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LOK SABHA DEBATES

**Tenth Session
(Second Lok Sabha)**



LOK SABHA SECRETARIAT
New Delhi

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LOK SABHA

Monday, April 25, 1960/Vaisakha 5
1882 (Saka)

*The Lok Sabha met at Eleven of the
Clock.*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Art Silk Yarn

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•1665. { Shri Subodh Hansda:
 { Shri R. C. Majhi:
 { Shri S. C. Samanta:

Will the Minister of Commerce and Industry be pleased to state:

(a) what is the present position of production of art silk yarn in the country;

(b) what steps Government are taking to avoid heavy import of art silk yarn from abroad; and

(c) when is the country expected to become self-sufficient in art silk yarn?

The Minister of Commerce (Shri Kanungo): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

The actual production of different varieties of art silk yarn in India in 1959 amounted to 80 million lbs. (consisting of 37 million lbs. of filament yarn and 43 million lbs. of staple fibre yarn) as against an installed capacity of 92 million lbs. per annum (inclusive of 48 million lbs. of staple fibre yarn). In order to meet the growing demand and to reduce imports, installation of additional capacity to the extent of 78 million lbs. per annum (inclusive of 16 million lbs. of staple fibre yarn, 10 million

lbs. of synthetic fibre yarn and 9 million lbs. of rayon tyre cord) has so far been approved by Government and this capacity is expected to come into production fully sometime during the Third Plan period. Even this additional production is not expected to meet fully the country's demand by that time. At a recent meeting, the Development Council for Art Silk Industry has recommended that the target of production for satisfying adequately the total demand in the country for different varieties of art silk yarn by the end of the Third Plan period should be 345 million lbs. (consisting of 184 million lbs. of filament yarn, 141 million lbs. of staple fibre yarn and 20 million lbs. of rayon tyre cord). These recommendations are under consideration. Schemes for manufacture of rayon grade wood pulp which is one of the main raw materials for art silk yarn are under implementation and others are under consideration. When all these schemes materialise, the country could expect to be self-sufficient by the end of the Third Plan period.

Shri Subodh Hansda: From the statement I find that the installed capacity of art silk yarn is 92 million lbs. per annum, but production is only 80 million lbs. per annum. May I know what this shortfall is due to?

Shri Kanungo: That is not much of a shortfall, and after all, a lot of imported raw material is required.

Shri Subodh Hansda: From the statement I find that in order to meet the growing demand and to reduce imports, installation of additional capacity to the extent of 78 million lbs. per annum has so far been

approved by Government and that this capacity is expected to come into production fully sometime during the Third Plan period. May I know how much foreign exchange will be saved when this additional capacity of 78 million lbs. goes into full production?

The Minister of Industry (Shri Manubhai Shah): For an additional target of 100 million lbs., about Rs. 60 to 75 crores of foreign exchange will be required.

Shri Raghunath Singh: What is the value of the imported art silk yarn and the mode of payment?

Shri Kanungo: The value of imported art silk yarn in 1959 was as follows: Acetate: Rs. 73,65,000; Viscose: Rs. 8,20,15,000; other rayon yarn: Rs. 2,28,89,000.

Shri S. C. Samanta: The statement says that additional production is not expected to meet fully the country's demand during the Third Plan. At the same time, the Development Council for art silk industry has recommended that the target should be 345 million lbs. May I know whether this target of the Development Council will be reached?

Shri Manubhai Shah: This is an estimate made by the Ministry and the Development Council, but, as the House is aware, national resources being limited, the relative priority of various industries has to be worked out. It is our hope that we may be able to reach the target and that national self-sufficiency can be achieved. If not, there will remain some shortage of yarn.

Shri Hem Barua: What is the agency through which art silk yarn is imported? Is it through the National Small Industries Corporation, or through any other agency?

Shri Kanungo: The bulk of it is imported by actual users on the basis of export promotion.

Shri Sampath: May I know whether there is any proposal to set up a rayon grade pulp factory at Coimbatore, and if so, at what stage is the proposal?

Shri Kanungo: It has been licensed, and it is likely to go into production very soon.

Shri Tangamani: Out of the 78 million lbs. which is going to be installed for the current year,...

Shri Kanungo: Not the current year.

Shri Tangamani: May I know how much will go into production?

Shri Kanungo: As the statement says, by the end of the Third Plan the full capacity will go into production.

Shri Tangamani: My point is that there is already some installed capacity, more is going to be installed. I would like to know how much of the new capacity of 78 million lbs. will go into production.

Shri Manubhai Shah: Usually, a rayon project takes 3 to 3½ years. We expect by the end of the Second Plan we will reach 100 million lbs., and in another two years about 120 million lbs.

Shri Tyagi: What is the estimate of the total foreign exchange that may be involved in trying to make India self-sufficient in this?

Shri Manubhai Shah: As I have already mentioned, Rs. 60 to 75 crores will be required if we are to reach this target, as far as plant and machinery are concerned, but regarding the rayon grade pulp the wood pulp that will be required, we have resources. We have licensed one plant in Kerala with capacity of 150 tons per day. Four other proposals are under consideration. If all these fructify, as we hope they will, then practically not much foreign exchange would be required to be spent on the import of raw materials.

Shri Tyagi: Is the raw material for this the same as for paper?

Shri Manubhai Shah: No, Sir. This is somewhat superior bamboo because wood pulp is a more highly refined chemical having higher content of alpha cellulose, as compared to paper pulp.

श्री विभूति मिश्र : मैं जानना चाहता हूँ कि अभी सरकार जितने आर्ट सिल्क का इम्पोर्ट कर रही है उसको अगर वह आस्ट्रे-रिटी करके रोकना चाहे तो किस मात्रा में रोक सकती है ।

श्री मनुभाई शाह : इसे रोकना बहुत मुश्किल है क्योंकि लाखों की तादाद में हैंड लूम इस समय चल रहे हैं, और कई सालों से चल रहे हैं । लेकिन एक्सपोर्ट प्रमोशन के जरिये से, इम्पोर्ट को सेव करने के जरिये से और रुई के सिल्विस्ट्रूट का काम लेते हुए जितना कम से कम फारेन एक्सचेंज हम रिलीज कर सकते हैं, करते हैं ।

Shri Venkatasubbaiah: May I know whether Government propose to give any financial assistance for increasing the production of the Sirsilk Factory at Hyderabad?

Shri Manubhai Shah: The proposal is under consideration to develop the factory. They do not need any financial assistance.

Shri Warior: May I know the progress made in the implementation of the installed capacity of the rayon pulp factory in Nilambur?

Shri Manubhai Shah: There is a question in the List today about it, I do not exactly remember the number of the question. In reply to that I have indicated that orders have already been placed for the plant and machinery, and that the capacity has been proposed to be raised from 100 to 150 tons per day of rayon pulp.

Shri Yadav Narain Jadhav: May I know how the yarn is allotted to the different sectors in the textile industry, and whether there will be any change in the Third Plan in the allotment?

Shri Kanungo: There will be no change for the moment until full capacity is attained. At the present moment it is strictly rationed.

Shri Hem Barua: The Hon. Minister said that it was imported by individual weavers. May I know whether it has come to the notice of Government that there are instances of mal-distribution, resulting in soaring prices?

Shri Kanungo: As I have said, the available goods are strictly rationed, and the bulk of it is on the basis of export promotion, that is, the parties who are able to export get the licences. Therefore, there is shortage, but all steps have been taken to see that prices do not shoot up.

Shri Venkatasubbaiah: Referring to my earlier question regarding the financial assistance to be given to Sirsilk, I would like to know details of the quantum of assistance that is to be given, and the contemplated increase in production.

Shri Manubhai Shah: They do not need any financial assistance. All that we have to do is to approve the expansion programme. Perhaps the hon. Member knows that they are quite capable of looking after their financial requirements.

Dairy Machinery

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*1669. { **Shri Aurobindo Ghosal:**
Shri Ram Krishan Gupta:

Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 1018 on the 18th December, 1959 and state:

(a) whether the actual sites for the manufacture of Dairy Machinery have since been selected; and

(b) if so, the number of sites selected?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table of the House.

STATEMENT

M/s. Alfa Laval India (P) Ltd. and
M/s. Vulcan Trading Co. (P) Ltd.

have decided to locate their undertaking in Pimpri, Industrial Area, Poona. M/s. A. P. V. Engineering Co. have proposed a site in West Bengal area. The exact location has not yet been indicated.

Shri Aurobindo Ghosal: Who will be the foreign collaborator in the case of the factory to be set up in West Bengal?

Shri Manubhai Shah: For the time being, Messrs. A. P. V. Engineering Co., who are going to set up a factory in West Bengal, have not asked for any foreign collaboration, but we do understand that they are negotiating with a foreign firm.

Shri Aurobindo Ghosal: May I know whether this firm will manufacture pasteurising machines also?

Shri Manubhai Shah: Yes, Sir, perhaps they may include those machines also.

Silk Powerlooms

*1667. **Shri Pangarkar:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any survey has been made regarding powerlooms working on artificial silk yarn in the country; and

(b) if so, what steps are being taken in the matter?

The Minister of Commerce (Shri Kanungo): (a) and (b). A survey of unauthorised powerlooms working on cotton and artificial silk yarn has been undertaken. The survey has not yet been completed, as reports from a few States are still awaited. Further steps to be taken will be decided after the survey is completed.

Shri Pangarkar: May I know the steps taken by Government to promote the growth of artificial silk yarn during 1959?

Shri Kanungo: That question was just answered.

Shri Pangarkar: May I know the number of powerlooms which worked on artificial silk yarn during 1959?

Shri Kanungo: That will be available only after the census is completed.

Shri Ranga: Was any effort made to consult either the Handloom Board or the Art Silk Development Council as to the advisability of introducing powerlooms even in regard to artificial silk weaving?

Shri Kanungo: It is a question of a census for finding out unauthorised powerlooms. From 1956, there has been a ban on the installation of powerlooms, but in spite of that, some looms have come up.

Shri Yadav Narain Jadhav: In reply to a previous question on a former occasion in regard to the survey of the powerlooms, it was stated that the survey was being taken up. This reply was given about six months ago. May I know how long it will take to complete this survey?

Shri Kanungo: The date for the census was fixed in March, 1960. Several States have completed it, but some of them have not yet completed it.

Shri Ranga: May I know the States where a large number of unauthorised looms are supposed to have been brought into existence?

Shri Kanungo: We shall know that after the census figures are available.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Bombay.

Employment of Engineers and Doctors

*1668. **Shri Bibhuti Mishra:** Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that a number of engineers and doctors are unemployed in the country;

(b) whether it is also a fact that they do not want to go into villages; and

(c) if so, whether Government have any scheme to induce them to go to villages so that their services may be utilised?

The Deputy Minister of Labour (Shri Abid Ali): (a) Unemployment among engineers and Doctors is very small.

(b) There is no report of any general unwillingness.

(c) Government of India have no such scheme.

श्री विभूति मिश्र : क्या सरकार के पास इस किस्म के कोई आंकड़े हैं कि कितने डाक्टर्स और इंजीनियर्स गांवों में बस कर वहां के लोगों की सेवा कर रहे हैं ?

श्री आबिद अली : यह तो हेल्थ मिनिस्ट्री से पूछना चाहिये ।

Shri T. B. Vittal Rao: In regard to part (b) of the question, I would like to submit that they do not want to go to the villages, but the hon. Minister says that there is no such report. This is a general thing which is going on all over the country.

Mr. Speaker: Is there any refusal or unwillingness on the part of these people to go and settle down in the villages? Are engineers also to go into the villages and settle down there? I can understand doctors going into the villages and setting up practice there.

Shri T. B. Vittal Rao: I am referring to medical practitioners.

Mr. Speaker: The question refers to engineers and doctors.

Shri S. M. Banerjee: The Deputy Minister has stated that the number is very small. May I know the number of doctors and engineers registered with the employment exchanges in 1958, and whether the figure has considerably increased in 1959?

Shri Abid Ali: At the end of 1958, all over the country, the figure was 518 in respect of engineers and 186 in respect of doctors; at the end of 1959, the figures were: Engineers: 598; Doctors 143.

Shri Surendranath Dwivedy: Have all of them been employed?

Mr. Speaker: Have they since been employed?

श्री पद्म रेव : क्या मंत्री महोदय यह बतला सकेंगे कि रोजगार न मिलने के कारण बहुत से डाक्टर्स और इंजीनियर्स अपने देश को छोड़ कर विदेश में रोजगार करने के वास्ते चले नहीं गये हैं ?

श्री आबिद अली : कुछ तो जाते हैं मगर इन डाक्टरों और इंजीनियरों में बहुत से काम पर लगे होते हैं । वह जब पास होते हैं तो अपना नाम फौरेन एम्प्लायमेंट एक्सचेंज में लिखवा देते हैं । उनमें से काफी व्यक्तियों को काम मिल भी जाता है । कुछ ऐसे भी उनमें नाम लिखवा देते हैं जो कि यहां पर नौकर हैं लेकिन वे अपने प्रोस्पेक्ट्स को बेटर करने के वास्ते विदेशों में नौकरी करना चाहते हैं ।

Shri Rami Reddy: May I know whether it is a fact that in the several primary health centres opened in the several blocks and community development centres, there are no doctors, because the doctors are refusing to go to the villages, and if so, how many public health centres are without doctors, and what steps have been proposed to be taken by Government to supply the doctors?

Shri Abid Ali: That question has to be addressed to the appropriate Ministry, not to the Labour Ministry.

Shri Rami Reddy: Part (b) of the question relates to this, and says that doctors are refusing to go to the villages.

Shri Abid Ali: No, there is no occasion, so far as we are concerned. Whenever they are offered....

Shri Rami Reddy: Is it not a fact that because doctors are refusing to go to the villages, therefore, several incentives are proposed to be given to the doctors?

Mr. Speaker: The Labour Minister is not the appropriate Minister to answer that question.

Shri Abid Ali: Doctors generally prefer to remain in the urban areas. That is true.

Mr. Speaker: The Labour Minister only brings the employer and the employees together. That is all that he does.

Shri Venkatasubbaiah: May I know whether the hon. Minister's attention has been drawn to the fact that several of the medical graduates set up their practice in towns and they do not go to the villages, and if so, whether Government propose to put any restrictions on such people before they are admitted into the medical colleges?

Shri Abid Ali: As the hon. Member knows, some of the universities and State Governments have now made this a part of the curriculum, that after they graduate, they should go to the villages for a limited period, and then only they will be given their degrees.

श्री विभूति मिश्र : हमारे प्रधान मंत्री महोदय ने कुछ समय पहले एक बयान दिया था कि इस तरह के देश में जब टेक्निकल हैंड्स हैं, डाक्टर्स और इंजीनियर्स वगैरह, उनका एक पूल बनाया जाय और जब तक उनको एम्प्लायमेंट न मिले तब तक सरकार उनके जीवन निर्वाह के लिये खर्चा दिया करे, तो क्या हमारे लेबर मंत्री महोदय कुछ इस तरह से चल रहे हैं ?

श्री आदिब खन्नी : कामर्स एण्ड इंडस्ट्रीज मिनिस्ट्री ने इस बारे में कुछ किया तो है ।

Shri Thirumala Rao: Is the hon. Minister aware of any proposal with

the Ministry of Community Development to provide amenities like proper housing etc. for the doctors in the community development blocks, so that they may be encouraged to go there?

Shri Abid Ali: The number of doctors and engineers is, as a matter of fact, smaller than what is needed. As I have said, some inducement is given, and with regard to those who are beginners also, I have stated what is being done.

Shri C. K. Bhattacharya: May I know whether the attention of the hon. Minister has been drawn to the fact that the Chief Minister of West Bengal who is himself a doctor had proposed the closing of a term of one of the medical colleges, because there had been more doctors than the State of West Bengal could accommodate?

Shri Abid Ali: Everywhere, there is shortage, so far as I know. I take the information from the hon. Member.

Indian Oxygen Ltd., Calcutta

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*1669. { Shri H. N. Mukerjee:
 { Shri Muhammed Elias:
 { Shri Prabhat Kar:

Will the Minister of Commerce and Industry be pleased to state:

(a) what is the proportion to the total of shares held in the Indian Oxygen Ltd., Calcutta by shareholders resident in India and abroad;

(b) whether it is a fact that during 1959 a foreigner was appointed Assistant Managing Director of the company; and

(c) if so, the reasons therefor?

The Minister of Industry (Shri Manubhai Shah): (a) M/s. Indian Oxygen Ltd., Calcutta have an issued equity capital of Rs. 2 crores out of which shares worth Rs. 1.4 crores are held by Messrs. British Oxygen Co. Ltd., U.K. and the balance by the Indian public.

(b) and (c). In 1959 the Company applied for permission under Section 260 of Companies Act, 1956 for appointment of one Shri Patrick Charles Kavanagh, a Senior Executive as Assistant Managing Director of the company and the Government's approval was accorded on the 13th August, 1959 for a period of five years with effect from 1st June, 1959.

Shri H. N. Mukerjee: Some time ago, the Minister said that 30 per cent. of the shares in this company were held by Indian shareholders. May I know if Government have any idea about the proportion of Indian shareholders, which has got to be ensured in this company because of its special position?

Shri Manubhai Shah: We have always been encouraging further and further Indian participation. As it is, as a result of our efforts, out of Rs. 2 crores, 30 per cent. is now held by Indians, and I do hope that in the future years, the percentage will increase to 40 or 45 per cent.

Shri H. N. Mukerjee: In view of the fact that this company is the subsidiary of a British company, against which certain malpractices were proved in Britain, and also in view of the opportunities for foreign exchange manipulations, which are open to this company, may I know what steps are being taken by Government to ensure that by bename kind of transaction British control does not continue in this company?

Shri Manubhai Shah: In this House, this matter has been raised several times, and we have tried to give the full explanation. The British Commission did hold against the British company which is the major shareholder of this company certain malpractices, as happens in every country, namely that certain big consortia try to resort to anti-social activities. As far as the Indian company is concerned, I had the privilege to mention here that no such malpractice, either in price or in distribution, has come to our notice at all in spite of securing inquiries.

Even then, we are trying to see that the field of industrial gases is not monopolised by one firm; four more Indian firms have been encouraged to set up capacity for industrial gases.

Shri H. N. Mukerjee: May I know if in recent months this company has got hold of a great deal of foreign money? May I also know if capital goods have been imported by this company by the utilisation of such money or in other ways?

Shri Manubhai Shah: As the hon. Member knows, nobody can get hold of any fresh capital without the permission of the Controller of Capital Issues. All that has been allowed to this company is the normal, legitimate proportion of the equity held which is being financed partly by the Indian company and partly by the British company.

Shri Joachim Alva: What is the difficulty in the way of this company operating completely independently of the British head office in regard to share capital?

Shri Manubhai Shah: It is an Indian company. Only a percentage of the shares is held by the British company.

Shri Joachim Alva: Then how was this Assistant Managing Director allowed to come in and hold the job for five years when Indians are available in sufficient number?

Shri Manubhai Shah: The point at issue about the employment of foreigners in foreign or Indian enterprises here has been fully known to the House. Every year as per directions of this House, on the 31st December we issue a press note stating the position. I am glad to say that all the posts below Rs. 1000 per month have been fully Indianised. As regards posts carrying a salary of Rs. 1000 per month and above, the progress made in Indianisation—details of which I had the privilege to lay before the House—is almost 50 per cent. now—even more than the

target figure. More and more Indianisation is taking place, and the number of Indian executives in foreign firms has risen precipitously from 600 men at the time of independence to more than 5000 people now. Therefore, there has been steady progress.

As far as this particular gentleman is concerned, this appointment was because of his qualifications and experience. I may inform the House that their first Indian Managing Director—one Shri Sen—has been taken by this company.

**Hindustan Cables (P) Ltd.,
Rupnarainpur**

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*1670. { Shri Shree Narayan Das:
Shri Radha Raman:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether plans for the expansion and development of Hindustan Cables Factory at Rupnarainpur have been considered;

(b) if so, the nature and extent of expansion and development considered;

(c) the result of such consideration; and

(d) the extent to which raw materials for this factory are met by indigenous production?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). The factory has at present an installed capacity for the production of (1) 470 miles of dry core telephone cables and (2) 300 miles of coaxial cables per annum. Proposals for expansion are under consideration for:

(i) production of 2000/2500 miles of dry core cables on multiple shifts and by installing additional plant and machinery;

(ii) installation of a Copper Wire Drawing Plant; and

(iii) installation of a unit for the manufacture of plastic insulated tele-communication cables.

(c) A final decision will be taken soon to approve these expansions.

(d) About 80 per cent. of the raw materials are being met from indigenous sources.

Shri Shree Narayan Das: May I know the extent to which the production meets the requirements of the country?

Shri Manubhai Shah: As far as present thinking goes, we will try to make the country self-sufficient in all the coaxial and other cables for the posts and telegraphs within the next three to four years.

Shri Shree Narayan Das: May I know what is the requirement of foreign exchange for the expansion of production contemplated?

Shri Manubhai Shah: About Rs. 4½ crores, of which Rs. 2½ or Rs. 2½ crores will be the foreign exchange involved.

Shri Radha Raman: May I know whether after the expansion of the factory has been undertaken, we shall be in a position to produce so much as to export something outside?

Shri Manubhai Shah: I am glad this question is asked. I was going to refer to it, but it might have been thought that when we are not even self-sufficient I am talking of exports. It is our definite intention to export cables from this factory.

सेठ अचल सिंह : : क्या माननीय मंत्री महोदय यह बताने की कृपा करेंगे कि देश में केबिल की कितनी डिमाण्ड है और उसका देश में कितना उत्पादन होता है ?

श्री मनुभाई शाह : यह तो मैंने अभी बताया कि हम बाहर में दो ढाई करोड़ के केबिल मंगाते हैं और सवा डेढ़ करोड़ के देश में बनाते हैं। लेकिन अब जो हम प्रोडक्शन

करने जा रहे हैं वह देश को इस मामले में स्वावलम्बी भी बनाएगा और उसमें से हम निर्यात भी कर सकेंगे।

Tractors

*1672. **Shri A. M. Tariq:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether firms dealing in tractors also take advance from the customers at the time of registration of names; and

(b) whether Government have taken any action in the matter?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table of the House.

STATEMENT

In general the distribution of tractors is being looked after by the Ministry of Food and Agriculture. No such system of advance has been initiated either by that Ministry or the Ministry of Commerce and Industry. However, any such system of distribution would normally be a matter between the buyers and the distributors for different commodities. If the Hon'ble Member has received any complaint in this connection, I will be glad to get it looked into by the Ministry of Food and Agriculture and our Ministry.

Shri A. M. Tariq: It is stated in the statement:

"However, any such system of distribution would normally be a matter between the buyers and the distributors for different commodities."

This is my question, whether Government have laid down any policy or procedure to be followed for the purchase of these tractors. Small people who want to purchase tractors are asked to give Rs. 5000 in advance. Still the tractor is not available for years and years. People are waiting for the last two years and they

have not got it. What action do Government propose to take?

Shri Manubhai Shah: That is what I have indicated in the answer. Firstly, the matter is really one that concerns the Ministry of Food and Agriculture. Even so, presently the production, as the House is aware, is not at all substantial. It is very minor. We have licensed two manufacturers. Already four cases are under consideration in order to produce 10,000 tractors of different types per year. Once production starts, linking it up with distribution would be possible. Today established importers are allowed to import under the general policy of import. I hope that the hon. Member does not expect us to make the distribution also possible in respect of everything, putting the importers in touch with the dealers and with the consumers.

Shri Raghunath Singh: What is the requirement of tractors in India, what is the number of tractors imported and what is the value thereof?

Shri Manubhai Shah: The numbers of tractors required, as estimated by the Working Group in the Third Five Year Plan, are as follows:

Draw Power/Horse Power	Number
18 and less	3,000
20-30	5,500
30-50	1,500

These 10,000 tractors or so are going to be manufactured. We hope that within the next six months we would have three to four schemes to make the country self-sufficient in a period of three years or so.

Shri Tyagi: Is it the intention of the Ministry to utilise the potentiality of the ordnance factories for production of tractors?

Shri Manubhai Shah: As far as ordnance factories are concerned, their capacity is utilised in diverse ways. If anything is fruitful, there is nothing to stop them from undertaking such a

programme. But as far as the normal production of tractors is concerned, this is the broad pattern which is being worked out.

Shri Tangamani: May I know whether Government have received any complaint that in the matter of distribution of these tractors no definite principle—whether it is a question of priority or otherwise—is being followed? Have such complaints been received from different States.

Shri Manubhai Shah: That is what I have indicated in the main answer. Established importers, under the normal licensing policy, are getting a certain quantity of tractors. The Ministry of Food and Agriculture is trying to make as many tractors available to as many consumers as possible. If any hardship is indicated at any point, as I have mentioned in the main answer, I will be grateful to hon. Members for pointing it out. I will pass on all such information to the Ministry of Food and Agriculture as well as use the good offices of our Ministry to look into them.

Shri Dinesh Singh: In view of the fact that 'advance' money is locked up for a long time, are Government planning to rationalise the system of advances?

Shri Manubhai Shah: That is exactly what I have indicated in the main answer.

Shri Dinesh Singh: The position is that they are asked to give advances and they do not get the tractors for four or five years. Would it not be better to take advance only from those who could be supplied within a year or so?

Shri Manubhai Shah: Firstly, the facts as stated by the hon. Member are not borne out by the reports that we have got, that advances are held up for so many years. But I did make a definite suggestion that if any hardship of this nature was experienced by any person and if it was brought to our notice in a specific manner, I would pass on the informa-

tion to the Ministry of Food and Agriculture and also see it through our Ministry if something could be done or not.

Shri Narasimhan: Have not Government thought it fit to take the initiative themselves and find out from the companies which undertook to supply on the basis of deposit, whether there has been any undue delay in the case of some and favour shown in the case of others?

Shri Manubhai Shah: We have received no specific complaint. The point is that there is no production in the country whereby we can regulate. All established importers under their quota are getting something. We will certainly look into any specific complaint brought to our notice. Otherwise, we do not undertake to distribute everything imported into this country just for the sake of it.

Shri C. R. Pattabhi Raman: We are not dealing with manufacturers; we are only dealing with dealers. Will Government consider the suitability of having a comprehensive set of rules for this purpose?

Shri Manubhai Shah: We may be able to work out if there was difficulty experienced in a general way.

Shri Ramanathan Chettiar: May I know whether there is any proposal to revive the Central Tractor Organisation which has been defunct for some time or to set up another organisation, to look after this?

Shri Manubhai Shah: If I may submit, the whole question should have been directed to the Ministry of Food and Agriculture. We took it on because it was sent to us and we did not want to shirk the responsibility of replying. But the C.T.O. is exclusively their responsibility, not ours.

Shri Raghunath Singh: May I know the position of the *Shaktiman* tractor manufactured by the ordnance factories....

Shri Manubhai Shah: It is a truck, and earth moving heavy tractors. So far, as far as we are aware, agricultural tractors are not included.

श्री रघुनाथ सिंह : मैं यह जानना चाहता हूँ कि डिफेंस फैक्टरी से जो ट्रैक्टर निकल रहे हैं क्या सरकार उनको खरीदना चाहती है या नहीं और वह अच्छे हैं या नहीं ?

श्री मनुभाई शाह : जहाँ तक आपके सवाल का सम्बन्ध है उसे मैं मेम्बरान को जानकारी के लिये साफ कर देना चाहता हूँ। यहाँ पर जो इन समय बात हो रहा है वह एग्रीकल्चर के ट्रैक्टरों के बारे में है। अफिर जापानीज फर्म के साथ जो डिफेंस भिनि ट्रा का कांट्रैक्ट हुआ है वह अर्थ मूविंग इक्विपमेंट के लिये हुआ है, जो कि भारो किस्म के ट्रैक्टर होते हैं। इन दोनों का कोई सम्बन्ध नहीं है, और जो अर्थ मूविंग इक्विपमेंट या एग्रीकल्चर ट्रैक्टर बनाया जाएगा उसको, जब वह बन जाएगा तो गवर्नमेंट आफ इंडिया खरीदगा।

श्री त्यागी : तो क्या यह समझा जाए कि आर्सेनेल्स फैक्टरी के जो ट्रैक्टर हैं वह खेती जोतने के काम में नहीं आयेगे ?

Mr. Speaker: This need not be replied. I have allowed a number of supplementaries and when I have proceeded to another question hon. Members must stop, and let me proceed to the next question.

Price of 'Sea Island Andrews' Cotton

*1674. **Shri Jinachandran:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government are aware of the poor price obtained for 'Sea Island Andrews' cotton in the auction sales held at Coimbatore on the 8th March, 1960;

(b) what are the reasons for this sudden fall in price; and

(c) what steps Government are taking to safeguard the price level of this commodity?

The Minister of Commerce (Shri Kanungo): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) The price obtained for Sea Island 'Andrews' cotton at the auction held on the 8th March, 1960, at Coimbatore was no doubt low as compared to the price obtained for it during the last year. But it cannot be considered poor as it continues to be considerably higher than the price ruling for equivalent varieties of foreign cotton.

(b) The fall in the current price of Sea Island 'Andrews' cotton is due to the fact that during the last year the quantity of this variety of cotton available was limited and there was keen competition among the textile mills to purchase and use the super fine cotton grown for the first time in the country which resulted in its fetching phenomenal prices. Similar circumstances do not any longer exist, as the production of this variety of cotton during the current year is expected to be substantial and also there is no longer any novelty about it.

(c) As the prices of Sea Island 'Andrews' cotton continue to be sufficiently high, Government do not consider it necessary to take any steps towards giving protection to its price level.

Shri Jinachandran. May I know whether the mill-owners of Coimbatore have combined themselves and reduced the auction price?

Shri Kanungo: The prices fetched last year were certainly lower than the prices fetched the year before. But the prices fetched this year were much above the equivalent price of imported cotton. The Cotton Committee which has got a special organisation for increasing the production of this cotton are now thinking of accepting tenders for cotton if the prices in auction do not go up high enough.

Shri Jinachandran: May I know the present ruling prices in Bombay and

the Coimbatore prices at which they are sold?

Shri Kanungo: The equivalent price of the imported cotton is much lower. As I said, it is Rs. 1,920 per candy; while the price fetched for the 'Sea Island' cotton was Rs. 2,230 to Rs. 2,250 per candy.

Shri Warior: May I know how much is the annual demand for this variety of cotton and how much is indigenous production?

Shri Kanungo: This is a new variety of cotton which is being tried; and we cannot say about the actual demand for this cotton because it was never used before. The demand for higher staple cotton is considerable.

Shri T. B. Vittal Rao: May I know whether any assessment of the cost of production of this variety of cotton has been made?

Shri Kanungo: I am not aware of it. The Cotton Committee must have the figures; I have not got them.

Shri Jinachandran: May I know what is the total area under cultivation for this variety?

Shri Kanungo: The anticipated acreage will be 20,000 acres in 1962.

Shri Jinachandran: What is the present acreage?

Shri Kanungo: 20,000 acres are expected to be under Sea Island cotton in 1960-61.

Shri Venkatasubbaiah: In view of the fact that the per acre production of this Sea Island cotton is more than that of other varieties of cotton, do Government propose to propagate it in other areas where there are such climatic conditions prevailing suitable for the production of this kind of cotton?

Shri Kanungo: Steps will be taken provided the planting material and the climatic conditions are favourable.

Import of Cars

*1675. **Shri Dinesh Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government propose to grant licences for import of big cars;

(b) whether assembled cars will be imported or only their components for assembling in India; and

(c) how many such cars will be available this year?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). A statement is laid on the Table of the Sabha.

STATEMENT

As a matter of policy, import of assembled cars on commercial basis is not permitted. Import of big cars, even in c.k.d. condition, has been discontinued from July 1956, in view of the foreign exchange difficulties. To meet the requirements of tourist traffic and state Governments, licences have been granted to M/s. Premier Automobiles in 1959 for the import of 96 Nos. of Plymouth (Dodge Group) cars in c.k.d. condition. All the 96 cars are expected to be assembled during the course of this year.

Shri Dinesh Singh: May I know whether these cars would use any of the component parts produced locally?

Shri Manubhai Shah: Tyres, tubes and rest of the things; but not exactly manufactured components.

Shri Dinesh Singh: What is the foreign exchange amount involved in this?

Shri Manubhai Shah: Each pack would cost about Rs. 10,000. As it would 100 cars it would be about Rs. 12 lakhs.

Shri Vidya Charan Shukla: May I know what was the demand of the State Governments for such cars and how many cars have been allotted to them out of this?

Shri Manubhai Shah: There is a slight slip in this statement. It is not the State Governments; it is really the State Governors and only a few for State Governments. The big cars are only allowed to the Government Houses for the use of the Governors and the President. The whole thing is limited. They will not be normally allowed to use too many of the big cars.

Shri Ramanathan Chettiar: The other day in reply to a question concerning these cars, the hon. Minister of Industries said that 200 cars will be permitted to be manufactured by the Premier Automobiles for the tourist department. Is this 96 inclusive of the 200?

Shri Manubhai Shah: 200 may be necessary, of which 96 is the present allotment which they had asked for. The Tourist Department would not require all the 200 now. It is the total fixed for the tourists plus Governors' requirements, of which 96 is already given.

Shri A. M. Tariq: May I know whether Government is aware of the fact that some foreigners who are in India in connection with some official and other duties bring some cars and sell them here at very high prices? If so, what action has been taken?

Shri Manubhai Shah: If I may only crave your indulgence, this matter has been raised several times and answered by me.

Mr. Speaker: He need not answer it.

Shri Joachim Alva: Is the hon. Minister aware of the statement made by the Minister of Defence that he had difficulties with the automobile manufacturers in regard to the buying of trucks that they charged a premium of Rs. 5,000 when the orders were executed and this Premier Automobiles is one of those manufacturers to whom you allow these 96 cars? Will Government see that they have a very strict control in regard to the sale prices?

Mr. Speaker: This question hardly arises out of this. Next question. These are intended for Governors. (Interruption).

Tele-Communication Cable Factory

***1679. Shri P. C. Borooah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a tele-communication cable factory is going to be set up in collaboration with a Japanese firm; and

(b) if so, the details thereof?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Expansion of Hindustan Cables is under active consideration. No collaboration with any Japanese firm is under consideration in this respect.

Shri P. C. Borooah: May I know whether the factory will be in the private sector or the public sector; what will be the investment and what will be the foreign exchange component?

Shri Manubhai Shah: The Hindustan Cables is a public sector project. Of course, there is nothing to debar the private sector from coming forward with such a proposal. But, for the present, it is the Hindustan Cables in which this extension is envisaged.

Shri P. C. Borooah: What is the estimated requirement of cables per year for the country and what is the present production?

Shri Manubhai Shah: As I had indicated earlier, about $1\frac{1}{2}$ to $1\frac{1}{2}$ crores is being manufactured and 2 crores to $2\frac{1}{2}$ crores will be imported. With the expansion of the Hindustan Cables in the public sector as proposed, we hope to make the country self-sufficient and leave a margin for export of these cables to foreign countries.

Shri P. C. Borooah: May I know whether there is any difference of opinion with the Planning Commission as to the requirements of cables for the Third Five Year Plan?

Shri Manubhai Shah: There is no difference of opinion at all.

Plan for Boosting Exports

*1680. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government propose to prepare a five year plan for boosting exports;

(b) the nature of the plan; and

(c) the brief outline thereof?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) to (c). The matter is being considered in consultation with the various organisations concerned. The idea may take time to materialize.

Shri D. C. Sharma: May I know what are the various organisations which are being consulted in this matter?

Shri Satish Chandra: The Export Promotion Councils, the Commodity Boards such as the Tea Board, Coffee Board, the Indian Jute Mills Association and other organisations dealing with different commodities. In consultation with the Development Wing, the production capacity of different industries has also to be assessed.

Shri D. C. Sharma: May I know if it is being done at conference level or whether sub-committees of the Development Councils are meeting and discussing this problem as a whole or whether this problem is being discussed in bits?

Shri Satish Chandra: Preliminary discussions have taken place with the Planning Commission and some tentative targets are being worked out in the Ministry on the basis of past exports and the information available about the current production and the increased production in the coming year. These targets will be intimated to various organisations and their comments will be invited as to whether they are realistic. They shall

again be considered in consultation with the Planning Commission and the Development Wing and other concerned organisations in the Government of India before the final plan is made out.

Shri K. U. Parmar: May I know whether Government will consider the requests coming forward from the Scheduled Castes for import and export licences? Will there be any provision for that in this particular scheme?

Shri Satish Chandra: The question does not relate to the issue of export and import licences at all.

Shri D. C. Sharma: May I know if the difficulties of malpractices experienced all along the line so far as our exports are concerned are also going to be looked into by this committee or by some other committees?

Shri Satish Chandra: Whenever such specific complaints are received, we try to investigate into them. As far as possible, attempts are made to raise the standard of packing about which there are complaints. But there are not a large number of complaints about these things. Otherwise, we could not have reached the present level of exports.

Shri Vidya Charan Shukla: Previously the Government undertook several export drives. Is it the intention to discontinue those export drives and start new ones altogether?

Shri Satish Chandra: All those measures are continuing and will continue. The idea is to make a definite plan on the basis of which we can work in the future.

Shri Vidya Charan Shukla: What is going to be the role of the STC as far as the export promotion drive is concerned?

Shri Satish Chandra: The STC is playing an increasingly prominent role, year after year, in the promotion of exports.

Shri D. C. Sharma: Is it that our export promotion drives lose their momentum after about six months? What efforts are going to be made psychologically and otherwise to keep up this momentum throughout the Third Plan?

Shri Satish Chandra: The presumption of the hon. Member is not at all justified because in the year just passed i.e. 1959, we exported goods worth about Rs. 45 crores more than in the previous year.

Shri Basappa: May I know whether the World Bank Mission had expressed a pessimistic view of our export drive?

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Yes, Sir; I have read it in the papers. I have not seen the actual report. It is for individuals or the different bodies to express their own opinion. But when I had met them I had told them that I did hope that we would be able to improve and increase our exports in the coming few years.

Chinese Trade Agency, Kalimpong

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*1681. { **Shri Assar:**
Shri U. L. Patil:
Shri Hem Barua:
Shri P. G. Deb:
Shri Arjun Singh Bhadauria:
Shri Vajpayee:

Will the Prime Minister be pleased to state:

(a) whether it is a fact that recently an Indian Police sentry posted outside the Chinese Trade Agency at Kalimpong was attacked by Chinese inmates while he was doing his duty to arrest a suspicious character;

(b) if so, the details thereof; and

(c) whether any action has been taken by Government against these attacks?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) and (b). On the 19th January, 1960, when the sentry on duty at the

rear of the Trade Agency was questioning a person who desired entry, a Chinese official caught hold of his left arm and two other Chinese officials dragged the visitor inside.

(c) We have protested to the Chinese Embassy against the Chinese officials' interference with the sentry's performance of his official duty.

Shri Assar: In view of the fact that the members of the Chinese Embassy do not enjoy diplomatic immunity, may I know why no action has been taken against the Chinese officials?

Shrimati Lakshmi Menon: I really do not know what action can be taken. We pointed out that it was all wrong because this man was posted for their safety and it was wrong of them to have interfered with him in the performance of his duties.

Shri Vajpayee: Sir, it is a serious incident. An Indian sentry has been manhandled on Indian soil. I want to know why the Government cannot arrest the Chinese officials who had dared to manhandle the Indian sentry on the Indian soil?

Shrimati Lakshmi Menon: The Chinese have said in their protest that the sentry had pointed out his rifle at the visitor and that was why he was manhandled. . . . (Interruptions.)

Shri Vajpayee: Are we to give credit to the Chinese protest? The question is why Government did not take any action against the Chinese officials.

Mr. Speaker: The hon. Minister says that they have got a counter case.

Shri Vajpayee: They have no case; there is no case. . . . (Interruptions.)

Shri Tyagi: In view of the latest information given by the Minister that our sentry is alleged to have pointed his rifle towards the Chinese, in that background, I want to know how our Government lodged a protest against China instead of submitting their apology to China. If the Government were convinced that their own man

was misbehaving, I think they ought to have submitted an apology rather than a protest.

Shrimati Lakshmi Menon: If you permit me, I will explain, Sir. There are two versions. The Chinese in their note of protest handed over to us on the 6th February, 1960 alleged that the sentry had raised his rifle to threaten the visitor to leave the Agency and that later three guards had appeared to prevent the Chinese visitor from entering the agency. They further stated that the local police officials apologised for the misunderstanding. We have denied all these things because our own version was very different. As I have pointed out, this man was a bean curd seller and he was coming to the Agency and was trying to enter by the back door and our sentry asked him to come by the front door and he tried to create an ugly scene and so all these things had happened.

Shri Tyagi: Shall I take it that the Government had not accepted the plea and their argument that our sentry had committed any excess? Is that the position?

Shrimati Lakshmi Menon: In our note on 4th of April, 1960 we rejected the Chinese allegations and stated that but for the exemplary behaviour of the sentry in the performance of his duties, an ugly incident might have occurred. We also took exception to the Chinese officials interfering with the sentry's performance of his official duties and pointed out that any communication by the Agency officials should be addressed only to the SDO at Kalimpong, and not conveyed to the sentries.

Shri Ranga: In view of the fact that no diplomatic privilege and other things are involved in this particular case, why is it that the ordinary machinery did not take charge? Whenever such complaints are made to the police, the police take charge of the case and arrest the culprits? Why has that procedure not been followed? Why did the Government intervene and lodge a protest and thus invite a

counter protest and so on? I would like to have an answer for this. Government need not have been brought into it at all.

Mr. Speaker: Next question.

Shri Braj Raj Singh: On a point of order. Interference with the duties of Government officials is a cognisable offence under Sections 332 and 353 IPC. So, when the offence is cognisable, why was it that a case was not registered? Have the Government enquired whether a case cannot be registered? . . . (*Interruptions.*)

Mr. Speaker: Next question. Shri Raghunath Singh . . . (*Interruptions.*) Order, order. All that the hon. Members can do is to elicit information from the Government. Notwithstanding that, I have allowed some suggestions also. In some cases there may be an honest difference of opinion. I do not dispute it at all. But the Question Hour is not the time when hon. Members can press upon the Government to take some action. There are other methods. All hon. Members on this side know how to press upon the Government. Resolutions, discussions—many things can be done. How many questions can I allow by way of suggestion?

Shri Vajpayee: We moved an adjournment motion and that was ruled out. We moved a calling attention motion and that was not allowed. But, now you say all these things.

Mr. Speaker: Hon. Members know only adjournment motion. I have allowed this question and this question has been answered. If further they want to impress upon the Government that a particular action should be taken let them move for one hour discussion. I cannot say whether I am going to allow it or not. Anyhow, let them move and if I consider it is a matter of sufficient importance where the Government should take only one course. I shall consider. It may be considered a small matter. It is left to them. I am not in a position to consider these

things now. When that motion comes, I will consider.

Shri Braj Raj Singh: Sir, unless the Government orders that the case should not be registered, in the ordinary course of law it must have been registered. That is why I want to know whether Government interfered in this matter and asked the State Government not to register a case.

Shrimati Lakshmi Menon: We have already brought it to the notice of the Chinese Embassy, that it is a matter for reporting to the Sub-divisional Officer in Kalimpong. It is not certainly a matter for the External Affairs Ministry, but we went in because a protest was lodged by the Chinese Embassy.

Shri C. R. Pattabhi Raman: Is there any diplomatic immunity?

Shri Vidya Charan Shukla: I want to know whether the Chinese Embassy...

Mr. Speaker: Order, order. Hon. Members including lawyers put questions which are very clear. If there had been any diplomatic immunity how can the S.D.O. take up the matter? That question was asked and it was said that it was a matter for reporting to the S.D.O.

Shri Tyagi: They only want the Ministry to act a little more boldly. (*Interruption*).

Mr. Speaker: Order, order. If all hon. Members want to talk simultaneously I have no objection.

Shri Hem Barua: Sir, may I put one supplementary?

Mr. Speaker: No, Sir.

Shri Hem Barua: This is a different supplementary.

Mr. Speaker: I have allowed enough supplementaries on this.

Export of Textiles

*1682. **Shri Raghunath Singh:** Will the Minister of Commerce and Indus-

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try be pleased to state whether it is a fact that Professor Maria May, a West German fashion expert, who toured India on a mission to advise the Indian Government on measures to promote the export of Indian textiles to the Federal Republic of Germany, has submitted any report to the Government of India?

The Minister of Commerce (Shri Kanungo): Yes, Sir

Shri Raghunath Singh: May I know what are the main suggestions made for improvement of Indian exports of textiles?

Shri Kanungo: The suggestions made are: complete overhaul of the production patterns, new designs and study of the designs and patterns of importing countries.

Handloom Industry

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*1683. { **Shri Tangamani:**
 Shri Sampath:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether any proposals have been received from the various State Governments for assistance to the handloom industry from the cess fund for the year 1960-61;

(b) the demand from the State of Madras in this regard; and

(c) the total amount sanctioned?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir.

(b) and (c). At a meeting held between the representatives of the State Government, Planning Commission and this Ministry, it has been tentatively agreed that the ceiling of Central assistance to Madras State for the development of handloom industry during 1960-61 will be Rs. 103.58 lakhs (Rs. 25.40 lakhs as loan and Rs. 78.18 lakhs as grant).

Shri Tangamani: May I know whether at this meeting the Government of Madras demanded more for setting

up housing colonies for the handloom weavers; if so, whether that was considered?

Shri Kanungo: The demand of the Madras Government was much higher. I am not sure whether housing was the main item. After consideration, because of the paucity of resources this figure was arrived at.

Shri Tangamani: In reply to part (a) of the question the hon. Minister said: "Yes". I would like to know what is the amount that we expect by way of cess for the year 1960-61, and how much of it will be made available to the various State Governments towards developmental activities in the handloom front?

Shri Kanungo: The anticipated revenue from that source cannot be firmly said now. As far as Madras State is concerned I have given the figures. For the other States, Sir, if you will permit me, I will lay a statement on the Table because it is a long one.

Mr. Speaker: Very well.

Shri Sampath: May I know whether it is a fact that many handloom societies in Ramanathapuram and Salem Districts in Tamilnad have not been paid their rebate due to them for a very long time, and whether repeated requests have been made to this Government by the Madras State Government in this regard?

Shri Kanungo: There have been some arrears mostly due to accounting reconciliation not having taken place. Arrears of rebate till 1959 have been paid. Whatever is remaining, those arrears will be paid when the accounts are available.

Shri Yadav Narain Yadhav: Sir, may I put one question?

Shri Tangamani: May I know whether the rebate will be continued for the year 1960-61 also?

Shri Kanungo: Yes, Sir, that will be continued so long as it is not reversed.

Shri Yadav Narain Jadhav: Sir, may I put one question?

Re: Q. 1691

Mr. Speaker: No, Sir; I am sorry. I have allowed a number of questions. Hon. Members go on concentrating on one or two questions.

Re: Q. 1691

Mr. Speaker: Next Question—Shri P. G. Deb—I find he is absent.

Shri P. C. Borooah: Sir, Question No. 1691 also may be taken along with this question.

Mr. Speaker: Let me come to it in due course. Next Question—Shri Madhusudan Rao.

Preference for Goods manufactured by Public Undertakings

***1685. Shri Madhusudan Rao:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government have requested the State Governments as well as their own departments to give preference for the products produced either in Central or State Government Undertakings;

(b) if so, how far the request has been complied with; and

(c) if the reply to above part (a) be in the negative, the reasons therefor?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) to (c). A statement is laid on the Table of the Sabha.

STATEMENT

The general policy regarding utilisation of capacity available with the State Undertakings, was laid down in May, 1956, on the basis of the recommendations of the Stores Purchase Committee. That policy was, that products of State Undertakings should be purchased to meet Governmental requirements to the extent possible, after taking into consideration factors such as availability, specifications, prices and delivery period within which supplies can be made. This means that the offer of a Government

Undertaking, if otherwise acceptable and satisfies the above conditions, would be given preference. No price differential in favour of Government Undertakings is normally given as the Undertaking should normally be able to offer stores at reasonable prices. In the case of specialised stores, however, e.g., Telephone Cables, Electronic Equipments, Mathematical and Scientific instruments, Tele-communication equipments, purchases are confined to State Undertakings and such stores are purchased from other sources, if any, only after the Government Undertakings have certified that they cannot produce them.

श्री इ० मधुसूदन राव : स्टेटमेंट में दिया गया है कि टेलीफोन केबल्स, एलेक्ट्रॉनिक इक्विपमेंट्स, मैथेमैटिकल इक्विपमेंट्स, माइंटिफिक इंस्ट्रुमेंट्स और टेली कम्यूनिकेशन इक्विपमेंट्स आदि चीजों का काम स्टेट अंडरटेकिंग्स को दिया गया है। मैं जानना चाहता हूँ कि यह पूरी चीजें उन से सरकार को प्राप्त हो रही हैं या नहीं और यदि नहीं प्राप्त हो रही हैं तो जिन दूसरी कंपनियों से उनको खरीदा जा रहा है उन के नाम क्या सरकार बता सकेगी ?

Shri K. C. Reddy: Sir, I am sorry, I have not been able to follow the question.

Shri Ranga: May I know, Sir, whether any price preference is also being given with regard to State undertakings or whether their products are being purchased on a par?

Shri K. C. Reddy: There is no question of any general price preference. Every case is considered on its own merits. Where the State undertakings are producing goods which are not being produced in the private sector, the question of price preference does not arise. It might arise if such goods were being imported previously and as a result of our import policy we have stopped purchasing imported goods in preference to indigenous goods, but where there is a

private unit and a public unit which are producing the same category of goods, we do invite tenders generally and then proceed to purchase from the best source available.

Shri Ranga: So far as the price is concerned, are we to understand that it is the same price that is being considered?

Mr. Speaker: Order, order. Shri Madhusudan Rao may repeat his question.

Shri Thirumala Rao: Sir, he may be allowed to put his question in Telugu.

Mr. Speaker: He does not want to put his supplementary, I think—Shri Ranga.

Shri Ranga: My supplementary, Sir, was in regard to price. Provided the price is the same on both sides, may I know whether the products of State undertakings are preferred? May I also know whether, on the other hand, there is any kind of preference given even in regard to price also?

Shri K. C. Reddy: I have already answered that question, that ordinarily no such price preference is given.

Shri S. M. Banerjee: From the statement it appears that the general policy regarding utilisation of capacity available with the State undertakings was laid down in May, 1956, on the basis of the recommendations of the Stores Purchases Committee. I want to know whether it is a fact that even ordinary articles which can be manufactured in public undertakings are given to contractors; if so, may I know whether the Government would like to continue this system of contracts or discontinue it?

Shri K. C. Reddy: I do not quite follow the question of the hon. Member. I do not know what are the articles to which he is referring when he says that we are getting them through contractors. The general policy has

been laid down. If the hon. Member is pleased to give me some instances of articles obtained through contractors which are being produced in the public sector, I shall certainly look into it.

श्री मा० ला० वर्मा : मैं यह जानना चाहता हूँ कि माननीय सदस्य श्री मधुसूदन राव ने जो सवाल पूछा था हिन्दी में, उसका क्या कोई जवाब नहीं मिलेगा ?

Shri K. C. Reddy : I said that I did not follow the question clearly.

श्री मा० ला० वर्मा : अगर कोई माननीय सदस्य अंग्रेजी नहीं जानते तो क्या उन को सवाल का जवाब नहीं मिलेगा ?

Shri Sampath : Sir, it is within the rights of the hon. Minister to answer a question in English. Also, if he does not know Hindi, it is within his rights to say so. I do not know why there should be such insistence. (*Interruption*).

Mr. Speaker : The question was given in parts from time to time, with the result that nobody was able to follow it succinctly. That is why I requested the hon. Member, Shri Madhusudan Rao to repeat his question, but the kept quiet.

Shri K. C. Reddy : May I submit, Sir, that my knowledge of Hindi is not perfect but I can follow and grasp the summary of a question that is put. Even with such degree of knowledge I was not able to follow the hon. Member's involved Hindi.

Dr. M. S. Aney : He can repeat that question.

श्री इ० मधुसूदन राव : स्टेटमेंट में दिया गया है कि टेलीफोन केबल्स, एलेक्ट्रानिक इक्विपमेंट्स, मैथिमैटिकल इक्विपमेंट्स, साइंटिफिक इंस्ट्रूमेंट और टेली कम्युनिकेशन इक्विपमेंट्स आदि चीजों का काम स्टेट ग्रन्डर-टेकिंग्स को दिया गया है। मैं जानना चाहता हूँ कि यह पूरी चीजें उनसे सरकार को प्राप्त हो रही हैं या नहीं और यदि नहीं प्राप्त हो

रही हैं तो जिन दूसरी कम्पनियों से उनको खरीदा जा रहा है उनके नाम क्या सरकार बता सकेगी ?

श्री मनुभाई शाह : जहाँ तक इस सवाल का मामला है हैवी एलेक्ट्रिकल इक्विपमेंट, टेलीफोन इक्विपमेंट, साइंटिफिक एप्रेट्स और अन्य जिन जिन एप्रेट्स इक्विपमेंट्स के प्रोडक्शन को और माननीय सदस्य ने ध्यान खींचा है, उनके उत्पादन करने का द्वितीय पंचवर्षीय योजना के अन्दर व्यवस्था की गई है और तृतीय पंचवर्षीय योजना के अन्दर भी इसके लिये इन्तजाम किया है और काफी हद तक वह देश को स्वावलम्बी बनायेगा। जहाँ तक प्राइवेट सेक्टर का ताल्लुक है उनको भी इसके वास्ते लाइसेंस दिए गये हैं ताकि यह सारी चीजें हिन्दुस्तान में बनने लगें।

श्री इ० मधुसूदन राव : जिन जिन फर्मों को लाइसेंस दिये गये हैं उन के नाम क्या हैं ?

श्री मनुभाई शाह : अब जितने भी इक्विपमेंट्स की लिस्ट माननीय सदस्य ने बताई है हैवी इक्विपमेंट्स, साइंटिफिक इंस्ट्रूमेंट्स, टेलीफोन इक्विपमेंट्स आदि तो वह तो सूची बहुत लम्बी हो जाती है लेकिन यह बात जरूर है कि द्वितीय पंचवर्षीय योजना में हमने इस पर पूरी तरह से ध्यान दिया है और तृतीय पंचवर्षीय योजना में भी इसकी व्यवस्था की है और मुझे पूरी उम्मीद है कि हम इसमें कामयाब होंगे।

श्री सिंहासन सिंह : जिनसे यह चीजें खरीदी जा रही हैं माननीय सदस्य उनके नाम जानना चाहते हैं और आप जवाब देते हैं कि यह बन जायेंगे।

श्री मनुभाई शाह : वह इन चीजों के बनाने के वास्ते पूछ रहे थे तो मैंने जवाब दे दिया कि प्राइवेट सेक्टर में भी और पब्लिक सेक्टर में भी खरीदने का इन्तजाम किया गया है और बनाने का भी इन्तजाम किया गया है।

Shri S. M. Banerjee: My question is whether it is a fact that the ordnance factories and other public undertaking which can manufacture all sorts of furniture, even they are not allowed to manufacture furniture and these are purchased through the contractor and supplied to the firm.

Shri K. C. Reddy: The ordnance factories have been described as non-commercial undertakings in the report of the Stores Purchase Committee. The Stores Purchase Committee have recommended what is the policy to be adopted in the matter of purchasing the articles of production in the ordnance factories, and that has been by and large accepted by the Government. The purchase of articles of production from the ordnance factories is guided by the recommendation of the Stores Purchase Committee made in 1956.

WRITTEN ANSWERS TO QUESTIONS

Retaining Allowance for Workers

*1671. **Shri K. N. Pandey:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the Supreme Court in course of the judgment given with regard to payment of retaining allowance to the seasonal workers of the sugar factories of Bihar expressed the view that the matter of retaining allowance should also be referred to the Wage Board for consideration and necessary recommendation; and

(b) if so, whether the Ministry of Labour propose to refer the issue of payment of retaining allowance to the seasonal workers immediately so that the recommendation of the Wage Board may not be delayed on this account?

The Deputy Minister of Labour (Shri Abid Ali): (a) The Supreme Court has expressed the hope that the question of retaining allowance will

be raised before the Wage Board by the workmen concerned.

(b) The matter has already been taken up by the Sugar Wage Board.

Arab League Information Centre, New Delhi

*1673. **Shri Rameshwar Tantia:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that the Arab League proposes to open an Information Centre in New Delhi; and

(b) if so, whether any approval was sought from Government to open such a Centre?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) and (b). The Arab League had approached the Government of India to open an Information Centre in New Delhi, and the Government of India have accorded their permission.

Schedule of Rates for Works in P.W.D. Tripura

*1676. **Shri Dasaratha Deb:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) when was the schedule of rates for all works under the P.W.D., Tripura approved;

(b) whether the present schedule of rates needs revision; and

(c) if so, the steps taken to revise it?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) There is no local schedule of rates for sanitary, electrical and road work. The schedule of rates for other civil works was approved in the year 1955.

(b) Yes, Sir.

(c) A revised schedule of rates is under preparation.

केरल में रेयन पल्प फैक्टरी

*१६७७ श्री सरजू पाण्डेय : क्या वाणिज्य तथा उद्योग मंत्री १२ फरवरी, १९६० के अतारंकित प्रश्न संख्या ८८ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि केरल में रेयन पल्प (नकली रेशम की लुगदी) का कारखाना लगाने के बारे में जो बातचीत चल रही थी उसमें इस बीच क्या प्रगति हुई है ?

उद्योग मंत्री (श्री मनुभाई शाह) : बताते हैं कि फर्म ने सत्यन्त और मशीनों के लिये आर्डर दे दिया है। कारखाने की क्षमता १०० टन प्रतिदिन से बढ़ा कर १५० टन प्रतिदिन कर दी गयी है।

Dock Labour Scheme, Cochin

*1678. **Shri Kодиyan:** Will the Minister of Labour and Employment be pleased to state:

(a) the reasons for the delay in implementing the Dock Labour Scheme in Cochin Port; and

(b) what steps have been taken by Government to expedite the implementation of the scheme?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). The required preliminaries are being complied with and the Scheme would be implemented on completion of the same.

Indian Tea

*1684. **Shri P. G. Deb:** Will the Minister of Commerce and Industry be pleased to state:

(a) what is the position of Indian tea in London market now-a-days; and

(b) how the prices of tea there compare with prices in India?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) and (b). A statement is laid on the Table of the House [See Appendix IV, annexure No. 59.]

Extradition Treaty with Pakistan

{ **Shri Ram Krishan Gupta:**
Shri D. C. Sharma:
 *1686. { **Shri Ajit Singh Sarhadi:**
Shri Raghunath Singh:
Shri Rameshwar Tantia:

Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 393 on the 27th November, 1959 and state at what stage is the proposal to conclude extradition treaty between India and Pakistan?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): The Government of India have sent to the Government of Pakistan a draft of an Extradition Treaty. This is under examination by that Government.

/Short Term Courses in Medicine

{ **Shri Shree Narayan Das:**
 *1687. { **Shri Radha Raman:**
Shri Madhusudan Rao:

Will the Minister of Planning be pleased to state the precise nature of the proposal under consideration of the Planning Commission for starting a short term course in medicine to meet the demand of doctors in the rural areas?

The Deputy Minister of Planning (Shri S. N. Mishra): There is no concrete proposal before the Planning Commission, but the possibilities of reintroducing the licenciate course in medicine are being studied, with a view to meeting the requirements of health services in the rural areas.

Dock Workers' Advisory Committee

*1688. **Shri Tangamani:** Will the Minister of Labour and Employment be pleased to state:

(a) how often has the Dock Workers' Advisory Committee met; and

(b) the reasons for not convening the meeting regularly at least once every year?

The Deputy Minister of Labour
(Shri Abid Ali): (a) Twice.

(b) The function of the Committee is to advise upon such matters as the Government may refer to it. A meeting of the Committee is, therefore, convened when required for this purpose.

Export Houses

*1689. { Shri P. C. Borooah:
Shri D. C. Sharma:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that it has been decided to set up export houses to expand export trade;

(b) if so, the location and likely date of establishment; and

(c) the manner in which these houses will function?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):
(a) to (c). The Standing Committee of the Export Promotion Advisory Council has made certain recommendations which are under consideration.

Amendment to Industrial Disputes Act, 1947

*1690. { Shri Ram Krishan Gupta:
Shri D. C. Sharma:
Shri Anthony Pillai:

Will the Minister of Labour and Employment be pleased to refer to the reply given to Unstarred Question No. 443 on the 24th November, 1959 and state the stage at which are the proposals for amendment to the Industrial Disputes Act, 1947?

The Deputy Minister of Labour (Shri Abid Ali): The amendment to the Industrial Disputes Act, 1947 arising out of tripartite decisions are being finalised.

Tea Exports

*1691. **Shri P. C. Borooah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that India's share in World tea exports has dwindled from 46.1 per cent. in 1950 to 41.5 per cent. in 1958 and that in 1959 there was a big decline of exports;

(b) if so, the reasons therefor; and

(c) the steps taken or proposed to be taken in the matter?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) While it is correct that India's share in World tea exports in 1958 was less than in 1950, the total exports were all the same quantitatively higher. The quantity exported during 1959 was lower than that exported during 1956 and 1958 but higher than 1955 and 1957. There is no firm trend to show that exports are declining.

(b) The fall in our exports of tea in 1959 occurred mostly in the earlier months and was due to accumulation of stocks in the U.K. and non-availability of sufficient stocks of quality teas which are popular in foreign markets.

(c) Tea Promotion Officers have recently been posted in Cairo and Sydney. An Officer has been selected for the post of Tea Adviser in New York. Certain proposals to promote the cause of Indian tea in the U.K. and West European countries are under consideration.

Manufacture of Bicycles

2488. { Shri D. C. Sharma:
Shri Ajit Singh Sarhadi:

Will the Minister of Commerce and Industry be pleased to state:

(a) the number of ancillary units functioning in Punjab State for the manufacture of bicycles;

(b) the annual output of these units;

(c) the total production of cycles during the year 1959; and

(d) the amount of financial assistance given to these units by the Central Government upto the 31st December, 1959;

The Minister of Industry (Shri Manubhai Shah): (a) 494.

(b) Rs. 3,93,45,765 (approximately).

(c) Total Production in the country:—

Large Scale Sector—9, 90,748 Nos.

Small Scale Sector—1,72,842 Nos.*

Out of these the total production in Punjab State in the large and the small scale sectors was 3,03,181 and 58,728 Nos. respectively.

(b) Rs. 32,500.

*Compiled from the progress reports received so far.

Housing Schemes in Jammu and Kashmir

2489. Shri D. C. Sharma: Will the Minister of Works, Housing and Supply be pleased to state:

(a) the total amount of loans allotted to the Jammu and Kashmir State for various housing schemes during 1959-60; and

(b) the amount spent during that period?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). Of the Housing Schemes included in the Second Five Year Plan, the Government of Jammu and Kashmir are implementing the Low Income Group Housing Scheme only. Out of Rs. 18.50 lakhs allocated to the State Government under this Scheme during 1959-60, a sum of Rs. 9.56 lakhs was disbursed to them based on the expenditure likely to be incurred by them during the year, after deducting the over payment made during 1958-59.

Misappropriation of Money for Building Houses

2490. Shri D. C. Sharma: Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether any money granted by the Centre to the Rehabilitation Department of Punjab for building houses was misappropriated by some persons during 1959-60;

(b) if so, by whom;

(c) what is the amount involved; and

(d) whether any enquiry has been made?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) No.

(b) to (d). Do not arise.

International Commission for Supervision and Control in Viet Nam

2491. Shri D. C. Sharma: Will the Prime Minister be pleased to state:

(a) how many cases of complaints of irregularities were brought to the notice of (i) Viet Nam authorities, and (ii) Viet Minh authorities by the International Commission for Supervision and Control during the period December, 1959 to March, 1960; and

(b) how many of them were dealt with satisfactorily?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). The report of the International Commission for Supervision and Control for this period is still under preparation. As soon as it is published the answer will be available.

State Trading Corporation

2492. Shri V. P. Nayar: Will the Minister of Commerce and Industry be pleased to state:

(a) whether in photographic material imported from the foreign countries by the State Trading Corporation any preferential treatment is given to any particular country; and

(b) whether a statement will be laid on the Table showing the quantities and value of such imports by the State Trading Corporation (country-wise) in the licensing periods of 1958-59?

The Minister of Commerce (Shri Kanungo): (a) No, Sir.

(b) A statement is laid on the Table. [See Appendix IV, annexure No. 60].

Jute Factory in Andhra Pradesh

2493. Shri Satyanarayana: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether there is any proposal to construct a Jute Factory in the District of Srikakulam, Andhra Pradesh; and

(b) if so, when is it going to be constructed?

The Minister of Commerce (Shri Kanungo): (a) No, Sir.

(b) Does not arise.

Publicity Organisers in U.P.

2494. Shri Sarju Pandey: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the number of Publicity Organisers appointed in Uttar Pradesh so far under the integrated publicity programme;

(b) whether they have performed cinema shows in their respective areas during 1959-60; and

(c) if so, the number of the places where these were performed?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Six (Four Field Publicity Officers and two Publicity Organisers).

(b) and (c). Film shows were given at 867 places visited by these Units during 1959-60.

Indian Labour Conference

2495. Shri Ram Krishan Gupta: Will the Minister of **Labour and Employment** be pleased to refer to the reply given to Unstarred Question No. 438 on the 24th November, 1959 and state:

(a) whether Government have considered the recommendations of 16th and 17th Indian Labour Conferences; and

(b) if so, the nature of the decision arrived at?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) The recommendations were brought to the notice of the interests concerned.

Carbon-bonded Graphite Crucibles

2496. Shri P. K. Deo: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the quantity of Carbon-bonded Graphite Crucibles imported into India in the years 1958-59 and 1959-60 and the amount of foreign exchange involved;

(b) how they are used in the country;

(c) whether indigenous manufacture of Carbon-bonded Graphite Crucibles can be taken up on a commercial scale as a result of research carried out at the National Metallurgical Laboratory, Jamshedpur;

(d) the finances that will be required to set up an industry for their manufacture; and

(e) whether any "application" for licence has been received for their manufacture in the country or whether Government want to manufacture it in the Public Sector?

The Minister of Industry (Shri Manubhai Shah): (a) The item Carbon-bonded Graphite Crucible is not specifically shown in the trade classification of this country and as

such the import figures are not available. However, import of Graphite Crucibles is as below:

	Quantity in numbers	Value in '000 Rs.
1958—59	53,558	2,374
1959—60 April— December, 1959)	29,045	1,504

(b) They are used for ferrous and non-ferrous castings.

(c) Yes, Sir.

(d) Rs. 4 lacs excluding working capital.

(e) No, Sir.

The process has however been leased out for commercial exploitation to two firms. It is not intended to manufacture the product in the Public Sector.

Resin Adhesive

2497. { Shri S. C. Samanta:
Shri Subodh Hansda:

Will the Minister of Commerce and Industry be pleased to state:

(a) the places in the country where resin adhesive for the manufacture of plywood is produced;

(b) what impetus has been given to produce more quantity of it;

(c) how the price and quality of the imported material compares with the indigenous products; and

(d) whether resin adhesive is used for any other purpose?

The Minister of Industry (Shri Manubhai Shah): (a) The production of resin adhesive for the manufacture of plywood on commercial scale has not as yet been started, though one plywood firm is manufacturing a

small quantity (120 tons per annum) for its own use at Valliappatham in Kerala.

(b) A few units, which has been approved for the manufacture of this item by Government, are being given necessary facilities for implementation. These will meet the requirements of the country.

(c) Does not arise in view of (a) above.

(d) It is used for Chip Board Industry, furniture, sports goods and textile furnishings.

Civil Works in Bombay State

2498. **Shri Pangarkar:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) the total amount allotted by the Central Government for the civil works in the general pool in Bombay State during the year 1959-60; and

(b) the total amount actually spent on the civil works in Bombay during that period?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) That amount sanctioned during the year 1959-60 for civil works in the General Pool in the Bombay State debitable to the head '81-Capital Outlay' and all other civil works debitable to the head '50-C.W.C.' was Rs. 1,38,64,200. (The works include new works as well as works-in-progress).

(b) As the accounts for the year 1959-60 have not been closed, the amount actually spent is not at present known.

Employees' State Insurance Scheme

2499. **Shri Aurobindo Ghosal:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the West Bengal Government have submitted any scheme for hospitalisation of the workers under the Employees' State Insurance Scheme; and

(b) if so, whether it has been accepted?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) Yes, with certain modifications.

Import of Scooters

2500. Shri A. M. Tariq: Will the Minister of Commerce and Industry be pleased to state:

(a) whether the ban on the issue of licenses for the import of scooters has been removed; and

(b) if so, the reasons therefor?

The Minister of Commerce (Shri Kanungo): (a) No, Sir.

(b) Does not arise.

Unemployed Graduate Engineers

2501. Shri A. M. Tariq: Will the Minister of Labour and Employment be pleased to refer to the reply given to Starred Question No. 494 on the 2nd December, 1959 and state:

(a) the number of retired engineers on the Live Register; and

(b) the number of engineers on the list who have got previous experience?

The Deputy Minister of Labour (Shri Abid Ali): (a) 2 in Delhi as on 31-3-1960.

(b) 10 as on 31-3-1960.

हिमाचल प्रदेश में किसान दिवस

२५०२. { श्री पद्म देव :
श्री हेम राज :

क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि हिमाचल प्रदेश में किन-किन स्थानों पर रेशम के उत्पादन का प्रचार करने के हेतु किसान दिवस मनाया गया ?

उद्योग मंत्री (श्री मनुभाई शाह): रेशम के उत्पादन को लोकप्रिय बनाने और उसका प्रचार करने के लिये १९५६, १९५७ तथा

१९५८ में निम्न स्थानों पर किसान दिवस मनाया गया :—

मण्डी जिले में बालू, सन्धोल, सरकाघाट और चोंतग तथा सिरमौर जिले में धौला-कुआं ।

Ambar Charkha in Orissa

2503. Shri Sanganna: Will the Minister of Commerce and Industry be pleased to state:

(a) what is the amount placed at the disposal of the Government of Orissa for the development of Ambar Charkha, by the Government of India during the years 1957-58, 1958-59 and 1959-60;

(b) what is the total number of trainees turned out from the different training centres in the State during the above period (year-wise);

(c) what is the number of persons who have received training in Ambar Charkha during the above period;

(d) what is the earning capacity of these persons; and

(e) how far this industry has solved the unemployment problem in Orissa?

The Minister of Industry (Shri Manubhai Shah): (a) to (e). A statement containing the required information is laid on the Table. [See Appendix IV, annexure No. 6.]

Salt Production in Orissa

2504. Shri Chintamani Panigrahi: Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of salt produced in Orissa in 1959-60 factory-wise; and

(b) the amount of assistance given to the State for developing road communications in Astarang, Huma and Sumadi salt producing areas in Orissa during the same period?

The Minister of Industry (Shri Manubhai Shah): (a)

Name of factory	Production in '000 maunds
1. Ganjam (Huma).	201
2. Goka	31
3. Sumadi	24
4. Surla	13
5. Astrang	18
6. Model Salt Factory	6
7. Unlicensed	17
TOTAL	310

(b) No assistance is given to the State Governments for developing road communications in the salt producing areas. The Salt Department incurred an expenditure of Rs. 870.00 during 1959-60 on the maintenance and repairs of roads built by that Department in Huma and Sumadi factories.

भविष्य निधि में अंशदान की दर को बढ़ाना

२५.०५. श्री म० ला० द्विवेदी : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) कारखाने के मजदूरों की भविष्य निधि में प्रबन्धकों के अंशदान को $6\frac{1}{4}$ प्रतिशत से बढ़ाकर $8\frac{1}{4}$ प्रतिशत करने की नीति को कार्यान्वित करने के लिये सरकार जो समिति नियुक्त करने वाली थी उसमें अब तक क्या प्रगति हुई है;

(ख) समिति के सदस्यों के नाम और उनके निर्देश-पद क्या हैं;

(ग) समिति अपना कार्य कब तक पूरा कर लेगी; और

(घ) क्या कुछ कारखानों अथवा अंशदान देने वालों ने भविष्य निधि में अंशदान की इस बढ़ी हुई दर को स्वीकार कर लिया है ?

श्रम उपमंत्री (श्री आबिद अली)

(क) और (ख) . समिति के लिये अध्यक्ष, अर्थ-शास्त्री और लेखाकार के पदों पर उचित व्यक्तियों का चुनाव हो चुका है। कामगारों और मालिकों के प्रतिनिधियों के नामीकरण की इन्तजार है। समिति की रचना तथा विचारार्थ विषय तय हो जाने पर उनकी घोषणा कर दी जायेगी।

(ग) इस सम्बन्ध में अभी कुछ नहीं कहा जा सकता।

(घ) कुछ मालिक समझौते या फैसले के अनुसार अथवा और किसी कारण चन्दे की उच्चतर दर देते हैं। जनवरी, १९५९ में योजना में किये गये संशोधन के अन्तर्गत कर्मचारी यदि चाहें तो $8\frac{1}{4}$ प्रतिशत तक चन्दा दे सकते हैं।

Coca Cola Company

2506. **Shri A. M. Tariq:** Will the Minister of Commerce and Industry be pleased to state:

(a) the value of raw materials imported by Coca Cola;

(b) the sources of raw materials imported; and

(c) the details of components of raw materials?

The Minister of Commerce (Shri Kanungo): (a) The value of raw materials imported by Coco Cola is not available as firm-wise import statistics is not maintained. However, the value of import licences granted to them since October '58-March '59 licensing period is as follows:—

Licensing period	Value licensed
October '58—March '59.	Rs. 1,00,000
April—September, 1959	Rs. 52,980
October '59—March '60	Rs. 25,328

(b) U.S.A.

(c) The Hon'ble Member perhaps desires to have information about the raw materials. These are (i) Food Colours (ii) Mixture of Odoriferous substances and (iii) Special essences containing spirit for making the concentrate.

Small Scale Industries in Punjab

2507. Shri Ajit Singh Sarhadi: Will the Minister of **Commerce and Industry** be pleased to state:

(a) how much reduction has taken place in the production of consumer goods in Punjab in Small Scale Industries Sector due to recent power cut in Punjab; and

(b) what steps are being taken to avoid such power cut to the industries in future?

The Minister of Industry (Shri Manubhai Shah): (a) Precise information about the decline in production due to power cut in the Punjab is not available.

(b) The State Electricity Board considers that there is no likelihood of such a situation arising in the near future in view of the additional generating capacity which is being installed at Bhakra.

Washing Soap

**2508. { Shri P. R. Patel:
Shri K. U. Parmar:
Shri Fatehsinh Ghodasar:**

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the washing soap manufactured by the indigenous Indian factories, small and big, and so-called Indian factories is either managed or financed by foreigners; and

(b) what steps Government propose to take to distinguish soaps manufactured by factories either managed or financed by foreigners from the soaps manufactured by the indigenous Indian factories?

The Minister of Industry (Shri Manubhai Shah): (a) Only three factories are being mainly managed or financed by foreigners.

(b) It is not proposed to take any steps in this connection.

Bore-Wells in Dandakaranya

2509. Shri Sangana: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether any bore-wells have been dug in the Dandakaranya Project area of Koraput District (Orissa) and the Bastar District (Madhya Pradesh);

(b) if so, the number in each district;

(c) whether all are successful; and

(d) what is the amount spent over these wells so far?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) Yes.

(b) District Koraput (Orissa) 69

District Bastar
(Madhya Pradesh) 133

Total 202

(c) 116 were successful.

(d) About Rs. 66,500.

Development of Handicrafts

2510. Shri Madhusudan Rao: Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 1195 on the 17th March, 1960 and state:

(a) whether Government have since received the formal report from the Japanese Handicraft Expert who visited India recently; and

(b) if so, what are the salient features of these recommendations for the development of handicrafts?

The Minister of Industry (Shri Manubhai Shah): (a) The formal report from the Japanese Handicraft Expert has not yet been received, but the same is expected shortly.

(b) Does not arise.

Glass Bangle Industry of Firozabad

2511. Shri Braj Raj Singh: Will the Minister of Commerce and Industry be pleased to state:

(a) whether import licences for Glass Chemicals have been refused to glass factories of Firozabad even though supported by Essentiality Certificates issued by the Director of Industries Uttar Pradesh Government, Kanpur;

(b) if so, on what grounds;

(c) whether Government have fixed any different ratio between small scale and big scale industries for the purposes of allocation of coal to them vis-a-vis their installed manufacturing capacity;

(d) whether Government are aware that glass bangle industry of Firozabad is not getting its supply of Soda Ash regularly in each month since February, 1960, specially of Light Soda Ash;

(e) if so, what steps have been taken to effect its supplies to the industry in time in each month;

(f) whether Government have any proposal to provide relief to those dealers of liquid gold who imported this material from abroad;

(g) whether Government are aware that Soda Ash of Dharangdhara Chemical Works, Dharangdhara (Saurashtra) is not being equitably distributed in glass bangle industry of Firozabad; and

(h) if so, whether any steps are being taken to have its fair and equal distribution in glass bangle Industry of Firozabad?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Information is being collected and will be laid on the Table of the House.

(c) The Coal quotas of individual units of glass industry are fixed by the respective State Governments out

of the bulk quota placed at their disposal for the industry. As far as Central Government are aware State Governments have not fixed any different ratio for allocation of coal to small and large scale glass factories. The allocation is mainly dependent on the type of equipment used and actual consumption of coal by the various units, and the overall quota of the State.

(d) Government are not aware of any short allocation of Soda Ash to the glass bangle industry of Firozabad. In fact, full quota of Soda Ash including Light soda Ash meant for the industry was distributed during each of the past three months.

(e) In view of the answer to part (d) above, the question does not arise.

(f) Liquid gold is being manufactured in the country. Some of the importers of the item have been also assisted in setting up its production in the country.

(g) and (h). There is no control over distribution of Soda Ash manufactured by Dharangdhara Chemical Works, Dharangdhara or any other factory. The manufacturers of Soda Ash have been making supplies to the bangle industry and other glass factories at an increasing rate. No steps are proposed for taking over the distribution of indigenous Soda Ash.

संगीत तथा नाटक विभाग

२५१२. श्री रा० स० तिवारी : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) संगीत तथा नाटक विभाग ने आज तक कितने नाटक तैयार और प्रस्तुत किये हैं;

(ख) आज तक कितने स्क्रिप्ट (नाटक की पाण्डु लिपियाँ) मंगायें व देखे गये हैं; और

(ग) क्या इस कार्य के परिणामों का मूल्यांकन किया गया है ?

सूचना तथा प्रसारण मंत्री (डा० कैस-कर) : (क) संगीत तथा नाटक विभाग ने अब तक ३७ नाटकों के लेख स्वीकार किये हैं। इनमें से २७ भारत में बहुत से स्थानों पर प्रस्तुत किये जा रहे हैं। तीन नाटकों के लेख विभाग के ग्रीष्म नाटक समारोह के लिये खास तौर से तैयार किये हैं। यह समारोह प्रत्येक वर्ष विभाग द्वारा आयोजित किया जाता है।

(ख) नाटक, गाने आदि के ४५२४ लेखों में से जो अब तक प्राप्त हुए हैं उन में से ३६८४ लेख छांटे जा चुके हैं।

(ग) इन नाटकों का जनता पर जो प्रभाव पड़ता है उसके बारे में क्षेत्रीय प्रचार अधिकारी विभाग को नियमानुसार रिपोर्ट भेजते रहते हैं। विभाग में एक मूल्यांकन मण्डली (Evaluation Cell) बनाई है जो इस बात की ठीक ढंग से जांच करती है कि योजना प्रचार के लिये यह माध्यम किस सीमा तक प्रभावशाली है।

रेडियो ग्रामीण गोष्ठी

२५१३. श्री सरजू पाण्डेय : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे

कि अब तक किन-किन राज्यों से रेडियो ग्रामीण गोष्ठी योजना आरम्भ की गई है ?

सूचना और प्रसारण मंत्री (डा० कैस-कर) : १७-११-१९५६ से रेडियो ग्रामीण गोष्ठी योजना तमाम राज्यों पर लागू होती है परन्तु मद्रास, असम तथा जम्मू और कश्मीर राज्यों में योजना के अन्तर्गत गोष्ठी अभी तक बनाई नहीं गई है। वे इस बारे में अभी तक तफसील तय कर रहे हैं।

पहाड़ी क्षेत्रों का विकास

२५१४. श्री सरजू पाण्डेय : क्या योजना मंत्री १२ फरवरी, १९६० के तारांकित प्रश्न संख्या ६१ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या उत्तर प्रदेश सरकार ने पहाड़ी क्षेत्रों के विकास के लिये कोई योजना केन्द्रीय सरकार को भेजी है; और

(ख) यदि हां, तो उसका ब्यौरा क्या है ?

योजना उपमंत्री (श्री श्या० नं० मिश्र) :

(क) जी, हां।

(ख) उत्तर प्रदेश सरकार द्वारा प्रस्तावित स्कीमों की एक सूची सभा पटल पर रख दी गई है।

विवरण

विकास शीर्षक

स्कीमों का ब्यौरा

कृषि

. कुमाऊं की पहाड़ियों में आलू की खेती का विकास।

बाग-बगीचे .

. गौदरपुर नर्सरी।

राम नगर नर्सरी।

मगरा नर्सरी का विकास।

सितारगंज में नर्सरी की स्थापना।

विकास शीर्षक

स्कीमों का व्योरा

दोनों गढ़वालों के लिये पौधों को कीड़ों से बचाने के एक यूनिट की स्थापना ।

फलों के पौधों के लिये सहायता और एक ट्रक का प्रबन्ध ।

प्रनुदान ।

दो जीपों का प्रबन्ध ।

सामूहिक कौनिंग केन्द्र और टी० सी० टीमें ।

वन औद्योगिक महत्व वाले पौधों को लगाना ।

औषधीय जड़ी-बूटी उगाना ।

गोचर भूमि का विकास ।

मोटर वाली सड़क के साथ की भूमि का संरक्षण ।

छोटी सिंचाई योजना पहाड़ी जिलों में छोटी छोटी नहरें ।

उद्योग तीन औद्योगिक संपदायें ।

रोजिन और तारपीन के कारखाने ।

साबुन के भण्डार ।

सड़कें सड़कें ।

पीने का पानी टेहरी नोटिफाइड एरिया कमेटी में पानी की सप्लाई की स्कीम ।

देव प्रयाग नोटिफाइड एरिया कमेटी में पानी की सप्लाई की स्कीम ।

नैनीताल जिलाधीश द्वारा प्रस्तावित जिला नैनीताल के २३ गांवों में पानी की सप्लाई की स्कीम ।

Business Management

2515. Shri S. R. Arumugham: Will the Minister of Commerce and Industry be pleased to state:

(a) how many persons were given training in Business Management in Small Industries Service Institute in Madras State during 1956-59; and

(b) what is the amount involved and how many of these persons have been taken into service in Government and other establishments?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table. [See Appendix IV, annexure No. 62].

STATEMENT

(a) 289 persons during 1957-59. The first course commenced on the 7th January, 1957.

(b) The training was conducted by the staff of the Small Industries Service Institute, Madras and no extra expenditure was incurred on this account except payment of Rs. 940 as honorarium to guest speakers during the period of training. This was a training for the benefit of small industrialists engaged in their own business and their representatives and therefore the question of employing the trainees in Government Services or other establishments does not arise.

Reception Arrangements at Palam

2516. Shri A. M. Tariq: Will the Prime Minister be pleased to state the order in which the seating arrangements for Diplomats, Members of Parliament and other prominent citizens of Delhi are made on the arrival of foreign dignitaries at the Palam Airport?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): The order of seating is as follows:—

(i) The Diplomatic Corps.

(ii) Ministers of the Union Government.

(iii) Members of Parliament.

(iv) Members of the Municipal Corporation.

(v) Government Officials.

(vi) Other Diplomats.

(vii) Prominent citizens, foreign Nationals etc.

Coir Industry

2517. Shri Achar: Will the Minister of Commerce and Industry be pleased to state:

(a) the machinery through which the Coir Board is going to collect statistics in connection with the survey of the industry; and

(b) the time to be taken for completing the survey?

The Minister of Industry (Shri Manubhai Shah): (a) In the Kerala State and in the Kanyakumari District of the Madras State the survey will be conducted through the staff appointed by the Coir Board. In other places, the survey is proposed to be conducted through the Indian Statistical Institute, Calcutta.

(b) 3 months.

Employees of Government of India Press, Calcutta

2518. Shri K. C. Jena: Will the Minister of Works, Housing and Supply be pleased to state:

(a) the procedure in vogue as regards the confirmation of the Class III ministerial staff working under the Ministry;

(b) whether it is a fact that a number of Class III ministerial staff under the said Ministry working in the Government of India Press, Calcutta, are yet unconfirmed after rendering uninterrupted services for twelve and eighteen years; and

(c) if so, the reasons therefor?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Confirmation of Class

III ministerial staff working in the subordinate organisations of the Ministry is made on the basis of seniority-cum-fitness.

(b) Yes.

(c) The question of the seniority of the members of the staff who have joined the Government of India Press, Calcutta, on migration from the Directorate of Supplies and Disposals, Calcutta, vis-a-vis the staff who had been recruited to the Press direct, is still undecided owing to certain representations and counter-representations received from the affected officials. The question of the permanent absorption of this staff either in the Press itself or in other organisations of Government has been receiving attention and is likely to be settled shortly.

Jeep Case

2519. { Dr. Ram Subhag Singh:
Shri Khushwaqt Rai:

Will the Prime Minister be pleased to state:

(a) whether the suit preferred by Government of India in a U.K. court regarding "Jeep purchases" has been settled out of the court;

(b) whether the case has now been withdrawn from the court; and

(c) what are the terms of settlement?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) The hearing of the suit filed by Government of India in a U.K. court on the jeep purchase contract is fixed for 2nd May.

The Solicitors of the defendant company, against whom the suit has been filed, had made various proposals for an out-of-court settlement during the last few months. These proposals for settlement, which involved payment by Government of India, though of progressively smaller amounts under

each proposal, were rejected by the Government of India, though strongly recommended for acceptance by the Government of India's Solicitors and Counsel engaged in the case.

About 10 days back, the defendants' Solicitors made another offer for out-of-court settlement of the case involving no payment of any kind by the Government of India, the defendants, on the other hand, forgoing their claims in two other arbitration cases. This offer has been accepted and the terms of out-of-court settlement were initialled by the Solicitors of the two sides on 18-4-1960.

(b) The Solicitors of both parties have jointly intimated to the Court that the action has been withdrawn.

(c) The terms of settlement cannot be published because these have not been finally exchanged between the two parties. The arbitrators and umpire under the two other arbitration cases included in the terms of settlement will be informed about the settlement after the final text has been exchanged between the parties.

हिमाचल प्रदेश में खादी उद्योग

२५२०. श्री पद्म देव : क्या वाणिज्य तथा उद्योग मंत्री १६ नवम्बर, १९५९ के अतारंकित प्रश्न संख्या ३६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) खादी के विकास के लिये उक्त १४ केन्द्र कहां-कहां स्थापित किये गये हैं; और

(ख) नमदे बनाने वाले केन्द्र कहां-कहां खोले गये हैं और वर्ष १९५९ में उन केन्द्रों में कितने नमदे तैयार किये गये ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) और (ख). एक विवरण सभा पटल पर रखा जाता है जिसमें अपेक्षित जानकारी दी गयी है।

विवरण

चालू रजिस्टरों
में दर्ज नामों की

(क) ये केन्द्र निम्न स्थानों पर स्थित हैं :—

- (१) शिमला ।
- (२) रामपुर-बुशहर ।
- (३) सरहन ।
- (४) संगला ।
- (५) नाहन ।
- (६) पांवटा साहिब ।
- (७) सोलन ।
- (८) थियोग ।
- (९) सपाटू ।
- (१०) चम्बा ।
- (११) मण्डी ।
- (१२) सुकेत ।
- (१३) जोगिन्दर नगर ।
- (१४) बिलासपुर ।

(ख) श्रेणी

संख्या	
४०	इंडस्ट्रियल सुपरवायज़री
३०१	कुशल और अर्ध कुशल
४३६	क्लर्क
३८६	शिक्षा सम्बन्धी
१७३	घरेलू काम काज
३१२०	अकुशल
३३३	अन्य
	<hr/>
४,७६२	कुल

(ग) काम दिलाऊ दफ्तर अपने यहां नाम दर्ज कराने वाले उम्मीदवारों को नौकरी के लिये उन खाली स्थानों पर भेजते हैं जिनकी सूचना कार्यालयों को मिलती है। पंचवर्षीय योजना के अन्तर्गत होने वाले विकास कार्यों में इन उम्मीदवारों में से बहुतों को काम मिल जाने की सम्भावना है।

Small-scale Industries in Punjab.

2522. Shri Daljit Singh: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of small-scale industries in Kangra district of Punjab which are getting assistance from the Small Scale Industries Service Institute; and

(b) the nature of assistance along with the names of the factories?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table.

STATEMENT

No party from Kangra District has approached the Small Industries Service Institute, Ludhiana for technical assistance so far. However, information has been supplied to the following party for starting a new industry:

1. M/s. Banarsi Lal Rameshwar Prasad, V. & P.O. Rait, Tehsil Kangra, District Kangra.

(ख) यह जानकारी इकट्ठी की जा रही है और सभा की मेज पर रख दी जाएगी।

हिमाचल प्रदेश में काम दिलाऊ दफ्तर

२५२१. श्री पद्म देव : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) मार्च, १९६० में हिमाचल प्रदेश में कितने काम दिलाऊ दफ्तर थे;

(ख) ३१ मार्च, १९६० को विभिन्न श्रेणियों में कितने उम्मीदवार दर्ज थे; और

(ग) उन को काम दिलाने के लिये क्या उपाय किये गये ?

श्रम उपमंत्री (श्री आबिद अली) : (क) मण्डी, चम्बा, सोलन और नाहन चार स्थानों में काम दिलाऊ दफ्तर हैं। इसके अलावा एक सब-ऑफिस रामपुर में काम कर रहा है और एक दफ्तर बिलासपुर में खोले जाने की की मंजूरी हो गई है।

Labour Welfare in Punjab

2523. Shri Daljit Singh: Will the Minister of Planning be pleased to state:

(a) the amount of money which has been allotted to Punjab for implementing labour welfare measures in the State during 1960-61; and

(b) the nature of various measures for which amount has been allotted?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) Rs. 63.45 lakhs.

(b) The amount includes provision for manpower and employment service, craftsmen training, and welfare schemes.

Import of Arecanut

**2524. { Shri A. K. Gopalan:
Shri Warior:**

Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have received any representation from the Trichur Arecanut Commission Agents' Association regarding the import of Arecanut from abroad; and

(b) if so, the reaction of Government thereto?

The Minister of Commerce (Shri Kanungo): (a) No, Sir. No such representation has been received in the recent past.

(b) Does not arise.

Houses for Handloom Weavers

**2525. { Shri Sampath:
Shri Tangamani:**

Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have taken any decision about the houses to be provided for the handloom weavers covered by the co-operatives during 1960-61;

(b) if so, the details of the number of houses; and

(c) the amount allotted to the various States?

The Minister of Commerce (Shri Kanungo): (a) to (c). Information is being collected and will be laid on the Table of the House.

National Tribunal for Mine Workers

2526. Shri M. K. Ghosh: Will the Minister of Labour and Employment be pleased to state:

(a) whether Government's attention has been drawn towards a resolution of the Indian National Mine Workers' Federation requesting Government to set up a National Tribunal to enquire into the wage and working conditions and other relevant matters relating to the mine other than coal mines; and

(b) if so, what is the decision of Government in the matter?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes. A resolution to that effect was passed by the Indian National Mine Workers Federation on the 7th October, 1958.

(b) It was considered there was not sufficient justification for appointing a National Tribunal for this purpose.

श्रम कल्याण पदाधिकारी

२५२७. श्री म० ला० द्विवेदी : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) कलकत्ता विश्वविद्यालय में श्रम कल्याण पदाधिकारियों के लिये जो अल्पकालीन सामाजिक कार्य पाठ्यक्रम प्रारम्भ किया है उसकी मोटी रूपरेखा क्या है; और

(ख) उक्त पाठ्यक्रम के लिये इस वर्ष केन्द्रीय सरकार के कितने पदाधिकारी चुने गये हैं ?

श्रम उपमंत्री (श्री आबिद अली) :

(क) हर साल छः छः माह के दो पाठ्यक्रम होते हैं जिनमें से एक जनवरी में और दूसरा जून में प्रारम्भ होता है। सामान्यतः प्रत्येक पाठ्यक्रम में १५ अफसरों को प्रशिक्षण के लिये भेजा जाता है। इसका व्यौरा कलकत्ता विश्वविद्यालय द्वारा प्रकाशित सामाजिक कल्याण तथा व्यवसाय प्रबन्ध के भारतीय संस्थान के सामाजिक कार्य (श्रमिक कल्याण) में डिप्लोमा कोर्स की विवरण-पत्रिका में दिया गया है।

(ख) जनवरी, १९६० में १५ अफसर प्रशिक्षण के लिये भेजे गये।

मुख्य कारखाना निरीक्षकों का सम्मेलन

२५२८. श्री म० ला० द्विवेदी : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) मुख्य कारखाना निरीक्षकों के सम्मेलन में कारखानों के मुख्य सलाहकार ने कारखाना अधिनियम में संशोधन करने के लिये जो सुझाव दिये उनकी संक्षिप्त रूप-रेखा क्या है ; और

(ख) क्या सरकार ने सम्मेलन की सिफारिशें स्वीकार कर ली हैं ?

श्रम उपमंत्री (श्री आबिद अली) :

(क) कारखाना अधिनियम में संशोधन करने के कुछ महत्वपूर्ण सुझाव इस प्रकार हैं:—

(१) कारखाना निरीक्षकों की प्रतिष्ठा की वृद्धि ;

(२) कुछ कारखानों में सुरक्षा अधिकारियों की नियुक्ति ;

(३) कम वेतन पाने वाले कर्मचारियों को, जो कि अधिनियम की धारा ६४ के अधीन मुक्त किये गये हैं, अतिरिक्त समय की मजदूरी देना ; और

(४) अधिनियम की विशिष्ट धाराओं से कुछ कारखानों को मुक्त करने के लिये धारा ६४(२) (ड) में संशोधन।

(ख) सिफारिशें विचाराधीन हैं और इनमें राज्य सरकारों से राय ली जा रही है।

स्थायी श्रम समिति

२५२९. श्री म० ला० द्विवेदी : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) स्थायी श्रम समिति द्वारा अपने सत्रहवें अधिवेशन में नियुक्त की गई समिति की सिफारिशों का सारांश क्या है ; और

(ख) क्या सरकार ने इन सिफारिशों को स्वीकार कर लिया है ?

श्रम उपमंत्री (श्री आबिद अली) :

(क) औद्योगिक विवाद अधिनियम में संशोधन के लिये महत्वपूर्ण सिफारिशें इस प्रकार हैं :—

(१) केन्टोनमेंट बोर्ड्स के झगड़ों को केन्द्रीय क्षेत्र में मिलाया जाये।

(२) "उद्योग" शब्द का इस प्रकार संशोधन किया जाये कि उसमें व्यवसायिक संस्थाएं शामिल हो जायें।

(३) हवाई परिवहन को स्थायी जन उपयोगी सेवा मान लिया जाये।

(४) धारा ७ का इस प्रकार संशोधन किया जाये कि औद्योगिक न्यायाधिकरण में नियुक्ति के योग्य

व्यक्तियों को श्रम-न्यायालयों में नियुक्ति के लिये भी योग्य माना जाये।

- (५) उचित सरकार को अधिनिर्णय के निर्देश में संशोधन अथवा वृद्धि करने का अधिकार होना चाहिये।
- (६) विवाचन कार्यवाही के दौरान हड़तालें या तालाबन्दियां रोकी जायें।

(ख) जी, हां।

Slum Clearance in Madras State

2530. Shri Tangamani: Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government have sanctioned and granted money during 1959-60 for slum clearance in Madras State;

(b) if so, what were the schemes and the amount paid; and

(c) what is the amount demanded and amount sanctioned for the year 1960-61?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). Out of Rs. 45 lakhs allocated as Central assistance under the Scheme, a sum of Rs. 19.92 lakhs was disbursed to the Madras State after deducting an overpayment of Rs. 10.08 lakhs made during the previous year. This lump sum payment represented the Central share of the likely expenditure during 1959-60, against 23 slum clearance projects, mentioned in the statement laid on the Table, which have been sanctioned from time to time since the inception of the Scheme at an approved cost of Rs. 130.20 lakhs. [See Appendix IV, annexure No. 63].

(c) A sum of Rs. 51 lakhs was required by the State Government as Central assistance for the Slum Clearance Scheme during 1960-61. The allocations for this year to the States have not yet been finalised.

Retrenchment of Employees

2531. Shri M. B. Thakore: Will the Minister of Labour and Employment be pleased to state:

(a) the names of Ministries and Government offices which did not furnish the particulars of the retrenched employees during 1959-60 to the Directorate-General of Resettlement and Employment two months before the retrenchment actually started; and

(b) the reasons for such delay?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). There are no rules or orders prescribing any specified period for giving notice to the Directorate General of Resettlement and Employment regarding retrenchment in Government offices. Information is furnished to the Directorate General of Resettlement and Employment by Ministries as early as possible.

'लिक' पत्रिका को भूमि का दिया जाना

२५३२. श्री खुशवक्त राय : क्या निर्माण, आवास और संभरण मंत्री १२ अप्रैल, १९६० के तारांकित प्रश्न संख्या १४३२ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) 'लिक' पत्रिका का आवेदन-पत्र किस तारीख को मन्त्रालय को प्राप्त हुआ था;

(ख) इस प्रकार भूमि प्राप्त करने के लिये समाचार-पत्रों से प्राप्त कितने आवेदन-पत्र उस तिथि को विचाराधीन थे ;

(ग) 'लिक' पत्रिका का आवेदन-पत्र किस तारीख को स्वीकार किया गया था; और

(घ) आवेदन-पत्र को स्वीकार करने के क्या कारण थे ?

निर्माण, आवास और संभरण मंत्री (श्री क० च० रेड्डी): (क) ३ सितम्बर, १९५८ को युनाइटेड इंडिया पीरियोडिक्स

लिमिटेड ('लिक' के प्रकाशक) से एक आवेदन-पत्र प्राप्त हुआ था।

(ख) एक।

(ग) २६ जून, १९५६।

(घ) क्योंकि इस आवेदन से नियतन (एलौटमेंट) की सब शर्तें पूरी हो जाती थीं, इसलिये इसे स्वीकृति दे दी गई।

Antibiotics Factory at Rishikesh

2533. **Shri P. K. Deo:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether a factory is going to be set up at Rishikesh for the manufacture of antibiotics;

(b) what is the estimate of the project and the Government's participation in it; and

(c) whether this factory will be manned by Russian experts?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). It is proposed to set up at Rishikesh a factory for the manufacture of antibiotics with the technical assistance of the U.S.S.R. Government and by utilising a portion of 80 million roubles credit for which an agreement was entered into between the Governments of India and the U.S.S.R. on the 29th May, 1959; copies of the Agreement are available in the Parliament Library.

The Project will be in the Public Sector and is estimated to cost about Rs. 10.5 crores excluding cost of township. The exact cost of the project will however be known only on the receipt of the Detailed Project Report, for the preparation of which the necessary Memorandum of Instructions has been handed over to the Soviet experts in March, 1960. In the initial stages there may be some Russian experts working in the factory.

12 hrs.

RE. MOTION FOR ADJOURNMENT

Shri Rajendra Singh (Chapra): I had put in an Adjournment Motion which is of global importance.

Mr. Speaker: I have disallowed the Adjournment Motion. If he wants to refer to that again, he can meet me this afternoon.

Shri Rajendra Singh: Sir, may I point out that when there was an explosion in Sahara—a nuclear explosion by the French authorities—you were pleased to allow that matter to be brought in here. There is something so important and on which the fate of the world hangs, and.....

Mr. Speaker: Order, order. He can talk to me about it this afternoon, and if I am convinced, I shall bring it up tomorrow.

Shri Rajendra Singh: In your chamber, Sir?

12.02 hrs.

PAPERS LAID ON THE TABLE

EVALUATION REPORT OF WORKING GROUP ON SMALL SCALE INDUSTRIES AND ANNUAL REPORT OF NATIONAL INSTRUMENTS LTD.

The Minister of Industry (Shri Manubhai Shah): I beg to lay on the Table a copy of each of the following papers:—

- (i) Evaluation Report of the Working Group on Small Scale Industries. [Placed in Library, See No. LT-2119/60].
- (ii) (a) Annual Report of the National Instruments Limited for the year 1958-59 along with the Audited Accounts and comments of the Comptroller and Auditor-General thereon, under sub-section (1) of section 639 of the Companies Act, 1956. [Placed in Library, See No. LT-2120/60].

**Urgent Public
Importance**

MOTION

[Shri Manubhai Shah]

- (b) Review by the Government of the working of the above Company. [Placed in Library, See No. LT-2120/60].

**EMPLOYMENT PATTERNS OF ALUMNI OF
DELHI UNIVERSITY**

The Deputy Minister of Labour (Shri Abid Ali): I beg to lay on the Table a copy of the summary of the conclusions of the report of the employment patterns of the alumni of Delhi University. [See Appendix IV, annexure No. 64].

**REPORT OF TRADE DELEGATION TO WEST
EUROPEAN COUNTRIES**

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): I beg to lay on the Table a copy of the Report of the Indian Government Trade Delegation to West European Countries (September-October, 1959). [Placed in Library, See No. LT-2122/60].

12.01½ hrs.

MESSAGES FROM RAJYA SABHA

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

(1) 'In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Appropriation (No. 2) Bill, 1960, which was passed by the Lok Sabha at its sitting held on the 19th April, 1960, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.'

(2) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Thursday, the 14th April, 1960, adopted the following motion in regard to the Joint Committee on Offices of Profit:—

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do elect two Members to the Joint Committee on Offices of Profit in the vacancies caused by the retirement of Shri Amolakh Chand and Shri Rajendra Pratap Sinha from the Rajya Sabha and resolves that the House do proceed to elect, in accordance with the system of proportional representation by means of the single transferable vote, two Members from among themselves to the said Joint Committee to fill the vacancies."

I am further to inform the Lok Sabha that at the sitting of the Rajya Sabha held on Thursday, the 21st April, 1960, the Chairman declared the following Members of the Rajya Sabha to be duly elected to the said Joint Committee to fill the vacancies:—

1. Shri M. Govinda Reddy
2. Shri Rajendra Pratap Sinha.'

12.02½ hrs.

**ESTIMATES COMMITTEE
EIGHTY-FIFTH REPORT**

Shri Dasappa (Bangalore): I beg to present the Eighty-fifth Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Fifty-seventh Report of the Estimates Committee on the Ministry of Finance (Department of Revenue)—Central Excise Department.

12.02½ hrs.

**CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORTANCE**

STRIKE BY MICA DEALERS IN BIHAR

Shri S. M. Banerjee (Kanpur): Under Rule 197, I beg to call the

attention of the Minister of Labour and Employment to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The reported strike by the mica-dealers in Bihar resulting in unemployment of about 40,000 workers."

The Deputy Minister of Labour (Shri Abid Ali): I lay a statement on the Table of the House.

STATEMENT

The question relates to a subject which is within the State sphere. The strike has not been started by the workers but by the mica dealers with effect from the 15th March, 1960 as a protest against the decision of the State Government to impose multi-point sales tax on mica at the rate of 1 per cent. with effect from 1st July 1959. Prior to that date, the single point sales tax on mica was 4 per cent. and the State Government extended to the mica trade the extraordinary benefit of composition at a nominal rate of $\frac{1}{4}$ per cent., for the period from 1st April, 1956 to 31st March, 1959. The cumulative effect of the new multi-point sales tax is not ordinarily more than 3 per cent. The State Government considers that this compares favourably with the rates prevailing in other mica producing areas of Rajasthan and Andhra and does not consider it a heavy burden on the mica industry.

The State Government is agreeable to consider the question of the possibility of reduction or replacement by any other suitable levy; and the possibility and desirability of raising the minimum taxable limit and other measures of relief. But, as there are heavy arrears of sales tax outstanding from a large number of these dealers, the State Government consider it necessary that the due amount of arrears should first be paid. Thereafter consideration can be given to the suggestion regarding revision.

However information has now been received that the strike has been called off.

No stoppage of work in any of the mica mines has been reported since the mica dealers went on strike.

Information has been received from the State Government that the strike has been called off, and.....

Mr. Speaker: Order, order. As the session is drawing to a close, evidently hon. Members are getting more and more excited. They do not allow me to proceed with the business! I cannot hear what is happening. If they want to speak, well, the lobbies are so clear and there is a big hall also where they can carry on conversation, but not here.

Shri Abid Ali: I have laid a statement on the Table.

Mr. Speaker: In all such cases, where there may be a big statement, and where hon. Members move an Adjournment Motion, I allow it to be treated as a Calling Attention Notice, and I request the hon. Ministers to make summarised statements of the matter in the House.

Shri Abid Ali: As the strike has been called off, the hon. Member would be satisfied with the information. Also, no stoppage of work in any of the mica mines has been reported since the mica dealers went on strike.

Shri S. M. Banerjee: I tabled an Adjournment motion, and you were kind enough to accept this as a Calling Attention Notice. I tabled the Calling Attention Notice on 31st March, 1960, on the basis of an item of news. By the time I get this reply, the thing has become stale.

Mr. Speaker: But the hon. Member must be thoroughly enjoying it and be happy that the strike has been called off.

Shri S. M. Banerjee: That is true, Sir, but there has been delay.

Mr. Speaker: Well, if there was any trouble, certainly it has been called off. The hon. Member must be glad about the strike having been called off.

Shri T. B. Vittal Rao (Khammam): But it has taken 25 days for making the statement.

Shri S. M. Banerjee: It has become a story!

Shri Abid Ali: This matter is within the State sphere. It is not within the Central sphere. When I asked the State to supply me the information, they said that the matters were under negotiation. As soon as negotiations were completed, the strike was called off.

Mr. Speaker: We are happy in this matter.

12.05 hrs.

STATEMENT RE: FINANCE MINISTER'S REPLY TO GENERAL DISCUSSION ON BUDGET (GENERAL)

Shri V. P. Nayar (Quilon): I make this statement, in order to clear certain misunderstandings created in the minds of Members, by the Finance Minister in his concluding speech on the budget on the 10th March, in reply to certain criticisms made by me, in the general discussion on the budget.

In my speech, I had pointed out certain restrictive conditions imposed in some of the U.S. loans, which affected India's national honour and self-respect. In his reply to my criticism, the Finance Minister deliberately suppressed certain facts and even.....

Mr. Speaker: Why this language—"deliberately suppressed"? I do not want such a language to be used

either by a Member against a Minister or by a Minister against a Member.

Shri V. P. Nayar: I am only using what I wrote to you. The Finance Minister called me 'ungrateful'.

Mr. Speaker: He need not use those words as far as possible.

Shri V. P. Nayar: It is a prepared statement, and I cannot take out the words.....

Mr. Speaker: The hon. Member may omit those words.

Shri V. P. Nayar: The Finance Minister even went to the extent of suggesting things in order to score debating points.

Mr. Speaker: Even that is bad.

Shri Narasimhan (Krishnagiri): In cases like this, when a Member by way of an explanation comes out later with a statement, is it not the practice or is it not desirable that a copy is given to the Speaker before-hand?

Shri V. P. Nayar: I have done it. I do not give explanation. The hon. Member knows how to give!

Mr. Speaker: I do not know how it escaped my notice this time. In such cases, where any hon. Member or a Minister wants to correct a statement, they hand me a copy and I pass it on to the other side so that both of them may know the position. Here, I am sorry; I shall be a little more careful in the future.

Shri V. P. Nayar: May I submit, Sir, that I have not used here even a single word or expression which I have not used in the letter which I sent to you?

Mr. Speaker: Even then, it is bad.

Shri V. P. Nayar: The facts in question are of such vital importance to our country, and especially its future that I feel it my duty to clear the misunderstandings thus created by

General Discussion on Budget (General)

the Finance Minister in his attempt to defend the loans in question which as on 31st November, 1959, had exceeded a sum of Rs. 565 crores.

I had contended that one of the D.L.F. agreements had a provision by which India was forbidden to use the loan funds for purchases on global tenders and I had also quoted the relevant article of the agreement restricting our purchases to areas mentioned in code 99 of the I.C.A. Geographic Code. The Finance Minister answered this point thus:

"The difficulty was that he did not know what the code book was. Therefore, he drew all sorts of inference from it. But the Geographic code book is here and we know what it is. Code 99 says that the area is world-wide; that means there should be global tenders. If only he had known that he would not have made that criticism which was absolutely unjustified".

The copy of the above code book dated 1st July, 1959, which was not in the Library when I made the speech, but which has now been obtained has code 99 detailed thus:

"99. World-wide (free world). Any country in the world except those listed under Codes 156, 180 and 435, and the participating country itself—

that is India—

"when used as a possible source of purchases".

Code 156 is UDDR, code 180 is with regard to all east European countries, and code 435 is China (mainland).

Mr. Speaker: Whenever an hon. Member points out an error in the statement of any other hon. Member, I will give an opportunity to the hon. Member, who is alleged to have made a mistake, to correct it and if he does not do so, I give an opportunity to

the other hon. Member to correct it. This is not an occasion where once again a speech ought to be made justifying what he did. All that he can say is, "This is what the hon. Minister said and this is the correction". More than that, the hon. Member cannot make a speech.

Shri V. P. Nayar: Sentence by sentence I want to contradict what the hon. Minister said.

Mr. Speaker: That is not necessary. He should only say, these are the mistakes and these are the corrections.

Shri V. P. Nayar: I have examined the rules and your directions also. It refers only to making a statement which is distinguished from placing a statement on the Table of the House, as we find every day the hon. Ministers do. I have made it as brief as I can. It is a very important subject and it covers a sum of Rs. 565 crores. I am only correcting the statement.

Mr. Speaker: He must only say, these are the mistakes and these are the corrections.

Shri V. P. Nayar: If with the knowledge of Code 99, the Finance Minister made the statement referred to, I submit that the only possible inference would be that he wanted to keep certain facts away from the House.

Mr. Speaker: All that is irrelevant. What is the correction?

Shri V. P. Nayar: The correction is, Code 99 does define the area.

Shri Narasimhan: On a point of order.

Mr. Speaker: No. I shall manage it myself. Let him say, this is the statement he has made and this is the correction. That is all which need be done now. Further, saying that this is honest, that is dishonest, etc.—those things do not arise. An expression of opinion is not called for. Otherwise, I would not allow it. Under the rules, he has got a right to correct the

statement, but beyond that, he is not entitled to make any other observations regarding what has been said.

Shri Narasimhan: Why not give a copy to you, Sir, beforehand and then proceed?

Shri V. P. Nayar: I have sent a letter to you, Sir, and I have sent a copy of that letter to the Finance Minister also.

Mr. Speaker: I have got his letter.

Shri Shree Narayan Das (Darbhanga): May I know whether the hon. Member is entitled to make a statement which has not been received by the Speaker beforehand? (*Interruption*).

Shri Narasimhan: He can do it tomorrow.

Shrimati Renu Chakravartty (Basirhat): Why should he do it tomorrow? Uncomfortable truths have come out.

Shri V. P. Nayar: I contend, therefore, that the provisions of the geographic code had restricted the areas of purchase....

Mr. Speaker: Has the hon. Member sent me a copy of the statement?

Shri V. P. Nayar: I have sent you a long letter. I am not raising any point which is not contained in that letter.

Mr. Speaker: I am not going to allow.

Shri V. P. Nayar: Where is it stated, Sir, that you want the statement?

The Minister of Finance (Shri Morarji Desai): I have got a copy of that letter. It was not this.

Mr. Speaker: Let him send me a copy of the statement and let me look into it. I am entitled to say about the language also and what are the points which have to be corrected and what

is the correction. This is all that ought to be done. I never wanted a statement of this kind to be made. I was under the impression that the statement has been sent to me. But inadvertently it has escaped my notice. Now it is clear that the statement has not been sent to me. The only point is, if he has written a letter and I have asked him to send the statement, he must have sent the statement. He has said enough about this matter. Let us proceed.

Shri V. P. Nayar: I have sent you a letter in which I have placed three or four points. I do not want to raise a single point outside that.

Mr. Speaker: Let him send the correction to me; I will look into it.

Shri V. P. Nayar: I had also represented to you that there will be no more occasion to raise this point and seek a clarification. I am relying only on certain documents; I do not say anything offhand.

Mr. Speaker: Let him send to me the points which he wants to be corrected and also the corrections. I shall go through them. They have not been sent to me.

Shri V. P. Nayar: They have been sent. Kindly check it up, Sir. I have sent a letter running to three typed pages. I have not sought to raise a single point outside that.

Mr. Speaker: I shall look into it and call him again.

Shri Morarji Desai: He has already made the allegations, and it is better that I explain what it is. I don't mind; I am ready with it.

Shri Nagi Reddy (Anantapur): He has not yet finished his statement. The hon. Minister cannot speak now.

Shri H. N. Mukerjee (Calcutta—Central): Sir, I only came lately and I discovered in the Order Paper that under your direction, a certain hon.

Member, Shri V. P. Nayar, was to make a statement. Normally, I should take it, that before you give the direction for inclusion of this item, you would have had this statement sent to you and taken whatever steps were necessary before the matter was placed on the Order Paper. We have come to Parliament and we are prepared to listen to a statement which under your authorisation is going to be made. But we are having all kinds of interruptions from all sides of the House. If you desire that the statement should again be scrutinised by you and that the statement should go to the Finance Minister and he should also have his say in regard to that matter, you can tell us, so that we can be spared all this trouble of having to listen to an interrupted proceeding. What I do not understand is, on the Order Paper there is an item that a certain hon. Member is to make a statement and when he gets up to make that statement, all kinds of extraneous matters come up. I am very sorry to have to say it here.

Mr. Speaker: Is he reading only the letter that he wrote to me?

Shri V. P. Nayar: I shall not raise any point outside that. I shall not use the expressions which I have used in that letter. I know I have used the expression in that letter that the Finance Minister has been guilty of....

Mr. Speaker: He need not repeat all that. Is he reading only that letter?

Shri V. P. Nayar: Reading that letter is no good. That was intended to be a letter, but this is intended to be a statement to convey information to the House.

Mr. Speaker: Let him give me a copy of the statement and I will call him tomorrow.

Shri V. P. Nayar: Yes, Sir.

Mr. Speaker: It is true; Shri Mukerjee says I have included it in the Order Paper. I am not going to deny him the privilege of making a statement here to correct what according to him is wrong. I have merely received a copy of the letter and not the statement. Usually the statement is sent to me, so that I might find it out and instead of being taken by surprise here, I can allow such portions as can be given out on the floor of the House. Therefore, nothing is lost. I would like to have a copy of the statement. I will call him again tomorrow. This is only adjourned till tomorrow.

Shri H. N. Mukerjee: I think it is only fair that the Finance Minister also had a copy of the statement; so that he can give his answer, if he has got any.

Mr. Speaker: Let him give me a copy of the statement.

Shri V. P. Nayar: If I have not submitted a copy of the statement to you earlier, it is only because although I contacted several officials and although I made some personal request to you, I was not required to give the statement.

Mr. Speaker: I am sorry.

Shri V. P. Nayar: I had taken particular care that a copy of the letter I wrote to you was sent on the same day to the Finance Minister. I shall give a copy to you and you may do whatever corrections you think are necessary, but I want it to be read.

Shri Morarji Desai: He had already sent a letter to you a copy of which was sent to me. I had also heard from you about this matter and I had replied to it too. This is the letter that he has sent and the points are there. But what he has included today is the criticism of this. That is the only part of it.

Shri Nagi Reddy: It is not the criticism; it is an explanation of the points.

Shri Morarji Desai: Call it explanation or by whatever name you like. But the damage is already done. What he has said today will already go to the Press. It is, therefore, necessary that I shall be enabled to speak about it today. Let it not be adjourned; let him say whatever he wants and let him finish it today.

Ch. Ranbir Singh (Rohtak): The Finance Bill had already been adopted by the House and he is making a fresh speech now.

Mr. Speaker: The hon. Member does not follow.

Some Hon. Members: On a point of order.

Mr. Speaker: Can this go on like this? I am not going to hear any more points of order. The question is, when an hon. Minister or an hon. Member makes a statement and another hon. Member challenges that statement, it is open to that hon. Member to say that "My statement is correct and his is incorrect". To that extent I allow. Then he must indicate to me the points which according to him are correct and the incorrect statements made by the other side. He should send me a copy of the statement he wants to make. In all these things, he should confine himself only to pointing out the mistakes and how those are mistakes. Beyond that, no criticism is to be made. It is not another speech. I agree; we are not having a fresh speech now regarding the Finance Bill. Only the corrections have to be pointed out.

I wanted to be on the safer side and I wanted Shri Nayar to give me a copy of the statement. But inasmuch as the hon. Finance Minister feels that this may go on now, he may go on, omit such observations and conclude.

Dr. Ram Subhag Singh (Sasaram): It will be a wrong precedent.

Shri P. R. Patel (Mehsana): On a point of order. The hon. Member reads a statement, a copy of which has not been given to the Chair and to the hon. Minister, and the hon. Minister says "whatever the statement may be, he may be allowed to read; I will give my explanation". So, my point of order is this, that whatever be the statement, whatever be the reply by the hon. Minister, whatever be the sense of the House, whether under the rules such a statement can be allowed to be read. If it cannot be allowed, then the only course left for the Chair is not to allow the hon. Member to read the statement.

Mr. Speaker: The hon. Member has not been following the discussion closely. The hon. Shri V. P. Nayar has sent me a letter wherein he has pointed out these mistakes and corrections. Now, on that letter, he has made some observations. I had merely passed it on to the hon. Minister. So, the substance of the points that have been raised are within our knowledge. But in addition, he has included certain observations which, according to me, need not be allowed, as this is not a second speech. Information about the points to be raised by him has been given to the Finance Minister. I have also got that information. I wanted his statement to be strictly confined to the points that are raised, the correction and the other statement. But, in addition to that, he is making a statement. He has already done so. Thus, it is nothing new. He is elaborating his statement by way of observations. Let him conclude now.

Shri P. R. Patel: I suggest that his observations may not go to the press.

Shrimati Renu Chakravartty: Why not?

Shri V. P. Nayar: The second point on which the Finance Minister contradicted me is in respect of the loans from the U.S. Export-Import Bank. I had pointed out that these credits were also restrictive, from the point

of view of the area of purchases, preventing us from resorting to the cheapest sources for such purchases. In his reply the Finance Minister observed:

"As regards the credits that are given by the Eximbank, they have been available so far for being utilised through global tenders for making the most economical purchases."

Article I of the credit agreement between the Eximbank and India reads thus:

"Amount and purpose of Credit
Eximbank hereby establishes in favour of India a line of credit of not exceeding One Hundred Fifty Million Dollars (\$150,000,000) against which the Eximbank, acting independently or through one or more United States commercial banks, will make advances from time to time, subject to the terms and conditions hereinafter set forth to assist in financing the acquisition in the United States and exportation to India of capital equipment required in connection with the programme of economic development in India."

The Finance Ministry's own publication "External Assistance" at page 13 of the 1959 edition says:

Ch. Ranbir Singh: Is he correcting a statement?

Dr. Ram Subhag Singh: What precedents are we going to have in this House? Now he is making a statement....

Shri Tyagi (Dehra Dun): On a point of order.

Shri V. P. Nayar: I know this is quite unpalatable to you all.

Shri Tyagi: Sir, I want you to hear my point of order.

Mr. Speaker: Let us hear the point of order.

Shri Tyagi: A correction to a statement should be worded like this:

"in the place of these words the following words shall be substituted."

A correction cannot be a full-fledged statement. If you are pleased to permit him this time to make a statement, I would submit that it would form part of a convention in the House for the future and if these conventions are later on followed, the work in the House will become impossible.

Mr. Speaker: That is all right. The hon. Member must only say "this is the statement, this is the correction vide so and so".

Shri V. P. Nayar: I am only following your direction. The Finance Minister....

Ch. Ranbir Singh: Can he make a statement?

Shri V. P. Nayar: I am only giving facts.

Shri Tyagi: Sir, if you permit statements to be made like this, if you permit some hon. Members to make statements like this then political parties will come with full-fledged thesis and will put them before the House. (Interruptions). They should not be allowed to make speeches here. (Interruptions).

Mr. Speaker: Order, order. Let him continue.

Shri V. P. Nayar: The Finance Ministry's publication "External Assistance" 1959 edition, at page 13, says:.....

Mr. Speaker: What is the point? What is the correction? I have not been able to follow.

Shri V. P. Nayar: I have already stated the points. If my speech is broken like this, I am not at fault.

Mr. Speaker: Let him say "This is what I said. The hon. Minister corrected it. This is the truth. Look into this".

Shri V. P. Nayar: I have already stated that the Finance Minister had informed the House that the Exim-bank credits have no fetters in regard to their areas of purchase.

Shri Morarji Desai: How could I ever say that?

Shri V. P. Nayar: I am quoting certain authority from Government's publication, and I have extracted only that much portion of the sentence which is absolutely necessary to prove my case.

Shri Tyagi: This is not a subject before the House.

Shri V. P. Nayar: The publication says that the credit....

Shri Kamalnayan Bajaj (Wardha): By a second speech he is wasting the time of the House. It should not be allowed.

Shrimati Renu Chakravartty: Where is the wasting of the time of the House? Some wrong statements were made here and he is now attempting to correct them.

Shri V. P. Nayar: Those who do not want to hear can go to the Central Hall. The publication says:

"The credit is available for procurement in the United States, of capital equipment, machinery and related services...."

I am not reading it. Then the annual report of the Eximbank also clearly indicates—I do not want to quote because of your ruling—that the Export Import Bank credit can be utilized only for purchases within the United States (page 28).

Shri Morarji Desai: That is so.

Shri V. P. Nayar: While this is the fact, the Finance Minister chose to contradict me by placing certain other matters before the House which are not relevant and which are not based on facts.

The third important point on which the Finance Minister categorically contradicted me by making certain points was this.

Shri Tyagi: It is an answer, not a correction.

Shri V. P. Nayar: This is a contradiction of his correction. About the submission of certain returns the Finance Minister stated that the submission of reports are normal conditions in agreements between a lender and a borrower.

Shri Subbiah Ambalam (Ramanathapuram): Should there not be a time-limit for the speech?

Shri V. P. Nayar: He then stated,—this is very important....

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas): This is a long speech. (*Interruptions*).

Shri V. P. Nayar: Sir, you had given me an opportunity to speak. Let me finish, I appeal to you.

Shri Morarji Desai: There is no third point.

Shri V. P. Nayar: I may be allowed to go on without being interrupted when I am speaking something very important. I am very much agitated over it.

Dr. Ram Subhag Singh: Sir, on that day you allowed the Defence Minister to make a statement which was not correct. Today also you are allowing something which is against the rules and regulations of this House. Kindly pardon me for saying so.

Shri V. P. Nayar: I know there is a procedure and there is a direction from the Speaker.

Mr. Speaker: I think there is no third point in his letter.

Shri V. P. Nayar: There is.

Shri Morarji Desai: There are only two points.

Shri V. P. Nayar: I have not merely stated three points but several other points.

Mr. Speaker: Let the hon. Member stop here.

Shri V. P. Nayar: On this point the hon. Finance Minister stated that India was called upon to submit only reports which India considered reasonable.

Shri Tyagi: Sir, again I have to raise a point of order. He can correct his own statement, but not the statement of the Finance Minister.

Shrimati Renu Charkravartty: Why not?

Shri Tyagi: The hon. Member can give an answer or correct his own statement. He cannot correct another hon. Member's or Minister's statement. He can correct only his own personal statement.

Mr. Speaker: I agree. Let us understand this very clearly. (*Interruptions*). Order, order. I am really sorry that hon. Members are standing on their seats like this and speaking simultaneously. The position is this. If an hon. Member makes a statement, if it is pointed out to him that his statement is wrong, he corrects it. Or, if he thinks his statement is right and it has been contradicted by another hon. Member, by himself he makes a statement. That may be right or wrong and no hon. Member takes exception to it. Or, in connection with the statement made by the other hon. Member, this hon. Member makes a statement and another hon.

Member contradicts it. The hon. Member who thinks that his statement is right is entitled to submit "my statement is right". But, if those points that were raised by Shri Nayar had not been contradicted by the hon. Minister, I would not have allowed him an opportunity to get up. Each hon. Member can make a right or wrong statement, and it is on record. But when it is contradicted by another hon. Member, it is open to this hon. Member to state "this is what I said. These are the points which have to be taken into account". No further speech is necessary. This is what he is doing now. Hon. Members need not interrupt him. He is coming to the end of the statement.

Shri Tyagi: I bow to your ruling. Of course, you are the best judge of the procedure of the House. But, in that case, if it becomes a precedent, we can drag back old discussions and again start controversies which are otherwise closed.

Shrimati Renu Chakravartty: The hon. Member says that it will become a precedent. There are precedents already. When discussion on the Chinakuri mine disaster took place, the Government objected to several points I had made in the speech and you asked me to produce documents and I had to prove my points were correct. If I could not do so, you would have permitted the correction.

Shri V. P. Nayar: I may also state that not merely did I send a letter to the hon. Finance Minister but I had a talk with him on the telephone when he said that all my points were wrong. That is why....

Mr. Speaker: That is all right.

Shri V. P. Nayar: As I submitted, it is not India which has to decide the reasonableness or otherwise of the agreement. The third point....

Shri Morarji Desai: The third point cannot come in now, because it is not mentioned in the letter.

Shri V. P. Nayar: You please read the letter.

Shri Morarji Desai: I have read the letter. It is here before me. Anybody can read it. I am prepared to read it.

Shri V. P. Nayar: Coming to the point.

Shri Morarji Desai: There is no third point at all.

Shri V. P. Nayar: It is there. It is an important point. Besides, there are many other points.

Mr. Speaker: He must now resume his seat.

Shri V. P. Nayar: Let me finish at least this point.

Mr. Speaker: I am not going to allow.

Shri V. P. Nayar: I am entitled to have my say in this.

Mr. Speaker: No, no. (Interruptions).

Shri V. P. Nayar: What is this? Am I offending you?

Mr. Speaker: Order, order. He is not offending me.

Shri V. P. Nayar: Then what is this?

Mr. Speaker: With respect to one matter, of course, he has drawn pointed attention. Several other hon. Members may feel that several other matters are bad. But nobody can answer several other matters and nobody can spring a surprise upon the other saying "I included several other matters in it and this is also one of those several other matters". Whatever points he specifically raised, about them I have allowed him to make a statement. I will now hear

the hon. Minister. With respect to the several other matters, they will be as vague as he has written in his letter and they do not call for an answer..... (Interruption).

Shri V. P. Nayar: You cannot say that my letter was vague. It was definite..... (Interruption).

Mr. Speaker: No..... (Interruption). I am not allowing the several other matters.... (Interruption).

Shri V. P. Nayar: No. As you know in an appeal memorandum.....

Mr. Speaker: Will he resume his seat?..... (Interruption). The hon. Member has gone on.....

Shri V. P. Nayar: I am reading this point.

Mr. Speaker: I am not going to allow several other matters.

Shri V. P. Nayar: You may kindly refresh your memory. It is there. I have said that.

Shri Morarji Desai: It is not there. I will read out what the hon. Member has said there.

"If necessary, I shall give you more proof to show that in making that statement, the Finance Minister's object was to score only a debating point."

It was only a question of more proof. There are only two points.... (Interruption). There is no third point.

Shri H. N. Mukerjee: My feeling is that what the House is interested in is to find the truth of the matter. The hon. Member here seems to allege that the hon. Finance Minister has misled the House by placing before the House certain statements which are not quite correct. He is quite entitled in that case to give you an opportunity first of all to find out whether he has a plausible case to show that the hon. Finance Minister made an inaccurate statement and

then to get from the hon. Finance Minister some kind of a response to that allegation. I am interested in finding out the truth and I do not like the idea of having to listen to a serious matter in the midst perhaps of unavoidable interruptions. I therefore submit to you that perhaps it is better that a full-fledged statement giving the particulars regarding the alleged inaccuracies is allowed to be made, the hon. Finance Minister is given a copy of the allegational statement and he is also permitted to make a statement in reply so that the House can make up its mind in regard to the matter. If that is not done, we are left in a very vague state of mind and it should not be allowed to continue.

Shri Tyagi rose.—

Mr. Speaker: Order, order. Shri Tyagi is irrepressible. I am sorry to say that. He has stated his point. Now let me proceed. What I say is this. I have allowed sufficient time to Shri Nayar regarding the specific points that have been raised by him in his letter. So far as the other points are concerned—he may have many other points also—they do not fall under the subject matter of this correction. Therefore that is enough.

So far as the general observation made by Shri H. N. Mukerjee, namely, that this has to be debated upon is concerned, vaguely how can we do that? I have allowed everything that has to be said. Instead of putting it off till tomorrow. The hon. Member has now to conclude. The hon. Minister.

Shri V. P. Nayar: May I read the article of the agreement?

Mr. Speaker: Not necessary..... *(Interruption).*

Shri V. P. Nayar: I want to read only the article of the agreement, nothing else.... *(Interruption).*

Mr. Speaker: That is not necessary.... *(Interruption).*

Shri V. P. Nayar: It is absolutely necessary.... *(Interruption).* I have made an allegation. It is for me to prove, otherwise I will go challenged. The article of the agreement reads thus:

Mr. Speaker: He refers to the article of the agreement. Is it not?

Shri V. P. Nayar: Article 8 of the agreement which the House must know because it is a very serious matter.... *(Interruption).* There are not enough copies in the House.

Mr. Speaker: I will ask him to read article 8 of the agreement.

Shri V. P. Nayar: Let him read article 7 of the agreement.....

Shri Tyagi: Under what rule is this procedure allowed? I want to know that. What is the rule under which this procedure is being permitted?

Shri Morarji Desai: Now, this is the reply to that..... *(Interruption).*

Shri V. P. Nayar: I shall give the rule. You will kindly refer to page 59 of the *Directions by the Speaker*. With the reading of the agreement I want to close. I hope you will permit me to read it.

Mr. Speaker: No, no. He will refer to clause 7 of the agreement.

Shri V. P. Nayar: Which agreement? There are many agreements.

Mr. Speaker: That is all right.

Shri Morarji Desai: I know. Whatever he says I am going to read out here.

Shri V. P. Nayar: Why do you not permit me?

Mr. Speaker: I am really surprised at this. An hon. Member is not entitled to quote whole books.

Shri V. P. Nayar: No.

Mr. Speaker: What is this kind of procedure about? He can make a reference and say that such and such a thing is there. If there is any challenge about it, it will be done. He will refer to it. I have allowed the hon. Member so much of indulgence. He goes on reading books after books. I cannot allow this. Now, the hon. Minister.

Shri Morarji Desai: Shri V. P. Nayar has made two allegations:

(i) I have indicated that Code 99 of the ICA, Geographic Code defines the area as "worldwide", whereas the Communist countries like the USSR the whole of Eastern European countries, the people's Republic of China and India as a participating country are also excluded.

That is the first allegation. The second allegation is:

According to the reported version of my speech the Exim Bank credit appears to have been described also as available for global tenders though the agreement signed between the President of India and the Export-Import Bank on the 12th June, 1958 specifically indicates that the loan was for acquisition of capital equipment in the United States.

These are the two allegations which Shri V. P. Nayar has made.

Shri V. P. Nayar: I have made many more later on.

Shri Morarji Desai: He can make a thousand if he likes. That does not matter to me.

As regards the first allegation, I should like to reiterate that Code 99 of the Geographic Code Book of US Government does describe the area as "worldwide". Shri Nayar accepts it but also refers to the explanation printed under the description in the Code Book. In actual practice, how-

ever, Government of India do not usually receive bids against any global tenders from Communist countries where competitive bidding is not possible. Moreover, these foreign loans are meant for meeting foreign exchange component of foreign purchases and there is no question of Government of India making these purchases in India. Therefore, in so far as the utilisation of these loans was concerned, from the point of view of Government of India's operation, the theoretical limitation imposed in the explanation to which Shri Nayar has now referred was not material. It should be remembered that I was replying to the general discussion on the budget and was trying to cover as far as possible the different points raised by different hon. Members here. I was hard pressed for time. I was, therefore, necessarily referring to only the most material points raised by the different hon. Members.

As regards the second allegation, it is regretted that my reply as reported in the uncorrected version of the debates contains a verbal mistake which should have been corrected earlier. The correct version should be:

"As regards American loans and credit except that given by Exim Bank they have been available so far for being utilised through global tenders for making the most economical purchases."

Shri V. P. Nayar: The printed debate also does not have that correction.....(Interruption).

Mr. Speaker: Very well; he corrects that now....(Interruption).

Shri Morarji Desai: There can be no question of my ever saying that Exim Bank is available for anything outside USA....(Interruption).

Shri Nagi Reddy: You said that. Please read it....(Interruption).

Shri Morarji Desai: If it appears there, I have said that it is a mistake.

Shri V. P. Nayar: It was about two weeks ago. Why did he not correct it? *(Interruption)*.

Mr. Speaker: I am really surprised at this. Hon. Members are abusing this privilege of bringing to the notice of the House some mistakes. The hon. Member has pointed out those mistakes. I have given an opportunity to the hon. Minister. He says that he made a mistake. What more does he want? *(Interruption)*.

Shri Morarji Desai: I did not make a mistake *(Interruption)*.

Mr. Speaker: That is very wrong. Hon. Members must keep quiet.... *(Interruption)*.

Shri Nagi Reddy: He only said that there was a small, slight change. It is the biggest that he has made..... *(Interruption)*.

Mr. Speaker: Hon. Members may have their own notions about what is big and what is small. So far as the mistake is concerned, the hon. Minister says that it is a mistake.... *(Interruption)*.

Shri V. P. Nayar: In answering a debate..... *(Interruption)*.

Mr. Speaker: I am not going to allow any interruption.

Shri V. P. Nayar: In answering a debate, is it not the context that is material? If he had said yes or no, it makes no difference.... *(Interruption)*.

Shri Morarji Desai: I have already stated that it is regretted that the reply was not corrected earlier. Really speaking, there was no mistake made by me in the House because I could never in my dream say at any time that Exim Bank is allowed outside. That has a specific purpose. I have even said in this House that

Exim Bank has been created in order to increase the exports from America. That also is a statement that I have made in the House. How could I have otherwise said then? But it appeared in the report like that and it is regretted, as I said, that I did not correct it earlier. That is all that I am saying.... *(Interruption)*.

Then, the Government of United States of America established the Exim Bank about 25 years ago to finance the export of material and equipment produced or manufactured in the United States. This fact has been clarified to Parliament more than once already.

Shri Nagi Reddy: By whom?

Shri Morarji Desai: By me and by others too.

Shri Nagi Reddy: *(Interruption)*.

Shri Morarji Desai: I am saying here..... *(Interruption)*.

Mr. Speaker: Order, order. He has pointed out some mistake.

Shri Morarji Desai: The agreement signed with the Exim Bank on the 12th June, 1958, was placed in Parliament. The reply to supplementaries to Starred Question No. 256 answered on the 10th August, 1959 may also be referred to. It was clarified by the hon. Deputy Minister of Finance that the Exim Bank credit "is only for utilisation in the USA. This differs from other credits like DLF and others which can be used anywhere in the world". It has also been clarified in the Explanatory Memorandum on the budget for 1960-61 which I laid before Parliament on the 29th February, 1960 at page 158, item V, that the Exim Bank credit is available for procurement in the United States of capital equipment. There can, therefore, be no question of suppressing facts as alleged by Shri V. P. Nayar.

Shri H. N. Mukerjee: Sir, may I ask one little thing? It appears that

[Shri H. N. Mukerjee]

the hon. Minister made a mistake which somehow, by some kind of omission, was not even corrected when the uncorrected reports were printed. We are all happy that the proceedings are printed pretty promptly. If speeches of the Ministers which are rather important documents which can be referred to later only with reference to a particular volume in question, contain errors, it is rather a bad thing. Sir, I would like you to direct that at least the Ministers, however busy they might be, should correct their speeches, or get them corrected by their Secretaries.

Shri Morarji Desai: The Ministers do correct them and they must correct them. But if the Ministers sometimes make a lapse, then my hon. friends get a chance to go at them. They should be happy. (*Interruptions*).

Mr. Speaker: To err is human. All hon. Members also can do so. What I would like to urge upon all hon. Members in this case is, wherever there are mistakes made it is good to point them out if they are serious mistakes. When once those mistakes are pointed out and the hon. Member responsible for those mistakes says, "I have committed a mistake", then that is the end of it. There is no meaning in going on pursuing this matter as if this is a kind of inquisition. It is unnecessary. I am allowing a fair chance of mistakes to be corrected. If the hon. Minister had already corrected it, there would have been no chance for Shri Nayar to raise this here.

12.42 hrs.

DEMANDS FOR EXCESS GRANTS (RAILWAYS), 1957-58—contd.

Mr. Speaker: The House will now take up further discussion and voting on the Demands for Excess Grants in respect of the Budget (Railways) for 1957-58.

Out of one hour, 45 minutes have already been taken. Only 15 minutes are left. Shri Ram Krishan Gupta may continue his speech. He is not present here. Shri C. K. Bhattacharya. After him I will call Shri Warior.

Shri C. K. Bhattacharya (West Dinajpur): Mr. Speaker, Sir, I am glad that you have kindly given me an opportunity to speak on Demands for Excess Grants (Railways) for 1957-58. While speaking on the Railway Budget for 1957-58 I had occasion to draw the attention of the House as well as of the hon. Minister to a long-standing grievance of my constituency, that is, West Dinajpur. I am sorry to say uptillnow nothing has been done to remove that grievance though in the meantime I have repeatedly requested the hon. Minister to be kind to my constituency and get that grievance removed. Even now there is a way open to the hon. Minister to get that grievance removed and I request him to take steps in the matter as soon as possible. The district West Dinajpur, as the name indicates, suffers from the result of the partition of Bengal. Along with the partition of the State, the district itself was partitioned. The railway line through this district went to the share of Pakistan. So, this district has been left without any railway communication and without any easy conveyance to Calcutta or to other parts of the State uptill now. The people have been agitating for long to have some railway communication for giving them to an easy access to the city of Calcutta as well as to other parts of the State. But uptillnow that has not been done.

Sir, in order to prove the difficulties experienced by the people of this district, I may cite my own example. Parliament gives me a Railway pass but for the purpose of going to my own constituency that Railway pass is absolutely useless. It is easier for me to come to Delhi from Calcutta than to go to the headquarters of my own constituency. It takes 26 hours

for the journey from Calcutta to Delhi. From Calcutta to the headquarters of my own constituency it almost takes that amount of time. If I start at 9-00 a.m. I will be reaching there at about mid-day the next day. That is the difficulty which the people there have been experiencing and I myself have been facing that difficulty. I find it difficult to keep my contacts with my own constituency and it is for this purpose that from the very first day I came to Parliament I have been harping upon this thing and I have been running after the hon. Minister to have that difficulty removed.

Sir, it was suggested that I could take advantage of the air service. The difficulty is, the air service would cost money from my own pocket for which Parliament will not make any reimbursement to me. Had I been sufficiently in affluent circumstances, I would have certainly done that. But God has not placed me under such affluent circumstances to that I could continually take advantage of the air service to keep in touch with my constituency. And I have got to plead with the House and the hon. Minister for providing some railway communication so that I could easily and quickly go to the headquarters of my constituency.

Sir, the necessity for the line has long been felt and I may state here that at least the people there have been favoured with the assurance by two Railway Ministers in succession that there grievances will be removed. Shri Lal Bahadur Shastri, the then Railway Minister went there and gave an assurance to the people that this difficulty will be removed. Then, Shri Jagjivan Ram, the hon. the Railway Minister who is present here today went there and from his own lips the people got the assurance that this difficulty will be removed. After all these assurances from the hon. Ministers, is it not rather a matter of regret that this difficulty has not yet been removed and the people are suffering even now?

Dr. M. S. Aney (Nagpur): They might be only lip promises.

Shri C. K. Bhattacharya: Lip promises are given at the time of the elections, but not after that when one becomes a Minister.

Sir, this matter has been before the Railway Board for a long time, since 1949. The surveys have been twice, one in 1950 and the other in 1955. I may state that the results of the surveys have proved favourable. The report is that the construction of this line would be profitable and would be productive for the Railways, not like other lines which are in many cases completely unproductive.

In the last Budget, the hon. Minister raised a ray of hope. In the Explanatory Memorandum it was stated that "Tildanga-Farakka-Khajuriaghat-Malda project was primarily meant to open up the West Dinajpur district of West Bengal." It was stated that this line was meant primarily to open up my constituency. When that is stated, certainly the people are entitled to think that they are going to be relieved of the difficulty which has been causing them so much distress uptillnow. But in the alignment that has been made, everything has been done excepting opening up my district. The alignment which was originally made during the previous survey ran through my district itself. But the new alignment that has been made is just by passing the district. When it is stated that an alignment is meant primarily for opening up a particular district, I may naturally expect that the line will be connected with the headquarters of the district at least. But the alignment that has now been made does not connect the line either with the present headquarters of the district which is Balurghat or the perspective headquarters of the district which is Raiganj. That is the grievance which I want to place before you and which I want to get removed. People find that the line that has been taken up after long agitation is being constructed in a way which will not remove

[Shri C. K. Bhattacharya]

their grievance. The cup is being dashed to pieces just when it is within easy reach of their lips, and that is the tragedy, which myself and my constituents find ourselves in.

Finding ourselves in this predicament, Members of Parliament belonging to that area of West Dinajpur and other parts of West Bengal, as also Darjeeling and Assam, submitted a memorandum to the hon. Railway Minister that the line should go along the original alignment, or at least, when it is being constructed by the side of this district, an arm should be drawn to connect the two important centres of West Dinajpur District, Balurghat and Raiganj, which were in the original survey. I am not making any new suggestion.

Mr. Speaker: On what Demand is he speaking?

Shri C. K. Bhattacharya: On railways

Shri D. C. Sharma (Gurdaspur): He is speaking about his own constituency.

Mr. Speaker: So far as Excess Grants are concerned,.....

Shri C. K. Bhattacharya: Under Demand No. 15 you find construction of new lines, and I am vitally connected with that.

Mr. Speaker: Does he complain against any excess of expenditure as has been noted here, that it ought not to have been incurred? If it is a question of generally saying that some more lines have to be built, it is out of order.

Shri D. C. Sharma: His contention is that more expenditure should be incurred.

Mr. Speaker: No, no. It is wrong. That is not the scope of Excess Grants. I am sorry, he must resume his seat. We are not going on with a general discussion on railways. It is open to any hon. Member to say that

this has been spent unnecessarily, it ought not to have been spent. Beyond that there is absolutely no room for a general discussion.

Shri Warior (Trichur): This excess is demanded when there are very important maintenance and other subjects coming in. Can we not go into them also?

Mr. Speaker: No.

Shri Warior: Even the Indo-Pakistan rail relations?

Mr. Speaker: That cannot be the subject here. Of course, everything relates to the railways, but you cannot raise all that on Excess Grants.

Shri Warior: It is a very important thing.

Mr. Speaker: Is there no relevancy? When a marriage is taking place, can something else also go on?

Shri Warior: The whole railways are in danger.

Mr. Speaker: Order, order. The hon. Deputy Minister.

The Deputy Minister of Railways (Shri S. V. Ramaswamy): Will I get 15 minutes?

Mr. Speaker: Yes.

Shri S. V. Ramaswamy: Within the limited time at my disposal, it will not be possible for me to answer all the points that have been raised, but I shall meet some of them which are important.

Shri T. B. Vittal Rao raised some points. His first point was about coal. He said it was inferior in grade, and that there was no proper checking. I may say that it is supplied by the Coal Controller who functions under the Ministry of Works, Housing and Supply. The coal is inspected by them, and it is their responsibility.

The fact that inferior coal is there may be admitted. We are trying to improve the quality of the coal supplied to the railways.

He also suggested that washeries might be set up. That again is not within the purview of this Ministry. The washeries have to be set up by the Ministry of Steel, Mines and Fuel. It is for them to set them up and supply us improved coal.

He also raised the point about uniforms. No doubt, a report was submitted some time back with regard to uniforms, but the recommendations would involve an additional cost of Rs. 31 lakhs or so. In view of financial stringency, we reviewed the position and found that we could not go the whole hog and accept all the recommendations. I may point out that it is not as if it is a measure of staff welfare. We are providing dress as an administrative necessity. If that is taken into consideration, what we have done is quite adequate. As and when our finances improve, we will certainly look into it and do the needful.

The hon. Member then raised questions about the damage caused by goods lost, theft etc. Other hon. Members also raised the same point. There has been a definite decline in the incidence of theft, and the position in regard to other crimes has also improved as compared to the pre-reorganisation period. The following are some figures:

	1954	1959
Yard thefts	1,615	947
Goods thefts	802	655
Running train thefts	3,216	1,437

We are taking very effective steps to see that thefts in the yards, goods sheds and running trains are brought under control. We are extensively using the E.P. locking of wagons, picketing of strategic points, escorting of important goods trains; surprise raids are being organised jointly by

the G.R.P. and the Railway Protection Force on hide-outs of known criminals and receivers of stolen property. As regards damage by moisture, we are taking precaution to see that open wagons are covered with tarpaulins, and even where there are goods sheds we see to it that they are properly housed, so that this does not occur.

Then there is the question of goods lost or damaged. Here also there has been a steady decline in the number of new claims registered on the Indian Railways from 1957-58. I shall give a few figures. In 1955-56 the number of new claims received and those reopened were as many as 4,52,811. In 1959-60 they came down to 3,69,201. The net amount paid in 1957-58 was Rs. 3,27,00,000, and I am happy to submit that in 1958-59 this came down slightly; we are trying to hold this in check and bring down further the net amount paid.

13 hrs.

Considering the increase in the price level of commodities, the amount that is paid is not really as much as it looks. If we take, for instance, 100 as the amount paid by the railways in 1950-51, making due allowance for the volume of traffic and the prevailing price levels, the indices of the claims payments for the successive years 1956-57, 1957-58 and 1958-59 work out to 78.6, 70.4 and 68.8 respectively. As a result of various measures adopted, a very substantial progress has been achieved. As against a total of 73,162 claims outstanding on the railways on 31st March, 1956, those outstanding at the close of the year 1959 were only 42,508. The average time taken for the disposal of these claims has also come down from 71 days in 1952-53 to 52 days in 1957-58-59. We are taking all possible steps to see that claims do not mount up. The work of the Claims Prevention Organisation is also commendable. They are very effective in holding them in check.

Shri T. B. Vittal Rao has raised the question about the provident fund.

[Shri S. V. Ramaswamy]

Other hon. Members, Shri Assar and Shri Aurobindo Ghosal also spoke about the same. Sometimes, delay does happen. There are certain legal formalities. The address of the person is not known or he is not vacating the quarters, and so on and so forth. There are so many such difficulties. All these take some time. Even so, we have issued a directive that six months ahead of the retirement, all the papers must be got ready, and if a person is to be retired in six months, then he should not be transferred within that period, because if a person is transferred then it becomes difficult to settle his account. That is why we have issued these two directives. The accounts, as far as possible, are got ready, and we have also issued instructions that they should be settled within ten days of the date of retirement.

In case of normal retirement, the Administrations have been asked to maintain an index register of employees retiring six months hence both in the executive and in the accounts offices. In the case of retirements other than normal, every month, a list of such cases which arose during the previous month should be made out, and a similar index register maintained for such cases. We also organise clearance months where we emphasise that the outstanding provident fund settlements must be cleared. All these steps have produced good results.

Shri Naushir Bharucha (East Khadesh): They are very good on paper.

Shri S. V. Ramaswamy: If figures are not believed, I am sorry; I cannot help it. But the figures are here. The result of the very persistent drive has been very satisfactory. While there were 16,136 cases pending on 31st July, 1957 only 7,291 cases were pending on 30th November, 1959. Substantial progress has been achieved in liquidating the older cases. There were as many as 4,587 cases over one year old on 31st July, 1957, and this

number has gone down to 1,773 on 30th November, 1959. I am sure these facts are very encouraging, and the progress will be maintained, so that there is no room for grouse at all.

As regards the Central Railway, particularly, Shri T. B. Vittal Rao made mention of the fact that accounts slips were pending for over two years. I submit that he is misinformed. In all the accounting units of that railway, the posting of provident fund ledgers is absolutely current, excepting about two months' arrears in the Bombay Division.

Shri Naushir Bharucha: May I point out that my brother who was a railway officer passed away in November. I wrote to the Department concerned to let me know only the figure of the provident fund. Six months have passed, and I have not received any reply yet.

Shri S. V. Ramaswamy: Mayb, it is one of those cases which have been pending because of certain difficulties. The legal requirements have got to be fulfilled, and if there is delay in furnishing the necessary information, certainly there will be delay. This may be one of those cases which were delayed.

13.05 hrs.

[MR. DEPUTY SPEAKER in the Chair]

Shri Aurobindo Ghosal made mention of certain retrenchments in the South-Eastern Railway. I may tell the House that no one has been retrenched. In 1956, the South-Eastern Railway appointed locally a number of draughtsmen and estimators in ex-cadre posts on the clear understanding and condition that they would not be absorbed in the regular cadre unless they were duly selected by the Railway Service Commission. There was a clear condition laid upon their appointment. Some have been selected by the Railway Service Com-

mission, and some are continuing in the ex-cadre posts; and others who became surplus have been absorbed in the Calcutta electrification project. So, the charge that they have been retrenched is not correct. The condition was there; if they pass, of course, they would be absorbed; but if they do not pass, and they have to abide by that condition, there is no option but to get them retrenched.

Shri Aurobindo Ghosal also mentioned about the theft of coal. I was somewhat surprised to hear that he seems to have been watching the sale of railway coal to others without complaining so far and informing the authorities either in the South-Eastern Railway or in the Railway Board. To make a statement like that in the House for the first time, no doubt, is interesting, but it takes us by surprise. As an hon. Member representing the people, I wish he had brought this to the notice of the railway authorities then and there instead of sitting in his house and watching through the window this open sale, as he alleges, of railway coal to private parties.

Even in the matter of theft of coal, we are taking very stringent measures. Shri Assar mentioned that the theft was as much as to the tune of Rs. 2 crores. I submit that the figure is very wrong. In 1957-58 there was only a loss of about 50,000 tons totalling about Rs. 12 lakhs. But it fell down to about 30,000 odd tons valued at about Rs. 8 lakhs. I think the control is effective. We have posted security men, the R.P.F. has been alerted, lighting has been improved, and the storing spots are being checked and so on.

We are taking very effective steps to see that railway coal is not stolen and sold in the manner in which hon. Members have alleged.

With regard to the maintenance of first-class coaches, Shri Assar and Shri Naushir Bharucha both mentioned that they were not being main-

tained. As the House is aware, the Second Five Year Plan laid emphasis on third class coaches. We are really short of the first class coaches, and even some old coaches have had to be reconditioned and kept running. There may be deficiencies here and there, but I might tell the House that the deficiencies in the first class coaches are due not so much to the lack of maintenance on the part of the railways as the thefts, pilferages and the damages that are being done to the fittings by the thieves and pilferers. It is very unfortunate that the first class coaches draw the attention of these fellows who remove these fittings and sell them to the receivers of stolen property and thus inconvenience the first class passengers in the use of the coaches. We are trying our utmost to improve the condition of the first class coaches. As a matter of fact, we have got a programme for the manufacture of first class coaches of the I.C.F. type during the Third Plan period, and we shall get some more coaches of this type, and we shall improve the first class service.

Shri T. B. Vittal Rao (Khammam): Am I to understand that even a wash basin could be stolen? It is such a big thing, and even that is stolen? I found in one carriage that the wash basin also had been stolen.

Shri S. V. Ramaswamy: It is not impossible. There are only three screws to unscrew; and they can bodily remove it. Supposing it is in a station yard, they can remove the three screws with a screw-driver and take it away at night. What is it that can be done to prevent such a thing? We are trying to protect our property in the station yards as much as possible but sometimes, thefts and pilferers are cleverer than we.

Shri C. K. Bhattacharya: May I make a suggestion to the hon. Minister in this connection? In certain railways, I have found on the mirrors that are put in the compartment that it has been written crosswise 'Stolen from the railways'. While travelling in such a compartment, I tried to

[Shri C. K. Bhattacharya]

make out what the meaning of that could be, and I could easily find out later that it was that if anybody took it away from the compartment and brought it to the neighbouring towns, at once, the people would know that it is stolen property. All the materials that would be put in the railway compartment should have that inscription namely 'Stolen from the railways'.

Mr. Deputy-Speaker: That might put other passengers into confusion such as was experienced by the hon. Member. In the first instance it might be difficult to understand what it means.

Shri S. V. Ramaswamy: Shri Naushir Bharucha was saying something about the payment of overtime at Bhusaval. There is no big workshop as such. There is only a small engineering shop maintained by assistant engineers. Now, they are governed by the statutory regulations regarding hours of work, and no case of non-payment of overtime has occurred.

I called for the facts and find that nothing is due so far as this workshop is concerned. My hon. friend is perhaps thinking of some other workshop. If he would give us more particulars, we shall enquire.

Shri Naushir Bharucha: My information is that these people were made to put in overtime work on promise of payment. Afterwards, somebody discovered some legal flaw and said that they were not entitled to overtime payment. When they have put in overtime work, morally they are entitled to payment for it.

Shri S. V. Ramaswamy: If the hon. Member would give us the full particulars, we shall enquire into it and find out.

Mr. Deputy-Speaker: If the rules do not permit it, does the hon. Member desire that the man who made the promise to pay should do so from his own pocket?

Shri Naushir Bharucha: I do not know how they pay. Somebody has blundered. The Railway Administration must bear the burden for that.

Shri S. V. Ramaswamy: The hon. Member will kindly write to us sending the particulars. We shall look into it.

Shri Naushir Bharucha: Certainly I shall send the particulars.

Shri S. V. Ramaswamy: As regards new lines, the Speaker has already overruled any discussion about them.

Three other hon. Members spoke about something on which the hon. Minister has already spoken, namely, about the Pakistan-India link. All the views expressed by them will be taken into consideration by Government.

I have nothing more to add except to thank hon. Members for their valuable criticism.

Mr. Deputy-Speaker: Does any hon. Member want any cut motion to be put to vote separately?

Shri T. B. Vittal Rao: I beg to leave of the House to withdraw my cut motions.

Mr. Deputy-Speaker: I take it that all the cut motions are sought to be withdrawn with the leave of the House.

Have the hon. Members the leave of the House to withdraw their cut motions?

Some Hon. Members: Yes.

All the cut motions were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That the respective excess sums not exceeding the amounts shown in the third column of the order paper be granted to the

President to make good the amounts spent during the year ended the 31st day of March 1958, in respect of the following demands entered in the second column thereof:—

Demands Nos. 4, 5, 7, 8, 9, 12, 15, 16 and 17."

The motion was adopted.

[The motions for Demands for Excess Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

**DEMAND NO. 4—REVENUE—ORDINARY
WORKING EXPENSES—ADMINISTRATION**

"That a sum of Rs. 44,66,228 be granted to the President to make good an excess on the grant in respect of 'Revenue—Ordinary Working Expenses—Administration' for the year ended the 31st day of March, 1960."

**DEMAND NO. 5—REVENUE—ORDINARY
WORKING EXPENSES—REPAIRS AND
MAINTENANCE**

"That a sum of Rs. 3,67,54,149 be granted to the President to make good an excess on the grant in respect of 'Revenue—Ordinary Working Expenses—Repairs and Maintenance' for the year ended the 31st day of March, 1960."

**DEMAND NO. 7—REVENUE—ORDINARY
WORKING EXPENSES—OPERATION
(FUEL)**

"That a sum of Rs. 56,04,858 be granted to the President to make good an excess on the grant in respect of 'Revenue—ordinary Working Expenses—Operation (Fuel)' for the year ended the 31st day of March, 1960."

**DEMAND NO. 8—REVENUE—ORDINARY
WORKING EXPENSES—OPERATION
OTHER THAN STAFF AND FUEL**

"That a sum of Rs. 1,43,29,288 be granted to the President to make

good an excess on the grant in respect of 'Revenue—Ordinary working Expenses—Operation other than Staff and Fuel' for the year ended the 31st day of March, 1960."

**DEMAND NO. 9—REVENUE—ORDINARY
WORKING EXPENSES—MISCELLANEOUS
EXPENSES**

"That a sum of Rs. 15,88,214 be granted to the President to make good an excess on the grant in respect of 'Revenue—Ordinary Working Expenses—Miscellaneous Expenses' for the year ended the 31st day of March, 1960."

**DEMAND NO. 12—REVENUE—DIVIDEND
PAYABLE TO GENERAL REVENUES**

"That a sum of Rs. 15,74,370 be granted to the President to make good an excess on the grant in respect of 'Revenue—Dividend payable to General Revenues' for the year ended the 31st day of March, 1960."

**DEMAND NO. 15—CONSTRUCTION OF
NEW LINES—CAPITAL AND DEPRECIATION
RESERVE FUND**

"That a sum of Rs. 15,55,279 be granted to the President to make good an excess on the grant in respect of 'Construction of New Lines—Capital and Depreciation Reserve Fund' for the year ended the 31st day of March, 1960."

**DEMAND NO. 16—OPEN LINE WORKS—
ADDITIONS**

"That a sum of Rs. 5,09,15,374 be granted to the President to make good an excess on the grant in respect of 'Open Line Works—Additions' for the year ended the 31st day of March, 1960."

**DEMAND NO. 17—OPEN LINE WORKS—
REPLACEMENTS**

"That a sum of Rs. 5,66,95,048 be granted to the President to make good an excess on the grant in respect of 'Open Line Works—Replacements' for the year ended the 31st day of March, 1960."

13-12 hrs.

**REPRESENTATION OF THE PEOPLE
(AMENDMENT) BILL**

The Deputy Minister of Law (Shri Hajarnavis): I beg to move:

"That the Bill further to amend the Representation of the People Act, 1950, be taken into consideration".

I hope that this Bill except for two items is mostly non-controversial. As for the two items about which some concern has been expressed in the House, I hope to convince the House that we have been guided by no consideration other than that of our loyalty and obedience to the Constitution which we have sworn to uphold. I will briefly go over the first few items and then deal in some detail with the provision which substitutes the words 'Zilla Parishads' for 'District Boards' in U.P. Then, as I said, I will go over step by step the process of reasoning by which we have arrived at the result which forms the basis of this amending Bill.

By clause 2 of the amending Bill, we propose to insert a new sub-section (2) to section 12 of the Representation of the People Act. I might remind hon. Members that under section 12 of the Representation of the People Act, power has been given to the President, after consulting the Election Commission, by order to alter or amend any order made under section 11. We find that section 11 refers to the constitution of various constituencies. The question which often arises is: having altered the

constituencies, what shall we do with the right of representation of members who have already been elected on the basis of the old constituencies? Such a power is always taken whenever there is an alteration of the constituencies between two elections.

So far as the Legislative Council is concerned, it is well-known that it is a body which never dissolves. One-third of the membership is renewed after a fixed period. Therefore, what we seek to do by this amendment is to take power under the proposed sub-section (2) to see that wherever an alteration is made in the constituencies themselves, then the existing members may be allocated the altered constituencies.

Then under clause 3, clause (d) of sub-section (2) of the principal Act is being deleted. Clause (d) says:

"In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

...the constitution and appointment of revising authorities to dispose of claims and objections".

It has been the experience of the Election Commission that the provision of dual authorities, one for registration and the other for revision, results in a cumbrous procedure. There are two parallel authorities, one merely concerning itself with writing down the names and the other taking upon itself to decide judicially whenever an objection is raised as regards the right to vote. This results, as the Election Commission has experienced, in delay and a multiplicity of authorities. Basing ourselves upon the precedents in U.K. and profiting by the experience we have had for such a long time, the Election Commission would like that the law should provide that the power to revise, in case a claim or

objection is raised, should be placed squarely upon the registration officer himself so that whenever an electoral roll is prepared and whenever an elector's name is entered, he is conscious of the fact that he is not merely carrying out a ministerial duty but is also exercising a judicial function. He himself having made that entry in the first instance, when an objection is raised as to why a particular name has or has not been included, he should decide. It is also in the mind of the Election Commission that though the power will be given to the electoral registration officer to revise, appeal against any decision by him will be provided for by rules.

By clause 4, section 31 is sought to be amended. Section 31 reads as follows:—

"If any person makes in or in connection with—

- (a) a claim or an application for the inclusion in an electoral roll of his name, or
- (b) an objection to the inclusion therein, or an application for the exclusion or deletion therefrom, of the name of any other person, a statement or declaration in writing which is false and which he either knows or believes to be false or does not believe to be true he shall be punishable with imprisonment for a term which may extend to one year, or with fine or with both".

In place of this, we want to put in as follows:

"If any person makes in connection with—

- (a) the preparation, revision or correction of an electoral roll.....".

As it at present stands, section 31 is confined to action being taken when the claim is made in respect of inclusion in the electoral roll of his own name. If he makes a false claim, a claim which is unjustified, on behalf of another person, he is not liable to be punished. You will see that action under section 31 is confined only to claims which are made in writing. If a man makes a claim for himself, which he knows to be false, he is liable to be proceeded against under the present Act.

Should he not also be liable to a similar penalty if he, in writing, makes a similar claim on behalf of another person? After all, when the names are being entered in the rolls, one man comes and makes a claim on behalf of many persons. Supposing a man knows that he has no right to vote and also knows that if he himself applied he would not be able to substantiate his claim for inclusion in the rolls. Then, if he himself makes the application and if he fails he will be liable to criminal punishment. But he can escape criminal punishment by asking his friend or relative to make a claim on his behalf and take a chance of that claim being accepted. If he makes such a fraudulent claim he will not incur any kind of penalty. That, we thought, was a lacuna in the Act; and that is sought to be removed by this.

Then, I come to clause 5 in which I have got to convince the House that the action taken by the Election Commission so far, which is the basis of this particular Bill, is strictly in accordance with the provisions of the Constitution.

Shri Braj Raj Singh (Ferozabad): It is a violation of the Constitution.

Mr. Deputy-Speaker: Why anticipate things?

Shri Hajarnavis: I am glad that my hon. friends for whom I have very great regard, both Shri Khushwaqt Rai and Shri Braj Raj Singh are here; and I will go slowly step by

[Shri Hajarnavis]

step over the process of reasoning that has led us to this conclusion.

Article 168 reads:

"For every State there shall be a Legislature which shall consist of the Governor, and

(a) in the States of Andhra Pradesh, Bihar, Bombay, Madhya Pradesh, Madras, Mysore, Punjab, Uttar Pradesh and West Bengal, two Houses"...

We are dealing with Andhra Pradesh and Uttar Pradesh. I am keeping the case of Andhra Pradesh, for the present on one side.

"Where there are two Houses of the Legislature of a State, one shall be known as the Legislative Council and the other as the Legislative Assembly, and where there is only one House, it shall be known as the Legislative Assembly."

Article 171 deals with the constitution of the Legislative Councils.

"The total number of members in the Legislative Council of a State having such a Council shall not exceed one-third of the total number of members in the Legislative Assembly of that State."

Article 171(3) states:

"Of the total number of members of the Legislative Council of a State—

(a) as nearly as may be, one-third shall be elected...."

I emphasise the words 'shall be elected'

"by electorates consisting of members of municipalities, district boards and such other local authorities in the States as Parliament may by law specify;"

For the present, I am confining my remarks to the crucial words—'one-third shall be elected by electorates consisting of members of district boards'.

The first statement which I would make is that we are enjoined by the Constitution to form an electorate which shall consist of members of district boards. So, if, in practice, a person is a member of a district board, we cannot deprive him of the vote. The sole question is whether he is or he is not a member of the district board. If a district board is formed and if a person is invested with the right of membership, then, the Constitution bids us that he shall be included as an elector in the constituency which will elect a member to the Legislative Council. We cannot take away that right from him; we cannot do it without infringing an obligation which has been imposed upon us by the Constitution. So, the first question which we ask ourselves is whether he is a member or whether he is not.

Then, the second issue which arises is, is it a district board? And, if we come to the conclusion that it is a district board, then, our view is that we are inexorably driven to the conclusion that no member of the district board can, under Article 171(3), be deprived of his right to vote.

The words 'municipality or district board' cause no small amount of concern because these words are not defined. Nor are these terms invariably used in describing the various institutions of local self-government. For instance, many of the cities which consist of municipalities are called municipal corporations or city corporations. Or, in U.P. the present name is *Nagarpalika*; and in what are called the KABAL towns, I am told the word used is.....

Shri Braj Raj Sing: Nagar Mahapalika.

Shri Hajarnavis: ...Nagar Mahapalika.

Shri S. M. Banerjee: (Kanpur): That is according to the Act.

Shri Hajarnavis: I agree, Where by usage or by custom or by something else such a name has been given, we must concentrate our attention upon the functions of the particular institutions and find out what they are.

Shri Tyagi: (Dehra Dun): The Prime Minister is known as *Pradhan Mantri*.

Shri Khushwaqt Rai (Kheri): The functions are not defined in the Constitution.

Shri Hajarnavis: Therefore, what we have to see is what is it that the Constitution prescribes. Having ascertained the principal functions, having ascertained the true meaning of the term specially used in the constitution, we try to find out whether such institutions as we are considering come under this category or not. That is one which has got to be determined.

Let us take a comparable question. I may refer hon. Members to article 79 of the Constitution. It says:

"There shall be a Parliament for the Union which shall consist of the President and two Houses to be known respectively as the Council of States and the House of the People."

Now, in all our enactments and in daily administrative dealings the two Houses are known as the Lok Sabha and the Rajya Sabha respectively. Everyone knows what is meant. If the term 'Lok Sabha' is used, all of us know that it is the House of the People mentioned in article 79. Similarly, Rajya Sabha means the Council of States. So, the mere fact that the name has been changed or an equivalent in one of the Indian languages is being used. I submit, does not take it out of the

requirements of the Constitution. It does not become another institution altogether. In each case, it would be a question of fact to be determined, whether you have merely changed the name or whether you have created an entirely different body.

That is the groundwork of our further submissions to the House. Again, I go back to the position from which I started. If a person is a member of a district board, then, under article 171(3) he is entitled to vote.

The Antarim zilla parishads came into existence as a result of an ordinance which came into force on 1st May 1958. It will be admitted on all hands that local self-government is a subject which falls entirely within the State List and it is for the States to decide the composition and constitution of these instrumentalities. So, by that ordinance the district boards in U.P. which were functioning were dissolved and were supplemented by another body named the Antarim zilla parishads. This Act, Act No. 22 of 1958, was assented to by the Governor on 22nd August, 1958. This is not a body which has come into existence merely for the purpose of the election to the legislative council. It has been functioning for the last two years. What its impact would be on the legislative council there probably did not occur to the persons who framed the ordinance. Section 2 of this Act defines it. Section 4 says, "The State Government shall, with a view to facilitate the establishment of the zilla parishads for the co-ordinated administration of the affairs concerning economic and social planning and local self-government in the districts.....". So, it has got two functions: co-ordination of administration of economic and social planning is the first function. Secondly, it is entrusted with the local self-government in the district. It goes on to say; "..... to ensure smooth transaction, by notification published in the Official Gazette constitute Antarim Zilla Parishad in each district."

[Shri Hajarnavis]

This came into existence on the 1st May, 1958. All district boards in U.P. including the sub-district of Bardoi ceased to function. Then, we come to section 6 of this Act.

"Upon the issue of a notification constituting the Antarim Zilla Parishad for a district and notwithstanding anything in the U.P. District Boards Act, 1922, the consequences hereinafter set forth shall as from the date of such notification issue. (1) all powers, functions and duties of the District Board, or any committee thereof in respect of all matters including funds and property, whether under the enactment aforesaid or any other law, shall be vested in the Antarim Zilla Parishad, and shall for the purposes of the administration of the U.P. District Boards Act, 1922 and any other law, be exercised, performed and discharged by or under the authority of the Antarim Zilla parishad, which shall be deemed in law to be the District Board....."

This is quite explicit. Having said that all the powers of the district board shall be exercised by the antarim zilla parishads it goes on further to say that it shall be deemed to be a district board. We all know that the phrase 'deemed to be' had been admitted by the Privy Council, the House of Lords, the Supreme Court and so on. The best exposition of this phrase which the Supreme Court has also now adopted is found in a case in the House of Lords before Lord Asquith of Bishop Stone. I am quoting from memory and I hope my quotation is somewhere nears the actual words used: "If by these words we are bidden by the Legislature to imagine a certain thing to exist we will not allow your imagination to boggle and conclude that consequences which to you do not appear justified are not intended to result from that legal fiction."

If a legal fiction is created, you cannot say that in actual fact it is something different. You are probably aware, Sir, of the earlier case in the Privy Council where a point was taken in a case under the Income-Tax Act which required a certain person should be regarded as an agent. The argument was this. If I can show that a person cannot be an agent, then the phrase 'deemed to be' is not potent enough to create a legal fiction. But the Privy Council overruled that objection and said: 'No'. If the legislature tells you, though in fact he cannot be an agent, they will regard him as an agent. Now, under section 6, the Legislature bids us to do this. It says that it shall be deemed in law to be a district board.

Having given all powers, functions and duties to these antarim zilla parishads, it further goes on to say that it shall be deemed to be a district board.

Shri Tyagi: Sir, the Minister has also to reply. I am afraid there will be very little time left to the Members.

Mr. Deputy-Speaker: Hon. Members feel that this exposition might be given for their benefit.

Shri Tyagi: If he makes a detailed speech now, it is all very welcome and there are many points involved. But would you please extend the time? After our discussions, he has to answer. We have to move our amendments and they have to be answered.

Mr. Deputy-Speaker: If there is need, certainly we will consider.

Shri Hajarnavis: Section 6(7) says:

"In any enactment other than the U.P. District Boards Act of 1922 in force on the day immediately preceeding the appointed day in the district any rule, order

or notification made or issued thereunder and in force on such date in the said district unless a different intention appears references to the district board of a district constituted under the U.P. District Board Act, 1922 shall be construed as references to the antarim zilla parishads."

Therefore, we have an enactment and in that enactment we are told that the words 'district board now constituted under the U.P. District Board Act' be scored out and in their place, the words 'antarim zilla parishads' should be substituted.

No other conclusion is possible in view of this particular Act. The conclusion is inescapable that the antarim dilla parishads which had been established under this Act of 1922 of 1958 are district boards within the meaning of the term used in the Constitution.

There is one small point: Section 4(2) says that the antarim zilla parishads shall consist of all the members of the district committee, five members elected by the electoral college consisting of all the persons who are members and the president of the erstwhile district boards and in the case of Varanasi District only two members elected by an electoral college.

Then it says:

"The Collector shall be the the Adhyaksh of the Antarim Zila Parishad and when present shall preside at all meetings thereof."

I understand that some of the members of the District Planning Committee are officials. Sub-clause (4) says:

"The official members of the Antarim Zila Parishad shall have no right of vote at its meetings."

Now, we considered the question, because they have not been given

the right to vote can they or can they not be called members. We think clause 4 itself shows that they are members. It is not necessary for membership that all people should have a right to vote. But then it goes on further to say:

"The official members of the Antarim Zila Parishad shall have no right of vote at its meetings—anything contained in the U.P. District Boards Act, 1922 or any other law notwithstanding: Provided that the Adyaksh and the Upadhyaksh shall have a casting vote when presiding at meetings of the Antarim Zila Parishad."

Therefore, we start with the position that these are members, these members would normally have a right of vote, but except for the Adhyaksha and Upadhyaksha other members will not exercise their right of vote. But they are members.

Shri S. M. Banerjee: In the Parishad meeting.

Shri Hajarnavis: That being our reading, we came to the conclusion that the Constitution placed a duty upon us to include all these members who have been constituted by the U.P. Legislature as members of the antarim zilla parishad. So they cannot be excluded from the electoral roll for the Council, and we included them. That is how we read, that is our interpretation and unless it is either not agreed to by this House or authoritatively displaced, that is the basis on which we have acted.

Now, I might at this stage, Sir, tell the House that we were anxious to see if we could by interpreting the Act exclude the official members from the electoral roll for, after all, officials as a class are not to be brought into elections except as citizens. Officials as a class must in their own interest, for their own protection, must not be made subjects of an election controversy. I am not saying that they

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should not be there as citizens; the right of vote as a citizen they have in common with other members, but we found that in view of the peremptory direction of article 171(3)(a), if they were members they had to be included in the electoral roll and, therefore, we included.

Mr. Deputy-Speaker: Where they are members of a District Board and without any law being passed by this Parliament they entitle themselves to vote or they would be included in other local authorities in the State, is it that a law shall have to be passed describing them as on this district authority and describing the authority also as one of those who will be included under 171(3)(a)?

Shri Hajarnavis: I am grateful to you, Sir, for having given me this opportunity to explain this point, to which I thought I would refer when I deal with Andhra Pradesh. Coming back to 171(3)(a), you will see that so far as municipalities and district boards are concerned they are independent of an Act of Parliament. So, in fact, if it is a district board the Parliament has not to pass any law.

Mr. Deputy-Speaker: Then no law is required to put them on the list.

Shri Hajarnavis: But if it is neither a municipality nor a district board but other local authority then, of course, the Parliament must pass a law.

We considered the question of zilla parishad in Andhra Pradesh also. The name of the district local authority in Uttar Pradesh is identical with the name that is being now employed in Andhra Pradesh, but having seen the function of that particular body we came to the conclusion that it is not a district board, it is a local authority. The words "local authority" have been defined by the General Clauses Act. It says:

"'local authority' shall mean a municipal committee, district board, body of port commissioners

or other authority legally entitled to, or entrusted by the Government with, the control or management of a municipal or local fund."

Out of these local authorities, municipal committee and district board are already included by the Constitution, but so far as other local authorities are concerned—any other local authorities—they must be specified by Parliament.

Briefly examining the Andhra Pradesh Act we find that the zilla parishad is merely an organisation or an institution through which the planning funds are channelled. Except for supervision and control they do not have any executive function. That being so, we came to the conclusion that the zilla parishads in Andhra Pradesh are not district boards and, therefore, unless this particular law is passed, those members will not be entitled to vote.

Shri Tangamani (Madurai): They have powers to review the working of the panchayat unions and their reports are submitted to the State Assembly also.

Shri Hajarnavis: I am thankful to my hon. friend, but we could not with certainty come to the conclusion that the zilla parishad in Andhra Pradesh is a district board, as we were certain and as we were required to do by the peremptory words of the Uttar Pradesh Act. I am not suggesting that such an argument cannot be made, but so far as Andhra Pradesh is concerned we do not want to leave the matter in doubt or open to argument at all.

That, Sir, is the difference between the Uttar Pradesh zilla parishad and this parishad. Then, there is under clause (b) a provision for retrospective operation of the Act. I believe certain proceedings have been taken probably from 1st February 1960, but as this particular provision is merely declaratory, namely, that the

antarim zilla parishad has been regarded as district board from this date, even if this is omitted I am quite clear in my mind that the antarim zilla parishad in Uttar Pradesh must be regarded as a district board and we will have to give the members a right to vote.

That, Sir, is the Bill and I commend it to the acceptance of the House. I am informed that certain elections in Uttar Pradesh have already taken place, but there our position is that even without this amendment what is being done is in accordance with the Constitution. But so far as Andhra Pradesh is concerned the matter must rest, according to us, upon a law made by Parliament. Therefore, I am only anxious that this Bill should be enacted before we disperse.

Sir, I commend the motion to the House.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Representation of the People Act, 1950, be taken into consideration."

Shri Tyagi: Sir, I am sorry I have to restrain my feelings in this regard. But I am very sore about this Bill. I feel that while all the dynamism of the Government has remained directed towards the progress and prosperity of the country and its development, I am afraid that the Government are tending to forget that they too have to keep pace with the development that is being effected in the country at large. My comment on this Bill is too significant to say, namely, that the Government are fast tending to lose their initiative. Their initiative is drifting into inertia and their dynamism into despotism. That is all that I can say about the manner in which this Bill has been conceived.

I am opposed to some clauses of the Bill. I have heard the hon. Minister with rapt attention, and I am very

grateful to him for he has made my task easier by quoting the Constitution as well as some relevant clauses of the Bill which I was finding difficult to trace. As he has rightly said, article 171 of the Constitution definitely lays down, in sub-clause (3)(a), as follows:

"(3) Of the total number of members of the Legislative Council of a State—

(a) as nearly as may be, one-third shall be elected by electorates consisting of members of municipalities, district boards and such other local authorities in the State as Parliament may by law specify;"

So, it is not a question which the Chief Election Commissioner or the Law Ministry or the State Government may interpret. It is a question of legal specification made by means of law by Parliament. It is not the executive authority that would give interpretation as to whether such and such a name is only a change of name or that such and such a name shall be deemed to be a district board. Even if the name were changed, I am afraid according to the procedure of law, that name should have been recognised by Parliament by means of an Act. No local body can be included in the electorate of any constitutional organisation without the specific sanction of Parliament. I therefore submit that this is not good enough to say that the "Antarim Zilla Parishads" is only a mere change of name. It is not the correct translation of the word, district board, just as the Prime Minister is known as Pradhan Mantri. We have to proceed according to law. My fears are, if the Law Ministry has approved of this change of functions as a mere change of name, we are drifting, and drifting and driving very dangerously into an abyss.

The respect for law is not expected to be maintained only by the citizens at large. But it must first be maintained here in Parliament. Once

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a law is made, all the Governments, the Election Commissioner, Auditor-General and all other authorities, must be subordinated to that law, and that law cannot be twisted to give convenience either to the State Government or the Central Government. If law is allowed to be stretched to cover the lapse of any authority, then, law loses all its respect inherited by it from this House and then nobody would respect it. Already enough disrespect has been created against law today. I wish the Government should learn this discipline of respecting Law.

Now, there was a law. Without effecting any change in the law, a by-election was held in Uttar Pradesh. The Antarim Zilla Parishad was allowed to vote because the Election Commission, in its wisdom, felt that, after consulting the Law Ministry, the Parishad is just the same as the District Board, that there was no material change as such in that name and that therefore it may be deemed to be a district board, and without getting any legal specification or authority from Parliament, the Election Commission exercised its authority, in my opinion, wrongly, to permit the by-election to be conducted and the voters voting without being legally authorised to do so.

My hon. friend has rightly said that he would not mind if retrospective effect was not given. I pray and submit, "do not give retrospective effect". Even for the by-elections the other day in which I had to vote, I am ashamed to confess that I knew that election was wrong in law. But I had to give my vote, though I never know what the Election Commissioner might decide, because I feel that we are in a place where law is not stationary. Diabolical ways of interpretation are coming in. I had to vote yesterday, in the elections to the Legislative Council of Uttar Pradesh which were held yesterday. I, as a member of the Antarim Zilla Parishad—I am not a member of the dis-

trict board—went there and exercised my vote. I know the whole thing was illegal.

On the 17th March, some other election was held in the Varanasi constituency. There also, the members of the Antarim Zilla Parishad have voted. It is to cover that lapse of the State Government, it is to cover that mistake committed by the Election Commissioner, it is to cover the mistake of Law Ministry, that Parliament today is required to give retrospective effect to the Bill. Therefore, to cover that lapse, so that the illegal election that was held may be covered with retrospective effect, this law is sought to be made. And there is nobody to question them.

Now, I am not very much concerned with what has happened. But I am more concerned with maintenance of the respect that law must command in in the land today. It is for this reason that we, as guardians of law and as guardians of the rights of this House, must be very careful. I feel that this is not a matter of any party policy. This Bill more or less issues from the Constitution itself. Therefore, I deem this Bill to be semi-constitutional, and therefore, all parties must feel concerned about it. It is not a party question as such, in my opinion. I request the Law Minister to see to it that it is not decided by this Parliament on the basis of party power or party vote. I see there is no Whip here today. This question must be dispassionately taken into consideration on its principles and one should—and each Member should—exercise his own conscience and right to see whether it is legitimate for him to vote in favour of this Bill.

Shri Braj Raj Singh: So, the hon. Member is not going to vote according to the wishes of his party!

Shri Tyagi: I am not going to be guided like that. The Whip cannot compel me to vote against my conscience. I am wedded to the

party so long as the party policy is concerned. But this is a matter of Constitution; this is not a matter of party policy.

Then I come to the Representation of the People Act. The Constitution says that only members of such bodies as are mentioned in the Constitution would be entitled to vote, that is, members of such local bodies that are specified by Parliament by means of an Act. So, it is quite true that we made a provision in the Representation of the People Act. Section 27(2) of the Representation of the People Act says:

"(2) For the purpose of elections to the Legislative Council of a State in any local authorities' constituency, the electorate shall consist of members of such local authorities exercising jurisdiction in any place or area within the limits of that constituency as are specified in relation to that State in the fourth Schedule".

In the fourth schedule, we specify, in the case of Uttar Pradesh. The municipalities, District Boards, Cantonment boards, small town Committees, Notified Area Committees and so on. So, these are the only bodies which are entitled to vote legally, because these are the only organisations which we have specified in law. We have specified no other body under the law. Therefore, whatever be the names, mere interpretations cannot be deemed to be specifications or specified by law. The interpretations of the Law Ministry in this case are not a specification by means of law. What they have interpreted is not specified in law made by Parliament. And none of these authorities can carry the authority of Parliament in this regard.

Then comes the question of the Constitution. My hon. friend referred to the definition of a local government. Local government is partially defined, so to say, in item 5 of List II of the Seventh Schedule to the

Constitution. Local self-government has been defined there.

It says:

"5. Local government, that is to say, the constitution and powers of municipal corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of local self-government or village administration."

14 hrs.

In the light of this little definition, we have to see whether this organisation the Zilla Parishad comes under this list or not. Even if it comes, it has to get recognised as such by this Parliament. So long as that is not recognised, this body is not authorised to vote.

I come to the Constitution of the district board. I am talking of U.P. because I am acquainted with it. Section 4(2) of the District Board Act of 1922 says that the board shall consist of elected members and such persons as may be co-opted by the elected members and the President of the Board. This was the organisation to which the authority was given by the Parliament. When we gave this authority, district board was a part of local self-government.

I come to the Antanim Zila Parishad. I am sorry most of the Members are out for lunch and at the time of voting many others might come. . .

Shri Braj Raj Singh: Those who are interested are here.

Shri Tyagi: The list of the members of the Antanim Zila Parishad is as follows: District Magistrate, District Officer, District Supply Officer, District Live-stock Officer, District Health Officer, District Inspector of Schools, Sub-divisional Officer, Doon Canals, Assistant Engineer, Swayatta Shashan, Executive Engineer, P.W.D., Provincial Division, District Employment Officer, Civil Surgeon, Divisional

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Forest Officer, Chakrata, Divisional Forest Officer, Dehra Dun, Sub-divisional Officer, Dehra Dun, Sub-divisional Officer, Mussoorie, Sub-divisional Officer, Chakrata, District Industries Officer, Information Officer, Agriculture Officer, District Co-operative Officer, Superintendent of Police, Assistant Panchayat Raj Officer, District Harijan Welfare Officer, Assistant Social Welfare Officer, District Organiser, Prantiya Rakshak Dal, District Organiser, Women Social Welfare Officer, Assistant Engineer, Tube-wells, Dehra Dun, Retired Chief Engineer (by name), Assistant Engineer, Tube-wells, Saharanpur, and Executive Engineer, Yamuna Construction Division. These are the 30 officials who are members of the Anterim Zila Parishad, out of 70 members in the list. In the list of 70, there are 40 non-official names of Shri Mahavir Tyagi and the rest. This is the constitution of the Anterim Zila Parishad.

श्री मूलवंद दुबे (फर्रुखाबाद) : नान-
आफिशियल भी बतला दीजिए। वह
थोड़े ही लिये गए हैं।

Shri Tyagi Non-officials are Members of Lok Sabha, Members of Rajya Sabha, Members of the Legislative Assembly and there are some non-nominated members. Five or six of them are elected by the erstwhile district boards. The district board had been dissolved and we wanted five more members as their elected representatives. So, ex-members of the district boards were entitled to send representatives to this Anterim Zila Parishad.

The village panchayats also elected a few representatives. Non-officials are about 40 and the rest 30 are officials. The constitution has also been changed, but my friend says it is only a change of name. According to the interpretation given by the Law Ministry, it is only a change of name . . .

Shri Hajarnavis: Yes.

Shri Tyagi: He still says yes. He is a very eminent lawyer and you are one, Sir. Unfortunately, I am surrounded all round by lawyers; I am only a village barrister. But I have been in the company of eminent lawyers . . .

Mr. Deputy-Speaker: If he feels that he should be relieved of this unhappy environment, I can help him.

Shri Tyagi: I beg your pardon. I know they will help me. On these matters, the judgment of High Courts must be taken as undisputed, if the Law Ministry permits it, because very soon perhaps the law courts and High Courts might also lose their position. That is what I am seeing with my eyes. This is a judgment given by the Allahabad High Court yesterday. I am reading it:

"In his judgment, his Lordship granted that it was clear from the A.Z.P. Act that the two bodies were quite distinct. District boards ceased to exist under section 3 of the Act, while by virtue of section 4, a new body consisting of members of the planning committee was formed."

So, according to the judgment of the High Court, given as late as yesterday, they say it is a distinct body.

Shri Hajarnavis: May I seek a clarification from my hon. friend? Was the other side noticed in the judgment or was it merely an observation of the High Court while dismissing the application in limine?..

Shri Tyagi: My only contention is that perhaps the judge of the High Court has passed his B.A., LL.B. and he knows something of law.

Mr. Deputy-Speaker: That was not the question. The hon. Member is reading from the report of the

judgement and the hon. Minister wants to know whether it was a judgement given after hearing both the sides or only an application by one side and an *ex parte* opinion expressed or whatever it might be.

Shri Tyagi: I do not know. I am reading it from the Press report. Even if it is one-sided, when a judge writes, he writes with a sense of responsibility. He is not any official of the Law Ministry or any such thing; he is a judge and therefore, his interpretation must be given some value. I do not know what my friend thinks about it, but I attribute quite a high value to the verdict of the High Court.

Mr. Deputy-Speaker: The hon. Deputy Minister also attaches as much value to the judgment. He only wanted to know this as a matter of fact, because it is for the Government to see whether they have to do anything about this.

Shri Hajarnavis: If there is a judgment binding on us, nothing will give us greater pleasure than to give effect to that judgment.

Shri Tyagi: I am very happy to know that. But when he says, "binding on him", does he mean to say that a summon should be served on him? Anything given by some high authority must morally bind us.

Mr. Deputy-Speaker: The hon. Member might proceed with his speech.

Shri Tyagi: I was reading from the judgment. It says further:

"His Lordship, however, observed that he could not intervene in the present situation, for under the provisions of article 329 of the Constitution, no court could interfere with a matter relating to allotment of seats to such constituencies made under article 327 or 328. Besides, it was laid down in the Constitution that no election

to either House of the Parliament or to any State Legislature could be called in question except by an election petition, presented to such authority and in such manner as provided for by or under a law made by the appropriate legislature."

This goes to support my argument that even judges were in doubt in regard to the oneness of the two organisations, Antarim Zila Parishads and the district boards.

The district board, as I have already said, consists of non-official members. When we inserted district boards in the Schedule we were quite conscious of the fact that these are non-official bodies whom we are giving the authority to elect to the Legislative Councils. Now the body is changed.

I do not know whether the hon. Minister wanted to bring me to his line of argument but I drew inspiration from him. He has quoted one section, sub-section 4 of section 4, that the official members of the Antarim Zila Parishad have no right.....

Shri Hajarnavis: I may clarify the position that I am not here arguing as if for a party. I wanted to convince the House that every aspect of the question, both pros and cons, were considered by us and then we came to the conclusion. Now, we do not claim that we are infallible. It is quite possible that some authoritative decision may prove that our interpretation is erroneous. It is only when we are convinced that our interpretation is wrong, we will change it. Till then we stick to it.

Shri Tyagi: I want to request him not to get annoyed, because I do not know the etiquettes of the courts of law. I did not mean anything. It is a simple criticism. The Act says that the official members of the Antarim Zila Parishad shall have no right of vote at its meetings "on

[Shri Tyagi]

anything contained in the Uttar Pradesh District Boards Act'. They are members, no doubt, but they have no right to vote on any function of the district board, which means to say that they are members only to guide the non-officials, to discuss with them and to tell them what the position is.

I must confess that I am also responsible to having brought the official element with the picture, because my original scheme in U.P. was that in each district we may have a sort of Parliament. I felt, perhaps, this membership will not be a permanent thing with us, and so I would spend my breath in the local Parliament. I wanted every district to have a Parliament where all the officers representing various departments may be available, where non-officials can put questions to the officials, so that there may be responsible administration in the districts. That was my original scheme. That way, the non-officials would remain fully posted up with the policies carried out by the officials and the officials also get from day to day benefit of their reactions of their activities and their policies. But they were given no right of vote.

In Uttar Pradesh they will have no right to vote "notwithstanding anything contained in the Uttar Pradesh District Boards Act or any other law". So even if you pass any law today, they will not be authorised, according to this Act to vote. That is my interpretation, though it may be far-fetched. They have prevented the official members from exercising their vote, either according to the district board law or according to any other law, which means to say that even if you allow them to vote by an Act of Parliament, this Act will not allow them to do so.

Mr. Deputy-Speaker: That cannot be the interpretation.

Shri Tyagi: I am driving too first, perhaps. But the words used are "notwithstanding any other law", whether State or parliamentary. So,

they were not authorised to vote even for the purpose of Councils' elections despite their district board membership.

I have all along been talking in the tone of a lawyer. Now let me talk as a politician. My feeling is that this is a utterly wrong concept and I will say that it is a very big blunder that these Ministers are committing today. What has happened to them? I thought they would be bright enough to know how things happen. I have read out to you a whole list. Luckily, the officials of my constituency are good enough. But supposing the Communists had some influence over the officials and half of them would go with the Communists, and half with the Jan Sangh. Anybody could influence them. So, if they vote like this, then the officials will be divided between themselves and they will not be one bloc or unit. They will be either communist supporters or Congress supporters. At present nobody can be even a Congress supporter, because officials are above politics. I do not know from which blessed brain this idea has come into the Treasury Benches. If we just put them on the forum of politicians, dragging one officer to one side and the other officer to the other side—because it will be free voting and in a house of 30, 40 or 50 members it is easy to find out who votes for what—the officers will lose their position and status in the district, because they will be criticised by one party or the other, and their activities, their administrative actions will smell of party bias and the administration will go to dogs. I think it is my patriotic duty to oppose the right of vote to official members to the Anterim Zila Parishad.

What are we trying to achieve by that. I cannot understand. It is trying to be very cheap. Because the State Government once committed a blunder, because the Election Commission has said it is regular, and elections have been held, therefore,

we are coming forward now, as in the Mughal days every Nawab had to be accommodated, this Parliament must be made to accommodate the lapses and condone the delays everywhere. What is this? I am very sorry to say this.

Mr. Deputy-Speaker: He has the right to hold his own opinion and have his own interpretations, but he must allow others also to have their opinions, even if they differ from him.

Shri Tyagi: I know that other hon. Members are also anxious to speak. To cover the lapses of others is not for this Parliament to do. Anybody who has committed a lapse must face the nation, must surrender, must resign and go as inefficient, whomsoever he is it does not matter. This Parliament is not to cover your blunders, your mistakes or your lapses. They have committed a lapse of constitutional propriety. They allowed the elections to be held on the 17th of March last and now they want Parliament to legalise the illegal elections or cover them by giving the Bill the retrospective effect. That is to say, this Anterim Zila Parishad shall be deemed to have been signified by Parliament not today but on the 1st of February so that all the lapses committed in respect thereof in my State may be covered by Parliament and Parliament must come to their rescue. I must say immediately that it is something in bad taste. If they have done something wrong, they must suffer. We are not doing this because the Election Commission wanted it or because the High Court says that it is a different body but because we want to cover up a serious lapse on the part of the Government. So, I oppose this strongly. Parliament should not be brought down to such a low level as to legalise an illegal Act, specially when it pertains to the constitutional structure. They must respect the law of Parliament. They must never have the courage to come before Parliament and ask to give retrospective effect or recognition for their illegal election. An

illegal election cannot be deemed to be legal because we authorise it.

If in the opinion of my friend this Anterim Zila Parishad is a legally recognized body, why then give retrospective effect to its recognition? I could understand it if they had said that Anterim Zila Parishad should be deemed to have come into existence from the very beginning of its coming into force. Why have it only from the 1st of February and say to the people "look here, they cover this". From the very inception, from the very date on which these Anterim Zila Parishads came into existence, from that very date they could be recognised to be in the position of a district board. But no; they want to have it only from the 1st February so that two or three elections held in the mean time may be covered. This is childish. Therefore I vehemently oppose this. There are quite a few other points also. I will speak about them when I move my amendments.

श्री रामम् (नरनापुर) : उपाध्यक्ष महोदय, अभी माननीय सदस्य ने रिप्रेजेंटेशन आफ दि पीपल्स (अमेंडमेंट) एक्ट के चौथे शेड्यूल के सम्बन्ध में जो भाषण दिया वह सभी मेम्बरों के सामने है। दूसरे अमेंडमेंट्स तो टेक्निकल डिफिकल्टीज को दूर करने के लिये रखे गये हैं। इसमें फाल्स स्टेटमेंट देने के बारे में जो सजा रखी गई है उस पर किसी को मतभेद नहीं होगा और हम भी उस को सपोर्ट करते हैं। लेकिन इस अमेंडमेंट को लाने से और पूरी अन्तरिम जिला परिषद् के उसमें आने से क्या नतीजा होगा इस को बिना पूरी तरह से खयाल में रखे हुए, जल्दबाजी से यह अमेंडमेंट लाया गया है, ऐसा मालूम पड़ता है क्योंकि जिला परिषद् को आप डिब्लिटर्ड बोर्ड्स की जगह पर जैसे के तैसे रसद देना चाहते हैं। जैसा अभी माननीय स्य ने बतलाया, उसके फंक्शन में और उस के निर्माण में बहुत फर्क होता है। सिर्फ इस शब्द को ही बदल देने में काम नहीं चलेगा। इस

[श्री रामम्]

सम्बन्ध में मैं एक बात सदन के सामने रखना चाहता हूँ।

अभी श्री त्यागी ने अफसरों के बारे में बतलाया। इतना ही नहीं, जो एम० एल० एज० अन्तरिम जिला परिषद् के मेम्बर बनते हैं वे एम० एन० एज० की कंसिटिटुएन्सी से कौंसिल के मेम्बर को चुनते हैं। अलग कांस्टिटुएन्सी है जहाँ से वे लेजिस्लेटिव कौंसिल के लिये मेम्बर चुनते हैं। फिर एम० एन० ए० होने के नाते वे जिला परिषद् में मेम्बर बनते हैं। एम० एन० ए० के अख्यार से वे परिषद् के मेम्बर बनते हैं, फिर यहाँ पर एक कौंसिल मेम्बर को चुनने के लिये एम० एन० ए० भी वोट देते हैं। इसका भी खयाल आप को रखना चाहिये। एक एम० एन० ए० कांस्टिटुएन्सी से एक कौंसिल मेम्बर को मत देता है। फिर जिला परिषद् का मेम्बर बना कर उसे एक कौंसिल मेम्बर को चुनने के लिये वोटर्स लिस्ट में लाते हैं।

श्री० रणवीर सिंह (रोहतक) : टीचर हो तो एक और वोट दे सकता है।

श्री रामम् : टीचर की बात यहाँ नहीं है। टीचर हो, ग्रेजुएट हो, यह दूसरी बात है। लेकिन एक ही एम० एन० ए० की हैसियत से दो जगह पर चुनने का अख्यार देना मेरे खयाल में बहुत गलत है। अवश्य ही इससे आगे चल कर बड़ा नुकसान होगा। एक्स आफिश मेम्बर को, कलेक्टर हो, इंजिनियर हो, ऐसे लोगों को मत का हक देने से एडमिनिस्ट्रेशन बहुत खराब हो जायेगा। इतना ही नहीं, ऐसी हालत में इतने लोगों को वोट देने के कारण मजबूर होकर प्राविशल असेम्बली को अमेंडमेंट करना पड़ेगा। इस तरह की बात का भी खतरा है। इस लिये मेरा खयाल है कि अनआफिशल मेम्बरों को एलेक्टोरल रोल्ल्स से हटाना चाहिये। सिर्फ एलेक्टड मेम्बरों को जो परिषदों में पंचायतों से चुने गये हैं उनको ही वोट का हक देना

चाहिये। इस अमेंडमेंट को इतनी जल्दबाजी में लाने से पार्लियामेंट की प्रेस्टिज का ही सवाल नहीं है, दिक्कत भी आ रही है। एक एम० एन० ए० को दशावतार, एक अवतार एक को चुने, दूसरा दूसरे को चुने ऐसे नहीं होना चाहिये। दशावतार जैसा हक हम एम० एन० एज० को दे रहे हैं। कुछ लोग तो लेजिस्लेटिव कौंसिल को जरूरत ही नहीं समझते हैं। फुजून कुछ जोगों का जो कि अनएम्प्लायड हैं, एम्प्लायमेंट देने के लिये इस चीज को रक्खा जा रहा है। इस समय हमें पैसे की बहुत कमी है। इस तरह से कौंसिलों में एम० एन० ए० चारों ओर से लोगों को चुन कर वहाँ भेजें, यह बहुत गलत बात है। मेरी बिजनी है कि ला मिनिस्टर साहब इस पर जरूर मोवें। वह इस बिल को विंदड़ा कर लें और दूसरा अमेंडिंग बिल ले आयें।

श्री खुशबक्त राय : माननीय उपाध्यक्ष महोदय पिछले शुक्रवार को जब इस विधेयक पर विचार करने के लिये मैंने समय बढ़ाने की प्रार्थना की थी, उस समय मुझ को यह ध्यान नहीं था कि हमारे कांग्रेस के कुछ साथी भी ऐसे हैं जो कि इस विधेयक के विरुद्ध हैं। आज अपने मित्र श्री त्यागी का भाषण सुन कर मुझे बड़ा ही सन्तोष हुआ, और सन्तोष इस लिये हुआ कि कम से कम कुछ लोग कांग्रेस में अब भी ऐसे हैं जो अन्याय को बर्दाश्त नहीं कर सकते।

उपाध्यक्ष महोदय : क्या आप का कहना यह है कि बाकी लोग अन्याय को बर्दाश्त कर कर सकते हैं ?

श्री खुशबक्त राय : मेरा यह कहना नहीं है, मैं तो सिर्फ यही कह रहा था कि कुछ लोग ऐसे हैं जो अन्याय को बर्दाश्त नहीं कर सकते हैं।

श्री० रणवीर सिंह : इन्फरेंस क्या है ?

श्री खुशवक्त राय : मैं और कुछ नहीं कहना चाहता, और आपके लिये तो कुछ भी नहीं कह रहा हूँ।

Shri Hajarnavis: There are such persons in the Opposition also, like Shri Khushwaqt Rai.

श्री खुशवक्त राय : जहाँ तक इस विधेयक का सम्बन्ध है, माननीय मन्त्री जी ने संविधान की धारा १७१ के द्वारा यह बतलाने का प्रयत्न किया है कि उत्तर प्रदेश में जो अन्तरिम जिला परिषदें बनी हैं, वे इसी प्रकार की हैं।

They are to be deemed in law as district boards.

मैं बहुत ही नम्रता से अपने मन्त्री जी से यह कहना चाहता हूँ कि मन्त्री जी ने जो बहस इस सदन में की है वह सारी बहस इस बात के वास्ते है कि अमेंडमेंट क्यों आया। अगर उनका कहना ठीक है कि

Intarim Zila Parishads are to be deemed in law to be district boards.

तो फिर इस अमेंडमेंट की क्या आवश्यकता है, यह मेरी समझ में नहीं आता। मुझे इस बात का बड़ा दुःख है कि जिस भावना को लेकर कांस्टिट्यूट असम्बली ने इस धारा १७१ को पास किया था, जिस भावना को लेकर यह धारा बनाई गई थी, उस भावना को हमारे मन्त्री जी ने और उनके मन्त्रालय ने बहुत ही अन्याय किया है। आप देखिये कि जब संविधान सभा बैठी हुई थी तब यह जो धारा १७१ है, जो कि ड्राफ्ट कांस्टिट्यूशन की धारा १५० थी, उस पर वहाँ पर तीन दिन विचार हुआ, अलग अलग दिन। पहली दफा जब बहस के लिये आई तो कहा गया कि आज इस पर बहस नहीं होनी चाहिये, फिर उसके बाद दूसरे दिन उस पर बहस हुई तो फिर कहा गया कि यह भी ठीक नहीं है। तीसरे दिन बहस हुई, तब कहीं यह पास हुई। इसके

पीछे भावना क्या थी? भावना सिर्फ यह थी कि लेजिस्लेटिव कौंसिलों के जो चुनाव हों, उन चुनावों में वोट देने वाले वही सज्जन होने चाहिये जो खुद चुन कर आये हों।

हम जानते हैं कि इनडाइरेक्ट एलेक्शन से हमारी कौंसिल बनती है, लेकिन जब हम ने कांस्टिट्यूशन बनाया तो इस बात का खयाल रक्खा कि जो हमारा इनडाइरेक्ट एलेक्शन हो वह भी उन लोगों के ही जरिये हो जो खुद एलेक्ट होकर आते हैं। मैं बड़ी नम्रता के साथ कहना चाहता हूँ कि उत्तर प्रदेश सरकार को जब मालूम हुआ कि जो लोकल, बाडीज हैं, डिस्ट्रिक्ट और म्यूनिसिपल बोर्ड्स नोटिफाइड एरियाज, टाउन एरियाज वगैरह हैं, उनमें उसका बहुमत नहीं है तो उसने सोचा कि अन्तरिम जिला परिषद् में जो सारे मेम्बर हों उनमें सरकारी अफसर आ जायें तो उसकी जीत जरूर हो जायगी। जब इस बारे में उत्तर प्रदेश की सरकार ने लिखा तो नहीं मालूम एलेक्शन कमीशन ने कैसे इस बात को मान लिया। मुझे एलेक्शन कमीशन की निष्पक्षता में अविश्वास नहीं है, लेकिन मैं जानता हूँ कि इस बात में उन्होंने धोखा खाया। उत्तर प्रदेश की सरकार को प्रसन्न करने के लिये उन्होंने यह बात मान ली कि अन्तरिम जिला परिषद् के सारे मेम्बर कौंसिलों के लिये वोटर हो जायें। आप देखिये कि इस विधेयक के स्टेटमेंट आफ आब्जेक्ट्स एण्ड रीजन्स में लिखा है :

"The amendment in relation to Uttar Pradesh is proposed to be given retrospective effect from the 1st February, 1960 as the members of the Antarim Zilla Parishads have already been included in the electoral rolls for local authorities constituencies, as they had to be based on the view that the Antarim Zilla Parishads are district boards to all intents and purposes."

मेरा यह निवेदन है कि उत्तर प्रदेश में अन्तरिम जिला परिषद् को डिस्ट्रिक्ट बोर्ड मान कर जो

[श्री खुशवक्त राय]

उनके मेम्बरों को वोट देने का अधिकार दिया गया है वह संविधान के खिलाफ है। धारा १७१ को हमारे मन्त्री जी ने पढ़ा है, उसमें दिया हुआ है :

"as nearly as may be, one-third shall be elected by electorates consisting of members of municipalities, district boards and such other local authorities in the State as Parliament may by law specify;"

उसके बाद ही यह रिप्रेजेंटेशन आफ पीपल्स एक्ट बना। उसमें जो नाम आये हैं वह हैं म्युनिसिपैलिटी, डिस्ट्रिक्ट बोर्ड, नोटीफाइड एरिया, कंटोनमेंट बोर्ड। पर उसमें अन्तरिम जिला परिषद् नहीं दिया गया है। मेरा कहना है कि यह अन्तरिम जिला परिषद् डिस्ट्रिक्ट बोर्ड नहीं हैं। त्यागी जी ने बहुत अच्छी तरहसे बतला दिया है कि जो अन्तरिम जिला परिषद् है वह डिस्ट्रिक्ट बोर्ड नहीं है और उसके कई कारण हैं। मैं ज्यादा विस्तार में नहीं जाऊंगा, केवल इसके बारे में मैं दो तीन बातें कह देना चाहता हूँ। पहली बात तो यह है कि इस अन्तरिम जिला परिषद् का कम्पोजीशन डिस्ट्रिक्ट बोर्ड से भिन्न है, दूसरे उसके अधिकार भिन्न हैं और तीसरे उसके जो मेम्बरान हैं वे चुन कर नहीं आते हैं। इसको डिस्ट्रिक्ट बोर्ड के अधिकार हैं और जो पहले प्लानिंग कमेटी हुआ करती थी उसके भी इसको अधिकार हैं। उत्तर प्रदेश में पहले प्लानिंग कमेटी होती थी। उसके अधिकार भी अब इस अन्तरिम जिला परिषद् को हैं। यह अधिकार डिस्ट्रिक्ट बोर्ड को नहीं थे। तो इस प्रकार तीन बातों में ये अन्तरिम जिला परिषदें जिला बोर्ड से भिन्न हैं। और जब अन्तरिम जिला परिषद् डिस्ट्रिक्ट बोर्ड नहीं हैं तो इलेक्शन कमीशन को इन के मेम्बरों को वोट देने का अधिकार नहीं देना चाहिये था। उसको ऐसा करने का अधिकार नहीं था। मुझे मालूम है कि इस बारे में उत्तर प्रदेश विधान सभा

के विरोधी दल के नेता ने इलेक्शन कमीशन को रिप्रेजेंटेशन भी दिया है और उस रिप्रेजेंटेशन में उन्होंने लिखा है कि इलेक्शन कमीशन ने यह गलत कार्रवाई की है। लेकिन जब आदमी एक गलती कर लेता है तो उसको जस्टीफाई करने की कोशिश करता है और वही आज हो रहा है। इस संशोधन विधेयक को लाकर इलेक्शन कमीशन की गलती को जस्टीफाई किया जा रहा है। मैं तो कहता हूँ कि यह डिस्ट्रिक्ट बोर्ड की परिभाषा में आता नहीं और न किसी दूसरे लोकल बोर्ड की परिभाषा में आता है। यह भी कहा गया है :

"such other local authorities in the State as Parliament may by law specify."

तो पहले तो इस तरह का कोई ला नहीं था। आज हमारे सामने यह विधेयक आया है। इसके बाद बन जाने के बाद तो इस प्रकार का अधिकार हो जाएगा। लेकिन ऐसा कानून बनने के पहले इलेक्शन कमीशन ने ऐसा कैसे कर दिया कि जिन लोगों को वोट का अधिकार नहीं था उनको वोट का अधिकार दे दिया। उत्तर प्रदेश की हाईकोर्ट के सामने यह मामला है जिसमें, जैसा कि त्यागी जी ने बतलाया, वह प्रार्थना की गयी थी कि इलेक्शन रोक दिया जाए। लेकिन हम सभी जानते हैं कि संविधान की धारा ३२६ के अनुसार इलेक्शन के मामले में हाईकोर्ट को पड़ने का अधिकार नहीं है। यह मामला इलेक्शन ट्रिब्यूनल के सामने जायगा। लेकिन मैं तो यह कहना चाहता हूँ कि, जैसा त्यागी जी ने कहा, यह एक भद्दी गलती हो गयी और इसको जस्टीफाई करने के लिये यह विधेयक लाया गया है। मैं तो यह कहता हूँ कि जहां तक कांस्टीट्यूशन का सवाल है उसके मुताबिक तो इलेक्शन कमीशन को यह अधिकार था ही नहीं कि वह अन्तरिम जिला परिषद् के उन मेम्बरों को वोट का अधिकार देता क्योंकि उनको डिस्ट्रिक्ट बोर्ड के मेम्बरों के अधिकार नहीं हैं।

मुझे तो ऐसा मालूम होता है कि जिस समय इलेक्शन कमीशन ने अन्तरिम जिला परिषद् के मेम्बरों को यह अधिकार दिया उस समय इलेक्शन कमीशन के सामने जिला परिषद् एक्ट नहीं था। मुझे लगता है कि उस समय उनके सामने आर्डिनेंस था क्योंकि वह यह आर्डिनेंस पहली मई को जारी हुआ था और अन्तरिम जिला परिषद् एक्ट पहली अगस्त १९५८ को बना था। पहले आर्डिनेंस बना था। एक में यह दिया हुआ है :

“Official Members of the Anta-rim Zilla Parishad shall have no right of vote.”

इसी को त्यागी जी ने और मंत्री जी ने पढ़ा था। यह धारा आर्डिनेंस में नहीं थी। जिस समय उत्तर प्रदेश असेम्बली में बहस हुई तो वहां के लोकल सेल्फ गवर्नमेंट के मंत्री, श्री विचित्र नारायण शर्मा, ने कहा था :

“लेकिन हमारा ऐसा विचार है कि उनका वोट देना तो अधिक जनहित में न होगा।”

आगे चल कर उन्होंने यह भी कहा :

“अब जैसे ही हमें इस सदन में आने का मौका मिला हमने प्राविजन कर दिया कि वह अब वोट न दे सकेंगे।”

इससे यह बिल्कुल स्पष्ट है कि स्वायत्त शासन के मंत्री जी ने पूरी बहस के बाद यह कहा कि जो आफिशियल मेम्बरान होंगे उनको किसी प्रकार का वोट का अधिकार नहीं देना चाहिये। आज जो जिले में शासन के उच्च अधिकारीगण हैं वह इसमें शामिल होंगे। इसके अलावा प्लानिंग कमेटी के मेम्बर भी शामिल होंगे, जिनकी लिस्ट इस प्रकार है :

“All Sub-Divisional Officers, District Supply Officer, District Animal Husbandary Officer, District Employment Officer, District Level Officers of Public

Health and Education Departments, Superior Officers of Irrigation, Public Works and Hydel Divisions and Sub-Divisions, as may be existing in the district, Civil Surgeon, Executive Engineer, Local Self-Government (Engineering) Department,.... the Assistant Engineer connected with Plans, Principal of the Agricultural College, in districts where there is Forest Department. District Level Officers of the Forest Department, District Level Officers, if any, of the Industries Department, in the District, Superintendent of Police, District Agriculture Officer, District Co-operative Officer, District Organiser, P.R.D. District Information Officer and Assistant District Panchayat Officer.”

यह लिस्ट मैं प्लानिंग कमेटी के मुताल्लिक नोटिफिकेशन में से पढ़ रहा हूं। तो मेरा कहना यह है कि जिस अन्तरिम जिला परिषद् में इस तरह के अधिकारी गण शामिल हों उसको राइट आफ वोट दे दिया जाएगा तो उससे तो हानि ही होगी। जिले का शासन उनके हाथ में है। और यह तो सभी को मालूम है कि आज के दिन हर जिले में लोग भिन्न पार्टियों में बंटे हुए हैं। सभी जगह कांग्रेस पार्टी है, हमारी पार्टी है, सोशलिस्ट पार्टी है और भी पार्टियां हैं।

श्री त्यागी : यह कांग्रेस पार्टी ही है जो कि आफिसर्स की फ्रीडम में दखल नहीं देती। जब आपकी पार्टी पावर में आएगी तो उनसे जबरदस्ती वोट डलवाएगी।

श्री खुशवक्त्त राय : हम तो पावर में नहीं हैं। लेकिन मुझे चुनाव का हाल मालूम है। मैं भी उस चुनाव में हिस्सा लेने गया था क्योंकि मैं बहसियत संसद् के मेम्बर के जिल अन्तरिम परिषद् का सदस्य हूं। मैं भी वोट देने गया था। और मैंने देखा कि जो अफसरान आए उन्होंने कांग्रेस को ही वोट दिया।

श्री त्यागी : उन्होंने इंडीवीजुअल मैरिट पर वोट दिया होगा पार्टी के दबाव से नहीं।

उपाध्यक्ष महोदय : आप यह तो नहीं कहते कि उनको कांग्रेस पार्टी ने मजबूर किया था कि किसी खास कैंडिडेट को वोट दें।

श्री खुशवक्त राय : जो भी कुछ हो, लेकिन मैं यह जानता हूँ कि जितने आफिसर्स आये थे उन्होंने कांग्रेस को ही वोट दिया था।

श्री रघुनाथ सिंह (वाराणसी) : वोटिंग तो सीक्रेट होता है, आपको यह पता कैसे चल गया ? मालूम होता है कि आपका सीक्रेट आरगेनाइजेशन बहुत अच्छा है।

श्री खुशवक्त राय : यह तो क्या है, हम तो आपका भी वोट जान लेते हैं।

उपाध्यक्ष महोदय : माननीय सदस्य अपनी स्पीच जारी रखें।

श्री खुशवक्त राय : तो मेरा कहना यह है कि इससे बहुत नुकसान पहुँचेगा। आज के दिन हम लोग डिस्ट्रिक्ट मजिस्ट्रेट के पास जाते हैं तो वह हमारी बात सुनता है। इसी तरह से दूसरी पार्टियों के लोग भी उसके पास जाते हैं। लेकिन जब हम को मालूम हो जाएगा कि उसका सम्बन्ध किसी एक पार्टी, जैसे कांग्रेस पार्टी, के साथ जुड़ गया है तो हमको उसके पास जाने में हिचक मालूम होगी। इसलिये मैं समझता हूँ, जैसा कि हमारे साथी श्री त्यागी जी ने कहा है, कि इस विधेयक को वापस लिया जाना चाहिये।

इस बात को देखते हुए कि इलेक्शन कमीशन ने गलत बात की है, तो उस गलत बात के जस्टिफिकेशन में एक कानून बनाया जाय और इस पार्लिमेंट से कहा जाय कि तुम भी एक गलत बात करो—चूँकि हमारे मन्त्रालय ने या हमारे इलेक्शन कमीशन ने यह गलत बात की है, इसलिये हम सब लोग अपनी नाक कटा डालें यह बहुत गलत बात है। इस स्थिति में माननीय

मन्त्री जी के लिये मुनासिब यही है कि वह इस विधेयक को वापस ले लें।

Shri Ranga (Tenali): This question need not be discussed on the plane of party-politics or on the consideration whether local governments are interested this way or that way in influencing the vote or whether the Election Commission is partial or impartial. It has got to be considered from the viewpoint, and I would like to do so, of the interests of the local boards.

When we are making a provision in the Representation of the People Act, the idea was that we expected the members of the local boards to be elected, so that they could be given an opportunity of electing a particular number of members to the Upper Houses. But it never occurred to us that these local boards would come to be loaded with such a large percentage of persons who would become members because of their *ex-officio* capacity, as Members of this House or as Members of the local legislatures. But, unfortunately, it has come to be this that Members of Parliament and Members of local legislatures also have come to be treated as *ex-officio* members of the zilla parishads, so much so in many districts more than one-third of the strength is comprised of these people. By any stretch of imagination, these people, these *ex-officio* members, cannot be considered to be the direct genuine representatives of the local panchayats, and their samities at a higher stage and eventually of the zilla parishads. Therefore, it is necessary, I think, that Government should give serious consideration to this point whether it would be in the interests of the local boards as such and also in the interests of providing genuine and direct representation to the village panchayats and samities if these *ex-officio* members should also be treated on a par with the direct representatives of the samities and be given this authority to vote and to exercise that

vote in the election to the Upper Houses in the States.

Speaking for myself, I am very much opposed to this. I think there is very much in favour of the criticism made by my hon. friend Shri Ramam in regard to this matter. It is not fair to expect Members of Parliament and of State Legislatures to begin to step into the shoes, as it were, of these local boards and members of the local boards, and begin to appropriate for themselves the share or in fact more than their share of the franchise that ought to be restricted specifically and specially for the direct and genuine representatives of the village panchayats and samities.

Secondly, I am in favour of the point urged by my hon. friend Shri Tyagi that these officers should not be given this right to vote in these elections. Then, who would be left with the right to vote? Only those people who are elected by the panchayats at the panchayat samities and these panchayat samities would then elect their representatives to the zilla parishads and these members alone should be given the right to vote in the elections to the Upper Houses. That alone can be treated to be a genuine representation of the local boards. I would like Government, either on this occasion or on some early future occasion, to take the opportunity to remedy this defect and see that these extraneous elements which were not intended to form part and parcel of the zilla parishads are eliminated from the list of voters for the Upper Houses, so far as the local boards are concerned.

It may be said by some that because, after all, these Members of Parliament and State Assemblies are elected by the general franchise of the people, they should be given this particular additional right also. After all, the Members of the local legislatures have been given their own right to elect a particular percentage of the members of the Upper Houses. Therefore, they are enjoying that particular right.

Shri Hajarnavis: May I intervene for a minute? I have high respect for the hon. Member, but I might explain our own difficulty in the matter. So far as the constitution of the district boards or local boards or local authorities is concerned, that is a matter entirely within the authority of the State Legislature. Once the State Legislature has constituted these district boards or local authorities or municipal committees, then, by the terms of the Constitution, they automatically become voters. Therefore, the question, if at all, must be considered when the local authorities are constituted by the State Legislatures. Our difficulty was this. Faced as we were with a State legislation saying that these persons shall be members of the district board, how could we exclude any of them? I yield to none, and I think Government are at one with every Member who criticises and says that the official members ought not to be as a class members of these elected bodies.

Shri Ranga: Also the MLA's and MP's.

Shri Hajarnavis: The first point is that it is for the State Legislature to lay down the constitution of these boards; if the State Legislature says that they are the members, then we are helpless. The Constitution has given the right to vote.

Pandit Thakur Das Bhargava (Hissar): That means that the right which the Constitution confers, the right which was given by the Constituent Assembly when it met and decided that particular persons should be given the right to vote has now been given to the State Legislatures to find out who should be the electors. That could be done either by changing the Constitution or having a provision afresh. Only this Parliament or a Constituent Assembly could do it. But as it is, you are giving those rights to the local legislatures. It is not valid outright.

Shri Tyagi: In this connection, may I have your ruling?

Shri Hajarnavis: That is exactly what has happened.

Shri Tyagi: I would like to put one question to you, Sir, in this connection. Would it be constitutional if an amendment were to be moved and we were to say that such members of the Antarim Zilla Parishads as are entitled to vote, namely the non-official members only, will vote? Would that be constitutional?

Mr. Deputy-Speaker: I would not be able to answer a question put like that.

Shri Hajarnavis: No. We have examined this also, and we find that under the Constitution, it cannot be done.

Mr. Deputy-Speaker: Now that the speech of the hon. Member has been interrupted, I want to make one observation on quite a different subject. Hon. Members would excuse me for saying this. That point has no relevance to the debate that is now going on here.

I just saw only a couple of minutes ago one Member entering this House with his coat just hanging on his arm. I had seen this with a different Member some time ago on this side of the House also. I want to point out that this would not be a good habit; it would be lowering the dignity of the House.

We have no restrictions, so far as our dress is concerned, and an hon. Member might come dressed in whatever form he likes, but at least, whatever he has to wear must be worn outside the House, and when he enters, he should not be seen carrying his clothes just on his arm. I just want to point out that this should not be done in future at least, because, in my opinion, it lowers the dignity of the House.

Pandit Thakur Das Bhargava: It is against the decorum of the House to come in that way with the coat hanging on the arm.

Mr. Deputy-Speaker: It is not inkeeping with the decorum, and, therefore, I am pointing it out that it should be borne in mind by hon. Members for the future.

Shri Ranga: I have only one or two more observations to make. I appreciate the difficulty explained by the hon. Minister, but I would like him to consider another possibility.

From what has been read out, it is clear that Government have brought forward a Bill which says that the present Antarim Zilla Parishad should be deemed to be the same as, or the equivalent of, the earlier district board which was specifically mentioned in the original Act. When Government have got that right to say so that the present antarim Zilla Parishads in U.P. and in several other States should be deemed to be the same as the District Boards, as was mentioned in the Act, when they have been able to say so, would it not be open to them also to say that only those members of these *antim*..

Shri S. M. Banerjee: It is not antim. It is Antarim.

Mr. Deputy-Speaker: Antim would mean quite a different thing.

Shri Ranga: Would it not be open to them also to say that only those members of the Antarim Zilla Parishads who have been elected by the panchayat samitis and who are not *ex-officio* or official members would be deemed to be members of these Boards so far as the purposes of this particular Bill are concerned? I do not know whether it would be within the law as it is. But I would like this also to be examined, because I know that these things are not going to be given effect to here and now. At some stage or other, Government should be able to give some thought to these points and then try their best to help the House to get over these difficulties that have more or less unintentionally come to be created by the State legislatures, just because they were not mindful of these difficulties but were mindful of several other needs of their own.

when they were passing this legislation.

I have very little more to say except this, that in the working of these Parishads certain anomalies also have crept in. Ministers are asked to take oaths under the chairmanship of a District Collector. Even Speakers and others are also induced to play their role as members of these Parishads. All these things are happening and it would certainly be in the interest of democratic decorum and decency if Government give some thought to the manner in which this kind of legislation is being passed in the States. I am sure when these Bills come up for consideration, they are generally sent to the Law Ministry who try to examine them not merely from that specific point on which they are being sent up but in the general context of our legislation, the Constitution as well as the electoral arrangements we have on the statute book.

Shri Venkatasubbaiah (Adoni): I am confining myself only to clause 5 regarding the substitution of the words 'Zilla Parishads' for the words 'District Boards'.

The Andhra Pradesh legislature, in conformity with the principle of democratic decentralisation, has passed the Zilla Parishad and Panchayat Samitis Act. This Act is now in force there. Formerly, so far as the Andhra part of the Andhra Pradesh was concerned, District Boards were functioning when it was in the composite Madras State. Sometime after the separation of Andhra State, Government thought of bringing about certain modifications in the local boards and constitute such local bodies at the district level so that they may be more useful to the people. So till such a decision was taken all these District Boards were kept under the care of the District Collector who used to be called Special Officer.

It is to the credit of the Andhra Pradesh Government that they have adopted the recommendations of the

Balwantrai Mehta Committee. The result is that elections have been held on a democratic basis on the basis of adult suffrage and the panchayat samitis have come into being.

To co-ordinate the work of the different panchayat samitis and also to take charge of some of the important functions which the District Boards have been performing, the Zilla Parishads have been formed. **Shri Ranga**, in his speech, said that members of the legislatures, Members of Parliament and several other people were there in their capacity as *ex-officio* members and they formed one-third of the strength of the Zilla Parishads. This is true to some extent, but we should not also forget the fact that the local Assembly members are the representatives of the people. They have to be associated with the activities of the district from where they have come as they have to perform their duties towards their constituencies and the electorate. So if they happen to be there as members of the Zilla Parishad, that does not mean that it is being unnecessarily overloaded by the representatives or the people. Already they have got their say in electing some of the members of the Council. After all, they form a very little portion of the Zilla Parishads. As a matter of fact, the entire district is being carved out into so many blocks and for each block a panchayat samiti President is being elected. He will be the voter or the member in the Zilla Parishad. To that extent, I can say it is a very good arrangement. A new democratic set-up has come into being by the act of the Andhra Pradesh Government.

The hon. Minister has pertinently pointed out that it is not within the purview of this Government as such to say whether the composition of that particular body is in conformity with the electoral law or with the equity of voting of the members. The Act has been passed by the respective State Assemblies. So far as Andhra Pradesh was concerned, it has been discussed not only in the Assembly but also in the Council threadbare, and it has been the unanimous opinion

[Shri Venkatasubbiah]

of both the Houses that such bodies should be constituted and the Members of Parliament, Assembly and the Council should also be members of these bodies. This body is taking the place of the District Board. There is no point in saying here that in the Zilla Parishads there is a greater element of *ex-officio* and official members.

I thank the Government for having brought forward this amendment which will give the right of membership to elected representatives by virtue of their being in the Zilla Parishads. I hope this House will unanimously pass this amendment.

Mr. Deputy-Speaker: Shri Braj Raj Singh.

Pandit Thakur Das Bhargava rose—

Mr. Deputy-Speaker: Does Pandit Thakur Das Bhargava want to speak now? We shall take up another item at 3 P.M. This will be held over till tomorrow.

Shri S. M. Banerjee: It may be extended by half an hour.

15 hrs.

श्री ब्रजराज सिंह : उपाध्यक्ष महोदय, कानून मन्त्री महोदय ने जो दलीलें इस बिल को पेश करते हुए दी हैं, मुझे उनमें कोई आधार दिखाई नहीं देता और मुझे ऐसा लगता है कि कानून मन्त्री कानून को ताक में रख रहे हैं। कानून की प्रतिष्ठा का जहां प्रश्न उठता है, वहां आशा की जाती है नागरिकों से कि वे कानून की इज्जत करेंगे और उसका पालन करेंगे, लेकिन चाहे वह केन्द्र की सरकार हो और चाहे प्रादेशिक सरकार हो, दोनों ही कानून की बिल्कुल कोई प्रतिष्ठा नहीं कर रही हैं और उसको बिल्कुल ही हवा में उड़ा देना चाहती हैं। जो दलीलें माननीय मन्त्री ने दी हैं, उन में से एक दलील यह थी कि उत्तर प्रदेश में पहले जो जिला नियोजन समिति—डिस्ट्रिक्ट प्लानिंग कमेटी थी, उसके जितने सदस्य थे, वे सब इस जिला परिषद् में होते

हैं और पुराने डिस्ट्रिक्ट बोर्ड के चुने हुए पांच सदस्य इस में होते हैं, इस तरह से उसकी भी वही हैसियत हो जाती है, जो कि डिस्ट्रिक्ट बोर्ड की होती थी। लेकिन मैं उत्तर प्रदेश सरकार के अन्तरिम जिला परिषद् एक्ट, १९५८ की धारा ४(२) (ए) की तरफ उनका ध्यान दिलाना चाहता हूं, जिनमें कहा गया है :

“All the members of the District Planning Committee of the district.”

अगर इस पर जरा ध्यानपूर्वक विचार किया जाये, तो पता लगेगा कि जिस वक्त प्लानिंग कमेटी खत्म हुई और जिला परिषद् का गठन हुआ, उस वक्त प्लानिंग कमेटी के जो मेम्बर थे, वे इस के मेम्बर हो सकते थे। लेकिन जो मेम्बर नहीं रहते हैं, जैसा कि किसी जिले का डिस्ट्रिक्ट मैजिस्ट्रेट है, वहां से उसका तबादला हो जाता है, तो उसके स्थान पर जो दूसरा डिस्ट्रिक्ट मैजिस्ट्रेट आयेगा, वह कैसे मेम्बर हो जायेगा, यह हमारी समझ में नहीं आता है। किसी वक्त कोई एम० पी० या एम० एल० ए० किसी डिस्ट्रिक्ट प्लानिंग कमेटी का मेम्बर था, लेकिन बाद में वह नहीं रहा, तो उसके स्थान पर जो दूसरा चुन कर आ जायेगा, वह कैसे जिला परिषद् का मेम्बर हो सकता है, यह कतई समझ में आने वाली बात नहीं है। लेकिन कानून मन्त्री महोदय कहते हैं कि क्योंकि उत्तर प्रदेश सरकार ने यह कानून बनाया है, इसलिये वह उसमें कोई दखल नहीं दे सकते। उत्तर प्रदेश सरकार ने जो कानून बनाया हुआ है, उसके मुताबिक उन के जो सदस्य हैं, संविधान की धारा १७१ के मुताबिक उन्हें वोट देने का अधिकार मिलेगा।

उपाध्यक्ष महोदय : अभी माननीय सदस्य अपना भाषण जारी रखना चाहेंगे ?

श्री ब्रजराज सिंह : जी हां।

उपाध्यक्ष महोदय : तो फिर वह कल अपना भाषण जारी रखें।

*Annual Report
on the Working
and Administration
of Companies Act*

15.02 hrs.

**MOTION RE: ANNUAL REPORT ON
THE WORKING AND ADMINISTRATION
OF COMPANIES ACT**

Shri P. G. Deb: (Angul): Sir, I beg to move:

"That this House takes note of the Annual Report on the Working and Administration of the Companies Act, 1956, for the year ended 31st March, 1959, laid on the Table of the House on the 25th March, 1960."

I am thankful to you, Sir, for having given me this opportunity to initiate this discussion. While doing so, I wish to make certain observations arising out of the Report thus before us. At the very outset, let me be frank in saying that the bringing about of these annual reports, for reviewing the yearly experience and working of the Department of Company Law Administration has been a very good idea indeed, more especially after the passing of the Companies Act of 1956.

In the past this work was exclusively known only to company managements or to the individuals or groups of individuals who were closely associated with this work. But, now, after the publication of these yearly reports, since the last few years, it has become available not only to the shareholders, not only to the creditors and those interested in this work but also to all informed students of economic affairs in this country. Thus, we see that knowledgeable people have now become more company-conscious in this country which was never before so. This is a very good sign and more so during the period when our country is passing through an age of industrial evolution.

Sir, I do not wish to take more time of this hon. House by going into the details of the annual report. But my only aim is to focuss the attention of this House, through you, on the unsatisfactory implementation of the Companies Act so that Government

may make serious efforts to enforce this Act with a firm hand and introduce, if need be, an amending Bill to remove further loopholes that are found in the present Act.

Let me go on to say that I was not in the least taken aback when I read in the report the details about instances of unsound company practices that were prevalent in this country during the year ending 31st March, 1959. Chapter XIII of this report gives instances as observed during the year 1958-59. On page 108, it is said:

"Diversion of Company Funds

A case came to notice where the directors and managing agents of a company created a trust with themselves as its trustees and obtained a very large amount of donation from the company for the trust for purposes not connected with the business of the company."

Then, it goes on to say:

"Cases also came to light of substantial investments in companies by trusts controlled by a group of persons who were directly or indirectly controlling a group of companies. One of the obvious advantages of this mode of investment was that the controlling interest in the voting rights attached to the shares of the companies in which the investments were made were retained in few hands."

This is one instance. Then, under the head, 'Manipulation of share values', it states:

"A case was reported where a company purchased shares in another company at double the par value after revaluation of the assets of the latter company. The shares thus purchased by the company belonged to its managing agents. It may be noted incidentally that the transaction was regularised by the passing of a special resolution under section 360 of the Act."

[Shri P. G. Deb]

Then, under the head 'Improper device for getting a company liquidated through wholesale transfer of shares to one person' it states:

"An interesting case was reported where a company passed a special resolution authorising the directors to effect transfer of the assets of the company to another company which held its entire share capital, either in its own name or in the name of nominees and acted as the managing agents of the company.

The assets of the company were taken over by the holding company in full satisfaction of its shareholding in its subsidiary company."

Then, it goes on to say:

"It is reported that this device is being adopted by a number of other companies to have themselves wound up, without going through the winding-up proceedings."

Like this, there are several instances in this report; but I do not want to refer to them. They are well-known because the hon. Members must have read the report.

But added to this, I am painfully compelled to bring to notice the glaring instances of another unsound company practice. I refer to the managing agency named B Patneik & Co. (Private) Ltd. of the Orissa Textile Mills. It is in Orissa. Much has been said about this on previous occasions in this House and I need not harp upon it. But, Sir, I may tell that it is with the hard-earned money of the shareholders and of the Orissa Government and also of the Industrial Finance Corporation of India, the Orissa Textile Mills was started about 14 years ago. No dividend was paid to the shareholders for the last 14 years as has been reported by the shareholders who had taken the trouble of coming from Orissa to meet us here. Therefore, Sir, when

there is the cry of the Orissa Government and the shareholders alike for a probe into the matter, I am reminded of a Sanskrit saying 'Poobotum Vashimat Dhumat'. Where there is smoke, there is fire. Therefore, I would urge upon the Government to find out and to unearth the truth. We are grateful to Shri Lal Bahadur Shastri, hon. Minister of Commerce and Industry for his assurance he has given to us that he would look into the matter. I have here with me a report about the Orissa Textiles Mill Ltd. and I wish to place it on the Table of the House. It has come out in the *Delhi Times* dated the 24th April, 1960. I do hope that the hon. Minister will soon go into the matter and come to a proper finding. Let us know where we stand with regard to this. Sir, as is seen from these instances, the annual report offers a serious challenge to the Government to find out ways and means to put an end to the malpractices that are on afloat. Sir, all will agree that it is these institutions of limited concerns both of public and private upon which will depend the rapid industrialisation in this country. All these malpractices should therefore be nipped in the bud. This will restore confidence in the public and especially those investing public who have not been receiving a fair deal at the hands of unscrupulous company promoters and the managing agents in this country.

Apart from this, it is argued by some that the loose talks about the policy of nationalisation has brought doubts and fears in the minds of the managing agents and directors of private limited companies. It is said that this fear has goaded them to make hay while the sun shines and thus to reap as much profit as they can by hook or crook. This is a sad state of affairs. Therefore, I suggest that the Government should clearly restate its industrial policy at last for a foreseeable future describing in unmistakable terms the type of industry Government wishes to bring into the public sector. Then, much of the

uncertainty will be over and the investing public will know where they stand. Undoubtedly, this will discourage the public from indulging in dubious business practices. This annual report also says that the time was ripe for a more vigorous enforcement of this Act in future. I quite agree with this statement and here I would like to point out what our Indian economists think about the Joint stock enterprises in our country. They are of the opinion that the joint stock enterprise is not an indigenous institution and is not based on the natural growth of our old forms of business organisation. Sir it is true. All forms of business organisation had been imported from England and we are still carrying on with them. But when we are in the know of the fact that every nation has got its own genius, the peculiarity of which is responsible for the development of different institutions in different countries, I do not see why we should not adopt our own methods. It is time that we did so in order to boost up our industrial output and achieve our industrial revolution.

I now come to another matter regarding the personnel of company law advisory commission. Reference is made in the foot note on page 48, para 83. The post of the chairman was permanent one but now it been made a part-time job. I venture to suggest that it should a permanent post and it should not be a part-time job. Then there will be efficiency and impartiality.

25.17 hrs.

[SHRI MULCHAND DUBE in the Chair]

He will be impartial without fear or fray from, the appointing authority.

Next I come to the methods of investigation. At present it is dilatory and rather halting. I wish to suggest, therefore, that there should be more investigations with full powers for prosecution of officers under the Company Law Administration. Further, the annual report of the Company Act has tried to suggest that

the shareholders should have more say in the companies' management. It appears that the Company Law Administration is not alive to the situation and the shareholders who are scattered throughout the country are at a great handicap in facing the unscrupulous and rich company managements. More so, the procedure laid down for the prevention of minority oppression of shareholders is so combrous and expansive that practically the remedy through the law courts is a nullity. In view of all that I have said, I would conclude by saying that the existing Companies Act should be made a perfect piece of legislation and unless and until it is done and the loopholes are plugged, we shall not be able to realise the dream of making our mother India a great industrial nation.

Shri Nagi Reddy (Anantapur): Mr. Chairman, it is now three years since the administration of Companies Act had been functioning and it is time that certain important issues that have been posed before us by the working of this Act are taken note of.

I should say, Sir, that the report has produced valuable material in its working and its methods of company regulations, and it has also given us a pretty good amount of details regarding some of the very important aspects of the companies which the country should know.

The companies that have been worked in these three years, as the report shows have declined in number, from about 30,000 in 1955-56 to about 37,000 in 1958-59 even though new registrations have been going on at an annual rate of about 1000 companies in each year. This, at any rate, does not show that we are not progressing either in our industrialisation or trade or otherwise. On the other hand, there has been an increase in the capital which is involved in these transactions in our country. Per annum there has been an average addition of Rs 40 crores in our companies even though the total number of companies in general has been decreasing.

[Shri Nagi Reddy]

Well, it points out to two important factors. One—and a very good one—is that the working of this Administration has been to an extent successful in weeding out, as it shows, inactive and moribund companies. To that extent it is a good sign that the number of companies has decreased because this decrease does not mean that there has not been an increase in activity.

There is another important aspect of this, and that is the growth of giant companies in our country. The decrease in the number of companies and the increase in the amount of capital that is being invested year after year points out to an important factor, and that is, it points out to the growth of, call them, giant companies or very important industrial investments in our country that is taking place.

Reporting on the size of the companies which come under this Administration it says that 3.7 per cent of the companies that have been given new authorisations and which have been authorised the capital of above Rs. 1 crore have invested more than about Rs. 230 crores. Now, we should look at it this way. Out of the total capital of Rs. 284 crores which has been authorised in the year 1958-59, Rs. 239 crores represent the capital of 22 giant companies and of these 22 giant companies 8 giant companies alone have an authorised capital of Rs. 210 crores. But then, amongst these 8 companies there are government controlled companies, but they are only three in number. Therefore there are five private controlled companies and this private sector which control five companies has an authorised capital of Rs. 115 crores. Therefore, it amounts to this, that out of Rs. 284 crores of total capital involved in both the Government and the private controlled companies Rs. 115 crores represent five companies which belong to the private sector.

Well, that shows one tendency in the developing economy of our coun-

try. If I had been given a little more details, which I wish the next report of the Companies Act Administration will give us, as to out of those five companies which belong to the private sector what are the companies which are, say, for example, branches of foreign companies or subsidiaries of foreign companies, we would have had a better idea of the structure that is now developing in our country. Even with the little information that we have come to know, I am afraid that out of the Rs. 115 crores in these five companies the majority of the capital is not India but foreign—that is my fear, that is what I feel—and that too capital invested in branches which are in foreign countries. It may be that they are “(India) Limited”, but they are branches and therefore the significance of these companies. They are controlled and managed technically and financially not by the Indian private sector, not by the Indian financier of Indian industries, they are managed and financed by the foreign capital in our country. This significant development I wish is noted, which is not in consonance with the industrial policy resolution of the Government of India of 1956. I hope it will not continue in that strain.

As a matter of fact, Sir, from the report which was published, I think, in the *Journal of Industry and Commerce*, we are told that most of the investment that is made by the foreign controlled companies is a direct investment. I wish this report which is under-discussion, had also told us as to what was the quantum and quality of the investments on foreign companies. Out of a total foreign investment of Rs. 508.7 crores by the end of 1957, Rs. 446.1 crores represented direct investment.

Here, Sir, I come to the next point, which is also very significant. On page 105 we are told that certain concessions have been given for a foreign controlled company in the requirements to file its balance-sheet. Well, the Companies Act of 1936 when it

was discussed in this House was naturally very widely discussed and accepted by this House. Within two years we find that a change is being made in the interests, we are told, of the foreign companies, which otherwise would not accept our Companies Act. They want to dictate, that is what it exactly amounts to. Of course, we might term it as consultation. We might say, we are consulted, that is a different matter, the manner in which we use the words, but the actual fact of the matter is that here are foreign controlled companies which say that they want this change and they get that change within two years of the passage of the Act, even before we have come to know as to how it is working, how it is going to work, even before we gather the experience that is needed for the country in the most important Act that was passed in 1956. We are told in this report:

"During the year, it was represented by certain foreign shipping and airline companies that it would not be practicable for such companies to comply in full with the requirements of that section because of the fact that a substantial portion of their transactions related to countries other than India and that it was not easy to allocate the items of expenditure separately for Indian business."

And, what was it that they wanted to be deleted? That was the provision where they were required to file balance-sheet and profit and loss account in respect of the Indian business along with a copy of the balance-sheet and profit and loss account of the world business filed in the country of incorporation. That is what we had asked for and that is what it was difficult for them to do, and we have known in our experience, and we have heard in this House in answer to quite a number of questions, as to how difficult it has been for the country and even for the Government, with all its persistence, to get proper accounts whenever we

want them, and we know as to how they have had their dealings in the negotiations with companies like the oil companies. I certainly cannot understand the way in which and why certain rules have to be changed even before they had been implemented, at least to gain some experience. That is a very sorry state of affairs which we should remember.

The second thing that I would like to point out is the growing number of giant-sized companies in our country. In one of the articles that I read in the *Economic Weekly* of 8th November, 1958, which is published from Bombay, there is an estimate which says that the Birla group of companies consists of 182 companies with an authorised capital of Rs. 175 crores. The concentration of capital seems to be increasing as per this report and also as per the other data which we are able to gather and from the reports of the administration of the Companies Act which is gathering quite an amount of experience and also huge material in the course of its functioning, and that work of collection must be one of the best things that is done by the administration. Therefore, the department must be able to give us an idea as to how far this concentration is taking place year by year in our country, and say whether we are able to fulfil the policy that has been laid down in the second Five Year Plan. If we are not able to fulfil it, then what is the trouble and why we are not able to fulfil the policy laid down in the second Five Year Plan that concentration of finances should not take place in our country? The growth of monopoly in breadth and in depth is to be stopped and be put an end to. That is one of the main features of the second Five Year Plan and I do not know if we are able to concentrate on it and get that done.

I come next to the question of Indianisation. Of course, it would not be out of place for me to request the Government to see that this company law administration is asked to take up

[Shri Nagi Reddy]

the job of looking into the Indianisation of employment in foreign firms. That I think should be one of the main jobs that ought to be done by a centralised authority and I believe that this administration is capable of doing it better than others. As a matter of fact, even though we are being told that there has been Indianisation going on,—I do not have the time to go into the details—from the little that I have read, I can say that even in the plantations, in the jute industry, insurance and banking, there has not been much progress in Indianisation not only in the higher salary groups but even in the lower salary groups, say, for example, in the group of Rs. 500 and below. That is a sad thing. After so many years, not much progress in this regard has been made. After all, plantations, jute, insurance and banking do not need a huge technical know-how and it is not as if they can say that it is all such a technical matter that they cannot Indianise it and that, therefore, the technicians from other places must come, from somewhere else. Not at all. After all, the jute industry and other plantation industries have been in our country for so many years. I wish that the Government takes note of these factors. In the foreign-owned companies, we find that in the scale of Rs 3,000 and above, 90 per cent. of the jobs are in the hands of foreigners. In the case of tea, jute, insurance and banking, there is a great percentage of foreigners even in the lower ranks.

Now, I refer to a point that arises from a comment made in the press and that is an important factor in this connection. That is to the effect that the disparity between the number of companies at work and those assessed to tax is still considerable, especially in West Bengal, where less than one-third of the companies whose names are on the register pay tax. The largest number of companies in the country are located in West Bengal, 11,911, out of 27,479 in all. So, out of

such a great number only one-third of the companies who are on the register pay tax. I want to know why this is so. It is not because some tax concessions are given and so on and so forth. There must be something else. I would like the Government to go into the matter and give us an idea as to why it is so.

In the end, I shall refer to one more point and conclude my speech. There is a statement No. IV at page 148 of the report—State-wise distribution of companies at work. For me, as one coming from Andhra, it is a sorry state of affairs; not much progress is being made in places where industrialisation has not been progressing properly. What exactly is the incentive that is being given or the help that is being given by the Government of India to help those areas where there has not been any progress so far as the development of our commerce and industry is concerned? We are told in Statement No. IV that out of 27,479 companies in existence, 11,911 are from West Bengal; 5,600 are from Bombay; which means, the total from these two States alone comes to about 17,000. In Andhra Pradesh, it is 461. Of course, the figures from the other States are also given. That is the picture. Have we been in any way trying to help those people who have not been helping themselves or probably who are not having the capacity to help themselves? What is the position?

In the year 1956-57, in Andhra Pradesh, the total number of companies newly registered was 9, in 1957-58 it was 18 and in 1958-59, it was just 19, out of an overall total for India of 848 in 1956-57, 961 in 1957-58 and 1,095 in 1958-59. This is not the proper way of development of the nation and of proper distribution of industries. This is not the proper distribution of the little resources that the nation wants to be distributed properly.

I find that even among those companies which have been floated by the

Government, even among the industries that the Government have tried to establish, which are given in the Statement No. XIII, on page 161, Andhra Pradesh does not find any place anywhere. In the list of Government companies up-to-date, I find only four companies which are from Andhra: The Hyderabad Gold Mines Ltd., which is not of this period but which is an old one. The other is the Nizam Sugar Factory Ltd., which was not established during the five Year Plan but was established much earlier. There is another, namely, the Singareni Collieries, which has been in existence long before we got Independence. I wish the Government takes note of these factors and realises that this disparity in development is a dangerous trend in our country and a trend which is going to increase, and which has already increased, the discontent of the people in various States. I wish that the Government will see to it that in future at least, when the Government produces a report, it studies the report properly and acts up to see that such disparity does not exist in the future.

Shri Aurobindo Ghosal (Uluberia): Sir, this report is an important document which indicates the nature and growth of the industries in the country, and not only the working of the companies. Since the last two years, the working of the department of company law administration has assumed importance and after they have become active, many things have been unearthed. The proper administration of a company is a pre-condition of its stability and soundness. So, with the growth and expansion of the industrial sector, there are chances of mushroom growth of companies and starting of companies of uneconomic character. The apprehension of mismanagement is also there.

Naturally, if the working is made regular and set right, most of the sad incidents of failure and liquidation may be avoided. In this report, we find that 1,095 new companies have been incorporated during the year under

review. The number is higher no doubt than in the previous years 1956-57 and 1957-58. But the peculiarity is this that this number has increased in the processing and manufacturing sector only. No break-up has been given of the processing and manufacturing companies. But it seems to me that most of the companies are of a processing nature. If that is so, it does not indicate a solid growth of industry, because the manufacturing sector of the industry is the backbone of the industrial growth in a country.

But in two important sectors of industries, i.e., in agricultural and allied activities and in mining and quarrying industries, the number of new companies has been reduced. If we refer to Table 2 on page 14, we find that in agriculture and allied activities, the number has come down from 39 in 1957-58 to 33 in 1958-59. In mining and quarrying also, the number has come down from 31 in 1956-57 to 17 in 1957-58. It has shown a little improvement and increased to 22 in 1958-59. On the other hand, in the processing and manufacturing sector, the number of companies has increased from 330 to 502.

But the most disturbing factor in this report is about the liquidation. We find in page 19 (para 37) it is said:

"During 1958-59, 1,925 companies were reported to have ceased to work as against 1,983 in 1957-58 and 1,135 in 1956-57. Of these 1,925 companies, 481 had gone into liquidation and 1,444 were struck off the registers."

Naturally, the question comes up as to why such a large number of companies are going into liquidation. It is increasing gradually and it is not a good trend in the industry. So, before registration of a new company, due care should be taken as to the soundness of the companies, the composition of the board of directors and its paid-up capital. The granting of licences at random for opening new companies should

[Shri Aurobindo Ghosal]

not be done without checking up its future position in the industrial sector, because it is not only a loss to a few directors, but it is a general loss to the shareholders, and ultimately it is a loss to the country. Of course, shareholders' associations are registered to safeguard their interests. We find from the report that one such association has been formed in Calcutta. But that is inadequate and I think such shareholders' associations should come up in all industrial sectors to safeguard their interests.

As regards giving loans to the industries, it has been pointed out in page 40 that loans are being taken by the companies from the Government on wrong representation of the financial condition of the companies and even sometimes giving false or bad securities. Before giving loans, the financial condition of the companies should be ascertained, not from their papers and balancesheets alone, which do not always present the real picture. More information should be taken from independent sources about their financial condition. In this connection, I like to point out that even the State Governments purchase companies which are on the brink of liquidation at a high and inflated price. Recently one such company, the Oriental Gas Company of Calcutta, has been purchased by the West Bengal Government at a price which is double the assets of the company. It is very easy for these companies to influence the State Government machinery. So, some restriction should be imposed by this department to see that these companies are given loans on proper securities and also if they are sold, they are sold at proper prices.

Another glaring bad practice which is noticed by us every day is the division or bifurcation of companies in two names in order to deprive both the creditors and employees. I like to give one instance. There was one paper which was originally started in one name. After that, it was divided into

two names and the press was registered in another name. When the paper will be closed, the employees of these papers would not get anything, although the Press is running at a profit. Therefore, before separating the companies, due care should be taken by this department.

Regarding prosecutions for failure to observe the provisions of the Companies Act, we get a dismal picture in page 71 of the report. We find there that the number of companies prosecuted was 165 during 1956-57, 235 during 1957-58 and 631 during 1958-59—Total 1,031. Though the number of prosecutions has increased, it is a very sorry state of affairs that failure to comply with the requirements of the Companies Act has also been increasing. The highest number of prosecutions is in West Bengal. As far as Calcutta is concerned, its soil is very fertile for the growth of mushroom companies. Specially in Calcutta, the main business community have got a very bad name for liquidating companies after opening them in one or two years. We should compare the percentage of convictions and the quantum of punishment. It is given in page 74 of the report:

"The incidence of fines imposed by the courts of law in the cases instituted under the Companies Act, was generally found to be light presumably because the economic importance of ensuring strict compliance with the provisions of the Act was not yet fully appreciated in many learned circles. It is, however, a matter of some satisfaction to note that during the last three years, the average fines imposed per case ending in conviction has risen from Rs. 50 in 1956-57 to Rs. 70 in 1957-58 and to Rs. 112 during the year under review."

While we find that the quantum of fine has increased, still it is quite inadequate in comparison to the nature of the offence.

I would like to draw attention to page 77 of the report also. Here it is said in the report that in another similar case, the quantum of fine was inadequate:

"In another similar case brought against the liquidator of a company, the Court imposed a fine of 3 nP. only per day of default for the liquidator's failure to submit the statement of account."

This is quite inadequate and some strict vigilance should be kept and instructions should be given to the courts which try industrial cases that they should deal with these cases in a strict manner.

We were told in the last discussion on the Legal Practitioners Bill by the Law Minister that the attorney system is being retained in the Calcutta High Court, because so many cases on company laws are filed there. But now we come to know in whose interest their expert skill is being utilized.

Lastly, I would like to draw your attention to page 85 of the Report which deals with the failure to proceed with cases due to lack of funds. It is stated:

"In a liquidation case, 8 suits were pending in the courts for claims or relief totalling Rs. 17,30,000 but they could not be pursued for lack of funds. The total amount required in this case for the purpose was approximately Rs. 10,000. In another case, 5 suits in respect of claims or reliefs totalling Rs. 1,03,000 could not be pursued for the same reason. The expenditure involved in this case was about Rs. 3,500. In a third case, it was noticed that 18 suits had been launched by the Official Liquidators in respect of claims or reliefs totalling Rs. 13,82,000 but they could not be proceeded with further for lack of funds with the Official Liquidators who required about Rs. 72,000."

So, I would request the hon. Minister to see that some provisions for money is made for instituting prosecutions for realising the money so that the cases may be filed and after the realisation of money, the costs may be deducted.

श्री सिंहासन सिंह (गोरखपुर) : सभापति महोदय, कम्पनियों का विषय हमारे देश के लिये बड़ा महत्वपूर्ण विषय है। कम्पनियों किस तरह से चलती हैं, यह देखने वाली बात है। यह भी देखने और सोचने वाली बात है कि जो कम्पनियां प्राइवेट सैक्टर में चल रही हैं, वे क्या देशहित में चल रही हैं या कि अपने ही हित में कार्य कर रही हैं ?

इस रिपोर्ट को पढ़ने से मालूम होता है कि गवर्नमेंट कम्पनीज भी बड़ी हैं और प्राइवेट कम्पनीज भी बड़ी हैं। १९४८ में इंडस्ट्रियल पालिसी के बारे में जो रेजोल्यूशन पास हुआ था उसमें कहा गया था कि कुछ क्षेत्र केवल सरकार के लिये सुरक्षित रहेंगे और उनमें प्राइवेट सैक्टर नहीं बढ़ेगा। लेकिन इतने वर्षों के बाद जो कार्य गवर्नमेंट की तरफ से हुआ है, उसमें बहुत ही कम प्रगति हुई है, उसकी बहुत ही कम बढ़ोतरी हुई है बनसिबत उसके जो कि प्राइवेट सैक्टर में हुआ है। जहां तक प्राइवेट सैक्टर का सम्बन्ध है, प्रायः देखा गया है कि वह सरकारी रुपये पर ही चल रहा है। सरकार ने कई एक फाइनेंस कारपोरेशंस स्थापित की हैं। ये कारपोरेशन्स केन्द्र की ओर से और राज्यों की ओर से भी स्थापित की गई हैं। उनके पास करोड़ों रुपया है। अभी थोड़े दिन हुए हैं इसी सदन में कारपोरेशन्स के मैनेजमेंट के बारे में चर्चा हुई थी और उसके दौरान में यह कहा गया था कि फ्रेंच कारपोरेशन के जो डायरेक्टर्स थे, उन्होंने उस कारपोरेशन के कुल रुपये को आपस में ही बांट लिया था और वह दूसरों को नहीं मिला।

[श्री सिंहासन सिंह]

इस रिपोर्ट में कहा गया है कि कम्पनीज की तादाद बढ़ रही है और इंडस्ट्रीज भी बढ़ रही हैं। इंडस्ट्रीज को बढ़ाने के मूल दो उद्देश्य हैं। एक तो यह है कि उपभोग की वस्तुओं का उत्पादन बढ़े और दूसरा यह कि देश की बेकारी दूर हो और ज्यादा से ज्यादा आदमी काम में लगे। लेकिन यह देखने वाली बात है कि जो लोग इन कम्पनियों में रखे जाते हैं, उनको किस आधार पर रखा जाता है, क्या उनकी योग्यता का, क्षमता का ध्यान रखा जाता है या कोई और आधार होते हैं जिन पर कि उन को नियुक्त कर लिया जाता है। ऐसा लगता है कि केवल भाई भतीजों को या रिश्तेदारों को ही रख लिया जाता है। कई कम्पनियां तो प्राइवेट सैक्टर में उनके खानदानों के लिये ही चल रही हैं हालांकि उनमें गवर्नमेंट की मदद शामिल होती है और बिना उस मदद के वे स्वतः बैठ जा सकती हैं, ठप्प हो सकती हैं। वे जो नौकरियां देती हैं, रिश्तेदारों को या भाई भतीजों को ही देती हैं। पता नहीं दूसरों को कहाँ से नौकरियां मिलती होंगी। आपकी रिपोर्ट के पैरा २०३, सफा ११७ पर कहा गया है :—

"Since the commencement of the present Companies Act, over 5,000 companies were reported to have passed upto the end of 1958-59 approximately 5,600 special resolutions under Section 14 of the Act regarding the holding of office of profit by over 4,000 company directors and the employment of approximately 7,300 relatives of company directors. Nearly 47 per cent. of the company directors about whom special resolutions had been passed held offices of profit carrying a monthly remuneration of under Rs. 500, while only about 25 per cent. of them held appointments carrying a remuneration of Rs. 1,000 and more. As regards the relatives mentioned in the special resolutions, it was seen that 53 per cent. to 55 per cent. of them held

appointments carrying salaries under Rs. 250 and 75 per cent. to 85 per cent. below Rs. 500 per month and 12 per cent. to 15 per cent. of them got more than Rs. 1,000 a month."

इन रेलिटिव्स की क्या योग्यता थी क्या नहीं थी, किसी को कुछ पता नहीं है। इस वास्ते मैं माननीय मन्त्री महोदय से कहना चाहता हूँ कि मैं तो मूलतः इस तरीके का ही विरोधी हूँ कि इस मुल्क में दो तरह के व्यवसाय चलें, एक प्राइवेट सैक्टर चले और एक पब्लिक सैक्टर चले। आप मिक्स्ड इकोनोमी की बात करते हैं लेकिन उसमें यह अंदेशा है, यह डर है कि प्राइवेट सैक्टर पब्लिक सैक्टर को मार देगा क्योंकि उसका इसी में इंटरिस्ट है और इसके बगैर वह चल नहीं सकता है। इस वास्ते मैं मन्त्री महोदय से अनुरोध करना चाहता हूँ कि वह कोई कोई ऐसा तरीका निकालें, कोई ऐसे नियम बनायें जिससे कम से कम नौकरियां तो योग्यता के आधार पर लोगों को मिल सकें। आज ये जो करोड़पति और लखपति बने हैं, वे अपने रुपये से नहीं बल्कि आपकी मदद से बने हैं। देखा गया है कि जो शेयर मनी होता है उसको दस रुपये के बजाय मैनेजिंग डायरेक्टर्स पांच रुपये में खरीद लेते हैं और यह कह कर खरीद लेते हैं कि आइन्दा फिर कंपनी को जरूरत पड़ेगी तो पांच रुपये वापिस कर देंगे। इस तरह से दस रुपये के शेयर को वे पांच रुपये में या तीन रुपये में खरीद लेते हैं और जो ग्राम पब्लिक देती है, वह इसके नतीजे के तौर पर अपने रुपये से डिप्राइव हो जाती है। साथ ही साथ जो नौकरियां होती हैं वे उन कम्पनियों के घर वालों को ही चली जाती हैं दूसरों को नहीं मिलती हैं। कानून में कहा गया है कि घर के घर बिना स्पेशल रेजोल्यूशन के नहीं रह सकते हैं। लेकिन यह करवा सकना भी कोई मुश्किल बात नहीं है। डाईरेक्टर्स होते हैं, वे इकट्ठा हो जाते हैं, शेयर होल्डर्स

की प्राक्सी आ जाती हैं, और एक स्पेशल रेजोल्यूशन पास करके वे भाई भतीजों को रख लेते हैं। इस वास्ते मैं मन्त्री महोदय से अनुरोध करना चाहता हूँ कि उनके वास्ते भी कोई कम्पिटीटिव एग्जामिनेशन रखा जाना चाहिये और बिना इसके लोगों को नियुक्त नहीं किया जाना चाहिये। यदि ऐसा किया गया तो किसी के साथ कोई पक्षपात नहीं हो सकेगा और अच्छे से अच्छे आदमी उनके प्रबन्ध को चलाने के लिये नियुक्त होंगे और यह बात देशहित में होगी। इस तरह से घरों के घर उसमें नहीं समा सकेंगे और दूसरों को भी नौकरी का चांस मिल सकेगा और प्राइवेट सैक्टर के रहते हुए भी देश का बड़ा कल्याण हो सकेगा।

जहां तक पैसे की चोरी या टैक्सों की चोरी का सम्बन्ध है, उसके बारे में भी मैं कुछ शब्द कहना चाहूंगा। अभी मेरे एक मित्र राजा साहब मुझ से मिले थे। उन्होंने मुझे बताया कि वह अपने लड़के को यह सिखाने के लिये भेज रहे हैं कि किस तरह से दो-तरफा हिसाब रखा जाता है, एक हिसाब इनकम-टैक्स परपज के लिये, एक हिसाब शेयर होल्डर्स के लिये और एक हिसाब अपने लिये। सीलिंग जब तक नहीं लगी थी तो हिसाब किताब कुछ इस तरह का चलता था इधर का खाता उधर और उधर का खाता इधर, लेकिन चूंकि सीलिंग ज़मीन पर लग चुकी है, इसवास्ते उनको कोई दूसरा काम करना है इस वास्ते उसमें किस तरह से हिसाब रखा जाए उसको सीखने के लिये वह अपने लड़के को भेज रहे थे। इसलिये मैं कहना चाहता हूँ कि अगर बाहर वाले आदमी जो कम्पनी वालों से सम्बन्धित नहीं हैं रखे जाते हैं तो यह चीज हमारे भी हित में होगी और देशहित में भी होगी बजाये इसके कि भाई भतीजे रहें और और जो चाहें करते रहें।

अभी हम ने देखा है कि खादी आश्रम खुले हैं। बहुत थोड़ी पूंजी से वे खोले गये हैं।

गांव गांव और देहात देहात में उनको खोला गया है। उनमें कोई भाई भतीजावाद नहीं चला है, तरह तरह के आदमी उनमें काम करने के लिए रखे गये हैं। लेकिन यहां पर कम्पनियों में, बड़ी बड़ी कम्पनियों में जो धन है वह इन्हीं कुछ एक कम्पनियों के हाथों में एकत्र हो गया है। अभी श्री नागी रेड्डी ने पढ़ कर सुनाया है कि कुछ खानदान हैं जोकि छाये हुए हैं। शायद बिड़ला का नाम लिया गया है जिसके खानदान के नाम से कितनी ही कम्पनियां चलती हैं, कोई रोक टोक नहीं है। कुछ इस तरह की बात भी कही गई है कि "मिनिस्ट्री आफ बिड़ला हाउस"। गाड़ी में भी जब मैं सफर कर रहा था तो कोई भाई कह रहे थे कि डालमिया पर केस चला है मगर बिड़ला पर नहीं चलाया गया, क्या वजह है, भगवान जाने। मूंदड़ा के बारे में वह कह रहा था कि वह गायब ही हो गया है। उस पर भी केस चल रहा है, पता नहीं उसका क्या फैसला होगा। जहां तक जिन के पास बहुत ज्यादा धन होता है उनके कारेक्टर का सम्बन्ध है युधिष्ठिर ने महाभारत में कहा था कि जिस के पास अधिक धन है उसको अधिक बेईमान समझो क्योंकि अधिक धन बगैर बेईमानी के किसी के पास हो नहीं सकता है। आज यह बात सही हो या न हो भगवान जाने। धन के नाम पर बहुत से ट्रस्ट भी कायम होते हैं और उनको धर्म के नाम पर भी कायम किया जाता है। जो हो, मैं गवर्नमेंट से अनुरोध करना चाहता हूँ कि मिक्स्ड इकोनोमी में भी कोई ऐसा प्रबन्ध किया जाना चाहिए, जिसमें घर-घरानों की बात न चले, बल्कि देश-हित में जो बात हो, वही चले।

16 hrs.

आपने रूल्स एंड रेग्युलेशंस बना दिये हैं लेकिन वे भी कई बार बेकार साबित होते हैं। रूल्स को ब्रेक करके कई काम हुए हैं। कई सबसिडियरी कम्पनीज बनीं, वे, आपके,

[श्री सिंहासन सिंह]

रुलज के खिलाफ बनीं, न आपकी परमिशन ली गई और न शेयरहोल्डर्स की। जब उनसे आपकी तरफ से पूछा गया तो उन्होंने कहा कि उन्हें मालूम नहीं था कि १९५२ के बाद जो रुपया आया वह चलेगा या नहीं चलेगा और इसी आधार पर आपने उन्हें माफ कर दिया। आपने ला इस वास्ते बनाया है कि काम ठीक तरह से हो और मैं समझता हूं कि कम्पनी ला एडमिनिस्ट्रेशन इसी वास्ते है कि कम्पनियां ठीक रास्ते पर चलें। आप कहते भी हैं कि वे ठीक रास्ते पर चल रही हैं लेकिन मैं समझता हूं कि इस में सख्ती करने की जरूरत है और आप सख्ती से काम लें।

अब जो कम्पनियों का बटवारा हुआ है, उसके बारे में मैं कुछ कहना चाहता हूं। वे दो ही सूबों में बंट गई हैं। इस रिपोर्ट के साथ एक नक्शा दिया हुआ है जिस में कहा गया है कि ११,९११ कम्पनियां बैस्ट बंगाल में हैं और ५,६०० बम्बई में हैं। जहां तक कुल कम्पनियों की बात है उनकी संख्या २७,४७९ है। अब उनमें से दो ही सूबों में १७,५११ कम्पनियां हैं। दूसरे सूबों को क्या मिला इसका अंदाजा आप लगा सकते हैं। हम कहा करते हैं कि जो धनी हैं वे और धनी होते जाते हैं और जो गरीब हैं, वे और भी गरीब होते जाते हैं। जो सूबे धनी थे वे और भी धनी हो गये। तो गवर्नमेंट की पालिसी होनी चाहिए कि इंडस्ट्री को बढ़ाने के लिए उन सूबों में जाये जहां पर आबादी अधिक हो और लोगों में बेकारी हो।

इस सम्बन्ध में मैं आप का ध्यान खास तौर से अपने प्रदेश के पूर्वी हिस्से की तरफ और बिहार के कुछ भाग की तरफ दिलाना चाहूंगा जहां पर जनसंख्या बहुत अधिक है। हजारों वर्ग मील ऐसी जगह है जहां पर कि कोई व्यवसाय नहीं है। हमारे यहां गोरखपुर, देवरिया और बांसवाड़ा में कुछ शुगर मिलें हैं। उन के अलावा वहां पर कोई इंडस्ट्री नहीं है।

जहां पर शुगर मिल्स हैं वहां पर लोगों को हालत कुछ अच्छी है, कुछ तो खेती से और कुछ रोजगार से। इसलिए वहां पर कुछ काम बढ़ा हुआ है। लेकिन उस भू-भाग पर जहां आबादी अधिक है अगर आप फैक्ट्रियां आदि खोलें तो अच्छा है। अगर आप को कम्पनियां बनानी ही हैं तो वहां पर बनाइये जहां पर बेकारी अधिक हो और वह इस से दूर हो सके, साथ में वहां पर सामान भी मिले और उसका वितरण अच्छा हो।

इस से अधिक मैं और नहीं कहना चाहता। केवल इस बात की तरफ आप का ध्यान दिलाना चाहता हूं कि आज जो वितरण की व्यवस्था है वह पूरी तरह से ठीक नहीं है। जो हमारा धन के बटवारे का रेजोल्यूशन था, उस के अनुसार और सेक्रेड फाइव इअर प्लैन में भी धन की कमी और बेशी के अन्तर को कम करने की जो बात थी, उसे हम अभी पूरा नहीं कर पाये हैं। वह अन्तर कम नहीं हुआ है। जो लोग धनी थे वे और धनी हो गये हैं, गरीब नहीं। आज जो एक प्रान्त धनी हो रहा है और दूसरे गरीब हो रहे हैं, इस चीज को आप दूर कीजिये। हर प्रान्त को आप धनी बनायें। जहां पर कम्पनियां पहले से बनी हुई हैं, वहां पर और कम्पनियां न बनाइये यह कह कर कि यहां पर सहुलियतें नहीं हैं, बिजली नहीं है, फलां चीज नहीं है। आप जहां पर इंडस्ट्रीज चलायेंगे वहीं पर पानी, बिजली मिलने लगेगी, रा मैटीरियल मिलने लगेगा। अगर आप इस उद्देश्य को लेकर इंडस्ट्रीज को खोलें तो मैं समझता हूं कि वह ज्यादा देश के हित में होगा।

Shri Naushir Bharucha (East Khandesh): Mr. Chairman, Sir, I do not desire to touch on any aspect of company administration except one or two which I feel require the attention of this House. I refer to the Companies (Issue of Share Certificates) Rules. As this House is aware, there is a provi-

sion made in respect of issue of duplicates for lost, destroyed or misplaced share certificates. Naturally, the intention of the framers of the rule is that care should be taken to see that forged certificates are not issued. As a result of this some rules have been framed in 1960 which have been published in the Government Gazette, dated the 19th March, 1960. The relevant rule says:

"No duplicate share certificate shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board or without payment of such fees, if any, not exceeding Rs. 2, and on such reasonable terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence, as the board thinks fit."

I desire to draw the attention of the House to the grave difficulties experienced by shareholders in obtaining duplicates of lost share certificates. What is happening is that some of the companies are imposing totally unreasonable terms. In one of the cases actually a complaint was made to me that where the shares were worth hardly Rs. 2,000 at the market value, the company asked the shareholder to insert advertisements in seven different newspapers for three consecutive days! He came and told me, "Is there no remedy against this?"

Here, I find that the rule leaves power to the companies so that they can prescribe reasonable terms. Now, who determines what these reasonable terms are? Surely, it is open to the shareholders to go to the court and say that these terms are unreasonable. But I should like to ask the House as to how many of the shareholders, particularly small middle-class people who are *bona fide* shareholders and who have lost their share certificates, will care to go to the court. I was, therefore, thinking that it is very necessary that changes should be made in this

rule and instead of saying 'reasonable terms' we should say something to this effect, namely, 'on following terms and conditions, namely, production of an affidavit by the applicant of evidence as to loss or destruction of the certificate, execution of an indemnity bond by the party and insertion of advertisement in newspapers as the company may direct provided the cost of such insertions shall not exceed ten per cent. of the face value of the shares or Rs. 500, whichever is less'. Unless some such limiting conditions are placed, I am afraid, the present inconvenience felt by shareholders will continue to be felt.

16:47 hrs.

[SHRI JAIPAL SINGH in the Chair]

The trouble is that *bona fide* shareholders on loss of share certificates find it difficult to have a duplicate but where the man who wants to forge share certificates—usually the directors themselves are hand in glove with such persons; otherwise, these things cannot be forged and this rule will not prevent them from forging the certificates. But the *bona fide* shareholder is put to very great trouble. I submit that that is a very common inconvenience felt. Sometimes the companies act very arbitrarily. It is, therefore, desirable that the rule should be amended.

There is another point in connection with these rules to which I want to invite the attention of the House, that is about rule 6 which relates to the sealing and signing of the certificates whenever any issue of capital is made. This rule provides:

"Every share certificate shall be issued under the seal of the company, which shall be affixed in the presence of two directors or persons acting on behalf of the directors under a duly registered power of attorney; and the secretary or some other person appointed by the board for the purpose. The two directors or their attorneys and the secretary or other person shall sign the share certificate."

[Shri Naushir Bharucha]

A complaint was made to me by a chairman of one of the biggest industrial concerns in India that if they act upon these rules as they are laid down and if a new big issue is to be made in which case as many as 2,00,000 share certificates may have to be issued, if this procedure is followed, and if it takes only one minute to follow this procedure in each of these share certificates, the time for issuing new capital would be something like three or four years. He has asked me, "How on earth can you expect us, directors, to issue new share capital and comply with these provisions when if we honestly comply with these provisions it will take such a long time?" I would like to know from the hon. Minister as to what he proposes to do or whether there is any other way in which you can overcome this difficulty. It is true that you must take all reasonable precautions against the issue of forged share certificates, but surely the precautions that you take and the rules that you make must not be such that they have the effect of hampering the administration of companies.

I do not desire to speak on other aspects, as I am on the Select Committee to amend the Company Law, but these are the aspects to which I am inviting particular attention, and I hope these defects will be removed.

Mr. Chairman: Before I call upon the next hon. Member, may I know how long the hon. Minister will take?

The Minister of Commerce (Shri Kanungo): I will take about 25 minutes.

Shri N. R. Muniswamy (Vellore): Without taking much time of the House, I wish to raise only a few points.

The Report presented by the Department makes good reading, but I might observe that the Companies Act, 1956, which consolidated the earlier Act of 1913 and is the biggest Act on our statute-book, is clumsily drafted, provisions often being repeated. Many

provisions are very vague and need a good deal of clarification. The Department has been very helpful to the companies in giving the needed clarifications, and the Report not only gives an idea as to how the Act has worked, but also indicates the difficulties faced by the Department.

The Department must be regarded as a trustee of the shareholders, many of whom neither take interest in the management of the company concerned, nor are aware of intricate points, since they are seldom brought to their notice. They simply attend the general body meeting, if at all, and ditto the proceedings. That is how they come to endorse malpractices indulged in by the managements of companies. The shareholders really need some education, and only then will the Department be able to see that the malpractices are eliminated. The Department, I wish, keeps the shareholders posted with all the facts before they attend the general body meeting.

For infringing certain provisions, the companies are punished, usually in the form of fines, of very small sums in some cases. The companies simply pay the fine that is levied, since it is easier to do this rather than comply with the provisions of the Act. They also deliberately infringe the provisions since they know that, at best, they will only be called upon to pay some nominal fine. If this continues, I do not think the companies will ever implement the provisions. Though the Department, in spite of its handicaps like want of personnel, is doing its best, I do not think this is a happy state of affairs.

Shri Nagi Reddy: Let us change the Act.

Shri N. R. Muniswamy: We are introducing amendments, and the Select Committee is going into the matter. I shall also suggest some amendments. I hope that after all these amendments are carried out, all the gaps, and all the failings and all the drawbacks of the present Act will certainly be rectified.

In the present Act, many of the provisions which ought to be in Tables or Schedules have been clubbed together in the body of the Act itself, with the result that we are not able to find out whether any provision is in contradiction with some other provision in some other chapter. Therefore, we have to meet with certain difficulties when we want to see how the several provisions of this Act could be implemented and enforced.

The hon. Minister, at the time this Bill was passed in 1956 said that the department would never be severe in enforcing the provisions of this Act, and that they would be very lenient and at the same time help the managements also to comply with the provisions in a very methodical way. But the companies have been in the habit of disobeying the provisions all these years, and they have developed an attitude and a mental frame according to which they think they can merrily go on as before even in future. But I feel that the department has been very severe in their own way in seeing that the provisions are implemented by the managements of the companies.

In this connection, I have to make one or two observations regarding the managements of the public sector and private sector companies. The public sector has to set an example to the private sector so far as the implementation of the provisions of this law is concerned. But I find that they happen to be the first culprits; they are guilty of not having carried out the provisions of the Act. When the auditors are appointed, they go into the accounts, and then their report and the accounts come to the Comptroller and Auditor-General and he gives his own supplementary report or his own comments etc. to be placed before the company's general body meeting. But I find that the public sector companies are not doing the job very well, and they are setting a very bad example. That being the case, we cannot pass any strictures

even against the private sector. Therefore, I would insist that the public sector should see that they set an example which can be followed by the private sector.

In this connection, I may be permitted to bring to your notice a reference which has been made in *The Statesman* dated the 9th April, 1960, in this behalf, which has brought to light certain revealing factors. I do not think there is very much to say, but at the same time, it is not a very happy thing. I may be permitted to quote just one sentence from the editorial. It reads thus:

"A few pages on, it is stated that 'study of the reports of the statutory auditors of Government companies brings out the fact that a small number of Government companies is still without an efficient accounting organisation and has yet to adopt sound and well-established methods of commercial accounting.'"

I would like to refer to page 92 of the report, wherein it is stated:

"A study of the reports of the statutory auditors of the Government companies brings out the fact that a small number of Government companies is still without an efficient accounting organisation and has yet to adopt sound and well established methods of commercial accounting."

I find here that the word 'small' has been pasted in a small slip over some other word which had been printed originally. *The Statesman* editorial further says:

"The 'small' in this passage is pasted on the page; raised by a thumbnail, the pasted slip curls over to reveal the word 'large' in the original text. Who prodded the Department to let Government companies off more lightly? This, incidentally, is not the only instance of over-pasting in this report."

[Shri N. R. Muniswamy]

When I read this particular passage, I was taken aback by it, and I wanted to know whether there was any truth in it. When I went through the report, I found that there was truth in it. The word 'small' has got five alphabets in it, namely s-m-a-l-l; the word 'large' also has got five alphabets in it, namely l-a-r-g-e. I think what they wanted to indicate is that it was not a large number of companies but only a small number of companies. I do not know why they should fight shy of saying 'large' instead of 'small'. I only wish to know who exactly was responsible for changing the word 'large' into 'small' to make it appear as if there was not much of remissness. These are indications of the efficiency with which the work is being conducted. I do not know what is the position with regard to other companies. I would only say that in respect of these government companies, the Administration should not in their report paste something over the original text. On page 74, there is another instance. The revised text in paragraph 131 reads as follows:

"While some courts unfortunately continued to view these offences as mere technical breaches of the law, the views expressed by the Department in the last Statutory Report may bear repetition. The Report stated that these 'seemingly technical defaults were actually of very great importance in company practice and company management, for it is only through the scrupulous observance of the provisions of law regarding the general meeting and presentation of company accounts that management of companies could be kept alive to their fiduciary responsibilities and obligations and the erring elements in the managements could be brought to book through the enforcement of their statutory accountabilities to their shareholders....'"

In the original text, it is "the courts", whereas they have now introduced the words "some courts". From "While the courts unfortunately continued to view these offences....", they have made it "While some courts unfortunately continued to view these offences...."

Again at the end of the same page, I find another insertion of a slip. I have actually removed the slip. The last two lines, as they originally stood are:

"In this connection, the observations of a distinguished jurist-professor Carlston in his book *Law and the Structure of Social Action* may be of interest".

There is, again, a slip pasted on these two lines, saying:

"The laxity in compliance with the provisions of the Act referred to above may be expected to disappear in course of time".

I do not think there is anything serious in it. Still the observations made by Carlston in his book *Law and the Structure of Social Action* incorporated in the original text should have been left as they are, because we can understand the real situation. To cover up whatever observations are made by that Professor, something is pasted there. It looks as though we are covering our guilt.

If this is the example that this Department sets—in fact, it has to set the example for others—I do not want to use a strong word, but it is nothing short of shirking its responsibility. I only request that the persons responsible for this must be advised not to repeat such things hereafter.

May I continue for another minute or two?

Mr. Chairman: No. The hon. Member for Rohtak (Ch. Ranbir Singh).

Shri N. R. Muniswamy: It is not a question of a ceremonial concluding of speech.

Mr. Chairman: No, I order that he resumes his seat. I request the hon. Member (Ch. Ranbir Singh) to conclude his remarks before 4-30 P.M. After that, I have to call the hon. Minister.

श्री रणबीर सिंह (रोहतक) : सभापति महोदय, मैं समझता हूँ कि कम्पनीज ऐक्ट के कार्य और प्रशासन के बारे में जो वार्षिक रिपोर्ट हमारे सामने पेश है यह खासी तसल्लीबख्श है क्योंकि कम्पनीज ऐक्ट का यह तो कोई मुद्दा नहीं है कि इस देश के अन्दर जितनी कम्पनियाँ चलती हैं उन के काम को रोका जाये। उन के काम को ठीक तौर पर चालू किया जाय और उस में सुधार किया जाये यही कम्पनीज ऐक्ट का मंशा था।

इस सदन ने एक प्रस्ताव भी पास किया है कि हम इस देश में समाजवादी ढंग के समज की स्थापना करना चाहते हैं लेकिन उसी के साथ मिक्सेड एकोनामो का भी हमने प्रस्ताव पास किया है और इन दोनों बातों को ध्यान में रखते हुए यदि हम देखेंगे तो पायेंगे कि इस कम्पनीज ऐक्ट के तहत जो कार्यवाही हुई वह तसल्लीबख्श है। मैं समझता हूँ कि वह तसल्लीबख्श है और वह इसलिए कि पिछले तीन सालों के अन्दर जो कम्पनियों का पेड अप कैपिटल बढ़ा और जिस समय यह जो कम्पनीज ऐक्ट लागू हुआ था तो वह उसके ४७ फीसदी के करीब है और इस तीन साल के अन्दर ४८६ करोड़ रुपये का सरमाया कम्पनियों का बढ़ा। इसलिए तीन साल के अन्दर इतने अधिक सरमाये का बढ़ना यह कोई छोटी कामयाबी नहीं है। हाँ, यह भी सही है कि इसके अन्दर काफी हद तक सरकारी कम्पनियों का सरमाया भी है। यह भी एक तसल्लीबख्श बात है कि इन पिछले चन्द सालों के अन्दर देश में जो सरकारी कम्पनियाँ काम करती हैं उनकी तादाद ६८ पहुँची और उन की ५ सबसिडियरी कम्पनियाँ चलती हैं। इस के अलावा पिछले तीन साल के अन्दर जितनी

कम्पनीज रजिस्टर्ड हुई उन में ६० फीसदी कम्पनियाँ ऐसी हैं जिनका कि सरमाया ५ लाख रुपये से कम है। हाँ, यह बात ठीक है कि ६८ कम्पनियाँ जिनका कि १ करोड़ से ज्यादा सरमाया है उस का सरमाया कुल सरमाये का ८० फीसदी है। इसलिए किसी हद तक यह बात सही है कि जैसे पुराने ढंग से हम चलते थे वही पुराने ढंग से चलते आ रहे हैं लेकिन इस टोटल सरमाये में सरकारी कम्पनियों का सरमाया ३७ फीसदी है। इसलिए मेरी समझ में तो जिस भी नुक्तेनिगाह से इस कम्पनीज ऐक्ट की रिपोर्ट को पढ़ें आप इसे तसल्लीबख्श पायेंगे। अब कुछ भाइयों के दिल में जोन है और कुछ भाइयों के दिल में विदेशी आर्थिक सहायता के लिये प्रीजुडिस भी हो सकता है। उन का ऐसा खयाल हो सकता है कि इस देश के अन्दर विदेशी पूँजी लगाना देश के लिये अहितकर सिद्ध होगा और यह कि वह आर्थिक सहायता हमें उन का गुलाम बना देगी। लेकिन मैं इस बारे में साफ तौर से कह देना चाहता हूँ कि इस सम्बन्ध में हमारी नीति साफ तौर से निर्धारित है कि हम विदेशों से रुपये की इम-दाद और कर्जा वगैरह तो लेंगे लेकिन उस सहायता के साथ कोई स्ट्रिंग बंधो हुई नहीं होगी और जिस का कि किसी तरह से भी राजनैतिक मामलों में प्रभाव पड़ने वाला हो और हम आर्थिक सहायता ले लेने पर भी जहाँ तक कि हमारी वैदेशिक नीति का सम्बन्ध है हम पूर्णतया स्वतंत्र होंगे। अब इस देश के अन्दर फौरन कम्पनीज का सरमाया अगर बढ़ता है तो इस से हमें धबराहट क्यों हो। हर हालत में इस देश को आगे बढ़ना है और जाहिर है कि आगे बढ़ने के लिये दूसरे देशों की इमदाद लेनी जरूरी है और वह लेनी पड़ेगी। इसलिये मैं समझता हूँ कि यह जो बातें कही गयीं हैं और हमारे कुछ मित्रों द्वारा जो इस रिपोर्ट के सम्बन्ध में टीका टिप्पणी हुई है वह कोई बहुत ज्यादा सही नहीं है।

[चर्चा : २० वें दिवस]

सभापति महोदय, मैं यह भी समझता हूँ कि यह बात सही है कि उन्हें पूरी तौर पर कम्पनीज ऐक्ट के तहत नहीं किया जा सकता। इस देश के अन्दर कोई एक लाख ६५ हजार के करीब कोऑपरेटिव सोसाइटीज चलती हैं और उन की जो तरक्की है वह भी कोई तसल्लीबख्श नहीं बही जा सकती। २२, २३ हजार सोसाइटीयाँ ऐसी हैं जोकि तेजी से या ठीक तौर पर बाग बरती हैं। छोटी कम्पनियों को आगे बढ़ाने के लिये या को-ऑपरेटिव सोसाइटीज को बढ़ावा देने के लिये जरूरी है कि क्रेडिट की गारन्टी उन को दी जाय। आप जानते हैं टाटा जैसी बड़ी कम्पनी को अमरीका से रुपया लेने के लिये इस देश को जमानत देने की आवश्यकता होती है। इसवास्ते जो छोटी छोटी कम्पनियाँ हैं और जिन को कि हम बढ़ावा देना चाहते हैं उन के लिये हमें गारन्टी देनी चाहिये। रिजर्व बैंक एमेंडिंग बिल आ रहा है यह ठीक है लेकिन उस पर जो कार्यवाही होती है उस में तेजी आनी चाहिये। आगे की रिपोर्ट के अन्दर यह भी दर्ज होना चाहिये कि कितनी छोटी कम्पनियों को क्रेडिट गारन्टी दे कर आगे बढ़ाया गया।

सभापति महोदय, जो कम्पनियाँ मुँाफे के लिये नहीं चलती हैं इस रिपोर्ट के अन्दर उन के सरमाये का जिक्र नहीं किया गया है। आप जानते हैं कि वह कुछ अच्छी कम्पनियाँ भी हैं और अच्छा काम भी करती हैं लेकिन कुछ ऐसी भी कम्पनियाँ हैं जो सिर्फ़ टैक्स बचकर से छूट हासिल करने के लिये अपना नाम बदलना चाहती हैं। इस के अलावा यह भी देखने को मिलेगा कि जो दरखास्ते पिछली दफ़े दी गई उन में से बहुत सारी दरखास्तों में से कुछ ऐसी हैं जिन में कि डाइरेक्टर्स का रेज्यूनेशन ५० हजार रुपये से अधिक और बढ़ाना चाहती हैं। मैं समझता हूँ कि हम ने अपने देश के लिये जो समाज-

वादी ढंग के समाज का ढाँचा मंजूर किया है उस के अनुसार इन आदमियों की ज्यादा रुपये बढ़ाने की जो दरखास्ते हैं उन के ऊपर कड़ी नजर से ही गौर किया जाय और मैं समझता हूँ कि शायद देखा भी कड़ी नजर से गया होगा। इह के अलावा डाइरेक्टर्स की तादाद बढ़ाने के लिये या जैसे कि अभी मेरे साथी श्री सिंहासन सिंह ने कहा कि कुछ कुनबे की आमदनी को बढ़ाने के लिये दरखास्ते चलती हैं तो यह बात तो कुछ हद तक मानी जा सकती है। प्राइवेट कम्पनीज के अन्दर तो खास तौर पर जहाँ कि फायदा है और जहाँ का कि इंतजाम तसल्लीबख्श रहता है और घाटा न होने देने के लिये वे बड़ी सतर्क रहती हैं और चूँकि उन में फायदा होता जायद है इसलिये यह कुनबे की आमदनी को बढ़ाने की बात कुछ हद तक मानी जा सकती है और बर्दाश्त की जा सकती है लेकिन बिल्कुल ही कोई कम्पनी अगर किसी एक जाति या खानदान और कुनबे के लोगों के लिये हो तो उस के साथ कोई बहुत ज्यादा हमदर्दी नहीं रखी जा सकती। इसलिये मैं समझता हूँ कि इस कम्पनीज ऐक्ट के अन्दर काफी धारारें हैं जिन के तहत दरखास्ते दी जाती हैं। तीन साल पहले तो कोई पूछता ही नहीं था कि उस को कितना पैसा मिलना चाहिये, डाइरेक्टर्स कम होने चाहियें या बढ़ा होने चाहियें लेकिन आज वे तमाम बाजें एक तरीके से कम्पनीज ऐक्ट के मातहत आ गयी हैं और इस बारे में यदि कोई नमूना-सिब बात या अनियमितता होती है तो उन पर कड़ी कार्यवाही की जा सकती है और मैं समझता हूँ कि जरूरी कार्यवाही हो भी रही है। अब यह दूसरी बात है कि यह कार्यवाही उतनी तेजी और कड़ाई के साथ न की जा रही हो जितनी तेजी और कड़ाई के साथ हमारे दोस्त किया जाना चाहते हैं।

जैसाकि भाई श्री सिंहासन सिंह ने कहा इस बात का भी हमें खयाल जरूर रखना

चाहिये कि जब एक कम्पनी बनती है तो सरकार का पैसा रिजर्व बैंक का, इंडस्ट्रियल डाइनेंस कारपोरेशन का और स्टेट फाइनेंसिएल कारपोरेशन का इन कम्पनियों में पैसा लगता है और मैं इस से इंकार नहीं करता कि उन कम्पनियों के अन्दर कुछ दोस्तों का हौसला भी उन कम्पनियों के कामयाब करने में सहायक हो सकता है और किसी कम्पनी के कामयाब होने में उन के काम करने का तरीका भी एक कारण हो सकता है लेकिन इस के साथ ही सरकारी रुपये की इमदाद भी उन की कामयाबी के लिये बहुत हद तक जिम्मेदार होती है। इसलिय मेरा सरकार से कहना है कि जैसे प्लानिंग कमिशन की नीति है कि देश की चहुंमुखी प्रगति हो यह जरूरी हो जाता है कि सारी चीजों और देश के सब हिस्सों को दिमाग में रख कर आगे बढ़ा जाय और किसी भी हिस्से को पीछे नहीं रहने देना है इसलिय कोशिश की जाय कि जिन सूबों के अन्दर थोड़ी कम्पनियां हैं उन को ज्यादा से ज्यादा बढ़ावा दिया जाय। मैं यह तो नहीं मानता कि अभी कोई ऐसा ठकन आ गया है कि किसी को पीछे रखने की कोशिश की जाय और वह तो शायद मेरी समझ में सही नीति न होगी लेकिन जिन स्टेट्स के अन्दर कमी है उन को जरूर बढ़ावा दिया जाय।

Shri Narasimhan (Krishnagiri):
Sir, I want to put these questions on audit and accountancy as the Company Law Administration deals with them. Are the Government thinking on the lines of making it obligatory on the part of the industrial undertakings, public as well as private, to have their costs certified? Will Government undertakings show initiative and set an example to the other companies by taking special steps in this regard? When can we expect the report of the Cost and Works Institute since it started functioning under the Act of 1959? Lastly, what steps have been taken to

appoint the cost and works accountants in sufficient number so as to serve the needs of the undertakings?

Shri Kanungo: Sir, it is gratifying to note that the report of the company law administration which the administration is required under the statute to present to the Parliament has been taken note of by the many hon. Members of this House and they have studied it and offered their comments. The very fact that the statute made this obligation was that Parliament should review from year to year the working of corporate institutions in this country and offer its criticisms. On the whole, judging from the comments which have been made in this afternoon's debate, the administration can congratulate itself that it has produced a factual report from which a lot of information could be gathered. It has got to be remembered that the present Companies Act has been in operation for three years only, though companies and corporations have been in existence for nearly half a century. The fact that some amount of information as required under the new Act has been produced does not show that the full materials have been gathered, because the Administration will take a little time to collect its data, digest them and present them in a form which will be easier for appreciation. Considering the paucity of personnel and the huge size of the country, and the number of companies which are in existence and also taking into consideration that under the old Act companies were not expected to produce many reports which it is now obligatory for them, it will be understood that the collection of data is not so easy as it would seem to be.

And, in this connection, Sir, I need not refer to the observations made by some hon. Members who have noted the penalties which have been certainly not deterrent in compelling companies to produce their reports and statements in proper time. Sir, we have to remember that the Parliament

[Shri Kanungo]

deliberately did not arm the executive Government with powers of penalising companies on any of the lapses. In fact, the House will remember, the whole structure and the whole background of the Companies Act has been that the shareholders are the owners of the company and the shareholders should have the final say in the matter of the management of the company. It is only when there is any breach of the provisions of the Act that somebody should decide, and then the authority to decide about it would be the court and not the executive Government.

The executive Government has been given certain discretion of an administrative nature, but they are severely limited and they have been specifically defined. Therefore, to expect the executive Government to arrogate to itself the duties, the responsibilities and obligations of shareholders would be unfair. I believe, with the framework of the Act, the hon. Members will realise, they have tried to do the best they could.

The most important thing, after all, in controlling corporation activities is disclosure, and disclosure has been provided in the Act, so that reports, data, statistics and accounts when they are available to the public or to the shareholders as the case may be, these themselves will provide the material for vigilance of the parties concerned. In course of time, I believe, enough data will be collected which will enable students of economics and historians of financial corporations and controls to enable them to analyse and draw their conclusions which will be available to the public for their study and for drawing their own conclusions.

The mover of the motion, Shri P. G. Deb, mentioned about the composition of the Company Law Advisory Committee and was not satisfied that the chairman should be a part-time chairman. Apart from the point of eco-

nomy, which is important, we consider ourselves fortunate that we have been able to secure the services of an ex-judge of a high court to preside over the Advisory Committee. I believe that a part-time work, even from a chairman of this high status, is certainly more valuable than having a whole-time chairman and not having the same background.

The staff for investigation is certainly inadequate and as the number of companies grows, certainly it will be still more inadequate. The present staff are valiantly working against time and I believe they deserve the sympathy of the House for the good job that they are doing. Investigation is a very difficult job. Without the co-operation of the investigating companies and the employees of the companies, it has been found difficult to carry on the investigations. After all, all the documents and the papers are in the possession of the companies. Explanations for any obscurities could be furnished by the officers of the companies or the directors and the controllers of the companies. There have been instances where such co-operation has been available. But there have been many instances where there has been obstruction and there has not been that co-operation. Therefore, the Companies (Amendment) Bill which is before this House has certain provisions, which, if passed, will enable the investigating staff to carry on their work more thoroughly and to the satisfaction of themselves and of the shareholders and the controllers of the companies even.

While we have to make the machinery for investigation as thorough as possible, we must remember that the whole structure of the Act is that the shareholders have got to be vigilant and alert. There are several limbs in the corporate sector. There are the statutory accountants and auditors who provide the basic accounts and reports and, as you know, Sir, the auditors' position has been amply safe-

guarded. We must understand that fortunately for our country, the profession of accountancy has got a long tradition of high integrity and capacity. Therefore, the law today has provided that the accounts should be available to the shareholders in time, because there were instances where accounts, reports and meetings were postponed or adjourned and not held in time. With the efflux of time, matters became stale and lost their importance.

Again, these lapses and failure to file documents in proper time depend greatly on the attitude and the decisions of the courts, who are the last authority in enforcing penalties. If public opinion expresses itself, as I believe it will, then certainly courts will take cognizance of it and will realise that the complaints which are placed before them are taken due notice of. I do not mean to suggest that the courts have been unfair, but we have to remember that corporation activities and company floatation are comparatively new to our country and barring the Presidency towns and cities, district courts spread over this vast country have had no experience of administration of company law and the significance of the offences which apparently look innocuous. For example, if a meeting is not held in proper time, those who are familiar with the purposes of these rules and the purposes of corporation management can realise that this failure means a great deal. But those who are not familiar with this background certainly can say that after all, it is an adjournment and nothing more.

Shri Deb, I am afraid, has confused the purposes of industrial policy and the purposes of company law. It is possible that an industrial undertaking can be set up by an individual, partnership, private firm, private limited company, public limited company or an unlimited company. There can be various structures for setting up or promoting industrial undertakings. That will depend upon

the industrial policy of the Government, which has been very well defined and has been approved by this House. It is only when the form of an industrial undertaking takes the shape of a corporation that the provisions of the Companies Act are attracted. The objective of the company law administration is to see that the laws which govern the corporation are faithfully observed. Definite powers and responsibilities have been cast upon the administration in the statute. The duties and responsibilities of the shareholders and others are also defined. It is not that the administration is responsible for all factors. For example, the interests of minority shareholders. The minority shareholders can protect themselves by various ways, and the most important of them is the protection which the courts will give them. The remedies which are open to them are defined in the Act. It is not possible for the administration, nor is it desirable for the administration, to take up the responsibilities of the shareholders. After all, the case has got to be judged by the court on the interests of the shareholders themselves, or those complaining against them. The Act provides, under certain circumstances where facts are not available that investigation can be conducted and the facts will have to be made available to the company itself. It is quite possible that even after an investigation there would be a plausible explanation and a very valid explanation by the company. The point I want to emphasize is that the ultimate judge of these matters is not the administration, it is the courts.

Shri P. K. Deo: When an investigator is appointed, he submits a report and makes out a *prima facie* case against the management. Where does the decision lie? With the court or with the Company Law Administration? Because, the Company Law Administration is the prosecutor in this case. How could a prosecutor be a judge and give a finding that here

[Shri P. K. Deo]

is *prima facie* case and then plead inability to proceed in this matter?

Shri Kanungo: I am sorry, I have not been clear about it. The point I wanted to make is on the whole context of the Companies Act as such, not on the particular case which the hon. Member has in view. The point is that when an investigation is made, it produces a report. Maybe, there are other facts which are not there. The explanation of the company has got to be obtained. Because, as I said, whatever may be the investigator's report, there may be very plausible explanations, there may be very good explanations. After these are available, to decide whether there is a case for the court or not is in the discretion of either the shareholders or, in extreme cases, of the Company Law Administration.

There are certain conditions the non-observance of which lays an obligation upon the Administration to prosecute the company concerned in courts. They have no option in that, particularly in those which relate to disclosures of reports, statistics and others.

There may be circumstances where the company law has not been violated but there have been, as you might call, unethical practices or imprudent practices or foolish practices. In such cases it will depend upon the nature of the case, whether the liability will be criminal or civil or torts. These are to be judged by the parties affected. What I meant to say in the earlier statement is that the Company Law Administration is not going to arrogate to itself the duties and responsibilities of others in this matter.

Shri Nagi Reddy has very rightly pointed out the implications of concentration of economic power, concentration of finances and all those factors.

Though the Company Law Administration Report provides certain data, they are not the full data on which

conclusions can be drawn. Other data regarding capital formation, profits, taxation and various other factors have got to be taken into consideration to find out as to what is the nature and trend of development in the world of finance and industry. The mere fact that some companies have been floated with large capital, say of about Rs. 20 crores or Rs. 25 crores, does not necessarily mean that there is concentration in that particular industry or that there is monopolistic tendency in that industry. For example, from the number of companies which have been reported at page 16 of the Administration's report, take the case of aluminium. An aluminium company cannot be formed with less capital. A financing company, if you want to cover a large part of the country, has got to have a sizeable capital. Oil companies necessarily have to have a large amount of capital. Therefore the trends, it will be observed, are not disquieting. I do not mean to say that when other data is taken into consideration it might not show a different tendency. It might show a different tendency, but from the reports, as they appear, it will be seen that the mere fact of a few companies with large capital being floated in a particular year does not warrant that conclusion.

Shri Reddy mentioned about procedure or rules provided for the submission of accounts of foreign companies having their place of business in India and the special terms which have been provided for the shipping and airline companies. Section 594 requires a foreign company with a place of business in India to file accounts with the Registrar as if it were an Indian company. That means that we go much further than many other countries. They have to produce not only the accounts of the particular branch there but they have to produce the whole accounts of the whole concern operating in different parts of the world. This serves the purpose of full and

complete disclosure. I believe this material with the background of the total operations of the company will give enough material to judge about the economic trends which these show.

Regarding the airlines and shipping companies, from the very nature of their operations it is not possible to comply with this provision. Therefore the rules have been provided to suit the circumstances as they are. You have to remember that we have Indian companies operating in many places of the world, that is, shipping and air companies, and they are doing very well too. Indian companies require the same facilities and they are provided by other countries also. So it is a matter of reciprocity. It is not a question of favour to any foreign company or anything like that.

A point was made about the disparity in the number of companies in different regions. As Shri Reddy will certainly understand, the reasons are purely historical. After all, companies will be floated only where finance or capital is available. The company form of trade and commerce was developed in the earlier stages in Calcutta. Therefore it is not surprising that the largest number of companies happen to be in that region. Andhra is not yet too old, and the figures given by Shri Nagi Reddy show that the number of registrations is going up from year to year. As the State gathers momentum, it will, I believe, not in the distant future, compete with West Bengal, and successfully too.

17 hrs.

Shri Nagi Reddy: I hope so.

Shri Kanungo: I will be happy because I happen to be a neighbour.

The Minister of Transport and Communications (Dr. P. Subbarayan): In between both.

Shri A. C. Guha (Barasat): He will get the benefit of both the States.

Shri Kanungo: I will not touch upon the question of Indianisation, be-

cause only this week various facts and statements have been given in the House. This aspect of the question is looked after by the Ministry of Commerce and Industry, but the Company Law Administration is not concerned with it.

Shri Nagi Reddy: My request was to allow them to look into it.

Shri Kanungo: Perhaps, it can be done much better by the Indices Division which is doing it already with results which have been reported to the House very recently.

Shri Ghosal pointed out that the number of liquidations is considerable. Since the Company Law Administration has come into operation, the moribund companies find themselves being prosecuted, and they find it easier to go into liquidation. The fact that the number of companies has come down from 33,000 merely shows that there has been a lot of dead wood in this sector. When the Administration gets more efficient and is able to prosecute defaulters, I believe we will have really operating companies, really sound companies working, and there will not be much dead wood left.

About Shri Bharucha's point I may say that recently the rules have been amended about the issue of duplicate and original share certificates. There were representations that large companies which have got several thousand shareholders find it physically difficult to have two directors sign all the certificates. Therefore, the Explanation to the new rule provides:

"For purposes of this rule, a Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of rubber stamp, provided that that Director is especially responsible for the safe custody of such machine, equipment or other material used for the purpose."

[Shri Kanungo]

Also, the physical presence of the Director may be dispensed with provided there is a constituted attorney present there.

About duplicate share certificates, the hon. Member will remember that this matter is being discussed in the Joint Committee. All we have done under the present rules is to provide that reasonable precautions should be taken. The case which the hon. Member has cited that for a scrip of Rs. 1,000, expenditure on advertisement came to Rs. 1,500, is certainly not reasonable, but it will change from time to time according to the nature of the company. Therefore, at the moment we have been satisfied with putting in the word "reasonable". If any further idea can be developed, we will have to see about it.

We do not think the time has come when cost accountants in industrial establishments can be compulsorily insisted upon. We feel that as the conception of efficient management grows, the companies or factories themselves will go in more and more for cost accounting. The Company Law Administration has taken the step of setting up a Cost Accountants Institute by statute which is providing facilities for training, and norms for professional conduct. And I believe that in course of time it will grow.

The other factor is that there is much more to be done for more efficient management of the companies.

One of the hon. Members suggested that the public sector companies were also defaulting in some ways. The Company Law Administration has now set up a board to certify competent company secretaries who will be specialists in that type of work and who will be able to provide that service to the companies which will result in more efficient management of the companies.

The lapses such as overpasting etc. to which Shri N. R. Muniswamy made a reference, are regrettable. It all means only bad co-ordination between manuscript-making, proof-reading and the final copy.

Mr. Chairman: The hon. Mover of the motion is not present.

So, I shall put the motion.

The question is:

"That this House takes note of the Annual Report on the Working and Administration of the Companies Act, 1956, for the year ended 31st March, 1959, laid on the Table of the House on the 25th March, 1960."

The motion was adopted.

17.07 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, April 26, 1960/Vaisakha 6, 1882 (Saka).

[Monday, April, 25, 1960/Vaisakha 5, 1882 (Sara)]

ORAL ANSWERS TO
QUESTIONS

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S.Q. No.	Subject	COLUMNS
1665	Art Silk yarn	13471-76
1666	Dairy machinery	13476-77
1667	Silk power-looms	13477-78
1668	Employment of Engineers and doc- tors	13478-82
1669	Indian Oxygen Ltd., Calcutta	13482-85
1670	Hindustan Cables (P) Ltd., Rup- narainpur	13485-87
1672	Tractors	13487-91
1674	Price of 'Sea Island Andrews' cotton	13491-93
1675	Import of cars	13494-96
1679	Tele-communication cable factory	13496-97
1680	Plan for boosting exports	13497-99
1681	Chinese Trade Agen- cy, Kalimpong	13499-503
1682	Export of Textiles	13503-04
1683	Handloom Industry	13504-06
1685	Preference for goods manufactured by Public Undertakings	13506-11

WRITTEN ANSWERS
TO QUESTIONS

13511-47

S.Q. No.	Subject	COLUMNS
1671	Retaining allowance for workers	13511-12
1673	Arab League In- formation Centre, New Delhi	13512
1676	Schedule of rates for works in P.W.D., Tripura	13512
1677	Rayon Pulp factory in Kerala	13513
1678	Dock Labour Scheme, Cochin	13513
1684	Indian tea	13513
1686	Extradition Treaty with Pakistan	13514
1687	Short term courses in medicine	13514
1688	Dock workers' Advisory Committee	13514-15

WRITTEN ANSWERS TO
QUESTIONS—contd.

S.Q. No.	Subject	COLUMNS
1689	Export houses	13515
1690	Amendment to In- dustrial Disputes Act, 1947	13515
1691	Tea exports	13516
U.S.Q. No.		
2488	Manufacture of bicycles	13516-17
2489	Housing schemes in Jammu and Kash- mir	13517
2490	Misappropriation of Money for building houses	13518
2491	International Com- mission for supervi- sion and control in Viet Nam	13518
2492	State Trading Corporation	13518-19
2493	Jute factory in Andhra Pradesh	13519
2494	Publicity Organi- sers in U.P.	13519
2495	Indian Labour Conference	13520
2496	Carbon-bonded gra- phite crucibles	13520-21
2497	Resin Adhesive	13521-22
2498	Civil works in Bom- bay State	13522
2499	Employees' State Insurance Scheme	13522
2500	Import of Scooters	13523
2501	Unemployed Gra- duate engineers	13523
2502	Farmer's day in Himachal Pradesh	13523-24
2503	Ambar Charkha in Orissa	13524
2504	Salt Production in Orissa	13524-25
2505	Enhancement in rate of contribution to Provident Fund	13525-26
2506	Coca Cola Company	13526
2507	Small Scale Indus- tries in Punjab	13527
2508	Washing soap	13527

WRITTEN ANSWERS TO
QUESTIONS—contd.

U.S.Q. No.	Subject	COLUMNS
2509	Bore-wells in Dandakaranya .	13528
2510	Development of Handicrafts .	13528
2511	Glass bangle industry of Firozabad .	13529-30
2512	Song and drama division .	13530-31
2513	Radio rural forum .	13531-32
2514	Development of Hilly regions .	13532-34
2515	Business Management .	13535
2516	Reception arrangements at Palam .	13535-36
2517	Coir Industry .	13536
2518	Employees of Government of India Press, Calcutta .	13536-37
2519	Jeep case .	13537-38
2520	Khadi industry in Himachal Pradesh .	13538-39
2521	Employment Exchanges in Himachal Pradesh .	13539-40
2522	Small-scale Industries in Punjab .	13540
2523	Labour Welfare in Punjab .	13541
2524	Import of arecanut .	13541
2525	Houses for handloom weavers .	13541-42
2526	National Tribunal for mine workers .	13542
2527	Labour Welfare officers .	13542-43
2528	Conference of Chief Inspectors of Factories .	13543-44
2529	Standing Labour Committee .	13544-45
2530	Slum clearance in Madras State .	13545
2531	Retrenchment of Employees .	13546
2532	Allotment of land to 'Link' Magazine .	13546-47
2533	Antibiotics factory at Rishikesh .	13547

PAPERS LAID ON THE
TABLE

COLUMNS

13548-49

(1) A copy of each of the following papers :—

(i) Evaluation Report of the Working Group on Small Scale Industries.

(ii) (a) Annual Report of the National Instruments Limited for the year 1958-59 along with the Audited Accounts and comments of the Comptroller and Auditor-General thereon, under sub-section (1) of Section 639 of the Companies Act, 1956.

(b) Review by the Government of the working of the above Company.

(2) A copy of the summary of the conclusions of the report of the employment patterns of the alumni of Delhi University.

(3) A copy of the Report of the Indian Government Trade Delegation to West European Countries (September-October, 1959).

MESSAGES FROM RAJYA
SABHA

13549-50

Secretary reported the following messages from Rajya Sabha :—

(i) That Rajya Sabha had no recommendations to make to Lok Sabha in regard to the Appropriation (No. 2) Bill, 1960 passed by Lok Sabha on the 19th April, 1960.

(ii) That at its sitting held on the 14th April, 1960, Rajya Sabha had concurred in the recommendation of Lok Sabha to appoint two members to the Joint Committee on Offices of Profit in the vacancies caused by the retirement of two members and had appointed two members to serve on the said Joint Committee.

COLUMNS

REPORT OF ESTIMATES
COMMITTEE PRESEN-
TED

13550

Eighty-fifth Report was
presented.

CALLING ATTENTION
TO MATTER OF UR-
GENT PUBLIC IMPO-
RTANCE

13550—53

Shri S. M. Banerjee call-
ed the attention of the
Minister of Labour
and Employment to the
reported strike by mica
dealers in Bihar resulting
in unemployment of
about 40,000 workers.

The Deputy Minister of
Labour (Shri Abid Ali)
laid on the Table a state-
ment in regard thereto.

STATEMENT BY MEM-
BERS

13553—77

Shri V. P. Nayar made a
statement regarding cer-
tain matters arising out
of the speech of the
Finance Minister on the
10th March, 1960 in
reply to the general dis-
cussion on the Budget
(General).

The Minister of Finance
(Shri Morarji Desai)
made a statement in
reply thereto.

COLUMNS

DEMANDS FOR EXCESS
GRANTS (RAILWAYS),
1957-58

13577—93

Further discussion on De-
mands for Excess
Grants in respect of
Railways for 1957-58
was concluded and the
demands were voted in
full.

BILL UNDER CONSI-
DERATION

13593—639

The Deputy Minister of
Law (Shri Hajarnavis)
moved that the Repre-
sentation of the People
(Amendment) Bill be
taken into considera-
tion. The discussion
was not concluded.

MOTION RE ANNUAL
REPORT OF THE
WORKING AND AD-
MINISTRATION OF
COMPANIES ACT.

13639—86

Shri P. G. Deb moved the
motion *re*. Annual Re-
port on the working and
Administration of the
Companies Act, 1956.
After some discussion
the motion was adopted.

AGENDA FOR TUESDAY,
APRIL 26, 1960/VAISA-
KHA 6, 1882 (SAKA)—

Further consideration of
the Representation of
the People (Amend-
ment) Bill, and consi-
deration of the Estate
Duty (Amendment) Bill
and the Reserve Bank
of India (Amendment)
Bill and passing of the
Bills.