appointed to examine and interview officers with a view to their being graded appropriately and arranged in a suitable order of seniority has not yet completed its deliberations. The Life Insurance Corporation will take up the review of the appointments of the officers as soon as the report of the Committee is received, which is expected by the end of this month.

(c) Some of the officers of the former insurance companies were found to be either over-aged or drawing excessive salaries or holding since cure posts by virtue of their influence with the management of the companies. The salaries of such persons were either reduced or they were offered appointments on the basis of their qualifications which, however, a majority of them did not accept. The

appointments of such persons were terminated under section 11(2) of the Life Insurance Corporation, Act, 1956. The appointments of persons, who were above the age of retirement fixed by the Corporation, were also terminated.

#### Central Harijan Welfare Board

\*348. **Shri Thimmaiah:** Will the Minister of Home Affairs be pleased to lay a statement on the Table showing:

(a) how many meetings of the Central Harijan Welfare Board and the Central Advisory Board for Tribal Welfare were held since their inception; and

(b) the subjects discussed and the decisions arrived at?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):**

(a) and (b). A statement is laid on the Table of the House, [See Appendix II, annexure No. 53.]

#### Kundara (Kerala) Clay

\*350. { **Shri V. P. Nayar:**  
          **Shri P. K. Kodiyam:**

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether Government have conducted any systematic investigation of the Kundara area of Kerala State for China clay and refractory clay deposits; and

(b) if so, the results thereof?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) and (b). Yes, Sir. Reserves of 7.5 million tons have been proved so far. The results of the investigation made by the Geological Survey in 1956-57 are not yet available.

#### Surplus Capacity in Ordnance Factories

\*351. **Shri S. V. Ramaswamy:** Will the Minister of Defence be pleased to state:

(a) what is the extent of surplus capacity in ordnance and clothing factories at present; and

(b) what steps are being taken to utilise that capacity for civil production and civil trade?

**The Minister of Defence (Shri V. K. Krishna Menon):** (a) While in some factories, there is no surplus capacity at all in others the surplus ranges between 30 per cent to 50 per cent of the installed capacity.

(b) Some of the specialised plant and equipment provided for armament production cannot be alternatively utilised for civil production. Most of the general-purpose plant which is capable of being utilised for civil production work is already being so utilised to the extent they are available subject to Defence Services requirements.

#### Accommodation for Defence Employees

\*352. { **Shri Kodiyam:**  
          **Shri Warrior:**

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a majority of civilian personnel working in Defence establishments have not been provided with accommodation; and

(b) if so, whether Government have any programme of housing for them?

**The Deputy Minister of Defence (Sardar Majithia):** (a) Yes. Government have not accepted responsibility for the provision of accommodation to civilian personnel working in Defence Establishments.

(b) In certain stations where accommodation is not easily available and adequate transport facilities do not exist, Government are considering the question of provision of accommodation for some of the civilian personnel on the permanent establishment of those stations.

### Upgrading of High Schools

\*353. **Shri Supakar:** Will the Minister of Education and Scientific Research be pleased to state:

(a) the number of high Schools in different States of India, which have been upgraded to Higher Secondary Schools during 1956-57 as recommended by the Secondary Education Re-organisation Commission; and

(b) the financial assistance given by the Government of India to each State on this account during the same period?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) and (b). A Statement is laid on the Table of the Sabha. [See Appendix II, annexure No. 54.]

### Grant to Assam

\*354. **Shri Hazarika:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that a sum of over Rs. 10 crores has been returned to the Centre by the State Government of Assam as the latter could not spend the same in the financial year of 1956-57 under various schemes of the Second Five Year Plan; and

(b) the names of the schemes and the respective sums allotted to and spent for such schemes?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) and (b). No, Sir, so far as this Ministry are concerned, they have no such information.

### Library Service

\*355. **Shri Shree Narayan Das:** Will the Minister of Education and Scientific Research be pleased to state:

(a) the total amount to be spent in Library Service Scheme during the Second Plan Period; and

(b) whether any special organisation to carry out the scheme is contemplated?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) Rs. 165.22 lakhs. This is, however, subject to change by State Governments & Union Territories in consultation with Planning Commission.

(b) No, Sir. The State Governments and the Union Territories would be implementing the Scheme.

### Seminar on the Blind

\*356. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the recommendations of the seminar on the Blind held at Mussoorie in September, 1956, have since been considered; and

(b) if so, which of them have been accepted?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) Yes, Sir.

(b) The recommendations have been accepted in principle.

### Industrial Finance Corporation

\*357. **Shri L. N. Mishra:** Will the Minister of Finance be pleased to state:

(a) whether the Industrial Finance Corporation intends to seek a loan from the International Bank of Reconstruction and Development; and

(b) if so, the amount and purpose of the loan?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) and (b). The matter is yet under consideration.

### Gold Smuggling

\*360. { **Shri Raghunath Singh:**  
**Pandit M. B. Bhargava:**  
**Shri Barupal:**  
**Shri A. S. Sarhad:**

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that gold smuggling has been on the increase on the Indo-Pakistan border:

(b) if so, its effects on India's economy; and

(c) the steps that have been taken to tighten the watch on frontier borders to detect gold smuggling?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) The information available with the Government indicates that of late there might have been some increase in the smuggling of gold across the Indo-Pakistan Border.

(b) Apart from the loss of revenue, the general effect of large scale smuggling of gold would be to impose additional strain on the foreign Exchange reserves of the country, and hamper through hoarding or other unproductive use, capital formation for productive purposes.

(c) Various and progressively intensive steps are being continuously taken by the Government of India to combat smuggling on the Indo-Pakistan Border.

#### Central Sales Tax, 1956

- \*361. { **Shri Radha Raman:**  
**Shri L. N. Mishra:**  
**Shri Raghunath Singh:**  
**Shri S. M. Banerjee:**

Will the Minister of Finance be pleased to state:

(a) whether the suggestion that sales tax on some commodities should be recovered by adding it to excise duty has been considered by Government;

(b) if so, which are these commodities; and

(c) decision taken in the matter?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) Yes. A scheme is being processed in consultation with State Governments.

(b) These commodities are—textiles, tobacco including manufactured tobacco and sugar.

(c) The matter is still under correspondence with State Governments.

#### Orders placed with Ordnance factories

\*362. **Shri T. B. Vittal Rao:** Will the Minister of Defence be pleased to state:

(a) the number of orders placed with Ordnance Factories in India that were outstanding at the end of the financial year 1956-57;

(b) the factories with which the orders were placed and the approximate period for which the orders have been outstanding;

(c) the nature of the stores and equipment involved;

(d) the reasons for the delay in execution of the orders; and

(e) the steps taken by Government to eliminate the delays?

**The Deputy Minister of Defence (Sardar Majithia):** (a) The number of overdue orders outstanding on the Ordnance Factories on the 1st April, 1957 was 5198.

(b) The orders were placed on all the Ordnance Factories. About 900 of the orders are outstanding from 1950-51 or earlier; about 800 from 1951-52 and about a 1000 each year from 1952-53 onwards.

(c) The orders comprise various kinds of Service stores, equipments, weapons and their spare parts.

(d) and (e). A statement is laid on the Table of the House. [See Appendix II, annexure No. 55.]

#### Finance Commission

\*363. **Shri Bibhuti Mishra:** Will the Minister of Finance be pleased to state when the final report of the Finance Commission is expected to be submitted?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** As at present understood by about the end of August, 1957.

#### Hindi as Medium of Instruction

\*364. **Shri Wodeyar:** Will the Minister of Education and Scientific Re-

search be pleased to state the number of States in which Hindi has been adopted as the medium of instruction after the inauguration of our Republic?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** A statement is laid on the Table of the Sabha. [See Appendix II, annexure No. 56.]

#### Coal Mines in Madhya Pradesh

\*365. **Shrimati Ila Palchoudhury:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the new coal mines discovered in Madhya Pradesh during 1956 have begun to be worked;

(b) if so, the quantity of coal so far quarried; and

(c) the estimated quantity of coal which is expected from these mines?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a) and (b). It is presumed that the Hon'ble member is referring to the coalmines that are proposed to be opened in Korba, Jhilimili-Bisrampur and Korea coalfields in Madhya Pradesh during the Second Plan period. Work has so far progressed on two mines in Korba coalfield and in both these mines, coal has been reached and a small quantity has been quarried.

(c) The production envisaged from the Korba coalfield is 4 million tons per annum and from the Jhilimili-Bisrampur and Korea coalfields, 3 million tons per annum, by 1960-61.

#### Law Commission

\*366. { **Shri Thimmaiah:**  
**Shri S. V. Ramaswamy:**

Will the Minister of Law be pleased to refer to the statement of work done by Law Commission laid on the Table on the 26th November, 1956 and state the progress made by the Law Commission since then?

**The Minister of Law (Shri A. K. Sen):** A statement of the work done by the Law Commission during the period 1st November, 1956 to the 20th May, 1957 is laid on the Table of the House. [See Appendix II, annexure No. 57.]

#### Sodepur Glass Works, Ltd.

\*368. **Shri S. V. Ramaswamy:** Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 1417 on the 20th December 1956 and state the present position with regard to the recovery of advances from the Sodepur Glass Works Ltd.?

**The Minister of Finance (Shri T. T. Krishnamachari):** The sale and mortgage transactions between the Industrial Finance Corporation and the Indo-Asahi Glass Company Limited were completed on the 3rd May, 1957. The legal and other aspects regarding appropriation of the sale proceeds of the assets of Sodepur Glass Works Ltd., amounting to Rs. 62 lacs against Rs. 112 lacs approximately due from the said Company and also the enforcement of deeds of guarantee executed by the guarantors for the recovery of the balance, viz, nearly Rs. 50 lacs are under examination by the Corporation.

#### Korba Coal Fields

\*367. { **Shri Warrior:**  
**Shri Jangde:**

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether coal is being raised from the three open cast mines and one underground mine at Korba coal fields;

(b) if so, what is the present monthly out-put; and

(c) when these mines are expected to go into full production?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a) and (b). Work has progressed on one open cast mine and one underground



mine in Korba coalfield and coal has been reached at both these mines. A small quantity of coal has also been raised.

(c) All the mines in Korba coalfield are expected to go into full production by 1960-61.

#### German Technical Assistance

\*369. Shri D. C. Sharma: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the terms of scholarships offered by West Germany to Indian students for technical training there have since been finalised;

(b) if so, the number of students selected; and

(c) the number of applications received for these scholarships?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):

(a) Not yet, Sir.

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

#### History of Freedom Movement

\*370. Shrimati Tarkeshwari Sinha: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the requisite materials for writing the History of Freedom Movement has been collected;

(b) whether it is a fact that negotiations are going on with Dr. Tara Chand, formerly Indian Ambassador to Iran, for entrusting him the work, and

(c) if so, the outcome of the negotiations?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):

(a) A great deal of material relating to the political aspect of the Freedom Movement has been collected and catalogued. Material bearing on other aspects of the History, viz., economic, social and cultural conditions, will

also have to be collected. The collection of such material will be undertaken by the scholar who is proposed to be commissioned for writing the History.

(b) Yes.

(c) Negotiations are still in progress.

#### Iron Deposits in Sandur, Mysore

\*371. { Shri Raghunath Singh:  
Shri Wodeyar:

Will the Minister of Education and Scientific Research be pleased to state whether it is a fact that world's richest iron ore deposits exist in Sandur (Mysore) which contain 70 per cent. iron?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): No, Sir.

#### M.E.S. Construction Committee

\*372. Shri T. B. Vittal Rao: Will the Minister of Defence be pleased to refer to the reply given to Unstarred Question No. 1638 on the 11th September, 1956 and state:

(a) whether the Review Committee and the M.E.S. Construction Committee have submitted their reports; and

(b) if so, whether they will be laid on the Table?

The Minister of Defence (Shri Krishna Menon): (a) Only the M.E.S. Review Committee has submitted its report. The M.E.S. Construction Committee has not yet completed its deliberations.

(b) Yes, Sir.

#### निर्वाचन नामावलियाँ

\*३७३. श्री बिभूति मिश्र : क्या बिबि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पिछले सामान्य चुनावों के लिये जो निर्वाचक नामावलियाँ तैयार की गई थीं, उनमें बहुत सी गलतियाँ रह

गई थीं, जैसे पिता का नाम गलत लिखा जाना और गांवों के नामों का छट जाना आदि; और

(ख) यदि हाँ, तो उन्हें दूर करने के लिये सरकार ने क्या कार्यवाही की है?

विधि तंत्री (श्री अ० कृ० सेन) : (क) सरकार को निर्वाचन आयोग से ज्ञात हुआ है कि निर्वाचन नामावलियों में कहीं कहीं गलतियाँ और विमंगलियाँ हैं, किन्तु वे नामावलियाँ प्रायः यथासंभव सही हैं।

(ख) निर्वाचन नामावलियों में की गलतियों के सम्बन्ध में आपत्तियाँ निर्वाचन आयोग से साधारण निर्वाचकों के ठीक पहले और उन के दौरान में की गई थीं। जहाँ ऐसी आपत्तियाँ नियत समय के अन्दर प्राप्त हो गई थीं, वहाँ उन गलतियों को शुद्ध कर दिया गया था। बहुत देर के बाद पहुँचने के कारण जिन आपत्तियों के सम्बन्ध में यथेष्ट कार्यवाही नहीं हो सकी उन के बारे में निर्वाचन आयोग ने मुख्य निर्वाचन पदाधिकारियों को निदेश दिया है कि वे इस वर्ष नामावलियों के वार्षिक पुनरीक्षण के दौरान में ऐसी आपत्तियों पर पूरा ध्यान रखें।

आयोग ने सब राजनीतिक दलों से भी निवेदन किया है कि वह निर्वाचन नामावलियों में पाई जाने वाली किन्हीं भी त्रुटियों को नरचक्र रजिस्ट्री करण पदाधिकारियों के ध्यान में लायें।

#### State Bank of India

\*374. Shri S. V. Ramaswamy: Will the Minister of Finance be pleased to state:

(a) whether the attention of Government has been drawn to the alleged loss of Rs. 1,60,000 in the State Bank of India branch at Salem and the recovery of the sum within the bank;

(b) who was responsible for the alleged loss;

(c) how it came to be recovered; and

(d) whether any investigation is being carried out in the matter?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) to (d). I lay a statement on the Table of the House giving the required information [See Appendix II, annexure No. 58.]

#### अस्पृश्यता निवारण

२०६. स्वामी रामानन्द शास्त्री : क्या गृह-कार्य मंत्री यह बख ने की कृपा करेंगे कि:

(क) १९५६-५७ में केन्द्रीय सरकार द्वारा अस्पृश्यता निवारण के लिये प्रत्येक राज्य को कितनी राशि दी गई;

(ख) उत्तर प्रदेश की दी गई कुल राशि में से गैर-सरकारी संगठनों को कितनी राशि दी गई और सरकार द्वारा कितना व्यय किया गया; और

(ग) यदि कोई राशि खर्च नहीं की गई तो वह कितनी है और उस के खर्च न किये जाने के क्या कारण हैं ?

गृह-कार्य उपमंत्री (श्रीम. श्री अल्ला) : (क) एक विवरण सभा पटल पर रख दिया गया है। [बैलिये परिशिष्ट २, अस्पृश्य संख्या ५६]

(ख) तथा (ग) सूचना एकत्र की जा रही है और उस के प्राप्त होते ही वह सभा पटल पर रख दी जायेगी।

#### Primary School Teachers

210. { Shri D. C. Sharma:  
Shri S. M. Banerjee:  
Shri B. S. Murthy:

Will the Minister of Education and Scientific Research be pleased to refer to the reply given to Starred Question No. 259 on the 21st November, 1956 and state:

(a) how far the remaining States have responded to the request of Government to fix the minimum remuneration of primary school teachers; and

(b) the amount of grants Government propose to give to the States in this regard during the financial year 1957-58, State-wise?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) Out of the 14 States that exist after reorganization, all excepting Jammu and Kashmir have agreed to improve the salary scales.

(b) During 1957-58 the Government of India will bear 50 per cent of the additional expenditure involved. The amount of grants payable to each State will, therefore, depend on the amount of expenditure to be incurred by the State Government under this Scheme.

#### **Development of Andaman and Nicobar Islands**

**211. Shri D. C. Sharma:** Will the Minister of Home Affairs be pleased to state:

(a) whether any provision has been made for the economic and social development of Andaman and Nicobar Islands in the Second Five Year Plan; and

(b) if so, whether a detailed statement showing the precise allocation of funds under different heads will be placed on the Table?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):** (a) A provision of Rs. 668.50 lakhs has been made for the development schemes under the Five Year Plan of Andaman and Nicobar Islands.

(b) A statement is placed on the Table on the House. [See Appendix II, annexure No. 60.]

#### **Oil Drilling in Bombay**

**212. Shri D. C. Sharma:** Will the Minister of Steel, Mines and Fuel be pleased to state the progress made so far with regard to drilling in selected places near Bombay (Kaira District) for finding oil?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** Drilling operations for finding oil have not been started in Kaira District (Bombay State).

#### **Report of the Official Language Commission**

**213. { Shri D. C. Sharma:  
Shri Bhakt Darshan:**

Will the Minister of Home Affairs be pleased to refer to the reply given to Unstarred Question No. 7 on the 21st March, 1957 and state when the report of the Official Language Commission will be published?

**The Minister in the Ministry of Home Affairs (Shri Datar):** The Parliamentary Committee for the examination of the report of the Commission in accordance with clause (5) of Article 344 of the Constitution will be constituted, in consultation with the Speaker of the Lok Sabha and the Chairman of the Rajya Sabha, at an early date. The publication of the report will be determined accordingly.

#### **Bomb Outrage in Delhi**

**214. { Shri Bhakt Darshan:  
Shri D. C. Sharma:**

Will the Minister of Home Affairs be pleased to refer to the reply given to Starred Question No. 55 on the 21st March, 1957 and state the stage at which the enquiry regarding recent bomb explosions in Delhi stands at present?

**The Minister in the Ministry of Home Affairs (Shri Datar):** The enquiries are still continuing.

#### **Mineral Oil Survey**

**{ Shri D. C. Sharma:  
Shri Radha Raman:  
215. Shri H. C. Mathur:  
Shri Sadhan Gupta:**

Will the Minister of Steel, Mines and Fuel be pleased to lay a statement showing:

(a) the progress made in searching mineral oils in various parts of the country; and

(b) in which parts Soviet and German experts have surveyed mineral oil and have been successful?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) (i) The following areas are being investigated by the Oil and Natural Gas Commission:

1. Jawalamukhi .. Punjab
2. Janauri etc.
3. Jaisalmer .. (Rajasthan)
4. Cambay and Kutch .. (Bombay) etc.

(ii) The Assam Oil Company are carrying out investigations in Moran, Hugrijan and Nahorkatiaya areas in Assam and several test wells have been sunk.

(iii) The Standard Vacuum Oil Company are carrying out test drilling in the Burdwan District of West Bengal.

(b) A Soviet team of oil experts visited Punjab, Jaisalmer, Cambay, Coastal areas of Orissa and Madras, Assam and Tripura. These experts did not carry out surveys for oil. They studied available data, visited various areas of interest for oil exploration and made their recommendations which are being examined.

Indian Parties in association with a number of Soviet experts are now carrying out geophysical prospecting in Gurdaspur and Hoshiarpur. It is too early to say anything at this stage about the success or otherwise of their efforts.

#### High Power Coal Council

**216. Shri D. C. Sharma:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the number of meetings held and the important decisions taken so far by the High Power Coal Council;

(b) whether the question of transport difficulties was discussed; and

(c) if so, with what results?

**Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a) One meeting of the Coal Council has been held so far. At this meeting it was decided to set up four Committees, to deal with specific groups of problems coming within the purview of the Council, viz:—

1. assessment of resources;
2. requirements and utilisation;
3. production and preparation; and
4. transportation.

The reports of these Committees are awaited.

(b) and (c). The Committee on Transportation is engaged on the study of various problems connected with transportation. As mentioned above, this Committee's report is also awaited.

#### Purchase of Aircrafts

**217. Shri D. C. Sharma:** Will the Minister of Defence be pleased to state:

(a) whether Government have placed an order with any foreign country for purchase of aircrafts; and

(b) if so, the names of the countries?

**The Deputy Minister of Defence (Sardar Majithia):** (a) Most of our aircraft are purchased from foreign countries.

(b) United Kingdom, France and the U.S.A.

#### District Courts Buildings in Delhi

**218. Shri Radha Raman:** Will the Minister of Home Affairs be pleased to state:

(a) whether buildings for District Courts at Tis Hazari are ready for occupation;

(b) if not, how much more time they would take to complete in all respects;

(c) when the District Courts will be shifted to their new buildings;

(d) whether all the courts will be shifted or whether part of the courts will continue to be held in the old premises; and

(e) what Government propose to do with the existing court buildings?

**The Minister in the Ministry of Home Affairs (Shri Datar):** (a) No please.

(b) The building (including electric and water supply but excluding electric lifts) is expected to be ready by the end of December 1957. Installation of electric lifts is expected to be completed by the end of April, 1958.

(c) As soon as possible after December, 1957.

(d) All the courts will be shifted to the new building;

(e) The existing court buildings will be utilised for other Government offices.

#### **V.I.P. Squadron of I.A.F.**

**219. Shri H. C. Mathur:** Will the Minister of Defence be pleased to state:

(a) the constituents of the V.I.P. Squadron of the Indian Air Force.

(b) whether any of the air-planes of this Squadron developed any trouble during the last one year and if so what enquiries were instituted and to what effect;

(c) the mileage covered by each plane during the last one year; and

(d) the names of each dignitary who used these planes, during the last one year?

**The Deputy Minister of Defence (Sardar Majithia):** (a) (i) Two Viscounts;

(ii) one Ilyushin 14; and

(iii) Four Dakotas.

(b) Only one aircraft Ilyushin 14 developed engine trouble on the 26th February 1957. A Court of Enquiry was constituted to investigate the

cause of the accident. Its proceedings have not been finalised yet.

(c) Mileage covered during the period 1-5-1956 to 30-4-1957:—

Viscounts	71,100 nautical miles approx.
Ilyushin 14	23,900 nautical miles approx.
Dakotas	1,43,100 nautical miles approx.

(d) Dr. Rajendra Prasad.

Dr. S. Radhakrishnan.

Shri Jawaharlal Nehru.

Maulana Abul Kalam Azad.

Shri G. B. Pant.

Shri K. N. Katju.

Shri T. T. Krishnamachari.

Shri A. P. Jain.

Shri Morarji Desai.

Shri Mahavir Tyagi.

Shri Surjit Singh Majithia.

Bakshi Ghulam Mohammed.

His Highness Shri Yadavindra Singh.

Shri M. K. Vellodi.

General S. M. Shrinagesh.

Air Marshal S. Mukerjee.

Vice Admiral S. H. Carlill.

Lt. Gen. K. S. Thimayya.

Lt. Gen. Kalwant Singh.

Lt. Gen. P. N. Thapar.

Lt. Gen. Sant Singh.

Maj. Gen. M. S. Wadalia.

Air Cdr. Arjan Singh.

Air Cdr. R.H.D. Singh.

#### *Foreign Dignitaries*

The President of Syria.

The Emperor of Ethiopia.

The King of Nepal.

His Holiness the Dalai Lama.

His Holiness the Panchan Lama.

The Prime Minister of Poland.

The Prime Minister of China.

The Defence Minister, U.S.S.R.

The Foreign Minister of Chile.  
 The Maharaja of Sikkim.  
 The Foreign Minister of West Germany.  
 The C-in-C East Indies Navy.

#### **Multipurpose Schools in Punjab**

220. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to state:

(a) the manner in which the grant sanctioned to the Punjab Government for the purpose of establishing Multi-purpose Schools during the First Five Year Plan period was spent by them; and

(b) the amount of grant that was allowed to lapse?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali):** (a) In the First Plan a grant of Rs. 48,61,857/- was sanctioned to the Punjab Government. Of this Rs. 24,26,968/- was disbursed to the non-government institutions selected under the Scheme. The remaining amount of Rs. 24,34,889/- could not be utilised.

(b) No amount lapsed since the unspent amount of the First Plan has been duly provided for in the Second Plan.

#### **Retired Majors of the Army**

221. **Shri D. C. Sharma:** Will the Minister of Defence be pleased to state:

(a) how many retired majors of the Army were appointed in development works during 1956-57; and

(b) the nature of work entrusted to them?

**The Deputy Minister of Defence (Sardar Majithia):** (a) Six.

(b) Four out of these six officers have been assigned work connected with development of small-scale industries; one is entrusted with instructional-administrative duties in Rail-

ways in connection with the Second Plan and the remaining officer is an Erection Engineer in the Bhilai Steel Project.

#### **Council for Basic and Elementary Education**

222. { **Shri D. C. Sharma:**  
**Shri Radha Raman:**

Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the proposed Council for Basic and Elementary Education has since been constituted;

(b) if so, its terms of reference; and

(c) the names of the members thereof?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali):** (a) Not so far, Sir.

(b) and (c) Do not arise.

#### **Welfare of Scheduled Castes**

223. **Shri D. C. Sharma:** Will the Minister of Home Affairs be pleased to state:

(a) the amount of money spent on the welfare of Scheduled Castes in Punjab under the First Five Year Plan; and

(b) the details of the work done by the Central Advisory Board for Harijan Welfare in this connection?

**The Deputy Minister of Home Affairs (Shrimati Alva):** (a) Rs. 73,80,643/- including the expenditure incurred by the Punjab Government out of their own funds;

(b) The Central Advisory Board for Harijan welfare came into existence after the First Five Year Plan period was over and therefore, the question of their having done any work in connection with the First Five Year Plan does not arise.

**Naga Situation**

224. { Shri D. C. Sharma:  
 Shri Bibhuti Mishra:  
 Shri Raghunath Singh:  
 Shri Jhulan Sinha:  
 Shri P. C. Bose:  
 Shri N. R. Muniswamy:  
 Shri L. Achaw Singh:

Will the Minister of **Home Affairs** be pleased to state:

(a) whether the armed lawlessness in the Naga Hills still continues;

(b) if so, the details of the present situation; and

(c) the details of measures that are being taken to restore normalcy?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):**

(a) and (b). Yes. The main features of the activities of the Naga hostiles are sniping on Government Outposts and road convoys and laying ambushes against Army and Police patrols. The hostiles have also carried out some sporadic raids on villages in order to obtain food, supplies and money. On a few occasions the hostiles have taken some offensive action in some areas in the plains districts bordering the Naga Hills.

(c) Government security forces are continuing to combat the activities of the hostiles. A large number of Army and Police Outposts have been established to ensure the safety of the loyal Nagas. Grants in cash and kind have been distributed for the relief by hostile activity. Government is taking all other necessary measures to restore normalcy.

**Destroyers for Indian Navy**

**226. Shri Raghunath Singh:** Will the Minister of **Defence** be pleased to

state whether it is a fact that India is purchasing from U.K. three destroyers for the Indian Navy?

**The Minister of Defence (Shri Krishna Menon):** It will not be in the public interest to answer this question.

**Copper Deposits in India**

**227. Shri D. C. Sharma:** Will the Minister of **Steel, Mines and Fuel** be pleased to state the estimated quantity of copper deposits in India?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** The total ore reserves proved so far are of the order of 3.37 million tons.

**Income-Tax**

**228. Shri D. C. Sharma:** Will the Minister of **Finance** be pleased to state:

(a) the amount of Income-Tax realised from Gurdaspur District during each of the year 1952-53 to 1956-57;

(b) the amounts realised from persons falling under various income-groups during this period; and

(c) the number of cases in which realization of Income-tax is pending at present?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) The amount of Income-tax realised from Gurdaspur District during the years 1952-53 to 1956-57 was:

(Rupees in Lakhs)

1952-53	1953-54	1954-55	1955-56	1956-57
2.31	1.91	2.10	2.58	5.24

(b) the amounts realised from persons falling under the various income-groups during the period was:

	(in lakhs)				
	1952-53	1953-54	1954-55	1955-56	1956-57
Assesseees with Business income over Rs. 25,000/-	.76	.62	.73	.86	1.73
Assesseees with Business income from Rs. 10,001/- to Rs. 25,000/-	.72	.56	.62	.72	1.54
Assesseees with Business income from Rs. 5,001/- to Rs. 10,000/-	.62	.53	.58	.75	1.42
Other cases with Business income not exceeding Rs. 5,000/-	.13	.11	.10	.13	.26
Salary, Property and Dividend income cases	.08	.09	.07	.12	.29
	2.31	1.91	2.10	2.58	5.24

(c) the number of cases in which realisation of income-tax is pending at present is 557.

#### Estate Duty Cases

229. **Shri D. C. Sharma:** Will the Minister of Finance be pleased to state:

(a) the total number of estate duty cases registered in 1956 and upto the end of March, 1957, in Punjab; and

(b) the number of cases disposed of and the amount collected therefrom District-wise?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) and (b). A statement is laid on the Table of the House. [See Appendix II, annexure No. 61.]

#### General Education Courses Committee

230. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the recommendations of the Committee for General Education Courses have since been examined; and

(b) if so, the number of recommendations which have been accepted?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) and (b). It is mainly the Report of General Education

for the Indian Universities to examine Study Team and to implement the recommendations contained therein.

#### Basic Education Assessment Committee

231. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to state:

(a) the recommendations of the Basic Education Assessment Committee which have been implemented during 1957 so far; and

(b) the nature of recommendations which have not been implemented so far?

**The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall):** (a) and (b). A statement is laid on the Table of the House. [See Appendix II, annexure No. 62.]

#### Crime in Delhi

232. **Shri D. C. Sharma:** Will the Minister of Home Affairs be pleased to state the number of crimes committed in Delhi State during the year 1956, under the following heads; (i) murder (ii) dacoity (iii) abduction, (iv) kidnapping, and (v) criminal Assault?

<b>The Minister of State in the Ministry of Home Affairs (Shri Datar):</b> (i)	
Murder	55
(ii) Dacoity	3
(iii) Abduction	12
(iv) Kidnapping	70
(v) Criminal Assault	111



### दोकरान में पाये गये अवशेष

२३३. श्री रघुनाथ सिंह : क्या शिक्षा तथा वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि जोधपुर (राजस्थान) से १११ मील दूर दोकरान नामक स्थान में कुम्भों खोदते समय लगभग तीन हजार वर्ष पुराना पत्थर चार सौ १८ की गहराई पर मिला है; और

(ख) यदि हाँ, तो क्या सरकार इस क्षेत्र में और खुदाई का काम करायेगी ?

शिक्षा तथा वैज्ञानिक गवेषणा मंत्रालय में राज्य नं० (डा० का० ला० श्रीमानी) :

(क) और (ख) सूचना एकत्र की जा रही है और यथा समय सभा पटल पर रख दी जायेगी।

### Relief for Political Sufferers

234. **Shri Jhulan Sinha:** Will the Minister of Home Affairs be pleased to state:

(a) the total amount spent State-wise by the Central Government over relief to political sufferers in the country during the last five years; and

(b) the forms in which such relief has been given.

**The Minister of State in the Ministry of Home Affairs (Shri Datar):**

(a) and (b). Grant of relief to political sufferers is essentially a matter of State responsibility and the State Governments have their own schemes for the purpose. The Central Government do not themselves spend any amount on a State-wise basis. There is, however, a discretionary grant amounting to Rs. 3 lakhs per annum, which has been placed at the disposal of the Home Minister since 1955-56. Cash grants involving no recurring liability are made out of this sum to deserving persons who have distinguished themselves in the political, social, philanthropic or other fields and are in need of special assistance over and above what they may have derived from the respective State Governments.

### Journals of Ministries

235. **Shri Bahadur Singh:** Will the Minister of Home Affairs be pleased to state:

(a) the names of journals produced by different Ministries and their attached offices; and

(b) the staff employed for each of them, the academic and technical qualifications, experience, length of service, nature of duties, present salaries and the pay scales of Editors, Assistant Editors, Sub-Editors, Translators or their counterparts performing similar journalistic duties in different Ministries?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):** (a) and (b). The information is under compilation and will be placed on the Table of the House shortly.

### Reservation for Scheduled Castes and Scheduled Tribes

236. **Shri Bibhuti Mishra:** Will the Minister of Home Affairs be pleased to state:

(a) whether in view of provision of Article 334, of the Constitution regarding abolition of reservation for Scheduled Castes and Scheduled Tribes after ten years of the date of commencement of the Constitution State Governments have been consulted; and

(b) if not, whether they will be consulted before the expiry of ten years period?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):** (a) and (b). The question is premature as the period prescribed under Article 334 of the Constitution would expire in 1960.

### Hindustan Steel Ltd., Rourkela

237. **Shri Badkumar Pratapganga Deb:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) how many gazetted and non-gazetted officers are working on the

construction of the Hindustan Steel Ltd., Rourkela; and

(b) how many contractors are working in the Hindustan Steel Ltd., Rourkela?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a) Hindustan Steel is a Private Limited Company and the number of officers corresponding to that of 'gazetted' and 'non-gazetted' status under the Government of India is 244 and 1118 respectively.

(b) 157.

#### Promotions to Higher Grades

238. { Shri Kodliyan:  
Shri Warrior:

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that civilians working in Defence establishments are generally denied promotions to higher grades due to absence of sanctioned grades for them, especially in Poona area; and

(b) if so, what steps Government propose to take to remedy this situation?

**The Minister of Defence (Shri V. K. Krishna Menon):** (a) Where higher grades exist and the recruitment rules provide for promotion of civilian personnel in lower grades to all or a quota of vacancies in the higher grades, such promotions are made. In other cases where recruitment rules provide only for direct recruitment from the open market to the higher grades there is naturally no scope for promotions.

(b) Higher grades in a cadre or service are sanctioned if they are considered necessary from the point of view of the work to be done; and provision is made in the recruitment rules for promotion to such higher grades if it is considered that suitably qualified personnel will be available for such promotion from the

next lower grades. Government do not propose to take any special steps in this connection.

#### Integration of Hilly Areas

239. **Shri D. C. Sharma:** Will the Minister of Home Affairs be pleased to state:

(a) whether he has received a Memorandum from the Himachal Integration and Hilly Region Committee for the integration of all hilly areas in Northern India and for saving hill Stations like Simla, Solan, Dalhousie, Kulu, Dharamsala and Bakloh from desolation; and

(b) if so, whether the Memorandum has been considered?

**The Minister of State in the Ministry of Home Affairs (Shri Datar):** (a) Yes.

(b) The decision for the continuance of Himachal Pradesh as a Union territory was taken after careful consideration and nothing has happened since to change the position. The suggestions regarding hill stations have been brought to the notice of the authorities concerned.

#### Neivell Project

240. **Raghunath Singh:** Will the Minister of Steel, Mines and Fuel be pleased to state whether it is a fact that Russian and American aid on a package deal basis is being sought by Government for different components of the Multi-Purposes Neiveli Lignite Project?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** The Government of the U.S.A. have supplied a number of items of equipment under the T.C.A. Programme. They have also agreed to supply a pilot Briquetting and Carbonising Plant for investigating the optimum conditions for drying and Briquetting of raw lignite, and for manufacturing by-products.

Some negotiations are also contemplated with the Russians; but it is too early to say what will come of them.

## PAPERS LAID ON THE TABLE

### NOTIFICATIONS UNDER SEA CUSTOMS ACT

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to lay on the Table, under sub-section (4) of section 43-B of the Sea Customs Act, 1878, as inserted by the Sea Customs (Amendment) Act, 1953, a copy of each of the following notifications:

- (i) Notification No. S.R.O. 1297, dated the 27th April, 1957, making certain amendments to the Customs Duties Draw-back (Nitrous Oxide) Rules, 1955; [Placed in Library. See No. S-54/57.] and
- (ii) Notification No. S.R.O. 1300 dated the 27th April, 1957, making certain amendments to the Customs Duties Draw-back (Cigarettes) Rules, 1955. [Placed in Library. See No. S-54/57]

Shri Bharucha (East Khandesh): In this connection, may I mention that in future, on the List of Business, the purport of the paper laid on the Table should also be mentioned, because this gives very little information to hon. Members in this House as to what the subject-matter of the particular notification is. Briefly, it might be mentioned that the notification relates to such and such a subject. Otherwise, what happens is this. Every time, hon. Members will have to go to the Notice Office and try to find out whether it is a notification in which they are interested or not.

Mr. Speaker: Is it the business of the House to include in the agenda the purport of those notifications? Notifications are issued, and hon. Members may go and see.

Shri Bharucha: So many papers are laid on the Table every time, and

hon. Members will have to go and waste an hour and try to find out what is what; further, those notifications are not easily available.

Mr. Speaker: The choice is between each individual wasting his own special time, and wasting the time of this House.

Shri Bharucha: I am not asking for the time of the House to be wasted. I am only saying that in the List of Business, it should be mentioned.

Mr. Speaker: No, it cannot be. Hon. Members will kindly look into the notifications and find out to which subject they relate. Here, the notifications are under the Sea Customs Act. Are we to give here the number of the section, and the purport, and so on? The hon. Member may kindly look into the marginal note, where it is mentioned that these are notifications under the Sea Customs Act.

Shri Bharucha: There can be a thousand notifications under that Act.

Mr. Speaker: Yes. But those thousand notifications cannot be explained here. This kind of demand is unreasonable.

### MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha:—

“ In accordance with the provisions of rule 97 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Copyright Bill, 1957, which has been passed by the Rajya Sabha at its sitting held on the 15th May, 1957.”

### COPYRIGHT BILL

#### LAI'D ON THE TABLE AS PASSED BY RAJYA SABHA

Secretary: I lay the Copyright Bill, 1957, as passed by Rajya Sabha, on the Table of the House.

## BUSINESS OF THE HOUSE

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** With your permission, I beg to announce the order of Government business for the week commencing 27th May, 1957. The business for the week will consist of:—

- (i) Consideration of business carried over from today's Order Paper;
- (ii) The Central Sales Tax (Amendment) Bill, 1957—Consideration and passing;
- (iii) The Copyright Bill, 1957, as passed by Rajya Sabha—consideration and passing (time permitting).
- (iv) General discussion of General Budget on 28th, 29th and 30th May, 1957. The Minister of Finance will reply to the debate on 31st May, 1957.

## ELECTION TO COMMITTEES

## CENTRAL SILK BOARD

**The Minister of Industry (Shri Manubhai Shah):** I beg to move:

"That in pursuance of clause (c) of sub-section (3) of section 4 of the Central Silk Board Act, 1948, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, four Members from among themselves to serve as members of the Central Silk Board."

**Mr. Speaker:** The question is:

"That in pursuance of clause (c) of sub-section (3) of section 4 of the Central Silk Board Act, 1948, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, four Members from among themselves to serve as members of the Central Silk Board."

*The motion was adopted.*

## INDIAN CENTRAL SUGARCANE COMMITTEE

**The Deputy Minister of Food (Shri M. V. Krishnappa):** I beg to move:

"That in pursuance of rule I of the Rules and Regulations of the Indian Central Sugarcane Committee, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve as members of the Indian Central Sugarcane committee."

**Mr. Speaker:** The question is:

"That in pursuance of rule I of the Rules and Regulations of the Indian Central Sugarcane Committee, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve as members of the Indian Central Sugarcane committee."

*The motion was adopted.*

## INDIAN CENTRAL JUTE COMMITTEE

**The Minister of Co-operation (Dr. P. S. Deshmukh):** I beg to move:

"That in pursuance of clause (9) of paragraph 3 of the late Department of Education, Health and Lands Resolution No. F.254/34/A, dated the 28th May, 1956, as amended by the Ministry of Food and Agriculture Resolution No. NF/4-13/53-Com.II, dated the 17th December, 1955, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve as members of the Indian Central Jute Committee."

**Mr. Speaker:** The question is:

"That in pursuance of clause (9) of paragraph 3 of the late Department of Education, Health and Lands Resolution No. F. 254/34/A, dated the 28th May, 1956, as amended by the Ministry of Food and Agriculture Resolution No. NF/4-13/53-Com.II, dated the 17th December, 1955, the Members of Lok Sabha do proceed to

elect, in such manner as the Speaker may direct, two Members from among themselves to serve as members of the Indian Central Jute Committee."

*The motion was adopted.*

#### INDIAN CENTRAL COCONUT COMMITTEE

**Dr. P. S. Deshmukh:** I beg to move:

"That in pursuance of clause (g) of section 4 of the Indian Coconut Committee Act, 1944, as amended from time to time, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve as Members of the Indian Central Coconut Committee."

**Mr. Speaker:** The question is:

"That in pursuance of clause (g) of section 4 of the Indian Coconut Committee Act, 1944, as amended from time to time, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve as Members of the Indian Central Coconut Committee."

*The motion was adopted.*

#### EMPLOYEES' STATE INSURANCE CORPORATION

**The Minister of Labour and Employment and Planning (Shri Nanda):** I beg to move:

"That in pursuance of clause (i) of section 4 of the Employees' State Insurance Act, 1948, read with rule 2A of the Employees' State Insurance (Central) Rules, 1950, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, one Member from among themselves to serve as a Member of the Employees' State Insurance Corporation."

**Mr. Speaker:** The question is:

"That in pursuance of clause (i) of section 4 of the Employees'

State Insurance Act, 1948, read with rule 2A of the Employees' State Insurance (Central) Rules, 1950, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, one Member from among themselves to serve as a Member of the Employees' State Insurance Corporation".

*The motion was adopted.*

#### ESTIMATES COMMITTEE

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to move:

"That the Members of this House do proceed to elect in the manner required by sub-rule (i) of Rule 311 of the Rules of Procedure and Conduct of Business in Lok Sabha, thirty Members from among their number to be Members of the Committee on Estimates for the period commencing from the 1st June, 1957 to the 30th April, 1958".

**Mr. Speaker:** The question is:

"That the Members of this House do proceed to elect in the manner required by sub-rule (i) of Rule 311 of the Rules of Procedure and Conduct of Business in Lok Sabha, thirty Members from among their number to be Members of the Committee on Estimates for the period commencing from the 1st June, 1957 to the 30th April, 1958".

*The motion was adopted.*

#### PUBLIC ACCOUNTS COMMITTEE

**Shri Satya Narayan Sinha:** I beg to move:

"That the Members of this House do proceed to elect in the manner required by sub-rule (1) of Rule 309 of the Rules of Procedure and Conduct of Business in Lok Sabha, fifteen Members from among their number to be Members of the Committee on Public Accounts for the period commencing from the 1st June, 1957, to the 30th April, 1958".

**Members of Rajya Sabha  
with Public Accounts  
Committee**

**Mr. Speaker:** The question is:

"That the Members of this House do proceed to elect in the manner required by sub-rule (1) of Rule 309 of the Rules of Procedure and Conduct of Business in Lok Sabha, fifteen Members from among their number to be Members of the Committee on Public Accounts for the period commencing from the 1st June, 1957, to the 30th April, 1958".

*The motion was adopted.*

**MOTION RE ASSOCIATION OF  
MEMBERS OF RAJYA SABHA  
WITH PUBLIC ACCOUNTS COM-  
MITTEE**

**The Minister of Parliamentary  
Affairs (Shri Satya Narayan Sinha):**  
I beg to move:

"That this House recommends to Rajya Sabha that they do agree to nominate seven Members from Rajya Sabha to associate with the Committee on Public Accounts of this House for the period commencing from the 1st June 1957, to the 30th April 1958".

**Mr. Speaker:** The question is:

"That this House recommends to Rajya Sabha that they do agree to nominate seven Members from Rajya Sabha to associate with the Committee on Public Accounts of this House for the period commencing from the 1st June 1957, to the 30th April 1958".

*The motion was adopted.*

**MOTION RE FIRST REPORT OF  
BUSINESS ADVISORY COMMITTEE**

**The Minister of Parliamentary  
Affairs (Shri Satya Narayan Sinha):**  
Sir, I beg to move:

"That this House agrees with the First Report of the Business

Advisory Committee presented to the House on the 23rd May, 1957."

**Mr. Speaker:** Motion moved:

"That this House agrees with the First Report of the Business Advisory Committee presented to the House on the 23rd May, 1957."

**Shri C. D. Pande (Naini Tal):** The time allotted for the discussion of the General Budget is rather less than it should have been because we have provided three days for the Railway Budget which is a minor thing. I think we should have at least 4 days for the general discussion of the General Budget.

**Mr. Speaker:** We have allotted four days.

**Shri Satya Narayan Sinha:** The Minister-in-charge will reply on the last day and it will take about an hour or an hour and a half.

**Shri Heda (Nizamabad):** We cannot compare the Railway Budget with the General Budget; the General Budget must be given more time.

**Shri C. D. Pande:** The Railway Budget is an insipid thing.

**Shri V. P. Nayar (Quilon):** Especially on account of its controversial nature.

**Mr. Speaker:** We shall try to sit one hour more every day.

**Shri M. R. Masani (Ranchi-East):** May I take this opportunity to suggest that the dates of the next session of Parliament may be considered and fixed before the end of this session so that it may be convenient for all the Members of this House?

**Am Hon. Member:** What has it to do with this?

**Shri Bharucha (East Khandesh):** Does the decision to sit one hour

1889 Motion re First Report of 24 MAY 1957 Life Insurance Corporation 1890  
 Business Advisory  
 Committee  
 (Amendment) Bill

more every day mean sitting from 5 to 6 or from 6 to 7?

**Mr. Speaker:** From 6 to 7; we are already sitting till 6.

**Shri H. C. Mathur (Pall):** I have to point out one thing in this Business Advisory Committee Report, that nothing has been said about Private Members' Resolutions and Motions. I have tabled two motions—two No-Day-Yet-Mentioned Motions. I want to know whether any consideration was given to these.

Another thing to which I desire to draw attention is this. The hon. Minister of Parliamentary Affairs just now mentioned that certain measures will be considered. He also mentioned the Copyright Bill, while the Business Advisory Committee allots no time for it. May I know how this will be clarified?

**Shri Satya Narayan Sinha:** If there is time left over that will be taken up; otherwise, not. Sometimes business collapses earlier than the time allotted. So, we always make such a provision.

**Shri H. C. Mathur:** We are now approving, as a matter of fact, two things which are contradictory. The Business Advisory Committee makes no provision for the Copyright Bill and I would like to say that we should not be rushed through business like this. As a matter of fact, there is a great demand that the General Budget should be discussed for a longer time. We have been allowed no time in the discussion on the President's Address and most of the Members are anxious to have their say in the matter of the General Budget. Some of these Bills can be held over.

**Mr. Speaker:** There is no inconsistency between the two. The Government can always say: We can try to have as much work done as possible. When once they indicate that a Bill

should also be taken into consideration here, it goes before the Business Advisory Committee to say what time is to be allotted for it.

**Shri H. C. Mathur:** The Business Advisory Committee has already taken into consideration everything and they could not find time even for the business which has been mentioned in the agenda.

**Mr. Speaker:** I am surprised at this. What is the difficulty? Time permitting, many things also can be done. Is even such a statement improper? No, no.

The question is:

"That this House agrees with the First Report of the Business Advisory Committee presented to the House on the 23rd May, 1957."

*The motion was adopted.*

LIFE INSURANCE CORPORATION  
 (AMENDMENT) BILL

**The Minister of Finance (Shri T. T. Krishnamachari):** Mr. Speaker, I beg to move that the Bill to amend the Life Insurance Corporation Act, 1956, be taken into consideration.

**Shri Bharucha (East Khandesh):** Sir, I rise on a point of order. He is moving consideration of the Bill and before it is considered I raise this point or order. Notice of a resolution disapproving the Ordinance has been given by me and admitted by you on 7th May. The question is this: whether, in view of the pending resolution under articles 123 of the Constitution inviting this House to disapprove the Ordinance which is sought to be replaced by this Bill, can this Bill be proceeded with, thereby depriving this House of its constitutional right to give a clear verdict disapproving the Ordinance.

[Shri Bharucha]

If we turn to article 123, it says:

"An Ordinance promulgated under this article shall have the same force and effect as an Act of Parliament, but every such Ordinance

(a) shall be laid before both Houses of Parliament and shall cease to operate at the expiration of six weeks from the re-assembly of Parliament, or if before the expiration of that period resolutions disapproving it are passed by both Houses, upon the passing of the second of those resolutions....."

In view of that pending resolution under this article inviting the House to disapprove this Ordinance, can this Bill be proceeded with, thereby depriving the House of its constitutional right to give a clear verdict disapproving the Ordinance?

The second point arising out of that would be this. Can a resolution, notice of which is given under article 123 be subjected to the operation of rule 28 of the Rules of Procedure for determining the relative precedence of private Members' resolutions? Under that rule, the resolutions of the private members are subjected to a ballot for determination of the precedence. Can the constitutional right of this House to disapprove the Ordinance be restricted or bye-passed or rendered nugatory by the resolution of disapproval being subjected to the vicissitudes of a ballot?

**Mr. Speaker:** The resolution, the hon. Member says, has been admitted. Therefore, this point raised by the hon. Member is purely academic.

**Shri Bharucha:** But it comes so late that there is no chance of its being taken up. That is the point.

Perhaps the hon. Finance Minister may contend that, if the House rejects this Bill, it is tantamount to disapproval of the Ordinance. I submit that it is not the logical conclu-

sion that can be drawn because the Bill may be rejected for more reasons than mere disapproval of the Ordinance. Secondly, there may be cases in which the Government may not come to this House at all for getting the Ordinance passed into an Act because its purpose might be served by the particular Ordinance within its lifetime. Then, this House will never have an opportunity of discussing it. It may be that the Government may choose not to come to this House for reasons of its own. So, the constitutional right of the House cannot be made dependent on the whims and vagaries of what the Government will do or will not do.

It may also be argued by the hon. Finance Minister that the Rules of Procedure are there and if my resolution disapproving the Ordinance comes automatically within the mischief of that rule, then I must abide by the consequences. I submit that it is not the case. If the Chair holds that my resolution can be subjected to rule 28, my submission would be that this hon. House is not legislatively competent to enact such a rule. In support of that, I may cite a case law where the Supreme Court considered a similar question. The issue was, could the petitioners for a high prerogative writ go to the Supreme Court directly under the constitutional right given to them by the Constitution, or could the Supreme Court make rules requiring the petitioners first to go to the State High Court and thereafter come to it. There the Supreme Court held that by virtue of its rule making powers it could not subject an unfettered constitutional right to certain fetters and make it subject to some sort of cumbersome procedure whereby the petitioners' right is either reduced, mitigated or detracted from.

Taking that analogy, I submit that whenever a private Member gives notice of a resolution under article 123 that particular resolution has to be treated as a statutory resolution, and not be lumped up with ordinary resolutions, because a constitutional



right is given under article 123 to an hon. Member to move that resolution. There is no constitutional right given to every Member to move resolutions on every other subject. That right is given to him by virtue of the rule. Therefore, a distinction has to be made between resolutions which are given notice of by Members by virtue of a particular constitutional right, and those resolutions which come ordinarily before the House.

I submit, Sir, that in case the Chair feels that perhaps the programme of business might be upset, conditionally the Bill be proceeded with the First Reading and Second Reading stages, and before a vote is taken finally at the Third Reading stage, this particular resolution of which I have given notice must be taken up by the House and the House must be given an opportunity to pronounce unequivocally upon the Ordinance whether it approves or disapproves of the Ordinance.

**Shri T. T. Krishnamachari:** The position, Sir, as my hon. friend opposite understands it, is completely wrong. So far as this article is concerned, the right of a Member to move a resolution is a contingent right. The facts have been stated by my hon. friend himself. It is quite likely that the Government might pass an ordinance and the ordinance might serve a temporary purpose. Then, the purpose having been served, the ordinance having lapsed, they might not come before the House, when the House will be entitled to pronounce an opinion on the ordinance, which is being now sought on the Bill.

As he himself envisaged, if the House rejects this Bill, well, it has expressed itself in clear terms that it does not approve of the Ordinance. It is quite possible for the House even in this particular Bill where there are one or two provisions not relating to the Ordinance, to pass those provisions and reject the major provisions which relate to the Ordinance. The purpose served by a resolution

would then have been served, namely, the House would have expressed its disapproval in unequivocal terms on the passing of the Ordinance.

But, so far as this particular right is concerned, it is merely intended to safeguard the rights of Members, a right by which they have to disapprove all actions of Government using the ordinance-making powers. If it happens that an ordinance has served a temporary purpose, the lapsing of that ordinance does not make it obligatory on the Government to bring it before the House.

I submit, with all the emphasis that I can command, that the purpose of this particular provision in the Constitution is only intended for this and no other purpose. My friend cannot claim a right to disapprove in a particular manner all the actions of the Government. Well, that right is there inherent; he can move a vote of no-confidence in the Government. But, so far as a particular measure is concerned, the disapproval is equal in its force whether it is done by means of rejection of a Bill or rejection of that portion of the Bill which pertains to the Ordinance, or by means of a resolution.

So far as this matter is concerned, the initiative is for the Government to introduce a Bill sufficiently early. Then we are giving the House an opportunity to explain its position. If, on the other hand—as I have said before, my hon. friend has also pointed out that—we fail to exercise the initiative, because it suits us not to exercise the initiative, then it is open to my hon. friend to ask for a resolution.

So far as this question, whether a private Member's resolution is of greater importance, is concerned, I have no opinion to offer. It may be, so. I will even concede that, if the Government does not do its duty of bringing forward a measure and getting the approval of the House, the hon. Member opposite or any private Member would be entitled to ask for

[Shri T. T. Krishnamachari]

priority for his resolution, so that they can express their disapproval of the action of the Government. I am perfectly certain that I should, on my part, concede that right. All that my hon. friend can possibly do will be done by discussing this Bill. Therefore, there is no point in my hon. friend importing a meaning different from what was given to this particular article under the Constitution and claiming a right which in point of fact has absolutely no validity, if he can exercise that right in a manner, the ordinary manner, obtaining under the usage, law and custom of Parliaments all over the world. I, therefore, beg to submit that the point of order has absolutely no force and must therefore be rejected.

**Pandit Thakur Das Bhargava** (Hissar): The point which has been raised by my friend Shri Bharucha, to my mind, has got no force at all. First of all, he must point out a rule that when a resolution is placed before the House, then, no legislation is possible on the subject-matter of that resolution. In the present case, an ordinance was issued and the Government has come as soon as possible before the House to get that ordinance passed by this House.

Now, if there is a rule that as soon as a resolution was placed before the House, then, the Government's hands should be tied and the Government should not be allowed to proceed with the subject-matter of the resolution, then, I can understand. There would have been some force in the point of order. Otherwise, I know of no rule in which, if a resolution is brought on a particular subject, then, legislation on that subject is tabooed. There is no rule like that.

Secondly, so far as the question of the resolution is concerned, I am yet to see that there is any difference between one resolution and another, between a resolution on which it is statutorily provided that such a resolution can be moved, and another resolution. To my mind there is no

difference between a resolution and a resolution. The resolutions have to take their turn and whenever it comes before the House for discussion, it will be discussed in the House. There is no such rule providing that a resolution on a matter which is the subject-matter of some statute, etc., must be given precedence over other resolutions unless from the nature of resolution it should be allowed to be moved within the time allowed by any law or rules on the subject.

On the contrary, I can understand that if there is legislation on a particular subject pending, is being proceeded with the resolution concerning it may or may not be allowed to be moved. But if there is a resolution, then, I cannot understand that no legislation should be proceeded with on that subject. On this assumption, I should think that if a person gives a notice of a resolution and the resolution does not come forward in the House in one session or the next, it does not mean that no legislation on the subject-matter of that resolution is possible. I think such a rule will be preposterous. So far as I know there is no such rule in our rules of procedure. I therefore submit that this point has no force.

Several Hon. Members rose—

**Mr. Speaker:** Is it necessary to have a lengthy argument over this matter? I am not going to allow a huge debate on this point of order. It is enough if the hon. Members make their points, 1, 2, 3, etc. Of course, such a point has come up for the first time here, and so I have allowed Shri Bharucha to make his point.

**Shri Pattabhiraman** (Kumbakonam): I just want to explain one point. My hon. friend will not be helped by the ruling that he quoted the ruling of the Supreme Court. It is under article 32 of the Constitution. My friend said that it is a decision of the Supreme Court referring to its rule-making powers.

What actually happened was this. The then Chief Justice, Justice Patanjali Shastri, said in Romesh Thapar V the State of Madras—that was the case—that the right to move the Supreme Court itself was under Part III of the Constitution dealing with fundamental rights, that are guaranteed under the Constitution. That is what he said. So, there is the right to go to the Supreme Court itself one of the fundamental rights guaranteed under the Constitution. It was, therefore, a case of fundamental rights contained in Part III of the Constitution.

**Mr. Speaker:** What he merely says is that when a constitutional right is provided for any rule which imposed a restriction on the constitutional right, that rule will be contrary to the rights guaranteed, and it will be *ultra vires*. For that purpose, he says that under article 123 of the Constitution, a right is given to a Member to table a resolution and then get it passed in this House, displacing the ordinance. Now, to *hem* it with restrictions and asking it to be brought under the ballot and so on, he says, may be *ultra vires* of the Constitution. He further says that the right ought to be unhampered and ought not to be taken away indirectly by the passing of a Bill or the introduction of a Bill. I think I have heard enough about this point.

**Shri Sadhan Gupta** (Calcutta-East): I would submit that Pandit Thakur Das Bhargava, who supported the Minister, was wrong. Pandit Thakur Das said that there is nothing in any law to suggest that a resolution contemplated by article 123 should have precedence. I would submit that article 123 itself is warrant for this proposition that it must have precedence, because the resolution under article 123 must be passed in the session of Parliament coming after the promulgation of the ordinance. Otherwise, it ceases to have any meaning at all. If the resolution is passed in the next session, as soon as that resolution is passed, that

ordinance loses its force. Otherwise it continues in operation till 6 weeks after the session of Parliament begins. So, that resolution is intended to scotch the operation of the ordinance before the life-time allowed for it under the Constitution. Therefore, when a resolution under article 123 is tabled, it must be given precedence and the House must be allowed an opportunity to have the ordinance annulled as soon as possible at the earliest opportunity.

If on the other hand this resolution has the weight of the ballot, then the resolution may not come up during this session, because it may not come in the ballot at all, and the whole purpose of article 123 will be defeated. Regarding the Minister's statement that the disapproval of the Bill is tantamount to passing of such a resolution, that is also not a fact. If the Bill is not passed and is thrown out, yet the ordinance will last its life of six weeks after the reassembly of the Parliament. On the other hand, if a resolution disapproving the ordinance is passed, it will go out of existence; it will be annulled the very moment the resolution is passed by Parliament.

Therefore, the two things are different. The resolution should have precedence and should be discussed in this House. The resolution should have precedence over a Bill on the subject.

**Shri T. T. Krishnamachari:** The point that my hon. friend elaborately made is one which might look legally acceptable. But, according to constitutional conventions, article 123 (2) (b) says "may be withdrawn at any time by the President" and so, if it happens that the Bill is thrown out, it is obligatory under the conventions of the Constitution for the President to withdraw the Bill. So, there is no question of there being any lacuna, so far as the fate of the Bill is concerned and I think it is only a verbal distinction that my friend seeks to make; I think my contention still holds good.

**Shri Sadhan Gupta:** This point of the hon. Minister is wrong. . . .

**Mr. Speaker:** I am here to decide. Can we go on and have an endless discussion on this point? There is no meaning in it. The hon. Member practises in the Supreme Court and he is not given so many opportunities to get up, as soon as the reply is given.

**Shri Sadhan Gupta:** It is a new point.

**Mr. Speaker:** The question is, is there really any force in this point of order? Firstly, it is true that when once an ordinance is promulgated, it has to be placed on the Table of both Houses of Parliament soon after Parliament assembles and it expires at the end of six weeks or even earlier if a resolution disapproving of it is passed. Is the Government, which gets the ordinance promulgated, if it is known that the ordinance should continue for a longer time, to keep quiet without bringing a Bill, or wait until the period of 6 weeks or until the last day or one or two days before the expiry of 6 weeks, so that a Resolution may be tabled with the expectation that the House may be induced to pass a Resolution disapproving it at an earlier date? It has to wait until the expiry of 6 weeks and then bring forward a Bill.

Is there any prohibition in the Constitution against bringing a Bill? The bringing of a Bill before the House is one of the rights conferred under the Constitution. Is that barred? Therefore, a Bill can be introduced in the House as soon as the Ordinance is placed on the Table of the House, after the Houses re-assemble.

The further question is whether a Bill which can be introduced—and there is no prohibition in the Constitution—ought not to be taken up until the Resolution is disposed of. We will assume that the Resolution is disposed of some time. Of course, unless it is disposed of within six

weeks, it will have really no effect. After 6 weeks, if it is disposed of, by lapse of time, the Ordinance lapses; there is no purpose in it. What is there in the Rules or in the Constitution which says that once the Bill is introduced in the Parliament, the Resolution must be taken up first and not the Bill? Nothing. This has to be disposed of on general grounds only. On the Bill, one has got a greater opportunity to discuss this matter than even on a Resolution. Hon. Members may say whatever they have to say from all points of view, whether the Ordinance should be passed at all or in what respect it should be improved and so on. After all, the Bill is only an extension of the Ordinance. Whatever can be said on a Resolution, to throw out or disapprove the Ordinance, possibly all the arguments can be made out here. Nevertheless, there is nothing to prevent the House from exercising its right which has been conferred under the Constitution. In these circumstances I do not think that this House is not competent to proceed with the Bill as it is.

So far as the ballot is concerned, I will reserve my ruling, as to whether it ought to be taken into the ballot. As at present advised, to ask that when a Constitutional right is given, it need not get into the ballot is a proposition for which I feel a justification. If this is pressed, I will see after this matter is disposed of one way or other. If this Bill is thrown out, then only it will arise. There will not be any need for the Resolution if the Bill is passed. The Resolution will be barred, and therefore, that question will not arise in this Session, anyhow. If once again it comes, I will give a ruling so far as that matter is concerned, viz. whether the resolution can be tabled under article 123 and whether it should also come along with the other Resolutions for ballot. I rule out this point of order. The Bill can go on. The hon. Minister may proceed with his speech.

**Shri T. T. Krishnamachari:** Mr. Speaker, as hon. Members are aware, the Life Insurance Corporation came into existence on the 1st September, 1956. It merged in itself about 240 former insurance companies and provident societies. The integration of these various units into the Corporation has presented a number of problems; some of them very intricate and difficult. One of the first problems that faced the Corporation was the integration of the various groups of employees of the different insurers into one common set up under the Corporation. When one talks of a common set up, one naturally thinks of all members of the set up being governed by uniform rules, made uniformly applicable to them. The Corporation, therefore, announced a set of pay scales and other conditions of service applicable to all the staff. At the same time, however, the Corporation was anxious to avoid any hardship to the employees, who have been taken within the fold of the Corporation from the various Companies. It was made categorically clear that the emoluments of the employees of former insurers, who came into the Corporation on the 1st September, 1956, would be safeguarded and that the scales prescribed by the Corporation would in effect apply only to new entrants. By and large the scales proposed by the Corporation were not unreasonable, and had the approval of the Government. The matter was, however, taken to the High Court at Bombay by one of the employees' associations, and the Court ruled that the powers of the Central Government under section 11(2) of the Act were confined to altering the terms and conditions of service only in respect of remuneration and that in terms of the Act, as it stood, the Government were not empowered to alter the terms and conditions of service other than those relating to remuneration. This created an awkward situation for the Corporation in so far as compliance with the Court's decision would create a situation of utter confusion, with each single employee having the right to have in entirely his previous terms and conditions of

service in operation. It was not as if these rights were of a fundamental character because as I have said earlier the actual pay which each employee received and was entitled to receive till the date of his retirement along with gratuity and retirement benefits was guaranteed by the Corporation; in fact those employees whose scales of pay with their former employees were less favourable than the Corporation scales were entitled to opt for the latter. In this manner one-fifth of the total number of employees stood to benefits while the rest lost nothing by way of pay or gratuity or provident fund, etc. But it was the other terms and conditions of service which were the cause of the difficult situation in which the Corporation found itself after the judgment of the Bombay High Court. With the best will in the world it was not possible for the Corporation to allow these varying terms to all its employees as I shall just explain, and carry on as a business organisation.

It has been admitted on all hands that in a transition of this type, from two hundred and forty odd private insurers, each with its own set of conditions of service for its employees, to a single corporation with a common establishment, it was necessary for the Corporation to evolve conditions of service for its employees, which would be uniformly applicable. Apart from major matters like pay scales, provident fund and other retirement benefits and leave benefits, even in such matters as hours of work, retirement age and amenities, there were considerable variations. For example, one insurer observed the working hours of 9 A.M. to 5 P.M., another observed the hours of work from 10 A.M. to 5 P.M. and a third observed the hours of work from 10 A.M. to 6 P.M. In the matter of retirement some companies retired their men at 55, some at 60 and some at 65. A few companies had not prescribed any retirement age at all. Some companies provided free lunch some free tea to their employees, while many others did not.

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On occasions of festivals, like Diwali or Puja, it was the practice of some insurers to make presents in kind or cash to their staff. In the matter of medical benefits, medical attention was provided in a few companies, while some others permitted even cash conversion of medical benefits.

I have recounted only some of the items. It will be well nigh impossible to make out an exhaustive list since even practices sanctioned by convention can also be covered by the term 'conditions of service'. It would obviously have been administratively impracticable to continue such a variety of terms and conditions after the Corporation came into existence. While variations in actual scales of pay etc. create no serious difficulties, there has to be a measure of uniformity in other conditions of work for staff working side by side, and for a common employer; there could be no justification for differentiating between one set of staff from another in these matters. In fact, it would be impossible to do so. And after integration, most, if not all, offices contain staff at different levels drawn from more than one insurance company.

It thus became necessary to amend section 11(2) of the Act to empower Government specifically to alter, if necessary, all the terms and conditions of service of the employees of the Corporation. The High Court, while holding that section 11(2) did not confer upon Government the powers to make such alterations also ruled that the Corporation should desist from enforcing the rationalised pay scales and conditions of service. The logical step following the High Court's decision would have been for the Corporation to apply to each one of its employees the terms and conditions of service which had been assured to him by his former employer, a task, which would have been well nigh impossible, unless we proceed to disintegrate them separate organisations according to the terms and conditions

enjoyed by them. This, as I said earlier, would have created an impossible situation and nothing but confusion would have ensued which would have profited none but have brought about a set-back in the business side of the Corporation, and thus eventually caused a loss to many, including the employees. It thus became necessary to promulgate the Life Insurance Corporation (Amendment) Ordinance, only because there could not be permitted a period of uncertainty and, therefore, of confusion regarding the situation arising out of the judgment of the Bombay High Court. Clause 2 of the Bill seeks to continue the provisions of the Ordinance.

Hon. Members are by now, no doubt, aware that there have been negotiations between the authorities of the Corporation and the employees' associations and satisfactory scales, etc., have been evolved for the Corporation employees, resulting in an approximate extra, annual expenditure to the Corporation of nearly Rs. 50 lakhs. That the previous proposals did not satisfy the employees is a fact which is now admitted. I believe all sections of the employees have enthusiastically welcomed the details as well as the spirit underlying those new proposals.

I may give the House some of the important features of these new proposals. They are: one, all clerical employees will be on one grade starting at Rs. 75 and going up to Rs. 325 in 25 years. This scale is applicable to the employees at all its offices. That is to say, we have distinction that obtained in certain companies between employees in cities and employees in other towns with lesser population. For new entrants, the Corporation gives a lower maximum of Rs. 270 to be reached in 23 years. In the previous scheme there were two scales, one from Rs. 55 to Rs. 220 and the other from Rs. 90 to Rs. 300 with additional compensatory allowance for certain cities.

The maximum of the scale for the lower grade staff has been improved from Rs. 60 to Rs. 95. The dearness allowance scale has been improved by increasing the dearness allowance from Rs. 40 to Rs. 45 for salaries up to Rs. 50. Wherever the dearness allowance scale was lower than the Corporation scale, then the dearness allowance would be increased to the appropriate figure without affecting the basic pay, if such increase is less than Rs. 25. In other cases the basic pay will be reduced only to the extent of one-half of the excess of this increase over Rs. 25. In the clerical grades alone there will be about, 4,000 persons who will benefit by this arrangement.

The above scales of pay and dearness allowance will completely replace all the varying scales in force in the erstwhile insurance companies. Employees whose scales were better may, however, elect to remain on their old scales. This option will be particularly valuable to employees who are already above the maximum of the Corporation grade or somewhere near maximum and the existing grade would carry them to a higher maximum.

All employees who are fitted in the new grades will get an increase of Rs. 10 in the case of clerical staff and Rs. 5 in the case of inferior staff before being fitted in. Employees with long service will be fitted in on the basis of the minimum of the grade plus one increment for every two years of them. I would like hon. Members to mark this particular change. The original arrangement was to give one increment for every three years. That is the period that we had come to at the meeting that took place between the Corporation authorities and the employees, the one which I joined towards the close of the negotiations. But even the present formula will not satisfactorily deal with such cases. I felt that in the case of many companies where the salaries were low, it would operate against the interests

of the employees, and therefore the change was made primarily for that reason—though I claim no credit for it.

In some of these matters I have gone further than what had been accepted as satisfactory by the employees' representatives. For instance, in the case of persons with a low dearness allowance, I was keen that the full dearness allowance on the new scale should be allowed without any reduction in the basic salary. But I was told then by the employees themselves that this would create an anomalous situation, as in many cases an employee's fixed salary had a compensatory element in that salary which compensated for the refusal of dearness allowance. So the final formula was an improvement on what had been agreed upon between the Corporation and the employees. Again, in the matter of grades for the subordinate staff, I had myself suggested a maximum which is considerably higher than what prevailed in any of the erstwhile major insurance companies excepting one.

I may say here this settlement with regard to the pay scales means in effect an increase of about Rs. 50 lakhs per year to the present total wage bill of Rs. 432 lakhs, and as the years go by, the annual increase in the wage bill will be higher than what it was before because of these higher rates of pay.

These negotiations could have taken place earlier. I believe that I did mention in the last-but-one session of Parliament when my hon. friend opposite, Shri Sadhan Gupta, raised this question, that I would personally negotiate this matter and see if I cannot arrive at a settlement. I had indicated my willingness at that time to have the matter reviewed. But a section of the employees chose to go to court and I had, therefore, reluctantly to intimate to them that negotiations should wait until the court had pronounced its opinion. Hon. Members will, there-

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fore, appreciate that it has never been the intention of the Corporation or of Government to act unreasonably or arbitrarily. But negotiations apart, and even if there is general agreement, it would still be necessary for the Government and the Corporation to take the powers sought now in clause 2 for rationalising the pay scales of the employees of the Corporation with a view to securing uniformity in the conditions of service applicable throughout India to the staff of the Corporation. Section 7 protects the action already taken by the Government.

Clause 3 seeks to make the Corporation responsible for the issue of licences to its agents for procuring business on its behalf. The normal procedure under the Insurance Act of 1938 was for the prospective agents to apply to and obtain from the Controller of Insurance the licences necessary for procuring insurance business on behalf of an insurer. Hon. Members will surely appreciate that as the Corporation is now a government-owned Corporation, there will no longer be any need for this procedural formality to be continued. The amendment is intended to secure more expeditious working of the Corporation.

Clause 45 of the Corporation Act, as it stands at present, enjoins on the Administrator appointed to manage the affairs of a composite insurer to take steps in the prescribed manner, as soon as may be practicable after commencement of the Act—

(a) to transfer the assets and liabilities pertaining to the controlled business of the insurer to the Corporation, and

(b) to vest the management of the affairs of the insurer in respect of another kind of business in the persons entitled thereto.

There are two composite insurance companies now for the management of whose affairs an Administrator has been appointed. These two companies are in the midst of prolonged litigation as a result of alleged misappropriations which came to light and matters regarding which are *sub-judice*. Section 45 was intended to cover these two companies as the provisions in the Act applicable to other insurers could not with convenience be applied to these, and since it was considered not feasible to vest the controlled business of these companies in the Corporation on the appointed day. The manner of transfer, prescribed by the rule which was made under this section, was that every transfer by the Administrator under clause (a) of section 45 of the Act should be made in pursuance of an agreement between the Administrator and the Corporation. The question was recently examined by the Solicitors of the Companies and the Ministry of Law, and it was found that the transfer of the controlled business to the Corporation by means of an agreement would create serious problems, especially in connection with the agreements between the companies and third parties. The opinion was also expressed that the benefits of sections 11, 12, 15, 16, etc. would not be available in such cases on transfer of the controlled business of these two insurers to the Corporation. An amendment is, therefore, being proposed to the Act for insertion of a new section in place of section 45 of the Act. Under the proposed section, the Central Government may notify a date on and from which the controlled business of the composite insurers for whom an Administrator has been appointed will vest in the Corporation and when the notification is issued, all the provisions of the Corporation Act, namely, section 7, 8, etc., will apply to these companies as they apply to other insurers so that the transfer will be exactly in the same way as in the case of insurance companies which were taken over by the Corporation on the appointed day.



Clause 6 of the Bill seeks to introduce a minor amendment in order to enable the Corporation to make rules and regulations also for the employees who were taken over by it from the former insurers on the appointed day.

I would, in conclusion, like to say a few words in regard to the Corporation's affairs generally. The recent settlement effected with the employees is a measure, if I may venture to submit, of my own personal anxiety to end the unfortunate stalemate over the salaries of the employees. I have recalled earlier the financial effect of the settlement. Despite the warning about the effect of such additional burden on the Corporation, I took upon myself the responsibility for the decision and the settlement was effected. I did this as I was anxious to see that a fair deal is given to the employees of the Corporation. I hope that they, in their turn, realise the importance of the task they are performing, that in harnessing the savings of the nation, they realise they are indirectly participating in the proud though formidable task of national reconstruction. I hope that by providing prompt and satisfactory service to the Corporation's policy-holders, they will build up the Corporation and also themselves.

To the hon. Members of this House, I would say this, that I am devoting personal attention to some of the problems of organisation facing the Life Insurance Corporation, I have, of late, given much thought to the details of this thorny and vexed problem. My analysis leads me to the conclusion that it may become necessary to make some alterations, perhaps even some of a radical character to improve the Corporation's efficiency. I consider, for instance, that there are certain superfluous tiers in the organisation which require to be eliminated. There should be direct contact between the Branch officers, who are the real producers of business and the Central office which is responsible for the for-

mulation of policy and other intermediary offices should be only of a supervisory character. There is nothing new in this. Prior to nationalisation, there was a growing tendency amongst insurers to decentralise many of their functions. In a few cases, branch offices were accepting proposals, issuing policies and granting loans, and settling agents' commissions, etc. The Head offices functioned merely to collect data for compiling their statistics and accounts and dealing with the funds of the company. If decentralisation was found advantageous to insurance companies in the past, it must be equally beneficial in the case of a nation-wide institution such as the Corporation is today. I want that in course of time, if not immediately, the Branch offices of the Corporation should handle everything in relation to the policy-holders and agents and the Central office should be made a policy making, accounting and actuarial centre. There should, in my opinion, be very few intermediary authorities and even those that are should be either for supervision or co-ordination only.

I would like further to state that the investment of the funds of the Corporation, as it is now managed, does not seem to be eminently satisfactory. I am, therefore, of opinion that it should be entrusted to a separate body statutorily devised, with necessary expertise, leaving the Corporation full time to devote its energies to its main business of expanding life insurance. In this connection, I shall, perhaps, be coming to this House with my proposals in July next. I have a number of other ideas on the subject which, in due course, I propose to put into the working of the Corporation to increase its utility and efficiency. I therefore beg to request the co-operation of this House, and that is the reason why I have taken a little more time than I should ordinarily more moving a Bill of this nature, in order to convince the hon. Members that I am fully seized of the problems of the Corporation, that I am determined,

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subject to my own handicaps, to solve them to the best of my ability.

13 hrs.

I commend the Bill to the House.

**Mr. Speaker:** Motion moved:

"That the Bill to amend the Life Insurance Corporation Act, 1956, be taken into consideration."

**Shri Hem Barua** (Gauhati): I beg to move:

That the Bill be circulated for the purpose of eliciting opinion thereon by the 23rd November, 1957.

**Mr. Speaker:** Is he moving his other amendment for Select Committee?

**Shri Hem Barua:** No.

**Mr. Speaker:** Shri M. K. Kumaran. Absent. Shri Easwara Iyer.

**Shri Easwara Iyer** (Trivandrum): Not moving.

**Mr. Speaker:** Now, both the Bill and this amendment No. 20 are before the House.

In addition to what I said on the point of order, I want to add only one thing more.

Under article 123 of the Constitution, the ordinance is passed by the President at the instance of the Government. Power is given in principle to get that ordinance dissolved or revoked and even make it lapse itself before the period of six weeks. That is the right of the persons other than the Government. Government seeks the aid of the President to get an ordinance. Others can go to the President to have it withdrawn or allow it to lapse. Therefore, this provision was made for those people who are opposed to that ordinance.

Now, a Bill is allowed to be introduced under the Act to continue the ordinance. Article 123 does not prevent a Bill from being introduced con-

tinuing the ordinance after six weeks, or superseding that ordinance. As a matter of fact, there is a clause to repeal the ordinance at the end. If the Act is passed, the ordinance is repealed. Thus both are the counterparts of one another. The non-official Member can move a resolution to disapprove of the ordinance. The Government can bring a Bill continuing the ordinance. If the Government wants that the ordinance should be continued, there is no similar provision for a resolution to continue the ordinance here. Hon. Members will see that if resolutions can be brought approving or disapproving an ordinance, there will not be any need for a Bill, or a Bill will be barred. A resolution can be brought disapproving it in which case will lapse but if it is to be continued, no similar provision is made for bringing a resolution. Therefore, the Bill is the only remedy. Otherwise, there cannot be a remedy when once an ordinance lapses, Government has to keep quiet, and therefore in place of a resolution enabling the Government to continue the ordinance, a Bill under the ordinary law is permitted under the Constitution. That will be another ground where if the one is passed, the other will be barred, but even there I have got a doubt whether even if there is disapproval of the ordinance by this House, a Bill cannot be subsequently brought. That will be a matter for consideration later on whether once and for all it is barred in that session or the next session, whether a Bill cannot be introduced. That is a point for consideration.

I only wanted to say whether specific power is given to a non-official Member to bring a resolution to disapprove the ordinance. If it is to be continued, it is not said it will be by a resolution. If it is so stated I would certainly have agreed with the hon. Member that this Bill ought not to be brought here. It is not so. No such enabling provision is made. Therefore, in the absence of a provision, the Constitution does not mean that once an

ordinance is passed it must lapse automatically at the end of six weeks. That is not the intention of the Constitution, and we have not been proceeding that way.

This is another ground supporting my ruling on the point of order.

**Shri Bharucha:** I have heard with careful attention the speech by the hon. Finance Minister and I am afraid I am not at all convinced by the arguments which he has brought forward justifying the passage or the promulgation of an ordinance circumventing a judgement given by a court of law.

In the first place, his main ground has been this, that when the Corporation was created there were several constituent insurance companies which became part of that Corporation automatically. These various constituent companies had varying terms and conditions of service for their employees, and therefore it became necessary to streamline or rationalise or bring into uniformity the varying terms and conditions of service of the various insurance companies.

[MR. DEPUTY-SPEAKER in the Chair.]

The point that he has made is this, that the terms of service varied in many cases. In some cases the employees had free lunch, in other cases the employees were given free tea, in many cases the age of retirement was different, in some cases Diwali perquisites were given whereas in other cases they were not given. He says he cannot exhaust the list of the variety of terms and conditions of service. He also said that when this hon. House passed the Bill the original intention was to invest the Government with powers not only for making changes in the remuneration but also in the terms and conditions of the services of the employees. He says because of bad drafting the intention of the House was not properly conveyed and therefore when the High Court pronounced judgment; as it was bound to do, by mere interpretation of the language of the law, it created a situation unfortunately for

the Government where the Government felt that the working of the Corporation would become impossible.

In the first place I dispute that very thesis. He says: "What can the Government do if part of the Corporation's employees start coming at 9 O'Clock, a part at 10 O'Clock, a part leaving at 5 O'Clock, a part leaving at 6 O'Clock? There may have to be transfers of employees and it makes the situation still more difficult. The various employees with varying terms of service would conflict with each other." Now, let us consider whether really an ordinance was a justification for that. Why could not the Government immediately after the High Court pronounced the judgment come to this House, or in the alternative, have direct negotiations with the employees to streamline or bring into uniformity these terms and conditions of service? Let me assure the House that it is wrong to presume that the employees are so very perverse that they would not come to any settlement on the point. All that the employees wanted was that by reason of the Government's intention to bring into uniformity the terms and conditions of service their emoluments should not be affected, they should not be prejudiced in respect of their remuneration or other conditions. That was all that the employees wanted, and I think they are entitled to have that much.

In the State of Bombay since the reorganisation there are five different types of sales tax systems prevailing under the law and yet there is no promulgation of an ordinance to bring them into uniformity or to streamline them or rationalise them. May I ask this Government which of the two things is going to cause greater disturbance and dislocation of work—having five different types of sales tax systems prevailing within the same State or having a few terms and conditions of service which vary prevailing within the same Insurance Corporation? If the Government can still carry on without integration of the sales tax laws of the reorganised constituent States and permitting several

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systems of sales tax to function within the same State, I am sure the heavens were not going to fall if for a few days more one employee came at 10 and another at 9 A.M. But, circumventing the provisions of the judgment by a competent court, before even the employees, the winners of the litigation, could get a copy of the judgment, before the ink was dry on the judgment, Government have taken powers of issuing an ordinance, saying that notwithstanding any judgment, and notwithstanding any decree, this Government has got the right. What does it matter if a court of law says, 'No, it has not got the right? We shall get the right'. What is the effect of this?

Sir, I am not against promulgation of ordinances in case of emergency, where you find that civil administration is likely to come to a stop. Nothing is going to happen, and nothing could have happened, if varying terms and conditions had prevailed for fifteen days or even a month, because by negotiations, these terms and conditions could have been brought into uniformity. That was the correct thing, which Government did not do. And why did they not do it? They did not do it because if they started negotiating, the employees would tell them, 'Here are our rights which we have won by resorting to industrial tribunals or industrial courts. Now, how can Government go back on what the industrial court has considered to be the just dues of the employees?'. The employees would have been right in raising that question. And Government could have had no answer for it. So, they first promulgated an ordinance, and told the employees, 'Under the law of the land you have now got no rights. Now, come and negotiate'. That was their intention. The employees were placed at a disadvantage; they know that already the ordinance has been promulgated. Legally, they have got no rights, and what rights they had acquired by resorting to the industrial tribunal or the industrial court have been taken away.

I ask this Government 'Is this the fair way of treating the employees?' Which employees and which workers will have faith in your industrial tribunals and your industrial courts, if they find that the judgments of industrial tribunals or the High Court or the Supreme Court are to be set aside by promulgation of ordinances? Is this Government desirous of regulating industrial relations between employees and employers by resorting to ordinances or by round table conferences with those employees? Especially, when the employees have been awarded those rights, what right, what normal right, has this Government to take away those rights?

It is no use coming now and telling us, 'This is what we have done; this is an improvement on their rights'. If you are so very generous as to give them an improvement on their terms and conditions of service, why do you not call them and tell them, 'Look here, gentlemen, we give you an improvement. What more could you want?'. That was the way of negotiations. Instead of that, Government took the big stick of the ordinance and browbeat the employees into submission and said, 'All right; now, come and talk'. That is the thing which we dislike. We say that this is not the correct way of doing things.

I do not, for a moment, believe that different terms and conditions have upset the working of the corporation to such an extent that Government had to rush in with this ordinance.

My second point, is this. I really do not allow whether it is the intention of Government to reduce the remunerations of the existing employees or to adversely change their terms and conditions of employment, because, after the ordinance was promulgated, and when there was agitation outside, one of the bosses of the corporation wrote a letter to the newspapers saying that Government has no

intention of reducing the remuneration or varying the terms and conditions to the prejudice of the employees. If that was the case, then, where was the need for the promulgation of the ordinance? Do you not immediately vary the terms and conditions to the prejudice of an employee, when you say that he cannot get free lunch, that he cannot get free tea, that the retirement age is earlier, that Diwali perquisites are to be abolished, and so on? Obviously, the promulgation of the ordinance did make a substantial difference in the terms and conditions of the employees.

I could have understood if Government had brought forward this Bill and restricted its operation to the future entrants. It had a right to do it. When the employee takes up the service with an eye open, he knows that these are the terms and conditions, and it is open to him not to go in for them. But when people have grown grey in the service of the insurance business, at the last moment, to say that 'Now, out you go, because we have reduced the age of retirement, or something like that is totally unfair.

This Bill seeks to effect changes retrospectively. If you see clause 6 of the Bill, you will find that it says:

"...notwithstanding anything contained in any judgment, decree or order of any court, be deemed to have been made under that sub-section as amended by this Act as if this Act were in force on the date on and from which the order was intended to take effect, and the order shall continue in force and have effect accordingly, unless and until superseded by anything done or action taken under the principle Act".

So, retrospective effect is given there.

I say that whenever any legislation is undertaken with the object of prejudicially affecting the terms and conditions of the remuneration of any employee, the existing employees

should have been protected; to the future entrants, of course, you can dictate your own terms. It is open to the future entrant to say 'I shall not join your service, because these terms are onerous'. But having induced them to join on a particular set of terms and conditions, it is unfair to vary those terms and conditions unilaterally. It is no answer to come to this House and say 'We have given better terms'. No, that does not count at all, because we do not know whether in spite of those better terms, there will not be several hundreds of employees who will still be adversely affected.

On this ground, I oppose the very principle of this Bill. As I said, the significance is much greater. It really means that the workers do not know whether they should have faith in the duration or substantiality of the awards given by industrial tribunals. People lose faith, and workers lose faith in your industrial machinery which is set up for resolution of industrial disputes, if these things are repeated.

Therefore, even if this Bill is passed now, I think, on this side of the House, we must raise a voice of protest so that, in future, on similar occasions, the action of Government may be more restrained.

**Shri Sadhan Gupta:** Mr. Deputy-Speaker, it is unfortunate that this Bill should have been brought at a moment when the clouds were clearing in the relation between the corporation and its employees, and some complications should have been created. Before I come to that, I must deprecate the attempt to blame the decision of the High Court to justify the necessity of bringing forward the ordinance and this Bill.

The High Court decision was on two provisions of section 11, which were enacted with open eyes. Section 11(1) was the sub-section which authorised the corporation to make changes in the conditions of service. Sub-section (2) of that section had this specific

[Shri Sadhan Gupta]

object of enabling the Central Government to make changes in remuneration for the specific purpose of bringing in rationalisation of pay scales. That was the object with which these two sub-sections had been enacted, and the High Court did nothing except to say that those two sub-sections had those two objects.

Therefore, it is no use blaming the High Court for the necessity of bringing forward this Bill and saying that Government were taken by surprise by the High Court decision.

Having said so much about this aspect, I revert to the question of the merits of the Bill itself. It is most unfortunate, as I said, that this Bill should have been brought at a time when the clouds were clearing up as a result of the satisfactory conclusion of an agreement with the office employees.

A Bill of this kind, enabling Government to impose, unilaterally their decisions, is an affront to the self-respect of the office employees and all other employees concerned.

Now, we must understand the spirit of the times today. Today the employees are organised, the employees are supremely conscious of the self-respect which they possess and they are also supremely conscious of the fact that they are not merely servants to whom you can say, 'Well, whatever I do for you is the best and you are bound to abide by it', but the employees today feel that they are co-participants in the venture and they should be recognised as such by the authorities, at any rate, of a public corporation. If you seek to deny it, if you even seek to suggest an idea of denying it, then inevitably you create complications, inevitably you injure the self-respect of the employees, inevitably you give them an affront which they do resent.

Now, what is the necessity of a Bill of this kind? The Finance Minister has stated that there is an anarchy of

different terms and conditions coming over from different companies. But may I not ask him whether it is not possible to resolve the anarchy by negotiations with the employees, with the persons concerned? Let us not forget that the staff affected by this legislation, namely, the clerical or the so-called subordinate staff, or, may be the field staff, are all reasonable persons. They are not only reasonable persons, but they are very ardent champions of nationalisation. It is they who have been wanting nationalisation; it is they who were the first to welcome nationalisation, and they are eager to see this nationalised Corporation a success. Although they had been able to compel the private insurers to give them relatively high wages, yet they never wanted to stick to private insurance companies; they never wanted to make private insurance go on because they realised that the private insurers were committing a tremendous waste of resources which would otherwise have been of the utmost national importance, which would have been greatly beneficial to national reconstruction.

The Finance Minister has expressed the hope that the employees will continue their service and realise that they are doing a work of the greatest national importance. I can assure the Finance Minister that that realisation had come to them even before the Government thought of nationalisation. For years before nationalisation was thought of, that was the persistent demand of the employees, and it was not for their interests, but it was for the interest of the nation that they were demanding it. With such employees, is a great argument that there is an anarchy of terms and conditions, that if this anarchy continues, the business of the Corporation will suffer a setback; therefore, we must take blanket powers in order to effect uniformity? If there is anarchy in terms and conditions which will lead to a setback in the business of the Corporation, the employees will be the first to remove this anarchy; the em-

ployees will be the first to agree with the Government that uniform terms and conditions of service should be adopted. As a matter of fact, it is they who have been wanting standardisation even before the Corporation was established. They made suggestions; they had asked for negotiations and it is apparent that as a result of negotiations a happy conclusion has been reached in regard to pay scales at least. I have no doubt that if negotiations had been carried on in regard to other terms and conditions, a happy conclusion will be reached, if Government are prepared to treat the employees with self-respect and are prepared to believe in their *bona fides*.

This is the context in which we have to approach the whole matter. If we approach the matter in the context of the self-respect of the employees, in the context of the employees' consciousness that they are co-participants in the venture and they have a right to be consulted and fairly treated, in the context of the fact that the employees are reasonable people, are ardent well-wishers of the Corporation and are ardent champions of nationalisation, it is patently clear that this blanket power for imposing terms and conditions for the sake of uniformity is not at all necessary. By negotiation all that can be achieved. If it is achieved by negotiation, it is always beneficial for the Corporation because then the employees feel happy that they have got a fair treatment and as a result, they work better and the Corporation's business prospers. On the other hand, if you impose a unilateral decision over the head of the employees, that inevitably generates reaction and as a result, however much uniformity you may establish, however much you may try to coerce the employees into accepting this uniformity, the Corporation's business will not improve. A disgruntled set of employees will not lead to the improvement of the operation of the Corporation.

To enact a legislation of this kind would inevitably create a suspicion

that it is perhaps intended to impose unilateral decisions regarding the terms and conditions of service of employees. This suspicion is not an idle fear. I can tell you from my experience of the insurance employees' movement that by the imposition of unilateral decisions, at least 60,000 people connected with all vital sectors of insurance, on whom the progress of life insurance must vitally depend, have been alienated.

You have seen how the office employees' case has been settled happily as a result of negotiation. But previous to that, although they were ardent champions of nationalisation, even they had been driven to strike because of a unilateral decision. I take it the office employees would number about 15,000. Then the field staff would number about 12,000 to 13,000; these people are today discontented because a system of categorisation has been adopted without consultation with their representatives. This is bound to have repercussion on the operation of the Corporation. Then the Corporation decides to chuck out medical doctors. At least 20,000 medical doctors—insurance medical examiners—are put on jitters about their own future. A large number of them have been struck off the list. There was the Indian Medical Association. It might have been consulted on that point. But that was not done. So that section of employees have also been disgruntled and discontented.

Regarding agents, I think there are about 10,000 to 12,000 under the Corporation. Suddenly a decision was adopted imposing a quota of a minimum of Rs. 40,000 for agents in big cities and Rs. 20,000 for those in the mofussil. That drove out a number of very good agents out of the public sector and seek their fortune in the private sector, inevitably injuring the prospects of the Corporation. Now, this kind of thing might have been very easily settled by negotiations with the doctors, with the field staff, and with the agents and a satisfactory

[Shri Sadhan Gupta]

arrangement might have been arrived at. This was not done.

Similarly, in the case of staff regulations. Regulations have been made forbidding the staff of insurance companies from participating in politics, from standing in elections and all that. It is the right of every citizen to undertake political activities. There is no conflict between employment in an insurance concern and participation in politics. For instance, it cannot be said that if clerks of insurance companies belong to political parties policies will continue to be issued either to Congressmen or Communists or Praja-Socialists. It cannot be said also that loans will be given either to Congressmen, Communists or Praja-Socialists. It may be necessary in the case of a few officials connected with the administration to insulate them from political institutions so that the administration should not become partisan. What is the necessity in the case of insurance employees? I cannot understand it. There also unilaterally some staff regulations were promulgated. This sort of thing creates a suspicion that this kind of blanket power to impose unilateral decisions will not be a dead letter but will continue to be used to the detriment of the employees. That is why, I think, this Bill should not be proceeded with and I would earnestly appeal to the House to throw out this Bill and to give the procedure of negotiations a better chance. The procedure of negotiations has already paid valuable dividends in the case of office employees and I am sure that if the same procedure is followed regarding the field staff, if the same procedure is followed regarding agents, if the same procedure is followed regarding insurance medical examiners or even regarding some of the smaller officers to whom injustice is said to have been done, I think, a happy settlement could be reached in all cases and the Corporation would do much better than what it could do by imposing its fiat on unwilling employees.

Therefore, I once again plead that a different approach to the whole thing must be made. The approach must be in conformity with the spirit of the times and the ideals of the times. Unilateral impositions must be totally forgotten and negotiations must replace unilateral dispensations. After all, we are dealing with human beings, intelligent human beings, human beings who are not inimically disposed to you, human beings who want the Corporation to prosper. Therefore, the best way to deal with them is by negotiation. I would ask the Finance Minister to try this path of negotiations and give up this Bill for the present; and, if he fails, then, he can come back and ask the House to give him powers by enacting a legislation of the kind he proposes. But, before that is done, I would ask the Finance Minister—I would request him—to see if these uniformities cannot be achieved by negotiations, because, in that way, there will be a much happier result. On the other hand, if he starts with an Act in his hand, with the Bill passed by the House, he will inevitably come up against a barrier of suspicion which he would understand is not quite unjustified in view of what the Corporation has done or what the Government has done before in the way of imposing unilateral decisions.

पंडित ठाकुर दास भार्गव : जनाब डिप्टी स्पीकर साहब, जिस वक्त यह बिल शुरू में पास किया गया था, उस वक्त उस की दफा ११ की रू से हर उस इन्वयोरेंस कम्पनी के एम्प्लाइज को, जिसको कि गवर्नमेंट ने लिया, यह गारन्टी दी थी कि उन की टर्मज एंड कन्डीशन्ज आफ एम्प्लायमेंट, उन की तनख्वाहें और उन के हकूक बिल्कुल पहले की तरह बरकरार रहेंगे और उन में कोई तबदीली नहीं की जायेगी, जब तक कि



गवर्नमेंट उन की सर्विसेज को टर्मिनेट न कर दे, या किसी मुनासिब तरीके से उन को तबदील न कर दे। इस प्राविजन की सारी मुराद यह थी कि उन लोगों के सब हकूक सेक्रोसेट होंगे और उन में कोई तबदीली नहीं की जायेगी। हम देखते हैं कि जब भी कोई बिजिनेस किसी दूसरे को ट्रांसफर होता है, या गवर्नमेंट उस को लेती है, तो मुताल्लिका कानून में इस किस्म की शरायत रखी जाती है। जब इम्पीरियल बैंक को स्टेट बैंक बनाया गया था, तो मुताल्लिका एक्ट में इसी किस्म की प्राविजन्ज रखी गयी थी। इस का सीधा मतलब यह है कि एम्पलाइज के सब हकूक, उन के टर्मज एंड कन्डीशन्ज आफ एम्प्लायमेंट वगैरह सब महफूज रहेंगे और अगर उन में कोई आल्टरेशन होगी, तो वह उन की मन्शा के मुताबिक होगी या किसी मुनासिब मुल्तफिका उसूल की बिना पर होगी। आज हम देखते हैं कि अगर आज कोई कम्पनी या गवर्नमेंट किसी शख्स को नौकर रखे, तो उसकी नौकरी की हालत में, और उस शख्स की नौकरी की हालत में, जो कि पहले से कम्पनी का नौकर चला आता हो, दिन रात का फर्क है। जैसा कि अभी श्री भरूचा ने फरमाया है, लोगों ने कम्पनियों से झगड़ कर अपने मामलों को ट्राइब्यूनल या दूसरी कोर्ट्स के सामने ले जा कर और लगातार जद्दोजहद कर के अपने हकूक हासिल किए थे। वे ट्राइब्यूनल गवर्नमेंट के मूकररकर्दा थे। अब उन सब फैसलों और उन हकूक को एक दम खैरबाद कहना बिल्कुल ना-मुनासिब है। सच तो यह है कि यह एक मुसलमा उसूल बन गया है कि हर एक शख्स को अपनी नौकरी के सिलसिले में कुछ हकूक हासिल हो गए हैं तो कानून की रू से ओवर-राइडिंग नेसेसिटी होने की सूरत को छोड़ कर उस के वे सब हकूक तस्लीम किए जाते हैं यानी हालात की लिमिटेशन्ज में रह कर कान्टीन्युइटी का उसूल एक मुसलमा उसूल बन गया है। इसी बिना पर दफा ११ रखी गई थी हालाँकि उस वक्त गवर्नमेंट को यह मानना था

कि कई तरह की कर्मन्ज हैं और उन में मुस्तलिफ टर्मज एंड कन्डीशन्ज और मुस्तलिफ तनख्वाहें हैं। जितनी बड़ी कम्पनियां थीं, उन में तनख्वाहें ज्यादा थीं, और एम्प्लाइज को सब तरह की रियायतें हासिल थीं जब कि कुछ दूसरी कम्पनियों में ऐसा नहीं था। चन्द एक सूरतें जरूर ऐसी थीं जिन में कुछ लोगों ने जरूरत से ज्यादा तनख्वाहें दी हुई थीं और ऐसे हकूक दिये हुए थे जो कि नहीं दिये जाने चाहियें थे। लेकिन इस के बावजूद इस मुसलमा उसूल को पेशे-नजर रख कर दफा ११ रखी गई थी। पुराने जमाने से यह उसूल चला आ रहा था कि एम्प्लायर की मर्जी थी कि एम्प्लाइ को रखे या निकाल दे। यह तो थोड़ा ही अर्सा हुआ कि एम्प्लाइज को नये नये हकूक दिये गये। हाल ही में यहाँ पर इंडस्ट्रियल डिस्पूट्स एक्ट में एक प्रमोडमेंट की गई थी जिस की रू से अगर किसी कम्पनी का सारे का सारा मान तबाह हो जाये उस पर बिजली पड़ जाये वह नैचुरल काजिज से खत्म हो जाये तो उस सूरत में भी एम्प्लाइज को ले-आफ या रिट्रैवमेंट होने पर मुआवजा देना पड़ता है। इस सब का मतलब यह है कि आज वर्कमैन क्लक या कोई भी शख्स अपने एम्प्लायर की मरजी के ऊपर नहीं है, बल्कि कानून ने उस को कुछ हकूक दिये हुए हैं। इस बिना पर कि यह कानून कुछ हैसियत रखता है हम ने इस में दफा ११ को रखा है। दफा ११ को अगर आप देखेंगे तो आप को पता चलेगा कि इस के अन्दर दो चीजें थीं एक तो टर्मज और कंडीशन्ज के बारे में थी जो इस प्रकार है :

Unless they were duly altered by the Corporation, they could not be tampered with.

और दूसरी दफा ११(२) थी जिस में कि केवल रिम्पून्नेशन का जिक्र था। रिम्पून्नेशन जो है वह दो सूरतों में ही कम हो सकता है। बाकी इस में टर्मज एंड कंडीशन्ज का कोई जिक्र नहीं है। इस के अन्दर राशनलाइजेशन

(पंडित ठाकुर दास भागव)

जिन्हें है और कहा गया है कि राशनलाइजेशन करने के सिलसिले में अगर रिम्युनेशन को कम करना हुआ तो गवर्नमेंट कम कर सकेगी। ये दो बातें लिखी गई हैं। बीडिंग इस तरह से है :

"Notwithstanding anything contained in sub-section (1) or in any contract of service, the Central Government may for the purpose of rationalising the pay scales of employees of insurers, whose controlled business has been transferred to and vested in it or for the purpose of reducing the remuneration payable to employees in cases where in the interest of the Corporation and its policy-holders a reduction is called for, alter the terms of service of the employees as to their remuneration....."

इस में सिर्फ रिम्युनेशन के वास्ते लिखा गया है, टर्म्स एंड कंडीशन्स आफ सर्विस का ११(२) में जिन्हें नहीं किया गया है। यह जो किया गया था यह दूरस्त किया गया था और गवर्नमेंट टर्म्स एंड कंडीशन्स आफ सर्विस को हाथ नहीं लगा सकती थी। इन को किसी तरह से भी तबदील नहीं किया जा सकता था। इसी चीज को देखते हुए मैं समझता हूँ कि गवर्नमेंट को आर्डिनेंस बनाने की तथा इस अमेंडिंग बिल को लगाने की जरूरत महसूस हुई है। अगर आप देखें तो आप को पता चलेगा कि इस में सिर्फ दो शर्तें ही रखी गई हैं एक तो राशनलाइजेशन की बात कही गई है और दूसरी रिम्युनेशन को कम करने की बात कही गई है :

चुनाचे अब गवर्नमेंट ने अमेंडिंग बिल में यह लिखा है कि : -

"Where the Central Government is satisfied that for the purpose of securing uniformity in the scales of remuneration and other terms and conditions of service

applicable to the employees of insurers whose controlled business has been transferred to and vested in the Corporation, it is necessary so to do, or that, in the interests of the Corporation and its policy-holders, a reduction in the remuneration payable, or a revision of the other terms and conditions of service applicable to employees or any class of them is called for, the Central Government may from time to time....."

आप देखेंगे कि एक नई चीज बढ़ा दी गई है :—

"notwithstanding anything contained in sub-section (1), or in the Industrial Disputes Act, 1947, or in any other law for the time being in force....."

ये तीन चार चीजें गवर्नमेंट ने इस नये बिल में बढ़ा दी हैं। कुदरती तौर पर यह सवाल पैदा होता है कि क्या गवर्नमेंट को इतने सख्त अख्यारात अपने हाथ में लेने चाहियें और उन सारे एम्प्लॉईज की जिन की तादाद अभी मेरे दोस्त साधन गुप्त ने बतलाई है किस्मत का फैसला करने का हक से लेना चाहिये और बिना उन से पूछे ऐसा करना चाहिये। इस में गवर्नमेंट ने ऐसा करने के लिये जो वजह बयान की है या जो उमूल अपने सामने रखा है वह है यूनिकार्मिटी का। अब जो यह यूनिकार्मिटी है यह तो दो तरीकों से ही हो सकती है। एक तो यह है कि जिन की पे कम से कम है उन की पे को ज्यादा से ज्यादा पे पाने वालों के बराबर कर दिया जाय और दूसरा तरीका यह हो सकता है कि जिन की पे ज्यादा है उन की पे को कम से कम पे पाने वालों के बराबर कर दिया जाय। एक और भी यूनिकार्मिटी लाने का तरीका हो सकता है और वह यह है कि किसी को न तो ज्यादा फायदा हो और किसी को न ज्यादा नुकसान ही हो और इसको पंचायत बुला

कर लिया जा सकता है और रजामन्दी से किया जा सकता है और ऐसा कर के एम्प्लॉय के साथ जस्ट तरीके से पेश आया जा सकता है। इसमें तो गवर्नमेंट को खुद फैसला करना है और किसी को फैसला नहीं करना है। एम्प्लॉय को नहीं पूछना है, तीसरे आदमी का फैसला नहीं लेना है और गवर्नमेंट को खुद को ही भ्रष्ट्यार दे दिया गया है। दूसरा उसूल जो रखा गया है वह इस से ज्यादा भ्रजीब है। वह यह है कि अगर कारपोरेशन के इंटिरेस्ट में या पालिसीहोल्डर के इंटिरेस्ट में इन चीजों को तबदील करना जरूरी हो या रिम्युनेशन को पढ़ाना जरूरी हो तो भी यही उसूल रखा गया है? मैं यह पूछना चाहता हूँ कि पालिसी-होल्डर्स का तथा कारपोरेशन का क्या इस में फायदा नहीं है कि तनख्वाहों को कम कर दिया जाये, टर्म्स को लोअर कर दिया जाये? मैं इस बात को नहीं मानता हूँ कि गवर्नमेंट कोई ऐसी बेजा बात करेगी जिस से कि एम्प्लॉय को नुकसान होता हो। मैं यह भी मानता हूँ कि गवर्नमेंट कोई ऐसा तरीका रिम्युनेशन को कम करने का इस्तेमाल में नहीं लायेगी। लेकिन जो कि अनकौनशनबल हो। लेकिन इस के साथ ही साथ मैं यह कहना चाहता हूँ कि जब झगड़े की बात है, जब दो फरीक उस झगड़े में शामिल हैं, जब हजारों को तादाद में एम्प्लॉय अपनी तनख्वाहों को कायम रखना चाहते हैं तो कौन सा तरीका अपनाया जाना चाहिये। इस का एक तरीका तो यह हो सकता है कि कोई ऐसा फैसला किया जाये जो जस्ट हो तब उस पर किसी को कोई ऐतराज नहीं हो सकता है। अभी मेरे दोस्त साधन गुप्त ने एक तरीका बतलाया है और वह यह कि नैगोशियेशन के जरिये से यह तमाम मसला हल किया जाये। अगर ऐसा हो सके तो मुझे इस में बड़ी खुशी होगी। लेकिन ऐसे केस में जहां पर कि किसी को कुछ तनख्वाह मिलती और किसी को कुछ, किसी की टर्म्स कुछ हैं और किसी की कुछ, जिन का एक जिफ फाइनेंस मिनिस्टर साहब ने किया है अगर कोई फैसला न हो सके तो मैं पूछना

चाहता हूँ कि क्या किया जाना चाहिये, मैं इस बात को मानता हूँ कि जब जब कि गवर्नमेंट इस कारपोरेशन की मालिक है तो जो यूनिफांटी का उसूल है उस को मान लिया जाना चाहिये। पहले कम्पनीज के अन्दर कोई यूनिफांटी नहीं थी। किसी को कुछ तनख्वाह मिलती थी और दूसरों को कुछ, एक की टर्म्स एंड कंडिशन आफ सर्विस कुछ थी तो दूसरे की कुछ और ही थीं। कई लोगों की तनख्वाहों में बड़ा तौर पर बढ़ा दी गई थीं। तो ये जे: चीजें हैं और यह जो उसूल है, इनसे मुझे कोई ऐतराज नहीं है। मैं चाहता हूँ कि इनका फैसला करने के लिये कोई निरंश तीसरा शख्स हो। अगर गवर्नमेंट खुद ही यूनिफोर्मीटी फैसला करती है तथा वह दूसरी पार्टी को तसल्लीबख्श महसूस होता है, तो इस से और कौन सी अच्छी बात हो सकती है। अगर ऐसा नहीं हो सकता है तो आप ने इस के अन्दर दफा १७ के नीचे एक ट्रिब्यूनल को बनाने की बात कही है और वह ट्रिब्यूनल ऐसा है जिस के फैसले पर कि किसी को कोई ऐतराज नहीं हो सकता है और हर कोई कनवीनस हो सकता है। कहा गया है :

"The Central Government may for the purpose of this Act constitute one or more tribunals and each of these tribunals shall consist of three members appointed by the Central Government one of whom shall be a person who is, or has been, a Judge of a High Court or has been a Judge of the Supreme Court, and he shall be the Chairman thereof".

इस ट्रिब्यूनल को जो इस एक्ट के नीचे झगड़े होंगे उन को तय करने का भ्रष्ट्यार होगा। कम्पेन्सेशन के झगड़े जो होंगे वे इसी ट्रिब्यूनल के पास जायेंगे और वही इन का फैसला करेगा। इसी तरह से चीफ एग्जेंट्स वगैरह के जो झगड़े होंगे वे भी इसी के पास जायेंगे और उन को जो कम्पेन्सेशन दिया जाना है यह ट्रिब्यूनल उन का भी फैसला करेगा। इस वास्ते मैं भर्ज करना चाहता हूँ कि इस

[पंडित ठाकुर दास भागवं]

बिल के अन्दर ऐसे मामलात का फैसला करने के लिये जिस में कि बहुत से आदमियों के मुस्तलिफ इंटिरेस्ट्स हैं, कोई न कोई ऐसा प्रावीजन होना चाहिये था। अगर यह काम नैगोसियेशन से हो सके तो इस से अच्छी कोई चीज नहीं हो सकती है। अगर यह काम आर्बिट्रेशन से हो सके तो भी मुझे इस में कोई एतराज नहीं है। यह भी एक बहुत अच्छा तारीका है। कोई ऐसा जज एप्पाइंट किया जा सकता है जिस पर कि दोनों पार्टीज का कानफिडेंस हो। जब इंडस्ट्रियल डिस्प्यूट्स बिल सन १९५६ में आया था उस वक्त भी इसके अन्दर आर्बिट्रेशन की क्लॉज थी। कहा गया था कि ऐसा टिब्यूनल हो जिस के अन्दर हार्ड कोर्ट का जज होगा और दो जज और होंगे और झगड़े का आर्बिट्रेशन करके फैसला हो सकेगा। तो अगर यहां पर भी कोई ऐसा आदमी मुनर है किया जाए जिस पर कि दोनों का भरोसा हो तो यह बेस्ट तरीका है। अगर ऐसा नहीं होता है और इसमें आप फेल हो जाते हैं तो जिस तरह से आपने इसमें कम्पैसिशन वगैरह के लिए तथा उसका फैसला करने के लिए ट्रिब्यूनल की स्थापना का जिक्र किया है जिस को कि ये मामलात भेजे जायेंगे और वही इनका फैसला करेगा तो इन मामलात के बारे में भी यदि ऐसा कुछ हो तो वह फैसला दोनों पर लागू समझा जाएगा ऐसा कुछ होना चाहिए। गवर्नमेंट ने खुद ट्रिब्यूनल मुकर्रर किया है और कोई वजह नहीं है कि गवर्नमेंट्स इस ट्रिब्यूनल पर पूरा भरोसा न करे। इंडस्ट्रियल डिस्प्यूट्स ऐक्ट के अन्दर हम जानते हैं कि कितने तरीके से कोर्ट्स मौजूद हैं और उन कोर्ट्स पर धाम तौर पर लेबरर्स को गवर्नमेंट को और सब पार्टीज को ऐतबार होता है। अब गवर्नमेंट बतौर एम्प्लायर के अगर यह कहे कि हम एम्प्लायर हैं और हम इस का फैसला करेंगे और अपना पाउंड आफ फ्लैश मांगें तो उन को अस्त्यार है। लेकिन उन को यह सोचना चाहिये कि यह ओरिजनल एम्प्लाय-

मेंट का सवाल नहीं है, यह तो कंटिन्चुड एम्प्लायमेंट का सवाल है। इसलिये जो पहले से नौकर हैं और जिन के कि बारे में कोर्ट्स ने फैसला कर दिया है, उन को बिल्कुल खैरबाद कह कर चला जाय, मेरी समझ में ऐसा नहीं होना चाहिये क्योंकि हमें यह याद रखना चाहिये कि हम क्लोन स्लेट पर नहीं लिख रहे हैं। हम कोई नये सिरे से उन को नौकर नहीं रख रहे हैं और वे पहले से नौकर हैं और इस के अलावा कोर्ट्स ने उन की नौकरी आदि के बारे में फैसला भी दे दिया है। हम ऐसे लोगों के साथ डील कर रहे हैं जो पहले से सर्विसेज में चले आ रहे हैं और जिन की कि तमाम उम्र इन नौकरियों में कट गई है और जिन के कि बाल सफेद हो चुके हैं उन की किस्मत का फैसला एक हुक्म दे कर कर देना उन में कौ नफिडेंस पैदा नहीं करेगा और उन का फैसला आर्बिट्रेशन और ट्रिब्यूनल के जरिये करना चाहिये।

मैं चाहता हूं कि कोई यूनिफार्मिटी उस में लाई जाये और जहां पर कोई अनरीज-नेबुल टर्म्स मौजूद होंगी तो वहां पर उन की लम्बी तनख्वाहों में रिडक्शन भी पौसिबल हो जायेगा। इस में कंट्रैक्ट्स के बारे में यह प्राविजन है कि अगर कोई कंट्रैक्ट भी लैक आफ प्रुडेंस का हो गया है तो ट्रिब्यूनल उसको भी देख कर ठीक कर सकता है। इसलिये मैं अदब से अर्ज करूंगा कि अगर इंसाफ की बिना पर और उन के हकूक की बुनियाद पर अगर कोई फैसला होगा तो वह फैसला ऐसा होगा कि जिस के अन्दर हर एक शक्त्स को भरोसा होगा और उन लोगों का ऐतमाद गवर्नमेंट में और गवर्नमेंट के कानूनों में कायम रहेगा।

इस बिल को मागेट करते हुए मैं चाहता हूं कि गवर्नमेंट इस बात पर मुनिलैट्रल फैसला न करे बल्कि आर्बिट्रेशन या ट्रिब्यूनल के जरिये इस पर फैसला कराये।

**श्री ० रणबीर सिंह (रोहतक) :** उपाध्यक्ष महोदय, मैं इस विधेयक का समर्थन करने के लिये खड़ा हुआ हूँ। यह विधेयक तनख्वाह और दूसरी बातों को यकसा करने के लिये लाया गया है। अभी मेरे एक दोस्त ने कहा कि हालात कहीं पर मुक्कतलिफ हों तो उस के लिये कानून की जरूरत नहीं है। मैं मानता हूँ और तमाम सदन के सदस्य मानेंगे कि आज यह हमारा देश कंट्रोल्ड एकोनोमी और प्लॉड एकोनोमी के जमाने से गुजर रहा है। एक ध्येय को सामने रख कर हम चल रहे हैं। हम लोग इस देश में सोशलिस्टिक पैट्रन आफ सोसाइटी कायम करना चाहते हैं और जब हमारा यह आशय और ध्येय हो तो मैं समझता हूँ कि इस प्रकार के विधेयक की बहुत जरूरत है। अगर हमारे न्यायालय उस कानून में निहित कानूनी पहलुओं और कानून की भाषा से सहमत न हों और न्यायालय की आपत्ति को देखते हुए अगर यह सदन दुबारा इस बात की कोशिश करे कि कानून की जो खामियाँ रह गई हैं उन को दूर किया जाय तो मैं नहीं समझता कि उस में किसी सदस्य की आपत्ति करने की गुंजाइश हो सकती है।

मेरे लायक दोस्त श्री साधन चन्द्र गुप्त ने कहा कि नैगोशियेशंस का रास्ता ग्रहण करना चाहिये था और मैं उन की यह बात मानता हूँ लेकिन मैं यह भी जानता हूँ कि इस देश के अन्दर वह रास्ता जो महात्मा गांधी ने हमें बताया था उस रास्ते के ऊपर चला गया है और इस देश के अन्दर दो बड़े तजुबे उस रास्ते पर चलते हुए किये गये हैं। एक रास्ता तो वह था जिस पर चलकर कि हिन्दुस्तान आजाद हुआ। हिन्दुस्तान आजाद हो जाने के बाद कामनवैल्य बना और हिन्दुस्तान उस का मੈम्बर बना। दूसरा रास्ता यह जो हिन्दुस्तान के अन्दर देसी रियासतें और उन के रजवाड़े और राजा महाराजे थे उन को अधिकार था कि वे इंसान को खत्म कर दें और उस की जायदाद तो क्या जो कुछ चाहें वे सब कुछ खत्म कर सकते थे वे अलग अलग

अपनी खिचड़ी पकाते थे और आपस में कोई संगठन नहीं था, स्वर्गीय सरदार बल्लभ भाई पटेल ने देश को सुदृढ़ और संगठित बनाने के लिये उन तमाम देशी राजाओं से बातचीत की और उन से एक समझौता किया और यह दूसरा रास्ता था जो कि स्वर्गीय सरदार पटेल ने बताया और यह दोनों समझौते हुए वे हिन्दुस्तान के इतिहास में बड़े अहम हैं। मैं नहीं समझता कि मेरे उन दोस्तों को क्यों ऐतराज है और मैं नहीं समझता कि वे कौन से रास्ते पर हमें चलना सिखाना चाहते हैं।

[PANDIT THAKUR DAS BHARGAVA  
in the Chair]

मेरे दोस्त ने कहा कि इंडस्ट्रियल ट्रिब्यूनल के जरिये जिन बातों का फैसला हो चुका है उन को अब क्यों तबदील करने की कोशिश की जाय। इस के लिये मेरा कहना है कि जिस वक़्त इंडस्ट्रियल ट्रिब्यूनल ने फैसला किया था उस वक़्त उस के सामने तीन इंटरेस्ट्स थे। इंस्योरेंस कम्पनीज का इंटरेस्ट था एम्पलाईज का इंटरेस्ट था और पालिसी होल्डर्स का इंटरेस्ट था। अलग अलग कम्पनियों में अलग अलग कंडीशन्स थीं। कई कम्पनियों में काफी फायदा हो सकता था और कई कम्पनियाँ नुकसान में जा सकती थीं और फायदे और नुकसान का नुक्तेनिगाह रखते हुए भी कोई एक फैसला इंडस्ट्रियल ट्रिब्यूनल दे सकता था और अपनी राय का इजहार कर सकता था। आज हालात बदले हुए हैं और इस देश की जो जनता है उस के फायदे के लिये इस बीमा व्यवसाय को चलाना होगा। आप जानते ही हैं कि हमारे देश में २४० कम्पनियाँ बीमा व्यवसाय करती थीं और उन के अन्दर बड़े ग्रीहदों पर जिस तरह से लोग रखे जाते थे और जिस तरह से उन की तनख्वाहें मुकर्रर की जाती थीं वह कोई छिरी हुई बात नहीं है। आप जानते हैं कि इस देश के अन्दर निरोटिज्म की बहुत बीमारी फैली हुई है और कई सूरतों में इन्फ्लेटेड पे दिखाई जा सकती थी और दिखाई हुई होगी। इन

[चौ० रणबीर सिंह]

सारे हालात को देखते हुए और जनता के हित को दृष्टि में रखते हुए हमारी सरकार को इस व्यवसाय को चलाना है ताकि देश की जनता सुखी और खुशहाल बनें और यह देश तरक्की करे। इन हालात में मैं समझता हूँ कि इस विधेयक के बगैर काम नहीं चल सकता था और इस तरह का विधेयक ला कर मंत्री महोदय देश को सही और उन्नति के मार्ग पर ले जा रहे हैं।

मैं समझता हूँ कि शुरू में ही मंत्री महोदय ने जो छोटे छोटे बीमा व्यवसाय में लगे हुए कर्मचारियों के सम्बन्ध में कहा वह बिल्कुल ठीक कहा। उन्होंने बताया कि क्या हमारी नीति है और हम किस तरह से उन को तरक्की देना चाहते हैं।

मेरे एक अन्य मित्र ने इंडस्ट्रियल ट्रिब्यूनल का जिक्र करते हुए इस बात को दिखलाने की कोशिश की छोटे मुलाजिम घाटे में रहेंगे लेकिन इस को साबित करने के लिये कोई मिसाल इस सदन के सामने नहीं रखी कि किस तरह छोटी तनखाह पाने वाले बीमा कर्मचारी घाटे में रहेंगे। इन हालात में मैं समझता हूँ कि इस विधेयक का सब को समर्थन करना चाहिये और इस को पास करना चाहिये।

**Shri Prabhat Kar (Hoogly):** Mr. Chairman, Sir, while I was going through the amendments contained in the Bill brought forward by the hon. Finance Minister, I had an apprehension that the Finance Minister had not gone through the wording of the Bill that he has now placed before the House. When I was listening to the statement that he made to the House, I felt that my apprehension had come true.

In the Statement of Objects and Reasons of this Bill it has been stated:

"...section 11(2) was confined to altering the remuneration only and order which dealt not only

with the remuneration but also with other terms and conditions of service was, therefore, bad in law. To prevent confusion in the working of the Corporation an Ordinance had to be promulgated immediately amending section 11(2) and validating the order made by Government."

14 hrs.

While making this statement in introducing the Bill, he also pointed out that in between this time, the Corporation has been negotiating with the employees and there is every possibility that this negotiation will be successful and in order to validate that agreement, it was necessary to come out with this Bill.

If we look into sub-section (2) of section 11, we will find that it is completely different from the original. Not only have the service conditions which had been excluded from the scope of sub-section (2) been included but something more has been put in there. As a result of the wordings of sub-section (2) of section 11, the insurance employees who were governed by the Industrial Disputes Act will be taken out of the orbit of the Industrial Disputes Act as a whole. From the wordings of this section, it is clear that if the insurance employees do not agree to the imposition of any service condition by the Corporation their services will be terminated and three months' emoluments will be given to them. The clause says:

"...the Corporation may terminate his employment by giving him compensation equivalent to three months' remuneration".

Now, under the Industrial Disputes Act, the employees have got the right to raise an industrial dispute. An industrial dispute will mean and arise out of a difference in regard to the terms and conditions that the employer might impose. If there is a difference, if the employees do not

agree to the terms and conditions imposed by the Corporation, the Corporation may terminate their service. That means the old law of master and servant which is obsolete today with the new concept of social justice has been brought forward by this section.

Previously, in section 11 (2), there was no scope for the Corporation to amend or alter the service conditions from time to time. Now, here is the power granted to the Corporation and the Central Government to alter from time to time,

"notwithstanding anything contained in sub-section (1), or in the Industrial Disputes Act, 1947, or in any other law for the time being in force, or in any award, settlement or agreement for the time being in force, alter... the remuneration and the other terms and conditions of service..."

So, not only we are thinking of the time when the Corporation is taking over the employees, but also of future. Here, power has been given to the Corporation and the Government to alter the service conditions of the employees to the detriment of the employees in future, and the employees will have no right. The Corporation has been given the power to terminate the employee's service with three months' salary as compensation. That means, the protection under the Industrial Disputes Act by which the employees were governed up till now has been taken away.

What is an industrial dispute? An industrial dispute is one where the right of the workers to agitate against any imposition by the employer exists. Any difference between the employer and the employee on the imposition of any service condition is an industrial dispute and according to the law as is prevailing today, the employee can go to the conciliation officer and then to arbitration and can ask the Government to appoint a tribunal to adjudicate on the issue. Here is an absolute power given to the Corpora-

tion to alter the service conditions and to terminate the employment by giving compensation equivalent to three months' remuneration "unless the contract of service with such employee provides for a shorter notice of termination".

Now, the Finance Minister was telling us that he has come to an agreement with the employees and he was appealing to the House to co-operate with him, help him, so that the working of this industry may prosper. We know what this unilateral imposition results. The other day, the Finance Minister, in reply to a question, said that during this one year, there has been fall of life insurance business by Rs. 68 crores. The industry has to suffer this loss, and why? Because, during this one year, the Corporation and the Government could not settle the dispute either of the employees or of the field staff. The field staff, who were instrumental in procuring business for the industry, who have made this industry prosperous for all these years, were dismissed, retrenched, and their service conditions were changed to their detriment. Not only that. Certain conditions have been imposed which are impractical today. I submit that because of this unrealistic approach, because of its adamant attitude, the Corporation could not function as it should have during this period of 1956.

Now, the Corporation and the Government want further power not only for today but for the future also. In future also, they will have power to alter the service conditions, if necessary, to the prejudice of the employees, and the employees will have no right to take recourse to any industrial law that is binding on the employees or the Government today. That means, by a single sentence of a few words, the Finance Minister wants to take the insurance employees out of the orbit of the Industrial Disputes Act which, under no circumstances, we can agree to.

[Shri Prabhat Kar]

If we look into section 11, what do we see? This section, as I understand it, was necessary just during the period when the Corporation will take over from the various insurers. That means, it is a period when the employees who were governed by different service conditions under the various insurers will become the employees of the Corporation. At that time, as per section 11(1) they will be deemed to continue in the service of the Corporation in the same terms and conditions of the insurers.

Sub-section (2) says that the Corporation will have the right to alter the terms and conditions of service, for the purpose of rationalisation or for securing uniformity, of the employees of insurers whose controlled business has been transferred to the Corporation. If we go further, we see the original Bill, there, sub-section (3) says:

"If any question arises as to whether any person was a whole-time employee of an insurer or as to whether any employee was employed wholly or mainly in connection with the controlled business of an insurer immediately before the appointed day the question shall be referred to the Central Government whose decision shall be final".

Sub-section (4) says:

"Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force, the transfer of the services of any employee of an insurer to the Corporation shall not entitle any such employee to any compensation..."

That means, during that period and at that relevant time, the employees will be considered as employees of the Corporation; under the Industrial Disputes Act, compensations have to be granted to them if there was transfer and if there was a change in the

service conditions; as the Corporation was taking over all the employees, the Corporation was particular about it and the sub-section was put that no compensation be given. All these relate to the transitory period when the employees would be taken over by the Corporation.

Now, today, we find it is not only a question of the transitory period, but that henceforward the insurance employees shall not have the privilege of being governed by the Industrial Disputes Act and enjoy the rights and privileges to which they were entitled to all these years. At least from the statement that was made by the Finance Minister, it was my feeling and I am quite sure—by now—that the Finance Minister has not properly gone through this particular drafting or he has not realised the repercussions of these particular lines. I am quite sure, when he was appealing to the House that an atmosphere should be created so that the insurance industry will prosper, it is not conducive to the prosperity of the industry that he should take such powers for the Government which will make the life insurance employees feel all the time insecure because if they raise any demand or if they agitate about the imposition of any service condition, their service will be terminated. We know what is the result of the unilateral imposition. We know the chaotic condition that has been prevailing in the insurance industry. Even day before yesterday, we saw a letter in the papers to the effect that even after the policyholders have paid the money, lapse notices are being sent to them. What is it due to? After nationalisation, it was expected that the insurance employees and the field workers would be given the impetus to work. On the other hand, if the rights and privileges they have been enjoying are taken away, then naturally they will react. As a result of their reaction, we find today in the year 1957 there has been a fall in the



business to the tune of Rs. 68 crores during the year 1956. It means that such a big amount has not come to the Corporation, although for the last ten years, there has been a progressive improvement in the life insurance business.

The Finance Minister has set an example by sitting across the table and deciding the terms and agreements with the employees. I quite agree that the example that the Finance Minister has set should be followed in all the other industries. I would appeal to the Labour Minister at least to see that in other industries like banks, where it is detrimental to the interests of the industry itself to have strikes etc., such steps are taken to decide the major issues across the table.

I hope the Finance Minister will now agree that this sort of amendment, which he has brought forward, will not help the industry. So, I would request him to withdraw this amendment of clause (2) so that the life insurance employees may take recourse to the normal law for redressing their grievances. The General Council of the All-India Insurance Employees' Association is meeting to finalise the terms of the agreement and I am quite sure there will be an agreement within a short time. At this time, this type of Bill which has now been introduced will scare the employees away and that will be to the detriment of the industry as a whole.

We are as anxious as the hon. Finance Minister himself is to see that the industry flourishes, but that can only be possible if the workers are taken into confidence. If the field workers are given proper facilities, with their help the industry can flourish. So, I would request him to reconsider this aspect and change this Bill so as to provide powers to the insurance employees to agitate on those issues which they do not con-

sider helpful to them, in the same manner as the employees in other industries like banks do. With these words, I oppose this Bill. I would again appeal to the Finance Minister to reconsider this matter and present this Bill in a different form, so that there may not be any scope for future differences of opinion about the settlement of the disputes in the insurance industry.

**श्री स० म० बनर्जी (कानपुर) :** सभापति महोदय, आज हमारे सदन के सामने लाइफ इंश्योरेंस कारपोरेशन अमेंडमेंट बिल, १९५७ को अभी हमारे फाइनेंस मिनिस्टर साहब ने पेश किया है। मैं भी सन् १९५६ तक एक सरकारी मुलाजिम था और मैंने ट्रेड यूनियन आन्दोलन को काफी देखा है। मुझे मालूम है कि बीमा के कर्मचारियों ने बीमा व्यवसाय के राष्ट्रीयकरण को बहुत अच्छी नजरों से देखा है और उसका स्वागत किया था। मैंने बड़े बड़े शहरों की सड़कों और गलियों में देखा कि उन्होंने एक राय होकर इस राष्ट्रीयकरण का स्वागत किया। वह चाहते थे कि न सिर्फ जीवन बीमा का बल्कि जनरल बीमा, रिस्क बीमा का और तमाम चीजों का राष्ट्रीयकरण किया जाय, लेकिन वह हुआ नहीं। मैंने यह भी देखा कि एक तरफ तो उन्होंने इसका राष्ट्रीयकरण करने का स्वागत किया और दूसरी तरफ चन्द दिनों के बाद ही उनके ऊपर अटैक्स होने लगे। तब उन्होंने सोचा कि यह राष्ट्रीयकरण कैसा है? ऐसा होने पर जो श्रद्धा राष्ट्रीयकरण के प्रति एक सरकारी मुलाजिम को या एक नागरिक को होनी चाहिये वह घटती गई और यह चीज हमारे देश के लिये घातक है। अभी बार बार हमारे मुअज्जिज मेम्बरान ने इस सदन के सामने कहा है कि देश समाजवाद की तरफ बढ़ रहा है। चूंकि देश समाजवाद की तरफ बढ़ रहा है, इसलिये तमाम चीजों को उसी दृष्टिकोण से देखा जाना चाहिए और समानता लाने के लिये जरूरत इस बात की है कि समाजवादी ढंग के अनुसार लोगों की तनखाहों को भी

[श्री स० म० बनर्जी]

कम किया जाये। अगर आप समझते हैं कि यही समाजवाद है और बाकई इसमें देश की भलाई है तो इस समाजवाद को हमें अच्छे तरीके से समझना चाहिए। अगर आप आडिनेसों के द्वारा समाजवाद लायेंगे तो यह नहीं कहा जा सकता कि वह स्थायी होगा अथवा नहीं। यह सवाल आपके सामने है, यह सवाल हमारे माननीय सदस्यों के सामने है चाहे वे इधर बैठें हों या उस तरफ बैठें हों। मैं यह अर्ज करना चाहता हूँ कि आज देश की जनता के सामने यह सवाल है। बीमा के कर्मचारियों ने हमेशा यह मांग की और कारपोरेशन के सामने जाकर कहा कि हम इस मसले को हल करने को तैयार हैं। मैं जानता हूँ कि पिछले आंदोलन में उन्होंने कभी हड़ताल की धमकी नहीं दी। सिर्फ एक दिन की हड़ताल की थी और वह भी मजबूर होकर।

आज हम चाहते हैं कि कर्मचारी और कारपोरेशन, या मालिक और कर्मचारी, या सरकार और कर्मचारी एक साथ मिल कर अपने देश को बनाने में मदद करें? मैं तो खुद एक ट्रेडयूनियनिस्ट हूँ और उस नाते समझता हूँ कि इस देश में अगर मजदूर और मालिक का रिश्ता, कर्मचारी और मालिक का रिश्ता हम ठीक से समझ लें तो काम ठीक तरह से चल सकता है। हमको यह समझना चाहिए कि मालिक और कर्मचारी एक हारमोनियम के दो तरह के रीड्स के समान हैं, काले रीड और सफेद रीड। काले रीड्स में आप कुछ स्वर सजा सकते हैं और सफेद रीड्स में भी आप कुछ स्वर बजा सकते हैं।

लेकिन अगर आप चाहते हैं कि एक अच्छा सुर निकाला जाय, जिस को सुन कर सब खुश हों, तो हम को काले और सफेद दोनों रीड्स बजाने होंगे। अगर कारपोरेशन के आफिसर्स और सरकार काले रीड हैं, तो कर्मचारी सफेद रीड हैं। मैं नहीं जानता कि वे दोनों क्यों न एक साथ, एक दूसरे की पूर्ति

करते हुये, बेंज और एक ऐसी ध्वनि पैदा करें, जिस को सुन कर सब को प्रसन्नता हो—क्यों न दोनों मिल कर, एक दूसरे से सहयोग कर के, मजदूर मालिक के रिश्ते को खूबसूरत बनायें।

मैं निवेदन करना चाहता हूँ कि लोगों ने दस, पंद्रह, बीस साल तक जिन परिस्थितियों में काम किया है, अपनी सारी जवानी खत्म है, उन सब को आप इस अमंडमेंट से खत्म करना चाहते हैं और साथ ही यह भी चाहते हैं कि उन को अपील करने की भी ताकत न हो और वे हाई कोर्ट में दौड़ते फिरे। क्यों न उन लोगों को इस सम्बन्ध में अपने पक्ष को सामने रखने का अवसर दिया जाय कि उनकी सर्विस कन्डीशन्स को क्यों अचानक बदला गया है। जिस तरह दूसरे उद्योगों के मजदूरों को ट्राइब्यूनल के सामने जाने का फायदा हासिल है, बीमा कर्मचारियों को भी यह फायदा क्यों न दिया जाये। आप को इस प्रकार का प्राविजन इस बिल में रखना चाहिए। मैं तमाम इन्फोरश कर्मचारियों की तरफ से कहना चाहता हूँ कि अगर आप अपनी बातें उन पर इम्पोज कर के उन से ज्यादा काम लेना चाहते हैं और उनके सामने समाजवाद वगैरह के बड़े बड़े स्लोगन्स रख कर अपना मतलब पूरा करना चाहते हैं, तो वे लोग कभी भी इस को मानने के लिये तैयार नहीं होंगे। आज आपके सामने सवाल यह है कि कर्मचारियों और मालिकों के रिश्ते अच्छे हों चाहिये। इस सम्बन्ध में हमारे फाइनंस मिनिस्टर के जो भी विचार हों, लेकिन मैं दावे के साथ कह सकता हूँ कि अगर वह और कारपोरेशन के अधिकारी वर्ग कर्मचारियों पर विश्वास करते, तो आज ये दिक्कतें पैदा न होतीं, जिन के बारे में आपका स्थल है कि वे सुलझ नहीं सकतीं।

मैं आप का ध्यान इस बात की तरफ भी दिलाना चाहता हूँ कि जब हाई कोर्ट का फैसला होता है, तो सरकार समझती है कि हमें

परेशानी का सामना करना पड़ेगा, कहीं हमारे कर्मचारी कुछ महीनों की ज्यादा तन्हावाह न ले जायें और हमारी तिजोरियों में फर्क न पड़ जाय। इस लिये उस फैसले को रद्द करने के लिये फौरन आर्डिनंस निकाल देती है। इस के मुकाबले में सुप्रीम कोर्ट ने क्लोजर के मुताल्लिक जब अपना फैसला नवम्बर में दिया, जिससे कर्मचारियों का फायदा होता था, तो उस का आर्डिनंस सरकार अप्रैल में लाई। इन दो स्थितियों में सरकार की ओर से जिस प्रकार कार्यवाही की गई, उससे कर्मचारियों के प्रति उस के दृष्टिकोण पर ही प्रकाश पड़ता है। मैं निहायत श्रद्धा से भर्ज करना चाहता हूँ कि आज बीमा कर्मचारियों की जिन्दगी का सवाल है। यह मैं जानता हूँ कि आप के पास ताकत है इस बिल को पास करवाने की, फिर चाहे मेरे मित्र श्री प्रभात कार और हम लोग इस के विरुद्ध जो भी कहें। यह जगहूरियत का जमाना है और बहुमत के बल पर आप इस को पास कर लेंगे। लेकिन मैं यह कहना चाहता हूँ कि आप यह सोचिए कि क्या इस प्रमोडमेंट को लाए बिना कोई समझौता हो सकता है और अगर हो सकता है, तो मैं दावे के साथ कह सकता हूँ कि वह समझौता भ्रष्टा होगा। आपने एक आर्डिनंस निकाल कर हाई कोर्ट के फैसले को रद्द किया। कुछ कर्मचारी सोचते होंगे कि कौन सी ऐसी दांव की बात निकाली जाय, जिस को लेकर हम अपनी आवाज उठाएँ। इस तरह आपस में कशमकश और खींचातानी होगी, जो कि इंडोरेंस के बिजिनेस के लिये, कार्पोरेशन के अधिकारीवर्ग के लिए और कर्मचारियों के लिए हानिकारक होगी। इस लिये मैं भर्ज करना चाहता हूँ कि कम से कम इस के बारे में हमारे आर्डिनंस मिनिस्टर साहब दोबारा शोर करें। उनके मन में यह भावना नहीं होनी चाहिये कि चूंकि हम ने यह बिल पेश किया है, इस लिए आज ही इसे पास हो जाना चाहिए। इस को इज्जत का प्रश्न नहीं बनाया जाना चाहिए। मैंने स्वयं सुरक्षा विभाग में चौदह पन्द्रह माल तक काम किया है और मैंने देखा

है कि कोई मामूली सी भी बात हो, सरकार उस को मैटर आफ प्रेस्टीज—इज्जत का सवाल—बना लेती है। उस तरह से यहां भी यह नहीं सोचना चाहिए कि हम ने एक आर्डिनंस निकाला है, अब हमें उस को लीगल रूप देना है—यह तो हमारी इज्जत का सवाल है, चाहे अपनी इज्जत के लिये दूसरे की इज्जत ही क्यों न लेनी पड़े। मैं कहना चाहता हूँ कि यह समाजवाद नहीं होगा। अगर हमारा उद्देश्य यह है कि हमारा देश आगे बढ़े और हमारे इंडोरेंस के कर्मचारी, मध्यम वर्ग, मजदूर उस में अपना हाथ बटायें, तो हमें उनका सहयोग लेने का प्रयत्न करना होगा, बजाय इसके कि इस प्रमोडमेंट के जरिये उनको बन्दिश में डाल दिया जाय और एक तरह से उनको कहा जाय कि अगर तुम इस फैसले को नहीं मानते हो, तो तुम्हारी रोटी छीन ली जायगी। यह जायज नहीं है।

अक्सर जब बीमा कर्मचारी, या दूसरे कर्मचारी, आवाज उठाते हैं, तो हमारी सरकार कहती है कि देखो, भाई, आपस में ऐसी बात नहीं करनी चाहिए, हड़ताल नहीं होनी चाहिए। मैं भी उन व्यक्तियों में हूँ जो यह विश्वास करते हैं कि हड़ताल नहीं होनी चाहिए, लेकिन सवाल यह है कि जब आप उन के राद्दों को क्रश करते हैं, उन की सर्विस कन्डीशन को चेंज करना चाहते हैं, उनकी आवाज को बन्द करना चाहते हैं, उन के गले को दबाना चाहते हैं और परेशान होकर वह हड़ताल करना चाहते हैं, तो क्या इस सदन के मेम्बरान उनको कसूरवार ठहरायेंगे ?

जब मैं चुनाव जीत कर यहां आने लगा, तो मेरे यहां बीमा कर्मचारियों और बैंक कर्मचारियों और दूसरे लोगों ने मुझ से कहा कि क्या आप हमारे लिये लड़ेंगे। मैंने कहा कि पार्लियामेंट में हमारे भाई हैं—दूसरी तरफ जो बैठते हैं, वे भी भाई हैं, वहां तो भाई भाई की लड़ाई होगी। मैं ने हंस कर कहा कि हम

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पांडव हैं और वे कौरव और हम उन से पांच गांव मांगेंगे और वे पांच गांव हैं, रोजी, रोटी, कपड़ा, मकान, अस्पताल और बच्चों के लिए स्कूल। अगर ये पांच गांव हम को नहीं मिलेंगे, तो महाभारत की लड़ाई कुरुक्षेत्र में नहीं बल्कि इस सदन के अन्दर होगी। यै यह भ्रज करना चाहता हूँ कि आज बीमा कर्मचारियों में बहुत ज्यादा असन्तोष है। फ़ाइनेंस मिनिस्टर साहब यह न समझें कि चूँकि कोई डिमांडेशन वगैरह नहीं हो रहा है, इस लिए सब ठीक है। जो तन्स्वाह आप ने मुकर्रर की है, उन की लिस्ट मेरे पास है। मैं जानता हूँ कि कर्मचारियों को क्या लाभ हुआ है और क्या हानि। हो सकता है कि मामला थोड़ी देर के लिए दब जाय, लेकिन इस असन्तोष का परिणाम किसी के लिए भी अच्छा न होगा। उत्तर प्रदेश में जब इलैक्ट्रिक सप्लाय कम्पनी को नेशनलाइज किया गया था, तो एम्प्लोईज के ग्रेड वही रहने दिए गए, जो कि पहले थे।

अन्त में मैं कहना चाहता हूँ कि कर्मचारियों की आर्गनाइजेशन को रेकग्नीशन दीजिए, उन को बुलाइये और बात-चीत कीजिए, भाई भाई के नाते आपस में समझौता कीजिए। अगर सिर्फ कानून के जोर से आप कर्मचारियों की जिन्दगी का फैसला कर देना चाहते हैं तो मैं यह कहूंगा कि कर्मचारी आ। के सामने भले ही कुछ न कहें, लेकिन बाहर वे अपना असन्तोष व्यक्त करेंगे और कहेंगे कि हमारा देश समाजवाद की तरफ नहीं जा रहे हैं। अगर उनको समाजवाद की स्थापना के बारे में विश्वास दिलाना है, तो यह आवश्यक है कि बीमा कर्मचारी और कार्पोरेशन के अधिकारी रेल के दो पहियों की मानिंद चलें—मजदूर मालिक, कर्मचारी अफसर, अक्सरियत अकालियत, सब साथ साथ आगे चलें। सरकार इस रेलगाड़ी को आगे ले जाय, जिस में करोड़ों यात्री बैठे हुए हैं, और अपनी मन्जिल—यानी समाजवाद—की तरफ आगे बढ़े।

**श्री राय. रमण (चांदनी चौक) :** सभा-पति महोदय, यह संशोधन विधेयक, जो वित्त मंत्री ने सदन के सामने रखा है, हाई कोर्ट के फैसले का नतीजा है। जो लोग पहली पार्लियामेंट में मौजूद थे, उनको स्मरण होगा कि जब यह लाइफ इश्योरेंस कार्पोरेशन का विधेयक वित्त मंत्री ने यहाँ पर रखा था, तो सारे हिन्दुस्तान में यह माँग थी—और यह माँग बिल्कुल वाजिब थी—कि जितने भी सरकारी कर्मचारी हैं, वे सब के सब एक ही तर्ज और तरीके पर रखे जायें और उन के वेतन और अस्तिधारात आदि भी करीब करीब समान होने चाहिए। यह भावना थी कि जिस भावना को लेकर यह बात भी सोची गई थी और यह सोच कर ही धारा ११ (ए) तथा ११ (बी) रखी गई थी। इस धारा में जो यह रिम्यूनरेशन शब्द रखा गया है उस शब्द के आधार पर ऐसा ब्याल था कि न केवल वेतन ही उसमें शामिल हो सकते हैं बल्कि उसके साथ और भी जो अस्तिधारात हैं उनको भी उसके अन्दर मिलाया जा सकता है। मगर हाई कोर्ट ने जो फैसला दिया वह दूसरा ही निकला और सरकार को इस बात की जरूरत महसूस हुई कि उसको एक संशोधन विधेयक यहाँ लाना चाहिए। मैं यह समझता हूँ कि वित्त मंत्री जी का यह संशोधन विधेयक यहाँ पर लाना एक मुनासिब और ठीक बात है और यह उस भावना के जो भावना उस वक्त यहाँ व्यक्त की गई थी, उसके मुताबिक है।

तो जहाँ मैं इस बात को मानता हूँ वहाँ मैं कुछ बातें वित्त मंत्री की खिदमत में भ्रज करना चाहता हूँ। मैं यह देख रहा हूँ कि जीवन बीमा व्यवसाय का जो यह कार्पोरेशन बना है और जिस मकसद के लिए हमने इसे बनाया था और इससे जो एक नया जोश हम लोगों में इस व्यवसाय के प्रति उत्पन्न हुआ था और जो परिणाम हम ससे निकालना चाहते थे, जो नए ब्यालात हम लोगों के अन्दर पैदा करना चाहते थे, उसमें हम अभी तक

सफल नहीं हुए हैं। अभी माननीय वित्त मंत्री जी ने कहा कि पहले साल में जो बीमा चुका है उसमें ६८ करोड़ का घाटा रहा है। इसकी कुछ वजूहात भी बतलाई गई हैं और हो सकता है कि वे सही भी हों। लेकिन इसमें भी कोई शक नहीं है कि उस कमी का एक बड़ा भारी कारण यह भी है कि जिन कर्मचारियों से हम यह आशा करते थे कि राष्ट्रीयकरण के बाद वे अपना सारा वक्त और अपना सारा ध्यान इस तरह लगा देंगे कि वे बाजार में ध्यान और उस वक्त को इधर लगाने के आहिस्ता आहिस्ता कुछ सरकार से और इस जीवन बीमा व्यवसाय के कार्य से असन्तुष्ट होते जाते हैं। मैं देखता हूँ कि जहाँ पहले वे दिन और रात एक करके ज्यादा से ज्यादा बीमा लाने की कोशिश किया करते थे आज वे हाथ पर हाथ धर कर बैठे हुए हैं। कुछ तो निडार हो गए हैं कुछ ने दिलचस्पी लेना बन्द कर दिया है। यह अच्छा नहीं है। अगर हम चाहते हैं कि हमारा बीमा जीवन का जो कार्य है वह सारे देश में फैले और यह बड़े तो हमें इस बात का भी स्थान रखना होगा कि हमारे जो कर्मचारी हैं वे सन्तुष्ट रहें। उन लोगों को हमने जो आश्वासन दिए थे और वे आश्वासन हमने एक बार नहीं बल्कि पचास बार दिए हैं और उन आश्वासनों पर शायद वित्त मंत्री जी आज भी कायम रहना चाहते हैं और उनसे पीछ हटना नहीं चाहते हैं, तो जरूरत इस बात की है कि उन पर मजबूती से चला जाए ताकि कर्मचारियों में विश्वास की भावना पैदा हो। हम एक विधेयक नहीं कई विधेयक ला सकते हैं लेकिन उसका जो असर हो सकता है उस पर हमें विचार कर लेना चाहिए। आज इस इंडस्ट्री में जो कर्मचारी काम कर रहे हैं वे उस उमंग से कार्य नहीं कर रहे हैं जिस उमंग से वे राष्ट्रीयकरण से पहले कर रहे थे। आज उनके जो स्थानांत हैं वे बदलते जा रहे हैं, यह हमारा दुर्भाग्य है। इस लिए पहली बात जो मैं वित्त मंत्री जी से कहना चाहता हूँ कि यह ठीक है कि राष्ट्रीयकरण के पहले हिन्दुस्तान

में काफी प्राइवेट कंपनियों थी और शायद उनकी तादाद २४१ के करीब थी। इन सब में कर्मचारियों के जो प्रख्यारात थे वे भ्रम भ्रम थे, बेतन भ्रम भ्रम थे, जो लोग क्षेत्र में काम करते थे बीमा लाते थे, उनके बेतन भी, भ्रम थे और इन सब में बहुत ज्यादा भ्रमता थी और इन सब भ्रमताओं को उस केस में जब कि इस व्यवसाय का राष्ट्रीयकरण हो चुका है और स्टेट की एक मोनोपली बन चुकी है, कायम रखना मुनासिब बात नहीं है और मैं समझता हूँ कि कर्मचारी भी इस बात को पहले जानते थे और अब भी जानते हैं। मेरे विचार में इस चीज का विरोध भी वे लोग नहीं करते हैं। लेकिन मैं आपको यह बतलाना चाहता हूँ कि उन लोगों के दिमागों के अन्दर यह बात और समाती जा रही है कि जब हम कोई कानून बनाते हैं उस वक्त उस कानून की जो मंशा होती है वह कुछ और होती है लेकिन जब उस पर अमल किया जाता है तो किसी और ही भावना के साथ किया जाता है। आप चाहते हैं कि कारपोरेशन के जितने भी अधिकारी हैं, जितने भी मूलाजिम हैं, उन सब का एकीकरण हो, उनके समान अधिकार हों तथा कोई भिन्नतायें न रहें। यह एक अच्छी बात है और मेरा स्थान है कि वे लोग इसे मंजूर भी कर लेंगे। लेकिन इस चीज को सामने रख कर बहुत सारे कर्मचारियों को जिन्होंने अपनी सारी जिन्दगी इस काम में गुजारी है, हम निकाल सकते हैं और निकाल देते हैं। ऐसा नहीं होना चाहिये। यह जो अधिकार आप ले रहे हैं आपकी देखना चाहिए कि इनका जो प्रयोग हो रहा है वह भी सही ढंग से हो रहा है या नहीं। यदि इसका प्रयोग सही ढंग से किया गया तो जो कर्मचारियों में आज असन्तोष है वह मैं समझता हूँ बहुत हद तक दूर हो जाएगा। लेकिन जब ऐसे अधिकार का उपयोग ठीक ढंग से नहीं होता है तो जो कर्मचारी सन्तुष्ट भी होते हैं वे भी असन्तुष्ट हो जाते हैं और इस तरह से असन्तोष बढ़ता चला जाता है

[श्री राधा रमण]

और इस प्रकार असन्तोष का फैलना हमारे लिए तथा खास तौर से इस इंडस्ट्री के लिए बहुत ही हानिकारक है। तो मैं अर्ज करना चाहता हूँ कि मूल विधेयक में हमने जो धारा रखी थी और उसके पीछे हमारा जो अभि-प्राय था, हाई कोर्ट के जजमेंट से वह पूरा नहीं हुआ तो हमारे वित्त मंत्री जी को एक संशोधन विधेयक लाने की जरूरत महसूस हुई। इस विधेयक के अधीन पहले विधेयक में जो अधिकार थे उससे कहीं ज्यादा अधिकार आज गवर्नमेंट को दिए जा रहे हैं। इससे मैं समझता हूँ कर्मचारियों में असन्तोष होना स्वाभाविक है और इससे बहुत से माननीय सदस्य भी सहमत होंगे कि इस असन्तोष को दूर करने का हमें प्रयास करना चाहिए। धारा ११(२) के नीचे जो ये सब बातें बढ़ाई गई हैं और जिन अधिकारों को आज सरकार ले रही है वे काफी बरीह हैं और जो मूल विधेयक में अधिकार सरकार ने अपने लिये लिए थे उनसे तो ये कहीं ज्यादा हैं। हमारे मुख्तिज दोस्त पंडित ठाकुर दास भागव जी ने अभी इन सब चीजों की तरफ इशारा किया है और कुछ का खास तौर से जिक्र भी किया है। मैं मानता हूँ कि सरकार की नीयत खराब नहीं है लेकिन यह जरूर है कि बहुत से ऐसे कर्मचारियों को जिन्होंने कि अपनी सारी जिन्दगी बीमा व्यवसाय में लगा दी है और जो आज भी बीमा व्यवसाय के एक बहुत अवश्यक अंग हैं, इस धारा के तहत, इन अधिकारों के तहत, उनको निकालना आसान हो जाएगा। इतना ही नहीं उनकी कोई सुनवाई भी नहीं है और न कोई उनकी अपील का अधिकार ही है। मैं समझता हूँ कि ऐसी चीजें पहले भी हुई हैं और उनका जिक्र यहां इस सदन में भी हुआ है। हो सकता है कि माननीय वित्त मंत्री जी ने किन्हीं खास खास केसिस पर दूबारा गौर किया हो या दूसरों ने उन पर गौर किया हो और आखिर उन लोगों को इ गफ भी मिल गया हो लेकिन हजारों की तादाद में जब इस तरह के

केसिस होते हैं तो उन तमाम केसिस पर व्यक्तिगत रूप से विचार नहीं किया जा सकता है या करना मुश्किल होता है। इसका नतीजा यह होता है कि बेइन्साफी हो जाती है। इस लिए मैं यह कहना चाहता हूँ कि यह विधेयक जिसको कि संशोधित रूप में यहां पेश किया गया है इस में जो अधिकार सरकार को दिए जा रहे हैं वे बहुत ज्यादा बरीह हैं या उनका जो प्रयोग होगा मुझे डर है, वह इस तरह से होगा कि कर्मचारियों में असन्तोष बढ़े और जो बाद में जा कर हमारे लिए तथा देश के लिए हानिकारक साबित होगा। इस लिए मैं वित्त मंत्री जी से प्रार्थना करता हूँ कि न इसका कोई न कोई इलाज अवश्य करें।

दूसरी बात जो मैं कहना चाहता हूँ वह यह है कि असन्तोष के जो कारण हैं उनको दूर करने का कोई न कोई उपाय अवश्य खोजा जाना चाहिए। बिना असन्तोष के कारणों को दूर किए, जीवन बीमा व्यवसाय तरक्की नहीं कर सकता है। जो अधिकार सरकार ले रही है, व इन कारणों को दूर करने में रुकावट नहीं साबित होने चाहिये। जब कभी भी कोई मामला सामने आये तो मैं आपसे कहना चाहता हूँ उनका शीघ्र निपटारा कर लिया जाना चाहिए और इनका निपटारा जो आज कर्मचारियों की संस्थाएँ हैं उनके साथ सलाह मशिवरे से किया जा सकता है। आज विभिन्न श्रेणियों की विभिन्न संस्थाएँ हैं और ये काफी मजबूत हैं और इनको और भी मजबूत किया जाना चाहिए। आज जो क्षेत्र में काम करते हैं, उनकी अलग से फीड्बैक हैं, आफिसर्स की अलग है तथा दूसरे कर्मचारियों की दूसरी फीड्बैक है। इन फीड्बैक के साथ आपके ताल्लुकत ज्यादा बेहतर तथा ज्यादा मधुर होने चाहिए। आप जो अधिकार ले रहे हैं उनके होते हुये भी आपको इन फीड्बैक के साथ मिल बैठ कर या सलाह

मशिवरा कर के उन सब कर्मचारियों को जो इस व्यवसाय में लगे हुये हैं सन्तुष्ट करने का रास्ता प्रस्तुत करना चाहिए। इसके लिए कोई ऐसी कमेटी या मैशिनरी बनानी चाहिए जिसके साथ बातचीत करके समस्याओं को सुलझाया जा सके इसके बजाय शान्ती हथियार लेकर या डंडा लेकर उन पर चलाये। अगर इन सब मामलात को मिल बैठकर, समझा बुझाकर, आपस में बातचीत करके अगर निपटारे कर लिए जाए तो यह ज्यादा मुनासिब है। मैं समझता हूँ कि हिन्दुस्तान में आज कोई ऐसा व्यक्ति नहीं है जो राष्ट्रीयकरण के हक में न हो या मुल्क को तरक्की करते हुये न देखना चाहता हो। आज हिन्दुस्तान के अन्दर कोई व्यक्ति इस जीवन बीमा व्यवसाय में ऐसा नहीं होगा, चूँकि मैं भी इस व्यवसाय से कुछ ताल्लुक रखता हूँ और कह सकता हूँ कि जिसके दिमाग में यह स्थाल हो कि आज हम सरकार को लूट खसोट लें या उससे कोई बंजा फायदा उठावें। सभी यह चाहते हैं कि जो अब तक उनके अधिकार थे वे कम न हों और जो अब तक वे हासिल करते रहे हैं उसमें किसी किस्म की कटौती हो। मेरी तो कोई बजह समझ में नहीं आती कि हम आपस में बैठ कर और सलाह मशवरे से कोई बात क्यों न हल कर सकेंगे और हमें कानून का डंडा बजाना पड़े। इसलिये मैं समझता हूँ कि आज सरकार के अन्दर इस तरह के ऐंटीव्यूड को पैदा करने की सख्त जरूरत है और मुझे पूरा विश्वास है कि ऐसा होने से इस बीमा व्यवसाय का काम बहुत अच्छी तरह से चलेगा और यह व्यवसाय तरक्की करेगा और हमारा देश प्रगति पथ पर प्रागे बढ़ेगा। हम चाहते हैं कि हमारे देश के अन्दर यह व्यवसाय बढ़े और यह एक ऐसा व्यवसाय है कि जिस व्यवसाय के मातहत सैकड़ों व्यवसाय पनप सकते हैं और मैं चाहता हूँ कि बीमा व्यवसाय में लगे हुये कर्मचारियों के असन्तोष को कम करने के लिए जितने भी कदम उठाये जा सकते हैं उठाने चाहियें।

मैं समझता हूँ कि वित्त मंत्री महोदय भी इस बात को महसूस करेंगे कि इन प्रख्यारात के ले लेने के बाद इस व्यवसाय में लगे हुये कर्मचारियों को अगर कुछ सहूलियतें पहले से हासिल हैं और इस रेशनलाइजेशन या युनि-फार्मिटी का नाम लेकर अगर उनकी सहूलियतें कम की जाती हैं तो यह उन कर्मचारियों के साथ भारी बेइसाफी होगी जिसे न सरकार चाहती है और न सरकार को चाहना चाहिए। हमारा कर्तव्य है कि जो प्रादमी इस बीमा व्यवसाय में लगे हुए हैं उनको संतुष्ट रखते हुए इस व्यवसाय में लगाये रहना चाहिए और इसके लिए अगर हम थोड़ा झुकें भी तो भी कोई हर्ज नहीं है।

यह जो कहा जाता है कि विभिन्न कम्पनियों में काम करने वाले कर्मचारियों की नौकरी प्रादि की शर्तों में भिन्नता है और यह कि हम उनमें बिल्कुल एक यून फार्मिटी लाना चाहते हैं, मेरा कहना है कि आप उससे व्यर्थ में परेशान न हों क्योंकि वह भिन्नत कुछ छोड़ी सी ही है और भिन्नता में हमने हमेशा समानता देखी है और सारी दुनिया को ऐसा मार्ग दिखाने को प्रयत्न करते हैं तो कोई बजह नहीं है कि हम समानता का नाम लेकर अपने बीमा व्यवसाय में लगे कर्मचारियों में असन्तोष पैदा करें। आज कर्मचारी यह समझ रहे हैं कि जो अधिकार उनको मिले रहने चाहिए वे घटाये जा रहे हैं और उनके साथ सरकार इंसाफ नहीं करने जा रही है। मैं चाहता हूँ कि हमारे वित्त मंत्री महोदय को कोई रास्ता ऐसा प्रस्तुत करना चाहिए जिससे कि वह असन्तोष बढ़े नहीं बल्कि घटे। सरकार यह जो प्रख्यारात लेने जा रही है उनको बड़े शौक से वह ले ले लेकिन उनका इस्तेमाल न करते हुये इस्तेमाल उन्हीं तरीकों को करे जो कि गांधी जी ने हमको बतलाये थे और जो कि आज पंडित जी हमें और सारे संसार को बता रहे हैं। आज जब हम

[ श्री राधा रमण ]

सारे संसार को शांति और आपस में मिल कर अपनी समस्याओं को हल करने की प्रेरणा दे रहे हैं तो उसी रास्ते का हमें यहां भी अनुसरण करना चाहिए। इन शब्दों के साथ मैं इस विधेयक का समर्थन करता हूँ।

**Shri Hem Barua:** I have an idea in moving my amendment. When this Corporation was established and life insurance was nationalised, there was a sort of enthusiasm all over the country and people welcomed it; even the insurance workers welcomed it. This Life Insurance Corporation started with a bang and has now thinned itself into a dim whisper. Because, that enthusiasm which was initiated in the beginning that it would help investments and we want capital investment for the success of the Second Five Year Plan, has somehow or other withered away. It is because of this fact. The former Finance Minister gave an assurance to the insurance employees that their interests would be safeguarded, that their service conditions would be safeguarded. But when, to their utter dismay, they found that their service conditions and interests were not safeguarded, naturally they had to go on strike, naturally enough they had to agitate. And the Finance Minister, in his reply to the debate on the General Budget on the floor of the Rajya Sabha, has made a reference to the demonstration that the insurance workers made in front of his house in Madras. This has to be. Because, one thing is certain, that these workers, these employees went to the law court for justice, and the Bombay High Court pronounced certain judgments in their favour. But quick in the heels of that judgment came the Ordinance. And the purpose of the Ordinance, as sought to be enacted by this Bill, is this. It is a very dangerous thing. They want to standardise and rationalise, as they say, the pay scales and all that. But at the same time they say, that "if the alteration is not acceptable to any employee, the Corporation may termi-

nate his employment by giving him compensation equivalent to three months' remuneration unless the contract of service with such employee provides for a shorter notice of termination."

I want to tell you here about the field workers. These field workers generally are those who form the blood and bone of the insurance industry. And what about these field workers? Some eight thousand field workers are left in the lurch and they are groping in the dark for security of life. They are demanding employment. Out of these eight thousand, only nine hundred are employed today and the rest of these field workers are, as I said, groping in the darkness.

And Comrade Gupta has already made a mention of the Medical Examiners, who are about twenty thousand. There is an agitation among them, because this nationalised industry has left them in darkness and gloom. There is no hope for them.

We find that this Ordinance which is now sought to be regularised through this Bill has made an inroad into the rights and privileges of the workers.

**Shri Narayanankutty Menon (Mukandapuram):** Sir, on a point of order. There is no quorum in the House.

**Mr. Chairman:** The bell is being rung.

**Shri V. P. Nayar (Quilon):** In the last Parliament we had this only towards the end, the lack of quorum.

**Shrimati Parvathi Krishnan (Coimbatore):** It is the Government Business. They have to maintain quorum.

**Shri V. P. Nayar:** On the Treasury Benches there is only one Minister.

**Shri Narayanankutty Menon:** When such an important matter is being discussed, it is their duty to have a quorum.

**Shri Hem Barua:** May I continue, Sir?



**Mr. Chairman:** Unless there is a quorum, he cannot.

Now there is quorum, he may continue.

[Mr. Deputy-Speaker in the Chair]

I had stopped, Mr. Deputy Speaker, because it was pointed out that there was no quorum.

**Mr. Deputy-Speaker:** He might continue now.

**Shri Narayanankutty Menon:** Throughout his speech there was no quorum!

**Shri Hem Barua:** Sir, I have moved an amendment to the motion before the House, because I find that this Bill which seeks to replace the Ordinance has raised a lot of controversy among the people. I want this Bill to be circulated for public opinion. When insurance was nationalised, naturally, there was enthusiasm among the people, among the policy-holders, among the insurance employees. This was a good sign and so it was welcomed by the insurance employees and the policy-holders welcomed it. Now, it seems they have discovered certain loopholes in it. We find the policy-holders are in the darkness in the sense that there has been hesitation in them. For one complete month, business was at a standstill. After that, in the business that was transacted, there has been go-slow tactics. So far as the field workers are concerned, who are supposed to constitute the bone and blood of this industry, they have no security in the sense that 8000 of them are out of employment. Out of 8000 field workers, only 900 are provided. When this industry was nationalised, the former Finance Minister gave an assurance to the insurance employees that their service conditions would not be impaired and that their interests will be safeguarded. They also welcomed nationalisation in the sense that this would augment capital formation and investment. We want investment and capital formation for the success of the Second Plan.

There is controversy today because some of the employees of the Life Insurance Corporation, in order to redress their grievances, had taken recourse to the courts of Law. The Bombay High Court pronounced judgment in their favour. On the heels of this judgment, this Ordinance was enacted in order to deprive these people of the benefits that they get out of the verdict of the law court. Now, I say, this is an inroad on the rights and privileges of the life insurance workers. It also cuts at the root of healthy democratic trade union movement in this country. A healthy, democratic trade union was growing in this country. It was building up a tradition. By promulgating this Ordinance, which the Government seek to regularise through this Bill, they have cut at the root of this healthy democratic movement.

I find here the Government have tried to monopolise all power and they are trying to dictate terms to the insurance employees. On page 2, it is said:

"...if the alteration is not acceptable to any employee, the Corporation may terminate his employment by giving him compensation equivalent to three months' remuneration unless the contract of service with such employee provides for a shorter notice of termination."

Government say, if some of the employees are not ready to accept the terms and conditions dictated by them, the only course open to them is termination of their service. This is how their services would be terminated. They would be thrown into wilderness. There is no provision in this Bill for a machinery to negotiate. There is no room in this Bill for co-operative or collective bargaining. Our trade union movement has created an atmosphere for collective bargaining. Nowhere in this Bill do we find a clause providing for collective bargaining. At the same time, there is no scope for arbitration or for negotiation.

[Shri Hem Barua]

The Planning Commission has published a report. In the course of the report it has said that it is necessary to create ideal industrial conditions. Now, we are embarking on the Second Plan. We want an atmosphere of ideal industrial conditions. I want to ask the Government, do they think that by promulgating this Ordinance or this Bill, they are going to create that atmosphere, that climate of ideal industrial relations. The worker or employee has nothing to say. His terms and conditions will be dictated to him. His trade union movement is gone to the wind. He cannot come and negotiate with the Government or the Corporation. That is the position into which he is forced. I say, this, because nationalisation and this Corporation have created problems to more than one in the country today. As my comrade Shri Sadhan Gupta said, this has created a problem among the medical examiners. I have already referred to the problem it has created among the field workers. I have referred to the problem it has created among the people. I know the top bosses. For the top bosses, there are no problems. I have a suspicion somehow or other that these top bosses, who have exhibited samples of nepotism and favouritism by putting in people for whom they have some sort of affection, have tried to sabotage this nationalisation scheme so that, from the public sector, they may be again denationalised and transferred to the private sector. There is that suspicion not only in me, or in the majority of the House, I suppose, but among the people, in the public today. That is why I want this Bill to be circulated for public opinion before it is taken up here and passed into an Act.

**Shri Dasappa (Bangalore):** Mr. Deputy-Speaker, I do not propose to enter into the controversy that has been created over this Bill. I only wish to say that this Bill is absolutely inevitable in view of the very circumstances in which the Government and the Corporation find themselves.

There are certain analogies which, I think, it would do well for us to remember, when we consider this measure. Take, for instance, the case of Federal financial integration. When there was an integration of the various Indian States with the Union, when certain departments like Income-tax and Railways and Excise and so on were transferred to the Centre, all over India, we had a number of States where different scales of salaries and terms and conditions were obtaining. The Federal Financial Integration Commission presided over by Sir V. T. Krishnamachari, laid down a certain formula with regard to this question of absorption of various officials. They put it in some general way, that is to say, that they must be absorbed in appropriate grades and on terms not less advantageous than what they had before. That is all that they could do at the time. Everything else was left for implementation in a reasonable and liberal way. When we are dealing with hundreds of institutions with varying scales of salaries and conditions of service, it is impossible to lay down any single formula which could be applicable to all the companies, and all the staff. We can only lay down very broad principles. In the case of the integration of Indian States, it was said that they should be absorbed in appropriate cadres and on terms not less advantageous. It is obvious to anybody that when there is this integration, every person who may be holding a responsible position in a certain company, cannot get a similar place in the insurance Corporation or in the various branches of the Corporation. If there is, for instance, one cashier for each branch of a company, we cannot take all these cashiers and give each of them the position of cashier in the Corporation. At best, what the Corporation could do is to see that his remuneration is not less than what he is getting and his prospects are not damaged or harmed. These are certain general principles. When the parent Act was passed, I do not know, for some reason or other, they did not follow the phraseology that there was

in certain of the earlier enactments. They only referred to the question of remuneration. It should be patent to anybody that if it is only a question of remuneration and not anything else, it becomes impossible to work the Corporation in any rational manner. It is inevitable that there should be an amendment such as we have here. It must refer also to other matters beyond remuneration, and one is the revision of the other terms and conditions of service. Therefore, I do not think there is any reasonable ground for complaining about the issue of the ordinance. And when once the ordinance is issued, I think the Bill must come up before us and I see no reason, no profit, in trying to think of circulating this Bill for public opinion.

15 hrs.

However, I wish to appeal to the hon. Finance Minister to take up a liberal attitude in the matter of implementation of this Bill. I shall show in a minute or two how a liberal implementation is called for in the circumstances. There were some old well-established companies which had, I should say, very decent scales of pay in all the varying categories. There were other companies where the scales were much lower than the well-established ones. I may refer to the Mysore State Life Insurance Company. I pleaded very earnestly that this may be left to be run by itself and the present Corporation need not absorb it, because there would be an element of competition and it would have been all for the good. The principle of nationalisation would not in the least be harmed thereby, and the State would also have its ways and means position improved. That may be a different thing, I do not think it is profitable now to take it up. But I was saying—I am only illustrating my point and it will apply to various other companies—that in that State life insurance company in Mysore the scales of pay were low. In fact, the scales in Mysore and places like Travancore-Cochin were far lower than those in other provinces or the Union. But when the question comes

for absorption, I would ask the hon. Finance Minister to consider this aspect, that a man with sufficiently high qualifications and long experience, merely because his scale of pay is low, should not be brought lower down than others who might have had much less experience and much less qualification but had the advantage of a higher scale of pay in another company. This is an aspect which is not only a matter to be considered now with reference to this Bill, but one which has got to be borne in mind in the case of a number of future schemes that we will have to bring before Parliament. It is not only a question of nationalisation of insurance. With regard to every other similar thing this question is going to crop up. Even with regard to States re-organisation, for instance in the case of Mysore State five different States have come together. In each State the scales were different. A teacher in one place was getting twice as much as a teacher in another place with identical qualification and possibly much longer experience. How are you going to equate these posts? This is not an easy thing. So, it does not confine itself to remuneration alone but applies to the various terms and conditions of service also, and if this aspect had been well considered while bringing the original Bill, possibly the expression would have been different and this idea also would have been incorporated in it. Therefore, I would urge upon the hon. Members opposite who are trying to find fault with the hon. Finance Minister for having brought this Bill and perhaps even for being responsible for the ordinance, to see that he has done nothing except to improve the efficiency of the administration and also mete out justice to the employees. What does it profit the hon. Finance Minister to harm a single officer or official, I cannot understand. Is it that the Finance Minister is there just to be unreasonable, mulish and stubborn and tolerate these inequalities? Nothing of the sort. It is absolutely necessary, you cannot get over that, and therefore this amendment becomes absolutely necessary.

[Shri Dasappa]

All that we should see is that in the course of implementation there is no injustice. I can also assure the House and the hon. Finance Minister that nothing that anybody do will take away the sense of injustice in the case of some people. I was discussing the Federal Financial Integration. The railways were integrated. I will tell you how after implementation certain sections were perfectly happy, there was no trouble, while in others the grievances remained, and to this day remain. Take the Class IV appointments in the railways when there was integration of the Hyderabad, Mysore and other railways. They were treated very well, very generously, and there was no trouble about them. But when it came to the question of Class I and Class II, the trouble has not ended to this day. There was a formula which was given only one year ago, and that also has not been properly implemented. Therefore, I say in implementing it becomes very necessary to be fair, to be generous. It is not an easy task, and it should not be merely left to people who may not have experience in this matter. I think the Home Ministry also have got people who have handled similar situations, whose advice and guidance would be very helpful in this matter.

Therefore, without taking more time of the House, I would say this Bill is absolutely necessary and that it is just filling in a lacuna. At the same time, I would make an appeal to the hon. Finance Minister to be very sympathetic in the matter of implementing this Bill.

**Pandit K. C. Sharma (Hapur):** Like my friend Shri Dasappa I find it quite logical and a commonsense thing that this Bill should have been brought, because I was on the Select Committee on the original Bill and I know that it was the intention that not only the remuneration, but the service conditions, the work to be assigned etc., too may be changed. The reason is simple as has been pointed out by Shri Dasappa. There might have been

200 Secretaries in 200 companies, but there cannot be 200 Secretaries in one Corporation, they must change their jobs. So, when the jobs are changed, the question arises even of remuneration. Even in the former Act as it was, the remuneration could be changed. So, there is no sense in taking up the position that remuneration could be changed, only other conditions could not be changed. This was disputed in the Bombay High Court and the High Court held that the Act as it was did not permit the Corporation to change the other conditions. So, the remedy has been added, nothing more has been done. And it is logically impossible to keep people in the same place, therefore they have to change jobs, and ultimately this law has to come as it has come.

So much is said about the satisfaction to the people who are working in the insurance business and so much about their dissatisfaction and discontent. I simply take the attitude that State service is not a contract for business.

State service, according to every Constitution which lays down the fundamental principles for citizens as such, is a constitutional obligation to take up a particular job. It is a privilege, and it is a duty. It is not a contract of business. It cannot be treated on the same footing as a business contract. Here, there is a sense of duty, a sense of loyalty to the State. One has also to take into consideration the fact that while a person is working for the State, he is not working merely for the purpose of remuneration, but for the purpose of doing some job which will affect the State, and which will do some good to the State, and thereby he does some good to the coming generation in which his own children are included. This is the principle of State service, which is quite different from that behind a contract of business. Therefore, anyone who does not want to work is not fit to be taken into State service.

Simply because a certain man in a certain insurance company was being paid a very handsome salary, can he be paid much more than others employed in Government service, who are of the same mental equipment, who have put in the same experience, and who have put forth the same labour, though their jobs are different? I submit that there should be some rational in the State services.

Once these companies have been nationalised, it necessarily follows that there should be uniformity in the remunerations, and consequently, there will be changes in the terms and conditions of service. So far as business contracts are concerned, there is no provision that the man who is employed would be in service at the pleasure of the employer. There is a contract of service, and the contractor is bound by it, the employer is also bound by the contract that he makes with the employee. But in the case of State service, as the Constitution clearly lays down, anyone who is in the service of the State would be in service at the pleasure of the President or of the Governor. So, the basis of State service is quite different from that of service under business contracts. That being so, what is applicable and what is true in the case of contract service does not apply to State service.

So far as the question of three months' notice is concerned, that provision already existed in the Act. So, that is nothing new. If a man does not want to work, he has the option to go out. The conditions in the case of a man going out are the same as before.

Therefore, I support this Bill, and I see no reason to disagree. It has come in the natural course of things, and it was necessary. It has not changed anything, nor has it added anything new. What was meant when the law was made,—which the High Court held the Act did not mean—has been put in the Bill in simple language once again, and, therefore, it is only a lacuna that has been filled.

**Shri Easwara Iyer:** I am really thankful for having been given the opportunity to speak on this occasion, although a certain amount of constitutional disability prevents me from being quick enough to catch the Chair's eye.

**Mr. Deputy-Speaker:** That might be a defect on my part, and not on the hon. Member's part.

**Shri Easwara Iyer:** I am not going to take up the time of this House by a lot of introductory remarks. I shall confine myself to certain difficulties felt by me in respect of the Bill that has been brought forward by the Minister, i.e. in regard to the provisions contained therein.

The insurance enactment, or I may call it the insurance ordinance, was necessitated by the fact that the Bombay High Court came out with a judgment which stood in the way of standardisation of the pay scales of the insurance employees. That is perhaps the reason which has now been advanced by the Finance Minister in support of this Bill.

There is no use blaming the High Court of Bombay for coming to such a conclusion, because as the Act then stood or is now standing, by virtue of section 11 (2), the Central Government is empowered only to touch the remuneration and not to alter the terms and conditions of service of the employees. So, the promulgation of the ordinance was necessitated, and the Bill is now brought forward before us. I dare say that the Finance Minister is fortunate enough, if I may say so, that the validity of the ordinance itself is not questioned as *ultra vires*.

Therefore, this Bill, which is only a reproduction of the provisions of the ordinance more or less, has to be examined in the light of the provisions of the Constitution. The operative portion of the Bill or the crux of the Bill seems to be clause 2, which enables the Central Government to alter the terms and conditions of service of the employees, as they think fit, whenever they are unilaterally

[Shri Easwara Iyer]

satisfied that in the interests of rationalisation or standardisation of pay scales, it is necessary to do so. This unfettered or uncontrolled discretion which is conferred upon the Central Government or is sought to be conferred upon the Central Government for altering the terms and conditions of services, as they think fit, is not controlled by any guiding principles. That is what I would submit before this House, is an absolute discretion, and if I may so put it, is a naked and arbitrary power which is sought to be conferred on the Central Government, and which has got the potency of being used with discrimination.

Clause 2 says that the Central Government have got the power, the absolute power, to alter the terms and conditions of service of the employees of the corporation notwithstanding any of the provisions contained in the Industrial Disputes Act, notwithstanding any agreement, notwithstanding any award or settlement or whatever else it may be; that means that the Central Government are now seeking to take upon themselves an absolute power to alter the terms and conditions of service, and that too, in spite of the provisions of the Industrial Disputes Act or the agreements or awards given. Therefore, I say that although the Bill, on the face of it, appears to be perfectly in order, it gives to the Central Government certain arbitrary powers without any guiding principles or guiding rules to control this discretion, and that is hit by article 14 of the Constitution.

In submitting this before this House, I do not lay any claim to infallibility. It is a matter of opinion which may be questioned by the Minister, as every matter of opinion could be questioned. But I have got the consolation that if at all I err, I err in the good company of a Supreme Court decision. I believe it is in the case, of *State of West Bengal vs. Anwar Ali*, that Their Lordships of the Supreme Court held that when an Act, on the face of it

confers arbitrary discretionary powers upon designated officials without any guiding principles to control that discretion, it has got a potency for being used with discrimination and, therefore, void as being opposed to article 14 of the Constitution.

So in the light of what I am submitting, I request the hon. Minister to examine the provisions of clause 2 and see whether the form in which clause 2 has been put in, by which absolute power has been conferred on the Central Government to deal with the employees as they like, could not ultimately be challenged again in a court of law as being *ultra vires* of the Constitution. Therefore, my suggestion before the House is this: Let us have some guiding rules regarding the alteration of the terms and conditions of service. Let us enact some principles by which Government could standardise the pay scales or the remuneration of the employees so that there is no room for discrimination.

Of course, the hon. Member who preceded me wanted the sympathy of the hon. Finance Minister by saying that in implementing this provision, there should be equity. So he wanted the sympathy of the hon. Minister because he felt that there is likelihood of this provision being abused.

So in respect of clause 2 we must enact that when the Central Government is given powers to alter the service conditions of the employees, there must be some control over the Central Government powers. In respect of certain categories of employees, say, drawing pay up to a particular scale, the provisions of the Industrial Disputes Act may be made applicable in case of dispute. This is one suggestion I would like to make to the hon. Minister for acceptance. One hon. Member cited the fact that a civil servant holds office at the pleasure of the President or the Governor under

the provisions of article 310 of the Constitution. But this is subject to another provision of the Constitution itself which provides safeguards for civil servants. If we look at article 313 of the Constitution, the Constitution continues in force all rules relating to service conditions existing prior to the coming into force of the Constitution. So whatever fundamental rules were existing prior to the coming into force of the Constitution by virtue of section 96(B) of the Government of India Act, 1919, were being continued by the Constitution.

There is another safeguard in article 311(2) which prevents an employee from being dismissed without being given reasonable notice. There is yet another safeguard with regard to three employees; under article 309 of the Constitution, the Government is empowered to legislate regarding service rules.

So we have got all these statutory rules so far as civil servants are concerned by which the terms and conditions of their service are governed. In so far as the Life Insurance Corporation is concerned, which took its birth on the 1st September 1956, we are in the unfortunate position of not having any principles or rules governing their service conditions. So I would respectfully submit that before enacting a clause like clause 2, we must have some principles under which the terms and conditions of service of the employees therein could be varied. Though for theoretical purposes we may say that the Central Government, who are dealing with the employees of the Corporation could always be presumed to act equitably and in fairness to the employees, for all practical purposes, we find that the terms and conditions of service are sought to be enforced or varied by some senior officials of the Corporation. For all we know, the representation which he submits or the employee's representation which he submits to his superior officer might not reach the hon. Minister, because it must be submitted through 'proper channel'. It may be found to have no

substance by the senior official and thrown into the waste paper basket.

So in a case where the senior official thinks that the service conditions of the employee have to be altered or changed, if he feels that a particular employee should be chosen for a particular service in preference to another employee just because that employee has been musically well up or just because he knows Hindi or just because he knows Malayalam or just because he helps his children with tuition at home, all these things will give rise to discrimination, and that could be justified on the ground that he is unilaterally satisfied that in the interest of standardisation or rationalisation of pay scales it is absolutely necessary.

So the hon. Minister has to satisfy this House on this point because this House is always reluctant to pass legislation which could ultimately be challenged as being *ultra vires* of the Constitution. He will therefore kindly satisfy us as to the validity of the proposed legislation.

**Mr. Deputy-Speaker:** I shall now call Shri Heda. After he finishes, if the House agrees, we might put this motion to the vote of the House. I think it has been sufficiently discussed. Those Members who want to speak and have been left out will be given an opportunity during the following stage.

**Shri Sadhan Gupta:** What about the Minister's reply?

**Mr. Deputy-Speaker:** Of course, the motion will be put only after the Minister's reply.

**Shri Heda (Nizambad):** At the fag end of the discussion on this motion for consideration of this amending Bill, I would like to make a point or two.

After nationalisation, bringing about uniformity in the terms and conditions of service was one of the earliest jobs confronting the Corporation. The complexity of the problem and the huge size of it were, I think, bewildering. But the Corporation was fully

[Shri Heda]

seized of its stupendousness, and it may be said that the efforts it made in this direction so far have achieved quite a good success. By and large, the services have benefited by the new change. If an average is taken, I am quite sure it will be found that almost every worker has benefited, and there might be only very few cases where the workers have been feeling a pinch.

There were two or three aspects of the problem when the question of settling the service conditions came up. One of the aspects was mentioned by Shri Dasappa. In certain States due to the general condition and more acute unemployment situation among the educated persons, various life insurance companies were enabled to recruit for their offices and their branches people at lower scales of pay. These people, in spite of greater experience, could not get higher wages or salaries than those who had not that much of experience who hail from other parts of the country where the scales of pay are higher. My hon. friend made the plea that these persons should be given their proper position in the new set-up, not according to their salaries, but according to their seniority or experience, that is, length of service. There is every justification for this plea; but, if we accept that plea, that itself will create some problems. For example, once you give a higher position, naturally, his pay should be higher than that of his subordinates. That would result, in certain parts, in the personnel getting much higher increase in their pay—may be in certain cases double the salaries they were getting in the old insurance companies—and in certain other parts, the increase being quite nominal. This will create quite a number of problems which arise out of jealousy and envy. I have mentioned this to indicate that the problem is quite a complex one.

There is another type of cases where many persons were employed at much inflated salaries because in many insurance companies—as is in

the knowledge of many of the hon. Members of this House—the masters had employed them on such conditions which were very favourable to them. The inflated salaries and allowances and other privileges were another problem. The Corporation was faced with the duty of purging or cleaning this category of managers—or whatever name you give them. This was another problem.

The third problem was posed by the fact that the rules that were promulgated or framed under section 11 did not get the publicity they deserved. Many of the personnel did not have full knowledge; nor had they any idea of the seniority they were placed in by the Corporation. Their fate was decided when they had no knowledge of where they stood. Had they been given any chance of knowing what the proposal is....

**Shri Keshava (Bangalore City):** I think we have got to introduce our Bills at 3-30.

**Mr. Deputy-Speaker:** Yes, I thought the hon. Member might conclude and then we may take that business.

**Shri T. T. Krishnamachari:** He might conclude, Sir.

**Mr. Deputy-Speaker:** Yes; let the hon. Member conclude.

**Shri Heda:** I will conclude in five minutes.

I was saying, the other problem posed was that many people did not know what their seniority was until it was finally decided and, therefore, they had no chance to make an appeal and have themselves heard.

These are the three types of problems that the Corporation had to face. I think if the Corporation had taken vast powers under the original section 11—no doubt they have increased their powers under the present one—they were quite justified.

Some Members from the Opposition have opposed this measure on the ground that the Government are in-



creasing their powers and these powers appear to be arbitrary. Since this cleaning process had to be undertaken and so many things have to be done, I think, the Government was right in not bringing the Corporation under the purview of the Industrial Disputes Act. If it had been done, my own apprehension is that it is just possible when a case goes to the Industrial Tribunal and is decided by them, some more cases and problems would arise. They had to make some start somewhere so that past things may not be revoked and it may not become a point of conflict or difference of opinion.

The hon. Finance Minister had said he would invite the co-operation of the personnel and that is a factor for which some of the Members of the Opposition had a very good word to say. So far as the rules are concerned, one hon. Member went to the extent of saying that they were not only satisfactory but they were laudable to such an extent that they should be adopted by other industrial concerns and government departments. So, when the terms are so satisfactory and when the hon. Finance Minister has clearly expressed his willingness to get as much co-operation from the personnel as possible, I think, it means at this stage, that these powers have been taken by Government and, maybe, quite soon, the employees in the Corporation would get the right to organise themselves and have the same right of agitation and representation as in other government departments or concerns.

One more point I would refer and I will have done. When the question of joining the Corporation came up, so far as several of the field workers were concerned, they had 2 hurdles to cross. As I had mentioned earlier, they did not know their position and, therefore, they were not able to decide whether to join or not. Another hurdle was that in many cases the employing companies which had retained other types of insurance than Life Insurance were not relieving them. Those who were efficient would

not be relieved by the companies while others who were not so efficient had been relieved. These were the hurdles. I think there is great unrest because of this latter aspect of the problem. Had there been some machinery evolved which could have gone into this problem, some satisfaction could have been brought to them.

With these few words, I support the present Bill.

**Mr. Deputy-Speaker:** Now we will take up Private Member's Bills.

#### SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMENT (AMENDMENT) BILL—(Amendment of section 6)

**Shri Keshava (Bangalore City):** Sir, I beg to move for leave to introduce a Bill further to amend the Salaries and Allowances of Members of Parliament Act, 1954.

**Mr. Deputy-Speaker:** The question is:

"That leave be granted to introduce a Bill further to amend the Salaries and Allowances of Members of Parliament Act, 1954."

*The motion was adopted.*

**Shri Keshava:** Sir, I introduce the Bill.

#### NATIONALISATION OF LIGHT-RAILWAYS BILL

**Shri Jhulan Sinha (Siwan):** Sir, I beg to move for leave to introduce a Bill to provide for nationalisation of the existing Light-Railways in the country and for matters connected therewith.

**Mr. Deputy-Speaker:** The question is:

"That leave be granted to introduce a Bill to provide for nationalisation of the existing Light-Railways in the country and for matters connected therewith."

*The motion was adopted.*

**Shri Jhulan Sinha:** Sir, I introduce the Bill.

**CENTRAL GOVERNMENT SERVANTS (OPTION FOR JOINING CONTRIBUTORY HEALTH SERVICE SCHEME) BILL**

**Shri Jhulan Sinha (Siwan):** Sir, I beg to move for leave to introduce a Bill to provide option for the Central Government Servants joining the Contributory Health Service Scheme of the Government of India.

**Mr. Deputy-Speaker:** The question is:

"That leave be granted to introduce a Bill to provide option for the Central Government Servants joining the Contributory Health Service Scheme of the Government of India."

*The motion was adopted.*

**Shri Jhulan Sinha:** Sir, I introduce the Bill.

**INDIAN PENAL CODE (AMENDMENT) BILL**

(Insertion of new section 427A)

**Shri Raghunath Singh (Varanasi):** Sir, I beg to move for leave to introduce a Bill further to amend the Indian Penal Code, 1860.

**Mr. Deputy-Speaker:** The question is:

"That leave be granted to introduce a Bill further to amend the Indian Penal Code, 1860."

*The motion was adopted.*

**Shri Raghunath Singh:** Sir, I introduce the Bill.

**LIFE INSURANCE CORPORATION (AMENDMENT) BILL—contd.**

**Mr. Deputy-Speaker:** Now, we shall resume the debate on the Life Insurance Corporation (Amendment) Bill, 1957. The hon. Minister.

**Shri T. T. Krishnamachari:** Sir, the motion before the House from the

opposition is a dilatory motion. It asks for circulation of this Bill for eliciting public opinion. It is fairly clear that it is the intention of the Mover that this Bill should not be passed during this session and therefore, the Ordinance which it seeks to replace must lapse leaving the Government and the Life Insurance Corporation in the same position as it was in respect of its relation with the employees after the pronouncement of the judgment by the Bombay High Court in the matter of interpretation of section 11(2) of the Life Insurance Act. If they expect me to accept the motion or if the Party that opposes the Government expects me to accept the motion, I am afraid that they have no such illusions; being intelligent persons they do not expect that kind of a contingency to happen.

Therefore, it boils down to this. It is a question of stopping the Bill from reaching its appointed end in as many stages as possible. So far as the Government is concerned, it has brought in this Ordinance after deliberation. I have explained at great length why the Ordinance has been brought. I have also explained that the condition that existed immediately prior to the promulgation of the Ordinance was one of confusion in regard to the relationship between the Corporation and its employees, whether they be people getting below Rs. 300 or above. It is not the intention of the Government in any way to take away the privileges and rights of people who are getting below Rs. 300. That is why I have narrated all that has been done for them with their consent and approval. There is no point in the hon. Member there saying that there was an Ordinance hanging over their head and so they had agreed. There was no need for them to have agreed. In fact, I must complement the employees on the spirit of accommodation that they showed. There are two unions representing the employees. They had a certain amount of difference of opinion and it looked at first that we might not be able to come to an agreement. But, I must say that I was very heart-

ened when I met both of them and it was possible for us to narrow down the margin of difference. I have also stated unequivocally my intention to do my very best for them.

My hon. friend, Shri Sadhan Gupta, mentioned about the other class of people. I have no doubt in my mind that the methods adopted in the case of these employees can usefully be adopted in the case of other people as well. I am perfectly convinced, as he says, that we should have a contented staff, whether they work in the office or in the field as agents; that any change that is made for the purpose of rationalisation should not be such as will take away their earnings and emoluments and conditions of service and their hard earned renewal commissions and so on. It is not a matter in which there can be any large amount of difference of opinion between the Government and myself representing the Government and my friend, Shri Sadhan Gupta who knows about these people; there is no difference, not even of one degree. Therefore, I shall certainly bear in mind what he has said.

The point he mentioned cannot be pursued to its logical end. Any scheme that we have outlined for the purpose of establishing cordial relations with a large number of employees and field workers and agents cannot be applied to doctors. Assuredly with 240 organisations there must have been several thousands of doctors and when the organisations are integrated, it is not possible to have all these doctors. We try to keep as many as possible but then every doctor who has done some work for the insurance company must have been able to get something of his own. There is no question of distributing it over thousands of doctors so that each one may get Rs. 15 a month. It inevitably happens that, while we can safeguard the interests of employees and field workers and agents to a large extent, we cannot pursue it to its logical end.

It has been mentioned by the staff that the canteen staff who are not

regular members of the various companies have been put to trouble. I have asked the management to look into it and see how it could be mitigated.

My friend raised the question sometime back about drivers. I have asked the Corporation to re-entertain them because it is our intention, not merely to have propaganda lorries but to have lorries for the purpose of popularising janata policies. Maybe, we could accommodate them by keeping them on the staff and using them for the purpose. These are matters, I think, where the views of the opposition, views of the staff and the views of the union could be accommodated but that does not mean that we can go all along the line.

Therefore, I would like my hon. friend to accept my assurance that I shall try to do my very best. But, my very best may not be something which may not be something beyond reasonable.

I know hon. Member Shri Prabhat Kar mentioned about the amendment of section 11(2) in terms which extended beyond the immediacy of the situation. The immediacy of the situation demands that the effect of the Bombay High Court Judgment, which has set aside the legislation, which, in my opinion, was perhaps due to slightly defective drafting, should be rectified. If he thinks that by the insertion of the words 'from time to time' I am making this particular section as amended applicable to future, I am quite prepared to remove that phrase, if the Chair permits me to move that amendment. Because, it is not my intention that any privileges which normally these people will have should be taken away. All that I am keen on is this. I am perfectly certain in my mind that I can tackle this problem of group but an individual might feel aggrieved. My hon. friend opposite did not realise what some other people have realised that, if the Ordinance was not passed, not merely would the employees claim some right but other people—superior servants whose salaries had been brought down

from Rs. 5,000 in some cases—could also claim a right. That is a fact which, I do not think, has escaped their attention. Logically, it is quite possible. I might not have wanted people who were occupying superior position whom I did not find fit and therefore they must be removed after paying due compensation.... (Interruptions).

**Shri Prabhat Kar:** I am with the Finance Minister there.

**Shri T. T. Krishnamachari:** I am very grateful. That is why I had passed the Ordinance. I would like them to understand my *bona fides* in the matter. I did it not because I am completely unconcerned with what-ever happens in the opposition and I have got a majority behind me which will support me. But, I do want that people who are working in the offices, and the industrial and other labour should feel that the Government is not sitting itself in opposition to the existing labour legislation which we have sponsored. For practically the whole lot of it we are responsible ourselves and we have passed an Ordinance in order to compel these employees to fall in line. That is not my intention. I would like my hon. friends to accept it.

Therefore, if it would satisfy my hon. friend, Shri Prabhat Kar, I shall remove these words by moving an amendment when the clause is considered. Our intention is to limit it to the process of integration. Maybe, something would be left out; something would be put down later. That integration would be made carrying with us a large majority of the workers. Maybe one or two persons may not like it.

I can also say this—I have also told the Unions—I would like to deal with individual cases because there is no point in my starting an argument on this thing and saying: 'You can do what you like'. We must carry everybody in the organisation to help us, carry them with us and make them

help us because, after all, Government has taken a plunge in this nationalisation. There are a number of vested interests. They even tell me now: "Why don't you de-nationalise, hand it over to the people and reorganise the companies?" I might probably drop one or two tears, but there is no question of going back on what has been done. They may even say: "What has been done in Germany? The Volks Wagen Factory has been handed over to private people." We do not propose to do that. I have considered life insurance not today. Though I had nothing to do with the first Insurance Corporation Bill—I may be pardoned, Sir, for expressing my own personal view—I was firmly of the opinion that insurance has to be nationalised. There is no escape for it. Probably, I might have chosen slightly different methods. I might have taken over the funds first, then amalgamated the companies and then taken over the business later. Methods might have varied, but it is one of the cardinal principles so far as some of us on this side who are still here are concerned. Nationalisation of Imperial Bank and nationalisation of insurance are two things that we have been wedded to for a very long time.

Therefore, hon. Members opposite who are viewing this point from the trade union point of view would find that I am with them. I am not against them. Therefore, if it will satisfy them, and I think I ought to satisfy them; it is not a matter of my wresting a concession from them—I shall, with your permission, Sir, move an amendment at the proper time for the deletion of the phrase "from time to time". That will give a double assurance to hon. Members. Even if that amendment is not carried out, I do not propose to use that power which perhaps is conveyed by that phrase. So far as I am concerned, I will again plead guilty. I did not quite recognise the significance of that particular expression, otherwise I would not have put it in.

I think, Sir, with this assurance hon. Members opposite would now reconcile themselves to allowing the Bill to go through.

**Mr. Deputy-Speaker:** I will put amendment No. 20 first to the vote of the House. The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 23rd November, 1957."

*The motion was negatived.*

**Mr. Deputy-Speaker:** Now I will put the original motion to the vote of the House.

The question is:

"That the Bill to amend the Life Insurance Corporation Act, 1956, be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The House will now proceed with the clause-by clause consideration of the Bill.

**Clause 2—(Amendment of section 11)**

**Shri T. T. Krishnamachari:** Sir, if I have the permission of the Chair, I would like to move one amendment of which I have not given any notice.

**Mr. Deputy-Speaker:** The hon. Minister may move it now.

**Shri T. T. Krishnamachari:** I beg to move:

Page 1, line 17.

omit the words "from time to time"

**Mr. Deputy-Speaker:** Other hon. Members who want to move their amendments to this clause may do so now.

**Shri T. T. Krishnamachari:** I would request, Sir, that the amendment which I moved just now may be put to the vote of the House before other amendments are taken up; it won't affect anybody.

**Mr. Deputy-Speaker:** Let the other amendments be moved. Then the

clause and all the amendments will be before the House if somebody wants to say something on them. In the end I will put the hon. Minister's amendment first.

**Shri T. T. Krishnamachari:** I agree, Sir, I am entirely in the hands of the Chair.

**Shri Narayanankutty Menon:** I beg to move:

Page 1, lines 17 to 20—

omit "notwithstanding anything contained in sub-section (1), or in the Industrial Disputes Act, 1947, or in any other law for the time being in force or in any award, settlement or agreement for the time being in force"

**Shri Tangamani (Madurai):** I beg to move:

Pages 1 and 2.—

for lines 17 to 22 and 1 to 5 respectively, substitute:

"Government may alter the remuneration and the other terms and conditions of service subject to any award, settlement or agreement for the time being in force"

**Shri Sadhan Gupta:** I beg to move:

Page 1—

for lines 17 to 20 substitute:

"Government may"

Page 2—

for lines 4 and 5 substitute:

"To three months remuneration if his emoluments exceed 700 rupees a month, unless the contract of service with such employee provides for a shorter notice of termination or by giving him compensation equivalent to 6 months remuneration if his emoluments do not exceed 700 rupees a month"

**Shri Narayanankutty Menon:** I beg to move:

Page 2, line 4—

after "remuneration" insert "for every completed year of service"

**Shri S. M. Banerjee:** I beg to move:

Page 2, line 5—

add at the end:

"In case the employee does not agree to the change of alteration in the remuneration and other terms and conditions of service, the Central Government shall refer the dispute regarding such alteration to an Industrial Tribunal under the Industrial Disputes Act, 1947 as amended from time to time and such alteration shall not come into force till such time the Tribunal approves of such alteration."

**Shri Narayanankutty Menon:** I beg to move:

Page 2—

after line 5, add:

"Provided that if the employee, whose remuneration and terms and conditions of service are so altered, does not agree for the change or alteration, the Central Government shall refer the dispute regarding such alteration to an Industrial Tribunal under the Industrial Disputes Act, 1947 as amended from time to time and such change or alteration shall not become effective until the tribunal approves of such change or alteration."

**Shri Prabhat Kar:** I beg to move:

Page 2—

after line 5, add:

"Provided that nothing in this clause shall apply in the case of employees drawing five hundred rupees per mensem or less in the aggregate."

**Shri Bharucha:** I beg to move:

Page 2—

after line 5, add:

"Provided that nothing contained in sub-section (2) of section (2) of section 2 shall adversely

affect the remuneration and other terms and conditions of service of any employee of the Corporation who was in the employ of the Corporation since its inception."

**Shri Sadhan Gupta:** I beg to move:

Page 2—

after line 5, add:

"Provided that nothing contained in this section shall be deemed to empower the Central Government or the Corporation to reduce any pension, gratuity, provident fund or other retirement benefit in the case of any employee who is workman as defined in the Industrial Disputes Act, 1947."

**Shri Sadhan Gupta:** I beg to move:

Page 2—

after line 5, add:

"Provided that—

(a) in no case shall the emoluments of an employee be reduced if such emoluments do not exceed 700 rupees a month;

(b) where the alteration of remuneration or of terms and conditions of service affect employees who are workmen as defined in the Industrial Disputes Act, 1947, such alteration shall not be made without prior consultation with the Trade Union or Federation of Trade Unions representing such employees; and

(c) where the alteration of remuneration or of any of the terms and conditions of service is not acceptable to an employee who is a workman as defined in the Industrial Disputes Act, 1947, such alteration shall be referred to an Industrial Tribunal under the said Act for adjudication and effect shall not be given to such alteration unless and until the same has been confirmed by the award of the said tribunal; and in case such award does not confirm such alteration, the remuneration or the terms and conditions of service or both shall be regulated in accordance with such award".

**Mr. Deputy-Speaker:** All these amendments are now before the House.

**Shri Narayanankutty Menon:** Mr. Deputy-Speaker, Sir,...

**Mr. Deputy-Speaker:** All the arguments have already been advanced, and I hope the hon. Members would now be very brief.

**Shri Narayanankutty Menon:** Sir, I may be allowed to submit in a few words the implication of my amendments. The first point that I wish to raise is that an attempt is made in clause 2 of the Bill to take away the insurance employees out of the purview of the Industrial Disputes Act. Secondly, accepting all the arguments put forward by the Finance Minister that the import of the Bill is only for effecting a standardisation of the different wage scales, my second amendment gives only a safeguard to the employees concerned, if at all it is a case whereby a case of genuine standardisation is called for, either the Corporation or the Central Government is at liberty to do it, and my amendment gives a right for the employee in such cases. If by means of this standardisation either the Corporation or the Central Government alters or changes the conditions of service, later on the employee gets a right to go to a tribunal, present his case and, if that is in the interest of the standardisation, to get the alteration removed.

The next point I wish to make out is that the attempt of the hon. Finance Minister to take the out large class of middle-class employees from the purview of the Industrial Disputes Act will have another effect. The hon. Finance Minister, while he tries to take out of the purview of the Industrial Disputes Act and all the beneficial labour legislations a large number of employees, is forgetting for the time being that our immediate aim, of all of us, is for the construction of a socialistic pattern of society. When we are all moving forward, and the hon. Labour Minister the other day appealed to this House, to all of

us and also to the workers outside, to co-operate with the Government in achieving the targets of the Plan, those same workmen whose co-operation is sought for are now being affected by this Bill.

The fundamental right given to the employees to go to a tribunal, to see that justice is done to them, is now denied by the Finance Minister.

May I submit, Sir, when the report of the Corporation under section 11 of the Act will come before the House a sad and miserable story is going to be revealed. It will be seen that during these years the business of the Corporation has gone down miserably. Why? When the Government has taken over the business, when the Government is taking all the profits, why has the business gone down? The answer is simple. The employees who go out and get business for the Corporation are feeling that they are not properly remunerated and justice is not being done to them. Therefore, there is slack in business. Unless some sort of a show is given to them that justice is being done, things will not improve. If at all in the interest of the provisions of this Bill some standardisation is really required in the case of officers in the higher or lower grades, let us consider making a provision whereby an employee who chooses not to agree to the amendments made by the Central Government can refer the matter to a tribunal. Let those changes take effect after the tribunal gives permission. This is only the basic thing that is asked for, and all that the hon. Finance Minister has placed before the House and all that he wants in this case of standardisation will be there in spite of this amendment. Only the employee gets the right to go to the court and let the court decide the matter.

16 hrs.

I appeal to the hon. Finance Minister that in the interests of justice to the employees, in the interest of fair-play and in the interests of giving

[Shri Narayanankutty Menon]

confidence to the employees that every case of theirs could be taken to the court and justice could be rendered and that their interests will be safeguarded, in the future, this amendment be accepted and fairplay be rendered.

**Shri Tangamani:** Mr. Deputy-Speaker, Sir, I shall be as brief as possible in view of many amendments that have been already brought forward by my hon. friends. In moving my amendment—amendment No. 7—I had in view that the employees who were co-operating with the Government when this new proposal was placed before the country, should have enough protection under the existing labour legislation. Section 11, as it stood then, had tried to take away some of the rights conferred upon the industrial workers. Sub-section (4) of the then section 11 seeks to take away some of the protection given under the Industrial Disputes Act, particularly, in respect of retrenchment compensation, etc. So, it is for these employees who, long before the question of nationalisation was mooted, when some of these insurance companies wanted to by-pass this by what is called the mutualisation process, opposed this mutualisation, who rallied not only the insurance employees but also the workers in this country against mutualisation which, according to them, was only trying to deprive the people of their money.

Then, when the original Bill was before the Select Committee, the All-India Insurance Employees' Association came forward with concrete proposals. That, in short, is the background. So, after the Life Insurance Corporation Act was passed, there have been repeated demands and there have been repeated demonstrations, whenever the hon. Finance Minister happened to go to Madras or other places; assurances were repeatedly given. So, when this question was tested, whether there will be any alteration in the conditions of service which were already favourable to them, when this question was tested

by some employees before the Bombay High Court, came the iron hand of the Government, the iron heel in the form of an ordinance.

The other day, we were discussing the Industrial Disputes (Amendment) Bill. You, Sir, have also heard how complaints came from the Members of the House, but the Government was reluctant in interfering with the rights of the employer, when the Supreme Court's decision was adversely affecting the rights of the workers. But here, when the Government which was the employer was the aggrieved party, almost a few days after the pronouncement of the judgment it came out with this ordinance. So, it is this attitude to which we take serious objection. We have had assurances from the hon. Finance Minister for which we are grateful. At the same time, here, anyone objectively going through the new Bill will not fail to see that this is an omnibus clause where the previous agreements, previous settlements, awards or any agreements under the Industrial Disputes Act,—irrespective of all those things—the Government can come forward and say this is going to be the wage conditions, and if any employee raises his protest, immediately he is asked to go away and all that he is paid is three months' wages. This, to my mind, is the approach. It should not be the approach of the Government.

If, according to the Finance Minister, he is going to be fair to these employees and if this Bill also is passed then I can assure the House and I can tell the House from my experience with these employees that the job is going to be very, very difficult for the Government to carry on with these employees. So I am pressing my amendment to this clause only for this purpose. That part of the section which deals with doing away with any settlement under the Industrial Disputes Act and then coming forward with only three months' compensation and with even shorter notice of termination wherever possible should be deleted.



I again submit that this amendment actually gives powers to the Government to alter the conditions. Any employer can alter the conditions of service. When the conditions are altered, then the employee has got the right to go before a tribunal. The employee has got the right to see that the matter is referred to a tribunal, and the tribunal will be able to give its finding. A right which is extended to any employee under any private employer should not be denied to the employee here. That is the purpose of my amendment. I submit that it may be accepted.

**Shri Prabhat Kar:** In so far as I have heard the Finance Minister about the assurance that has been given by him before the House, it is a statement of policy, and I could appreciate the Finance Minister's anxiety to see an amicable settlement with the employees. But my only apprehension is that in the eyes of the law, this statement will have no value. The right of the Government will be there, and the employees will be denied all their rights under the Industrial Disputes Act.

When the Finance Minister has given this assurance that it is not his intention all the time to amend the service conditions of these types of employees, but that power is necessary for certain types of employees who might be earning a huge amount and that the continuance of their service under the Corporation is necessary then, I would request him to make distinction between these two types of employees. That is why I have moved this amendment. Let the power be given to the Government in respect of the employees who are not covered by the Industrial Disputes Act. Let the service conditions of the other employees be covered by the Industrial Disputes Act. That means, the employees will be continued to be governed by the provisions of the Industrial Disputes Act. That is my amendment. In spirit and in sense the Finance Minister has accepted it. I would request him to make suitable provisions in the Act itself so that in

future, if anything arises, the employees may get relief from the Act itself. With these words, I move the amendment.

**Shri Sadhan Gupta:** Speeches have been made covering most of my amendments and I do not propose to repeat the arguments in respect of those amendments. I would only draw the Finance Minister's attention to amendment No. 16, which, I submit, has become necessary because of the complications arising from the amendments proposed by the Finance Minister to clause 2 of the Bill itself. As the law stands at present, the Government is empowered only to alter or reduce the remuneration and nothing else. Now the Government is taking the power to alter the terms and conditions of service also. Possibly this wide power may include a power, for instance, to reduce the pension, provident fund contribution, gratuity or other retirement benefits. It would be very undesirable that this sort of power should exist and should be exercised. Therefore, by my amendment No. 16, I want to insert a proviso to the proposed new sub-section (2) to the effect that nothing contained in this section shall be deemed to empower the Central Government or the Corporation to reduce any pension, gratuity, provident fund or other retirement benefit in the case of any employee who is a workman, as defined in the Industrial Disputes Act, 1947. You know that a workman under the Industrial Disputes Act, 1947, includes the clerical staff and the so-called subordinate staff. I am very anxious that no eventuality should arise and no powers should be given to reduce the pension, gratuity or provident or any other kind of retirement benefit that they have earned in the course of their service. That is why I am particularly drawing the attention of the Finance Minister to my amendment No. 16.

I do not propose to dilate on any of the other amendments, because they have been already explained by my other colleagues.

**Shri T. T. Krishnamachari:** The whole point has been dealt with in my initial speech. Once bitten twice shy; we have already made one mistake, one slip, in drafting section 11(2) before. Therefore, I am sorry I am not able to accept any of these amendments.

**Mr. Deputy-Speaker:** I will first of all put the Government amendment No. 22.

The question is:

Page 1,—in line 17, omit the words "from time to time".

*The motion was adopted.*

**Mr. Deputy-Speaker:** Does any hon. Member want his amendment to be put separately?

**Shri Sadhan Gupta:** Amendment No. 16 may be put separately.

**Mr. Deputy-Speaker:** The question is:

Page 2,—after line 5, add:

"Provided that nothing contained in this section shall be deemed to empower the Central Government or the Corporation to reduce any pension, gratuity, provident fund or other retirement benefit in the case of any employee who is workman as defined in the Industrial Disputes Act, 1947".

*The motion was negatived.*

**Mr. Deputy-Speaker:** I shall now put the other amendments to the vote of the House.

The question is:

Page 1, lines 17 to 20—

omit "notwithstanding anything contained in sub-section (1), or in the Industrial Disputes Act, 1947, or in any other law for the time being in force or in any award, settlement or agreement for the time being in force"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Pages 1 and 2—

for lines 17 to 22 and 1 to 5 respectively, substitute—

# Bill

"Government may alter the remuneration and the other terms and conditions of service subject to any award, settlement or agreement for the time being in force"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 1—

for lines 17 to 20 substitute—

"Government may"

Page 2—

for lines 4 and 5 substitute—

"to three months remuneration if his emoluments exceed 700 rupees a month, unless the contract of service with such employee provides for a shorter notice of termination or by giving him compensation equivalent to 6 months remuneration if his emoluments do not exceed 700 rupees a month"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 2, line 4,—

after "remuneration" insert "for every completed year of service"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 2, line 5—

add at the end:

"In case the employee does not agree to the change or alteration in the remuneration and other terms and conditions of service, the Central Government shall refer the dispute regarding such alteration to an Industrial Tribunal under the Industrial Disputes Act, 1947 as amended from time to time and such alteration shall not come into force till such time the Tribunal approves of such alteration."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 2,—

after line 5, add:

"Provided that if the employee, whose remuneration and terms and conditions of service are so altered, does not agree to the change or alteration, the Central Government shall refer the dispute regarding such alteration to an Industrial Tribunal under the Industrial Disputes Act, 1947 as amended from time to time and such change or alteration shall not become effective until the Tribunal approves of such change of alteration."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 2,—

after line 5, add:

"Provided that nothing in this clause shall apply in the case of employees drawing five hundred rupees per mensem or less in the aggregate."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 2,—

after line 5, add:

"Provided that nothing contained in sub-section (2) of section 2 shall adversely affect the remuneration and other terms and conditions of service of any employee of the Corporation who was in the employ of the Corporation since its inception."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

Page 2,—

after line 5, add:

"Provided that—

(a) in no case shall the emoluments of an employee be reduced if such emoluments do not exceed 700 rupees a month;

(b) where the alteration of remuneration or of terms and conditions of service affect employees who are workmen as defined in the Industrial Disputes Act, 1947, such alteration shall not be made without prior consultation with the Trade Union or Federation of Trade Unions representing such employees; and

(c) where the alteration of remuneration or of any of the terms and conditions of service is not acceptable to an employee who is a workman as defined in the Industrial Disputes Act, 1947, such alteration shall be referred to an Industrial Tribunal under the said Act for adjudication and effect shall not be given to such alteration unless and until the same has been confirmed by the award of the said tribunal; and in case such award does not confirm such alteration, the remuneration or the terms and conditions of service or both shall be regulated in accordance with such award".

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 2, as amended, stand part of the Bill".

*The motion was adopted.*

Clause 2, as amended, was added to the Bill.

Clauses 3 and 4 were added to the Bill.

Clause 5—(Amendment of section 49).

**Shri Sadhan Gupta:** I beg to move:

Page 3—for lines 1 to 6 substitute—

"5. Amendment of section 48.—In section 48 of the principal Act, after clause (b) of sub-section (2), the following clause shall be inserted, namely:—

"(bb) the terms and conditions of service of persons who have become employees of the Corporation under sub-section (1) of section 11;"

The point is that the power to make regulations governing the terms and conditions of the staff has been sought

[Shri Sadhan Gupta]

to be taken by the amendment of section 49. If this power must be taken, my suggestion is that it should be taken by an amendment to section 48, and not section 49. Section 49 is the regulation-making section and section 48 is the rule-making section. Under section 48, the Central Government can make rules providing for certain things and under section 49, the Corporation can make regulations. The service conditions of the staff being an important matter, the amendment to the service conditions should be open to public examination. Regulations under section 49 are not open to examination by Parliament. But the rules under section 48 must be placed before this House, subject to approval, modification or annulment by this House. If the power is taken under section 48, we will have supervision over the kind of conduct rules or service rules that are framed for the staff and the result will be that we shall be able to influence the making of these rules to some extent and to see that the staff work under fair service conditions. In all other cases of Government servants, the rules are made by the Parliament. The Corporation servants are in the position of Government servants, because they run a Government institution and that is why their service rules and service conditions should also be within the competence of this House to supervise. Therefore, I am suggesting that the power should be taken under section 48 instead of section 49.

**Shri T. T. Krishnamachari:** I am advised that it will certainly be not in the interests of either the Corporation or the persons on whose behalf the hon. Member has moved the amendment to make the change. We will prefer to take the power under section 49.

**Mr. Deputy-Speaker:** The question is:

Page 3,

for lines 1 to 6 substitute:

"5. Amendment of section 48.—In section 48 of the principal Act, after

clause (b) of sub-section (2), the following clause shall be inserted, namely:—

"(bb) the terms and conditions of service of persons who have become employees of the Corporation under sub-section (1) of section 11;"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 5 stand part of the Bill".

*The motion was adopted.*

*Clause 5 was added to the Bill.*

**Clause 6— Validation of orders passed before commencement of Act altering remuneration, etc.)**

**Shri Tangamani:** I beg to move:

Page 3,—

lines 12 and 13, omit:

"notwithstanding anything contained in any judgment, decree or order of any court".

This is a corollary of my original amendment.

**Mr. Deputy-Speaker:** If it is a corollary, I will put the amendment to the House. Does the hon. Member want to say anything?

**Shri Tangamani:** It may be put to the House.

**Mr. Deputy-Speaker:** The question is:

Page 3,—

lines 12 and 13, omit:

"notwithstanding anything contained in any judgment, decree or order of any court"

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 6 stand part of the Bill".

*The motion was adopted.*

*Clause 6 was added to the Bill.*

*Clause 7 was added to the Bill.*

**Mr. Deputy-Speaker:** The question is:

"That clause 1, the Enacting Formula and the Title stand part of the Bill".

*The motion was adopted.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

**Shri T. T. Krishnamachari:** I beg to move:

"That the Bill, as amended, be passed".

**Mr. Deputy-Speaker:** Motion moved:

"That the Bill, as amended, be passed".

**Shri Sadhan Gupta:** It is perhaps fair that this Bill is going through the House. We note the hon. Finance Minister's assurances that he would follow the path of negotiations in order to settle these differences and to bring in uniformity in terms and conditions of service, uniformity in remuneration and so forth. That would be a very happy thing. Now, unfortunately he has made an exception in the case of doctors. I should have thought that the case of doctors is one of the simplest cases and involve no complications whatsoever. Formerly, there used to be many doctors, it is true. They used to earn not on the basis of any remuneration paid to them, but simply on the basis of the number of cases examined. It happens that these doctors earn a substantial income. In the case of some of them, whom I know in Calcutta, this income was the major income. In the case of others it was a substantial supplementary income. This sudden chucking of these doctors has resulted in what can be called unemployment or under-employment, in the medical profession. There is no difficulty in arriving at a settlement by negotiation. For instance, the Indian Medical Association represents those doctors, and they have suggested that some other procedure should be adopted and there should be some negotiation in order to determine how this matter

may be settled, how the doctors may best be utilised and what can be done without chucking out a very large number of doctors altogether.

It may be that it is necessary some time or other to rationalize the medical examination in Insurance. I do not vouch any opinion on it, but the point is that certain things have come along from very old times. If you suddenly disturb the existing order of things, you create a lot of hardship. It is not necessary to create it in these cases because you do not suffer anything by retaining those doctors. You can distribute your cases and ensure a more or less equitable income. In that way, you can see to it that the doctors get something and there is no dissatisfaction among the medical profession. You can negotiate with the Indian Medical Association with a view to see what the proper number of doctors to be retained, on what basis the cases should be distributed and so forth, because the Indian Medical Association is apparently an association of quite reasonable persons and will appreciate the necessity of paying the medical examination on the Insurance system on a satisfactory footing. Therefore, I would request the Finance Minister not to rule out negotiation in the case of the doctors and he can have a negotiation with the Indian Medical Association and settle the matter of the doctors also satisfactorily, as in the case of others, for instance, the field staff, or the agents.

Therefore, I would request him in exercising the powers conferred by the Bill, once more, to stick to the part of negotiations, and not make an exception in the case even of the doctors in the Insurance line.

**Shri T. T. Krishnamachari:** Among most of them, there will be I think, one or two cases who are depending on Insurance for their livelihood.

**Shri Sadhan Gupta:** Quite a lot.

**Shri T. T. Krishnamachari:** Quite a large number of them, to my knowledge are part-time people and they get some additional remuneration. I

[Shri T. T. Krishnamachari]

am afraid I am unable to accept the suggestion made by my hon. friend opposite and extend to the doctors the privileges that we have given to permanent employees or people who are permanently wedded to the Insurance profession. I have already told the management that they should exercise their judgment in such a manner that people who are full-time people are not deprived of their livelihood. I shall certainly ask the Corporation to take what I have said today as a direction and see that if anybody is inconvenienced, whether they could be accommodated. Beyond that I am unable to agree.

**Mr. Deputy-Speaker:** The question is:

"That the Bill, as amended, be passed.

*The motion was adopted.*

# RESERVE BANK OF INDIA (AMENDMENT) BILL AND STATE BANK OF INDIA (AMENDMENT) BILL.

**Mr. Deputy-Speaker:** We pass on to the next item. There is the Reserve Bank of India (Amendment) Bill and the State Bank of India (Amendment) Bill. As recommended by the Business Advisory Committee—that recommendation was approved by hon. Members of this House this morning—we have decided to discuss these two Bills together. So I suggest the discussion shall be on both the bills. The motion will be made first by the hon. Minister and then we will have discussion.

**The Minister of Finance (Shri T.T. Krishnamachari):** Sir, I beg to move:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration".

I also beg to move:

"That the Bill further to amend the State Bank of India Act, 1955 be taken into consideration."

These Bills are more or less interlocked. The main object of introducing these two Bills, as will be seen from the Statements of Objects and Reasons, is to enable the Reserve Bank of India and the State Bank of India to provide the private sector of industry with medium-term finance facilities. I think it would be of help to the hon. Members and save the House some time if we could consider these two Bills as one.

In spite of the existence of bodies like the Industrial Finance Corporation, the State Financial Corporation and the Industrial Credit and Investment Corporation, medium-term finance facilities in the private sector of industry are still inadequate for the purposes of the Plan. The difficulty is particularly noticeable in the case of industries of medium size. I have been considering how best we can meet the difficulty and create conditions under which deserving industries of medium size can secure medium term loans on reasonable terms and contribute to increase in production.

I also know a fact which came within my knowledge because of the present stringency in the monetary market that most of the banks usually convert their short term loans into medium-term loans. Though they are ostensibly intended to cover a short term period, they are more or less renewed from time to time and this seemed to be a very unhealthy position, because what we would like to be known as medium-term loans is not categorized under the requirements of law and it happens that the State Bank of India could not simply own such a practice; even there, the tradition has been that way.

It happens that according to the Agricultural Commodity Agreement signed in August 1956 between the Governments of India and the United States under American Public Law 480, a sum of about Rs. 26 crores

\*Moved with the recommendation of the President.

(equivalent to \$55 million) is to be reserved for re-lending to private enterprise in India. As I mentioned in my Budget speech last week, a scheme in outline has been evolved after discussion with the American authorities for channeling these funds through a Refinance Corporation, which will provide re-lending facilities against loans given by Indian Banks. I am anxious and I think the Members share my anxiety too, that a Corporation is set up without delay. Under the existing provisions of the Reserve Bank of India Act, however, the Reserve Bank cannot contribute to the capital of the proposed Refinance Corporation. The amendment suggested in clause 2(iii) of the Reserve Bank of India (Amendment) Bill is to enable the Reserve Bank of India to contribute to the capital of the proposed Corporation or any such financial institution which may be established. Maybe there are other institutions in which the Reserve Bank will have to take interest. As we are now reshaping our monetary structure, I am attempting to bring the Reserve Bank more and more into the picture so that it might have its fingers on the pulse of everything that is happening in the monetary field. A similar amendment has also been incorporated in the State Bank of India Act (Amendment) Bill, 1957,—vide clause 4(3)(xix) of the Bill. Under the existing provisions of the State Bank of India Act, the State Bank is debarred from making loans or advance for a period longer than six months unless specifically provided in the Act. As I said, most banking circles get over this difficulty by renewing loans. As loans eligible for discount with the proposed Refinance Corporation would normally be for periods between 3 and 7 years, clause 4(3) (xix b) has been introduced in the State Bank of India (Amendment) Bill in order to enable the State Bank of India to grant loans and advances in excess of six months but not exceeding seven years.

Clause 2(ii) of the Reserve Bank of India (Amendment) Bill is intended to enable the Reserve Bank of make

advances for temporary periods to the proposed Refinance Corporation or any other financial institution which may be established if such institutions require such short-time help.

I would now like to explain the other important clauses of these two Bills one by one. Taking the Reserve Bank of India (Amendment) Bill first I may explain how the words "principal currency authority of Ceylon" which are now going to be removed from the statute, vide clause 2(i) of the Bill came to be there. When the currency function in Ceylon was entrusted to the Board of Commissioners of Currency of that country, the Board was required to keep a part of its currency assets in India. In order to enable the Principal Currency Authority of Ceylon to draw advances from the Reserve Bank of India the name of the authority was included, in 1941, in sub-section (4) of section 17 of the Act which enumerates the bodies to which the Bank would make loans and advances. With the establishment of the Central Bank of Ceylon as a full-fledged currency authority, the Reserve Bank of India has no longer to make any advances to them. It is, therefore, considered unnecessary to keep this name included in the statute any more.

Then comes clause 3 of the Bill. High denomination notes of the value of Rs. 500, Rs. 1,000 and Rs. 10,000 which were issued prior to the 13th January, 1946 were demonetized in terms of the High Denomination Bank Notes (Demonetization) Ordinance, 1946. Although the bulk of the notes has been encashed by the holders in terms of the provisions of the Ordinance, exchange on some of the notes was refused under the Ordinance and some notes have not been presented at all. These un-encashed notes have long ceased to be legal tender, but they still continue to be included in the figures of the currency in circulation as there is no specific provision in the Reserve Bank of India Act enabling the Reserve Bank to write off their value. Accordingly, these notes constitute a liability of the Issue

[Shri T. T. Krishnamachari]

Department of the Reserve Bank under section 34 of the Act. Clause 3 of the Bill seeks to modify sub-section (2) of section 34 of the Reserve Bank of India Act suitably so as to extinguish the liability of the Issue Department in respect of the outstanding denomination notes.

Under the existing provisions, the Reserve Bank of India can include in the Second Schedule, a corporation or a company incorporated by or under any law in force in any place outside India doing business of banking in India. But there is no provision under which the Reserve Bank can include in the Second Schedule any institution like the Bank of Patiala or the State Bank of Saurashtra which are not companies under the Companies Act. Hon. Members are no doubt aware that the Bank of Patiala is at present governed by an Order of the State Government, namely, the Bank of Patiala (Regulation and Management) Order, 1954, and the State Bank of Saurashtra is similarly governed by the Saurashtra State Banks (Amalgamation) Ordinance, 1950. Clause 4 of the Bill seeks to remove this lacuna. The provision has, however, been made that the Reserve Bank of India cannot include any such institution in the Second Schedule without a notification being issued to this effect by the Central Government.

Now, Sir, coming to the clauses of the State Bank of India (Amendment) Bill, at present the Chairman of the State Bank of India has to be specially appointed a member of the Bombay local board by means of a notification issued by the Government. To avoid this round-about formality and to enable the Chairman to have personal contact with members of the local boards at Calcutta and Madras, or any other circle that might be formed in future, it is considered necessary to amend the Act to the effect that the Chairman of the State Bank becomes an *ex officio* member of all the local boards and also of such local committees as may be constituted in future. Since it may not be practicable for

the Chairman to attend the meetings of all the local boards and local committees regularly, it is felt necessary to provide that the provisions of section 23(c) of the Act relating to disqualification arising from absence without leave for more than three consecutive meetings shall not be applicable to the Chairman. Clauses 2 and 3 of the Bill are intended to achieve this object.

The Tariff Commission in their recommendation on the Automobile Industry, observed that the Reserve Bank of India, in consultation with the commercial banks should evolve a suitable scheme for extending facilities to transport operators for purchase of vehicles. Under the existing provisions, the State Bank of India cannot make advances to firms and companies engaged in the financing of hire purchase transactions. It has now been found that financing the purchase of trucks has been a method by which several money-lenders have made enormous amounts of money. This source of finance has somewhat dried up for people who want to purchase trucks. Oftentimes it happens to be individuals or groups of individuals owning one or two trucks. It is therefore intended that some facilities should be provided in the manner indicated by the Tariff Commission for small operators to be able to get some credit. Clause 4(1) (a) is intended to enable the State Bank of India to undertake this type of business, subject to such directions as may be issued by the Central Board which includes a representative each of the Government and the Reserve Bank of India.

Clause 4(2) provides that the State Bank of India can act as an agent for the Central Government or any State Government or any corporation in implementing any scheme for financing the construction of dwelling houses and advancing or lending of money as such agent from out of the funds placed at its disposal by the Government or corporation concerned. This amendment is sought to be made



with a view to bringing the banking structure of India for medium term financing for housing. I had mentioned the other day when an hon. Member asked about the housing policy of Government that the Ministry of Works, Housing and Supply is at the moment engaged in evolving an integrated policy. It may be some legislation may be undertaken in that regard in future. In any event there is certainly room for the provision of medium term financing on accepted banking methods in order to solve the problem of shortage of housing and in every case these bodies, whether they are cooperative societies, or housing corporations or any other companies find it difficult to obtain finance for medium term from recognised credit institutions and they have to depend very largely on governmental assistance. The object of this amendment is to bring in the banking structure to help in purchase of land and development of land for housing and for the provision of medium term credit for enlarging housing facilities.

Similarly clause 4(3) (xix c) will enable the State Bank of India to lend money to cooperative housing societies all the members of which are officers or employees of the State Bank for a period in excess of six months. These loans may be granted even upon the security of an immovable property.

Experience has shown that all the necessary formalities cannot be completed by the State Bank before the end of February for presenting the annual report for the year ending December 31 by the Central Board at the Annual General Meeting as prescribed at present. Clause 5 of the Bill is intended to give one month's more time to the Bank to hold the Annual General Meeting.

Practically all these provisions are non-controversial. They are intended essentially to expand the utility of these two institutions to the public. With these observations I move that these Bills may be taken into consideration one after another.

**Mr. Deputy-Speaker:** Motions moved:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

"That the Bill further to amend the State Bank of India Act, 1955, be taken into consideration."

The House has given permission for both these Bills to be discussed together.

**Shri Prabhat Kar (Hooghly):** Sir, I would like to say something on the Reserve Bank of India (Amendment) Bill. No doubt it is necessary to bring the Reserve Bank more and more into financing the industries, and as such we agree that suitable powers should be granted to the Reserve Bank of India. But our experience of the working of the three or four financial Corporations in relation with the Reserve Bank has been somewhat, may I say, not encouraging. Although we want the Reserve Bank to come to the aid of the industries, we have seen that the present directors take interest in the industries with which they are concerned; and a Committee which was appointed to go into the workings of these Corporations gave an adverse report on it. We would like the Finance Minister to assure us that the other Corporation which he proposes to form will not follow suit.

Secondly, in regard to the formation of the Re-finance Corporation, as far as we understand fourteen banks have been invited to contribute to the capital and form the Corporation. I fail to understand why some foreign exchange banks have also been included in this. Because, so far as the working of the foreign exchange banks is concerned, the profits they earn go out of India. Secondly, their share capital, their reserves are not kept here. At a time when there are other banks who with the help and co-operation of the Reserve Bank could serve the country better, I do not know why four of the foreign exchange banks have been included in the formation of the Corporation. We would request the Finance Minister

[Shri Prabhat Kar]

when finalising the formation of the Re-finance Corporation to consider this point and include other Indian banks in the place of the four foreign exchange banks which have now been invited to form the Corporation.

Otherwise, so far as the provisions are concerned, for medium-term loan for industries it is necessary to have a Corporation. I would only request the Finance Minister to consider the two short points I have made while forming the Re-finance Corporation.

**Shri B. C. Ghose (Barrackpore):** Sir, I shall confine my observations to the Reserve Bank of India (Amendment) Bill only. I must confess that I was rather pleasantly intrigued by an observation in the Statement of Objects and Reasons to the effect that the purpose of the Bill is to provide medium-term finance. I wonder since when the Government have thought of making a distinction between medium-term and long-term financial requirements of industries and establishing separate institutions for the two purposes. Until now we had made a distinction between only short-term and long-term requirements, lumping medium-term requirements with the long-term requirements, and providing two kinds of institutions, namely the commercial banks for the short-term requirements and a number of institutions like the I.F.C., I.C.I.C., N.I.D.C., S.F.Cs and the Small Industries Corporation for the provision of long-term finance. Is it this fact that the American Government has made available certain funds to the Government of India on certain conditions, which has led Government into establishing this institution? Or does the Government feel that there is a necessity for making a distinction between medium-term and long-term finance required by industries and for setting up separate institutions for the provision of the two kinds of finance? And I should like to ask the hon. the Finance Minister in that event as to whether it is his intention that institutions like the I.F.C., the I.C.I.C. or the S.F.Cs

and the like would be prevented from providing medium-term finance.

Of course, medium-term finance will have to be defined properly. Generally speaking, we should say that loans and advances made for a period of between two to three and five to seven years would be considered medium-term finance. It would appear from the Bills that the Government would set a limit at seven years for medium-term finance. Is it the Government's intention to do that?

From the Statement of Objects and Reasons it would appear that the Government feel that so far as long-term finance, apart from medium-term finance, is concerned there is adequate provision already in the country for satisfying that need. But I am sure the Finance Minister knows very well that even long-term finance for industries is not available to the extent that industry requires it.

The next question that arises is what was the necessity for setting up an institution of this kind; could not this finance be made available through certain existing institutions, if it is not the intention of the Finance Minister to prevent the existing institutions which are providing long-term finance from providing medium-term finance as well? In that event another institution would only add to the cost.

I do not know but it is said that the American condition was that this fund should be made available to provide funds—and they would prefer it being made directly available—to commercial banks, but Government intervened and wanted certain institutions through which to channelise the distribution of this fund. I do not know if that is true.

But even if Government felt that they should have a control over the distribution of these funds, they could have done it through the I.F.C. I do not know what stood in the way.

There is this point also that we are having a plethora of institutions for the provision of long period finance,

let us say, the I.F.C., the I.C.I.C., the N.I.D.C. etc. I know, the hon. Minister stated that each one has certain special functions and purpose, but at the same time they increase the cost and duplicate the same machinery. It would certainly simplify matters if we had a smaller number of institutions. We can have one in the private sector and one in the Government sector. In that sense, if it is not the intention of the Government to separate strictly the two kinds of finances, I should think that it would have been advisable for the Government not to take the initiative to set up another institution.

I should like to bring another point to the notice of the Finance Minister and that is about the requirements of the small and medium-sized industries to which he made mention. Of course this institution, I should imagine would not provide finance only for medium sized industries but also provide medium term finance for any industry.

**Shri T. T. Krishnamachari:** There would be a limitation in regard to the size: Rs. 50 lakhs.

**Shri B. C. Ghose:** If that is so, it automatically follows that the existing institutions will not be prevented from providing medium term finances required by larger industries for five or six years. The I.F.C. and others will provide this. If the intention was to provide finance only for medium and small industries, why should it not provide for a longer period also, because, as the Finance Minister will recall, the Shroff Committee had, recommended the establishment of some such institution for the provision of finances to small and medium-sized industries—I forget what they call it, Special Industrial Development Corporation or something of the sort. At that time, the then Finance Minister said that they would first want to see how the S.F.C.s were working before setting up any other institution. I can understand the setting up of an institution for the provision of finances to small and medium-sized industries,

which is a very crying need. Because, anybody who has any experience of these industries knows that they experience great difficulty in obtaining finance. Not merely the medium-sized industries; there is also another category. This category is new entrants into the field of entrepreneurship. If somebody wants to start an enterprise and he has no background or experience, even though he may be very talented and very able, he finds it extremely difficult to get together the finances required for starting any industry. Today, one cannot raise capital by offering shares to the public and the funds that could be obtained from friends and relations are also drying up. In that sense, I would urge the Finance Minister to consider that there should be some agency available particularly to help small and medium sized industries and those people who just enter the field of entrepreneurship.

There is only one small point and I have done. In clause 3, it is said:—

“(b) any bank note referred to in section 26A”,

They were demonetised and nobody can get funds for these notes now. This clause states that if the Central Government would so direct, the Banking Department may pay such demonetised notes. There is no such provision in the Act today. What is the reason why this provision has become necessary? If the payment of these demonetised notes were not found necessary so long, what would be the contingency under which Government feel that Government may want to repay some of these demonetised notes. Why has this provision been added to in this Bill? There was no such provision in the existing Reserve Bank of India Act.

**Shri Mohiuddin** (Secunderabad): Mr. Deputy-Speaker, I wish to confine my remarks to the State Bank of India (Amendment) Bill. The Statement of Objects and Reasons of the State Bank of India (Amendment) Bill says: ‘in order to enable

[Shri Mohiuddin]

the Bank to assist in providing adequate medium-term finance to industries in the context of the industrial development contemplated under the Second Five Year Plan', the restrictions on the Bank on advancing money for more than six months are being removed. This change in the provisions of the State Bank of India Act is rather revolutionary as far as the banking structure is concerned. We have, for the last 50 years, considered the problem of commercial banking and industrial banking, whether they should be combined in one system as it is in some countries on the continent of Europe or whether commercial banking should remain separate from Investment Bank or Industrial Bank, the investment in the connection covers medium term and long terms. Now, all of a sudden, the State Bank of India is allowed to make advances for periods not exceeding seven years. The Banking Enquiry Committee that was appointed in early thirties had considered this question. They did recommend:

"We consider that, in India, in connection with this issue of shares and debentures by industrial companies, such of the existing commercial banks as are well established and carry on their ordinary banking business on the safest and soundest lines, might, with advantage to industries, follow, as far as possible, the German system."

They made a suggestion to the shareholders of the Imperial Bank that, if they desire, they can adopt this, what they called the German system. The Finance Minister is now implementing this recommendation made by the Banking Enquiry Committee after about 25 years.

**Shri T. T. Krishnamachari:** I am not guilty of any such knowledge.

**Shri V. P. Nayar (Quilon):** Let us also have the benefit of that.

**Shri Mohiuddin:** That is why I particularly invite the attention of the Finance Minister to another quotation. The Banking Enquiry Committee had said:

"We desire, therefore, to state that our recommendation is in the nature of a suggestion to the shareholders of the Imperial Bank of India. But, we are sure that if our suggestion is carried out, it would not only promote general industrial development of the country, but it will also be equally profitable to the Bank itself."

**Shri T. T. Krishnamachari:** As the principal shareholder, I will accept the suggestion.

**Shri Mohiuddin:** The Government and the Finance Minister being the principal shareholder, after 25 years, are now implementing this recommendation. Whether this recommendation is a sound one, whether the proposal which the Finance Minister has brought forward now is sound, is, of course, a different question.

The Shroff Enquiry Committee has also gone into and discussed this question of medium and long term financing of industries. The Shroff Committee had recommended:

"The Committee has examined the issue and it is of the opinion that in the general interests of the credit structure of the country, it does not appear to be desirable to encourage that tendency on the part of Banks to lean on the Reserve Bank for providing liquidity against these advances which they make on their own judgement and initiative."

17 hrs.

The reference in this paragraph to liquidity is to the fact that the representatives of the banks had appeared before the Shroff Enquiry Committee and suggested that they might be able to undertake medium

and long-term financing of industry provided the Reserve Bank of India was willing to rediscount, readily rediscount, the papers which they obtained from the industries. The immovable assets of the industries would be hypothecated or mortgaged with the commercial banks, and these documents, arising from the transaction may be readily rediscounted by the Reserve Bank of India in case of necessity. The proposal now is that the State Bank may be permitted to give loans and advances to industries not exceeding seven years. This example will naturally be followed by other commercial banks. Is the Reserve Bank willing to rediscount, or is it permitted for the Reserve Bank under the Act to rediscount a paper, the security of which is immovable property of the industries? It is a very important consideration whether the deposits which can be withdrawn on demand, may be diverted to industrial loans for which the only security is immovable property.

This is a revolutionary change as I said before as far as the Indian commercial banking is concerned, and unfortunately the hon. Finance Minister has brought this revolutionary change in a small Bill which he was pleased to call non-controversial. I think there is a good deal of controversy about it, as to whether this change is desirable or necessary at this stage. It may be necessary, but is it desirable?

The deposits in the commercial banks are not going up. They are moving up very slowly. With the increase in circulation of money in the country the increase in the deposits has been very negligible. The advances of the commercial banks for normal purposes has gone up in March, 1957 to 76.58 per cent of the liabilities of the banks. In 1955-56 it was only 63 per cent, and a few years ago it was about 55 or 56 per cent. With this increasing demand on the banks for advances, for short-term advances, with this increasing demand on the banks for financing the movement of crops and

for purchase of raw materials and for working capital of industries, I doubt very much that the introduction of this element of medium-term advances in the system of commercial banking would be desirable.

There is no difference between medium and long-term for commercial banks. The depositors of commercial banks are demand depositors. Whether the loans are given as medium-term or long term for 20 or 15 years does not matter as far as the depositors are concerned. Therefore, I really do not make any difference between a medium-term and long-term advance as far as commercial banks are concerned.

There is no doubt that during the last ten years there have not been a serious boom and depression. There have been fluctuations in the world in 1948 and again in 1952 and 1953, but these fluctuations were moderate as compared with the booms and depressions that were characteristic of the pre-war period. The economic review published by the United Nations dealing with the economic conditions of the world for the last ten years gives a warning that because of the absence of serious depressions and serious booms, it should not be taken for granted that the economy of the world has overcome serious defects in its working. They have shown that there were special reasons during the last ten years which tempered the intensity of the fluctuations, and they have said that in future we may have serious booms and serious depressions. We had crashes in 1952 when the Reserve Bank took action to control the credits, and to check inflation. We witnessed serious crashes in the market and we remember very well that the agricultural produce like groundnut, castor seed and so on which had been hypothecated with the banks in large quantities had to be sold at reduced prices. There was a very serious tendency of deflation in the country at that time and many of the banks had difficulties. We should not, therefore, overrule the possibility of serious crisis for banks in the future.

**Shri T. T. Krishnamachari:** God forbid!

**Shri Mohiuddin:** We should not overlook the danger. By changing the structure of the State Bank of India, the example of which will be followed by other commercial banks, I think we are unnecessarily running a risk for the future. The medium-term and the long-term loans that will be advanced by the banks from the demand deposits may prove a danger to the banking structure of the country.

There is a proposal to set up a re-finance corporation, as my hon. friend Shri B. C. Ghose said, when we have industrial finance corporations both at the Centre as well as in the States, and also other corporations, is it necessary that this element of risk should be introduced in the commercial banking of the country? The only justification which the Finance Minister advanced in the course of his introductory remarks was that, as a matter of fact, the commercial banks make advances for one year or for short periods; but these advances are renewed from time to time, and they are actually medium-term advances. But the banks have a right to recall the loans; they have a right to refuse to renew, in case of difficulty. But in the case of medium-term loan for about five or six or seven years, that right of recall or refusal to renew will be absent, and it will still remain a long-term advance.

I wish this revolutionary change had been introduced after a thorough enquiry and after examining whether more institutions for long-term and medium-term financing of industries cannot be provided for otherwise.

In clause 4 of the Bill we find that the following sub-clause is proposed to be inserted, namely: ?

“(ff) subject to such direction as may be issued by the Central Board, book-debts or other assets of any undertaking engaged in the financing of hire-purchase

transactions which are hypothecated to the State Bank as security for such advances, loans or credits;”.

The Finance Minister has justified this on the basis of big profits being made by money lenders on purchase of trucks by private persons. I have only one suggestion to make in this respect, and that is, that, if the Finance Minister agrees, a provision may be made after this sub-clause that the outstanding amount from any individual or any firm or corporation under this heading will not exceed at any one time such sum as may be prescribed, so that the advances made to any one person under this heading or to any one firm or corporation under this sub-clause may not be excessive.

The Finance Minister says that that may be provided for by directions, because the words are “subject to such directions as may be issued by the Central Board.”

I have no objection to that, but it would be desirable that these provisions restricting the amount of advances to individuals at any one time or to any firm at any one time should be limited.

**Shri Bharucha (East Khandesh):** I shall first refer....

**Shri T. T. Krishnamachari:** On a point of order?

**Shri Bharucha:** The hon. Minister will have plenty of them, in due course, and at the right time. Let him not worry about it.

**Shri Heda (Nizamabad):** The hon. Member would be remembered for points of order.

**Shri Bharucha:** I shall first refer to the State Bank of India (Amendment) Bill. The desire of the Finance Minister to provide medium-term finance facilities is certainly commendable. I quite agree with him that though in our States we have certain financing corporations, they have not done well. In the case of Bombay, in particular, I know that

our State Corporation has not advanced in the last two years of its existence even a crore of rupees. It has barely examined applications from seventy to seventy-five industries and provided loans for thirty to thirty-five applicants. That being the case, it is very necessary that there should be a very considerable expansion of the medium-term finance facilities.

But what has been proposed to be done is rather questionable. Take, for instance, the following provision which appears in clause 4:

"(ff) subject to such directions as may be issued by the Central Board, book-debts or other assets of any undertaking engaged in the financing of hire-purchase transactions which are hypothe- cated to the State Bank....".

In other words, the State Bank is permitted to advance moneys to hire-purchase firms or corporations which go into that business.

When the Finance Minister imposed taxation on us, his one objective was to restrict consumption. He definitely told us that in view of that fact that there would be very large demands on consumer goods and the supplies would not be adequate, there was difficulty, and probably the fear of prices rising, and the only way to check that rise in prices was to impose greater taxation and see that the consumption was restricted.

Now, the result of this particular clause is exactly contrary to what the Finance Minister intended. It is a well known fact that hire-purchase transactions encourage consumption. And why does he presume that the hire-purchase transactions will relate only to trucks? They will relate to radios, refrigerators, and a hundred other things, which I may require, for which I have not enough money to pay down in cash immediately, but which these particular companies which enter into the hire purchase business will help me to obtain by enabling me to have the necessary money for the purpose.

It is a well known fact that ever since the United States entered into this hire-purchase business on a very big scale, the consumption of consumer goods has gone up. In fact, it was one of the strategies utilised by the U.S. Government to encourage hire-purchase system, so that there might be a big demand on the goods and there will be less unemployment.

If the Finance Minister says that he wants to restrict consumption, then how can he encourage hire-purchase firms or companies with credit facilities? He must restrict them. Today, if I have not got sufficient money to buy a motor car or a radio or a refrigerator, I can go to company and say that I want the article, and that company will provide the necessary money; the result is that there is greater demand on a limited amount of consumer goods. That is very obvious. Therefore, I cannot understand how he proposes to reconcile this particular method of advancing money for hire-purchase transactions, when he is out to see that the spiral of rising prices is arrested.

What is more, he says that book-debts also might constitute sufficient security for such advances. Book-debts may look very good on paper and very sound on paper. But unless one knows what is actually behind those book-debts, it is very difficult for one to say whether they are sound security or poor security. On paper, book-debts may show that such and such an amount is due from such and such an individual. Unless we know whether that individual is sound or whether that particular debt has been properly and adequately secured, whether the title deeds are proper and so on, it is a very risky thing to advance loans merely on book-debts, and that too, to hire-purchase companies. I do not think this is a sound business into which the State Bank ought to enter.

There is also another point to which

[Shri Bharucha]

Finance Minister. At page 2, in sub-clause (3) of clause 4 of the Bill he refers to:

“(xixb) the advancing or lending of money to persons engaged in such industries or classes of industries as may be specified by the Central Board by directions issued in this behalf for any period in excess of six months but not exceeding seven years.....”

Here I would like to know as regards the expansion of credit facilities to the private sector, what precautions will be taken to see that there is no lopsided capital investment. Because once you throw open medium-term finance facilities to the private sector, generally it is very difficult to exercise control and channelise investments. If your planning has got any meaning, the first meaning is that the society's available capital resources must be directed only to such industries as go to aid your Five Year Plan. I think the hon. Minister stated in his speech on the 19th March, 1957 that already the private sector had borrowed to the extent of Rs. 117 crores. In other words, their investment resources were inadequate and they borrowed heavily. I think that figure has gone up much more now. Now, as a result of this provision of growing facilities for medium-term finance, there will be a great deal of borrowing on the part of the private sector. I say again that if planning has any meaning, the first thing to be done is to check investments and channelise the investments.

Suppose I as a private manufacturer want to go in for manufacture of lipstick or something else with which the society is not immediately concerned, which is not of very great importance to the society. But it may bring me immediate private profit. Therefore, I shall utilise these medium term facilities for starting an industry like that. As a result, much more needed industries will be starved of funds.

While it is true that some sort of directions by the Central Board are intended, I should like to know what is the overall check to ensure that these medium term finance facilities are not availed of by the private sector for such purposes as do not immediately concern the needs of the nation. They may go in for fancy goods, for luxury goods, which the nation does not need at the moment. Therefore, while the floodgates of financial facilities are thrown open, you have got to see that the proper type of business gets these facilities and none other.

There is also one other point to which I would like to invite the attention of the hon. Minister. Advances to co-operative housing societies are restricted to employees' societies. I think in view of the very acute shortage of housing, other co-operative housing societies should also have the same facilities. I do not understand why other housing co-operative societies are not given the same amount of facilities as the societies of employees of the State Bank. I do hope the hon. Finance Minister will take this factor into consideration.

With regard to the Reserve Bank of India (Amendment) Bill, I only wanted to know one thing. Under the proposed clause 4BB on page 2, loans are restricted to negotiable instruments payable on demand or on the expiry of fixed periods not exceeding ninety days from the date of such loans or advances. This involves very considerable renewals. What was the objection in inserting in the Reserve Bank of India (Amendment) Bill the same provision which you have got in the State Bank of India (Amendment) Bill, namely, for any period in excess of six months but not exceeding seven years? Perhaps there may be technical reasons with which the hon. Finance Minister is more familiar—I am not. I shall be glad to be enlightened upon it.



But I do maintain that it is the duty of the hon. Finance Minister to see that by these Bills the spiral of prices does not remain unarrested. That is our main concern. In fact, that is the excuse he gave for imposing more taxation. He has got to reconcile that excuse with the provisions of the Bills.

पंडित ठाकुर दास भार्गव (हिसार) : माननीय उपाध्यक्ष महोदय, मैं भानरेबल फाइनेन्स मिनिस्टर साहब को मुबारकबाद देता हूँ कि उन्होंने इन दो बिलों को इस हाउस में इंट्रोड्यूस किया है जिन को हमारे दोस्त फरमाते हैं कि बड़े रिबोल्यूशनरी हैं। जिस वक्त स्टेट बैंक बिल इस हाउस के अन्दर था उस वक्त जितने मेम्बरान ने उस की बहस में हिस्सा लिया उन में मैं भी था। हम ने बड़ी कोशिश की कि इम्पूवेल प्रापर्टी के ऊपर, जिस को सब लोग कहते हैं कि रियल प्रापर्टी है, कर्ज दिया जा सके। हम ने हाउस के अन्दर अमॅडमेंट भी पेश किया लेकिन वह मंजूर नहीं हुआ। अगर जनाब वाला अब दफा ३४ पर गौर फरमाएंगे तो देखेंगे कि उस में प्राहिबिशन है कि इम्पूवेल प्रापर्टी पर इस किस्म का कोई लोन नहीं दिया जाएगा। अब हम यह पहली दफा देख रहे हैं जब कि इम्पूवेल प्रापर्टी के बारे में दफा ३३ को चेंज किया जा रहा है। इस मामले में अब तक जितनी पालिसीज रही हैं उनसे यह डिपार्चर है, और बड़ा जबर्दस्त डिपार्चर है, लेकिन निहायत बेलकम डिपार्चर है। मैं अर्ज करना चाहता हूँ कि अगर जनाब वाला पुरानी हिस्ट्री को देखेंगे तो बैंकिंग इन्क्वायरी कमेटी, जिस का हमारे दोस्त ने जिक्र किया, सन् १९२८-२९ में बनी थी।

Shri T. T. Krishnamachari: I would like to tell my hon. friend that if he wants me to reply to him or to even understand what he says, he will have to speak in English.

Pandit Thakur Das Bhargava: I do not want a reply. I am only saying what I want to say and which calls for no reply from the Hon. Minister.

Shri V. P. Nayar: He has been in Delhi for quite a number of years. Can he not understand?

पंडित ठाकुर दास भार्गव : मैं यह अर्ज कर रहा था कि सन् १९२८-२९ में जो बैंकिंग इन्क्वायरी कमेटी बैठी थी, दूसरी कमेटी ग्राफ कमेटी बैठी, उन सब ने देखा कि उस वक्त के मौजूदा कानून में बड़ा रिजिड स्ट्रक्चर था, उन्होंने बैंक्स को थोड़ा लिब्रलाइज करने की कोशिश की और बड़ी मुश्किलों के बाद ग्राहिस्ता ग्राहिस्ता यह इम्पीरियल बैंक और स्टेट बैंक में तब्दील हुआ। तब जाकर उस की दीवार में गूराख हुआ। उस वक्त कर्ज की मंजूरी की जो बुनियाद थी, बैंक्स उस म लोगों की मदद को आए। अब हम देखते हैं कि रूल बैंकिंग के वास्ते और कोअपरेटिव सोसायटीज को कर्ज देने के वास्ते, लोगों को मदद करने के वास्ते इम्पीरियल बैंक को स्टेट बैंक में तब्दील किया गया। इसी तरह से इस बिल के अन्दर जो चेंज है उस के लिए हम कहते हैं कि बड़ा अच्छा चेंज है, और सही मानों में दुम्स्त चेंज है। यह स्थल कि इस चेंज के करने से इन बैंक्स का सारा कैरेक्टर तब्दील हो जाएगा, यह बिल्कुल गलत स्थल है।

मैं इस वक्त भी देखता हूँ कि जो चज स्टेट बैंक में किया गया है वह इस कदर जबर्दस्त नहीं है जिस कदर हम चाहते थे, और जिसके वास्ते इस हाउस में स्टेट बैंक बिल पास करते वक्त हम ने अमॅडमेंट भी पेश किया था। अगर स्टेट बैंक ऐक्ट में तब्दीली की गई है। जनाब मुलाहजा फरमाएंगे कि सेक्शन ४ में जहां पर है :

"engaged in the financing of hire-purchase transactions which are hypothecated to the State Bank as security for such advances, loans or credits".

सरीहन उस का इम्पूवेल प्रापर्टी से कोई ताल्लुक नहीं है, लेकिन मैं अर्ज कर दूँ कि इस वक्त जो जिक्र हमारे फाइनेन्स मिनिस्टर साहब ने किया वह ट्रक्स के बारे में किया कि

[संसार: मार्गव]

ट्रक्स के जरिए से लोगों ने बहुत फायदा उठाया है, और यह सही है कि जिन महाजनों ने लोगों को ट्रक्स के वास्ते रुपया दिया, वह रुपया भी वसूल हो गया और उससे बहुत फायदा भी हुआ। लेकिन हमारे फाइनेंस मिनिस्टर साहब ने जो ट्रक्स के बारे में जिक्र किया कि उनके वास्ते कर्ज देने से उनके उसूल की खिलाफवर्जी हुई है, उस के बारे में मैं कहना चाहता हूँ कि आज के दिन जिस इलाके से मैं आता हूँ उसके अन्दर यह ट्रक्स बड़ा भारी काम कर रही हैं। यह वह इलाका है जिस के अन्दर अभी रेलवे नहीं पहुँची है। वहाँ पर भाखरा डैम के आने से जमीनों की काफी काश्त हुई है और अनाज भी काफी पैदा हुआ है और हो रहा है। मैंने पिछली दफा अर्ज किया था कि इस कदर अनाज हमारे इस इलाके में पैदा होता है कि जिस की इन्तहा नहीं है। जिस वक्त मैंने उसे देखा था उस वक्त अगर हमारे फाइनेंस मिनिस्टर साहब उस फसल को देखते तो वह कभी नहीं कहते कि हमारे मुल्क में अनाज की कमी है। लेकिन वहाँ पर मीन्स आफ कम्यूनिकेशन नहीं हैं। वहाँ रेल नहीं जाती कि वहाँ के अनाज को उठा लाएं। वहाँ पर तो सिर्फ ट्रक्स जाएंगी और जा रही हैं। उन से कई जगहों पर इतना अच्छा काम हो रहा है कि मैं अर्ज नहीं कर सकता। जहाँ पर गाड़ियाँ चलती हैं, उन के मुकाबले में सस्ते किराये पर वह दूसरी जगहों पर अनाज लेकर पहुँचाते हैं। हायर पर्चेज के लिये जो रुपया दिया गया अगर उसका यह नतीजा हुआ कि ट्रक्स ज्यादा खरीदे गए, और उन्होंने अगर अपना काम पूरी तरह से किया तो आप की फूड प्रॉब्लम, जो बड़ी सख्त है, उसे हल करने में बड़ी मदद मिलेगी।

इसके अलावा जो तीन चार मदें हैं अब मैं उनके बारे में अर्ज करना चाहता हूँ। मसलन् नम्बर २ एक्स० ए० है। मैं नहीं समझता कि इसमें बैंक वालों ने क्या किया है।

बैंक वाले तो सेंट्रल गवर्नमेंट या किसी दूसरी गवर्नमेंट के एजेंट बन कर जो रुपया वह गवर्नमेंट देगी उसको आगे चला देंगे। जहाँ तक बैंकों के अपने रुपये का ताल्लुक है उनको कोई जोखिम नहीं है।

मद एक्स० आई० एक्स० सी० में जो स्टेट बैंक इम्प्लाइज हैं उनकी कोऑपरेटिव सोसाइटी बनाकर उसको कुछ रुपया देने की रियायत दी गयी है। इसमें बैंक के मुलाजिमान को रुपया मिलेगा। अच्छा है। अगर उनके पास अपने मकान होंगे तो वे अच्छा काम करेंगे। लेकिन जो हम चाहते थे कि हर शक्स् को इन्फ्रूवेंबिल प्रापर्टी पर कर्जा मिल सके उस किस्म की कोई रियायत नहीं दी गई है।

एक्स० आई० एक्स० बी० में लिखा है :

"the advancing or lending of money to persons engaged in such industries or classes of industries as may be specified by the Central Board by directions issued in this behalf."

इस पर मेरे लायक दोस्त ने ऐतराज किया कि कोई शक्स् लिपिस्टिक की इंडस्ट्री जारी कर सकता है। इस तरह से देश के प्लान को भी धक्का पहुँचेगा और रुपया इस तरह लग जायेगा। लेकिन उन्होंने यह नहीं देखा कि इसके अन्दर वह लिमिटेशन दिया गया है :

"to persons engaged in such industries or classes of industries as may be specified by the Central Board".

यह जरूर देखा जायेगा कि वह किस किस्म की इंडस्ट्री है। हर एक इंडस्ट्री के लिए रुपया नहीं दे दिया जायेगा। मैं अदब से अर्ज करूंगा कि इसके लिए भी क्रेडिट ६ महीने से सात साल तक के लिए दिया जायेगा। इससे आगे के लिये नहीं।

जो प्रमोटेंट हमने पेश किया था उससे हम चाहते थे कि हर किसी को इम्पूवेलि प्रापर्टी पर कर्जा दिया जाये। हम इसको रेस्ट्रिक्ट नहीं करना चाहते थे। लेकिन अभी रेम्पाट्स में सुराख हुआ है। आयन्दा चल कर वक्त वह भी आयेगा जब कि इम्पूवेलि प्रापर्टी पर भी कर्जा मिलने लगेगा।

इसके अलावा रिजर्व बैंक में जो एक तबदीली की गयी है वह इम्पाटेंट है। जो बाकी तबदीलियां हैं वे टेक्निकल हैं। उनके बारे में कुछ भ्रज नहीं करना चाहता। गवर्नमेंट ने जो नोट जारी किए हैं उनका रूपा वह खुद दे या किसी और के जरिये से दे। लेकिन जो ग्रहम तबदीली की गयी है वह वह है कि कम्पनीज वगैरह को भी अपने शोयर्स पर क्रेडिट मिल सकेगा। फाइनेन्स मिनिस्टर साहब क्रेडिट की कमी को महसूस करते थे और उसको दूर करने के लिये उन्होंने यह कदम उठाया है। मेरे लायक दोस्त ने पूछा कि क्या जो दूसरे बैंक हैं वे बन्द कर दिये जायेंगे या कर्ज नहीं दे सकेंगे। इसके लिये इसमें साफ तौर से लिखा है कि जो मीडियम टम मिलता है वह काफी नहीं है। उसको बढ़ाने के वास्ते यह फैसिलिटी दी गयी है। इसलिये जहा तक मैं समझता हूं ये दोनों बिल निहायत ही अच्छे हैं और एक तरह से क्रेडिट को बढ़ाते हैं। यह क्रेडिट अच्छे कामों में लगाया जा सकेगा। क्रेडिट की कमी महसूस की जा रही थी। उसको दूर करने के लिये बिल देश में मुफीद साबित होंगे।

मैं इन दोनों बिलों को सपोर्ट करता हूँ।

Shri S. A. Dange (Bombay City—Central): Sir, I wish to offer a few remarks on the policy that is indicated in the Statement of Objects and Reasons, the policy that is being followed by the Government of India. I have no quarrel with the Bills as such but I have a quarrel,

a very small quarrel and not a very big quarrel, with the policy that is being followed as it appears from the Statement.

For example, the Government of India must use banking finance in a planned way in order to help the development of industries and the development of the Plan. There is no question about that. But, why should the Government follow a policy in which they bring into existence various kinds of financial institutions in between the banks and the Government's policy or Government's budgetary developments or investments in industry.

Here we have an Industrial Finance Corporation. You know what its functions are and this House has had to say something not very complimentary about the operations of this Industrial Finance Corporation some time back. It is a Corporation which lends money on large scale and affords long-term credit and investments in some big industries also. We have got alongside it the State Finance Corporations and the Industrial Credit and Investment Corporation. The State Finance Corporations are more or less State copies of the Industrial Finance Corporation. The Industrial Credit and Investment Corporation—I have been reading about it somewhere—has the characteristic that it provides for the participation of foreign finance in the operations of Indian Industry and I think the World Bank or somebody advances dollar loans as a part of the capital of this Corporation. So, this is another type of a Finance Corporation.

We are being faced with three types of Corporations and here we have one by which some more banking finance is being diverted or a part of it being diverted to medium term investment. My question for the consideration of the Government and the Finance Minister is, could they not combine the whole financial policy of investment of the direction of development under a single insti-

[Shri S. A. Dange]

tution, could that not be done? I should say that if it is not done, then the policy and the Plan will be in danger. For example, planned development of economy and anarchic investment from private banks in industry or trade cannot go together. They can never harmonise. The Finance Minister himself has stated it in his Budget speech. He did not know how so much investment got into the private sector. Why does he not know? For the simple reason that the operations of private banking are not completely under the control of the State which is interested in developing economy in a certain planned direction. So long as this contradiction persists, the Plan will always be in danger. Therefore, could he not come out with proposals to bring about a change such as this? Here is a Reserve Bank which advances money to the Scheduled Banks and supervises their operations and the Scheduled Banks divert their funds into industrial development, commercial development, short-term credits and credits even in doubtful channels—proposals to change this in such a way that all these could be brought into a single scheme. What should be that system?

That system in my mind would ultimately be what has been done with the Reserve Bank and the State Bank. When the Reserve Bank was nationalised, no calamity befell our economy; when the Imperial Bank of India was nationalised, no calamity befell our economy. In fact, it was found that the nationalisation of the State Bank facilitates the planned direction of credit into agriculture under the policies of the Second Five Year Plan. Could not the same thing be done with those huge banks now which control credit in industry? Could the Finance Minister and the Government give a little thought to this question and see whether the big operating banks, which are more or less not smaller than the Imperial Bank of India which has been nationalised, could not also be nation-

alised as the State Bank has been or absorbed into the State Bank so that the whole value of money and credit that exists in the banking system could be directed into channels of investment in a planned manner? Today advances in our commerce and trade cannot take place in a planned manner.

It was all right some years ago. In a backward country with small commodity production most of the advances are bound to be on account of commerce and trade and very little on account of industry. Industry, in those days, was financed, as you know, by managing agencies or foreign banks but that condition has now gone. Now, we are developing our industry and a backward economy is being thrown forward into conditions where industrialisation will be the keynote and where large units of industry will, more or less, be dominating in sectors of production. Under such conditions, it is inevitable that banking should be integrated with the State and the State should control banking if it is going to be a planned development. If it is not, we may as well follow the system in USA or UK where long-term credits are given by huge banks, and monopoly banks and the State go together and make merry in society. We do not want that sort of a development here. So, I suggest that the Finance Minister should give thought to this question of amending these Acts in such a way that there is centralised control over investment more and more through the State and the planning mechanism.

I have got here the Reserve Bank of India Bulletin which I came across today. There are advances to scheduled banks against particular types of securities. I do not talk of other securities like food articles, industrial raw materials, plantation products, manufactured goods and so on. Certainly the Reserve Bank, which has got some controlling powers over the scheduled banks, cannot supervise all their operations in detail.

There is an item here in this bulletin: 'shares and debentures in Joint stock companies'. Advances are made against them and there is a sub-clause which refers to "share and stock brokers and dealers". They are my special friends whenever I discuss this subject and the Finance Minister might excuse me. These people get an advance of about 11 to 13 crores of rupees and the figure oscillates between these two sums during the period December 1956 to March 1957. Some of this money may be advanced for the real purpose of mortgaging share values and investing them into certain other channels. But, we have no mechanism to check how much of these advances is for purely speculative action. When he mentions about paucity of funds and tightness of market, is it good to allow banks to advance money on stock exchange speculation? He knows well that on badla day a lot of money is required by the share and stock brokers when they are in special difficulties and lakhs of rupees are required on that day. But, how is the Reserve Bank to check that the money advanced on real security is used for the purpose of honest trading but is not used for merely the transaction on the badla day? He knows it best. So, would he think of some amendment to the Bill whereby there could be some mechanism which can ensure that advances against securities which are on the face of them very real are not hypothecated for the purposes of speculation? If I take Rs. 11 crores as advances, fifty per cent is spent for speculative purpose. So, six crores are locked up for no useful purpose. Therefore, I would request him to consider this question and bring in some amending Bill so as to check it and also to consider co-ordinating the whole question of banking investments in industries in accordance with the Plan and regulate them as he thinks fit and not according to the likes and dislikes of the private investors.

Shri Tayabji (Jalna) rose.....

Mr. Deputy-Speaker: There are still two hon. Members who want to

speak. This morning we approved the report of the Business Advisory Committee and there it was laid down that two hours should be allotted to both these Bills. We started at about 4.30, perhaps.

Shri V. P. Nayar: There was the business of the private Members.

Mr. Deputy-Speaker: It took only two or three minutes. No provision was made for private Members' business because we knew that it would not take more than a few minutes. If the hon. Members want to speak, I shall allow them.

Shri Tayabji: I shall take only five minutes. I would like to support what the previous speaker has said about not having too many institutions. I appreciate that it is necessary to have different institutions for different types of work but I most earnestly request the Finance Minister to consider whether we are not already having too much of this repetition. Banking is such a kind of work and experience and personal knowledge that count a great deal. Therefore, it is much better to have one institution dealing with more or less related, but different, subjects than setting up a number of different corporations and institutions.

I would like to ask the Finance Minister to consider whether we should not keep the Reserve Bank really as the bankers' bank. He has got in his possession a very powerful bank in the State Bank of India which can be used for the purpose for which he wants it. To bring the Reserve Bank into the field of commercial banking is a step to be taken only after the greatest consideration and only if it is really necessary. There is no reason why the Reserve Bank which is the issuing bank and the bankers' bank should be introduced into commercial banking where there is already a powerful institution at the disposal of the Finance Minister.

Shri T. T. Krishnamachari: It is not being brought into that field.

**Shri Tayabji:** I refer to the grant of loans; powers are to be given to the Reserve Bank by adding Clause (4BB). It says here:

"the making to any financial institution notified by the Central Government in this behalf of loans....."

**Shri T. T. Krishnamachari:** Only 'financial institutions'.

**Shri Tayabji:** My point is this. The financial institutions to which the Reserve Bank should make loans should be only banks and not other types of financial institutions.

There is another small point. In the amendment which the Finance Minister proposes to the State Bank of India Act, he says on page 2, line 20 of this Bill:

"(xix) in consultation with the Reserve Bank....."

Powers are being given to the State Bank of India and it is perhaps unnecessary that it should be compelled by statute to consult the Reserve Bank. The owner of both the banks is the Government and I submit that this type of statutory consultation should be minimised. If the Finance Ministry directs the State Bank to consult the Reserve Bank on certain matters, the State Bank will certainly do it and therefore, I suggest that this statutory requirement be dropped.

**Shri Heda:** Sir, I will hardly take two or three minutes. I welcome this measure for one other aspect which I want to bring to the notice of this House. In our country we have got quite a good number of commercial banks. Many of them are doing very well. They have got huge sums at their disposal. A few of them may be called giant banks. In spite of that, it is in everybody's knowledge that each of these big banks is practically controlled by some or other industrial group. Therefore, for an independent industrialist or a new industrialist, who wants to come on his own on the basis of merit and enterprise, it is very difficult to get advances or

loans from these banks. Generally, these banks which are controlled by some industrial group or the other advance loans either within their own group or, probably by private arrangements, exchange the advances and loans to each other. Therefore, I particularly welcome this State Bank of India (Amendment) Bill. I hope by this, independent businessmen and industrialists will be able to benefit, and a sort of monopoly leadership that is being created in our country in the field of industry and business will be broken with the result that a vast number of industrialists will be encouraged.

**Shri V. P. Nayar:** Sir, as it seems to be your desire that we should not exceed the time-limit, I shall confine myself to a few general observations although I have given notice of some amendments.

As the provisions are, I do not see how anything much better can be done by this Bill. I want the hon. Minister to consider, especially in view of his statement while introducing the Bill that he was trying to re-shape the monetary structure of our country, whether this type of legislation is the best suited for the circumstances. I thought that the provision of medium-term credits would have been left to the Industrial Finance Corporation and not assigned to the State Bank of India. As I find, Sir, the State of India Bill, 1955 in its preamble says:

"Whereas for the extension of banking facilities on a large scale, more particularly in the rural and semi-urban areas, and for diverse other public purposes..."

The emphasis there seems to me to be on the provision of credit to rural and semi-urban areas. On the other hand, if you go through the preamble of the Industrial Finance Corporation Act, Act No. XV of 1948, it very definitely states that it is intended primarily for the purpose of affording medium-term credit. This is what it says:

"Whereas it is expedient to establish an Industrial Finance Corporation for the purpose of making medium and long term credits more readily available to industrial concerns in India, particularly in circumstances where normal banking accommodation is inappropriate or recourse to capital methods is impracticable."

We know that the State Bank of India is a joint-stock bank. It is not a specialised bank for the purpose of providing short-term, medium-term or long-term credits for industries. It can do any one of the known banking transactions. On the other hand, the Government of India have set up a very specialised institution for the provision of credit.

**Shri Ranga (Tenali):** With the limited funds.

**Shri V. P. Nayar:** That may be so. If the funds of the Corporation are limited, by all means provide more funds. The difficulty in this case will be that when you have the State Bank of India also to finance credits there will be a conflict and more difficult situations will arise. There are only three regional offices, as I understand, and applications for loans will have to be made to one of them. On the other hand, in the case of the Industrial Finance Corporation there are State Finance Corporations and they are better suited for the purpose in view of their specialised job. In view of this, and also in view of other factors, they are better suited to consider whether a particular industry deserves a short-term credit, medium-term credit or a long-term credit.

I would not have said this. We all know that the Industrial Finance Corporation has not been working in a manner that we would have desired it to function. There has been much criticism about it. I do not want to go into those details. But, to my mind it appears that if the Finance Minister wants to re-shape the monetary

structure, it is better to leave specialised jobs to specialised institutions instead of mixing it up with general institutions for general purposes.

I would also request him to consider another point which has been very ably put by my hon. leader, comrade Dange. I do not want to go into the details, but I would like him to consider whether it is not time, in view of the financial difficulties that we have, to have a centralised planning for the entire banking structure of the country. For providing credit for our industries we must have a completely different approach to our banking. My friend Shri Prabhat Kar was referring to the position of exchange banks of India. I do not want to go into those details, but in an under-developed country where the State has to step in and provide finance, are we, especially in the context of our Second Plan, to leave banking as it is today?

In this connection I would like the hon. Minister to hear what has been said in one of the pamphlets published by the Lok Sabha Secretariat for helping us in the discussion. In this pamphlet, *Institutions for Industrial Finance and Development*, they have given what obtains in the People's Republic of China. It says:

"China now has a nation-wide and centralised system of banking in which the People's Bank of China, a State-owned institution established in December, 1948, plays the key part. All the funds of State-owned industrial enterprises, as well as of the national, provincial and local governments, and the network of co-operatives are deposited with the People's Bank. This agency centralizes the financial resources of the Government and the major sectors of China's economy. It uses the working capital at its disposal for the operations of the economy and the Government."

**The Deputy Minister of Food and Agriculture (Shri A. M. Thomas):** Just like our Reserve Bank.

**Shri V. P. Nayar:** It is very much different here in the case of the Reserve Bank. Although I agree that the Reserve Bank is doing something, a very big portion of the banking industry is left in private hands. There is no planning at all. I do not know whether my hon. friend was present in the House when my leader spoke, because in that case he would not have raised this doubt. It is not as though the Government is not doing anything at all, but in the context in which we are today is it enough that we leave a big section of banking to private interests without any planning and then take up, as we have taken up in this little piece of legislation, hotch-potch legislation? When we have other facilities, when we have specialised institutions, several of them, for providing credit, I want the hon. Minister to consider the proposal and tell us what he thinks about it.

**Shri T. T. Krishnamachari:** Sir, I was agreeably surprised to see the interest that hon. Members of this House have taken in these two Bills which ought not to have particularly serious consequences. Many hon. Members.....

**Mr. Deputy-Speaker:** May I know roughly how long the hon. Minister is likely to take?

**Shri T. T. Krishnamachari:** Sir, quite a number of hon. Members have spoken.

**Mr. Deputy-Speaker:** Would he like to continue on the next day?

**Shri T. T. Krishnamachari:** Yes.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, the 27th May, 1957.*



[ Friday, 24th May, 1957 ]

S.Q. No.	Subject	COLUMNS	S.Q.No.	Subject	COLUMNS
ORAL ANSWERS TO QUESTIONS—			347	Life Insurance Corporation Employees .	1852-53
326	Library Development .	1817—50	348	Central Harijan Welfare Board .	1853
328	Aeromagnetic Survey of Punjab .	1817—19	350	Kundra (Kerala) Clay .	1853
329	Oil Companies .	1819—21	351	Surplus capacity in Ordnance Factories .	1853-54
330	Compulsory Deposit of Reserves .	1821—23	352	Accommodation for Defence Employees .	1854
331	District Jail, Delhi .	1823—25	353	Upgrading of High Schools .	1855
332	Exploration of Mineral Wealth in Punjab .	1825	354	Grant to Assam .	1855
333	World Bank .	1826	355	Library Service .	1855-56
338	Loan from World Bank .	1827	356	Seminar on the blind .	1856
334	Zoological Survey Headquarters .	1828—31	357	Industrial Finance Corporation .	1856
335	Private Collieries .	1831—33	360	Gold Smuggling .	1856-57
336	Contribution to Political Parties .	1833—35	361	Central Sales Tax, 1956 .	1857
338	Defence Employees in Nepal .	1835—37	352	Orders placed with Ordnance Factories .	1858
339	General Elections .	1837—39	363	Finance Commission .	1858
340	Royalty on Minerals .	1839—41	364	Hindi as medium of instruction .	1858-59
341	Archaeological Finds near Bela .	1841—43	365	Coal Mines in Madhya Pradesh .	1859
342	Asiatic Society, Calcutta .	1843—44	366	Law Commission .	1859-60
343	Indian Naval Canteen Service .	1844—46	368	Sodepur Glass Works Ltd. .	1860
344	Reserve Bank of India .	1846-47	367	Korba Coal Fields .	1860-61
349	Reserve Bank of India .	1847-48	369	German Technical Assistance .	1862
345	Kasargodu Taluk (Kerala) .	1848-49	370	History of Freedom Movement .	1861-62
345	Kasargodu Taluk (Kerala) .	1849-50	371	Iron Deposits in Sandur, Mysore .	1862
WRITTEN ANSWERS TO QUESTIONS—			372	M.E.S. Construction Committee .	1862
327	Capital Goods .	1850—81	373	Electoral rolls .	1862-63
337	Scheduled Castes candidates elected on General seats .	1850-51	334	State Bank of India-	1863-64
346	Adult Blind Training Centre, Dehradun .	1851			
		1851-52			

U.S.Q. No.	Subject	COLUMNS	U.S.Q. No.	COLUM NS
WRITTEN ANSWER TO QUESTIONS—(contd.)			238 Promotions to Higher Grades . . .	1879-80
209	Removal of Untouchability . . .	1864	239 Integration of Hilly Areas . . .	1880
210	Primary School Teachers . . .	1864-65	240 Neiveli Project . . .	1880-81
211	Development of Andaman and Nicobar Islands . . .	1865	PAPERS LAID ON THE TABLE . . . 1881-82	
212	Oil Drilling in Bombay	1865-66	The following papers were laid on the Table:	
213	Report of the Official Language Commission	1866	(1) Notification No. S.R.O. 1297, dated the 27th April, 1957, making certain amendments to the Customs Duties Drawback (Nitrous Oxide) Rules, 1955 . . .	
214	Bomb Outrage in Delhi	1866	(2) Notification No. S.R.O. 1300, dated the 27th April, 1957, making certain amendments to the Customs Duties Drawback (Cigarettes) Rules, 1955 . . .	
215	Mineral Oil Survey .	1866-67	MESSAGE FROM RAJYA SABHA 1882	
216	High Power Coal Council . . .	1867-68	Secretary reported a message from Rajya Sabha that at its sitting held on the 15th May, 1957 Rajya Sabha had passed the Copyright Bill, 1957.	
217	Purchase of Aircrafts .	1868	ILL PASSED BY RAJYA SABHA LAID ON THE TABLE 1882	
218	District Courts Buildings in Delhi .	1868-69	Secretary laid on the Table the Copyright Bill, 1957, passed by Rajya Sabha .	
219	V.I.P. Squadron of I.A.F. . . .	1869-71	STATEMENT BY MINISTER 1882	
220	Multipurpose Schools in Punjab . . .	1871	The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha) made a statement regarding the order of Government Legislative and other Business for the week commencing the 27th May, 1957 . . .	
221	Retired Majors of the Army . . .	1871-72	ELECTION TO COMMITTEE 1883-87	
222	Council for Basic and Elementary Education	1872	The Minister of Industry (Shri Manubhai Shah) moved for the election of members from among the Members of Lok Sabha to be members of the Central Silk Board. The motion was adopted . . .	
223	Welfare of Scheduled Castes . . .	1872	The Deputy Minister of Food (Shri M. V. Krishnappa) moved for the election of members from among the	
224	Naga Situation . . .	1873		
226	Destroyers for Indian Navy . . .	1873-74		
227	Copper Deposits in India . . .	1874		
228	Income-tax	1874-76		
229	Estate Duty Cases .	1875		
230	General Education Courses Committee .	1875-76		
231	Basic Education Assessment Committee	1876		
232	Crime in Delhi .	1876		
233	Finds in Bokran .	1877		
234	Relief for political sufferers . . .	1877		
235	Journals of Ministries .	1878		
236	Reservation for Scheduled Castes and Scheduled Tribes .	1878		
237	Hindustan Steel Ltd., Rourkela . . .	1878-79		

## COLUMNS

## COLUMNS

members of Lok Sabha to be members of the Indian Central Sugarcane Committee. The motion was adopted .

**The Minister of Co-operation** (Dr. P.S. Deshmukh) moved for the election of members from among the members of Lok Sabha to be members of the Indian Central Jute Committee. The motion was adopted .

**The Minister of Co-operation** (Dr. P.S. Deshmukh) moved for the election of members from among the Members of Lok Sabha to be members of the Indian Central Coconut Committee. The motion was adopted .

**The Minister of Labour and Employment and Planning** (Shri Nanda) moved for the election of a member from among the Members of Lok Sabha to be a member of the Employees State Insurance Corporation. The motion was adopted . . .

**The Minister of Parliamentary Affairs** (Shri Satya Narayan Sinha) moved for the election of members from among the Members of Lok Sabha to be members of the Committee on Estimates. The motion was adopted .

**The Minister of Parliamentary Affairs** (Shri Satya Narayan Sinha) moved for the election of members from among the Members of Lok Sabha to be members of the Committee on Public Accounts. The motion was adopted . . .

#### MOTION FOR ASSOCIATION OF MEMBERS FROM RAJYA SABHA WITH PUBLIC ACCOUNTS COMMITTEE

**The Minister of Parliamentary Affairs** (Shri Satya Narayan Sinha) moved for the association of seven members from Rajya Sabha with the

Committee on Public Accounts of Lok Sabha. The motion was adopted .

#### MOTION RE FIRST REPORT OF BUSINESS ADVISORY COMMITTEE . . . 1818—90

**The Minister of Parliamentary Affairs** (Shri Satya Narayan Sinha) moved for agreement of the House with the First Report of the Business Advisory Committee presented on the 23rd May, 1957. The motion was adopted.

#### BILL PASSED 1890—1999

**The Minister of Finance** (Shri T.T. Krishnamachari) moved for the consideration of the Life Insurance Corporation (Amendment) Bill, 1957. The motion was adopted. After the clause-by-clause consideration the Bill was passed, as amended . . .

#### BILLS INTRODUCED 1974-75

**The Salaries and Allowances of Members of Parliament (Amendment) Bill**, the **Nationalisation of Light Railways Bill**, the **Central Government Servants (option for joining Contributory Health Service Scheme) Bill**, and the **Indian Penal Code (Amendment) Bill** were introduced . . .

#### BILLS UNDER CONSIDERATION . . . 1999—2036

**The Minister of Finance** (Shri T.T. Krishnamachari) moved that the Reserve Bank of India (Amendment) Bill, 1957 and the State Bank of India (Amendment) Bill, 1957 be taken into consideration. The discussion was not concluded .

#### AGENDA FOR 27TH MAY, 1957

**Reserve Bank of India (Amendment) Bill**, **State Bank of India (Amendment) Bill**, **Demands for Excess Grants, 1953-54**, **Central Sales Tax (Amendment) Bill** and **Copyright Bill** . . .