

LOK SABHA DEBATES

Twelfth Session



LOK SABHA SECRETARIAT
New Delhi

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[Second Series, Volume XLVIII, November 28 to December 9, 1960/Agrahayana 7 to 18, 1882 (Saka)]

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N.B.—The sign + above a name of a member on question which are orally answered, indicates that the question was actually asked on the floor of the House by that member.

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LOK SABHA

Tuesday, November 29, 1960/Agrahayana 8, 1882 (Saka).

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

त्रिवर्षीय डिप्पो: पाठ्यक्रम

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श्री भक्त दर्शन :	{
श्री स० मो० बनर्जी :	
श्री विश्वनाथ राय :	

श्री राम शरण :	}
श्री राम शरण :	
श्री राम शरण :	

क्या शिक्षा मंत्री २४ अगस्त, १९६० के तारांकित प्रश्न संख्या ७४७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि उत्तर प्रदेश में त्रिवर्षीय डिप्पो पाठ्यक्रम लागू करने में और क्या प्रगति हुई है ?

सूचना: और प्रसारण मंत्री (आ० केसर) : राज्य सरकार ने ६६१.६२ लाख हरये का एक संशोधित प्राक्कलन में जा है। विश्वविद्यालय अनुदान अयोग के साथ इस पर परामर्श किया जा रहा है और इस की जांच हो रही है।

I will read the answer in English also.

The State Government has sent in a revised estimate amounting to Rs. 661.92 lakhs. This is being examined in consultation with the University Grants Commission.

1410 (A) LSD.—1.

श्री भक्त दर्शन : क्या यह भाशा की जाती है कि अगले शिक्षा सत्र तक इस पर निर्णय हो कर यह चालू हो जायेगा ?

आ० केसर : यह तो जाहिर बात है कि इसे जारी करने की जिम्मेदारी राज्य सरकार पर है। यहां पर सवाल यह है कि जो प्रयोजन उन्होंने भेजा है, उस के लिये रूपया दिया जा सकता है या नहीं। इस पर विचार हो रहा है। इस पर अन्तिम राय यूनिवर्सिटी ग्रान्ट्स कमीशन की होगी। और चूंकि उत्तर प्रदेश की सरकार ने तीसरी बार यह रिवाइज्ड प्रपोजल भेजा है, इसलिये इस में कुछ देर लगना अनिवार्य हो जायेगा।

Shri Ram Krishan Gupta: What is the position in other States?

Dr. Keskar: I would require notice for that.

Shri S. M. Banerjee: May I know whether certain difficulties in implementing this scheme were pointed out by the Agra University and, if so, whether any steps have been taken by the Central Government to overcome those difficulties, as pointed out by the State Government also?

Dr. Keskar: It is not a question of the Agra University; this is a question of all the Universities in U.P. . .

Shri S. M. Banerjee: I am asking about Agra University.

Dr. Keskar: But I have not got information about the difficulties and the details of the proposals of the different Universities.

Shri D. C. Sharma: May I know what proportion of the expenditure which is incurred in introducing the

three-year degree course is met by the Central Government in all the States of India, whether it is different from State to State or the same proportion is available to all the States?

Dr. Keskar: The general principle that is being followed today is that in this particular type of proposal the Centre will give fifty per cent and the State will have to meet fifty per cent of the expenditure. The difficulty regarding Uttar Pradesh has been that the Government of Uttar Pradesh wanted hundred per cent of the expenditure to be met by the Centre.

श्री राम शर्मा : क्या माननीय मंत्री जी बताने की कृपा करेंगे कि आखिर कठिनाई क्या है य० पी० की सरकार को? यूनिवर्सिटी भी चाहती है कि हायर सेकेन्डरी स्टेज को बजाय ११ वर्ष के १२ वर्ष का रखा जया।

डा० केसकर : उत्तर प्रदेश की सरकार ने यह बतलाया था कि जितने कालेज और यूनिवर्सिटीज उन के यहां हैं उन का पुनर्संगठन करने में उन को कुल मिला कर ८ करोड़ ५२ लाख ५० लख करने पड़ेंगे, और वह चाहते थे कि वह सारा खर्च केन्द्रीय सरकार दे। यूनिवर्सिटी ग्रान्ट्स कमीशन के सामने यह पेश किया गया। यूनिवर्सिटी ग्रान्ट्स कमीशन ने इस को मानने से इकार किया और कहा कि वह इसे बंजूर नहीं करते हैं। मुमकिन है कि यह मामला मुल्तवी ही जाता लेकिन अब उत्तर प्रदेश सरकार ने तीसरा प्रोजेक्ट भेजा है जिस में साढ़ आठ करोड़ के बजाये ६ करोड़ ६१ लाख ५० लख होने की सम्भावना है।

डा० राम सुभग सिंह : उन का सवाल यह था कि क्या यूनिवर्सिटी ग्रान्ट्स कमीशन ने सुझाव दिया है कि ११ वर्ष के बजाय १२ वर्ष का कोर्स हायर सेकेन्डरी का हो जाय क्योंकि यूनिवर्सिटीज का तीन वर्ष का ही डिग्री कोर्स है।

डा० केसकर : इस के बारे में इस बक्त भेरे पास जानकारी नहीं है। यह सवाल

यूनिवर्सिटी कोर्स को तीन वर्ष का करने के बारे में है।

श्री भक्त दश्मन : क्या यह सत्य है कि भारत के और विश्वविद्यालयों ने जो तीन वर्ष का डिग्री कोर्स स्वीकार किया है उस के साथ हायर सेकेन्डरी का कोर्स भी जुड़ा हुआ है? यह उत्तर प्रदेश की ही विशेषता है कि वहां १२ वर्ष का कोर्स गवर्नमेंट रखना चाहती है। मैं जानना चाहता हूँ कि उत्तर प्रदेश के लिये अलग तरह की स्कीम क्यों मंजूर की जा रही है, सारे देश के पैटर्न की तरह वहां भी क्यों नहीं रखा जाता?

डा० केसकर : मोटे तौर पर वहां भी स्कीम वही है जो कि दूसरे प्रदेशों में है। सवाल यह है कि इस प्रकार की स्कीम को चलाने के लिये और अपनी वर्तमान प्रणाली को बदलने के लिये वह कहते हैं कि जितना खर्च उन को करना पड़ेगा उसे हमें मंजूर करना पड़ेगा, तभी वह इस को करेंगे, नहीं तो पुरानी प्रथा ही जारी रखेंगे।

श्री भक्त दश्मन : क्या गवर्नमेंट के ध्यान में यह बात आई है कि उत्तर प्रदेश में ही बनारस हिन्दू विश्वविद्यालय ने तथा एक दो और विश्वविद्यालयों ने जो नई व्यवस्था है उसे स्वीकार कर के लागू भी कर दिया है, और सिर्फ आगरा यूनिवर्सिटी और उत्तर प्रदेश सरकार के अधीन कुछ इंटरमीडिएट कालेजें हैं जो कि उसी पुराने ढंग पर चल रहे हैं? क्या इस की बजह से वहां एक असाध रण परिस्थिति नहीं पैदा हो गई है और एक प्रकार की अप्राजकता नहीं फैल गई है शिक्षा के क्षेत्र में?

डा० केसकर : ऐसी परिस्थिति हो सकती है, लेकिन चूंकि बनारस हिन्दू यूनिवर्सिटी केन्द्रीय यूनिवर्सिटी है और जिन यूनिवर्सिटीज ने इसे शुरू किया है उस से कुछ फर्क तो जरूर आ जाता है, लेकिन अधिकांश कालेजें और यूनिवर्सिटीज में अभी तक पुरानी प्रथा जारी है।

whether the Central Government can insist on having similar University degree courses throughout India; if not, what is the reason thereof?

Dr. Keskar: I do not see any question of insistence here. This is a proposal which has been considered by the University Grants Commission, and considered desirable. And it is in order to achieve uniformity, so that students may have the same kind of privilege throughout the country, that it was suggested to all the Universities to adopt it. A number of States have not yet adopted it.

Shri J. P. Jyotishi: The other universities in the country that have accepted this scheme are also put to heavy expenditure. Did they demand this sort of support as the UP Government has demanded?

Dr. Keskar: As I said, all have demanded some measure in the expenses, and the general decision has been that 50 per cent of the expenditure will be given by the Centre. Only the UP Government has asked as a special case that they should be given all the expenditure that will be incurred.

New Universities

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Shri Kalika Singh:
•528. { Shri Shree Narayan Das:
Shri Radha Raman:

Will the Minister of Education be pleased to state:

(a) whether the University Grants Commission has suggested that a practice should be established by which all matters connected with the establishment of Universities should be referred to Education Ministry by States which should in turn seek the advice of the Commission;

(b) if so, whether the reactions of the States in this regard have been ascertained; and

(c) if so, the nature of such reaction?

The Minister of Information and Broadcasting (Dr. Keskar): (a) to (c). While no such suggestion has been made by the U.G.C., this Ministry has recently suggested to the State Governments that, if there is no objection, the advice of the U.G.C. on all matters connected with the establishment of new Universities be sought for and request for the same addressed to the Union Ministry of Education well in time. So far, no State Government has communicated any views on this reference.

Shri Kalika Singh: May I know whether there is any difference of opinion between the University Grants Commission and the Union Ministry in this respect about several matters?

Dr. Keskar: The hon. Member has not listened to my reply, namely that the commission has made no such proposal but the Ministry itself has made the proposal. From the practical point of view, this will obviate a lot of later discussions which might create the impression that the Commission or the Union Ministry of Education is refusing or turning down proposals of the State Government once they have crystallised and taken shape in the State itself.

Shri Radha Raman: What made the Government take this decision of having to refer all questions to the Education Ministry before deciding?

Dr. Keskar: The Ministry sends them to the University Grants Commission.

लेत गोविन्द बास : यहां तक मध्य प्रदेश का सम्बन्ध है, क्यों कि वह प्रत्यन्त अब बहुत बड़े प्रत्यन्त बन गयां हैं, क्या मध्य प्रदेश की सरकार ने एक विश्वविद्यालय छत्तीसगढ़ में भी स्थापित करने की कं ई सिफरिश की है, और अगर की है तो इस सम्बन्ध में क्या विचार किया जा रहा है ?

Mr. Speaker: This does not arise out of this question. The simple question is whether before any university is started by any State, though it is a State subject, the advice of the Centre ought or ought not to be

sought because the Centre has, ultimately, through the University Grants Commission, to make grants. The University Grants Commission has advised the Ministry that the States should refer the matter to the Ministry who would seek the advice of the Commission.

Shri Braj Raj Singh: Since the Government of India gives subsidies to the various universities for their running, is it the policy of the Government that wherever a university is established without the concurrence of the Government of India, they will not grant money for its running?

Mr. Speaker: It is not so. When we want money from some other person, we intimate him. Is that wrong? What would the hon. Member himself advise? Go on starting a number of universities, and ultimately quarrel with the Government for providing funds? I am really surprised.

Shri Harish Chandra Mathur: This is a very important question involving principles.

Mr. Speaker: The hon. Member did not get up earlier, he did not catch my eye. What can I do?

Shri Harish Chandra Mathur: It is not a question of getting up earlier. A certain observation was made by you in respect of what Shri Braj Raj Singh said. I have a submission to make that it involves a very important question of principle. It impinges upon the autonomy of the States. It is not only that the Commission gives certain assistance to the universities. Even for our primary education we are getting so much grant from the Centre, but it is not that.

Mr. Speaker: The hon. Member may take up this question later when occasion arises. The simple point is whether it is proper or improper to ask for that advice. The hon. Member may seek an occasion later.

Biography of General Thimayya

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*529. { Shri Ram Krishan Gupta:
Shri S. M. Banerjee:
Shri Tangamani:

Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 833 on the 29th August, 1960 and state:

(a) whether Government have examined the Book "Thimayya of India —A Soldier's Life" by Mr. H. Evans from the legal point of view; and

(b) if so, the result thereof?

The Minister of Defence (Shri Krishna Menon): (a) Yes, Sir.

(b) Rule 21 of the Army Rules *inter alia* prohibits an officer from publishing or causing to be published any matter relating to a political question or on a Service subject. As Gen. Thimayya is not responsible for the publication of the Book, this rule is not applicable.

Under Section 5(1) of the official Secrets Act, 1954 wilful communication of secret information by a person who has obtained it owing to his office under Government is an offence. We are advised that this Section may be applicable to this case. Gen. Thimayya who has been consulted has stated that a number of quotations given by the author are not Gen. Thimayya's own words and that he had told the author nothing that could be a breach of security.

Shri Ram Krishan Gupta: In reply to a previous question the hon. Minister said that the conclusion was irresistible that the matter contained in the book came from Gen. Thimayya. In view of this fact, may I know whether it is an offence or not under the Official Secrets Act, 1954?

Shri Krishna Menon: I have answered that Gen. Thimayya has not denied that he has spoken to this gentleman, but these words are not his, and any construction of the law in this matter would depend upon

facts. At the present moment, Government would be content to let the matter rest where it is.

Shri A. M. Tariq: May I know whether the Defence Minister is aware of the fact that there is a rule of the Revenue Department of the Finance Ministry that no book, pamphlet or periodical can come to India which shows any territory of India as not being a part of India? So, may I know from the Defence Minister whether they have given any clearance certificate to the customs before allowing this book to enter India?

Shri Krishna Menon: This question is about Gen. Thimayya's responsibility. I do not have the privilege of controlling the other authorities.

Mr. Speaker: The hon. Member put the same question on a prior occasion, and the same answer was given.

Shri A. M. Tariq: No, Sir.

Mr. Speaker: It has been included in a cover page or somewhere. The hon. Minister said he was not responsible for it, but some other person. What further has to be done?

Shri A. M. Tariq: That is not my question.

Mr. Speaker: I am not going to allow. This is irrelevant. This does not arise. This relates only to the responsibility of Gen. Thimayya, not responsibility for that map.

Shri S. M. Banerjee: It is clear from the reply of the hon. Minister that Gen. Thimayya has made the observation that certain portions which appear in the book were not supplied by him. I want to know whether the Government of India could ascertain the portions supplied by Gen. Thimayya and the portion written without his consent, and in regard to the latter portion, what action has been taken against the publisher by Gen. Thimayya or the Government of India?

Shri Krishna Menon: No, I did not say anything of the kind. What Gen.

Thimayya has assured me, and I am prepared to accept, is that these words used by Mr. Evans are not necessarily his words. He has never said he has not spoken to him, or the basic facts may not have been there. But, when you consider the matter under the Official Secrets Act, it is all a question of words, construction, narration and so on. I have given to the House frankly what the position is, and so far as Government are concerned, they are prepared to let the matter rest where it is.

Shri Tangamani: May I know whether, after the report given by Gen. Thimayya, the Law Ministry's opinion was sought whether any words contravened section 51 of the Official Secrets Act; if so, what are their findings?

Shri Krishna Menon: I think I have answered that fairly. I have not got the capacity to explain it further. What can I do? I can only repeat what I said.

Mr. Speaker: Next question.

Shri Nath Pai: This is a very important supplementary. You will agree with me when you hear it.

Mr. Speaker: I ought not to have allowed it, but somehow it has crept in again. I receive as many as 10,000 questions in a session.

Shri Nath Pai: It is a very important question.

Mr. Speaker: Possibly the hon. Member was not here.

Shri Nath Pai: I was here.

Mr. Speaker: This question has appeared before us thrice, again and again. I am really surprised.

Shri Raghuban Nath Singh: Our questions have all been rejected, and this question is always allowed. That is the difficulty.

Shri Hem Barma: On a point of order, Sir.

Mr. Speaker: What is the point of order?

Shri Hem Barua: The hon. Defence Minister says that there are no words of Gen. Thimayya quoted.

Mr. Speaker: That is not a point of order.

Shri Hem Barua: I am coming to it.

Mr. Speaker: I have heard him. Next question, Shri Sharma.

Shri Nath Pai: But you should really allow a supplementary.

Overcrowding in Colleges and Universities

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530. { **Shri D. C. Sharma:**
Shri Ramji Verma:
Shri Ajit Singh Sarhadi:
Shri Hem Raj:

Will the Minister of Education be pleased to refer to the reply given to Starred Question No. 347 on the 11th August, 1960, and state the further progress made in the proposal to introduce a suitable test for admission to universities with a view to reducing overcrowding in colleges and universities?

The Minister of Information and Broadcasting (Dr. Keskar): The matter is still under the consideration of the University Grants Commission.

Shri D. C. Sharma: This very reply was given on the last occasion, and the same reply is being repeated today. May I know whether any progress, slight or big, has been made in the direction of a solution to this problem?

Dr. Keskar: I have said that the University Grants Commission is considering it. The point of the Commission is that this is a very important matter in which the whole procedure that is at present prevailing will have to be changed, and it should only be changed after very careful consideration.

This was also discussed at the Education Ministers' Conference, and

then all the State Governments were asked for their views; some have given their views, while some have not. All these views have been put before the Commission. The latest position is that the Commission feels that the new national service scheme might also have an influence on this matter, and, therefore, it is better to wait until that scheme itself becomes more concrete, and then they would study it and give their final decision.

Shri D. C. Sharma: May I know whether the Vice-chancellors of the Indian Universities have also been consulted on the subject, and if so, their reactions to this proposal that there should be a test for admission to universities?

Dr. Keskar: I have not got the views of the Vice-chancellors, but I am sure the commission will ultimately,—if it has not already done so,—consult the Vice-chancellors in such an important scheme as this.

Shri Ajit Singh Sarhadi: In view of the importance of the subject, is there any proposal under consideration that this should be entrusted to a committee of experts who should be asked to give their proposals?

Dr. Keskar: That is exactly being done now. A committee has been appointed which is preparing definite proposals, but, as I said, the commission feels that the scheme of national service might impinge on this, and they would like both the things to be considered together.

Shri Ajit Singh Sarhadi: May I know the personnel of this committee?

Dr. Keskar: I have not got it here with me. It is a working group of educationists, administrators, defence experts and others.

श्री म० ला० द्विवेदी : मंत्री महोदय को यह पता है कि स्वतन्त्रता के पश्चात् से विश्वविद्यालयों, महाविद्यलयों, स्कूलों और पाठशालाओं में भीड़ बढ़ती चली जा रही है,

मैं जानना चाहता हूँ कि क्या कारण है कि दस साल के पश्चात् अब सरकार भी पूरी तौर से विचार नहीं कर सकी और अब कमेटी को यह मामला सिपुर्द किया गया है ? मैं यह भी जानना चाहता हूँ कि यह काम कब तक पूरा हो जायेगा ?

डा० केसकर : भीड़ बढ़ रही है इसलिये इस मामले पर विचार हो रहा है ?

श्री म० ला० द्विवेदी : विचार तो दस साल से चल रहा है

डा० केसकर : विचार दस साल से नहीं हो रहा है । यह मामला अभी साल दो साल हुए इस पर विचार हो रहा है । लेकिन यह आसान मामला नहीं है, एक दम लड़कों को रोक देना कि अब नहीं जा सकते बिला कोई स्टैण्डिंग्स तय किये हुए यह ठीक नहीं होगा और यह उचित भी नहीं होगा और इसलिये कमीशन भी इस पर कोई निश्चय बिला सोचे लेना नहीं चाहता ।

Shri Kalika Singh: In view of the report of the University Grants Commission that the student population in the universities has grown to 9 lakhs, and they would require 200 universities in India, may I know whether the Government of India are considering the question of opening 200 universities or some number near about that?

Dr. Keskar: It is obvious that this proposal to have a test and to limit the number of students in the universities is under active consideration, but, at the same time, it cannot be decided in an erratic manner. And that is the reason why the commission is evolving definite and reasonable proposals, so that the students who are best suited may get admission to the universities.

Shri Hem Barua: In view of the fact that a test is under active consideration for the entry of students into the universities, may I know whe-

ther steps to absorb the surplus population of students at the post-matric stage are also under active contemplation of Government?

Dr. Keskar: The utilisation of those who want to get admission to universities for some other type of useful education can be separately considered.

श्री ब्रज राज सिंह : श्रीमन्, इस बात को देखते हुए कि यह प्रश्न सारे भारत के महत्व का है और भविष्य में आने वाली पीढ़ियों के लिये उस का बड़ा महत्व होगा, मैं जानना चाहता हूँ कि क्या सरकार का यह विचार है कि इस के पहले कि विश्वविद्यालय में किसी भरती को बन्द किया जाय इस विषय पर विभिन्न राजनीतिक पार्टियों और देश के सम्माननीय व्यक्तियों के विचार पहले जान लिये जायें ?

डा० केसकर : इस का राजनीतिक पार्टियों से कोई सम्बन्ध तो भी राय में आता नहीं है । अलवत्ता कोई अन्तिम विर्णव करन के पहले एजुकेशनल इंस्टीट्यूट्स वर्गरह की राय इस बारे में जरूर ले ली जायेगी । इसीलिये कमीशन इस में जल्दवाजी करना नहीं चाहता है और सब रायों के मिलने के बाद ही वह इस पर निश्चय करेगा ।

Ex-Controller of Defence Production

*531. **Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a Major-General who was the Controller General of Defence Production has resigned and taken up appointment in a private firm;

(b) whether necessary permission was accorded to him; and

(c) the number of army officers who joined private firms after retirement during the period from 15th August, 1947 to 1st August, 1960?

The Minister of Defence (Shri Krishna Menon): (a) and (b): Yes, Sir.

(c) The bulk of Army Officers after retirement do not have to seek Government permission before taking up private employment. Only officers of the rank of Colonel and above have to take prior Government sanction.

The orders regarding prior Government sanction came into force only with effect from 4th May, 1955. The number of retired Army Officers who applied under these orders and were granted permission to accept employment in private firms upto the 1st August, 1960 was 26.

Shri S. M. Banerjee: May I know whether it is a fact that this Major-General, that is, the ex-Controller-General of Defence Production has taken up a job in Rourkela under the German firm in a private capacity, and if so, whether he took permission? May I also know whether that was one of the reasons why he tendered his resignation and then took up this appointment?

Shri Krishna Menon: Yes, this officer, whose name has been mentioned, applied for permission. That application was examined under the existing rules, namely whether his prospective employer had any connection with the Ministry or in any purchase connected therewith. We were satisfied that there was no objection to give permission. Permission has been given.

Shri B. K. Gaikwad: May I know what salary this Major-General under reference was drawing when he was in Government service, and what salary he is drawing now in private service?

Shri Krishna Menon: He has not disclosed to us his salary, and we are not entitled to ask him his salary, but when he was in service, he drew the Major-General's salary. I have not got the figures here; I think it was Rs. 2200.

Shri B. K. Gaikwad: May I know whether in the case of an officer who gets some pension, that pension is also included while settling his salary in private service or other service?

Mr. Speaker: He does not know the salary in private service at all.

An Hon. Member: It is Rs. 4000.

Shri Tangamani: May I know whether before he actually tendered his resignation, there were any charges against him, and if so, whether he resigned just to get round those charges?

Shri Krishna Menon: No, Sir.

Centre for Research in Marine Zoology

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*532. { **Shri S. C. Samanta:**
Shri Subodh Hansda:

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

(a) whether the Centre for research of marine Zoology has been set up;

(b) whether there is any proposal for close collaboration with the Central Fisheries Department in this regard; and

(c) whether it is a fact that Zoological Survey of India has no suitably qualified and experienced officers to run such a Centre?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) Yes, Sir.

(b) Yes, Sir.

(c) No, Sir. The Survey has sufficient number of suitably qualified and experienced officers to run the Marine Survey Unit.

Shri S. C. Samanta: May I know how many universities in India have got their marine biology laboratories, and whether there is any co-operation between these universities and the Zoological Survey of India?

Dr. M. M. Das: It is difficult for me to say off-hand which are the universities in this country which have set up their own biological research or zoological research laboratories. So far as I know, there are three universities which have set up laboratories, and these are the Annamalai, Madras and Kerala Universities. The Zoological Survey of India is in close co-operation with all these universities.

Sri S. C. Samanta: May I know when this marine survey unit was set up and what its strength is at present?

Dr. M. M. Das: The marine survey unit was set up about two and a half years ago, and now, it has got one class I officer, and several other officers and class IV officers.

Garden Reach Workshop

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*534. { **Shri Rajeshwar Patel:**
Shri Morarka:
Shri Indrajit Gupta:

Will the Minister of Defence be pleased to state:

(a) the terms and conditions on which the Shareholders, of M/s. Garden Reach Workshop (Private) Ltd., at Calcutta have been purchased;

(b) whether any foreign exchange is involved;

(c) if so, the amount thereof; and

(d) the method of determining the value for this?

The Minister of Defence (Shri Krishna Menon): (a) Garden Reach Workshops at Calcutta, Mazagon Dock Yard at Bombay and the land and buildings and dry docks associated with these two Workshops have been acquired by Government from the Peninsular and Orient group of Companies in the United Kingdom. It is not in the public interest to disclose details of the transaction without consent of the other party. The pur-

chase price, however, is substantially less than the value of the assets of the two companies on the basis of the valuation made by an independent valuer as well as by our own technical experts. The payments have to be made to Peninsular and Orient Group, in sterling in ten annual instalments.

(b) Yes, Sir. The actual foreign exchange payment however will be reduced as it has been agreed that the cost of the repair work which will be done in these yards on ships belonging to Peninsular and Orient Group will be adjusted against the purchase price.

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

Shri Rajeshwar Patel: Before I ask supplementary questions, may I rise on a point of order? The hon. Defence Minister has said that it would not be in the public interest to disclose the amount that has been paid to the sellers without securing the permission of the other party. After all, Government spend money purchasing many things. Is the supply of information to this House to be contingent upon their permission?

Shri Krishna Menon: When there is a transaction in which two parties are involved, it is not possible for us—I think that is the practice also—to disclose details without their permission.

Shri Rajeshwar Patel: That is exactly what I was pointing out.

Mr. Speaker: This House is entitled to information as to the amount that has been paid and there is no meaning in saying that there are two parties to it. No transaction takes place without the aid of some other party. So far as this House is concerned, it is entitled to see whether too much has been paid and whether the transaction was right or wrong. Therefore, I do not think there is anything which ought to be hidden from this House. If it is a matter relating to defence industry, tactics and so on where so many troops have been employed etc. I would certainly allow that to be kept secret.

But so far as these matters are concerned, we are functioning under a Constitution. Under the Constitution, no pie shall be spent from the Consolidated Fund of India without the permission of this House. This House is entitled to know from time to time whether the conditions under which a transaction was concluded are onerous conditions, whether too much money has been spent or not. If the other party is not willing to allow disclosure of it, it is better not to enter into a transaction with them.

Shri Krishna Menon: With your permission, I may mention that we will ask the other party and if they agree, we will place the information before the House.

Some Hon. Members: We cannot hear.

Mr. Speaker: The hon. Minister says that he will ask the other party and then place the information before the House. Even if the other party does not agree, he must place it before the House.

Shri Krishna Menon: Yes.

Shri Rajeshwar Patel: It has been said that the transaction has been a bargain. I would like to know the basis of the transaction, that is to say, whether it was on the basis of the depreciated value of the plant or on the basis of the replacement value, while determining the price of the whole thing.

Shri Krishna Menon: The valuation was made by our own technical experts and supported by valuation by independent chartered engineers. Perhaps when it is placed before the House, we will give more information.

Shri Rajeshwar Patel: My question has not been answered.

Mr. Speaker: The hon. Minister has said that he will place it on the Table of the House. In view of what I have said, he is willing to inform the other party that he will place all these matters before the House. After that is

done, if there are any important matters, I will certainly allow questions.

Shri Raghunath Singh: What was the basis of the valuation?

Mr. Speaker: Order, order.

Shri Hem Barua: Shri Rajeshwar Patel, asked what was the basis of the valuation, whether it was the replacement value basis or any other basis. It is a very simple question.

Shri Rajeshwar Patel: The hon. Defence Minister has said that experts have valued the total cost of the plant. My question was whether those experts had as basis for determining the price of the plant the depreciated value of the entire thing or the replacement value of the whole thing. That has not been answered.

Shri Krishna Menon: The two companies were valued on the basis of their nett current assets, that is, the difference between the current assets and the current liabilities and the depreciated value of the plant and machinery according to the books. This figure is subject to adjustment of a similar valuation on the basis of the assets of the company. When the statement is laid, I shall answer all questions.

Shri Rajeshwar Patel: If the valuation took place on the basis of the replacement price.....

Mr. Speaker: Depreciated value.

Shri Rajeshwar Patel: No, replacement price, the present value of it. If it were on the basis of the replacement value, what prevented them from going in for an absolutely brand new thing?

Shri Krishna Menon: It was not on the basis of replacement value—that was what I said.

Dr. Ram Subhag Singh: What is the total amount of the valuation made by our experts?

Shri Krishna Menon: I will place the information on the Table.

Mr. Speaker: He will place it on the Table later.

Shri Jaipal Singh: I want to seek a clarification. I hope after your ruling, there is no dispute about the supply of the information we are seeking being contingent upon, either the positive or the negative response of the other party.

Mr. Speaker: Yes, yes. He only wants to intimate the other party.

Shri A. C. Guha: It should not be dependent on the willingness of the other party.

Shri Braj Raj Singh: As regards valuation, there is no need to obtain the concurrence of the other party to disclose it. The amount has been paid by us.

Mr. Speaker: Sometimes there might be an overt or other understanding that it ought not to be disclosed. The hon. Minister is right in saying that he will intamate them and then disclose it.

Shri Tyagi: How can Government take up this position? Payment has been made from the public exchequer and they are bound to disclose it here. Will you please advise Government not to mince matters like this when these financial questions are involved?

An Hon. Member: There is nothing confidential in it.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I think there is some misunderstanding. There is no question of keeping anything from the House. But first of all, when any kind of negotiations are taking place, it is difficult and disadvantageous for that matter to be discussed publicly. Secondly, another difficulty arises. Sometimes when we happen to get peculiarly good terms from the other party, rather out of the run, the other party is a little afraid that if this matter is given publicity, their interests with some other persons with whom they might be dealing might be affected.

Of course, this has to be placed before the House. The question is, at what stage it should be placed before the House. There is no question of the other party being asked for permission to disclose it here. But common courtesy requires that we should tell them that we are doing it, so that if there are any interests involved, they may know about it.

Shri Tyagi: I can understand what the Prime Minister says if the matter is still under negotiation. But once payment has been made and the transaction completed, I am afraid there is no cause for Government to keep the information from the House.

Shri Jawaharlal Nehru: There is no question of keeping it away from the House. I am only saying about the timing. There certain elements of courtesy come in. I am not talking of this particular matter, but generally.

Dr. Ram Subhag Singh: It has already been purchased.

Shri Jawaharlal Nehru: It may be. I am talking generally; I do not know about this particular matter. In these matters, sometimes there is some clause in the agreement to our advantage which they have extended to us but would not like to extend to some other person they are dealing with. In this sense, sometimes one does not disclose that clause for some time. Ultimately, of course the whole thing comes out.

As regards this matter, because it has been completed recently, we shall inform them—not take their permission, but inform them—that we are going to place it before the House.

Shri Jaipal Singh: In view of what the Prime Minister has said, is the Defence Minister in a position to say now what advantages have accrued to us? Will he tell us now or later on?

Shri Jawaharlal Nehru: First of all, I was not talking about this matter but generally—this matter is aloof. But this matter would be placed before the House fully, and it can be subject to the scrutiny of the House.

Shri Chintamoni Panigrahi: May I know to whom this workshop belonged?

Shri Krishna Menon: It was the property of the Peninsular and Oriental Group of companies.

Bilingual Dictionaries of Indian Languages

***535. Shri Warior:** Will the Minister of Scientific Research and Cultural Affairs be pleased to state:

(a) whether any scheme had been drawn up to complete bilingual dictionaries of Indian languages; and

(b) if so, the details thereof?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) No, Sir; but applications for assistance in compiling such dictionaries are considered on merits.

(b) Does not arise.

I may add that the Ministry of Scientific Research and Cultural Affairs has no scheme of its own for the compilation of bilingual dictionaries. But, under the scheme of development of modern languages, the Ministry gives financial assistance for the compilation of such dictionaries.

Shri Warior: Has the Sahitya Akademi or any other institution requested the Government for some help to compile these bilingual dictionaries?

Dr. M. M. Das: I could not follow the hon. Member properly. But I may inform him that 13 organisations including State Governments and Universities have been given the grant for the compilation of bilingual dictionaries.

Shri Warior: What will be the character of these bilingual dictionaries. Which languages will be combined together in these?

Dr. M. M. Das: Any two languages of India.

सेतु गोदिन्द दास : अभी मंत्री जी ने यह कहा कि कुछ राज्यों और कुछ संस्थाओं को इस सम्बन्ध में अनुदान दिये गये हैं।

क्या मैं जान सकता हूँ कि किन संस्थाओं को और किन राज्यों को इस प्रकार के कोशों को बनाने के लिये अनुदान दिये गये हैं?

Dr. M. M. Das: If you permit me, Sir, there are 13 organisations in all and I will read the names. I may inform the hon. Member that there are two universities, the Universities of Madras and Mysore and there are two State Governments, those of Rajasthan and Punjab; and there are other organisations also. Shall I read them out?

Mr. Speaker: It is not necessary.

सेतु गोदिन्द दास : चूँकि हम ने हिन्दी को इस देश की राज्य भाषा बनाया है इस लिये क्या यह प्रयत्न किया जा रहा है कि इस प्रकार के द्विभाषी कोशों के सम्बन्ध में इस बात का स्थाल रखला जाय कि हर भाषा के कोश हिन्दी के साथ साथ बनाये जायें?

Dr. M. M. Das: So far as the development of Hindi language is concerned, I am afraid that it relates to the Ministry of Education. Our Ministry is concerned with the development of other languages except Sanskrit and Hindi.

सेतु गोदिन्द दास : मैं यह कह रहा था कि दूसरी भाषाओं का भी चूँकि हिन्दी से सम्बन्ध है इसलिये दूसरी भाषाओं के विकास के लिये क्या इस प्रकार की आवश्यकता नहीं है कि वे कोश हिन्दी के साथ बनाये जायें।

Dr. M. M. Das: There is indeed a necessity for it. But, if we receive some applications from any organisations for giving financial assistance for that particular purpose, we shall consider those applications on merits.

Millionaires in India

***536. Shri Kalika Singh:** Will the Minister of Finance be pleased to state:

(a) the number of millionaires or crorepatis in India today having assets over a crore of rupees;

(b) whether the number of millionaires or crorepati is increasing or decreasing;

(c) how many millionaires or crorepati still exist among feudal aristocrats;

(d) can the names of such millionaires be disclosed with or without their consent; and

(e) if so, the names and designations of the millionaires?

The Minister of Revenue and Civil Expenditure (Dr. B. Gopala Reddi): (a) The number of non-company wealth-tax assessees as on 31st March, 1960 with net wealth of over a crore of rupees was 28.

(b) The number as on 31st March 1960 was the same as on 31st March, 1959.

(c) Sixteen.

(d) No, Sir.

(e) Does not arise.

Shri Kalika Singh: In connection with the succession to the Nawab of Bhopal, may I know whether the Government of India is considering the reduction of privy purses of the princes?

Dr. B. Gopala Reddi: That is not a matter which the Finance Ministry can answer.

Shrimati Mafida Ahmed: May I know the amount collected so far—as wealth tax—from these Indian Rockefellers, and the amount of arrears to be recovered?

Dr. B. Gopala Reddi: Rockefellers?

Shrimati Mafida Ahmed: Yes; the Indian Rockefellers, the millionaires.

Mr. Speaker: There are no Rockefellers here.

Shri Jaipal Singh: The hon. Minister has been willing to give us statistics about millionaires. Is he in a position to give us statistics about billionaires?

Dr. B. Gopala Reddi: If the question is asked on Wealth Tax, we have to answer that question.

Shri Jaipal Singh: I asked whether he could enlighten us about the number of millionaires here in the country.

Dr. B. Gopala Reddi: If a separate question is put, we will try to answer. But, as far as we can see, there is no billionaire here.

Mr. Speaker: I will allow some time to lapse for the House to settle down. I cannot hear either the question or the answer.

Shri Heda: May I have the break-up of the millionaires State-wise?

Dr. B. Gopala Reddi: It is not desirable to give all the names or regions. (Interruption). When I give it State-wise, they can certainly infer. So, it is not desirable to give the details.

Shri Kalika Singh: May I know who is the biggest millionaire in India?

Mr. Speaker: We are going into too many details. Either hon. Members are anxious to have some millionaires or not. Now, let us not go into individual cases as to who has got how much.

Shri Jaipal Singh: May I know whether there is any millionaire in this House?

Manufacture of Tanks

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*539. { **Dr. Ram Subhag Singh:**
Shrimati Ila Palchoudhuri:
Shri Jinachandran:

Will the Minister of Defence be pleased to state:

(a) whether any scheme has been prepared to manufacture tanks in the ordnance factories; and

(b) if so, when this scheme will be undertaken?

The Minister of Defence (Shri V. K. Krishna Menon): (a) and (b). The project of setting up a tank factory is under active planning. While

every effort is being made to avoid delays it is not possible to name a date when the manufacture will begin.

Dr. Ram Subhag Singh: I could not follow from the reply whether the scheme has been prepared.

Shri Krishna Menon: I said:

"The project of setting up a tank factory is under active planning. While every effort is being made to avoid delays it is not possible to name a date when the manufacture will begin."

The question was whether we can give a date.

Dr. Ram Subhag Singh: May I know which Ordnance Factories will be utilised for this purpose? Will it be manufactured in one or many Ordnance Factories?

Shri Krishna Menon: Tanks require, for the bulk of their manufacture, one place. Of course, there would be parts, particularly internal parts of a tank, which could, perhaps, be manufactured by electronic factories and things of that kind.

Dr. Ram Subhag Singh: With a view to executing this plan, will it be necessary to strengthen our Ordnance Factories or will the existing plants be enough to do the work?

Shri Krishna Menon: It is a new factory for which new plant would be required.

Shri S. M. Banerjee: I want to know whether the manufacture will be done by the Ordnance Establishment—that is Defence—or will it have to be done in collaboration with any foreign firm or concern.

Shri Krishna Menon: This is not a project which is not divisible into different parts. The first part is the tank. Whatever tank you make you must have factories. The machines are general. Then comes the question of what machines or what tank is being produced. It is a matter of

negotiations with foreign governments and foreign manufacturers. It is only when that matter is settled—it is in the process of delicate negotiations—that we can say whether certain parts will be manufactured at one place or the other. But the tank factory.....

Mr. Speaker: The hon. Member does not want all that. He wants to know whether, departmentally, the Defence Ministry will undertake the whole thing or whether it is going to do it in collaboration with some other company.

Shri Krishna Menon: In the Ordnance Factories. But whether the tank will be in collaboration with anyone depends upon the selection of the type. It may well be that we have to design it all ourselves. We do not quite know yet; we have not reached that stage.

Shrimati Ila Palchoudhuri: How much foreign exchange we expect to save by manufacturing these tanks?

Mr. Speaker: Foreign exchange is not the only consideration.

Shri Ajit Singh Sarhadi: May I ask whether active planning is limited to the extent of drawing up a scheme or whether any effort has been made to locate the site etc.? What is the stage of planning?

Shri Krishna Menon: I believe that it may be said that the necessary financial sanctions have been obtained in the matter. There is a certain accumulation of funds required. Until the proper time arrives it would not be correct to disclose the location because it would increase the cost.

Korba Coal Fields

*541. **Shri T. B. Vittal Rao:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the project report submitted by the Soviet Experts for the development of Korba Coalfields has since been examined;

(b) if so, when action is likely to be initiated on the report; and

(c) the total amount expected to be spent on the development of these collieries during the third plan?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). Three project reports, namely, those relating to the opencast mine, the washery and the workshop at Korba have been accepted by the Corporation. The acceptance of the project reports for the open-cast mine and the workshop is subject to certain conditions. As regards the washery, though the report has been accepted, it has been decided not to implement the project, because it will be uneconomic to do so, having regard to the washability characteristics of the coal and other attendant factors. The project report in respect of the underground mines is still awaited.

(c) The total amount expected to be spent on the development of these collieries during the Third Plan can be known only after the Soviet Experts have submitted the modified Project Reports for the opencast and workshop projects in terms of the conditional acceptance of these Project Reports by the Corporation.

Shri T. B. Vittal Rao: Could I know what will be the annual production at this open-cast mine as per the project report which has been tentatively accepted by the Corporation?

Sardar Swaran Singh: According, Sir, to the project report, the output mentioned was one million tons with provision for a potential production capacity up to two million tons.

Shri T. B. Vittal Rao: May I know whether the target for the Korba Coalfields in the Third Five Year Plan has been worked out or it is yet to be worked out?

Sardar Swaran Singh: It has not yet been fully worked out because one part of the project report is still awaited.

Shri T. B. Vittal Rao: May I know whether work is not likely to be initiated on the open-cast mine until and unless we receive the project report for the underground mines?

Sardar Swaran Singh: No, Sir, the two are not inter-linked. The work on open-cast mine is dependent upon the settlement of price between the Madhya Pradesh Electricity Board and the National Coal Development Corporation.

Shri T. B. Vittal Rao: When the price of coal is controlled, why should any difference arise between the State Government and the Corporation? Is the cost of coal from Korba Coalfields more than the controlled price in the private sector?

Sardar Swaran Singh: The hon. Member must be aware that with regard to certain categories we have permitted the production units to give rebates, and when we are dealing with a body like an Electricity Board which is being controlled by the State Government the obvious course is to have a negotiated price rather than to compel them to pay a price which they feel is a little on the high side.

Shri T. B. Vittal Rao: Recently, Sir, there were some negotiations between the Madhya Pradesh Government and the Ministry and they have struck at a price. May I know at what price coal is being sold to the Electricity Board now?

Sardar Swaran Singh: That is a matter of detail, but I think a tentative price was agreed upon subject to examination of further material which was to be furnished by either side.

Oil Refineries

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*542. { Shrimati Ila Palchoudhuri:
 Shri Jaganatha Rao:
 Shri Hem Barua:

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

(a) whether it is a fact that a proposal for substantial expansion of the oil refineries at present under construction at Gauhati (Assam) and Barauni (Bihar) is under the consideration of the Government of India; and

(b) if so, the details thereof?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) Not yet, Sir.

(b) Does not arise.

Shri Hem Barua: May I know whether the total oil reserve of the Naharkatiya oilfields on which these two refineries are proposed to be built has been finally estimated; if so, whether the present refining capacity of these two refineries has been stipulated on the basis of that final estimate or on some other basis?

Shri K. D. Malaviya: Broadly speaking, Sir, the oil that we are likely to get from Naharkatiya oilfield's will be refined in the two refineries of Nunmati and Barauni. With regard to the final indication of estimates, Sir, it goes on changing slightly as more and more production wells come into operation. The Government have in view the fact that all the oil produced from Naharkatiya should be refined in the two refineries or any other refinery that might have to be built up for the processing of oil.

Shri Hem Barua: Sir, the other part of my question has not been replied. I wanted to know whether the present refining target of these two refineries—Gauhati and Barauni—has been fixed on any estimate or it has been fixed in a haphazard or slipshod manner?

Shri K. D. Malaviya: Nothing has been done in a haphazard way. The total production that we are envisaging at present will be refined, and according to the present estimates of the two refineries it will be about 75 million tons here and about two million tons at Barauni.

Shri Jagannatha Rao: May I know whether the Government would come to a decision about the expanded capacity before the actual construction of the refineries?

Shri K. D. Malaviya: The expanded capacity has not yet been considered except the fact that we are providing in a preliminary way for the expansion of the two refineries under the public sector. That will be taken into consideration with regard to the total consumption of oil by the end of the Third Five Year Plan.

Shri Maniyangadan: May I know whether there is a proposal to start a new refinery in the south; if so, whether its location has been decided or not?

Shri K. D. Malaviya: No, Sir; at present there is no such proposal to have a refinery in the south based either on imported crude oil or indigenous crude oil because we have found none so far there.

Shri Jagannatha Rao: May I know the final estimates of cost of construction of the two refineries that are going to be constructed?

Shri K. D. Malaviya: I can't say.

Mr. Speaker: He wants the cost of the schemes—the cost of buildings, plant and machinery and all that—for the two oil refineries.

Shri K. D. Malaviya: These refineries will very approximately cost about Rs. 40 crores, in between the two.

Mr. Speaker: Both of them?

Shri K. D. Malaviya: Yes, for both of them.

Shri Hem Barua: May I know whether the attention of the Government was drawn to an agitation created in Bihar over the issue of the final site for the Barauni refinery; if so, whether the final site has been finally decided upon and whether there was any difference of opinion between the Indian and the Russian experts over the final selection of the site?

Shri K. D. Malaviya: The site has been selected finally. It has not been changed from the site originally contemplated. There were some differences on the technical steps that are to be taken to consolidate the foundations between engineers and engineers. There is nothing like any difference between the Indian and Russian engineers. There was some difference of opinion but not on the basis of nationality.

Shri Jaganatha Rao: It was said in the Press that the site originally selected is found to be in the seismic zone. Is there any proposal to shift the site?

Shri K. D. Malaviya: It is in the seismic zone, but there is no proposal to shift the site.

Shrimati Ila Palchoudhuri: Is it a fact that India is surplus in gasoline and deficit in kerosene and high-speed diesel oil; if so, may I know from which country we expect to import kerosene and high-speed diesel oil to make good this deficiency?

Shri K. D. Malaviya: India is surplus in gasoline and deficit in kerosene and high-speed diesel oil. We shall try to import it as cheaply as possible from whatever source we can get it in the interest of the consumers.

Shri Rajeshwar Patel: May I know whether the Russian engineers have suggested that the level of the site at Barauni has to be raised by a few feet; if so, what will be the cost involved in that work?

Shri K. D. Malaviya: The level will be raised there by a few feet. In any case, even if the refinery had been located at any other place in India the level had to be raised to a certain level. The only question was by how much it was to be raised. There was some difference of opinion over that. On an average, perhaps, it is considered that about 3 feet raising will have to be done.

Shri Rajeshwar Patel: May I know whether any additional money is going to be spent on that work; if so, was that amount taken into consideration when we estimated the cost of the refinery?

Shri K. D. Malaviya: Yes, Sir, there will be some additional cost as well.

Shri Jaganatha Rao: Who is going to pay that and what will be that amount?

Shri K. D. Malaviya: It is difficult for me to indicate at present the increase in the estimates.

Shri Raghu Nath Singh: May I know whether the Government has made any survey about the consumer market to export this surplus; if so, to what countries do they propose to export this surplus?

Shri K. D. Malaviya: This question is already being considered and is being tackled by the foreign companies that are owning the refineries.

Shri Hem Barua: May I know whether the production pattern of the proposed Barauni refinery has finally been decided upon?

Shri K. D. Malaviya: Yes, Sir; all considerations have been given, well, more or less in a final way to the production pattern of the refinery. Here and there some marginal changes may have to be made when the detailed project report is received by us.

Shri Hem Barua: What is the bias—kerosene bias or diesel bias?

Shri K. D. Malaviya: It is based on producing the maximum quantity of kerosene and diesel oil.

WRITTEN ANSWERS TO
QUESTIONS

Acquisition of Lands in Bhilai

*533. **Shri Vidya Charan Shukla:** Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No. 712 on the 24th August, 1960 and state:

(a) the number of persons, displaced by land acquisition at Bhilai, who have been given employment at Bhilai Steel Plant; and

(b) the number of such displaced persons who have been given shops within the Steel Township area?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). About 200 displaced persons have been given employment in the Bhilai Steel Plant. Out of these, about 143 persons have been posted against permanent vacancies. Sixteen persons have been allotted shops within the steel township area, and one person has been allotted plot for cultivation of vegetables.

दिल्ली में एक और विश्वविद्यालय

*५३७. **श्री प्रकाश और शास्त्री :**
श्री आसर :

क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या विश्वविद्यालय अनुदान आयोग ने दिल्ली में एक और विश्वविद्यालय स्थापित करने का सुझाव दिया है;

(ख) यदि हां, तो क्या सरकार इस सम्बन्ध में कोई निर्णय करने वाली है; और

(ग) इस योजना पर अनुमानत सरकार का कितना खर्च होगा ?

सुझाव और प्रसारण मंत्री (डा० केसकर):

(क) से (ग). सरकार को हाल ही में उस संस्ताव की एक प्रति मिली है जिस को विश्वविद्यालय अनुदान आयोग ने अपनी ६ मितम्बर १९६० की बैठक में पास किया था। इस संस्ताव में यह सुझाव दिया गया है कि नई दिल्ली में एक पृथक विश्वविद्यालय स्थापित करने की योजना बनाना अत्यन्त वांछनीय है। वह सुझाव विचाराधीन है।

Indian Tennis Team to U.K.

*538. **Shri Indrajit Gupta:**

Shrinati Renu Chakravarty:

Will the Minister of Education be pleased to state:

(a) whether a junior tennis team was recently sent to the U.K.;

(b) the number of players and non-players comprising the team; and

(c) the total expenses incurred on the team's tour?

The Minister of Information and Broadcasting (Dr. Keshkar): (a) Yes, Sir.

(b) Four players and one Manager.

(c) Approximately Rupees thirty seven thousand.

Scheduled Castes and Scheduled Tribes

*540. **Shri B. C. Kamble:** Will the Minister of Home Affairs be pleased to refer to the reply given to Unstarred Question No. 2518 on 9th September, 1960 and state:

(a) whether under Article 335 of the Constitution of India, any percentage of reservation in Services and posts is made for the members of the Scheduled Castes and Scheduled Tribes in relation to the jobs made available in Public Sector in Class I, II and III Service since commencement of Planning; and

(b) the reasons why statistics pertaining to the filling up of this reservation in services by the Scheduled Castes and Scheduled Tribes are not maintained even though Constitutional provision is mandatory?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Orders issued by the Government of India for reservations of appointments or posts in favour of Scheduled Castes and Scheduled Tribes do not apply to Public Sector undertakings.

(b) In view of answer to (a) the question does not arise. Statistics are maintained in respect of services or posts to which the orders apply.

Allotment of Wagons

***543. Shri Bangshi Thakur:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) on what basis allotment of railway wagons is made for carrying coal to Tripura; and

(b) whether Government have any machinery which takes special care to see that the allotted wagons for lifting coal to Tripura are fully and timely utilised?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) As elsewhere, in the case of consumers in Tripura also, wagons are allotted on the basis of indents placed with the Railway Allotment Office by collieries on behalf of the consumers.

(b) Once an allotment is made, it is normally expected that movement will take place. Where consumers bring to the notice of the Coal Controller that movement has not taken place for any reason, the latter makes ad hoc allotments and tries to effect the movement under priority.

L.I.C. Investments

***544. Shri Vishwanatha Reddy:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that proposals are under consideration for the

investment of Life Insurance Corporation funds in State Finance Corporations and Industrial Finance Corporation; and

(b) if so, what are the main features of such participation?

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

(b) Does not arise.

Wagons Supply

***545. Shri Achar:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether Government are aware that the brick-making industry in U.P. and the Punjab is being much handicapped on account of the failure of wagons carrying coal to reach the destinations in time;

(b) whether it is true that 200 wagons of coal are being supplied to Pakistan per day with priority over wagons supplying coal to brick making industry in our own country; and

(c) whether Government would take the necessary steps to remedy this situation?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Government are aware that supplies of coal to brick kilns in the States of Punjab and U.P. have been inadequate.

(b) Export of coal to Pakistan is under a bilateral trade agreement with that country. The quantities agreed to for export take into account our own internal requirements. Under this arrangement, 199 wagons per day are to move to Pakistan between July and November and 153 wagons per day for the rest of the year. It is not correct to say that supplies for the brick burning industry are affected to any appreciable extent by this export.

(c) Every effort is being made to stop up supplies, consistently with the availability of transport after meeting the requirements of consumers in the higher priorities.

Wagons for Coal Movement

*546. **Shri Aurobindo Ghosal:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the full quota of wagons placed at the disposal of the Coal Controller in the months of September and October, 1960 could not be utilised; and

(b) if so, what is the short-fall?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). A statement showing the average daily allotment of wagons against offerings for the transport of coal during September and October, 1960 is placed on the Table of the House. [See Appendix II, annexure No. 30.] Though the allotment was somewhat less than the offerings, the wagons that were actually made available for loading were fully utilised.

Petroleum Products

*547. **Shri Sadhan Gupta:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the oil companies have adopted a policy of under-cutting the prices of petroleum products imported by Government from the U.S.S.R.;

(b) if so, the extent of under-cutting;

(c) which of these companies are meeting the deficit caused by such under-cutting from the duty protection enjoyed by them and to what extent;

(d) the total annual amount of duty protection enjoyed by each of these companies;

(e) whether these companies have been approached for foregoing their duty protection; and

(f) if so, the reply received in each case?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) It is not possible to say if the Oil Companies have adopted any policy as such of

under-cutting the prices of petroleum products imported from the U.S.S.R. There have, however, been instances in which some of the companies had offered to sell at rates below the rates for oil imported from U.S.S.R.

(b) Quotations had varied from one customer to another. Although it cannot be said precisely what rates had been quoted to a particular customer, the rates quoted in some of the cases were known to be below the landed cost of oil imported from U.S.S.R.

(c) Burmah Shell had already surrendered the duty concession enjoyed by it with effect from 1st July, 1959. S.V.R.C. have also offered to surrender the duty protection enjoyed by them, with effect from 11th November, 1960. C.O.R.I.L. have not so far surrendered the duty protection. It is not possible to say as to what extent the companies have made up the deficit of under-cutting from the saving to them on account of duty protection.

(d) Duty protection in terms of the Refinery Agreement per annum are:—

S.V.R.C.	..	Rs. 1,43,60,500
C.O.R.I.L.	..	Rs. 63,47,598

(e) Yes.

(f) As a result of this approach, S.V.R.C. have already surrendered the duty protection with effect from 15th November, 1960. C.O.R.I.L. have stated that they are not in a position to surrender the duty protection immediately but would constantly keep this in mind and periodically review the position.

Nagarjunasagar Project

*548. **{ Kumari M. Vedakumari:**
Shri Osman Ali Khan:

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

(a) whether it is a fact that construction work at Nagarjunasagar project is delayed due to shortage of steel; and

(b) what are the steps taken so far to see that adequate quantity of steel is supplied in time?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): The question will be answered by the Minister for Irrigation and Power at a later date.

Report of Hindu Religious Endowment Commission

*549. **Shri Tangamani:** Will the Minister of Law be pleased to state:

(a) whether the Hindu Religious Endowment Commission under C. P. Ramaswamy Iyer has submitted its report;

(b) if not, when is the report expected; and

(c) what States were visited by the Commission?

The Minister of Law (Shri A. K. Sen): (a) No, Sir.

(b) The Commission is expected to submit its report to Government in the second half of 1961.

(c) The Commission has visited the States of Kerala and Mysore and is now on tour in the State of Gujarat.

Raw Materials Committee

*550. **Pandit D. N. Tiwary:** Will the Minister of Steel Mines and Fuel be pleased to state:

(a) whether Government have accepted the view of the Raw Material Committee to give a trial for transport of raw materials for steel plants by ropeways and pipelines; and

(b) whether the estimates of cost has been worked out?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). No, Sir. It was merely a suggestion for consideration in future plans. The raw materials for the steel industry in the Third Five Year Plan will be carried by the railways.

Manufacture of Rifles and Shotguns for Civilians

*551. **Shri Karni Singhji:** Will the Minister of Defence be pleased to state whether the Government arms factories have any proposals to manufacture shotguns and sporting rifles for Civilians on mass scale and what chances are there of prices of Indian cartridges coming down?

The Minister of Defence (Shri Krishna Menon): Ordnance Factories have already established manufacture of 12 Bore DBBL Shot Guns and '315" Rifles on a mass scale.

Prices of cartridges are being progressively reduced. The prices of '315" cartridges have been reduced with effect from 1st November, 1960 to Rs. 45 per 100 from Rs. 75. The cost of 12 bore is also being reduced.

Raw Material Supply to Steel Mills

*552. **Shri Chintamoni Panigrahi:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the Ministry has set up any Committee to look after the raw material supply of all Steel Mills in the country belonging to private and public sectors; and

(b) if so, what are the terms of reference of this Committee?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir.

(b) A copy of the Resolution setting up the Committee is laid on the Table of the House. [See Appendix II, annexure No. 31.]

Audit of Hindustan Steel Accounts

*553. **Shri P. C. Borooh:** Will the Minister of Finance be pleased to state:

(a) whether only one firm of auditors has been appointed to audit the accounts of Messrs. Hindustan Steel Ltd. at (1) Bhilai (2) Durgapur (3) Rourkela and (4) Bokaro;

(b) whether a single firm of auditors has been appointed to audit the accounts of the National Oil Refineries;

(c) whether Government will state why only one firm has been appointed in these cases;

(d) whether they propose to appoint more auditors to carry on the work expeditiously; and

(e) what is the fee of the auditors at present engaged?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) No Sir. Two firms of auditors have been appointed for the Hindustan Steel Limited for the year 1960-61. There are no separate auditors for different steel projects.

(b) Yes, Sir. Only one firm of auditors was appointed for the year 1959-60 to audit the accounts of Indian Refineries Ltd. Auditors for 1960-61 are yet to be appointed.

(c) The volume of work did not warrant appointment of more than one firm of auditors for the Indian Refineries Ltd. during 1959-60.

(d) No, Sir.

(e) (i) Hindustan Steel Limited Rs. 1,40,000 for 1960-61 to be shared by the two firms of auditors.

(ii) Indian Refineries Ltd.—Rs. 6000 for 1959-60.

Purchase of Ammunition

*554. { Shri Ram Krishan Gupta:
Shri Vidya Charan Shukla:

Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 740 on the 24th August, 1960 and state:

(a) whether the Committee appointed to enquire into the purchase of ammunition in 1952 from a European Firm has drafted its report;

(b) if so, whether Government have received the report;

(c) its main findings; and

(d) the action taken thereon?

The Minister of Defence (Shri Krishna Menon): (a) No, Sir. The work of drafting the report of the Committee appears to be nearing completion.

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

Steel Plant for South

*555. { Shri D. C. Sharma:
Shri Ram Krishan Gupta:
Shri Warior:
Shri Vasudevan Nair:
Shri Morarka:

Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No. 445 on the 17th August, 1960 and state:

(a) the progress made so far by the committee comprising officials of the Ministry of Steel, Mines and Fuel and the Madras State in investigating and reporting the feasibility of setting up a steel plant in the South; and

(b) by what time they will submit their report?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). The Committee can report only after the detailed geological investigation recommended by it have been carried out and large-scale commercial tests undertaken with representative quantities of raw-materials i.e., lignite, iron ore and lime-stone. Sufficient quantities of lignite are expected to be available, for tests to be carried out, by the middle of 1961.

Pension of Ex-Servicemen

*556. { Shri Bhakt Darshan:
Shri D. C. Sharma:
Shri Ram Krishan Gupta:

Will the Minister of Defence be pleased to refer to the reply given to

Starred Question No. 473 on the 17th August, 1960 and state:

(a) the further progress made in regard to the question of temporary increase in the pension of ex-service-men; and

(b) when a final decision in this matter is likely to be taken?

The Minister of Defence (Shri Krishna Menon): (a) and (b). A statement is laid on the Table of the Lok Sabha.

STATEMENT

Enhanced rates of temporary increases in pension have since been approved for Armed Forces pensioners. The decision will cover about 3½ lakhs of pensioners. It does not apply to Armed Forces pensioners drawing the New Pension Code rates of pension introduced in 1953, as no temporary increases are admissible in conjunction with these rates of pension. It does not also cover ex-State Forces pensioners who got temporary increases at the rates prescribed from time to time for civil pensioners in the States by the State Governments/ Administrations concerned.

The enhanced rates of temporary increase in pension, now approved, have been so devised as to ensure that the basic pensions plus the new temporary increases do not, by and large, exceed the corresponding New Pension Code rates of pension. Subject to this consideration, and to the limiting factor that pensioners of the same rank, drawing the same type and rate of basic pension should have the same rate of temporary increase, the latest rates of temporary increase in pension admissible to Central Government civilian pensioners have been generally made applicable to Armed Forces pensioners.

As a result of this decision, eligible pensioners, drawing pensions up to Rs. 100 per mensem, will get enhanced rates of temporary increase in pension varying generally from Rs. 7 per mensem to Rs. 12.50 per mensem, as against two flat rates of temporary

increase, namely, Rs. 10 per mensem and Rs. 12.50 per mensem, admissible to Central Government civilian pensioners. Depending on the rate of basic pension, the rank held, the type of pension and other factors, the actual enhanced monthly rates of temporary increase within the above range, are Rs. 7, Rs. 7.50, Rs. 8, Rs. 8.50, Rs. 9, Rs. 9.50, Rs. 10, Rs. 10.50, Rs. 11, Rs. 11.50, Rs. 12 and Rs. 12.50.

The enhanced rates of temporary increase will be admissible with effect from the 1st April, 1958, and will be in lieu of the previous monthly rates namely Rs. 4, Rs. 5 and Rs. 6, whether the previous rates were separate additions to basic pension, or were included in consolidated rates of pension.

Coal Crisis

557. { Shri Vidya Charan Shukla:
Shri Anirudh Sinha:
Dr. Ram Subhag Singh:
Shri Ajit Singh Sarhadi:
Shri Achar:
Shri Ram Krishan Gupta:
Shri Raghunath Singh:
Shrimati Renuka Ray:
Shri Bimal Ghose:

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

(a) whether it is a fact that Railway Minister recently held consultations with the Minister of Steel Mines and Fuel along with senior officers of the respective Ministries to try to solve the Coal Crisis; and

(b) what are the conclusions arrived at these high level consultations?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes.

(b) A statement showing the important conclusions arrived at is laid on the Table of the House.

STATEMENT

(i) The Coal Controller, instead of allotting wagons for coal from day to day, will make the allotment for a period of ten days at a time. This is with a view to provide some flexibility

to the Railways in the execution of the movement programme. Any special allotment required to be made by the Coal Controller even within the 10 day period to meet unforeseen emergent situations will be complied with by the Railways.

(ii) Loading of coal should be on all seven days of the week.

(iii) Progress of coal washeries for Steel Plants should be expedited.

(iv) With a view to improve the quality of coal supplied to Railways, it was necessary to beneficiate lower grade coals by setting up non-coking coal washeries. The further measures to be taken on this behalf will be examined on high priority.

(v) In the meantime, the Ministry of Steel, Mines and Fuel will take action to ensure that coal of proper quality and size is supplied for Railways' loco requirements.

(vi) The need for opening of coal dumps at different places in the country and loading bunkers at the major collieries was recognised. The Ministry of Steel, Mines and Fuel would pursue the matter vigorously with the State Governments and the coal industry.

(vii) Movement of iron ore for the Rourkela Steel Plant should be arranged as early as possible from Barsua iron ore mines as envisaged in the original plan for iron ore movement to the Rourkela Steel Works.

(viii) The Ministry of Steel, Mines and Fuel will take action to have adequate arrangements made in the various steel works to ensure expeditious unloading and return of inward loaded stock.

(ix) The Railways will provide adequate transport to meet the full requirements of the steel plants including requirements for the stockpiling of coal for the new blast furnaces to be commissioned shortly.

(x) During the busy season starting from November, 1960, the Rail-

ways would endeavour to maintain the overall availability of wagons for coal loading in the West Bengal/Bihar coalfields at 5,000 wagons a day, provided the decisions mentioned above are fully implemented.

Petroleum Products

*558. **Shri Kalika Singh:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) what is the percentage of indigenous petroleum products to the total petroleum products consumed in India today, approximately, and what was the percentage in 1951;

(b) the extent to which the percentage of indigenous petroleum products will go up after the existing oil refineries go into full production; and

(c) what percentage of the total demand in India is likely to be met by petroleum products expected to be produced by all the newly discovered oil finds?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) About 75 per cent. now, while this was approximately 7 per cent. in 1951;

(b) Does not arise; the existing private sector refineries in the country are already in full production;

(c) When the Nunmati and Barauni refineries go into full production, approximately, 82 per cent. of India's requirements of petroleum products may be met from indigenous production.

Coal Consumption

*559. **Shri Indrajit Gupta:**
Shrimati Renu Chakravarty:

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

(a) whether the Coal Controller has directed that small-scale industry consumers should get only 75 per cent. of their consumption requirements; and

(b) if so, the reasons for such direction?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) No.

(b) Does not arise.

Guided Missiles for Army

*560. { Shri B. C. Kamble:
Shri Koratkar:

Will the Minister of Defence be pleased to state:

(a) whether Indian Army will soon have guided missiles; and

(b) if so, the details thereof including their cost, conditions under which they are to be obtained and from which countries?

The Minister of Defence (Shri Krishna Menon): (a) There is no decision to equip the Army with guided missiles.

(b) Does not arise.

Standard Atlas

*561. **Shri Tangamani:** Will the Minister of Scientific Research and Cultural Affairs be pleased to refer to the reply given to Starred Question No. 705 on the 24th August, 1960 and state:

(a) when the standard Atlas in English will be completed;

(b) when these will be circulated; and

(c) whether atlases will be prepared in regional languages as well?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) The English edition of the National Atlas is likely to be completed by the end of the Third Five-Year Plan period.

(b) Since the publication of the complete Atlas will take a long time, individual maps will be published in the form of fascicles or as separate folders, as and when printed off.

(c) The Government have no such proposal under consideration at present.

Piece Work Earnings in Ordnance Factories

*562. { Shri S. M. Banerjee:
Shri Tangamani:
Shri Anthony Pillai:
Shri Aurobindo Ghosal:
Shri Indrajit Gupta:

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Government have imposed restriction of 50 per cent profit on the piece work earnings of nearly 30,000 piece workers in Ordnance Factories throughout the country;

(b) whether, as a result of this restriction, workers have lost financially to the tune of Rs. 20 to Rs. 70 in November, 1960;

(c) whether this deduction is against the provisions of the payment of Wages Act;

(d) whether this restriction has resulted in loss of production; and

(e) if so, what steps are being taken by Government to remove the restriction?

The Deputy Minister of Defence (Shri K. Raghu Ramaiyah): (a) to (e). A statement is laid on the Table of the House.

STATEMENT

Orders have recently been issued by Government regarding the upward revision of piece work rates in Ordnance Factories. Previously, the piece work rates were computed with reference to the mean of the old basic pay scale with an incentive element of 25 per cent. Under the new orders, the piece work rates have been correlated to the mean of the revised time scales of pay sanctioned under the Civilians in Defence Services (Revised Pay) Rules, 1960, with a 25 per

cent. incentive element. Since the old dearness allowance has been largely merged in the new time scales of pay, the new basis of computation yields piece rates which are substantially higher than the old rates hitherto prevalent because the incentive element of 25 per cent. is now also earned on the merged dearness allowance.

2. When the piece work rates in Ordnance Factories were correlated to new monthly scales in 1953, it was decided that all rates which had consistently yielded more than 75 per cent. profit on the old basic wage should be revised. Although a number of rates had been suitably revised, this work had not been completed. In order to avoid delay in the correlation of piece work rates to the new time scales, which would have been detrimental to the interests of the large majority of workers, it was decided that correlation should be immediately undertaken but with a ceiling of profits of 50 per cent. over the time wage of each piece workers till loose rates are revised. This ceiling of 50 per cent. is on the new basic wage, i.e., the old basic wage plus the proportion of the dearness allowance incorporated in pay and is significantly higher in most cases than the level of 75 per cent. accepted hitherto.

3. The revised rates which are provisional took effect from 1-9-1960. As a result of the new schemes, earnings of the vast majority of piece workers in Ordnance Factories have increased substantially. The wages of a small minority whose rates have been loosely fixed, have been limited to 50 per cent. over the time scale of pay. The ceiling, however, does not effect piece workers whose rates are not loosely fixed.

4. The imposition of the ceiling is a factor in the determination of the wages under the new scheme and adjustments made on this account are not deductions from the workers' wages within the meaning of the Payment of Wages Act.

5. No loss of production on account of the promulgation of the new piece rates has been reported to Government. The question of the removal of the ceiling will be decided when the rates are revised.

Alloy and Tool Steel Plant

Shri Ram Krishan Gupta:
 Shri P. G. Deb:
 Shri Vidya Charan Shukla:
 Shri Morarka:
 Shri Sadhan Gupta:
 *563. Shri Aurobindo Ghosal:
 Shri B. Das Gupta:
 Shri Indrajit Gupta:
 Shrimati Renu
 Chakravartty:
 Shri Goray:
 Shri Hem Barua:

Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No. 744 on the 24th August, 1960 and state:

(a) whether Government have examined the report for the proposed alloy and tool steel plant; and

(b) if so, the result thereof?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). The Government have approved the location of the Alloy Steels Plant in Durgapur under the management of the Hindustan Steel Limited. Further examination of the report has been taken up by the Hindustan Steel Limited.

West German Loan

Shri D. C. Sharma:
 *564. Shri Inder J. Malhotra:
 Shri Bahadur Singh:

Will the Minister of Finance be pleased to state:

(a) whether any loan is being given by West Germany as contribution for India's development during 1960-61; and

(b) if so, what is the amount and in what terms?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes, Sir.

(b) Two loan agreements, each of DM 125.1 million (Rs. 14.18 crores), have been entered into, one on the 27th May, 1960 and another on the 15th November, 1960. These agreements, though signed in 1960-61, are part of the assistance given by the Federal Republic of Germany for the Second Plan Period. Both the loans are to be utilised for making payments in respect of imports from West Germany. The first loan is for a period of 20 years and carries an interest rate of 6½ per cent. per annum, whereas the second loan is for a period of 15 years and carries interest at 6½ per cent. per annum upto 19-1-1961 and 5½ per cent. per annum thereafter.

Oil Exploration Programme

***565. Shri Vidya Charan Shukla:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the experts of Oil and Natural Gas Commission have suggested a complete revision of oil exploration programme; and

(b) what are the salient features of their suggestions?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) No, Sir.

(b) Does not arise.

Chartered Plane of Indian Airlines Corporation

***566. { Shri Indrajit Gupta:
Shri P. G. Deb:**

Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that a chartered plane of the Indian Airlines Corporation was detained and sealed at Bagdogra airfield on 7th November, 1960 by the security police; and

(b) if so, the reasons for the action taken?

The Minister of Home Affairs (Shri G. B. Pant): (a) and (b). No. An aircraft belonging to a private company and chartered by Government was grounded at Bagdogra airfield by the Aerodrome Officer on the 6th November, 1960, for technical reasons.

Small Savings Scheme

935. Shri D. C. Sharma: Will the Minister of Finance be pleased to state the total amount collected under the Small Savings Scheme from 1st October, 1959 upto the 31st March, 1960 in the Patiala District of Punjab?

The Minister of Finance (Shri Morarji Desai): Rs. 6.90 lakhs approximately (net).

Vijnan Mandirs

936. Shri D. C. Sharma: Will the Minister of Scientific Research and Cultural Affairs be pleased to refer to the reply given to Unstarred Question No. 1124 on the 20th August, 1960 and state:

(a) the main recommendations of the Committee enquiring into the working of the Vijnan Mandirs; and

(b) the action taken by Government thereon?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) A statement is laid on the Table. [See Appendix II, annexure No. 32.]

(b) In pursuance of the Committee's recommendation, it has been decided not to add a Cultural Wing to the Vijnan Mandirs. Other recommendations of the Committee are still under consideration.

Posts for Scheduled Castes

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

(a) the number of posts advertised by the Union Public Service Commission for Scheduled Castes during the year 1960 so far;

(b) whether the advertised vacancies were filled up from Scheduled Caste candidates; and

(c) if not, the reasons therefor?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Out of the posts advertised by the Union Public Service Commission during the period of 1st January, 1960 to 30th September, 1960, 216 posts were reserved for Scheduled Castes only and 221 posts were reserved for Scheduled Castes or Scheduled Tribes.

(b) and (c). The required information is being collected and will be laid on the Table of the House as early as possible.

Overstaying of Foreigners in India

938. { Shri D. C. Sharma:
Shri Pangarkar:

Will the Minister of Home Affairs be pleased to state:

(a) the number of cases brought to the notice of Government since May, 1960 wherein some of the foreigners had stayed in India even after the expiry of their passports; and

(b) the names of the countries to which they belonged?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) and (b). The information is being collected and will be laid on the table of the House in due course.

Revenue Collections

939. **Shri Pangarkar:** Will the Minister of Finance be pleased to state the amount of money collected by the Government of India by way of taxes and other revenue measures in Madhya Pradesh during 1959-60?

The Minister of Finance (Shri Morarji Desai): The amount of money collected from Direct and Indirect Taxes in Madhya Pradesh during 1959-60, was Rs. 16,18,76,000.

The receipts under various major heads in the group "Civil Administration, currency, Mint, Civil Works etc." are receipts not on account of any revenue measures adopted, but on account of services rendered and supplies made and are, therefore, not included in the above figure.

Foreign Exchange on Delegations

940. **Shri Pangarkar:** Will the Minister of Finance be pleased to state the amount of foreign exchange used in delegation or Ministerial visits to the foreign countries during the period from 1st September, 1960 to 1st November, 1960?

The Minister of Finance (Shri Morarji Desai): The requisite information is being collected from the various Ministries/Departments and will be laid on the Table of the House when ready.

Income-tax Arrears in Madhya Pradesh

941. **Shri Pangarkar:** Will the Minister of Finance be pleased to state the total amount of income-tax arrears on the 1st January, 1960 in Madhya Pradesh region?

The Minister of Finance (Shri Morarji Desai): The information is being collected and a statement giving the required information will be laid on the Table of the House as early as possible.

Chhattar Manzil, Lucknow

942. **Shri D. C. Sharma:** Will the Minister of Scientific Research and Cultural Affairs be pleased to state:

(a) whether any allocation has been made for the maintenance and repair of Chhattar Manzil, Lucknow, during 1960-61; and

(b) if so, the amount allocated for the purpose?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) and (b). As it has been decided to de-protect the building, no

allocation has been made by the Department of Archaeology for the maintenance of or repairs to the building.

Development of Punjabi Language

943. Shri D. C. Sharma: Will the Minister of Scientific Research and Cultural Affairs be pleased to state:

(a) whether the Punjab Government asked for grants for the development of Punjabi language during 1960-61 so far;

(b) if so, how much grant was given; and

(c) how this grant has been utilised so far?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) Yes, Sir.

(b) An amount of Rs. 49,500 has been allocated to the Government of Punjab for the following publications:

- (i) Urdu-Punjabi Dictionary.
- (ii) Reprint of Griersons Linguistic Survey of India, Vol. VIII and IX.
- (iii) Publication of rare Dictionaries.
- (iv) Catalogue of Punjabi Manuscripts.
- (v) Editing of Punjabi Manuscripts.
- (vi) Hindi books in Punjabi script.
- (vii) Urdu books in Punjabi script.
- (viii) Punjabi books in Devnagri script.
- (ix) Early Punjabi grammars.

(c) No progress report has been received so far as the allocation was made only recently.

School Hostels in Punjab

944. Shri D. C. Sharma: Will the Minister of Education be pleased to refer to the reply given to Unstarred

Question No. 1031 on the 11th March, 1960 and state:

(a) whether the Central Government have sanctioned any further loan to the Punjab Government for construction of school hostels during 1959-60 and 1960-61 so far; and

(b) if so, the total amount sanctioned for each institution?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). No loan was sanctioned to the Punjab Government for construction of school hostels. However loans amounting to Rs. 68,000 were sanctioned during 1959-60 to the following two teachers' training colleges in Punjab for the construction of hostels:

1. Chottu Ram Basic Training College Rohtak.	Rs. 35,000
2. Khalsa Basic Training College, Sidhwan Khurd, Ludhiana.	Rs. 33,000
Rs. 68,000	

Iron Sheets for Himachal Pradesh

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

(a) the demand of iron sheets by Himachal Pradesh during 1960;

(b) the extent to which the demand was met;

(c) the arrangements made by Government to provide more iron sheets to Himachal Pradesh in view of the various development schemes; and

(d) if no arrangements have been made, the reasons therefor?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) to (d). Allotments of sheets are made according to the financial year. The demand of sheets by Himachal Pradesh during the first half of the current year, i.e. April to September, 1960, was 1743 tons. Against this, the allotment was 645 tons and actual despatches about 100 tons. The demand for the second half year, i.e., October 1960 to March, 1961, is 2886

tons, but the allocation in respect of small scale industries has not yet been finalised.

Sheets are in very short supply all over the country but every effort is being made to meet the requirements of the development schemes as far as possible.

Cultural Festivals in Punjab University

946. Shri D. C. Sharma: Will the Minister of Education be pleased to state:

(a) whether grants were given to the Punjab University for organising cultural festivals;

(b) if so, the amount of grants given during 1956-57, 1957-58, 1958-59 and 1959-60 separately to the Punjab University for the purpose; and

(c) how the University has used it?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Yes, Sir.

(b) The following grants were given to the Punjab University:—

1956-57—Rs. 5,000.

1957-58—Rs. Nil.

1958-59—Rs. Nil.

1959-60—Rs. 6637.

(c) It is understood that the University has used the grants for the purpose for which these were sanctioned.

जिला गजेटियर्स

६४७. श्री भक्त दर्शन : क्या वैज्ञानिक अनुसन्धान और सांस्कृतिक कार्य मंत्री ११ अप्रैल, १९६० के अतारांकित प्रश्न संस्था १६७७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) प्रत्येक राज्य में जिला गजेटियर्स के संशोधन और प्रकाशन में और क्या प्रगति हुई है;

(ख) प्रत्येक राज्य सरकार ने अब तक कितनी वित्तीय सहायता मांगी है और उन में से

प्रत्येक को कितना धन दिया गया है; और

(ग) प्रत्येक राज्य को यह कार्य पूरा करने में अधिक से अधिक कितना समय लगेगा ?

वैज्ञानिक अनुसन्धान और सांस्कृतिक-कार्य उपमंत्री (डा० म० मो० दास): (क) लोक सभा की मेज पर एक विवरण रखा है। [दिल्ली परिचाष्ट २, अनुबन्ध संख्या ३३]

(ख) जिला गजेटियरों के संकलन पर राज्य सरकारें जो खर्च करेंगी उस के ४० प्रतिशत सहायता अनुदान के लिये वे हकदार होंगी लेकिन यह रकम एक जिल्द के लिये ६२११ रुपये से ज्यादा नहीं होगी। इस के अलावा राज्य सरकारों को जिला गजेटियरों की छार्टाई के लिये ४० प्रतिशत अनुदान दिया जायेगा। अब तक नीचे लिखे सहायता अनुदान दिये गये हैं : —

	रुपये
(१) विहार	४५,३७६.३७
(२) बम्बई	१८,०००.००
(३) मद्रास	२५,२३२.००
(४) मैसूर	१२,०००.००
(५) राजस्थान	६,०००.००
(६) उत्तर प्रदेश	१५,६६१.६४

(ग) जिला गजेटियरों के पुनरीक्षण का काम राज्य सरकारों की मौथी जिम्मेदारी है। केन्द्रीय सरकार केवल समन्वय और देखभाल के लिए है। ताकि काम में एकरूपता आ सके। यह बताना मुमिकिन नहीं है कि सारा काम कब पूरा होगा। लेकिन उम्मीद है कि तीसरी पंच वर्षीय योजना के अन्त तक काम पूरा हो जायेगा।

उत्तर प्रदेश के पहाड़ी क्षेत्रों का स्थानिज सर्वेक्षण

६४८. श्री भक्त दर्शन : क्या इस्पात, स्थान और इंचन मंत्री यह बताने की कृपा करेंगे कि :

(क) वर्ष १९५८-५९ और १९५९-६० में उत्तर प्रदेश के आठ पहाड़ी जिलों, अर्थात्

देहरादून, टिहरी, उत्तरकाशी, चमोली, पौड़ी-गढ़वाल, पिथौरागढ़, नैनीताल और अल्मोड़ा में किन किन स्थानों का भारतीय भूत्त्व सर्वेक्षण विभाग ने सर्वेक्षण किया;

(ख) उन स्थानों में खनिज निषेधों के बारे में उन के प्रतिवेदनों का सारांश क्या है;

(ग) उन खनिज निषेधों के खनन के सम्बन्ध में अब तक क्या प्रगति हुई है; और

(घ) वर्ष १९६०-६१ के लिये क्या कार्यक्रम बनाया गया है?

खान और तेल भंग्री (श्री के० दे० भाल-बीय): (क) आठ पहाड़ी जिलों में जिन स्थानों पर सन् १९५८-५९ और १९५९-६० में भारतीय भूगर्भीय सर्वेक्षण विभाग द्वारा सर्वेक्षण किये गये, तथा जहां जांच का कार्य किया गया, वह निम्नलिखित हैं:—

(१) रानीखेत-बालदाम, डोगड़ा-सतपुली, धौलीगंगा (जोशीमठ और नीति) और अल्कनन्दा धाटियों के साथ साथ हिमालय पर्वत में संरचनात्मक अध्ययन;

(२) नैनीताल (तराई उपनिवेशन क्षेत्र) तथा उन्हें हुए देहरादून जिले के भागों में पृथ्वी के नीचे बाली पानी की जांच;

(३) अल्मोड़ा, पिथौरागढ़ तथा चामोली जिलों में तांबा, सीसा तथा मैग्नेसाइट (Magnesite) की जांच।

(४) रामगंगा परियोजना में डैम बाले स्थान की जांच।

(५) जमुना हाइडल परियोजना (Hydel Project) तथा सड़कों के पंक्तिबंधन के लिये जांच।

(ख) सन् १९५८-५९ में जो विस्तृत मानविक्र व सम्बन्धेण हुए थे, उन से तांबा मिले हुए धातु (Chalcopyrite) का बाला-

देव पहाड़ी पर, मूल कार्बोनेट्स (basic Carbonates) का अगर तथा गनाई स्थानों में, कैल्कोपाइराइट और पाइराइट (Chalcopyrite and Pyrite) का देवल थल और बनपुर-दोबरी क्षेत्र में कुछ संरचनात्मक तलों के साथ साथ छोटी पट्टिकाओं और छिंगांशों में पाया जाना प्रकट हुआ। शीशाखानी तथा बालादेव पहाड़ियों से, संरचनात्मक तलों के साथ साथ कुछ मात्रा में सीसे के सलफाइट (Sulphide of Lead) के पारे जाने का पता चला। मैग्नीशियम के कार्बोनेट (Carbonate of Magnesium) अर्थात् मैग्नेसाइट (Magnesite) के छिंगांश इन उपरिलिखित सभी प्रदेशों में विद्यमान हैं।

सन् १९६० में हुए समधिक काम से यह पता चला कि शीशाखानी व बालादेव भागों के अतिरिक्त इस भाग का खनिजायन कम तथा असामूहिक है। इस भाग की भू-रसायनिक जांच की गई है तथा पूर्णजानकारी के लिये आगामी कार्य किया जा रहा है। चमोली जिले के बनपुर दोबरी क्षेत्र में तांबे के लिये विस्तृत जांच जारी है।

(ग) अभी हम जांच की ही अवस्था तक पहुंचे हैं, अतः खनन का प्रस्ताव समर्पूर्व है।

(घ) सन् १९६०-६१ के लिये निर्वारित कार्यक्रम इस प्रकार है:—

(१) अल्मोड़ा जिले के शीशाखानी, बालादेव और गनी-चामोली भागों में तांबा, सीसा तथा मैग्नेसाइट (Magnesite) की जांच जारी रखना।

(२) गढ़वाल जिले के पनाई मगरासू इत्यादि भागों के निकट ग्राहुण (Gypsum) तथा पट्टी लोभी में पता चले ग्राफ़इट (Graphite) की जांच।

(३) गढ़वाल की धानु पूर्ण मेखला में धनपुर, पोखरी तथा दूसरे क्षेत्रों का भूमीक्षण तथा विस्तृत मानचित्रण ।

(४) अल्मोड़ा तथा नैनीताल जिलों के मानचित्रण कार्य का चालू रखना ।

(५) मसूरी क्षेत्र के रौक फासफेट्स (Rock phosphates) की जांच ।

(६) नैनीताल जिले व समीपवर्ती क्षेत्र में जिन भागों के अन्तर्गत समन्वयी व्यवन (exploratory drilling) हो चुका है, उन के नियमानुसार भू-जलवैज्ञानिक (Geohydrological) जांच का चालू रखना ।

(७) देहरादून जिले के जिन भागों में समन्वयी व्यवन (exploratory drilling) हो चुका है, उन के नियमानुसार भू-जलवैज्ञानिक जांच का चालू रखना ।

(८) पूर्णागिरी (बनधाट) डैम परियोजना के लिये प्राथमिक भूगर्भीय जांचों का चालू रखना ।

(९) राम गंगा डैम परियोजना के लिये निर्माण से पूर्व भूगर्भीय जांचों का चालू रखना ।

(१०) यमुना हाइडल योजना के लिये भूगर्भीय जांचों का चालू रखना ।

(११) तपोवन गुलाबकोटी हाइडल योजना की भूमीक्षण भूगर्भीय (Reconnaissance geological) जांच ।

(१२) अल्मोड़ा जिले की पिथौरागढ़ तहसील में देवलपट्टी महार गांव में भूमि के अपक्षरण व नीचे बैठने के सम्बन्ध में जांच ।

(१३) हरिद्वार में एक स्थायी पुल नगाने के विषय में जांच ।

(१४) मील पत्थर २१२ और २१४ के मध्य में लैन्सडाउन (गढ़वाल) में उपालदाह नहर के स्थायित्व के विषय में जांच ।

(१५) अल्मोड़ा गढ़वाल में तांबे की मेखला की भूभौतिकीय जांच ।

Report of Agricultural Development in Mexico

949. { Shri Shree Narayan Das:
Shri Radha Raman:

Will the Minister of Finance be pleased to refer to the reply given to Unstarred Question No. 176 on the 3rd August, 1960 and state:

(a) whether the report of the Officer of the Reserve Bank of India deputed to Mexico to study agricultural development has since been prepared;

(b) whether the report has been considered by the Reserve Bank; and

(c) if so, with what result?

The Minister of Finance (Shri Morarji Desai): (a) to (c). The report of the Officer of the Reserve Bank of India deputed to Mexico to study agricultural development is still under preparation.

General Education Courses in Universities

950. { Shri Ram Krishan Gupta:
Shri D. C. Sharma:

Will the Minister of Education be pleased to refer to the reply given to Starred Question No. 1007 on the 1st September, 1960 and state:

(a) the nature of steps taken so far for introducing general education courses in remaining universities; and

(b) the results thereof?

The Minister of Information and Broadcasting (Dr. Keskar): (a) The University Grants Commission has appointed an Expert Committee to examine the question of introduction of general education courses in the universities and further action will be taken when the report of the committee becomes available.

(b) Does not arise.

High Court Judges

951. { Shri Ram Krishan Gupta:
Shri Subiman Ghose:

Will the Minister of Home Affairs be pleased to refer to Starred Question No. 85 on the 3rd August, 1960 and state the further progress made so far in constitution of the All India Panel of persons considered suitable for appointment as High Court Judges?

The Minister of Home Affairs (Shri G. B. Pant): There has been no change in the position since the last reply to the question was given on the 3rd August, 1960.

Murder in Railway Booking Agency, Delhi

952. **Shri Ram Krishan Gupta:** Will the Minister of Home Affairs be pleased to refer to the reply given to Unstarred Question No. 1650 on the 29th August, 1960 and state:

(a) whether the investigations regarding the murder of two Watchmen, who were found dead at the Central Booking Agency, Delhi, have been completed; and

(b) if so, the result thereof?

The Minister of Home Affairs (Shri G. B. Pant): (a) and (b). The police have not been able to work out this case. A final report showing the case as untraced was submitted to the Magistrate on the 10th October, 1960.

बैंकों का फेल होना

६५३. श्री प्रकाश बीर शास्त्री : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) पिछले तीन वर्षों में कौन-कौन से बैंक फेल हुये हैं;

(ल) इन बैंकों में कुल कितनी पूँजी लगी हुई थी; और

(ग) क्या सरकार ने यह पता लगाने के लिये कोई प्रयास किया है कि इन बैंकों

के फेल होने के फलस्वरूप इन में रुपया जमा करने वालों को कितनी वित्तीक हानि हुई?

वित्त मंत्री (श्री मोरारजी देसाई):

(क) एक विवरण इसी के साथ रख दिया गया है जिसमें उन ५१ बैंकों के नाम दिये गये हैं जिनका १ जनवरी, १९५७ से लेकर अब तक दिवाला निकल चुका है।

[देखिये परिचय २, अनुदृन्ध संख्या ३४]

(ल) दिवाला निकलने की तारीख को इन बैंकों की चुकता पूँजी (पेड अप कैपिटल) लगभग १०६.७६ लाख रुपया थी।

(ग) इन ५१ बैंकों में से, दिवाला निकलने की तारीखों को उन ३३ बैंकों की कुल जमा रकम लगभग ३७६.२१ लाख रुपया थी जिनके बारे में रिजर्व बैंक को व्योरा मिल गया है। चूंकि इन बैंकों में से ज्यादातर बैंकों का कारबार समेटा जा रहा है और ज्यों-ज्यों और जब-जब पावना वसूल होता जा रहा है या होता जायेगा, त्यों-त्यों और तब तब जमाकर्ताओं को अदायगियां की जा रही हैं या की जाती रहेंगी, इसलिये जब तक ये बैंक अन्तिम रूप से तोड़ न दिये जायें तब-तक यह नहीं कहा जा सकता कि जमाकर्ताओं को कितना माली नुकसान हुआ।

Tax Arrears

954. **Shri S. M. Banerjee:** Will the Minister of Finance be pleased to state:

(a) the total arrears of Income-tax, Gift Tax and Wealth Tax due from the assessees in U.P. on 1st October, 1960;

(b) the period from which due; and

(c) the steps taken by Government to realise this amount?

The Minister of Finance (Shri Morarji Desai): (a) The total effective arrears amount to Rs. 5,66,73,000.

(b) The information is being collected and will be laid on the Table of the House as soon as possible.

(c) A statement is laid on the Table of the House.

STATEMENT

The steps taken or proposed to be taken by Government to realise arrears of Income Tax etc.

For the recovery of arrear taxes from the defaulter assessees, any one or more of the following steps, as provided in the Income-tax Act has been or is being taken, where necessary depending upon the facts and circumstances of each case:

- (i) Levy of penalty under section 46(1);
- (ii) Issue of a certificate under section 46(2) of the I.T. Act to the Collector who, on receipt of this, proceeds to recover the arrears of tax as if they were arrears of land revenue;
- (iii) Attachment of the defaulter's moveable properties by issue of distress warrants in big cities, where there is a provision for recovery of Municipal taxes in this manner;
- (iv) Issue of a notice in writing under section 46(3) asking the disbursing officer to deduct the arrears of tax from the salary of the defaulter at the time of payment thereof, if the defaulter happens to be a salaried employee; and
- (v) The issue of a notice in writing under section 46(5A) asking any person from whom money is due or may become due to the defaulter to pay to the I.T.O. forthwith, so much of the money as is sufficient to satisfy the arrears of tax mentioned in the notice.

2. For facility of recovery of arrear taxes by issue of certificates under section 46(2) of the I.T. Act, as indicated in (ii) above, the Central Board of Revenue has taken steps and made arrangements with the State Governments for the appointment of Special Revenue Officers exclusively for income-tax collection work.

3. Similar provisions exist in the Gift Tax and Wealth Tax Acts.

Revenue Collections in Bihar

955. Shri Rajendra Singh: Will the Minister of Finance be pleased to state the amount of Revenue receipt from Central Excise and Income-tax separately from the State of Bihar, circle-wise, in 1959 and 1960 (up-to-date)?

The Minister of Finance (Shri Morarji Desai): The required information is being collected and will be laid on the Table of the Lok Sabha as soon as possible.

Steel Stockists

956. Shri Rajendra Singh: Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the number of iron and steel stockists appointed in 1960 in each State; and

(b) the names of such stockists and distributors, State-wise?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) and (b). A statement is laid on the Table of the House. [See Appendix II, annexure No. 35.]

Aid to Sanskrit Organisations in Orissa

957. Shri Chintamoni Panigrahi: Will the Minister of Education be pleased to state:

(a) whether any grant was given to the voluntary Sanskrit organisations or institutes working in Orissa during 1959-60 and 1960-61; and

(b) if so, the names of such institutes and the amount given to each?

The Minister of Information and Broadcasting (Dr. Keskar): (a) No, Sir.

(b) Does not arise.

Education of Girls in Orissa

958. Shri Chintamoni Panigrahi: Will the Minister of Education be pleased to state:

(a) the amount allocated by the Central Government during the Second Five Year Plan period so far, year-wise, to the Government of Orissa for education of girls in the State;

(b) the amount spent so far, year-wise, by the State Government for this purpose; and

(c) whether any new schemes have been formulated for expansion of girls' education in Orissa?

The Minister of Information and Broadcasting (Dr. Keskar): (a) to (c). The Scheme for expansion of girls' education and training of women teachers at the elementary stage was initiated in 1957-58 and the information is given from that year.

	(Rupees)
(a) 1957-58	1,11,960
1958-59	3,61,000
1959-60	4,00,000
1960-61	3,61,000
(b) 1957-58	51,170
1958-59	3,86,956
1959-60	3,17,368
1960-61	will be known after March, 1961

(c) Yes Sir, a new sub-scheme of provision of hostel facilities in middle and secondary schools for girls has been approved under the scheme for expansion of girls education and training of women teachers and the State Government have sent applications of five institutions. These are under examination.

Archaeological Excavations in Orissa

959. Shri Chintamoni Panigrahi: Will the Minister of Scientific Research and Cultural Affairs be pleased to state:

(a) whether there are proposals for further archaeological excavations in Orissa to be undertaken in 1960-61 and 1961-62; and

(b) if so, the places which are proposed to be excavated?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) There is no proposal for carrying out any excavation in Orissa during 1960-61. The programme for 1961-62 has not been chalked out as yet.

(b). Does not arise.

Artificial Rains

960. { **Shrimati Ila Palchoudhuri:**
Shri Bishwanath Roy:
Shri Ram Krishan Gupta:
Shri P. R. Patel:
Shri M. M. Gandhi:

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

(a) whether it is a fact that the Government of India have approached the Government of U.S.S.R. for details of the process of producing artificial rains with sound waves;

(b) if so, whether the details have been obtained;

(c) whether any experiment has been made; and

(d) if so, where and with what result?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) Yes, Sir.

(b) Not yet, Sir.

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

Study of Social and Economic Life in Kerala Villages

961. { **Shri Warior:**
 { **Shri Vasudevan Nair:**

Will the Minister of Home Affairs be pleased to state which are the villages in Kerala State selected for special study of social and economic life of the community during 1961 Census?

The Deputy Minister of Home Affairs (Shrimati Alva): A list of villages selected for socio-economic survey in the State of Kerala is laid on the Table. [See Appendix II, annexure No. 36].

'Mock Sea Battle'

962. **Shri Subiman Ghose:** Will the Minister of Defence be pleased to state:

- (a) whether a big 'Mock Sea Battle' was fought by the Indian Navy in September, 1960;
- (b) if so, how many warships participated and in which sea;
- (c) the purpose of it;
- (d) whether all the M.P.s. were invited to witness it;
- (e) if so, when the invitation was sent to them; and
- (f) how many of them attended?

The Minister of Defence (Shri Krishna Menon): (a) Yes, Sir. Tactical Exercises (A Mock Sea Battle) were conducted during the Fleet's passage from Cochin to Bombay in September 1960.

(b) 15 ships of the Indian Navy participated in these Exercises which were conducted in the Arabian Sea.

(c) These Exercises are conducted annually to assess the operational efficiency of the Fleet.

(d) No, Sir. Only 12 M.P.s. (in consultation with the Department of Parliamentary Affairs) were invited to witness these Exercises.

(e) Early September, 1960.

(f) Only six Members of Parliament witnessed the Exercises this year.

Tramway in Durgapur

963. { **Shri P. K. Deo:**
 { **Shri Subiman Ghose:**

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

- (a) whether it is proposed to have a tramway around Durgapur;
- (b) the estimated cost of the project;
- (c) whether similar tramways will be built in Rourkela and Bhilai also; and
- (d) if not, the reasons therefor?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) No, Sir.

- (b) Does not arise.
- (c) No.
- (d) Does not arise.

भारतीय सेना के अफसर

६६४. श्री पदम बेद : क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि भारतीय सेना के कितने अफसर विदेशों में नियुक्त हैं, उन देशों में वे किन किन पदों पर हैं और उन देशों के नाम क्या हैं?

प्रतिरक्षा मंत्री (श्री कृष्ण मेनन) : इस समय विदेश में विभिन्न देशों में नियुक्त १०१ भारतीय सैनिक अधिकारी हैं। विदेशों में उनकी नियुक्तियां का स्तरीकरण स्थूल रूप से इस प्रकार किया जा सकता है :—

(१) मिलिट्री अटैची/एडवाइजर, असिस्टेंट मिलिट्री अटैची, रिकार्ड आफिसर और मिलिट्री मिशनों की स्टाफ नियुक्तियां।

(२) विदेश में अन्तर्राष्ट्रीय नियोजनों के अधीन सेवाकार्य, जैसे कि, हिन्दू चीनी में नियन्त्रण तथा संरक्षण के निमित अन्तर्राष्ट्रीय आयोग, गाजा में अन्तर्राष्ट्रीय आपातकालीन बल और कांगो में अन्तर्राष्ट्रीय सेनाओं के अधीन।

(३) विदेश में प्रशिक्षण नियोजनों के साथ, उदाहरण के तौर पर इथोपिता में हरार के हेल सेलासी सैनिक अकादमी के साथ।

जिस-जिस देश में भारतीय सैनिक अधिकारी इस समय सेवा कार्य कर रहे हैं, उनके नाम यह हैं :—

१. अफगानिस्तान
२. बर्मा
३. चीन
४. कांगो
५. इथोपिया
६. फ्रांस
७. इण्डोनेशिया
८. इराक
९. ईरान
१०. हिन्दू-चीन
११. जापान
१२. नेपाल
१३. पाकिस्तान
१४. तुर्की
१५. यू० के०
१६. यू० एस० ए०
१७. यू० एस० एस० आर०
१८. यू० ए० आर०
१९. पश्चिमी जमनी।

Compulsory Primary Education in Border Areas

965. Shrimati Ila Palchoudhuri: Will the Minister of Education be pleased to state:

(a) whether there is a proposal that the programme of compulsory education should not be introduced in the border areas, such as the North East Frontier Agency etc., during the Third Five Year Plan period;

(b) if so, the details thereof; and

(c) the final decision, if any, arrived at?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Yes, please.

(b) In view of the general under-developed conditions in the NEFA, Naga hills, and Tuensang area, it has been proposed that these areas may be excluded from the purview of the proposed scheme of compulsory primary education during the Third Plan.

(c) It has been decided that expansion of facilities for primary education in these areas should be rapidly developed on a voluntary basis until the people are ready for the introduction of compulsory education.

Foreigners in India

966. Shri Kalika Singh: Will the Minister of Home Affairs be pleased to state:

(a) the reasons and objects of the Foreigners (Amendment) Order, 1960 and the Indian Passport (Amendment) Rules, 1960;

(b) what agencies of the Ministry or other authorities detect the foreigners who are found in areas not mentioned in the permit by the Registration Officer;

(c) is the system foolproof; and

(d) how many foreigners were apprehended so far in India using forged passports?

The Minister of Home Affairs (Shri G. B. Pant): (a) To regulate the visit of Pakistan nationals coming to India to the places specified in their visas and to control the entry into India of persons on forged passports or visas.

(b) Police authorities within their respective jurisdiction.

(c) It is working satisfactorily.

(d) Except for the States of Assam, Gujarat, Madras, Rajasthan and Union Territory of Andaman and Nicobar Islands, from whom information is still awaited, the number was 121 during the period from the 1st January 1960 to the 30th September, 1960.

Use of Punjabee in Delhi Administration

967. Shri Ajit Singh Sarhadi: Will the Minister of Home Affairs be pleased to state whether in view of the fact that Punjabee speaking population is quite large in Delhi, petitions and applications in Punjabee would be permitted in the Delhi Administration?

The Minister of Home Affairs (Shri G. B. Pant): It is open to the public to submit petitions and applications in Punjabee for the redress of their grievances to any officer or authority of the Delhi Administration.

Implementation of Tyagi Committee Recommendations

**968. { Shri Ajit Singh Sarhadi:
Shri Ram Krishan Gupta:**

Will the Minister of Finance be pleased to state:

(a) what steps are being taken to implement the recommendations of the Tyagi Committee on Direct Taxes Administration that returns concerning small income shall be generally accepted after preliminary scrutiny to avoid harassment to low income group people; and

(b) the nature of directions issued to the Income-tax Officers in this regard?

The Minister of Finance (Shri Morarji Desai): (a) and (b). The recommendations of the Direct Taxes Administration Enquiry Committee in respect of assessment of small income cases have been accepted in principle and a simplified procedure has been drawn up. This scheme would apply to all assessee who derive the whole or part of their income from business, profession or vocation and whose past record shows:—

- (i) that they have already been assessed to tax for a minimum of three years;
- (ii) that no penalty under section 28(1)(c) of the Income-tax Act has been imposed on them for any of the last three completed assessments;
- (iii) that the total income assessed in any of the above three years is not more than Rs. 7,500/-;
- (iv) that the working capital in any of the above three years did not exceed Rs. 1 lakh;
- (v) that the assessee did not derive his income wholly or partly from speculation business in any of these three years.

This scheme will not apply to assessee who show loss.

2. The essence of the simplified procedure lies in doing away with the examination of accounts at the Income-tax Office in the cases of small income assessee. The Income-tax Officers will address letters to such assessee explaining the simplified procedure and inviting them to file balance-sheets, profit and loss accounts and trading accounts along with their Income-tax return. If the income shown by the assessee is found to be acceptable, after a broad check of the statements filed and the particulars of the past assessments, the return will be accepted and the demand notice issued straightaway on the basis of the income declared. Even if the income declared is not found to be

acceptable without modification, the assessee will not be required to attend the Income-tax Office with books of account. A fair estimate will then be made of the income, having regard to all the relevant circumstances including the result of past assessments. This estimate will be communicated to the assessee and if it is acceptable to him, the demand notice will be issued on the basis of the estimated income. If the income and the tax proposed to be levied as communicated by the I.T.O. are not acceptable to the assessee, it will be open to him to prove the income shown in the return with the aid of his books of accounts.

3. This scheme has been put into operation from the 1st November, 1960 and assessees who have already filed returns before 1-11-60 and whose assessments are still pending will also be covered by it.

जनगणना विभाग

६६६. श्री हेम राज : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि क्या जनगणना विभाग की स्थापना केवल १९६१ की जनगणना के लिये की गई है या यह विभाग आगे की जनगणनाओं के लिये गवेषणा करने के हेतु स्थायी बना दिया जायेगा ?

गृह-कार्य उपमंत्री (श्रीमती आल्वा) : जनगणना संस्था, १९६१ की जनगणना के बाद भी, जनसंख्या के परिणाम और वृद्धि के आंकड़ों को इकट्ठा करने (जिनमें जन्म तथा मृत्यु सम्बन्धी आंकड़े शामिल हैं) और देश में जनगणना कार्य में सुधार करने के विषय में नियमित अध्ययन और गवेषणा करने के लिये चलती रहेगी ।

Tours of Ministers

970. Shri Subiman Ghose: Will the Minister of Home Affairs be pleased to refer to the reply given to Unstated Question No. 1437 on the 24th August, 1960 and state whether the

information regarding the tours of Ministers during May and June, 1960 has since been collected?

The Minister of Home Affairs (Shri G. B. Pant): Yes. A statement giving the information is laid on the Table [See Appendix II, annexure No. 37].

Small Savings Resources

971. Shri N. R. Muniswamy: Will the Minister of Finance be pleased to state:

(a) what improvements were effected in the mobilisation technique of the small savings resources;

(b) how far the new technique contributed to greater collection of funds in the sector;

(c) whether it is not a fact that the small savings scheme had registered a decrease in the first half year of 1960; and

(d) if so, the reasons therefor?

The Finance Minister (Shri Morarji Desai): (a) The progress of the Small Savings movement is kept under constant review and every effort is made to introduce improvements, wherever possible. Amongst the measures taken recently, mention may be made of:—

1. Introduction of Cumulative Time Deposit, Pay Roll Savings and Prize Bonds Schemes.

2. Sale of Treasury Savings Deposit Certificates through authorised agents on commission.

3. Increase in maximum limits of investments by certain types of institutional investors.

4. Intensive propaganda in both urban and rural areas as well as Community Development and National Extension Service Blocks.

5. Selection of Model Districts and Bachat Grams for Small Savings work.

6. Introduction of the facility of nomination for payment to nominees in the event of death of the holders or

depositors, without the production of legal proof or title.

7. Introduction of a Standardised Agency Scheme for authorised agents.

8. Payment of commission to authorised agents through the Post Offices.

(b) It is difficult to co-relate the progress of collections with any particular measures taken to promote the Movement. The net collections during the period April to October, 1960, have exceeded the collections in the corresponding period of last year by about Rs. 14 crores.

(c) No, Sir.

(d) Does not arise.

Fresh D.L.F. Loans

972. **Shri Ram Krishan Gupta:** Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 579 on 20th August, 1960 and state:

(a) whether further negotiations for fresh loans from U.S.A. Development Loan Fund have been concluded by now;

(b) If so, the details of the agreements?

The Minister of Finance (Shri Morarji Desai): (a) and (b). subsequent to the information in reply to Question No. 579 on 20th August, 1960, the United States Development Loan Fund have announced their intention to grant the following Loans:—

Name of Loan	Amount of Loan	Rate of interest & period of repayment	Object of Loan
1. Industrial Credit & Investment Corporation.	\$ 5 million	5% 15 years after 1st disbursement.	To assist in financing the foreign exchange costs of medium and long-term loan to private industries.
2. Trombay Fertilizers	. 30 million.	5½% 10 years after 1st disbursement.	To assist in financing the foreign exchange costs of constructing a fertilizer Plant at Trombay by Hindustan Chemicals and Fertilizers Ltd.
. Private Sector Capital equipment.	25 million.	5½% 10 years after 1st disbursement.	To assist in financing the acquisition and importation of capital machinery and equipment by private Industrial firms in India.
Importation of Steel for Industrial enterprises.	25 million.	5½% 10 years after 1st disbursement.	To assist in financing the acquisition and import of items of steel for private and public enterprises in India.

The Loan Agreements have not yet been signed.

L.I.C. Office in London

973. **Shri Ram Krishan Gupta:** Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 866 on the 29th August, 1960 and state the nature and details of arrangements made so far for open-

ing of Life Insurance Corporation Office in London?

The Minister of Finance (Shri Morarji Desai): The officer selected to take charge of the proposed London office has already proceeded to London. Arrangements are being made to

obtain office premises, and finalise all other routine matters essential for the proper functioning of the office.

All India Scientific Service

974. { **Shri Ram Krishan Gupta:**
Shrimati Renuka Ray:
Shri Rajendra Singh:

Will the Minister of Scientific Research and Cultural Affairs be pleased to refer to the reply given to Starred Question No. 1128 on the 6th September, 1960 and state:

(a) whether Government have received and examined the report of the Scientific Personnel Committee for constituting an All-India Scientific Service in the country; and

(b) the details thereof?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): (a) The terms of reference of the Committee cover a wide field of problems relating to scientific personnel and the question of constituting a Scientific Service is one of them. On this question the Committee has arrived at a tentative conclusion namely, that a service system with entry at a comparatively early age on the basis of competitive examinations and with promotions on the occurrence of vacancies is not suitable for scientific personnel. One of the members of the Committee has been requested to study the question of an alternative system such as a pool of scientists. Other questions relating to scientific personnel have also been referred for study to individual members of the Committee. At the same time all the problems on which tentative conclusions have been reached have been circulated to scientists for comments. When suggestions and comments are received and the results of the studies undertaken become available, the Committee will give further consideration to this complex problem in its various aspects. The Committee's task is of a long range

nature requiring continuous examination and study.

(b) Does not arise.

भोपाल के नवाब का उत्तराधिकारी

६७५. { **श्री डामर :**
श्री न० रा० मुनिस्त्वामी :

क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत सरकार ने भोपाल के स्वर्गीय नवाब के उत्तराधिकारी के हैं; मैं किसे मान्यता दी है; और

(ख) भोपाल के नवाब की मृत्यु के पश्चात् कितने व्यक्तियों ने भ.र.सरकार के समक्ष अपने आप को उन के उत्तराधिकारी के रूप में प्रस्तुत किया था ?

गृह-कार्य मंत्री (श्री गो० ब० पन्त) :

(क) अभी तक किसी को मान्यता नहीं दी गई है।

(ख) तीन।

मृत्यु शुल्क की वसूली

६७६. **श्री डामर :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि भोपाल के नवाब की मृत्यु पर भारत सरकार को कितना मृत्यु शुल्क प्राप्त हुआ ?

वित्त मंत्री (श्री मोरारजी देसाई) : मृत्यु-सम्पत्ति शुल्क अधिनियम (इस्टट ड्यूटी एक्ट) १९५३ की धारा ८० के उपचर्यों के अनुसार मृत्यु-सम्पत्ति शुल्क के कागजात में दी गई सूचना को जाहिर करना सम्भव नहीं है।

भोपाल के नवाब के नये उत्तराधिकारी की निझी यैली

६७७. **श्री डामर :** क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या भारत सरकार ने भोपाल के नवाब के नये उत्तराधिकारी की निझी यैली की राशि निर्धारित कर दी है; और

(ख) यदि हां, तो भारत सरकार उसे प्रति वर्ष कितना धन देगी ?

गृह-कार्य मंत्री (श्री गो० ब० पन्त) :

(क) जी नहीं ।

(ख) प्रश्न नहीं उठता ।

भारत द्वारा दिये गये ऋण

६७८. श्री डामर : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५५ से मार्च, १९६० तक भारत ने किस-किस देश को क्रूर तथा सहायता दी है और उनकी अलग-अलग राशि क्या है ; और

(ख) इस वर्ष भारत ने नेपाल को विकास कार्यों के लिये क्रूर के रूप में एक मुश्त कितनी राशि दी है ?

वित्त मंत्री (श्री मोरारजी देसाई) :

(क) भारत द्वारा कोलम्बो आयोजना के अंतर्गत १९५५-५६ से १९५६-६० तक दक्षिण और दक्षिण-पूर्व एशिया के देशों को सहकारिता आर्थिक विकास (कोआपरेटिव इकानामिक डिपलपमेंट) के लिए सहायता और क्रूरों के रूप में दी गई रकम के बारे में जो सूचना प्राप्त है वह पट्टन पर रखे गये विवरण में दी गई है। [वैसिये परिभृत २, अनुबन्ध सं० ३८] ; कोलम्बो आयोजना से बाहर के देशों को दी गई सहायता और क्रूरों के बारे में सूचना इकट्ठी की जा रही है और सभा की बेज पर रख दी जायेगी।

(ख) भारत ने नेपाल को पहली अप्रैल, १९६० से ३१ अक्टूबर, १९६० तक उसके विकास कार्यों के लिये लगभग ५२,८२,९५२ रुपये की सहायता दी । सहायता की इस रकम का कोई हिस्सा कर्ज के तौर पर नहीं दिया गया ।

Educational Grants to Punjab

९७९. श्री Daljit Singh: Will the Minister of Education be pleased to state:

(a) whether it is a fact that the Punjab Government have requested for additional money for the implementation of their educational development schemes for 1960-61; and

(b) if so, the details of such schemes and action taken thereon by the Central Government?

The Minister of Information and Broadcasting (Dr. Keskar): (a) No request for additional funds for general education schemes has been received.

(b) Does not arise.

Bonus to Government Employees

९८०. श्री N. R. Muniswamy: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Government of India are examining the question of paying bonuses to the employees beyond a specified limit in the shape of national savings certificates;

(b) if so, whether the employees are asked to indicate their reactions; and

(c) what are the details?

The Minister of Finance (Shri Morarji Desai): (a). No, Sir. Under the Payment of Wages Act, 1936, deductions can be made from the wages, including bonuses as defined under the Act, with the consent of the employees for investment in Small Savings Securities.

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

विभिन्न करों की राशि

६८१. श्री डामर : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) १ मार्च, १९५६ से ३० अगस्त, १९६० तक विक्री कर, आय कर और

मृत्यु शुल्क के रूप में कितनी राशि वसूल की गई ; और

(स) उपरोक्त अवधि में कवित करों से हुई आय पिछले वर्षों की आय की तुलना में कैसी है ?

वित्त मंत्री (श्री मोरारजी देसाई) :
(क) १ मार्च, १८५६ से ३१ अगस्त, १८६० तक आय कर से ३७३,६३ करोड़ रुपये और मृत्यु-सम्पत्ति-शुल्क (एस्टेट इयूटी) से ४,०६ करोड़ रुपये की रकम वसूल हुई ।

(स) १ मार्च, १८५७ से ३१ अगस्त, १८५८ तक और १ मार्च १८५८ से ३१ अगस्त १८५६ तक इकट्ठी हुई रकमों का व्योरा यह है :—

(करोड़ रुपयों में)

१ मार्च, १८५७	१ मार्च, १८५८
में ३१ अगस्त से ३१ अगस्त	१८५८ तक १८५६ तक

आयकर	३२०,३३	३३१,३६
मृत्यु-सम्पत्ति शुल्क	४,३३	३,३३

केन्द्रीय बिक्री कर के बारे में सूचना इकट्ठी की जा रही है और उसे सभा की मेज पर रख दिया जायेगा ।

अफीम की खेती

६४२. श्री डामर : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत के किस प्रदेश में अफीम की खेती का क्षेत्रफल सब से अधिक है ; और

(स) किस प्रदेश में सब से अच्छी अफीम पैदा होती है ?

वित्त मंत्री (श्री मोरारजी देसाई) :

(क) मध्यप्रदेश में ।

(स) तीनों ही क्षेत्रों—उत्तर प्रदेश, मध्यप्रदेश और राजस्थान में,

जहां पोस्त की खेती होती है, अच्छी किस्म की अफीम पैदा होती है ।

अफीम की खेती में वृद्धि

६४३. श्री डामर : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या पिछले वर्षों की अपेक्षा अफीम की खेती के क्षेत्रफल में कोई वृद्धि हुई है ; और

(स) यदि हां, तो खेती के क्षेत्रफल में कितनी वृद्धि हुई है ?

वित्त मंत्री (श्री मोरारजी देसाई) :

(क) जी हां ।

(स) १८५७-५८ के मौसम से जितने रकबे में पोस्त की खेती के लिये लाइसेंस दिये गये उसका व्योरा यह है :—

मौसम	पोस्त की खेती का रकम (बिधे)
१८५७-५८	१,०४,२३६
१८५८-५९	१,२०,३३३
१८५६-६०	१,७३,५६२
१८६०-६१	१,६०,००० (अस्थाई)

अनुसूचित आदिम जातियां

६४४. श्री डामर : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) कितने राज्यों में अनुसूचित आदिम जातियों के लोगों को हरिजन वर्ग में शामिल किया गया है ; और

(स) ऐसा करने के क्या विशेष कारण है ?

गृह-कार्य उपसंचारी (श्रीमती आल्वा) :

(क) भारतीय संविधान के ३४२ (१) अनुच्छेद के उपबन्धों के अन्तर्गत जब राष्ट्र-

पति द्वारा किसी आदिम जाति को अनुसूचित आदिम जाति घोषित कर दिया जाता है, तो उस आदिम जाति को अनुसूचित जाति के वर्ग में सम्मिलित करने का प्रश्न मही उठता है। "हरिजन" नाम का कोई मान्यता प्राप्त वर्ग नहीं है।

(ख) प्रश्न ही नहीं उठता।

Lignite Deposits in Kerala

985. *Shri A. K. Gopalan:*
Shri Easwara Iyer:

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

(a) whether any lignite deposits have been located in Vengava in Cannanore District of Kerala;

(b) if so, what is the extent of the deposits; and

(c) whether there is any plan to exploit the deposits?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) No deposits of lignite have been located by Geological Survey of India at Vengava in Cannanore.

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

Inter-State Cultural Delegations

986. **Kumari M. Vedakumari:** Will the Minister of Scientific Research and Cultural Affairs be pleased to state:

(a) whether it is a fact that Inter-State Cultural delegations have been organised during 1959-60 and 1960-61 so far;

(b) how many delegations have been sent and from which States during the above period; and

(c) the amount allotted for this purpose?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M.

Das): (a) Yes, Sir. Under this Ministry's scheme of Inter-State Exchange of Cultural Troupes.

(b) During 1959-60, one troupe was sent from Manipur and one from Jammu and Kashmir and during 1960-61 one troupe from Andhra to date.

(c) In this Ministry's budget for 1960-61, there is a provision of Rs. 1.5 lakhs for the scheme.

Tribal Organisation in Tripura

987. **Shri Dasaratha Deb:** Will the Minister of Home Affairs be pleased to state:

(a) whether Government are aware that one Tribal Organisation known as Adikangsa Samity has been collecting the sum of Rs. 11 (eleven only) from each Tribal of Amarpur, Subroom and Belonia Sub-divisions of Tripura on the plea of giving the subscriber the amount of Rs. 1,000 as loan from Government recently; and

(b) if so, what steps are being taken to protect ignorant tribal masses from these anti-social elements?

The Minister of Home Affairs (Shri G. B. Pant): (a) and (b). Information is being collected and will be laid on the Table of the House.

Rudramahal at Sidhpur (Gujrat)

988. **Shri P. R. Patel:** Will the Minister of Scientific Research and Cultural Affairs be pleased to state whether Rudramahal at Sidhpur (Gujrat) is under the supervision and care of the Central Department of Archaeology as an ancient monument of national importance?

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): Yes, Sir.

Members of the Delhi Municipal Corporation

989. Shri Ram Krishan Gupta: Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the Union Home Ministry has taken exception to the issue of passes to members of the Delhi Municipal Corporation for free travel on DTU buses and has directed the Commissioner to withdraw this concession; and

(b) if so, the reasons therefor?

The Minister of Home Affairs (Shri G. B. Pant): (a) and (b). On an objection raised by the Chief Auditor of the Corporation, the General Manager sought the advice of the Government of India regarding the validity or otherwise of the free passes issued to the members of the Corporation. The question was examined and the General Manager was informed that the issue of such passes is not covered by the provisions of the Delhi Municipal Corporation Act, 1957.

Punjab's Request for Oil

**990. { Shri Arjun Singh Bhadauria
Shri S. A. Mehdi:**

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

(a) whether the Punjab Government was approached by the Central Government for purchase of imported oil for their transport Corporation; and

(b) if so, when?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) and (b). Yes. The Punjab Government was approached by the Indian Oil Company some time in middle of October, 1960.

Legal Assistance to Scheduled Castes and Scheduled Tribes

991. Shri B. C. Mullick: Will the Minister of Home Affairs be pleased

to refer to the reply given to Unstarred Question No. 625 on the 11th August, 1960 and state:

(a) whether Government have since received the complete information about the utilisation of the legal assistance granted to the State of Orissa for Scheduled Castes and Scheduled Tribes during the year 1959-60;

(b) if so, the total number of persons helped caste-wise;

(c) the amount of such grants involved; and

(d) if the answer to part (a) above be in the negative, the reasons for delay in getting the complete information?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) No.

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

(d) The Orissa Government have reported that they have not yet received complete information from Districts.

Bal Bhawan in Delhi

992. Shri Daljit Singh: Will the Minister of Education be pleased to refer to the reply given to Unstarred Question No. 527 on the 29th February, 1960 and state the progress so far made for the construction of a Bal Bhawan by the Central Public Works Department?

The Minister of Information and Broadcasting (Dr. Keskar): In addition to the works already completed, the following works have since been completed:—

(i) Hobby Room, Library and Administrative Room.

(ii) Roads (without top coat).

(iii) Compound wall.

(iv) Unfiltered water supply.

Manufacture of Transmitters

993. *Shrimati Mafida Ahmed: Shri Ram Krishan Gupta:*

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that an agreement has been signed with a Japanese Firm for manufacture of transmitters at Bharat Electronics; and

(b) if so, the details of the agreement?

The Minister of Defence (Shri Krishna Menon): (a) Yes.

(b) It would not be in the public interest to disclose the details of the agreement.

ग्वालियर में भूमि

६६४. श्री रामजी वर्मा : क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) मध्य प्रदेश में ग्वालियर (भूत-पूर्व ग्वालियर रियासत) में सेना के प्रयोग के लिये कितने एकड़ भूमि सरकार के अधिकार में है?

(ख) क्या यह सच है कि कथित भूमि के अधिकार भाग की अब सेना के प्रयोग के लिये आवश्यकता नहीं है;

(ग) यदि हां, तो क्या इस भूमि को खेती के लिये किसानों को देने का विचार है; और

(घ) यदि उपरोक्त भाग (ग) का उत्तर स्वीकारात्मक हो तो इस विषय में सरकार का क्या कदम उठाने का विचार है?

प्रतिरक्षा मंत्री (श्री कृष्ण मेनन) :

(क) लगभग ८२००० एकड़।

(ख) जी नहीं।

(ग) तथा (घ) प्रश्न नहीं उठे।

Terminal-Tax Collection in Delhi

995. *Shri P. R. Patel: Shri M. M. Gandhi:*

Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the terminal-tax is levied and collected by Government on goods in transit from areas outside the New Delhi Municipal limit, Delhi Municipal Corporation limit and also the Delhi Cantonment limit, to areas outside the limits of the said three institutions but booked from the railway stations of Delhi and brought only for booking; and

(b) what is the amount of such terminal-tax in 1959-60?

The Minister of Home Affairs (Shri G. B. Pant): (a) Under section 178 (1) of the Delhi Municipal Corporation Act, 1957, terminal tax is levied on all goods carried by railway or road into the Union territory of Delhi from any place outside it: All goods imported for immediate export are, however, exempt from the payment of terminal tax. The procedure to deal with such goods has been prescribed in rules 17 and 27 of the Delhi Terminal Tax Rules, 1958, extracts of which are laid on the Table. [See Appendix II, annexure No. 39.]

(b) Does not arise, as terminal tax is either not collected on goods imported for immediate export by rail, or refunded in accordance with the provisions of the Delhi Terminal Tax Rules, 1958.

Teachers

996. **Pandit D. N. Tiwary:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that several cases have come to the knowledge of Government where teachers of

primary and secondary schools, specially in Union Territories have applied for the posts of peons on economic grounds;

(b) if so, the number of such cases; and

(c) the efforts Government are making or propose to make so that this situation may end?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). No such cases have come to the notice of Government so far as the Union Territories are concerned as the lowest scales of pay of teachers in these Territories are higher than the scales of peons.

A few cases pertaining to primary teachers have, however, been reported from certain States.

(c) Efforts are being made to improve the total remuneration in the shape of pay and dearness allowance, payable to teachers in the States concerned.

समाज कल्याण केन्द्र

६६७. श्री खुशवक्त राय : क्या शिक्षा मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि आगामी वर्ष से समाज कल्याण केन्द्रों के कल्याण कार्यक्रम के वर्तमान स्वरूप में कुछ विशेष परिवर्तन किया जा रहा है;

(ख) यदि हाँ, तो वह क्या होगा ;

(ग) क्या विभिन्न राज्यों के समाज कल्याण मन्त्रणा बोर्डों से इस बारे में परामर्श किया गया है; और

(घ) यदि हाँ, तो उनकी क्या राय है ?

सुखना और प्रसारण मंत्री (डॉ. केसकर) :

(क) जी हाँ, सामुदायिक विकास खण्डों के बाहर प्रायोजनाओं के मूल स्वरूप में।

(ख) इन प्रायोजना केन्द्रों के कार्यक्रम जो अब तक प्रायोजना कार्यालयन समितियों द्वारा राज्य समाज कल्याण सलाहकारी बोर्डों के पथ प्रदर्शन में किये जाते थे, अबने वित्त वर्ष से स्वयंसेवी संगठनों द्वारा केन्द्रीय समाज कल्याण बोर्ड के सहायक-मनुदान कार्यक्रम की मद से उपयुक्त अनुदान लेकर किये जायेंगे।

(ग) जी हाँ।

(घ) प्रस्तावित परिवर्तनों को वे सामान्यतः अपनाने के लिये सहमत हो गये हैं।

Report on Working of Central Excise Department

998. **Shri Ram Krishan Gupta:** Will the Minister of Finance be pleased to state:

(a) whether the seven-member Committee constituted to carry out a comprehensive examination of the working of the Central Excise Department and to make recommendation for its re-organisation, has submitted any report so far; and

(b) if so, the details thereof?

The Minister of Finance (Shri Morarji Desai): No, Sir. The Committee was constituted on 2nd November, 1960.

(b) Does not arise.

Arrears of Pay

999. **Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) whether arrears arising out of the new pay scales as recommended by the Pay Commission have been paid to the industrial and non-industrial employees in the Ordnance Factories;

(b) if so, whether all categories of employees have been benefited;

(c) if so, to what extent; and
 (d) if not, which are those categories?

The Minister of Defence (Shri Krishna Menon): (a) to (d). The information is being collected and will be laid on the Table of the Lok Sabha as soon as available.

Oil Consignment from Russia

1000. { Shri S. A. Mehdi:
 { Shri P. G. Deb:
 { Shri Osman Ali Khan:

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

(a) whether any Oil Consignment from Russia has been shipped to Cochin; and

(b) if so, the reasons therefor?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) and (b). The Indian Oil Company Limited received its first tanker of High Speed Diesel Oil from U.S.S.R. towards the end of August 1960. This oil was discharged in the two tanks at Bombay which the Company had acquired from the Army. The second tanker carrying Kerosene from U.S.S.R. reached Bombay on 7th November, 1960. To create ullage for the incoming Kerosene at Bombay, the Company decided to transfer approximately 3,663 tons of H.S.D. from one of its tanks at Bombay to the Naval Tankage at Cochin which it had since acquired for its use. This High Speed Diesel Oil was shipped in the second tanker from Bombay to Cochin, which is the main port for supply of petroleum products to Kerala State and adjoining areas.

Forged Passport Case

1001. **Shri Ram Garib:** Will the Minister of Home Affairs be pleased to state:

(a) whether all the accused in the case of forged passports issued from the Cochin Port have been apprehended; and

(b) if so, whether they have been prosecuted and if so, with what results?

The Minister of Home Affairs (Shri G. B. Pant): (a) There are no cases in respect of forged passports issued from Cochin Port. However, there are two cases in which forged endorsements in the passports and visa applications are alleged to have been made with the assistance of travel agents and with the connivance of Port Registration Officer, Cochin. All the accused persons wanted in these cases except one, who has been declared absconder, have been apprehended.

(b) Prosecution has been launched against all of them and the cases against them are pending trial.

Air Accidents

1002. **Shri Assar:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that there was an air accident on the 8th November, 1960 near Jaipur; and

(b) if so, the details thereof?

The Minister of Defence (Shri Krishna Menon): (a) Yes, Sir.

(b) The aircraft was on a training flight. The pilot, the sole occupant, was killed and the aircraft was destroyed. A Court of Inquiry is investigating the cause of the accident.

U.D.Cs. In C.B.R.

1003. **Shri A. M. Tariq:** Will the Minister of Finance be pleased to state:

(a) the number of Upper Division Clerks who appeared in the departmental examination for promotion to Inspector's grade in the years 1957, 1958 and 1959 in the Directorates of Inspection (Income-tax); and Inspection (Investigation) of Central Board of Revenue;

(b) number of candidates declared successful year-wise during the above years;

(c) number of successful candidates who have since been given the promotion year-wise;

(d) whether it is a fact that the departmental examination for pro-

motions have been stopped; and

(e) if so, what is the criteria of promotions at present?

The Minister of Finance (Shri Morarji Desai):

			1957	1958	1959
(a)	Directorate of Inspection (Income tax)	.	.	7	8
	Directorate of Inspection (Investigation)	.	.	7	6
(b)	Directorate of Inspection (Income-tax)	.	.	1	7
	Directorate of Inspection (Investigation)	.	.	2	6
(c)	Directorate of Inspection (Income-tax)	1
	Directorate of Inspection (Investigation)	1

(d) and (e). Departmental examination for promotion to the grade of Inspectors to which the above questions relate is an examination meant for the staff in the charges of the Commissioners of Income-tax. The Directorates are separate Departments. Some members of the staff of the Directorates were however allowed to take up the said examination but this practice has been stopped, because of the difficulty in finding them posts in Income-tax Department.

Coal Deposits in Gujarat

1004. Shri Raghunath Singh: Will the Minister of Steel, Mines and Fuel be pleased to state whether it is a fact that coal deposits were discovered at a shallow depth of 360 feet by a team of the Geological Survey of India near Surendra Nagar—Gujarat State?

The Minister of Mines and Oil (Shri K. D. Malaviya): No, Sir.

मन्त्रालय के निर्धारित फार्म

1005. श्री प्रकाशवीर शास्त्री : क्या इस्पात, खान और इंधन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या इस्पात, खान और इंधन मन्त्रालय में प्रयोग होने वाले विभिन्न प्रकार के अंग्रेजी में छपे-लेखन सामग्री सम्बन्धी फार्मों

को हिन्दी में भी उपलब्ध करने का विचार है; और

(ख) यदि नहीं, तो इस बारे में कब तक निर्णय किये जाने की सम्भावना है ?

इस्पात खान और इंधन मंत्री (सरदार स्वर्ण सिंह) : (क) और (ख). इस्पात, खान व इंधन मन्त्रालय में प्रयोग किये जाने वाले लेखन-सामग्री सम्बन्धी फार्मों का दोनों भाषाओं (अंग्रेजी व हिन्दी) में, जहां तक सम्भव व आवश्यक समझा गया, छापे जाने का विचार है।

कुछ फार्म पहले से ही हिन्दी में उपलब्ध कर दिये गये हैं।

सामान्य निर्वाचन के लिये हिन्दी के फार्म

1006. श्री प्रकाशवीर शास्त्री : क्या विषय मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या निर्वाचन आयोग आगामी सामान्य निर्वाचन में प्रयोग होने वाले प्रपत्रों (फार्मों) को हिन्दी में छपवाने की कोई व्यवस्था कर रहा है; और

(ख) यदि हां, तो उसका व्यौरा क्या है ?

विविध मंत्री (श्री अ० कु० सेन) : (क) और (ख) निर्वाचनों में प्रयोग होने वाले प्रपत्र (फार्म, चाहे अंग्रेजी में हों या हिन्दी में हों अथवा किसी अन्य प्रादेशिक भाषा में हों उन्हें राज्य सरकारें छपवाती हैं और जनता में वितरित करती हैं ;

निर्वाचन आयोग ने राज्यों के मुख्य निर्वाचन पदाधिकारियों को इस आशय के निदेश जारी किये थे कि वे साधारण जनता को यथास्थिति हिन्दी या प्रादेशिक भाषाओं में ये प्रपत्र उपलब्ध करने के लिये कार्यवाही करें। और इन हिदायतों के अनुसार कार्यवाही हो भी भी गई है। हिन्दी प्रपत्रों का प्रयोग बिहार, मध्य प्रदेश, राजस्थान, उत्तर प्रदेश और कुछ हद तक पंजाब और दिल्ली में होता है।

Pay Scale of Assistants

1007. Shri Ram Garib: Will the Minister of Finance be pleased to state:

(a) whether any representation has been received by Government from Assistants or their Associations regarding the revision of the scale of pay which has been recommended by the Second Pay Commission and accepted by Government; and

(b) if so, what are the details of the representations and what decision has been taken by Government thereon?

The Minister of Finance (Shri Morarji Desai): (a) Yes, Sir.

(b) The substance of the representation is that the minimum of the scale of pay recommended for them by the Pay Commission, which has been accepted by Government, should be modified so as to provide for the full merger of the dearness allowance drawn on 30th June, 1957 on the ground that although at the minimum of the scale there is no drop in the total emoluments, at certain stages in the revised scale the officers will get less emoluments than what they would have drawn had they continued on

their existing scales. The representation is under careful consideration.

Late Duty Allowance

1008.

Shri Ram Garib:	Shri Indrajit Gupta:
Shrimati Renu	Chakravarty:

Will the Minister of Finance be pleased to state:

(a) whether Government have taken any decision by now on the recommendations of the Pay Commission regarding the grant of Late Duty Allowance to Government servants; and

(b) if so, what is the decision and from when it is likely to be implemented?

The Minister of Finance (Shri Morarji Desai): (a) and (b). The matter is still under examination.

Illicit Distillation of Liquor

1009. Shri Ram Garib: Will the Minister of Home Affairs be pleased to state:

(a) how many cases of illicit extraction of liquor have been detected by Government in the past six months in Delhi; and

(b) how many of them have been prosecuted and penalised?

The Minister of Home Affairs (Shri G. B. Pant): (a) 62 during the period 16th May 1960 to 15th November 1960.

(b) 43 cases have been put in court and the remaining 19 are under investigation. Of the 43 cases put in court, 3 have ended in conviction and 40 are still pending trial.

U.P.S.C. Examination for Section Officers

1010. Shri Ram Garib: Will the Minister of Home Affairs be pleased to state:

(a) whether there is any proposal under Government's consideration to

hold another examination through the U.P.S.C. for recruitment to the posts of Section Officers in the Central Secretariat consequent on the merger of the Grades of Section Officers Grades II and III;

(b) if so, when will the examination be held; and

(c) what will be the syllabus?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) and (b). The I.A.S. etc. Combined Competitive Examination on the basis of which appointments to Section Officers Grade of the Central Secretariat Service against the direct recruitment quota are made will be held in 1961 as usual. The question of holding another departmental Competitive examination in 1961 for appointments to this grade against the promotion quota, is at present under consideration.

(c) The syllabus for the respective examinations will be indicated in the Rules for these examinations which will be published along with the U.P.S.C.'s Notice in respect of them.

प्रौढ़ अन्ध प्रशिक्षण केन्द्र, देहरादून

१०११. श्री पद्म देव : क्या शिक्षा मंत्री

२४ अगस्त, १९६० के अतारांकित प्रमन संख्या १४१३ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) पिछले दो वर्षों में सरकार ने प्रौढ़ अन्ध प्रशिक्षण केन्द्र, देहरादून में प्रशिक्षित किन व्यक्तियों को रोजगार दिया है; और

(ख) क्या सरकार ने इस केन्द्र के प्रशिक्षित व्यक्तियों को रोजगार देने और बसाने के लिये कोई स्थायी प्रबन्ध किया है?

सूचना और प्रसारण मंत्री (डॉ. केसर) : (क) चालीस।

(ख) समस्त राज्य रोजगार निदेशकों को यह आदेश दे दिया गया है कि वे प्रौढ़

अन्ध प्रशिक्षण केन्द्र के प्रशिक्षित व्यक्तियों को रोजगार दिलाने में विशेष सहायता दें। जिन क्षेत्रों में अक्षम व्यक्तियों के लिये विशेष रोजगार दफ्तर स्थापित हैं, उनमें इन प्रशिक्षित व्यक्तियों को इन दफ्तरों द्वारा भी सहायता प्रदान की जायेगी।

Basic Education in Delhi

1012. Shri Ram Saran: Will the Minister of Education be pleased to state:

(a) whether the Delhi Administration has drawn up a programme for reorientating the system of basic education in the Territory; and

(b) whether the Delhi Education Directorate has set up an assessment committee to evaluate the progress of basic schools in the Capital?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Yes, Sir.

Excise Duty on Khandsari

1013. *Shri B. C. Seth:*
Shri Ram Saran:

Will the Minister of Finance be pleased to state:

(a) how much money was realised during 1959-60 from (i) excise duty on Khandsari sugar; (ii) compound levy on Khandsari sugar; (iii) Sulphitation process of Khandsari sugar; and

(b) how much Khandsari sugar was manufactured State-wise during 1959-60?

The Minister of Finance (Shri Morarji Desai): (a) and (b). A statement showing the available information is laid on the Table of the Lok Sabha. [See Appendix II, annexure No. 40.]

12 hrs.

12.03 hrs.

**STATEMENT RE: MEETING OF
COMMONWEALTH PRIME
MINISTERS**

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Some weeks ago, Mr. Macmillan, Prime Minister of the United Kingdom, consulted me about holding a meeting of the Commonwealth Prime Ministers early in March next. He felt that a meeting earlier than at first intended would be advisable in view of recent developments in the world situation and the many difficult problems that had to be faced.

I welcomed the idea of such a meeting, but pointed out that March was rather a difficult month for me to leave India because of our Budget debates. I suggested a somewhat later date, but added that if a later date was not found suitable, I would be prepared to agree to the proposed date in March.

There have been further consultations among the Prime Ministers of the Commonwealth since then, and it has now been decided that the meeting will commence in London on the 8th March, 1961. It is my intention to attend this meeting.

Shri Tyagi (Dehra Dun): For how long will the Prime Minister be away?

Shri Jawaharlal Nehru: It was said that the meeting would last for about a week.

श्री विभूति लिख (बगहा) : मैं प्रधान मंत्री महोदय से यह बात पूछना चाहता हूँ कि यह सारी कौमनवेत्य प्राइम मिनिस्टर्स की मीटिंग्स् लंदन में ही क्यों होती हैं ? दिल्ली में या किसी और अन्य जगह पर क्यों नहीं होती हैं, हमेशा लंदन में ही क्यों होती हैं ?

PAPERS LAID ON THE TABLE

**ACCOUNTS AND AUDIT REPORT OF
INDIAN INSTITUTE OF TECHNOLOGY,
KHARAGPUR**

The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das): On behalf of Shri Humayun Kabir I beg to lay on the Table a copy of the certified Accounts of the Indian Institute of Technology, Kharagpur, for the year 1958-59 along with the Audit Report thereon, under sub-section (4) of Section 23 of the Indian Institute of Technology (Kharagpur) Act, 1956. [Placed in Library, See No. LT-2473/60].

CITIZENSHIP (AMENDMENT) RULES

The Deputy Minister of Home Affairs (Shrimati Alva): I beg to lay on the Table a copy of the Citizenship (Amendment) Rules, 1960 published in Notification No. S.O. 2290 dated the 24th September 1960, under sub-section (4) of Section 18 of the Citizenship Act, 1955. [Placed in Library, See No. LT-2474/60].

12.03½ hrs.

**STATEMENT RE: SUPPLEMENTARY
DEMANDS FOR GRANTS
(GENERAL)**

The Minister of Finance (Shri Morarji Desai): I beg to present a Statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1960-61.

**CORRECTION OF ANSWER TO
S. Q. NO. 692**

The Minister of Information and Broadcasting (Dr. Keskar): Sir, while replying to supplementary questions, asked by Sarvashri Govind Das, Munishwar Datt Upadhyaya, C. K. Bhattacharya and Raghunath Singh,

to the Starred Question No. 692 on the 24th August, 1960, regarding recognition of Hindi Sahitya Ratna Examination of the Hindi Sahitya Sammelan, Allahabad, Dr. Shrimali had stated that the standard of various Hindi Examinations, conducted by different Hindi Organisations in the country had been recognised as equivalent to the standard of Matric, Intermediate and B. A. examinations etc. The position is that the recognition of the different Hindi Examinations conducted by these organisations has been accorded only in regard to the standard of Hindi prescribed in the equivalent examinations.

—
12.05 hrs.

COMPANIES (AMENDMENT) BILL
—contd.

Mr. Speaker: The House will now resume further clause-by-clause consideration of the Bill further to amend the Companies Act, 1956, as reported by the Joint Committee. Consideration of clause 181 is to be resumed. Shri T. B. Vittal Rao may continue his speech. Time taken by him is 5 minutes.

The time allotted for clause-by-clause consideration is 18 hours. The total time taken is 11 hours 15 minutes. 6 hours 45 minutes remain. Time allotted for clauses 148 to 193 is 2 hours. Time already taken is 1 hour 30 minutes. Balance is 30 minutes. May I know how many hon. Members would like to speak on this and other clauses in this group?

Shri Tangamani rose—

Shri Morarka (Jhunjhunu): I also want to speak on this clause.

Acharya Kripalani (Sitamarhi): Shri Morarka and Shri Tangamani are eternally speaking.

Mr. Speaker: They speak on a subject known to them.

Acharya Kripalani: I do not know; Tangamani has nothing to do with money!

Shri T. B. Vittal Rao (Khammam): Yesterday while I was speaking on the amendments moved by Shri Tangamani, Shri Naushir Bharucha and Shri Ramsingh Bhai Varma, I pointed out how in the various labour legislation, the limit has been increased from a lower amount to a higher amount. I have not much to add to what has been already said. For instance, payments under the Workmen's Compensation Act and Employees' Provident Fund Act qualify for preferential payment. These constitute a very insignificant amount of the total cost of production. So also wages. According to a recent study that has been conducted by the Ministry of Labour and Employment, we are told that the wages constitute only 14 per cent of the total value of the products.

Therefore, I think it will not be against the interest of the shareholders or anybody if this amount is increased from Rs. 1,000 to Rs. 2,000. On the other hand, it will be in the interest of the workers. When a company goes into liquidation, the worst affected are the workers employed in that factory. Therefore, I would very strongly urge upon the Minister kindly to accept this amendment for raising it to Rs. 2,000.

Shri Morarka: Mr. Speaker, Sir, clause 181 seeks to amend section 530, which deals with preferential payments. This section comes into operation only when a company gets into difficulty. When a company is being wound up, the question is how the assets of the company, which may not be enough to satisfy all claims, should be distributed among the creditors, who should get priority and who should not.

There is one point I want to make clear. There is no dispute so far as the management and the workers are concerned, because if the company comes into difficulty because of

[Shri Morarka]

mismanagement or for any other reason whatsoever, the shareholders or the directors are not going to get anything till the labour's claim or anybody else's claim is fully satisfied. Therefore, to say that because there is a limit of Rs. 1000 only, the management is going to get any better term is according to me a little bit misconceived.

The company has got several types of creditors, Government are one of the creditors for revenue, taxes, etc. Labourers, store suppliers who supply goods to the company, etc. are other creditors. There also people who have deposited cash with the company. I know certain cases, particularly in the Ahmedabad Textile Mills, where the depositors are mostly ordinary persons of very small means. They have deposited small sums only in order to get some secured interest on those sums. I can understand that before any director or any shareholder is paid anything by way of dividend or by way of a share in the assets, etc., you must give priority to the labourers' claims or revenue due to Government. That is all right. But to make a distinction between one class of creditors and another class of creditors, particularly when the company has got into difficulties for no fault of theirs, is being a little harsh to them. This section 530, again, we have copied from the English Act, section 819, where the amount of preference provided for labour is £200. There the limit to which a labourer can get preference is £200. It is true that in our country we are providing only Rs. 1,000. Looking at the standard of wages and the standard of living in that country, they considered that £200 is a reasonable amount and a reasonable extent to which preferential payment should be assured to the workers. In India, in our wisdom, we thought that Rs. 1,000 would be enough to meet the ends of justice. Clause 181 of the Bill says:

"In section 530 of the principal Act, in sub-section (1) in clause

(b), after the words "relevant date", the following words, letters and figures shall be inserted, namely:—

"and any compensation payable to any workmen under any of the provisions of Chapter VA of the Industrial Disputes Act, 1947."

In section 530 there was no provision for giving any preference to the payment if the payment is on account of this compensation but for the first time, we are including in that section that a workman should be entitled to a preferential payment even in respect of compensation payable to him.

The main argument of my hon. friend, Shri Varma, yesterday was: what is the use of giving this benefit when the overall limit of Rs. 1,000 is not increased. That argument is correct in a way because the overall limit of Rs. 1,000 remains there. But I thought Shri Varma would give some figures to point out whether in actual practice a worker has suffered or the worker's dues from any concern has remained unpaid, more than Rs. 1,000. By adding these words a worker would get some relief in this way. If the worker's total dues are only Rs. 600 on account of his wages and salaries and if his dues as compensation payable to him is another Rs. 300/-, till now he was not entitled to this Rs. 300 as a preferential payment. But hereafterwards he would be entitled to the entire amount by way of preferential payment. That means, he would get preference not only in respect of his wages and salaries but also in respect of compensation allowance. I am quite prepared to admit that this particular amendment may not go far enough, or as far as our friend Shri Varma wants it, but I am sure that in actual practice it is bound to give some more relief.

Shri Tangamani (Madurai): Is the hon. Member aware that in the case

of retrenchment due to partial lock-out workers have been getting as compensation from Rs. 800 to Rs. 1,500 even in textile mills?

Shri Morarka: I am quite aware of that; in case of retrenchment they get more compensation. But here it is not a question of retrenchment compensation. Here it is a question of the company going into liquidation, and when the company is wound up it is not a question of retrenchment. The company does not retrench people at all; it goes into liquidation and it is only in the name of winding up this is given, if you read section 530.

Shri K. N. Pande (Hata): If the factory is closed then the workers have to be paid something.

Shri Morarka: I quite agree that even if the factory is closed it has to be paid. But so far as section 530 is concerned, it is applicable only when the company is wound up, and not before that. Here we are considering only the question of the degree of preference to be shown when a company is wound up. In all other contingencies your other schemes may work but so far as preference on liquidation is concerned, section 530 comes into operation.

Then there is a practical difficulty in increasing this sum of Rs. 1000, and the Joint Committee has gone into the details of that. The Chairman of the Bankers' Association, who gave evidence before the Joint Committee, stated that if preferential payment is provided to a greater extent, or even to the extent that workers compensation etc., then, to that extent, the security of the company is endangered and so the banks would be very slow to give their advances on the same terms and conditions on which they are giving today. When I put a specific question whether the incorporation of this section into the statute would curtail the advances or loans to the companies his answer was "certainly". At that stage I requested the Chairman and the others that Government

may make sure of the position by consulting the Reserve Bank, or the State Bank which is one of the biggest lending institutions, whether this would have such practical implications. If the clause is going to have such practical difficulties then this, instead of doing any good to any class or any community or company, may actually do some harm, because what may happen is, if the banks start contracting their lending, withdraw their advances or do not give loans to the needy firms, some of the factories which are working at the marginal level may go phut and the companies may be forced to close down. These were the views which were considered by the Joint Committee and while the Joint Committee was very sympathetic and wanted to do something about this thing they thought that the overall limit of Rs. 1,000 may be kept for the time being. If the words "compensation allowance" are brought within the purview of the preferential payment . . .

श्री रामसिंह भाई वर्मा (नियाड़) :
सवाल यह है कि ज्वायन्ट कमेटी ने घरेह कर के रीट्रैचमेट कम्प्यूसेशन की भी रकम जोड़ दी है, लेकिन वर्कर्ज की जितनी रकम निकलती है, उन्नी न देते हुए एक पैसा, एक आना, दो आना दी है। उसमें प्राथमिकता किस को दी है? उस का तो मतलब ही कुछ न हुआ।

Shri Morarka: Preference is given to the wages; it is also given to the retrenchment compensation. But the overall limit of Rs. 1,000 is kept.

श्री राम सिंह भाई वर्मा : वह तो पहले से था।

श्री मुरारका : पहले से था, लेकिन पहल रीट्रैचमेट कम्प्यूसेशन नहीं था।

An Hon. Member: It was there already.

Shri K. N. Pande: When the wages have been increased and the retrenchment compensation has been given on the basis of the new wages, naturally the amount will also be higher. I do not know what he is talking of.

Shri Morarka: If he kindly listens to me he will understand what I am talking of. I may give another example. Suppose a worker today has to receive a total wage of Rs. 600 and on account of retrenchment compensation he has to receive another Rs. 600, in all he has to receive Rs. 1,200. Before this amendment he will get preference only in respect of the first Rs. 600. After this amendment he will get preference in respect of not only his first Rs. 600, but also for Rs. 400 of his retrenchment compensation. He will not get preference for all the Rs. 1,200 because there is the overall limit of Rs. 1,000. So, Rs. 1,000 would be given to him as preferential payment and for the rest he will have to stand in line with all the other creditors.

Now this preferential claim is not given to other creditors who have supplied stores or raw materials. They are also not necessarily rich people. Why should they suffer. In what way are their claims inferior to those of the workmen in the company? To a certain extent you have to give preferential treatment to the claims of the workers. That is understandable. But if you discharged completely the claims of other creditors, who would like to deal with a company like that?

You would create innumerable difficulties in the working of the company. Even in England where wages and everything are so high they have provided for only £200/-.

Shri Sadhan Gupta: (Calcutta—East): They have unemployment relief there.

Shri Morarka: You also provide for unemployment relief here. We are all for it. You provide for unemploy-

ment relief. You provide for compulsory insurance and other schemes of social benefits etc. That is quite different. You cannot make those provisions in the company law. What would happen is that in your anxiety to do one good you may harm the other things and the overall cause may be defeated. That is my sole point. I hope both Shri Pande and Shri Varma will appreciate what I have said and will not press their amendment.

Shri K. N. Pande: We are not at all able to appreciate the point made by the hon. Member. How many elements have been included? Apart from wages, provident fund, gratuity and other things retrenchment compensation has also been included. This limit of Rs. 1,000/- was kept simply for arrears of wages, provident fund contribution against employees' state insurance, gratuity and other things. Now this retrenchment compensation has been added over and above all those things. Then how can the same limit remain when this new item is added? Therefore our suggestion is that the limit should also be increased.

Mr. Speaker: What the hon. Member says is that the overall limit of Rs. 1,000/- was exclusive of the compensation till now and that the compensation has been included in the Rs. 1,000/-.

Shri K. N. Pande: That was not included previously.

Mr. Speaker: Therefore the hon. Member says that there is no advantage, because it includes something else also, in the case of those people for whom the other amounts come to about Rs. 1,000/-. They will not get any advantage so far as this is concerned. Only those whose other amounts in the aggregate are less than Rs. 1,000/- will be benefited. The principle is simply this that nobody loses, but it does not mean that anybody loses; if at all, there is an advantage in favour of those salaries and wages are low. The concession is there to some extent but not to the

full extent. Preferential payment, to some extent, is guaranteed now by this though the upper limit is only Rs. 1,000/- Compensation is also included in it. It is of advantage only to those people who are drawing less and who do not get Rs. 1,000/- in the aggregate, but not to all as the hon. Member evidently would like to contend.

श्री रामसिंह भाई वर्मा : मेरा निवेदन ऐसा नहीं है कि रिट्रैंचमेंट कम्पेन्सेशन की पूरी रकम मिले। मेरा तो निवेदन यह है कि अभी भी कानून के अनुसार रिट्रैंचमेंट कम्पेन्सेशन के सम्बन्ध में ओसत २०,२५ साल की सर्विस सुप्रीम कोर्ट ने भी मानी है। अगर आप एवरेज के हिसाब से टैक्स्टाइल में ११० रु प्रति माह भी गिनें तो ओसत न १२०० रु रिट्रैंचमेंट कम्पेन्सेशन वैसे ही हो जाता है। किन्तु मैंने रिट्रैंचमेंट कम्पेन्सेशन की यह पूरी रकम नहीं मानी है और जो पहले ही बेज़ और मंहगाई भत्ता प्राविडेंट फंड के १००००० ठहराये गये थे उसके बाद भी बेज बोर्ड के फैसले के अनुसार बेतन है। अगर पूरी रकम न मिले, उसका कुछ अंश ही मिले तो भी वह २,००० रु तो होने ही चाहिये इस लिये मैं एक अंश की बात कहता हूँ, पूरे की बात नहीं कहता हूँ।

Shri Surendranath Dwivedy (Kendrapara): Mr. Speaker, Sir, I rise to give my support to the amendment brought forward by my hon. friend, Shri Tangamani. I have heard with interest Shri Morarka's arguments, but I am not convinced.

Mr. Speaker: What does Shri Tangamani want?

Shri Surendranath Dwivedy: He wants that this should be increased to Rs. 2,500/-

Mr. Speaker: So that there may be a guarantee that the other Rs. 600/- will definitely get included in it and there are greater chances.

Shri Surendranath Dwivedy: Otherwise this new amendment has no meaning.

Mr. Speaker: It has meaning to some extent.

Shri Surendranath Dwivedy: It has no meaning because the limit of Rs. 1,000/- was already there in the original Act.

Mr. Speaker: Hon. Members will bear in mind three things. One of the hon. Members here says that there is a disadvantage. There is no disadvantage but the advantage is not to the extent that hon. Members would like to have.

Shri Surendranath Dwivedy: Why I say that there is no meaning is because re-employment compensation is being included by a new clause provided for in this amendment Bill. Unless the limit is increased I do not think the workers are going to get that benefit. Therefore, it comes to almost nothing. The scaremongering that the companies will be at a great disadvantage and that credit will not be available is always raised when the question of workers comes in. If for the first time such a provision is being made to give preference to the workers' dues, I think it is right and proper that the amount should be so fixed that the workers can actually get that benefit. Therefore I think that Government should see its way to accept this simple amendment.

The Minister of Commerce (Shri Kanungo): Sir, the section which this clause wants to amend is section 530 which deals with one of the procedures of liquidation. It is not a question of any other circumstances. It is the question of claims as they will arise after liquidation.

Normally what would happen, if there were no preferential claims, is that all the assets will be collected by

the liquidator and will be equitably distributed amongst all the creditors, both secured and unsecured; the secured come first and the unsecured come next. That is the normal condition of things. But the law puts down certain creditors as preferential creditors. Those preferential creditors have been enumerated in sub-clauses (a) to (g). First in the list come the claims of the State. Then come wages of the employees or workers and all that. These are the claims which get preference over other claims. Such other claims may be not only for services rendered but also for goods sold, for money advanced by bankers and by investment houses and by contractors and various other sources. Those who have sold goods come below that. If the number and quantum of preferential creditors is increased, the result will be that credits will be squeezed. That was the point which was made by the credit institutions.

श्री रामसिंह भाई वर्मा : उहोंने प्राप्ति

श्री रामसिंह भाई वर्मा : उहोंने प्राप्ति

Shri Kanungo: It is not a question of who has got what and whether it is proper or not. As we are concerned with the total economy, we have got to see that the preferential creditors are kept to the minimum. In this case merely saying that wages and other claims should remain unspecified will make it very loose. Therefore, in the case of wages the limit has been put as four months' wages.

I want to draw a distinction between closure and liquidation. An establishment can close down for a couple of years or for more than a couple of years, but it may not go into liquidation. To close an establishment is a different thing coming under different law. Here, under this section you come in only when liquidation comes in and in case of liquidation all the creditors have got to be paid back. If all the creditors could

be fully paid back, there would not have been a condition of liquidation. If the company was in a sound condition, it need not go into liquidation.

Therefore, every one has got to be satisfied with something less than his full claim. That is obvious.

Shri Narayananarkutty Menon (Mukandapuram): Including the Government.

Shri Kanungo: Yes, of course. That is why, though the preferential claims are enumerated in the clause, it is not necessary that they will get the full claim. It depends upon the assets. If the realisable assets are not enough, the non-secured creditors go away and the non-preferential claimants go away, and possibly the preferential claimants may not get their whole claim. Therefore, to keep it at a certain level, the figure of Rs. 1000 has been kept.

It has been argued that bringing retrenchment compensation within preferential claims will be of no effect, because the ceiling has not been increased. The very fact that this claim has been brought as a preferential claim is an improvement in the sense because, otherwise, this claim will be in the other general list and will be covered by the remaining assets after meeting the claims of the preferential claimants. Therefore, the Joint Committee, after a great deal of deliberation, agreed to put this claim as a preferential claim. I would point out that other matters like provident fund, and Employees State Insurance Corporation funds are also classed as preferential claims, which means, that all claims of the wage-earners have been put in the classification of preferential claims. To that extent, the availability of assets for other creditors, secured and unsecured has been jeopardised. We have to remember that a corporation can function only if its creditworthiness is high. It goes into liquidation because the credit is not there.

About the quantum, as my hon. friend Shri Morarka has pointed out, in England, where the scale of wages is very high, £ 200 is the maximum which has been kept there. Therefore, taking all these facts into consideration, I would suggest that the clause as proposed by the Joint Committee may be passed. I am not prepared to accept the amendments.

Shri Tangamani: My amendment No. 45 may be put separately.

Mr. Speaker: Amendment No. 74. Shri Naushir Bharucha. Not pressed.

The amendment was, by leave, withdrawn.

Mr. Speaker: The question is:

Page 92, after line 25, add

'(b) in sub-section (2), for the words "one thousand rupees", the words "two thousand five hundred rupees" shall be substituted.' (45)

The motion was negatived.

Shri Ramsingh Bhai Varma: My amendment may be put to the House.

Mr. Speaker: The question is:

Page 92, after line 25, add—

'(b) in sub-section (2), for the words "one thousand rupees" the words "two thousand rupees" shall be substituted.' (124).

The motion was negatived.

Mr. Speaker: All the other amendments that have been moved are withdrawn.

Shri Tangamani: These are the only three amendments.

Mr. Speaker: The question is:

"That clause 181 stand part of the Bill."

The motion was adopted.

Clause 181 was added to the Bill.

Clauses 182 to 190 were added to the Bill.

Clause 191.—Amendment of section 610)

Shri C. R. Pattabhi Raman (Kumbakonam): I beg to move:

(i) Page 95 after line 5, insert—

'(ii) in clause (a), after the word "Registrar", the words and figures "in accordance with the rules made under Destruction of Records Act, 1917 (5 of 1917) shall be inserted.'

(ii) in line 6, for "(ii)" Substitute "(iii). (85)

Mr. Speaker: Amendment No. 115 is also the same.

Shri Kanungo: I accept the amendment.

Shri C. R. Pattabhi Raman: There is no provision in the Companies Act, 1956 for the destruction of any document, however old, filed or registered by the Registrar of Companies and kept by him in his office in pursuance of any provision of the Act. On the other hand, section 610 of the Act provides that any person may inspect any document kept by the Registrar, being a document filed or registered by him in pursuance of the Act or making a record of any fact required or authorised by the Act to be recorded or registered, on payment for each inspection of a fee of one rupee. He may also call for a copy or extract of any such document. This section is interpreted by some as requiring a document once filed with the Registrar to be preserved for all time.

This has given rise to considerable difficulties in the matter of proper storage and maintenance of the ever-growing volume of records in the offices of the Registrars, particularly in Calcutta, Bombay and Madras.

[Shri C. R. Pattabhi Raman]

Nor is any useful purpose served by the maintenance of very old records in the offices of the Registrars, as such records are hardly ever inspected.

The present amendment seeks to make it clear that only such documents, etc. would be available for inspection at the Registrars offices as were required to be kept and maintained by him in accordance with the rules made under the Destruction of Records Act, 1917. This Act contains the general law relating to the destruction or other disposal of documents in the possession or custody of public officers, such as Registrars of Companies.

I move the amendment.

Mr. Speaker: The question is:

Page 95—

(i) after line 5, insert—

"(ii) in clause (a), after the word "Registrar", the words and figures "in accordance with the rules made under the Destruction of Records Act, 1917" shall be inserted.' (5 of 1917).

(ii) in line 6, for "(ii)" substitute "(iii)". (85)

The motion was adopted.

Mr. Speaker: The question is:

"That clause 191, as amended, stand part of the Bill."

The motion was adopted.

Clause 191, as amended, was added to the Bill.

Clauses 192, 193 and 194 were added to the Bill.

Mr. Speaker: The next group is clauses 194 to 215. I did not find any amendment to clause 194, unless some hon. Members want to discuss it now. So far as this group is concerned, hon. Members are aware, two hours are

allotted to this. Any hon. Members who want to move amendments in this group? Clause 195.

Clause 195—(Amendment of section 617)

Shri M. R. Masani (Ranchi-East): I do not wish to move amendment No. 23 to clause 195. Do I mention the other amendments?

Shri Naushir Bharucha (East Khandesh): I want to move amendment No. 75 to clause 213.

Mr. Speaker: I find that it is no good taking all these together. Clause 195. There is no amendment to clause 195. Also to clauses 196 and 197. That is a new clause. I will put clauses 195, 196 and 197 together.

The question is:

"That clauses 195, 196 and 197 stand part of the Bill".

The motion was adopted.

Clauses 195, 196 and 197 were added to the Bill.

Mr. Speaker: Clause 198.

Shri M. R. Masani: I wish to move amendment No. 24 which seeks to omit section 620 of the Act. Section 620 of the Act refers to Government companies. It says. . .

Mr. Speaker: Is it in keeping with the Amendment? First of all, we have to decide that. You ought not to enlarge the scope of the Amending Bill. Therefore, whatever portion is not touched upon in the Amending Bill, cannot be normally amended. If it is ancillary or auxiliary or flows naturally out of some amendment which has been carried, that is allowed. The hon. Member will justify his amendment.

Shri M. R. Masani: There are other clauses of the Bill which deal with Government companies. Since that has been touched upon, I am suggesting that power should not be given to

exempt Government companies from the provisions of the Companies Act.

Mr. Speaker: Let me first of all decide this matter. What does the hon. Minister say?

Shri Kanungo: I do not think any clauses of the amending Bill affect Government companies.

Shri Masani: For instance, clause 198 deals with the matter of Government companies and their constitution. I wish to say that this power given to the Government companies to be excluded from the provisions of the Companies Act is not a desirable thing.

Mr. Speaker: It is a big matter. I am not going to allow. This is a matter of principle, I am sorry. Not that I am against it personally. What do I lose? This is out of order.

The question is:

"That clauses 198 to 201 stand part of the Bill".

The motion was adopted.

Clauses 198 to 201 were added to the Bill.

Clause 202—Insertion of new section 629A

Shri C. R. Pattabhi Ramam: I beg to move:

Page 99, line 9, after "this Act" insert—

"or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted."

Shri M. R. Masani: I wish to oppose the clause.

Mr. Speaker: I will allow him.

Shri Jhunjhunwala (Bhagalpur): I beg to move:

(i) Page 99, line 11, after "fine" insert—

"which shall not be less than one hundred rupees and". (121).

(ii) Page 99, line 14, add at the end—

"If the Court dealing with the matter is of the opinion that default has been committed by the company or any of its officers it shall further order that the expenses incurred by the aggrieved party shall be reimbursed to him by the company and/or any of its officers." (122).

This is a sort of omnibus clause seeking to give protection to shareholders and punish a company for any offence not provided in this amending Bill.

There are certain minor offences which companies are in the habit of indulging in, and the shareholder or the Registrar or the Government has to go to court to prosecute the company for these minor offences. It was pointed out during the general discussion that many minor offences had been committed by companies and many cases had gone to court, but the court took a lenient view of the offences and the companies or the officers concerned were let off with a very light punishment, a punishment of Rs. 5 or Rs. 10 or something like that. The result has been that these offences, instead of decreasing, are increasing day by day, and the grievances of the people who have been the victims of these offences are not redressed. Therefore, by my amendment I want the fine to be not less than Rs. 100.

It has been provided under company law that notices of meetings should be sent by registered post acknowledgement due at the cost of the shareholder, but in spite of the shareholder asking the companies to send the notices and dividends by

[Shri Jhunjhunwala]

registered post acknowledgement due, the companies do not do so and commit an offence. This may be a very small thing for the company, but it is a very serious thing for the shareholder who might go and change the decision of the company.

If the shareholder lives in Punjab and the company is situated in Bombay, the shareholder has to go all the way to Bombay to file a suit against the company or prosecute it, and it becomes practically impossible for the shareholder to take recourse to this. It is not within the capacity of the shareholder to incur all these expenses, go there and file the complaint. Therefore, I have said in my amendment that if the court dealing with the matter of the opinion that default has been committed by the company or any of its officers, it shall further order that the expenses incurred by the aggrieved party shall be reimbursed to him by the company and/or any of its officers. If such a provision is made, the company will think twice before committing the offence, and it will also be possible for the shareholder to go all the way and file the complaint against the company. Unless the expenses are paid, it will not be within the capacity of the shareholder to go and file the complaint. The Government or the Registrar does not in all cases file the complaint. So, I hope this amendment would be accepted.

Shri C. R. Pattabhai Raman: Sub-section (1) of the proposed section 637A—clause 204 of the Bill makes it clear when we come to that—does not contain any sanction for enforcing the conditions etc., subject to which approval may be granted under this section by the Central Government. My amendment seeks to bring the violation of any such condition within the scope of the general penalty section, namely 629A. When we come to my amendment No. 87, you will find that it seeks to provide further that if such condition is violated, the approval of the

Central Government would become void. That is my amendment.

Shri Tangamani: I support clause 202 as it has emerged from the Joint Committee. Originally it was clause 200 as introduced. That and the present clause are virtually the same, except for some recasting.

The present clause seeks to add a new section, section 629A, reading as under:

"629A. If a company or any other person contravenes any provision of this Act for which no punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to five hundred rupees and where the contravention is a continuing one, with a further fine which may extend to fifty rupees for every day after the first during which the contravention continues."

Here, there are so many offences made out in this company law, but it is not laid down in each case what the punishment will be. Such provisions are there in many other enactments also. I believe that when the Bill was first introduced, we were told that section 46 of the Banking Companies Act had a similar provision. This matter was also considered by the Sastri Committee. In para 204 of their report, they have stated that the Department had found that similar to the section in the Banking Companies Act, 1949, to which I have just made a reference, and similar to section 188 of the Indian Penal Code, a suitable section was necessary; otherwise, there would be absolutely no sanction clause. And they have suggested an amendment more or less on the following lines:

"In cases not expressly provided for in the Act, if any provision of the Act is contravened or if any default is made in compliance with

any requirement of the Act or of any order made thereunder, every director and other officer...".

This was discussed also in the Joint Committee, and after the recasting was done, the present provision met with considerable approval from most of the Members of the Joint Committee. The amendment which has been made is also concise, and it has only carried out the intention as it has been carried out in other Acts like the Banking Companies Act and the Indian Penal Code.

Therefore, I submit that we need not modify this clause or whittle it down by the amendments which have been suggested by Shri C. R. Pattabhi Raman or Shri Jhunjhunwala.

Shri M. R. Masani: I do not wish to enter into the point of detail which has been argued by the last two speakers, but I am sorry that no hon. Member has yet pointed out the very doubtful desirability of a clause of this nature which seeks to lump together in one clause and one punishment an unspecified number of breaches of the provisions of the Act. One of the fundamental principles of jurisprudence is to make the punishment fit the crime. A clause like this which says that there will be one punishment for an undescribed and unspecified list of numerous small offences or big offences, which cannot all be of equal magnitude or guilt, is contrary to the principles of sound jurisprudence, and I think we are doing an injustice to this House in getting it to pass such a clause.

It is not as if penal provisions are lacking. There are already in the Act about 159 sections, as the present Bill would now have them, which provide for specific penalties of imprisonment or fine or both. I think now to create this doubt or ambiguity by leaving out several other offences—if they want to specify punishments for other offences, let them say at each point what the punishment should be—and saying that there will be one punish-

ment for numerous breaches of the law which may be of a very differing magnitude is not a sound thing to do.

I, therefore, oppose this clause, as being contrary to the principles of jurisprudence by which we should try to abide.

Shri Kanungo: Certainly, no one would disagree with the broad proposition of Shri M. R. Masani that the penalties should be commensurate with the offences. Unfortunately, in the Companies Act, there are offences which by their very nature have more or less gravity, according to the time, the condition and the circumstances in which they are committed.

To give an example, the non-filing of a balance-sheet on the due date may seem to be very inoffensive. And there have been cases where people have pleaded loss of memory or something like that, and there have been cases where the courts have imposed the penalty of a fine of 5 np. It is quite possible that in such cases, the non-filing of the balance-sheet did not cause any harm to anybody, and perhaps, he man who failed to file it in time had very good reasons, and the court perhaps took those things into consideration. But, under different conditions, the non-filing of balance-sheets in time might mean a very serious offence in the sense that the creditors or the shareholders may be kept in the dark as to what is happening.

Therefore, it is just impossible to provide specific punishments for the various offences. Wherever possible, specific penalties have been provided for in various sections, but there are several of them where it has not been possible and it is not possible to do so.

Then, there is the other group of clauses where, as the amendment of my hon. friend Shri C. R. Pattabhi Raman will show, there are conditional approvals or conditional orders, breaches of which have not been provided for at all; and the very fact that Shri Jhunjhunwala has

[Shri Kanungo] moved an amendment which seeks to make the penalties much more severe, and rightly so, in many cases, points out that very thing. We have felt such a provision to be necessary, and the annual reports of the Company Law Administration have mentioned it. But, taking all these factors into consideration, and hoping that the administration of such a complex legislation like the Companies Act will be appreciated by the courts spread out over a large country like ours and they will be able to acquit or provide adequate punishment in proper cases in course of time, the Joint Committee have agreed to this particular provision which I commend to the House.

As far as the question of costs is concerned, to which Shri Jhunjhunwala's amendment has made a reference, I understand that the courts are always free to allocate costs, wherever they like, either in criminal or in civil cases.

Shri Sadhan Gupta: Not in criminal cases.

Shri Kanungo: I, therefore, submit that the clause as amended by amendment No. 86 may be accepted.

Mr. Speaker: I shall now put amendment No. 86 to the vote of the House.

The question is:

Page 99, line 9, after 'this Act' insert:

"or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted.". (86)

The motion was adopted.

Mr. Speaker: Need I put Shri Jhunjhunwala's amendments to vote?

Shri Jhunjhunwala: I am not pressing them.

Amendments Nos. 121 and 122 were, by leave, withdrawn.

13 hrs.

Mr. Speaker: The question is:

"That clause 202, as amended, stand part of the Bill."

The motion was adopted.

Clause 202, as amended, was added to the Bill.

Clause 203 was added to the Bill.

Clause 204

Shri C. R. Pattabhi Ramam: Sir, I beg to move:

Page 100,—

(i) line 16,—add at the end—

"and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption;"

(ii) lines 18 and 19,—

omit "by a company."

(iii) line 30,—

after "or" insert—

"in case of applications by companies.". (87).

Sub-section (1) of the proposed section 637A (vide clause 204 of the Bill) does not contain any sanction for enforcing the conditions, etc., subject to which an approval may be granted under that section by the Central Government. This amendment provides that if such conditions, etc., are violated the approval of the Central Government would become void. Amendment No. 86 further provides for a penalty for the violation of any such condition.

In regard to items (ii) and (iii), sub-section (2) of the proposed section 637A begins with the following words:

"Save as otherwise expressly provided in this Act, every application which may be, or is required to be made by a company to the Central Government under any provision of this Act—"

It is visualised that an application under a provision of the Act may be submitted, not always by a company, but by a body corporate (i.e. a foreign company), or a firm (e.g., managing agent, secretaries and treasurers) or an individual, (e.g., managing agent, managing director, etc.). As instances, sections 167, 346, 408, 409 and 594 may be cited. Applications under these sections may be made by a body corporate or person other than a company. It may not be desirable to charge a fee under section 637A (2) on applications which may be submitted to Government by individuals, e.g., shareholders as under sections 167 and 408; or by managing director, director, as in section 409. But it seems only proper that a fee should be charged when an application is submitted by a foreign company or by an individual or firm (e.g., the managing agent) on behalf of or in respect of the managed company.

Shri M. R. Masani: Sir, I oppose this clause for the same reasons that I opposed clause 202. It is an omnibus clause of the same nature. Government is given a power and the amendment that has been suggested adds to the indefiniteness. He is getting power to attach conditions to any permission or sanction given. To give a sanction or to deny it is the right of the Government. But to bargain over the grant of a sanction or approval and to say that if you do this or agree to that, then I will give my sanction, is a much more dangerous power. Then, Sir, no limitations at all are set on the power to impose conditions, and we feel that this is too wide a discretion. Really it comes to this that you are legislating by executive action.

You are varying the law laid down in the Companies Act by saying: I will allow you to depart from the law if you accept such and such a condition. This is a case of delegated legislation given to the executive of the day and since I am opposed to the principle of allowing legislation by executive decree, I oppose this clause.

Shri Kanungo: It is not as atrocious as Mr. Masani has tried to make out. The power of giving permission is inherent.

Mr. Speaker: Can't we have a schedule covering the clauses where some application has to be made. That is all that is necessary.

Shri M. R. Masani: What I am questioning is the right of Government to impose conditions departing from the law of the land.

Shri Kanungo: When there is a discretion of giving permission, it can be conditioned by certain circumstances. If the conditions are not fulfilled, then the permission becomes in-operative. That is what we mean.

Mr. Speaker: The question is:

Page 100,—

(i) line 16,—add at the end—

"and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption";

(ii) lines 18 and 19,—

omit "by a company"—

(iii) line 30,—

after "or" insert

"in case of applications by companies". (87)

The motion was adopted.

Mr. Speaker: The question is:

"That clause 204, as amended, stand part of the Bill."

The motion was adopted.

Clause 204, as amended, was added to the Bill.

Clauses 205 and 206 were added to the Bill.

Clause No. 207—(Amendment of Section 641)

Shri M. R. Masani: Sir, I am not pressing my amendment (No. 25).

Mr. Speaker: The question is:

"That clause 207 stand part of the Bill."

The motion was adopted.

Clause 207 was added to the Bill.

Clause 208—(Amendment of section 642)

Shri M. R. Masani: Sir, I am not pressing my amendment (No. 26).

Mr. Speaker: The question is:

"That clause 208 stand part of the Bill."

The motion was adopted.

Clause 208 was added to the Bill.

Clauses 209 to 212 were added to the Bill.

Clause 213—(Insertion of new Schedule IA.)

Shri Naushir Bharucha:

(i) Page 103,—

(i) omit lines 19 to 22.

(ii) omit line 26

(iii) omit line 29.

(vi) omit line 31. (75)

(ii) Page 104,—

omit lines 19 to 22. (76)

The purpose of my amendment Nos. 75 and 76 is to amend Schedule IA which prescribes the list of relatives. The underlying object of section 6 is to prevent malpractices and corruption in the administration of companies arising from the packing of the Directorate by the relatives of the person who is either a director or who desires to obtain control over the affairs of certain companies. Therefore, it is right that we exclude very near relations. But I am surprised that in their zeal for excluding relations, some very peculiar relations have also been put in, for instance, father's father has been mentioned in the list of relatives; then father's mother, mother's mother, mother's father. I should like to know in how many cases the Company Law Administration has come across instances where the Directorate have been packed by grandpas and grandmamas. Is there a single instance which can be shown where the directorate has been packed in this manner? Is there any instance worth mentioning? The zeal of the Government should not be permitted to out run its discretion.

Similarly if you see there are other relations: son's daughter's husband, daughter's son's wife, daughter's daughter's husband, father's brother's son, mother's brother's son, mother's sister's son. All these relatives, experience shows have not been normally utilised for packing the Board of Directorate and I think that it is only a case of excessive legislation and the list requires to be cut by the deletion of items which I have suggested in my amendment Nos. 75 and 76.

Shri Tangamani: I beg to move:
 Page 104,—after line 35, add—
 “50. Sister's daughter's husband.
 51. Mother's sister's son.
 52. Mother's sister's daughter.
 53. Husband's brother's father.
 54. Husband's brother's mother.
 55. Husband's mother's father.
 56. Husband's mother's mother.
 57. Wife's father's father.
 58. Wife's father's mother.
 59. Wife's mother's father.
 60. Wife's mother's mother.” (77)

Shri Naushir Bharucha: He has forgotten great grandfather.

Shri Tangamani: These were of the relatives who were mentioned in the original Bill and when amendments were moved in the Joint Committee for the deletion of these, I did oppose them. I have also said in my Minute of Dissent that there is no justification for deleting these.

Mr. Speaker: What is the Schedule?

Shri Tangamani: This Schedule defines the relatives. Section 6 of the original Act defines a person who is to be a relative.....

Mr. Speaker: For what purpose?

Shri Tangamani: For the purpose of sections 295, 297, 314, 354 and so on.

Mr. Speaker: It relates to ban on carrying on business in another name.

Shri Tangamani: Or giving office of profit to persons who are close relatives or giving loans to them. There are several restrictions. I have mentioned certain sections where the word 'relative' has appeared.

Mr. Speaker: Shri Naushir Bharucha wants to delete from the list; the hon. Member wants to add to it.

Shri Tangamani: Yes. The difficulty arises as to what is to be the interpretation of 'relative'. Courts also have differed on this point. The Sastri Committee—I shall read the relevant portion from their report later—said it varies from 40 to 80. Nothing is very definite. So this is for enabling the Administration to administer the various sections without difficulty; they will be guided by the list that has been given to them. Though the list may be exhaustive, it will be a proper guide also, because the principle that relatives should be excluded from the operation of clauses has been accepted.

As I have said, I am inclined to make the list of relatives 60 by adding 'the ones I have mentioned. It will make it practicable for the officers of the company to comply with the several provisions in which the expression 'relative' has been used.

So far as remote relations are concerned, 'they may be excluded. Such remoteness also came up and they have been excluded. Section 6, as amended now, says that—two persons shall be deemed to be relatives if, and only if, they are members of a Hindu undivided family, or they are husband and wife, or they are related to each other in the manner indicated in Schedule IA. The present clause 213 deals with that Schedule which contains the entire list.

As I have mentioned, the word 'relative' occurs in sections 2(3), 2(4), 295, 297, 314, 354 to 360 and so on. I think the Company Law Committee as also the Sastri Committee had said that list would vary from 67 to 81. Many suggestions were made when evidence was recorded by the Sastri Committee. Some suggested that section 6 should be completely dropped; others pointed out that those relations who were not relations legitimately, that is to say, relations as a result of adoption and so on, should be deleted. But making a compromise, the Sastri Committee said in paragraph 26 of

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their Report—here they tried to give a particular definition:

"Two persons shall be deemed to be 'relatives' if and only if:—(a) they are members of a Hindu undivided family"—

this has been accepted in section 6—

"(b) they are husband and wife"—this has also been accepted—

"(c) the one or the spouse of the one is related to the other or the spouse of the other as parent and child, grand parent and grand child, or brother and sister; or

"(d) the one is related to the other directly (and not by marriage only) as uncle or aunt, nephew or niece".

The principle has been more or less accepted and an entire list has been given, and it is exhaustive enough. Then the Committee has gone into the question of Hindu law, which is not relevant for our purpose here. I only say this to stress how important it is that it is not only defined but a ban is also imposed on those relatives. The Sastri Committee has observed:

"...It must be remembered that the practice of resorting to *benami* transactions in the names of relatives is prevalent in certain sections of the mercantile community and that this practice is often resorted to for concealing the identity or interest of the person standing to gain by questionable transactions".

It has, therefore, suggested a simpler and narrower definition of 'relatives'.

Coming to the various sections, I will only refer to three. Section 295 deals with loans by companies . . .

Mr. Speaker: I am afraid the scope of the amendment is limited. There is a Schedule here which contains the list of relatives. The only point here is who ought to be those relatives and whether we should add to or subtract from the list. Therefore, there is no purpose in going into the various clauses which put a ban upon on such transactions. It is not open under the amending Bill to go behind those clauses which have already been accepted.

Shri Tangamani: In their Annual Report, the Company Law Administration also have given instances to show . . .

Mr. Speaker: Here the only question is how far you are going to extend this question of relationship. They will not be satisfied with mere relation. They go further and enter into *benami* transactions. When once he is a relation, there is no question of *benami*. It is automatically accepted. The difference between the two is this, that once a transaction is entered into in the name of a relation, automatically, irrespective of the fact whether it is for the benefit of the relation or not—it may be for the benefit of the relation—there is a ban; with respect to others, if it is *bona fide*, it is not *benami*. That is all the difference. Shall I now call upon any other hon. Member who wishes to speak?

Shri Tangamani: In the Second Report also, it is mentioned.

Mr. Speaker: The only question is whether these people ought to be relatives or not for the purpose of these clauses.

Shri Tangamani: I want to add to the list of relations. I also read out the basis which has been adopted.

Mr. Speaker: He wants to add some more to the list. The point is simple, whether we should extend the

number of relations or not. We are not going into the question as to whether the ban is right or wrong.

Shri Sadhan Gupta: I support Shri Tangamani's amendment for extension of the list and oppose Shri Naushir Bharucha's amendment for contraction of the circle of relatives. The reason why this list of relatives has been included is to prevent certain transactions which are regarded as malpractices by the Companies Act. Shri Naushir Bharucha has asked whether there are any instances . . .

Mr. Speaker: What is "husband's brother's father"? I cannot understand it. It is the same as husband's father.

Shri Tangamani: That is also possible.

Mr. Speaker: There is no meaning in adding that.

Shri Warior (Trichur): There may be two fathers.

Mr. Speaker: Then there is "husband's brother's mother".

Shri Warior: Wife's father may be a person different from the brother's father.

Mr. Speaker: I do not know what is meant by husband's brother's mother and husband's brother's father.

Shri Sadhan Gupta: It may be uterine brother.

Mr. Speaker: Then, say something like that; otherwise there is no meaning. Then, there is this sister's daughter's husband. One must have faith to enter into such transactions. The sister's daughter's husband would walk away with the property. It very often happens like that.

Shri Sadhan Gupta: Shri Bharucha has asked whether any instance could be cited where a board of directors or some bodies have been

packed with grandpas and grandmas. The question is not whether we have present examples of some malpractice being indulged in through such relations. The question is whether such a malpractice might occur and whether it is necessary to check the malpractices. Previously, when there were no curbs there was no necessity of finding out such relatives to help . . .

Mr. Speaker: We are going into the fundamentals. It is agreed that these curbs must be imposed; and they have been imposed. The nature of relationship is described instead of saying vaguely relations. It has been found necessary to deal with them in particular. The only point is whether a few more relations are to be added or not and whether some relations have to be omitted.

Shri Sadhan Gupta: I am giving the reason why it should be extended. Previously there was no necessity. Now, when the curbs have been imposed, people will go about hunting for useful relations through whom they can exert pulls. The fact that these instances have not been found . . .

Mr. Speaker: I can understand *benami* transactions. *Benami* transactions can be entered into in favour of strangers and relations. The question that counts is the question of confidence. The man in whose favour the *benami* transaction is entered into should command the confidence. He should not walk away with the property. Then, there is no kind of *benami* at all. The question is that confidence is presumed in the case of transactions entered into with relations. The question is whether the sister's daughter's husband is a person who comes within that intimate relationship that when once he gets an advantage he would not take advantage of it for himself but will always hold it for the other. Is he in such intimate relationship? That is the point here. Is the hon. Member with his experience of the world in a position to say that the sister's

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daughter's husband will return the property for which a deed has been executed in his favour?

Shri Sadhan Gupta: In this circle of relatives, some are undoubtedly very close and others are not so very close.

Let us take the case of the sister's daughter's husband. Before the curbs were introduced there was no necessity to hunt for him. Now that curbs are introduced it might be necessary, unless other closer relatives are available, to fall back upon him, though he is not as nearly related as a wife or a son or a daughter-in-law or brother's son or a brother's daughter-in-law.

Mr. Speaker: He is interested in taking away as much as possible. You know we are passing the Dowry Bill here. That man is interested in squeezing, as much as he can, the father-in-law's property.

Shri Sadhan Gupta: That is quite another matter, Sir. Normally, it is not every sister's daughter's husband that is bent upon taking away the maternal uncle-in-law's property.

Mr. Speaker: I would give him a certificate of good conduct. It is impossible to find one who obliges a maternal uncle-in-law. Are we making laws for one individual out of 400 millions?

Shri Sadhan Gupta: Perhaps, there may be some benefit to himself. For that purpose it is preferable that such transactions also should be guarded against. From that point of view, I would endorse the list given by my hon. friend, Shri Tangamani.

Mr. Speaker: What has the hon. Minister to say?

Shri Kanungo: Sir, the whole matter was considered in the Joint Committee. I must frankly admit that it is beyond me to appreciate the degree of closeness or remoteness of this relationship which has been described.

Mr. Speaker: Step-mother's son will be the last person to return the property.

Shri Kanungo: Anyway, as you mentioned, Sir, I cannot yet understand what the husband's brother's father means.

Shri Tangamani: That may be deleted. Are you prepared to accept the others?

Shri Kanungo: Therefore, I am taking the safe line and I am sticking to the wisdom of the Joint Committee. I am not accepting any of the amendments.

Mr. Speaker: Shall I put the amendments of Shri Bharucha together?

Shri Naushir Bharucha: Yes, Sir.

Mr. Speaker: I will now put amendments 75 and 76 to the House.

Amendments Nos. 75, 76 and 77 were put and negatived.

Mr. Speaker: Now, the question is:

"That clause 213 stand part of the Bill."

The motion was adopted.

Clause 213 was added to the Bill.

Clause 214 and 215

Mr. Speaker: Now, I think there are only clauses 214 and 215. I will put them together.

The question is:

"That clauses 214 and 215 stand part of the Bill."

The motion was adopted.

Clauses 214 and 215 were added to the Bill.

Mr. Speaker: I think there are no Schedules independent of the clauses. There are two clauses that have been held over.

Shri Kanungo: Clause 98 has been held over and also clauses 1 and 2.

Mr. Speaker: Clauses 1 and 2 are different. Clause 98 is there.

Shri M. R. Masani: There is new clause 5A, Sir.

Sir, may I make an appeal to the hon. Minister who is in the House to open the debate on this clause 98 because on the second reading the hon. Minister withheld his comment on behalf of Government. We still do not know what the Government's position is. This is a matter of vital public importance. Before we are asked to support our amendments, I would request the hon. Minister who happens to be here—I do not know if he is listening—to open the discussion and state the Government's view so that we may know where we stand. He should have done so in the second reading itself.

Shri Naushir Bharucha: It is necessary that Government gives its mind on this vital problem. On the last occasion Government had the benefit of listening to the various viewpoints. The hon. Minister Shri Lal Bahadur Shastri said on that occasion that he would not speak.....

Mr. Speaker: The hon. Member need not make a speech. I will call upon the hon. Minister to give his views.

Shri Tangamani: Before we proceed, we shall have the amendments moved, Sir.

Shri M. R. Masani: Sir, I have amendments Nos. 1, 14 and others. Amendment No. 1, new clause 5A was held over because the matter was a cognate matter and had a common purpose. Clause 5A was held over along with clause 98.

Mr. Speaker: Does it relate to clause 98?

Shri M. R. Masani: Yes; it relates.

Shri Kanungo: It is a sort of consequential to clause 98.

Shri M. R. Masani: When it was reached, I myself suggested that it should be held over and taken along with clause 98. The hon. Minister was also of the same view.

Mr. Speaker: Yes.

Shri M. R. Masani: There are some other amendments also—Nos. 14, 78 and 79.

Shri Naushir Bharucha: I am moving my amendments Nos. 69 and 70.

Shri Tangamani: I am moving amendments Nos. 42 and 43.

Mr. Speaker: Now, Amendment No. 1 which is for the inclusion of a new clause 5A—and the other amendments Nos. 14, 78, 79, 69, 70, 42 and 43 will be treated as moved.

Shri M. R. Masani: I beg to move:

(i) Page 5,—
after line 14, insert—

‘5A. Amendment of section 13.—In section 13 of the principal Act, to clause (c) of sub-section (1), the following proviso shall be added, nemely:—

“Provided that the objects set out in the memorandum of a company shall not include the making of any contributions to any political party or political fund.” (1)

(ii) Page 52,—
after line 25, insert—

‘(iia) to clause (e), the following proviso shall be added, nemely:—

“Provided, however, that nothing contained in this sub-section shall permit the Board of Directors to contribute directly or indirectly any sums to any political party or political fund.” (14)

[Shri M. R. Masani]

(iii) Page 52,—

after line 25, insert—

'(iia) to clause (e), the following proviso shall be added, namely:—

"Provided however that nothing contained in this sub-section shall permit the Board of Directors of any Government Company to contribute directly or indirectly any sums to any political party or political fund."

Page 53, line 6,—

after "shall disclose" insert—

"by advertisement in two leading daily newspapers, one published in Delhi in the English language and the other at the place where the registered office of the company is situated, within a period of one month, and" (79)

Shri Naushir Bharucha: I beg to move:

(i) Page 52,—

after line 36, add—

"Provided that where any contribution is proposed to be made to a political party, or political fund, under sub-section (1)(e), previous sanction of the Court shall be obtained therefor." (69)

(ii) Page 53, line 6,—

for "Every company shall" substitute—

"Every company, within one month of its having contributed any amount under clause (e) of sub-section (1) to any political party, shall advertise, in two local newspapers, of which one shall be in English language and the other the language of the State, the fact of such contribution, and shall". (70).

Shri Tangamani: I beg to move:

(i) Page 52, lines 33 to 36—

omit "or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e)". (42)

(ii) Page 53,—

omit lines 4 to 18. (43)

Mr. Speaker: We have had a lot of discussion at the first reading stage. If the hon. Minister has to add anything to what has been said so that we may avoid further discussion in the matter, he may do so. How far he is prepared to go, if he goes at all, may be indicated to the House.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): I shall say a few words.

13.31 hours.

[Mr. DEPUTY-SPEAKER in the Chair]

Clause 98 has attracted the attention of the House and the longest discussion had been held on it. I have given thought to this matter and I have one or two proposals to place before the House. But before I do so, I would like to say a few words on the general question. Clause 98, it should be remembered, imposes further restrictions on political contributions. The old section 293 had been amended and two additional things have been provided. The hon. Members know the provision about the disclosure of political contributions. I feel that the second point had been somewhat ignored and that is about the private companies which were excluded from the purview of the law previously. They are now roped in. Even if private companies are not subsidiaries of public companies, they are prevented from going above the provisions of this Bill. Then again, it applies not only for political contributions; it includes contributions for charitable as well as welfare

purposes. I thought it proper to draw the pointed attention of the hon. Members to these three things, namely, disclosure, private companies being roped in, and the inclusion of contributions for charitable or other purposes. Now, what would be the effect if this clause is omitted as has been suggested through some amendments?

Shri M. R. Masani: It is nobody's case that the clause should be omitted. What we are saying applies to the political part of it. There may be a proviso saying that charitable contributions may be made but not to political parties.

Shri Tangamani: Amendment No. 14 is more specific.

Shri Lal Bahadur Shastri: When I said omission, I referred to the political contributions. Now, what would be the effect if political contributions are omitted from this clause? It cannot be denied that the election expenses are very heavy. Our set-up is such and we have adult franchise. Is it the case of any hon. Member of this House that they can do without public funds for running the elections?

Shri M. R. Masani: Contributions from individuals.

Shri Lal Bahadur Shastri: Will you kindly hear me?

Acharya Kripalani: What is the meaning of public funds? They may as well come from the Government; that is public fund.

Shri Lal Bahadur Shastri: There are public companies; there are private companies; there are statutory bodies and there are Government companies. These are all different bodies; their rules and regulations are different. I am sorry that Acharyaji is unnecessarily upset over it....(Interruptions) I am coming to the point. If Acharyaji is opposed to it, I can understand it but he should at least give me an opportunity to say what I want to say.

I shall try to speak out frankly. I may be sometimes—I do not know—criticised for that. My fear is that if this is omitted, it will do no good. Individuals these days make very little political contributions because they say there are heavy taxes and if what they contribute is taxable, they are not prepared to make any contributions. The result will be these people will give contributions and somehow manage that the money comes out of the company funds. There will be taking of accounts and I do not think that Acharyaji or Shri Masani would like to allow subterfuge methods to be adopted for making contributions from the profits of the company in some form or the other. If the hon. Members face realities, they will see that we prevent that kind of manipulation, etc. if we provide this clause here. If manipulation of funds is made, it will demoralise those who give and also those who take it. I would, therefore, suggest that if we want to be frank and straight in this matter, it is better to provide it in the law itself and give an opportunity to the shareholders or the directors to decide as they think best. There is of course no compulsion; it all depends upon the board of directors and ultimately in some cases on the shareholders, to take a decision.

When I say this—last time also I said—I might be considered an interested party being a political worker and belonging to a political party. But let us see what some independent authorities had to say on this matter—the High Courts and the Sastri Committee. They have nothing to do with politics or any political matter, and I would, without taking much of your time, Sir, like to place before the House what concrete proposals the High Courts had to make in this regard. They have examined section 293. The Sastri Committee has looked into that. There were many representations and memoranda placed before the Sastri Committee. The High Courts and this important Committee which have had nothing to do with any political matter have come to certain conclusions. I shall place

[**Shri Lal Bahadur Shastri**]

before the House their concrete suggestions.

Let us first take the High Court of Calcutta. The High Court of Calcutta did make some very critical observations on political contributions being made by the companies, but what they have said is this:

"It is essential that there should be the fullest publicity to the fact that a company is contributing some of its money to the political fund of a political party..... as well as in the particular interest of the shareholders, having regard to the dangers of the power of money, it will be highly undesirable in my view to encourage any kind of secrecy in respect of such demands."

The order of the Calcutta High Court was in regard to ISCO. ISCO had gone to the High Court for making an alteration in their Memorandum and Articles of Association. The High Court ultimately said that alterations should be made effective for a period of six months unless further extended and, secondly, the amount and date of every single contribution made directly or indirectly to any particular party to be shown separately in the account.

The Bombay High Court also, Sir, similarly, approved of the necessary alterations in the Memorandum of TISCOs—Tata. Tatas had already while applying to the Court agreed to make full disclosure. So it will be seen that the constructive proposal made by the High Courts was in favour of disclosure which they considered absolutely essential.

The Sastri Committee also, as I said, considered the matter and took the view that companies alone could not be prohibited from making contributions to political funds. It recommended that the law should be amended so as to provide that every company shall disclose in its profit and

loss account every donation made by it during the year of account to every political party giving the particulars of the amounts given and the names of the person or persons, association or party to whom or to which the donation was made. The Sastri Committee has also, in fact, along with the High Courts laid emphasis on the disclosure of political contributions. They have also held this strong view that it is not considered advisable that the Company Law should be encumbered with any other matter concerning these contributions.

I might, in this connection, mention something about what the Bombay High Court had said. Shri Bharucha had some doubts and even, perhaps, Shri Masani shared it.

Shri Naushir Bharucha: I have no doubts, I am sure about it.

Shri Lal Bahadur Shastri: When I mentioned that the Bombay High Court had said that the question as to what should be the amount paid by any company to any political party should come up before the High Court for decision, Shri Bharucha said that it was not said by the High Court. I have looked into that again. The Bombay High Court, in fact, observed like this:

"....and the least that Parliament could do is at least to require the sanction of the Court before any large amount is paid by the companies to the funds of a political party."

So I had expressed my doubts about the propriety of the suggestion. I would, if you will permit me, merely mention that the Sastri Committee also did not consider it desirable to impose on the courts the duty to decide as to what amount if any a company should be permitted to contribute to any political fund.

Sir, much has been said about the democracy being in danger. I do not deny the fact that we have to move

very carefully in the early stages of our democracy here. It is, however, not only the money which corrupts. There are various other dangers against which we must safeguard ourselves. In democracy we have political parties, and at least recognised political parties have set views on different matters whether political or economic. The electorate or those who help in the elections come up with their help knowing fully well as to what the opinion or what the policies or objectives of the different parties are. In the circumstances, it is not those who contribute that help in framing the policies of different parties. I do not think it can be said either in the case of the Swatantra Party or even in the case of other parties. They come to certain conclusions, and I think they come to those conclusions independently. There are ideologies. Everyone or every party can have its own ideology. In the case of the Swatantra Party it is clear that they are for *status quo* in economic matters, *laissez faire*....

Shri M. R. Masani: We want a change from the *status quo*.

Shri Lal Bahadur Shastri: Of course, at the present moment the Swatantra Party does say that there should be minimum interference—that is a different thing—and it does not like any kind of nationalisation or any kind of control or regulation. The Swatantra Party does not like those things at all. If that is the position and if even after knowing that fully well the companies give contribution to the Congress it seems that they think that the Congress organisation can deliver the goods better than the Swatantra Party, or, if I might be permitted to say so, the P.S.P. or even the Communist Party.

Shri M. R. Masani: Government patronage.

Acharya Kripalani: You have better capitalists than even the Swatantra Party.

Shri Lal Bahadur Shastri: I think Acharya Kripalani had taken thousands and lakhs from capitalists and yet he was not influenced when he was in the Congress. I am glad he did it.

Acharya Kripalani: I was General Secretary of the Congress for 12 years and all the money that we left when we went to jail was Rs. 32,000. We managed our affairs through the four-anna membership mostly, and the President of the Congress went about collecting money mostly from the middle class. It was a bogey raised by the British Government that the Congress was being supported by the capitalists. It was never supported by them. I am very sorry that a Minister who had been in the political struggle for freedom does not know this much about the history of the Congress.

Shri Lal Bahadur Shastri: I am very sorry I have offended Acharyaji. I have been a humble Congress worker and has been my leader. Still I consider him to be my leader. But unfortunately he has forgotten what happened in the elections. He might have run the A.I.C.C. office, but a number of elections were run. Let us be truthful to ourselves. A number of elections were run—elections in British days to the Central Legislative Assembly and State Assemblies and tremendously big elections in 1937. I wonder if those elections were run purely on four-anna membership fee....(Interruptions).

Mr. Deputy-Speaker: I would not advise old gladiators to provoke each other, disclosing those secrets.

Shri Lal Bahadur Shastri: There is no secret. We need not hide the fact that during the independence struggle, we did take money from whosoever came forward to help us. After all, we stood for a certain cause and we were prepared to take the co-operation of anyone who was prepared to help us—individual citizens, concerns, companies and others. Shri Masani was one of our best helpers in those days,

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especially in money matters, because he lived in that big industrial sector at Bombay.

I merely wanted to say that because the views of the parties are set, it is left to the companies or concerns to contribute to any party with whose ideology they agree. To say that because a party takes money from a person, it is influenced by the opinion of that particular person or set of people is hardly fair. I cannot go into individual cases. Sometimes names of industrialists are mentioned. Our policies are clear before the House and the country. I know how unhappy the capitalists feel with our policies, our programmes and our way of doing things, either in the abolition of zamindari, or nationalisation of different industries or life insurance. I need not quote instances, but it is obvious that we have certain views on important matters, political as well as economic and we have pursued our objective without fear of any kind, without fear of any group or set of people.

In this case, I would like to quote what Justice Tendulkar said. It is relevant to what I said about the views of political parties and the influence it has on others. Justice Tendulkar drew a line of distinction between supporting a candidate or party with whose policies the company was in substantial agreement, supporting a party or candidate who would, for a consideration in the shape of contribution from the company, support the policy of the company, irrespective of the view of the party or the candidate concerned. So, it is a distinction worth considering and understanding. To give publicity to the amount of donation to political parties, the Judge said, was a wholesome safeguard against the tendency to corrupt political life in the country. This decision was later on agreed to by Chief Justice Chagla and Justice Desai, who observed that a company could contribute to the funds of political parties if in its opinion such parties serve the industry in general and the industry of the company in particular.

I may add that money does play an important part in the elections, but I must also say that at least for some years to come in India, large sums of money with the political parties may be found somewhat disadvantageous, for, as the House is aware, the people are in a way allergic to large moneys. Our general average of income is so low. So any party, at least a broad-based party like the Congress, if it really wants to prove effective, will have to depend more on small collections than on large collections. But as I said, I do not want to hide the fact that if big contributions are made, they need not be refused. But the Congress Organisation has to depend more and more on smaller contributions. We have done so before and we hope we will do so in future.

There is one more point to which attention was drawn by the Sastri Committee. The Sastri Committee said that there are many matters concerning the elections, etc., which should be dealt with in some election law and not in any law or rules or regulations under the company law, because the scope of the company law in that regard is somewhat limited. I shall quote what the Sastri Committee had to say:

"Whether lobbying and financing of political parties or candidates for elections should be prohibited in the interests of the public is a broad question of public policy. It has been the subject of special legislation in America. The case of companies could not be considered in isolation and contributions from other sources such as bodies corporate, partnerships, societies, trusts, trade unions and even from individuals might have to be regulated or prohibited by a comprehensive enactment. This, however, is a matter which falls outside the scope of the Companies Act."

In foreign countries, these matters often form the subject-matter of election laws or rules. So, I do hope that

the House will appreciate the viewpoint I have placed before it. And, if hon. Members feel that some of these matters are important and should be placed somewhere on the statute-book, they can discuss them in connection with the law concerning our elections.

As I said in the beginning, I would like to say something about Government companies, about which there is an amendment from Shri Masani. He has not pressed it....

Shri M. R. Masani: I have pressed. I have moved amendments Nos. 78 and 79.

Shri Lal Bahadur Shastri: I have seen that amendment and I feel it is an important matter, so far as contribution by Government companies to any political parties is concerned. As Acharyaji said, there are two categories: Government companies and statutory corporations. A Government company means any company in which not less than 51 per cent. of the share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government or partly by one or more State Governments. A statutory corporation is like the Life Insurance Corporation or the Industrial Finance Corporation. They are entitled to carry on only such business as is expressly laid down in the Act setting up the Corporation. Naturally, the provisions laying down the functions and the powers of a statutory corporation do not contain any specific authority to contribute to political funds, though such Acts usually contain a residuary clause on the following lines—I am quoting—

"to do all such things as may be incidental or conducive to the proper exercise of any of the powers of the corporation".

14 hrs.

It may be assumed that a statutory corporation like the Life Insurance Corporation, State Bank of India, the

Industrial Finance Corporation or a State Finance Corporation does not have any specific authority to contribute to any political funds. Further, most of these statutes contain provision empowering Government to give directions to the corporation in matters of policy which the corporation is bound to carry out. For example, section 18, sub-section (1) of the State Bank of India Act is as follows:

"In the discharge of its functions, the State Bank shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Governor of the Reserve Bank and the Chairman of the State Bank, give to it."

Section 39, sub-section (1) of the State Financial Corporation Act, 1951, lays down that:

"In the discharge of its functions the Board shall be guided by such instructions on questions of policy as may be given to it by the State Government in consultation with the Reserve Bank."

Lastly, all these statutes confer the usual power on the Government to frame rules to carry out the purposes of the Act. It will be observed from what I have said just now that from the point of view of political contributions the statutory corporations are not likely to give rise to any difficulty and that they will not make any political contributions for any political purpose. About Government companies, in fact I have made it clear in the Joint Committee itself that Government have full control over the management of such companies. Further, the articles of most of these companies incorporate provisions empowering the President to issue such directions and instructions to the company, from time to time, as may be considered necessary. For example, article 139 of the Articles of

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Association of the Heavy Engineering Corporation Limited is as follows:

"Notwithstanding anything contained in any of these articles, the President may, from time to time, issue such directions or instructions as he may consider necessary in regard to the affairs or the conduct of the business of the company or the directors thereof and in like manner may vary and annul such directions or instructions. The directors shall duly comply with and give immediate effect to directions and instructions so issued."

So, obviously, a Government company will not be in a position to make any contribution to any political fund.

Shri M. R. Masani: Then why not accept amendment No. 78 and close the door?

Shri Lal Bahadur Shastri: In fact, it is not necessary to provide it in the law, because usually the Act provides only a directive from the President.

Shri M. R. Masani: I am talking of private limited companies to whom the door is still open to make contributions. Why not close that door? Even in the case of Government companies, the Minister would appreciate that if the Government do not give a direction stopping the Government companies from making a contribution they would be entitled to do so by a resolution of the board of directors.

Shri Lal Bahadur Shastri: There are two or three ways in which we can prevent it. As I said, the first thing is the President's directive. The second point which has to be remembered is that all the directors of the board are Government directors, a majority of more than three-fourth or 90 per cent.

Acharya Kripalani: They will do what the President says.

Shri Lal Bahadur Shastri: The Financial Adviser is also one of the directors of the Board. (Interruptions) If you will kindly give me some time I will explain the whole position. Then, under section 620, if at all we feel it necessary, we can lay a notification in this House and prohibit any kind of contribution by those concerns. The point is: is any amendment necessary here? That is not necessary. That is point No. 1. Secondly, no amendment in section 620 is called for. Then, I am making this policy announcement that no Government company or any statutory corporation will make any contribution to political parties or for any political purposes. For that purely a directive from the Government will be more than enough.

Shri M. R. Masani: Does he not appreciate that he is not a permanent Minister? He is a member of the Cabinet and in a democracy Governments change? We want to bind future Governments also to this directive.

Shri Naushir Bharucha: May we take it that this is a policy announcement of the Government in this House?

Mr. Deputy-Speaker: Surely. This is not being made secretly at a meeting. It is being recorded and shall remain till eternity. The future Governments also shall be bound by it.

Shri Nath Pai (Rajapur): Future Governments can be bound only by statutes. Only law is binding.

Mr. Deputy Speaker: Even laws can be amended by them. If some other Government want to throw them out, certainly they can do that. In any case, this is an assurance.

Shri Lal Bahadur Shastri: It is a definite statement and action will be taken accordingly.

Acharya Kripalani: The Swatantra party may come and sweep over the elections.

Mr. Deputy-Speaker: If that happens, they can amend the law.

Shri Lal Bahadur Shastri: I was going to say that there are concerns in the States also which are controlled by the State Governments. In their case, naturally, we will have to take up the matter with the State Governments and I have every hope that they will fall in line with the policy I have just now enunciated.

The second point is about the ceilings on political contributions. Shri Masani has stated a number of times that some kind of ceiling should be imposed. I did give considerable thought to it and I also share the view that some kind of ceiling should be imposed. So far as clause 98 is concerned, which refers to "Rs. 25,000 or 5 per cent of the net profit, whichever is greater", well, I do not accept any change to be made in that portion. So far as the general body meeting is concerned, as Shri Masani has stated, they are free to give up to any amount and they can make any contribution with the approval of the general body meeting. A draft is just being prepared and if you will give us a few minutes, it will be finalized and I shall place it before the House. My purpose in bringing forward this amendment would be to see that complete freedom to the general body to make any contribution for any political party should not be there and we should impose some restrictions.

I personally want that there should be full restriction in so far as contributions to political parties are concerned. For charitable and other purposes they should be free to make any contribution. There should be no limit on that. But in so far as political parties are concerned, I feel that

there should be full control, that is, they should not with the approval of the board of directors go above what is provided for in clause 98.

Shri Tangamani: May I make a submission while he is on that point? If the limit of Rs. 25,000 or 5 per cent is not amended, a position will arise when without the approval of the general body they will be in a position to contribute more than Rs. 1,00,000 or Rs. 2,00,000 for political parties.

Some Hon. Members: No, no.

Shri Naushir Bharucha: We will see the amendment.

Shri Lal Bahadur Shastri: I will place the amendment before the House. I will clarify the position. If I might make it clear, clause (e) of section 293 in a way becomes the ceiling. Even the general body meeting will not be allowed to exceed the amount which has been mentioned in clause (e) of section 293 for political parties.

I have taken much time of the House and do not want to take more. I would merely request Shri Masani and other hon. friends to keep political considerations aside at least for the time being. They have made enough speeches and enough criticism. Let this matter be considered objectively. It would be advisable to face realities and then judge whether what I have just now suggested does go some far at least to satisfy the hon. Members. But, anyhow if even this does not satisfy them, I cannot go beyond what I have said.

I might only add that there is no whip as such and it would be most advisable to leave the decision on this matter to the House itself. Let the House decide. In so far as we are concerned, we would very much like to go by the decision of the House itself.

[Shri Lal Bahadur Shastri]

This is the amendment. I beg to move:

Page 52,—

(a) after line 25, insert—

“(iii) in clause (e), the following proviso shall be added at the end, namely:—

“Provided that any amount which may after the commencement of the Companies (Amendment) Act, 1960, be contributed in any financial year (whether by any such company or by its Board of directors with or without the consent of such company) to any political party or for any political purpose to any individual or body, shall not in any case, exceed twenty-five thousand rupees or five per cent. of the average net profits of any such company as determined in accordance with the provisions of sections 349 and 350 during the three financial years immediately preceding, whichever is greater.”;

(b) in line 26, for “(iii)” substitute “(iv)”. (126)

Acharya Kripalani: Whichever is less or greater?

Shri Lal Bahadur Shastri: Whichever is greater. That is what is already provided there. The same clause is there, but the general body meeting can exceed that figure.

As I said, these are the two proposals which I wanted to place before the House. I think with these two alterations we will be taking further steps to bring about proper regulation and control of political contributions.

Shri M. R. Masani: Will the hon. Minister be good enough to state his position in regard to the amendments moved by Shri Bharucha, myself and others—Shri Morarka and Shri Nathwani—which deal with immediate publicity to such contributions so that they are made before the elections and not afterwards?

Shri Lal Bahadur Shastri: I do not see much force in them because that is purely political. The purpose is only political and nothing else. The point is that when contribution is made it should be disclosed and the people should know which party has given it.

Shri M. R. Masani: In time.

Shri Lal Bahadur Shastri: There is no question of ‘in time’. There will be five years for the giver as well as the taker and for people to know during those five years as to who has got the money and then decide about casting their votes to a particular individual, group or party. Therefore I am sorry to say that I am unable to accept that amendment.

Shri Braj Raj Singh (Firozabad): If there is no force, why not accept them?

Acharya Kripalani: Mr. Deputy-Speaker, Sir, I had no intention to take part in this debate excepting for this clause. I am very sorry that my opposition to this clause, so far as contributions to political parties are concerned, is greater after I listened to the hon. Minister's very elucidating speech. I did not think that this clause was so dangerous before he had spoken than what I think of it after he has spoken.

It is historically a fact that such kind of contributions bring into disgrace democracy. It is these contributions that made the Communists say that democracy is capitalism. They always say that democracy and capitalism go together. They cannot be separated. I am afraid the speech of

the hon. Minister has confirmed the idea that they cannot be separated.

Democracy came into disrepute because it allied itself with big business. We are now deliberately allying it with big business. The big businessmen did not, in England or in America, conduct the government of the country. They only conducted the government and the country through their agents. Who were their agents? The Government became their agents. Now definitely this clause makes this Government the agent of the capitalists. They invite them (the capitalists) to make contributions so that they may come into power and retain power. Not only it is against democracy, but because it is against democracy it is also against socialism. A socialist government inviting capitalists to make contributions to party funds appears such an absurdity that it could only have occurred to the Congress ministers and to nobody else because they talk of socialism but they do not believe in socialism. Maybe, the hon. Prime Minister may be believing in it, but I do not think any other hon. Minister believes in it. Believing in socialism they want funds to be provided to them for election purposes by private business and by corporations, not only by individuals!

Wherfrom does that money come? They say that it is the company's money. The other day a young capitalist was arguing that it is the shareholders' money. I say that no money belongs to anybody but to the public. It is neither the shareholders' money nor is it the capitalists' money. It is public money. All production in the world today is social production. If anybody takes more than his share, he is a thief. That is what Gandhiji taught. It is not that the profits of a company belonged to the shareholders and to the capitalists. We the consumers are also interested in it. If money is given to political parties, if money is given in order to keep a Government in power, then, I say, we are being cheated. It is our

money also. To say that the money belongs only to the company and its shareholders is not true today. Today, no company can function excepting there is Government, excepting there is the police, excepting there is the telegraph department, excepting there are roads and railways. All these things are social constructions. Nobody can today say that this or that is his private property. The company's private property is not its property. It is also national property.

Apart from that, what is the contribution?

Shri Nathwani (Sorath): I am sorry to interrupt. May I ask a question? Is this legislation, the Companies Bill a product of the agents of the capitalists? Can such a piece of legislation be the product of the agents of the capitalists? I mean the present Bill. I want to know. (*Interruption*).

Acharya Kripalani: I can answer that. What I say is, this may be the production of a Government that is not the agent of the capitalists. But, this clause makes it the agent. This is the clause by which they are going to spoil the whole effect of that. This makes it the agent. Otherwise, why should it be like that?

We must remember that capitalists in England and America never conducted the Government. They had not the time to conduct the Government. They were busy about making money. Making money is a whole-time business. So is politics or love-making. You cannot divert your attention to anything else. But, they had their agents whom they paid. Who were their agents? The Government were their agents. Therefore capitalism and democracy came to be identified. This is the historical view of the whole thing. It is on that ground that the communists have identified democracy with capitalism. I do not want our democracy to be identified with capitalism so that my hon. friends (communists) here might

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have an advantage. I want these two ideas capitalism and democracy to be kept separate. They have nothing to do with each other. I know the Founding fathers in America said that if wealth begins to increase and there is disproportionate wealth with different classes, then, democracy will be destroyed. I believe in that.

I also believe that there is no difference between honest democracy and socialism. You are neither honest democrats nor are you socialists. You want to cut at the root of it. Why do you want to cut at the root of it? I remember, the great Yudhishtira was asked, what are the most curious things in the world. One of the things he said was, we see everybody dies, but we believe that we are going to be immortal. This Congress Government is every day dying. Yet it thinks it is immortal. It wants to create conventions which would stand in its way when it would be in the opposition. What will they do at that time? They would want the ruling party to go on getting funds then? This is strange behaviour of a party which cries from the housetops that it is a socialist party. I say it is not even a democratic party. This injures even democracy, not to talk of socialism.

Shri Radhelal Vyas (Ujjain): Which party you think to be democratic or socialist. You have left the P.S. party as well.

Acharya Kripalani: It is a very queer question to ask when I have said that I belong to no party. I have never spoken in this House but as a non-party man even when I was in a party. When I was in the Congress, I told this Government, because there was a scandal about sugar, because a Minister in the U.P. had written to every sugar dealer.....

Shri Tyagi (Dehra Dun): The U.P. may not be brought in.

Some Hon. Members: Why not?

Pandit K. C. Sharma (Hapur): An absentee man need not be accused.

Acharya Kripalani: It is in the proceedings of the House that there was a letter—a facsimile letter was published in the press by which the Minister had asked—I am not giving the name of the Minister; the sugar dealers were asked to give so much money on every bag of sugar that they sold. This is a fact. On that occasion, I was in the Congress, I said, "please govern or get out."

Shri Tyagi: It was an appeal.

Acharya Kripalani: It was not an appeal. It was a letter of coercion, exercised in getting money for a political party in power. This is vitiating democracy.

Shri Tyagi: For a good party.

Shri Naushir Bharucha: You are not the Minister, I hope.

Mr. Deputy-Speaker: Order, order.

Acharya Kripalani: These funds are collected, by the bosses. It is not every Congressman that gets funds. When these bosses collect funds, they put their pressure upon individual members. Today, individual members cannot afford all the money that is needed for the election. They have to rely upon the party. What is the meaning of the party? Party means party bosses. How do you know that the party bosses would always be honest? Some of them pocket some of the money they get. I know that. This does not happen in one party. In every party there are people like that. Why should we have such a thing that money is asked for election purposes and some Johnny puts it in his pocket and gets away with it? No accounts are kept for these election funds at all.

Mr. Deputy-Speaker: That may be socialisation.

Acharya Kripalani: It may be socialisation. That is not the only mischief. The greater mischief lies in that the independence of the Member in Parliament or in the Assembly is hampered. He has got funds from the party. He has been able to fight, he is able to succeed on account of the funds that he got from the party. He is therefore, under the party bosses. He dare not vote on anything according to his own conscience, but according to the conscience of the boss who has already sold his conscience.

There is another defect. There is a limit to the expenses of a candidate. There is no limit to the expenses that may be spent on behalf of an individual by the party. An individual may be entitled to spend Rs. 5000. But, the party may spend upon him Rs. 50,000. There is absolutely no limit. Therefore, a party requires funds. The Minister tells us that elections are a very costly business and the expenses are very heavy. If the expenses are heavy and the party does not get funds from these money bags—I am very sorry to use the expression; from the capitalists—if they do not get funds from the capitalists, candidates will stand on their own merits. Today, nobody can stand on his own merit. He requires funds. In a poor country like ours, we should try to make elections as cheap as possible. But, the Minister takes advantage of having made elections expensive and gives that as a reason for collecting funds from doubtful quarters.

Shri Lal Bahadur Shastri: Great men like you even cannot stand on merits.

Acharya Kripalani: This is because money counts. It is said that taxation is heavy. Individuals, therefore, do not pay! Individuals may like a party, they may not like a party. They are free to pay. The Minister says, they do not pay on account of heavy taxes. What is the meaning of this? It

plainly is, whatever is being paid by a company is being paid from the pocket of the Government. That means, from the pocket of the public. Otherwise, they would pay from private funds? They say plainly that the taxes are heavy. Whose money is then paid? When a company pays Rs. 1,000 or Rs. 5,000 or Rs. 20,000, more than half comes from the Government.

Shri Somani (Dansa): Political contributions are not exempted from tax. A company pays from its own funds and not on account of the Government. The Income-tax department does not allow any deduction.

Acharya Kripalani: Then, from the consumers' pockets.

Shri Tyagi: The rate of tax on companies' contribution is less than the rate of tax on individuals.

Acharya Kripalani: There is a difference, is it not? I do not know much of this commercial business.

Shri Morarka: Your general points are all right.

Acharya Kripalani: Here is a young capitalist who is supporting my point of view! Then we are told about the High Court judgment. I was taken by surprise, a Minister quoting High Court judgments. High Courts give judgments on specific issues, they do not take up the political question. Here we are dealing purely with a political question. If you ask the High Court to give judgment on a political question, you will be told that you are out of court. The High Court will say they have nothing to do with it, they only interpret the laws.

You, Sir, have been a High Court Judge. You know that a judgment is confined within certain limits.

Mr. Deputy-Speaker: I am glad that at least in this I have been addressed directly!

Acharya Kripalani: I was all the time addressing you, because the Ministers are past hearing. Why should they hear? They can listen to nothing than what they say.

Shri Lal Bahadur Shastri: I am listening all right. If Acharya wants that I should interrupt him once or twice and then alone he would feel that I am listening, I am prepared to do so, but I am listening to him all right.

Acharya Kripalani: It is the privilege of every Member to interrupt anybody.

Shri Lal Bahadur Shastri: That is true, but I do not want to do it in your case.

Acharya Kripalani: You may do it, it is all right. It is your privilege. I cannot deny you the privilege which I myself exercise so often.

So, no political reference was made to the High Courts. The judgments on the limited reference is also very significant. It shows how the mind of the High Courts was working. I would not like to analyse it further than that.

The Minister has also told us that it is not money that corrupts, it is not only money that corrupts; there are a thousand and one things that corrupt an individual. But here we are talking about this particular act. We are talking about the money that a political party gets from the companies. We are not talking about other things. People are corrupted by very smooth faces, and all that, but that is not the question here. We are not talking about that kind of legislation. We are talking about the monetary point of view. So, it is no use saying there are a thousand and one ways of corruption. I may be under the thumb of my wife and I may get corrupted; somebody may be under the thumb of his father and he may get corrupted; there are a thousand and one ways, but I would remind Shri Shastri that we are not legislating about all cor-

ruption, we are only legislating about this corruption.

Then the Minister tells us very smoothly, a member of the Government, that there will be indirect methods. If there are indirect methods of corruption, what is the police for? What is the Minister for? Does he go to sleep? Can he not catch thieves because they happen to be commercial thieves? Commercial thieves are also thieves. If the Government is so incompetent, then it might as well give up the ghost. If there are other ways that the companies employ in giving funds indirect ways, it is for the police to investigate. If there are other loopholes, those leaks also must be plugged. Whenever they come to view, they can be plugged. And even then, when all of them are plugged, there will be clever people who would be able to do something or the other which is fishy. If they are to do it, then the laws must proceed against them.

Shri Tyagi: What he meant was that if other parties came to power, they might practise other ways.

Acharya Kripalani: Other parties may practise other ways, but we are concerned with this party practising these ways. We are not thinking of what will happen tomorrow. This is a particular Bill brought by a particular Government, and that Government knows how it is going to affect us.

Mr. Deputy-Speaker: I will request the hon. Member now to be very brief, because time is limited.

Acharya Kripalani: As brief as the Minister was.

Mr. Deputy-Speaker: All cannot become Ministers.

Acharya Kripalani: But at least they can rival with them. I will come very near it. Then the Minister says we are not afraid of the capitalists. May I remind the Minister, it is not

they who are afraid of the capitalists, but the capitalists are afraid of them, and therefore they give them funds. He says they abolished the zamindari etc. They can also abolish capitalism, and because they can abolish capitalism the rich capitalists are afraid of them. It is not a question of Government's fear. It is a question of those poor people fearing that their business may disappear at any time, and they have got to give contributions to you. वेर कोतवाल को डंडा

The fear is on the other side, and he says they, the Government, are fearless. Of course, you are very fearless, wherefore the agitations for linguistic provinces! You are very fearless, there is no doubt about it.

He (the Minister) says the smaller collections are very good, that a popular party should rely upon smaller contributions. I entirely agree with him. Then why not rely upon small contributions from individuals? That would make the party more respectable, that will help the party, that will strengthen the party. Unfortunately I interrupted the Minister, but I would again remind him that before independence we ran the whole Congress machinery without any capitalist giving us a single pie.

Shri Lal Bahadur Shastri: I still refute it, and most positively.

Acharya Kripalani: I am coming, you listen to me. Let me finish the sentence. They did give funds to the parliamentary parties.

Shri Lal Bahadur Shastri: No, Sir; to the Congress organisation, and I can also.....

Acharya Kripalani: I was the General Secretary of the Congress, and I ran the Congress with the money that was collected by the President, and that also occasionally. It was run by the four anna membership and the contributions made by the provinces.

Shri Lal Bahadur Shastri: No, Sir. We used to do both—small collections

as well as big collections. We have always done it, and we have never hidden that fact. Even in the collection of Rs. 1 crore for the Tilak Swaraj Fund.

Mr. Deputy-Speaker: That is not very material to this clause.

Shri Tyagi: That was mostly from evaded income on which they did not pay income-tax, and they gave it out of books, and therefore those collections were not taken into account.

Mr. Deputy-Speaker: I suppose this is not very material for taking a decision on this clause.

Acharya Kripalani: It is very material because this thing has been said so often. Capitalists used to contribute to the legislative fund, only to the legislative fund, and I make bold to say they contributed to the legislative parties.

Shri Lal Bahadur Shastri: Quite wrong, absolutely wrong.

Acharya Kripalani: I am giving my views. It is open to the Minister to say that I am wrong.

Shri Lal Bahadur Shastri: It is a question of facts, not views.

Acharya Kripalani: It is a question of facts which I am likely to know better than he does.

Shri Lal Bahadur Shastri: I also claim to know not less than Acharya Kripalani.

Acharya Kripalani: I suppose you were not the General Secretary.

Mr. Deputy-Speaker: I would not allow this to continue indefinitely. He has made an assertion, the hon. Minister refutes it. He might proceed further now.

Acharya Kripalani: I was proceeding further. I simply said that before

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independence there were contributions made to the legislative parties. Why? Because in those days capitalists wanted protection, and what that protection was I know very well. But so far as the Congress was concerned, I can only say that even when capitalists gave money to Gandhiji for his personal expenses, never for politics. And I challenge anybody to disprove this point. Why should the new Congress malign the old Congress?

Shri Lal Bahadur Shastri: You are not the only old Congressman. We are also old Congressmen. Very unfair.

Acharya Kripalani: I only say that people are falling into the very charge that was made by the British Government, saying that the Congress was a capitalist organisation. It was never a capitalist organisation. It was never supported by the capitalists but today.

Shri Tyagi: Hear, hear. It is a very good augury that he is supporting the Congress. I welcome him.

Mr. Deputy-Speaker: I have already requested the hon. Member to move on to his next argument, but he is again labouring the same point.

Acharya Kripalani: I am sorry.

Mr. Deputy-Speaker: He promised to move on to his next point.

Shri Tyagi: His sweet heart is in the Congress; his heart is in the Congress.

An Hon. Member: What is this personal reference?

Acharya Kripalani: Then, we have been told that there are companies that are called statutory corporations. They will also have freedom to give.

Shri M. R. Masani: Private companies owned by Government.

Acharya Kripalani: All right, private companies owned by Govern-

ment. I always held that there are no such things as State enterprises but Government enterprises. Now, I see that there are companies that are private and are also governmental, and they will be able to pay; they will carry out the instructions of the President. Now, the President may be of any type. We have got a very distinguished person as our President, and a person who is known for his high character. But, looking round the world, we do not see that all the Presidents are very desirable persons.

An Hon. Member: Like Kasavubu.

Acharya Kripalani: I have seen that in many countries that the Presidents are just, if I may say so, dictators, and they do not always look to the interests of the poor. And when the President gives an order, then, the small man in the office will not be able to go against it and do according to the fair position that should be occupied in this matter.

I am very sorry I have annoyed my young friend with whom I have had very sweet relations from the earliest times, but I have got unfortunately to do a duty.

I shall only conclude by saying this. When all the political parties are against it, including the party which is wedded to private capitalism, why does the Congress insist upon this? There must be something in it. कृष्ण

दाल में काला तो होगा, भाई। There must be something in it. Why do the Government insist upon a thing which is undemocratic, which is unsocialistic, which gives them a bad name and which is not necessary? You do not want to get advantage from the money that you get from the capitalists. Then, why do you want it? There must be something in it that makes you so anxious, that makes you so excited that you do not like me even to condemn it. There must be something in it; the Congress must be getting some advantage.

So far as advantages are concerned, I am very sorry to say this; I have to mention that there are some other advantages also which the Congress Governments get at the time of elections. They use official phones; they use official cars. I remember a story that a Minister told me, and he wanted to show me his honesty, and he said, 'I never went to any election meeting in car.' I asked him, 'Then, how did you go?' He said, 'I went to that town in a car, but I went to the meeting on foot.' He had kept his official business in that town, and he went in the official car, but he told me how honest he was that he went to the meeting on foot. One wonders at this kind of honesty. What a high-class honesty that you go to a place where you have to speak for a candidate, in this manner!

Then, a Minister is put in charge of all the elections. I say, a Minister. Then, there is the Prime Minister; I am very sorry that he is not present here, but what can I do? That is my misfortune, and to a certain extent, his too. He goes in 'planes', during election times and these 'planes' belong to the military; and he pays money, but if I pay money, I cannot get that plane.

This is not fair elections, this is not free elections; this is not democracy; this is *Congress raj* as you conceive it, not as the nation would want it. I am, therefore, strongly against this clause and even the limitations that they put are only an eye-wash.

Mr. Deputy-Speaker: Now, Shri M. R. Masani.

Shri M. R. Masani: Having spoken on the second reading just a little while ago, I thought I should speak a little later. If however you want me to speak now, I shall start.

Mr. Deputy-Speaker: Then, I shall call some other hon. Member. Shri H. N. Mukerjee.

Shri H. N. Mukerjee (Calcutta-Central): Mr. Deputy-Speaker, Sir,

I am glad that Acharya Kripalani has introduced a whiff of fresh air into this House where a certain turgid atmosphere had begun to settle over the discussion of the clauses of the Companies Bill.

I am glad also that he has referred to the traditions of the Congress, which at one time, as we all know, was the undisputed spokesman of the people's will, and he has told us how the approach to the people used to be in a very different manner from what we see today suggested in the speech of the hon. Minister and also in the actions of the party in power.

I have heard my hon. friend Shri Lal Bahadur Shastri, and though, with much hesitation, he has unbent ever so slightly, he has not conceded the position, and I agree entirely with Acharya Kripalani that there should be a ban, as far as our law is concerned, on the contribution to the coffers of political parties from the companies.

I know very well that it is not necessary, nor is it proper to repeat at the arguments which have been used before, but I could not appreciate either the politics or the economics or even the ethics of what the hon. Minister has proposed. There is no doubt about this, and this is most elementary, that part of the corporate funds would be diverted by majority vote to the coffers of one political party or the other. The political party favoured by the majority of people who control these corporate funds would be the beneficiary, and this, I feel, is opposed to every canon, not only of political morality but also of normal business.

Acharya Kripalani has said how he has wanted in this country to see the back of capitalism and to see democracy go ahead. I am sure he knows that the quantity of democracy brings about a change in the quality of democracy, and at one time, there could be a conjunction between capitalistic forces and a sort of democracy, but by today, the

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condition of things is such that capitalism and democracy cannot coexist, and we have to have a socialist democracy; whether you have it by methods which might be described as revolutionary or by other methods is a different proposition. But, if we are going to have a real change in the quality of democracy, surely, the control which capitalist interests have over different aspects of our life has got to be removed; the taint which might come from big money interests into our political life has got to be pushed out. And I do not quite understand why this sort of indulgence continues to be given to people who are in control of big money, and who can finance the expensive elections to which reference has been made by the Minister. I do not know why today when we find in our Plan, what is called in present day parlance the 'U-sector' is becoming so very important, and this 'U-sector', a kind of elite, a kind of aristocracy is going ahead in such a way that the priorities in our Plan are being disturbed, the people who are at the top, financially speaking, are individually not ready to see a miserable hole in their pocket. They might be very friendly towards the Congress Party or any other party, but they are not friendly enough, nor enthusiastic enough, nor devoted enough, for ideological considerations, in order to pay out of their own private resources. As members of the 'U-sector' in society, they get all sorts of things, houses, travelling expenses, refrigerators, and all kinds of gadgets paid for. I am sure all these people who travel in our airlines and all that usually do not pay out of their own pockets but out of company funds. Now, even for the sake of having the satisfaction of supporting their own favoured political party, they are not ready to put their hand in their own individual pocket; they do not like a hole in their pocket; they want to pick the pocket of the shareholders; they get the corporate funds and they pay to the political party they like. This is a kind of thing which should not be permitted.

Here is a class of people who are taking every advantage of the lacunae in our building of a socialist society. We are building it so badly that we are not building it at all, and it has become almost a pathetic fallacy, the attempt to build socialism in the way that the Congress Party is proceeding. But the result is that today they have to depend even for the purposes of running their own party and of working their parliamentary apparatus, on the good grace and the favours of people with big-money interests who control the purse of these corporate funds. That was why on the last occasion in 1957, as I have said before in this House, the Congress Party did not hesitate to receive from Tatas Rs. 10,30,000—and I do not know how much they are going to expect in 1962.

Now, this is a kind of thing which should be stopped, and I am very happy that Acharya Kripalani has raised some very fundamental questions. How are we going to face our people? At election time, what do we do and what do we tell them? I remember—I can repeat it here because Acharya Kripalani has referred to something of that sort—every time I have gone to electioneering meetings, I have asked not only for votes for the Party to which I belong; I have also asked for money from the people. I have said, as a matter of contrast, so to speak, that there are certain parties who go and offer money to the people, whereas we ask not only for their votes but also for their labour and for their money.

So we ought to be in a position to mobilise the enthusiasm of our people in such a way that for election purposes we would not have to depend upon the large mammoth contributions made by the big-money interests, but we should be able to say that we go to our people, we make pice collections, we go to everybody in our country and get as much as we can. And if there is enthusiasm, there

would be the people coming forward in order to see that at election time their favourite Party does not lose.

My feeling is that the tragedy of the Congress Party is that it has lost its ideology. The tragedy of the Congress Party is that being in power, it is no longer in touch with the people, being in power and enjoying the glories of pomp and upholstered comfort, it does not go to the people and talk to them in their own terms. That is why they do not create enthusiasm in the hearts of our people. They do not like that glow of freedom in people's hearts which would solve all the problems about which Shri Lal Bahadur Shastri, as the person in charge of the election mechanism of his own Party, is today worrying so much.

That is why it is very important that we should go back to our fundamentals, to the desirability of taking such steps as would ensure the purity of our political life, to see that we again mobilise the emotion of our people in the service of whichever ideology we hold. That is why I feel that there should not be anything in our law which would help big-money interests to have their own lousy finger in the pie of our national politics. That is why I say any effort by the backdoor, directly or indirectly, any effort to see that these big-money interests are enabled to entrench themselves in the country and its administration should be stopped. That is why I support entirely the stand which Acharya Kripalani has taken. I am very sorry that after having promised us earlier something much more substantial than what Shri Shastri has said, he has today offered us something which we cannot accept as satisfaction for the demand which has been put forward by all the different Opposition Parties together.

श्री राम सिंह भाई वर्मा : उपाध्यक्ष महोदय, उच्चोग में से या कम्पनियों में से अगर उनके सिवाये, जिनका कि उच्चोग से

डायरेक्ट सम्बन्ध है, किसी और कोई रकम दी जाती है, तो उसका मैं विरोध करता हूँ। मैं अपने अनुभव की बात करता हूँ, किसी की सुनीं या कही हुई नहीं है। प्रश्न यह है कि लेने वाला जितना आतुर नहीं है, उतना देने वाला आतुर नहीं है। मैंने देखा है कि कारखानों की आर्थिक हालत खराब होती जाती है और देने वाले ऐसी हालत में भी चूकते नहीं हैं, लेकिन जिनका डायरेक्ट सम्बन्ध होता है और जिन को अपने पसीने की कमाई में से कुछ मिलना चाहिए, उन्हें कुछ नहीं मिलता है। इसलिए यह एक सवाल विचारणीय है। मुझे तो यह देखकर बड़ा आश्चर्य होता है कि यहां हाउस में हमारे विरोधी पार्टी के साथी कांग्रेस का नाम लेकर कांग्रेस के ऊपर हमले कर रहे हैं, जैसे वे गरीब तो कुछ जानते ही नहीं हैं और उन्होंने कुछ छुआ ही नहीं है। मैं यह निवदन करना चाहता हूँ कि जो कांग्रेस की आपोजीशन पार्टीज हैं, उनको इंडस्ट्रीज में से हजारों रुपये दिए गए हैं और वे इसलिये दिए गए हैं कि कांग्रेस पार्टी से सम्बन्धित आरगनाइजेशन को कमज़ोर किस प्रकार से तनाया जाये। यह चीज़ कोई गुप्त नहीं है, वित्कुल घोपन है कि एक बड़े नेता को बुलाया गया और पच्चीस हजार रुपए की थेली इंडस्ट्रीज में से इकट्ठा कर के इस लिए दी गई कि यहां रामसिंह भाई का आरगनाइजेशन बड़ा स्ट्रोंग है और बराबरी के आधार पर इस से डील करना पड़ता है, इसलिए एक राइबल आरगनाइजेशन बनाई जावे और हजारों लोगों की सभा में वे पच्चीस हजार रुपए देते बक्त यह ऐतान किया गया। इतना ही नहीं बल्कि वह पैसा ऐसी हालत में इकट्ठा किया गया, जब कि मेरे यहां कोई कम्पनी प्राक्टिट नहीं कर रही थी, लास पर ही चल रही थी। पब्लिक में प्रकाशित करने, किसी व्यक्ति या किसी आरगनाइजेशन को देने और बैलेंस शीट में पब्लिश करने के बारे में बहुत कुछ कहा गया है।-

[श्री रामसिंह भाई वर्मा]

लेकिन मैं समझता हूँ कि सोमानी जी अच्छी तरह से ये तरीके जानते हैं कि यह सारे काम किस तरह करने चाहिए।

उपायक भाषण : किसी खास मेम्बर का नाम लेकर ऐसी बात नहीं करनी चाहिए।

श्री रामसिंह भाई वर्मा : उन लोगों की अपनी आरगनाइजेशन-एसोसियेशन हांती है, जो यह तय करती है कि दो रुपए, चार रुपए या दस रुपए प्रति-लूम इकट्ठे किये जायें और एसोसियेशन को दिये जायें। उनकी एसोसियेशन किस को वह रुपया देती है, यह किस बैलेंस-शीट में पब्लिश होगा। यह ज़रूर मालूम हो जायगा कि फ़लां मिल ने प्रति-लूम के हिसाब से इनी रकम अपनी एसोसियेशन को दी है और एसोसियेशन का बैलेंस-शीट तो केवल उसके मेम्बरों के लिए होता है, वह आम जनता के लिए नहीं होता है, क्योंकि उसके शेयर-होल्डर्ज़ नहीं होते हैं। एसोसियेशन जानती है कि किस को कितना देना है, कितना नहीं देना है।

मैं यह निवेदन करना चाहता हूँ कि आज के जमाने में कांग्रेस के मुकाबले में विरोधी पार्टियों को ज्यादा दिया जाता है, लेकिन वे अच्छी तरह से जानते हैं कि लेने वाले इस बात को ठहरा लेते हैं कि हमारा नाम बैलेंस-शीट में नहीं आना चाहिए। वे कहते हैं कि कैसे आयेगा, हम अपनी आरगनाइजेशन के द्वारा देंगे। ऐसे एक नहीं, कितने ही किसी है।

15 hrs.

मैं यह निवेदन कर रहा हूँ कि यह देने और लेने की बात क्यों हो रही है। प्राविडेंट फ़ंड के करोड़ों रुपए अमिकों को नहीं दिए गए और मालिकों ने जमा नहीं कराये, लेकिन वे इस बात के लिए तैयार हैं कि हम पोलीटिकल

पार्टिज़ को दें। जब प्राविडेंट फ़ंड की बात आती है, तो कोई देता नहीं है। मैं समझता हूँ कि अगर देने वाले किसी अच्छे परपरा के लिए देना चाहते हैं, तो वे बकारी के निवारण के लिए, बन्द कारखाने को चलाने के लिए अमिकों के बेलफेयर के लिए, मुनाफ़े के पांच परसेन्ट या पच्चीस हजार रुपए क्यों नहीं देते हैं। अभी योड़े दिन पहले उनकी एसोसियेशन में एक सवाल आया, एक साहब की वर्ष-गांठ मनाने के लिए एसोसियेशन पच्चीस हजार रुपए उसके लिये दे। उस समय एसोसियेशन से यह कहा गया कि जब इनकी वर्ष-गांठ मनाने के लिए पच्चीस हजार रुपए दिये जा रहे हैं, तो अमुक नेता की वर्ष-गांठ मनाने के लिए भी पच्चीस हजार रुपए दिये जायें, जब कभी भी वह मनाई जाये—चाहे वह मनाई जाने वाली हो या न हो इस तरह एसोसियेशन दोनों के लिये पचास हजार रुपए निकाले।

मेरी समझ में यह नहीं आता है कि दरअस्त यहां पर यह आग्रह या दुराव्रह क्यों हो रहा है कि अमुक पार्टी को अमक रकम दी जानी चाहिये और वह या तो २५,००० रु हो या प्राफिट का ५ परसेन्ट। एक मुश्य सवाल है कि मजदूरों के बोनस के सम्बन्ध में जब डिमान्ड की जाती है तो उसके लिये ट्राइब्युनल ने एक फार्मूला ठहरा दिया कि अमुक प्राफिट हो तो भी बोनस नहीं दिया जा सकता।

उपायक भाषण : क्या माननीय सदस्य अभी ज्ञात कर रहे हैं?

श्री रामसिंह भाई वर्मा : मैं ५ मिनट में ज्ञात कर दूँगा।

उपायक भाषण : अतर ५ मिनट लेने हैं तो फिर कल शुरू करें।

15.02 hrs.

MOTION RE: REPORT OF DIRECT TAXES ADMINISTRATION ENQUIRY COMMITTEE

Shri S. M. Banerjee (Kanpur): Sir, I beg to move:

"That this House takes note of the Report of the Direct Taxes Administration Enquiry Committee, 1958-59 and the memorandum of dissent, comments, and recommendations by Shri G. P. Kapadia on the Report, laid on the Table of the House on the 21st December, 1959 and the statement of the Finance Minister on the more important recommendations of the Enquiry Committee, laid on the Table of the House on the 9th September, 1960."

Mr. Deputy-Speaker, Sir, I have before me the report of the Direct Taxes Administration Enquiry Committee. We remember that this particular committee was appointed with a view to plug loopholes in our present system of collecting taxes and also to consider the various recommendations of the Taxation Inquiry Commission and also the observations made by Prof. Kaldor when he was here.

The Committee has made 367 recommendations; 205 have been accepted by Government and 59 are of a general nature. And, according to the observations made by the hon. Finance Minister they do not warrant any attention. And, it is also said that a comprehensive legislation is likely to be introduced in this House for plugging the loopholes in the present Act.

This is what the Committee says on page 288, under Evasion and Avoidance, that the quantum of tax evasion, though undoubtedly high, is not of the same magnitude indicated by Prof. Kaldor in his report. According to Prof. Kaldor the evasion was to the tune of nearly Rs. 200 crores. And, this particular committee has stated that the magnitude is not so much. But Prof. Kaldor had some

basis to make this statement. I want to know from the hon. Minister whether this Committee also tried to find out what was the actual or near-about amount of evasion. I would refer to some paragraphs from Prof. Kaldor's Report. I personally feel that these tax-dodgers who evade taxes also are safeguarded—their interests are safeguarded—by the ruling party. This has not been said so in so many plain words. But if you kindly refer to page 10 of *Indian Tax Reform, Report of a Survey*, by Nicholas Kaldor, you will find that it says:

"Neither in the case of countries like the United Kingdom or the United States of America, nor in the case of India is large-scale tax avoidance and evasion an ineluctable consequence of human or administrative imperfections or folly, or of the private enterprise system, or any other ineradicable feature of society. The factor which has so far prevented the establishment of an effective system of taxation on profits and capital in the Western Democracies or in India is the opposition of vested interests, not the 'technical' impossibility of devising an equitable and foolproof system."

Then, on page 11 it says:

"As Henry Simons said before the War the whole procedure smacks of a 'subtle kind of moral and intellectual dishonesty.' One senses here a grand scheme of deception whereby enormous surtaxes are voted in exchange for promises that they will not be made effective. Thus the politicians may point with pride to the rates, while quietly reminding their wealthy constituents of the loopholes."

So, Prof Kaldor has made these observations. Whereas in this House we pass legislation and enact laws, the ruling party—it may be this ruling party or ~~any~~ other—also assures

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its constituents who are the **assessees** that they may make apparently progressive legislation to establish their desire to have socialism, but they will leave some loopholes by which the **assessees** can always avoid or evade taxation. So, this is a clear case where Government has to take a decision, and a firm decision, to plug the loopholes.

I would refer to some figures of effective arrears of income-tax. It will be difficult for me—or it will take more time of the House—if I read it State-wise. I definitely feel that some amount has been recovered. The effective arrears on the 31st March, 1959 was Rs. 152,36 lakhs; and now the effective arrears on 31st March, 1960 is Rs. 133,61 lakhs.

I put a question in this House today, which was answered in the written answer, that the total effective arrears of income-tax, sales tax and gift tax as on 1st October, 1960 in U.P. by the Finance Minister. It says that the total effective arrears are Rs. 566,73,000. I also wanted to know since how long this arrears was there and the reply was that this information is being collected. I do not know what was being collected. When they could know this total amount, I could also have been told from which date they are outstanding. My information is that right from 1947, after independence, this amount or a good portion of it is outstanding. I would like to know the details of it and also what we are doing.

My attention was drawn to various Press comments. It was said that in our country names would be announced and people would be exposed. We welcome that amending Bill when it came before the House. But, what will be the punishment? Will any prosecution be there or not. I would quote from *Hindustan Times*, dated the 2nd December, 1959. It says:

"Though the existing law provides for prosecution and punish-

ment of tax evaders not one prosecution has been launched since independence. In the United Kingdom every year at least one or two big tax evaders are sent to jail and along with them auditors who abet such evasion. This acts as a deterrent."

I would also quote for your information some cases from the book called *One Hundredth Report of the Commissioners of Her Majesty's Inland Revenue for the year ended 31st March, 1957*.

Criminal Proceedings in 1956-57:—

Class of case	Number of Persons Prosecuted	Number of Persons Convicted
tax Frauds	15	14
False Claims	31	31
P.A.Y.E. frauds (1)	5	
(2)	3	3
Post-war credit frauds	1	1
Total	59	57

This is what happens in that country. When a man is prosecuted, when a tax-evader is prosecuted, he is also assured of conviction. But, here, there is no conviction. People know that they go on merrily like this. Since the 15th of August, 1947, how many tax-evaders and anti-social elements have been convicted because they defrauded the country by not paying the taxes due from them? Till the 1st of November, 1960 how many people have been convicted for this offence? The hon. Minister may enlighten us so that I may go out and say that it is incorrect to say that nobody has been convicted. Such people had been convicted.

I am happy that the Government enacted a progressive legislation that they would expose those who evaded taxes. There was terrible resistance from the capitalists and I shall read certain passages from *Commerce of*

4th June, 1960, when the amendment was introduced in this House.

"Bearing in mind the conditions prevailing in our country today, it is highly probable that house-breakers and burglars may apply for a taxpayer's assessment to find out the position regarding his income, jewellery and other forms of wealth".

The action of the Government was compared to burglary! Not only that. They wanted that impossible conditions should be imposed. They say:

"If, however, the Government is determined to enact this utterly useless and mischievous legislation, the following safeguards should be provided to an assessee against would-be blackmailers and financial peeping Toms:

1. The fee for the application should be very stiff and in no case should it be less than Rs. 1,000....

5. Every applicant should be required to give an undertaking that he shall not reveal to any other person the information obtained by him in pursuance of his application and a breach of this undertaking should be made penal—All rights reserved."

You can imagine the terrible pressure from the capitalists so that this Bill could not come before the House. They say further:

"In keeping with the general policy of the Congress Government to pass legislation which may often result in giving maximum benefit to anti-social elements and at the same time cause maximum harassment to the law-abiding public, the Government is sponsoring the Taxation Laws (Amending) Bill, 1960, which provides, *inter alia*, for communication to any member of the public, on the payment of a speci-

fied fee, the amount of income, wealth, etc. declared by a person in his return. Apart from the fact that the provision violates the elementary principle in a democracy of the secrecy of the citizens' returns, there is not one sound reason for putting it on the statute book."

I must congratulate the hon. Minister for bringing that Bill. But again there is a provision for withholding the names in certain cases. When the Bill came before this House, I opposed it and I am still opposed to it. That particular provision should not have been brought in that Bill.

The Direct Taxes Administration Enquiry Committee report, which was accepted in principle, suggested certain measures for arousing the public conscience against tax evasion. It says:

"People should be educated with regard to the real object of the collection of direct taxes, through press, radio and films.

(ii) Steps should be taken to convince the taxpayers that the money collected through taxes is not spent wastefully but put to proper use.

(iii) No official patronage or recognition or awards should be given to persons who have been penalised for concealment or in whose case prosecution proceedings have been taken. Such a person should not be allowed to become a member of any Committee or Commission appointed by the Government."

There are recommendations which have been accepted by the Government in principle. What positive steps have been taken to implement the recommendations accepted by the Government in principle? Have they taken any steps to arouse social conscience and create public opinion against these anti-social elements? I

[Shri S. M. Banerjee]

am sorry to use the word 'anti-social' but I have to use this because these tax dodgers are doing something bad to the country. I am hopeful that some comprehensive legislation will come before this House.

Then, there was a rather non-controversial recommendation that the Government should take a policy decision so as to prevent the officers of the Department, who leave Government service prematurely for joining private employment. Unfortunately, the Government has not accepted this recommendation. While the other Bill was being discussed, my hon. friend Shri Prabhat Kar quoted instances where Commissioners and other responsible officers of the Income-tax Department retired, normally or prematurely, joined some private firms and with their influence in the department they were able to manage and do things which were not to the best interests of the country. I have also known certain cases where officers on the verge of retirement kept the case pending till they retired and they managed, after joining the concerned firm after their retirement, to get some favours from the department for that particular firm.

The powers of the income-tax department should be increased. There was another suggestion made by Prof. Kaldor which was not acceptable to the Tyagi Commission comprehensive returns. The Chairman of that Commission is here and I want to know why comprehensive returns are not possible in our country. Why was this recommendation rejected by them? I would like to know.

We should be able to get more income-tax. There is tax evasion. How else people who say that they are paying income-tax to the extent of 80, 85 or 90 per cent. are becoming millionaires and multi-millionaires? Today a question was asked here: how many crorepathis are there in India? Do they pay their taxes? I am not

so well versed in economics. I am neither a Professor nor a good student of economics. It confuses me as to how these people who pay their taxes so generously are becoming richer and richer. The juggleries of income-tax rules and Act puzzle even the Chairman of the Commission as he said when certain people appeared before him to tender evidence. My suggestion is that certain drastic action is necessary to plug the loophole. The comprehensive legislation should be brought as early as possible. The suggestions of Prof. Kaldor about comprehensive return and so on should be accepted. The cumbersome methods should be simplified so that people may know what is what.

I also request the hon. Minister to throw some light on those other recommendations which have not been accepted.

Mr. Deputy-Speaker: Motion moved:

"That this House takes note of the Report of the Direct Taxes Administration Enquiry Committee, 1958-59 and the memorandum of dissent, comments, and recommendations by Shri G. P. Kapadia on the Report, laid on the Table of the House on the 21st December, 1959 and the statement of the Finance Minister on the more important recommendations of the Enquiry Committee, laid on the Table of the House on the 9th September, 1960."

We had two hours allotted for this discussion out of which 20 minutes have already been taken. Can I know the approximate time that the hon. Minister would require for his reply?

The Minister of Revenue and Civil Expenditure (Dr. B. Gopala Reddi):
About 30 minutes.

Mr. Deputy-Speaker: That means we have one hour left. There are about eight names already with me and perhaps there might be one or

two others also who would like to speak on this.

Shri Naushir Bharucha (East Khandesh): Sir, since this is an extremely important matter and the Committee has taken such enormous trouble of making recommendations on every aspect of the administration of direct taxes, may I request that the time should be extended? This is not a matter on which anybody can speak and conclude in ten minutes. In ten minutes one can hardly touch the fringe of an administrative problem. This is a matter on which the Government should have brought its own motion. May I, therefore, request that the time should be extended?

Mr. Deputy-Speaker: Even if I give ten minutes to each hon. Member I will not be able to accommodate all.

Shri Tyagi (Dehra Dun): Sir, with a view to have a fair discussion on the subject may I request you to ask the Government to put on the Table of the House a statement showing all the other recommendations that they have in the meantime accepted? There are certain recommendations which do not need any change of the law. They can be given effect to by Government orders. A statement showing that should also be made available so that this House will be in a position to know to what extent the Government have proceeded in the matter.

Mr. Deputy-Speaker: If it is available that might be done. I am now fixing the time. How can we extend it? Should we decide to sit later today?

Shri Naushir Bharucha: Certainly not. My submission is.....

Mr. Deputy-Speaker: There is no other remedy. Government business might have been put for the next day. How can I take away the time from other business. Because this is a private motion ordinarily we give two hours only.

Shri Naushir Bharucha: My submission is that the Government should accommodate and give some time for this. I think that can be done.

Mr. Deputy-Speaker: The only remedy that appears to me is that we might sit for more time today, sit late after 5. If the House agrees I have no objection.

Shri Warior (Trichur): That would not help much. Even if we sit late we will get only one more hours. The whole difficulty is that the Government did not bring this motion themselves.

Mr. Deputy-Speaker: That is my difficulty also. If the Government had brought the motion there would have been longer time available.

Shri Naushir Bharucha: Let the hon. Minister say what he proposes to do.

Dr. B. Gopala Reddi: That is a matter for the Business Advisory Committee to decide, whether they want to give away some more time for this motion or not.

Mr. Deputy-Speaker: All right. Shri Bharucha may now speak on this and take as little time as possible.

Shri Naushir Bharucha: I submit, Sir, that at least 15 minutes may be given to each hon. Member.

Mr. Deputy-Speaker: All right, he might take 15 minutes.

Shri Warior: If concessions begin in the beginning itself, in the end we will find ourselves in a difficult position.

Mr. Deputy-Speaker: Let us see what happens in the end. Let us start first—Shri Bharucha.

Shri Naushir Bharucha: Mr. Deputy-Speaker, Sir, a very voluminous report which deserves very careful consideration has been placed before the

[Shri Naushir Bharucha]

House for consideration. Though the terms of reference were restricted to the administrative organisation and procedure necessary for implementing the integrated scheme of direct taxation the Committee has made numerous recommendations which go a little beyond their terms of reference, if I may say so, and has on the whole given a lead in the right direction. Now it remains up to the Government to implement at an early date such of the recommendations as can be implemented without any alteration of the law.

However, I must confess that after going through the recommendations contained in this report an overall impression left on one's mind is that while it will definitely make for some improvement in the administration, I am afraid any spectacular improvement in the administration of direct taxes and its machinery has to be ruled out.

The Committee has touched upon a number of important aspects of the problem and I can only deal with perhaps, at best, four or five of these. One relates to simplification of tax calculation. I am not quite in agreement with the Committee's recommendation that simplification of tax calculation can be achieved if the basic grades of income-tax are incorporated in the statute itself and surcharges are varied through the Finance Act. I do not know how it will make for simpler calculations. I do like a couple of recommendations made in this connection by the Committee, namely, that whenever the Government desire to make alterations in the basic structure of any tax, particularly the rates, then they must introduce a separate Bill so that the Parliament can focus its attention on the particular problem and the principles underlying that particular Bill. I also agree with the view that the return forms require to be very considerably simplified. Normally, I suppose, no other person than perhaps a lawyer or an extremely

good businessman would be able to understand the various details that are required to be filled in an income-tax form.

Sir, allied to this problem of simplification of tax calculation are other questions which the Committee has done well in looking into. It is conceivable that we cannot agree with all the conclusions reached by the Committee, but the Committee has applied its mind carefully to this subject. These include, first, the suggestion that the expression "income and expenditure" should be defined. They also relate to the method of calculating depreciation, the procedure for allowing development rebate, methods of calculation of speculation loss, taxation of charitable trusts etc., and I propose to examine a few of them.

I am of the view that, when the Committee has said that there is no need to give an all-embracing definition of the expression "income", it has been done in the case of other countries and perhaps if an all-comprehensive definition were attempted a great deal of misunderstanding attaching to this expression, which is a fundamental expression on which the entire Income-tax Act is based, might perhaps be eliminated and it might also make for a simpler administration of the Act. I am also aware of the fact that it is not possible in a similar manner to define "expenses". It would mean really defining expenses admissible for purposes of direct taxes. But it should not be presumed that expenditure which is admissible for purposes of a particular Act has not been defined. In the Electricity (Supply) Act of 1948 the admissible expenditure—that is, expenditure 'properly incurred'—has been defined by enumerating a number of items of expenditure pertaining to that particular industry. I am not, however, in favour of attempting to define "expenditure" for the simple reason that what could be done in

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the case of one industry may not be possible in the case of numerous other industries. However, I do not agree with the recommendation of the Committee that no attempt be made to give an all-embracing definition to the expression "income".

Coming to the question of depreciation, the Committee has made certain recommendations which I think would make for simpler calculation of depreciation. The first recommendation is that the basic fact, namely, that written-down value of an asset should be taken as the basis for depreciation, should continue. I think that is a sound principle. Businessmen and various industrial organisations have been accustomed to this and it should be maintained. But the Committee suggests that the method of calculating depreciation should be that wherever an asset has been used for six months or more in the course of the year full depreciation should be allowed, if it has been used for a period between one month and six months then half the depreciation should be allowed and no depreciation should be allowed if it has been used for a period less than one month. I think some sort of such rough and ready adjustment should be made because it eliminates a very considerable amount of work on the part of the assessing officer calculating for how long a particular asset has been used and I think the Government will pay attention to this particular recommendation.

The Committee has also suggested that for depreciation under section 10(2)(vii) machinery, plant and other things are included but not furniture and that furniture should also be included in that category. This is a suggestion with which I fully agree.

The Committee has applied its mind to a very important aspect of depreciation, namely, depreciation so far as electricity supply companies are concerned. As the House is aware, the depreciation permissible under the Indian Income-tax Act is totally

different from depreciation permissible under the Electricity Supply Act, Schedule VI, clause 6. It is very necessary that the disadvantageous position in which the electricity supply industry is placed as a result of the differential type of depreciation allowed to it under the Act should be remedied, so that electricity supply companies will be enabled to provide appropriate reserves for purposes of depreciation. As the Act stands today, its expenditure being regulated, the electricity supply industry cannot set aside or create any reserve that it likes. So, I agree with the recommendation made by the committee that an amendment of Electricity (Supply) Act, 1948 is necessary, because it is extremely important that useful utilities should be placed on a sound footing. The best way of amending the Electricity (Supply) Act, is to enable the companies to create separate reserves for purposes of depreciation.

There are some useful recommendations made in connection with development rebate. It has been observed that a condition precedent to development rebate is that no sale of the assets should take place within 10 years. That limit should be reduced to 8 years. I am of the opinion that in these days of scientific advance where as a result of obsolescence some asset has depreciated rapidly, I think certain power should be left in the hands of either the Central Board of Revenue or any other authority to see that necessary adjustments in Development Rebate allowances are made in connection with that.

Coming to the taxation of charitable trusts, which has recently assumed great importance, since up till now tax was being evaded by creating certain so-called charitable trusts. Business was being carried on in the name of some charitable trust and those profits were not taxed. There was no careful scrutiny of the objects of the Trusts. Recently, since last year, the income-tax department has been put on alert in connection with

[Shri Naushir Bharucha]
that and now the affairs of charitable trusts are being examined.

I fully agree with the committee that exemption from tax under section 4(3)(1) should be restricted to those trusts which run business primarily for the purpose of furthering the object of the trust. For instance, I have in mind educational trusts. If they run a school or run a printing press for the purpose of printing books for educational purposes, in that case the profits of such enterprises should not be taxed. Barring such or similar cases, I am of the opinion that all the profits of the so-called charitable trusts should be taxed and I am completely at one with the committee on that, particularly when trusts are run outwardly in the name of charity, but inwardly intended for taking care of some families and relatives. I also fully agree with the recommendation that where a charitable trust has invested in shares in an enterprise in which the donor has a substantial interest, then also, barring a specified limit, the rest of the profits should be taxed.

Important recommendations have been made by the committee in connection with expediting the disposal of the assessment work. Some of the recommendations are really so good that I think the House should emphasise that the Government should carry out those recommendations. First recommendation is that the assessment should be completed in the same assessment year and at any rate within not more than 2 years. I fail to understand why there should be even 2 years' time. Why not within the same year? The clause regarding automatic filing of returns before 30th June requires to be carefully considered. I am of the opinion it should be done. I find in some cases when I ask for return forms to be sent to me, they are not sent for months together. Maybe the income-tax department is hard-pressed and does not bother about taxing a poor fry like me.

Then, returns of small income-groups should be normally accepted and checks should take place once in four years only. Sir, every year I make a pilgrimage to the income-tax office. For 25 years, the poor income-tax officer asks me one question; "Have you maintained accounts?" I produce a diary and he says, all right. Where is the necessity for this pilgrimage every year, particularly in the case of small income-groups? The committee is right in saying that normally they should be accepted, without the assessee being called upon to produce books of accounts. Very often he has very little to produce by way of books.

Another important recommendation is that assessment should be made within 30 days. Not only it should be made within 30 days, but if a refund is due, along with the assessment order, the refund cheque should be sent immediately. Why is it that the Government is so quick in collecting advance payment of taxes and why so lethargic in making payment of refund? The committee has said that in the matter of late payment of income-tax, 6 per cent should be charged. Make it 12 per cent; I will not be sorry, but also make it 12 per cent for Government's failure to pay the refund in time. Let both sides get equal justice.

There are numerous other recommendations regarding the disposal of refund applications on the very day of receipt. Only once in my lifetime I have got refund on the same day of application. I was surprised that in Calcutta and Ahmedabad this system in force. Why not in Bombay? What has Bombay done? I think that is a sound recommendation which ought to be accepted. Also, there are minor instructions which are of a useful character, viz., currency of refund order should be for 3 months, because while we are out to strengthen the tax-gathering machinery, we should also be out to do some justice to the assessee.

With regard to the appellate structure, I must particularly emphasise that the recommendation made that the appellate assistant commissioner should be transferred from the Central Board of Revenue to the Ministry of Law is most important. The appellate commissioners must not be looking to the Central Board of Revenue for their promotion. There is a tendency rightly or wrongly, consciously or unconsciously for appellate commissioners always to look to their promotion. So, it is very necessary that the Law Ministry should have control over them.

Also, the suggestion that there should be 2 appellate commissioners under the Ministry of Law for exercising administrative control over the appellate assistant commissioners is a welcome suggestion and I wholeheartedly support it.

I also support the idea of appellate tribunals being strengthened. We will have to continue the appellate tribunals; there is no doubt about that. If a serving Judge of a High Court is made President and the tribunal is strengthened either by special benches or otherwise, I feel considerable useful work could be done. I approve of the recommendation of the committee that the tribunal must not merely pass orders, but it must give detailed orders giving the reasons, the findings on facts, stating the issues and the arguments involved and the conclusions reached.

With regard to the matter of expediting appeals, which is an important matter, I think without strengthening the assistant appellate commissioners and the appellate tribunals, by creating special benches for disposing of arrears of work, nothing substantial can be achieved in this direction.

There are various reasons for accumulation of arrears. I am going to give a suggestion which the Committee does not make. If you intro-

duce some sort of rebate or discount system as is done in the case of gift tax, you will recover income-tax dues very speedily. This is a matter to which Government must apply its mind. Giving an inducement of a rebate, even of 5 per cent of the total amount of the tax payable, if the tax is paid within 15 days of the notice will go a great way.

I wanted to speak on other aspects, but as there is no time, I hope other Members will take care of those aspects. I must certainly compliment the Committee on having done a very useful work in a thorough way. My only regret is that the terms of reference of the Committee were restricted. Had the terms been wider, perhaps we would have had a more comprehensive report.

Mr. Deputy-Speaker: I will first call all those who gave their names or who stood up. Then Shri Mathur did not rise.

Shri Harish Chandra Mathur (Pali): I also want to participate.

Mr. Deputy-Speaker: Shri Ram Krishan Gupta.

श्री रामकृष्ण गुप्त (महेन्द्रगढ़) : उपाध्यक्ष महोदय, जो रिपोर्ट आज पेश की गई है और जिस पर विचार हो रहा है उस के बारे में मेरा व्यूह है कि हमारे देश में जो सन् १८६० का इनकम टैक्स लागू किया गया वह हमारी जिन्दगी का एक परमानेन्ट फीचर बन गया है। इसलिये जरूरी था कि इस तमाम सिस्टम पर विचार किया जाता और उस में जो डिफेक्ट्स हों आज कल की हालात में, उन डिफेक्ट्स को दूर कर के सुधारने की कोशिश की जाती। इस मकासद को मद्द नजर रखते हुए डाइरेक्ट टैक्सेशन ऐडमिनिस्ट्रेशन कमेटी मुकरंर की गई। गवर्नरमेंट का यह एक काबिले तारीफ काम था। इस कमेटी ने जो रिपोर्ट पेश की है उस रिपोर्ट को देखने से इस बात का पता

[श्री राम कृष्ण गुप्त]

लगता है कि इस कमेटी ने इस सामने में बहुत डिटेल में स्टडी किचा हिन्दुस्तान के मुख्यलिफ हिस्सों में दौरा करके और एक एज्हास्टिव रिपोर्ट पेश की, जिस पर आज विचार हो रहा है। इस में बहुत सी सिफारिशों का जिक्र किया गया है। बड़ी सुधी की बात है कि गवर्नरेंट ने बहुत सी सिफारिशों को तो मान लिया है, उन में से दो या तीन तो बहुत अहम हैं, लेकिन उन के अलावा बहुत सी रिकमेंडेशन्स ऐसी हैं जिन पर अभी विचार हो रहा है। उन में से भी दो या चार को मैं बहुत अहम समझता हूँ, और मुझे पूरा विश्वास है कि उन पर विचार करने के बाद उन को जरूर मंजूर किया जायगा।

जहाँ तक सजेशन्स का सवाल है, जो सिफारिशें पेश की गई हैं उन की रोशनी में और जो गवर्नरेंट का नजरिया है, गवर्नरेंट ने जिन सिफारिशों को मानने का फैसला किया है, उन की रोशनी में, मैं चन्द तजवीजें हाउस के सामने रखना चाहता हूँ। मर से पहला सवाल सिम्प्लिकेशन का है। मैं समझता हूँ कि यह बहुत अहम सवाल है क्योंकि जो हमारा मौजूदा ना है वह बड़ा काम्प्लिकेट है और आम आदमी उसे समझ नहीं सकता, और जो बड़े बड़े कैपिटलिस्ट हैं, जिन का जिक्र मुझमें पहले हाउस में किया गया, वे भी इस काम्प्लिकेट कानून का फायदा उठाने के लिये रिटायर्ड गवर्नरेंट आफिसर्स को एम्प्लाय करते हैं और टैक्स इवेजन के दूसरे तरीके इस्तेमाल कर के अपनी आमदनी का बहुत भा हिस्सा द्वितीय में कामयाब हो जाते हैं। इसलिये मैं समझता हूँ कि दोनों प्व इंट आफ व्यू से इस ला को सिम्प्लिकेट करना बहुत जरूरी है। एक तो इस से आम आदमियों को, जो गरीब आदमी हैं, जो कि इन बातों को अस नी से समझ नहीं सकते, जो कि आफिसर्स का फायदा नहीं उठा सकते, उन को फायदा होगा और जैसा कि मैं ने कहा कि जो आफिसर्स की सर्विसेज

हासिल की जाती है और जिन से नाजायज फायदा उठाने की कोशिश की जाती है, वह प्रैक्टिस भी इस से खत्म होगी।

इस के अलावा दूसरी बात जो इस कमेटी ने प्वाइंट आउट की है वह बहुत अहम है कि डिफरेंट डिपार्टमेंट्स में कोआर्डिनेशन और कोआपरेशन बहुत कम है। इस के साथ साथ सेंट्रल और स्टेट गवर्नरेंट्स के दर्मान भी कोआर्डिनेशन और कोआपरेशन की जरूरत है। यह इसलिये जरूरी है कि जो इनकम टैक्स ऐसेस किया जाय वह ठीक ऐसेस हो और वह इवेंड न हो सके। इस किस्म की बहुत सी मिसालें आप को मिलेंगी। एरियसं की भी मैं समझता हूँ कि बहुत हृतक यही स्थिति है। मैं ने पिछली दफा इस हाउस के सामने यह बात रखी थी कि जो रकम वसूल नहीं हुई है, उस की वसूली में दिक्कत आती है। उस का एक कारण यह भी है कि वसूली के लिये जो इनकम टैक्स आफिसर्स हैं, वे ज्यादातर स्टेट्स के रेवेन्यू आफिसर्स पर डिपेंड करते हैं। उन रेवेन्यू आफिसर्स के सामने इनकम टैक्स की वसूली का सवाल इतना अहम नहीं होता जितना अहम सवाल उन के सामने दूसरे टैक्सेज की वसूली का होता है, जो कि डाइरेक्टरी स्टेट्स से ताल्लुक रखते हैं। इसलिये मैं समझता हूँ कि इस बात पर भी विचार किया जाय और उन को इस किस्म के अस्त्यार दिये जायें ताकि महकमा इनकम टैक्स के जो अफिसर्स हों वे कलेक्शन बर्गरह के काम को तेजी से कर सकें।

इस के अलावा तीसरी बात जो मैं कहना चाहता हूँ वह असेसमेंट के बारे में है। इसका जिक्र इस रिपोर्ट के पेज ५ पर किया गया है। यह मामला इसलिये भी अहम है कि जो रकम ऐसेस की जाती है वह असेसमेंट बहुत से केसेज में एरियसं में चला जाता है, और यही सब से बड़ा कारण है जिस से कि एरियसं की रकम आये साल बढ़ती जा रही है। अगर कमेटी के विचार में ह उस के सामने

रखूँ तो यह बात बिल्कुल सही साबित हो जायेगी। रिपोर्ट के पेज ५ पर कहा गया है :

"From the statistics furnished to us by the Central Board of Revenue we find that a large number of arrear assessments are carried over from year to year. It is these arrear assessments which are responsible for the growing arrears of taxes and the consequent criticism of the department."

इस के अन्दर फैक्ट्स एंड फिगर्स भी दिये गये हैं लेकिन मैं उन को दाहराना नहीं चाहता। मेरे कहने का मतलब यह है कि इस बारे में कमेटी ने जो सिफारिशें की हैं वे बहुत अहम हैं और उन को मुकम्मिल तौर पर स्वीकार किया जाय ताकि यह जो असेसमेंट और एरियर्स की शिकायतें हैं वे कम हों।

15.46 hrs.

[SHRI HEDA in the Chair]

इसके लिये मैं दो तीन बातें सास तौर पर कहना चाहता हूँ। कुछ बातें तो ऐसी हैं जिनको गवर्नर्मेंट ने मंजूर कर लिया है, लेकिन एक दो बातें ऐसी हैं जिनको जिस हृद तक मंजूर किया जाना चाहिये था, उस हृद तक उनको मंजूर नहीं किया गया। भिसाल के तौर पर इस कमेटी ने यह सिफारिश की है की इंटरेस्ट वर्गेरह लागू किया जाय। आपको यह जानकर हैरानी होगी कि इनकम टैक्स का जो एक है उसके अन्दर इंटरेस्ट के लिये कोई प्राविजन नहीं है। जैसा कि इस कमेटी की रिपोर्ट के सफा ११६ और ११७ में जिक्र किया गया है, पैनेलिटी का कलाज जहर है लेकिन पैनेलिटी के बारे में कमेटी ने जो राय दी है, जो एविडेंस कमेटी के सामने आई है, उससे पता चलता है कि इस कलाज को भी एकेंटिवली एन्फर्स नहीं किया गया, और मुझे से पहले मेरे सायक दोस्त

ने, जिन्होंने इस मोशन को पेश किया, जो कहा वह बिल्कुल बजा था कि अगस्त सन १४७ से लेकर आज तक हमें इस बात का पता चलना चाहिये था कि किन्तु लोगों को सजा दी गई और वे सजायें क्या क्या दी गई, अगर इसका पता चलता तो मालूम होता कि इस कलाज को मुकम्मिल तौर पर प्रैविट्कल तौर पर यज नहीं किया गया। इसके बारे में मैं ज्यादा नहीं कहना चाहता सिर्फ कमेटी के व्यज आपके सामने रखना चाहता हूँ।

"Statistics furnished to us show that out of the total arrears during the year the amount in respect of which penalty had been levied was negligible. Thus, while total arrears during 1958-59 stood at Rs. 271.60 crores, the amount in respect of which penalty had been levied was only Rs. 1.81 crores."

इसका यह मतलब है कि पैनेलिटी का काम तेजी से नहीं चलाया गया।

जहां तक इंटरेस्ट का सवाल है, उसके लिये एक के अन्दर कोई प्राविजन नहीं। मुझे यह देख कर बड़ी सुश्री होती है कि कमेटी ने इस बात की सिफारिश की। लेकिन गवर्नर्मेंट ने जून की बाजाय इस इंटरेस्ट के प्राविजन को सितम्बर से मंजूर किया है। मेरा यह स्थाल है कि अगर जून से ही इसको एक्सेप्ट कर लिया जाता और कमेटी का जो अधिरिजिनल प्रपोजल था उसको मान लिया जाता तो ज्यादा अच्छा होता क्योंकि इस से एरियर्स की वसूली में दिक्कत नहीं आती। इसके साथ ही साथ मैं हाउस के सामने यह भी रखना चाहता हूँ कि पिछले दिनों में जो इंजूज एरियर्स की रकम जमा हो गई है, उसकी ताफ़ भी हमें व्यान देना चाहिये। यह मामला कई दफा हाउस के सामने आया और यह रकम दृढ़त काफी मिकदार में भौजूद है, यह शायद ३०० करोड़ से भी ज्यादा हो गई हो।

[श्री रामकृष्ण गुप्त]

इसका कारण यह था कि सेकेन्ड वर्ल्ड वार में इनकम टैक्स का कोई अच्छा इन्तजाम नहीं था। सभी जगह लोगों ने नाजायज आमदनी पैदा की और उसको वे इनकम टैक्स से बचाने में कामयाब हो गये। मुझे पूरा विश्वास है कि इस तरह भी पूरा व्यान दिया जायेगा।

इसके बाद मैं टैक्स इवेजन के बारे में भी कहना चाहता हूँ। इसके लिये भी कमेटी ने बहुत सी सिफारिशें की हैं। मैं समझता हूँ कि वह भी बहुत अहम है। उन पर भी पूरा अमल होना चाहिये। मैं इस मामले में सिर्फ एक ही बात का ज़िक्र करना चाहता हूँ। मैंने यह बात पहले भी कही थी। अगर आप वाकई टैक्स इवेजन को रोकना चाहते हैं तो आप को बैंक्स पर किसी न किसी तरीके से कंट्रोल करना पड़ेगा। जो यह बात मैं ने कही है इसकी सिफारिश उन इनकम टैक्स इनवैस्टीगेशन कमीशन्स ने भी की है जो कि मुकर्रर किये गये हैं। उन्होंने भी इस बात की तरफ इशारा किया है और दुनिया के दूसरे मुल्कों, जेसे यू० ए० सस० ए० वर्गरह की मिसालें देकर यह साबित किया है कि अगर इनकम टैक्स इवेजन को रोकना है तो इस चीज पर हमें ज़रूर काबू पाना होगा।

हम देखते हैं कि जिन लोगों से टैक्स वसल करना है उन्हीं लोगों के हाथ में हिन्दुस्तान के बड़े बड़े बैंक हैं। वह अपनी नाजायन कमाई का काफी हिस्सा उन बैंकों में दूसरे नामों से और गलत तरीकों से छिपाने में कामयाब हो जाते हैं। बैंकों से आपको पूरी इनकारमेशन नहीं मिलती। तो इस बारे में मेरी यह अपील है कि हमें इस बात पर व्यान देना चाहिये और बैंकों पर अगर हम मुकम्मल कंट्रोल न करना चाहें, तो कम से कम इनकम कंट्रोल तो करना ही चाहिये कि जिन लोगों का उन में रुपया जमा होता है उसके बारे में सालाना हमें रिपोर्ट मिल

सके, ताकि वह लोग टैक्स को ज्यादा बचा न सकें।

आखिर में मैं दो चैरिटेबिल अल्फाज ट्रस्ट्स के बारे में मैं कहना चाहता हूँ। मुझे यह देख कर बड़ी खुशी होती है कि कमेटी ने सेकेन्ड ४ में इस क्लाज को अमेंड करने की सिफारिश की है और गवर्नमेंट ने उसको मंजूर कर लिया है। मैं इस बारे में इन्हाँ कहना चाहता हूँ कि ऐक्ट को जल्दी से जल्दी अमेंड करके इस क्लाज को जल्दी एनफोर्स किया जाय ताकि जो ट्रस्टों के जरिए आमदनी को छिपाने की कोशिश की जाती है और उस रुपए को असील परपत्र के लिये खर्च नहीं किया जाता, इस चीज को रोका जा सके। टाइम की कमी है। मैं इस किस्म की एक नहीं हजारों मिसालें पेश कर सकता था कि किस तरीके से हिन्दुस्तान के बड़े बड़े कैपिटलिस्टों ने इनकमटैक्स से बचने के लिये यह ट्रस्ट बनाए हैं और चैरिटी का नाम लेकर किस तरीके से रुपया मिसयज होता है। मुझे पूरा विश्वास है कि अगर इस क्लाज पर सल्ली से अमल किया गया और इसको कड़ाई के साथ एनफोर्स किया गया और इस चीज को मौजूदा इनकम टैक्स ऐक्ट में इन-कारपोरेट किया गया तो इस पर हमारा काफी कंट्रोल हो जायेगा।

Shri Harish Chandra Mathur: Mr. Chairman, Sir, I believe I can say with some justification that we are almost celebrating the centenary of the Income-Tax Act. The original enactment was in 1860 and today in 1960 we are analysing its various provisions and are examining what further improvements can be made in it.

Dr. B. Gopala Reddi: This is a centenary monument?

Shri Harish Chandra Mathur: Yes, for which the credit goes to my hon. friend who sits here.

I would say without any hesitation that this Committee has done a very

thorough job and this House owes a debt of gratitude to the members of the Committee who have applied their mind to the problems which had been exercising our minds very considerably. By and large the Government's reaction and response to the various recommendations is also commendable. With certain exceptions the Government has with promptitude accepted most of the recommendations some of which are of a vital character and of far-reaching consequences. The Government definitely deserve to be congratulated for their reaction in the matter and for the prompt action that they have taken. It is very seldom that we get an opportunity to pay such a compliment to the committee as well as to the Government.

I think this House should have devoted a little more time to the various recommendations and given its reaction in the matter. But I do not very much press for more time because as a matter of fact we are mostly in agreement with the recommendations which have been made and as they have been accepted. I would not take the time of the House in reiterating those recommendations and saying that I am in agreement with them and that I am glad that the Government had done this. I have made a general statement in that regard.

What I appreciate the most is the human approach and a grip with the realities of the situation for which the Committee could be congratulated in particular. The human approach is there. What they definitely want is—I wish to emphasise this point because it needs the Government to take particular note of that—that there should be a change in the relationship between the administration and the assessee. At present all assessee are considered as if they are evaders of taxes. They are treated not as honourable and respectable citizens of the country. The Committee has tried to bring about a different approach in the matter. They want that the officers should help the assessee in correcting their

returns and should give them proper guidance. They have gone into a very vital matter and have asked the Government to accept the returns as they are submitted by a particular group, that is, the return of anybody whose income is less than Rs. 7,500 a year should be accepted as it is. There may be a test check in four years. I attach special importance to this because it indicates the mind of the Committee with which we are in full concurrence. We must bring about that approach. Every citizen should be made to feel that whatever he says will be accepted. We should inculcate a sense of responsibility in them.

Apart from that there is a realistic approach in this matter because it will very much lighten the burden of the department. I think more than half of their time which is unnecessarily lost in the harassment of these smaller men will be saved to be devoted to assessee who really matter and who, because of certain background, have been avoiding the payment of taxes by certain evasive methods and so many other things. So I wish that this sort of approach and attitude should be inculcated in the services. This is only an indication of the spirit in which we want the department to function and work. I wish this sort of approach and attitude should be inculcated by various other methods, through training and other methods, in the minds of the revenue administration. As a matter of fact, I wish to feel proud when I pay a tax that I am helping my country and that I should earn a little more so that I should be able to pay a little more tax to the Government. That sort of thing should be developed in the minds of the assessee.

Another recommendation to which a reference was made by my hon. friend, Shri Bharucha was about the appellate commissioners. As a matter of fact, I should not have participated in the discussion except for two or three points which I wanted to make. I feel very strongly.

[Shri Harish Chandra Mathur]

that these appellate commissioners should not be under the Revenue Board. It is not for the first time, I believe, that this recommendation has been made. Such a recommendation had been made much earlier by various other committees. The Taxation Enquiry Committee and other committees have also gone into this matter and they have made this recommendation. Here is a question of principle involved. Here is a question of the reaction which you create in the mind of the person which is involved. What sort of reaction do you produce in their mind, what confidence they must have and how independently these officers should function? I do not know for what reasons the Government have for not accepting this very vital recommendation. They have accepted other recommendations, but they have rejected this recommendation. I can see no ground. As a matter of fact, we had all the time been feeling and the Congress Government which is in power has always wanted, as a matter of fact, the separation of the judiciary from the executive. I think this also falls almost in that line. We want that this should be transferred to another Ministry, the Law Ministry, on the same principle on which we want a separation of the judiciary from the executive.

16 hrs.

Dr. B. Gopala Reddi: The judiciary is under the Home Ministry, not under the Law Ministry.

Shri Harish Chandra Mathur: My hon. friend possibly does not know that I have all the time in this House and in the other House pleading and pleading very strongly.....

Dr. B. Gopala Reddi: With what effect?

Shri Harish Chandra Mathur: With the same effect as this report has created on your mind. It is against that attitude of your Ministry and the attitude of the Home Ministry we

are offering our criticisms. That is an unfortunate attitude which you together with the Home Ministry adopt in this matter. As a matter of fact, it is not only I, every one, every right-thinking man feels that and we have given various grounds, various reasons. If I were only to go into that matter, I hope I will carry the entire House with me except for the obstinate attitude of the Government because of a certain fear complex which they have that, if we give up this executive power, possibly these officers will work in an independent manner and will possibly jeopardise the functioning of the Revenue administration. I think this is simply a fear complex which is in their mind. I think they should have a little more confidence in these officers who work in these appellate authorities. Why should they think that they will not bear in mind what the Government feels?

I shall refer to one or two other recommendations. There is the question of arrears. At present, as it happens, these arrears are collected by the various State administrations. The District magistrate or the Collector is possibly the agency. They have got various rules and regulations differing from one State to another. The Committee has made a very healthy recommendation that we must have a certain Central code which will be uniform and which will guide, which should be made really effective for the collection of these arrears. I wish the hon. Minister realised that these arrears which stand at a colossal figure create a very wrong impression in the mind of the entire population. We feel that there are about Rs. 200 crores which swell into 300 crores. We are now told that though we are showing the figure as Rs. 300 crores, a major part of it is not realisable. I wish proper attention is paid to this matter.

Even today, you will remember there was a question which was ask-

ed, how many millionaires, and multi-millionaires, we have got in this country and my hon. friend the Minister felt shy even in telling that.

Dr. B. Gopala Reddi: The number, I have given.

Shri Harish Chandra Mathur: Break of the States: their names will be known. What is wrong about their names?

Dr. B. Gopala Reddi: State break up, break up by sex, religion, are not contemplated: how many Hindus, how many Parsis.

Shri Harish Chandra Mathur: If the Minister looks at the Census report, he will find there is a very thorough break up given. He wants males and females: I do not know for what purpose.

Dr. B. Gopala Reddi: There can be women multi-millionaires.

Shri Harish Chandra Mathur: What harm is there, I do not see. I do not know how this tendency was generated in the mind of this Government. I think it is a hang-over which my amiable friend wants to stick to. I do not see why he is in love with such a spirit of secrecy about this thing. I say we want the names to be given. After all, if I say that I am a multi-millionaire, what is wrong? Is it a crime? If they feel shy, do you think that a very great secret has been given out? I felt that it was only about crimes that they were feeling shy that we should not tell, here is a tax evader. This Committee has made a recommendation that their names should be published. I feel that they feel shy even to tell us that a particular person is a multi-millionaire. They feel shy to say that in a particular state, a particular man is a multi-millionaire. I cannot appreciate this attitude at all.

I shall refer to one point and then finish. This House has very strongly advocated very strong action against

those people who evade taxes. Perfectly correct. But this Committee has very wisely and very shrewdly made the recommendation and I wish to draw the pointed attention of the House and the Government. I refer to this because most of the friends here who will be speaking will be lawyers, possibly. The greatest abettors in tax evasion are the Chartered accountants and lawyers. This Committee has made a specific recommendation that the standards about code and conduct and responsibility that apply to Chartered accountants and lawyers in the United Kingdom should apply to the Chartered accountants and lawyers in India. They are saying nothing very revolutionary or fantastic. The only point is that the same responsibilities which are attached to the conduct of the lawyers and Chartered accountants in the U.K. should be attached here. I do not know what is the reaction of my friend. If an officer has acted in a malafide manner, he should be responsible for it and he should also be subjected to criminal prosecution. I think it is a good thing that they have suggested in the matter of interest. If the Government is keeping money, they must also pay interest. If a man is holding back payment, he must pay interest. That is a very equitable thing. It is very equitable that officers and the Chartered accountants and lawyers should be made liable to criminal prosecution if their malafides are proved.

Mr. Chairman: I must remind the hon. Member that the time is up.

Shri Harish Chandra Mathur: That is all: thank you.

Shri N. R. Muniswamy (Vellore): Mr. Chairman, I should be very grateful to you for giving me this opportunity to speak, as we are hard up for time. At the very outset, I have to congratulate the Enquiry Committee because it is headed by one of our colleagues who is not a lawyer, but a man with abundant common sense. In one aspect, we have to view the entire report, whether it is

[Shri N. R. Muniswamy]

according to canons of jurisprudence, or according to the canons of commonsense, because it is headed by one who always speaks from his own experience which he has gained as a common man and we have to view it with a certain amount of caution.

At one time, some Members in the Committee seem to have taken objection that they should not be confined only to the terms of reference. The terms only dealt with, according to the majority of the members, the streamlining of the administration to see that no evasion takes place and the people who evade paying taxes are severely punished. It is only from that angle of vision that they have been looking at it. The terms of reference read as follows:

"To advise the Government on the administrative organisation, and procedures necessary for implementing an integrated scheme of direct taxation with due regard to the need for eliminating tax evasion and avoiding inconvenience to the assessees".

It looks as though the majority of the members thought that they must confine themselves to the administrative procedure to be adopted to see that taxes were not evaded, but their recommendations appear to show that they have gone beyond the terms of reference. They have not gone into the concept, structure and administration of the various direct taxes, nor suggested how the law should be amended to see that the taxes are not evaded. They appear to think the ends can be achieved by issuing administrative directions or executive orders cannot be as effective as making a provision under the relevant Act itself. I find that at the time of assessing, the officers do not look into the directions etc. because they are so voluminous.

As the previous speaker has pointed out, we are going to revise income-

tax law after about a century, and in the course of this long period so many orders have been issued, superseding and overlapping each other. I therefore suggest that the rules, regulations, directions and orders that are in force should be bound in one volume and given for the guidance of the officers by the CBR, as otherwise it is difficult for the officers to find out which orders have been superseded and which orders are actually in force.

It is not a happy relationship that exists between the assessees and the administration at present. Every assessee is viewed with suspicion, and it is thought his accounts are not genuine, but it has to be remembered that there are people who always give correct accounts, though, no doubt, there are also others who maintain double or even triple accounts for different purposes. I therefore suggest that we streamline the administration so as to create a sense of trust and confidence in the mind of the public, so that the administration may not appear to them to be prosecutors intent on harassing them and causing them inconvenience.

There are certain small things which can be ignored also. There are cases of small assessees being teased so much that sometimes they do not have enough time to attend to their own families. The administration should not go after the small fry, who may be causing a loss of only a few rupees to the Government.

One of the recommendations of the committee is having an appellate assistant commissioner under the Ministry of Law. Government in its wisdom has not accepted this recommendation, I do not know why. If this recommendation is not accepted, the orders issued in respect of an assessment will have to be appealed against to another officer of the same department, who will simply confirm the earlier order. So, there is much to say in favour of the separation of the

judiciary from the executive. Every one knows how even in criminal cases the judiciary has been separated from the executive. Similarly, people who levy the assessment must be a separate wing, and those to whom an appeal is made must be in a different category; otherwise, it would be said that the prosecutor and the judge are from the same set of people.

Therefore, I would request that the decision taken by Government should be revised, and the recommendation made by the committee should be approved.

In regard to double taxation, I have a few suggestions to make. This question has been agitating the minds of the people for a very long time, and even as early as 1938, when an amendment was moved in this behalf, this question was brought to the lime-light by several people, and they gave their reactions and their view-points. But I find that no change has been made. The Law Commission also have given their verdict that there should be no double taxation, and that must be eliminated. For example, when the Indians living in other countries send remittances here, they get some exemptions, but when there is a certain declaration of a national dividend, it is deemed to be part of the income of the shareholders, and this causes some inconvenience to the people.

Therefore, I would request that in the light of the Law Commission's recommendation, the aspect of double taxation has to be reviewed and it should be seen that there is no double taxation.

Now, I come to the question of the simplification of statutes. The form that has to be filled by the assessee contains various types of columns. Very often, the people do not understand the significance of many of these columns, and, therefore, they make mistakes, and a mountain is made out of those mistakes, and trouble is given

to the assessee. I would suggest that the form must be made simpler so that even the ordinary man may be able to understand it.

Very often, I find that the assessees are obliged to seek the assistance of experts, either income-tax practitioners or lawyers or old accountants and so on. Very often, I find that most of the retired officers of the Income-tax Department start practising, and they teach the assessees how to get over the difficulties. There must be some rule that persons who have worked in the Income-tax Department should be debarred from practising, because they know where the loopholes are, and where the assessees could exploit the ignorance or otherwise of the staff, and thus, they help the assessees a lot. They can help either in the continuance of the evasion of the tax or in the elimination of the evasion of tax. I only wish that the officers who retire from service, and the auditors who are there should see that this country prospers, by collecting the legitimate dues to Government and by putting a stop to evasion.

Therefore, I wish that something is done to see that the officers who retire from the service are not allowed to practice or even to give any guidance or help to the assessees, unless it be for the purpose of making the collections due to Government.

Shri Warior: I join my other hon. friends who congratulated the Tyagi Committee . . .

Dr. B. Gopala Reddi: The hon. Member may speak a little more loudly or come near one of the mikes.

An Hon. Member: His name is 'Warior'.

Shri Warior: I can speak loudly, but I did not want to speak very

[Shri Warior]

loudly, because there are only a few Members present here.

An. Hon. Member: He is not a field warior.

Shri Warior: I join my hon. friends in congratulating the Tyagi Committee especially its chairman, Shri Tyagi, who is sitting here, on two accounts, firstly because he has placed before us a very voluminous report, which has tackled a very complicated problem, and secondly because unlike most other reports, this report has at least had a sympathetic consideration at the hands of the Government, because they have accepted many of the recommendations.

Shri Tyagi: It is a surprise indeed.

Shri Harish Chandra Mathur: So, you congratulate the Government or the committee?

Shri Warior: I congratulate Shri Tyagi.

Shri Tyagi: It is a very great surprise.

Shri Warior: But, I cannot congratulate the Government, as Shri Harish Chandra Mathur has done, because most of the recommendations which were acceptable to Government were such that they would not make matters any the better. So the Government were in a position to accept it. If it had been something otherwise, Government would not have accepted it. So the congratulations to Government should be reserved for some other time.

The whole Report has exhaustively dealt with the administrative structure. But is the malady in the administrative structure itself or somewhere else? In that respect, the Committee should have had a wider scope to go into the malady deeper and excavate the problem. The administration should have been attuned to the cure of the malady. That was not

done, and that was not possible within the terms of reference given to them.

The Committee have reported somewhere—I cannot exactly quote it now—that evasion more than avoidance of tax is not so prevalent and not so much resorted to in post-war days especially after independence as in pre-war days, because in those days there were certain circumstances which enabled the tax evaders to operate more effectively. Those circumstances are not present today. Also the psychological atmosphere has changed. Our people are more nationalist and are reforming themselves so that they are co-operating with Government in paying their dues by way of tax. But Mr. Kaldor has reported something different. His estimate might be over-rated, but he has said that tax evasion and tax avoidance might together be somewhere between Rs. 200—Rs. 300 crores per year. If it is so, it is a huge amount and a big thing. Our official report is that it is not anywhere above Rs. 30—Rs. 40 crores. But actually, when the voluntary disclosure scheme was started, about Rs. 70—Rs. 80 crores were declared. So the official assessment is an under-assessment if Mr. Kaldor's estimate is an over assessment.

Anyway, evasion is much more than avoidance. Avoidance cannot be relied upon much. Avoidance can be relied upon only within the law. Evasion is an illegal thing. There are certain circumstances, especially in the context of a developing economy of ours, under which there is more scope for evasion than for avoidance. If we do not go deeper into the problem I do not think that all the loopholes can, as far as possible, be plugged and amounts due to Government realised, however much we reform the administrative structure. however much we make the procedure more simplified and however much harassment is eradicated.

The Committee have made certain recommendations. They can be implemented. But I might refer to certain things which have come to my notice and which, I think, will be helpful to the House and to Government in particular. I had asked a question as to how much under-valuation is resorted to by licence-holders importing goods, especially capital goods, from abroad.

Shri Tyagi: That is their trick.

Shri Warior: The answer was that six cases were detected; out of them, in only three punishment was given or some action taken; the others are under investigation. But to my knowledge, there are people in this country—I do not know how they should be named—especially in the big cities of Bombay and Calcutta who have large bank balances in foreign countries. I will cite a typical instance. Suppose a student has to go for education in U.K. The Government will not allow any foreign exchange for that. But if you pay 10-15 per cent premium to a Bombay broker, he will give you any amount you want in U.K. in pounds sterling. The only condition is that the money should be given in Bombay. I know of certain instances. I have even personal knowledge of them.

Dr. B. Gopala Reddi: Kindly write to us about the names of such people.

Shri Warior: That is the difficulty there. I do not want to quote a proverb. Whenever we give a thing the penalty will be coming more upon us than upon those people who are resorting to these nefarious methods. Any way I will try to help the Government as far as possible.

Then, there is the manipulation of invoice; going on on a very large scale. If Government is not going to do anything in the matter, however much we attune the machinery, it will not be possible to plug these things. There are imports also. I know certain instances where the people themselves

have reported to me how they manipulate the import licences. I will give a clue to the hon. Finance Minister that there are so many licences for which a premium of more than 100 per cent can be had in the Bombay market, especially automobiles and others. If he can get anything out of it let him; that is all I can say.

Dr. B. Gopala Reddi: We want the names.

Shri Warior: There is the question of floating companies, new companies with foreign collaboration. This foreign collaboration has become something very valuable for the investors. Supposing today a company is floated for manufacture of cowdung with German collaboration, within 2 hours in the Bombay market or the Calcutta market, I mean the Stock Exchange, the shares will be sold and over-subscribed.

There was an instance of a company floated in Bombay where the capital was over-subscribed to such an extent that they got a few lakhs out of interest alone. The company was floated with a paid up capital of only Rs. 5 crores but the subscription was for Rs. 15 crores. They got all the Rs. 15 crores; they kept the money for six months and the interest alone worked out to a few lakhs.

Dr. B. Gopala Reddi: Rs. 8 lakhs.

Shri Warior: The Government have taken action also. I thank the Government for that. Once detected they may do that. But it goes on undetected.

Shri C. R. Pattabhi Raman (Kumbakonam): Could they keep them secret? They will have to put it somewhere.

Shri Warior: I can give the whole story; but I have not the time for it. The money was repaid to those who had applied for shares. But the interest was taken by the company. How that interest was utilised is another

[**Shri Warior**]

question. I will come to it when we discuss black-market business and the manipulation of accounts that is going on. This company has got a goodwill of its own because it has got foreign collaboration. If there was not that collaboration this cheating of the public would not have been resorted to.

Mr. Chairman: The hon. Member must conclude now.

Shri Warior: I will not give any more instance. How is this money hidden? There are certain methods of hiding this money. Most of the money is hidden in foreign banks or in cash or in precious metals such as gold and silver or pearls and the like.

Then, there is building construction. I am very sorry that the L.I.C. has given a very bad lead in this matter by constructing a fourteen-storey building in Madras. This has given the lead to smaller institutions like banks and others. I know of an instance where a bank is constructing huge buildings. Where they spend Rs. 1 lakh, they will show in the accounts Rs. 2 lakhs. Thereby Rs. 1 lakh is hidden. We cannot detect that in the ordinary course. Only if a scrutiny is made will we be able to detect it; how much of material has been used; how much the labour has been paid and all that. But it is not within the competence of the income-tax department to do that.

In my State, Kerala, which is noted for mushroom banks, big deposits are not made with the Scheduled Banks. If the Minister looks into it he will see that there are so many small banks in the lanes and by-lanes with big sign-boards. But the bigger deposits are made in these back lane banks and not in the front line banks because once a person is in the list of income-tax assessees, he always remains on the list. Even if an assessee becomes a pauper, annual returns will be asked for from him but new fellows come in and they are never detected and

these new institutions are relied upon to hide black-market money.

The third thing is about this 'trustification'. I will give an instance which probably Dr. Gopala Reddi may know. A philanthropist in the South donated Rs. 3 lakhs for an engineering college and he was a big textile magnate. The trustees of the college have had to run the textile mills and when the Government of India made some enquiries it was found that about Rs. 30 lakhs had been swindled. There is a voluminous report in the vaults of the Government but it will not come out. This method has been resorted to as a means of hiding the actual funds. There are other instances of creating trusts in which huge amounts are sunk and these people have a controlling authority but they evade all sorts of taxes. They go as philanthropists; they are publicised, photographed and what not!

I will also refer to the extravagant spending of money. A census may be taken with profit of how much money has been spent by the managing directors and managers in the Asoka Hotel. I know an instance of a gentleman who flies to Delhi from Bombay every two months and stays in the Hotel and throws out dinners which all are supposed to cost him Rs. 30,000. Again, the oil companies in India resort to such methods and we find that between 1951 and 1959 they have doubled their expenditure for the same volume of trade; they say they have increased their staff, emoluments, etc. The cost accountant of the Government of India who wanted to check the accounts and verify these things was denied all information and nothing could be detected.

There are many other methods in which things are done and one has to be accustomed to the market if one has to know them. These things will not be put down unless there are some radical changes. They cannot be stopped by tackling with the surface or ephemeral questions. The Commerce and Industry Ministry must take up this matter of licensing. The Government should also think about bank

nationalisation. I have gone into the report and although it does not disclose many things, it discloses some things. Many things could not be done without the co-operation of the banks but the banks are reluctant to give information and the commercial associations are reluctant to allow banks to be nationalised. It is true that all transactions can be detected but very grave transactions can be detected and banks would be very useful in that way. These two questions are very vital in our present day economy and unless we tackle them, I do not think that the deeper malady can be eradicated.

In the end, I will congratulate Shri Tyagi again for suggesting methods of simplification. There are many things to be simplified and those can be attended to only if the main things are done. If we attend to questions that are on the surface, the deeper maladies will remain there.

Dr. B. Gopala Reddi: Sir, there were no controversial matters raised during the course of the discussion. Everybody began to congratulate the Committee for the great effort they have put in and the great many recommendations they have made to eliminate tax evasion and to avoid inconvenience to the assessee. Sir, the Government have already paid their compliment to the Chairman and members of the Committee even when the report was presented to the House, and I also once again join the other hon. Members of the House in paying my own tribute to the Chairman and members of the Committee for the great many recommendations that they have made.

The Government did not come forward with any motion that the report may be discussed because we knew that the whole House was with the Committee and there were no controversial matters, no new points which could be raised on the floor of the House which were not discussed amply by the Committee. Therefore, the Government was not anxious to have a debate on the matter. But my hon. friend Shri Banerjee and others

thought it necessary that we must have a discussion on this matter and we readily agreed to that discussion. So, Sir, the Government, on that source, need not be blamed for not bringing forward a motion for discussion on this Committee's report.

Sir, the Committee had two approaches in this matter. They wanted the human approach. Shri Mathur referred to it. The human approach was there, and they wanted to remove any semblance of harassment from the officers to the assessee. They also bestowed a good deal of thought for the revenue approach also. They did not overlook the revenue approach. After all, they were mainly entrusted with the task of looking into tax evasion. Therefore, the human approach and the revenue approach had to be coupled, and I think they have done ample justice to both the approaches.

Therefore, Sir, the Government also did not find it difficult to accept most of the recommendations. We hope that a consolidated Bill might be introduced in the next session—in the next Budget Session. It has but necessarily to be referred to a Select Committee, and perhaps in the July-August Session, though of course we will all be on the eve of the next general elections and things like that, this Bill might be taken up finally for passing. It will be really epoch-making event in the history of income-tax. Shri Mathur referred to the centenary of income-tax. Certainly, at the end of 100 years we are looking back and taking stock of the entire situation so that we may get the real revenue that is due to the Government from the administration of income-tax.

Sir, we have placed on the Table of the House a consolidated report on all the recommendations we have accepted, those recommendations which we could not accept and those recommendations which are still under consideration. Shri Tyagi and also other hon. Members wanted a consolidated report up-to-date showing what decisions have been considered fully and

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what recommendations have been accepted or rejected so that the House might know how the mind of the Government is working in this matter. I promise the Members that we will very soon place on the Table of the House an up-to-date list with regard to all the recommendations.

As far as I can see there is no difference of opinion at all between Shri Banerjee or Shri Tyagi or myself. There seems to be no difference of opinion at all between the Government Benches, the Congress Benches or the Opposition Benches. Nobody wants any harassment. Everybody wants that every pie that is due to us from the people, industrialists or anybody else should be collected with promptitude. Therefore, in this matter it is not a political issue at all and the entire House is more or less behind the Committee and the Government in this matter. We are all anxious that in the matter of income-tax there should not be any harassment and proper administration of the department should be there.

Shri Banerjee has raised the usual points which are raised when income-tax matters come up, viz., tax-evasion, loopholes to be plugged, recovery of arrears, launching of prosecutions very vigorously; there is no need to withhold any names for any reason; whenever there is a penalty, the name must be given out and things like that. He also said officers after retirement should not be allowed to practice or join firms. These are the main points he has raised and I shall try to answer them briefly.

With regard to tax-evasion, the committee also has bestowed a good deal of thought with regard to that. All possible steps are being taken to see that there is no evasion at all, but to assume there will be no evasion at any time is asking for the impossible. Even in advanced countries like U.K. and U.S.A., where there is so much of literacy and so much wealth and opulence, the ten-

dency for tax-evasion is there I shall only refer to a paragraph:

"As early as 1920, the Royal Commission on Income-tax in the United Kingdom drew attention to the existence of tax-evasion in that country and expressed its view on it as under:

That evasion of income-tax exists at the present time is beyond question. The citizen who is deficient in public spirit has always aimed at paying less than his fair share of the nation's expenses and it is safe to assume that he will always continue to do so. That may be said of every tax, but it is specially true of the income-tax."

I think from 1920 to 1960, the same thing must be continuing in the U.K. and that is our latest report also. The impression left on some of our candidates who go there for training, etc. is that even in U.K. there is a lot of tax-evasion.

With regard to the United States:

"The Joint Committee on tax evasion and avoidance set up in 1956 found that attempts at avoidance and evasion were widespread and amazing, both in their boldness and in their ingenuity."

So, boldness and ingenuity are not peculiar to India; they are there all over the world; wherever there is direct taxation the tendency to evade tax is there. I am not justifying evasion at all. We are taking all necessary steps possible to see that all the loopholes are plugged and the revenue due to Government is got. But there is a sort of boldness and ingenuity in whatever they do and so it is very difficult to trace the track of the bold people. Anyway, our officers are being told repeatedly that they must look into the accounts properly, more especially of

the bigger assessee and see that no scope for evasion is there.

We reopen many cases after 7 or 8 years. We say, such and such amount is not counted and so we are going to reopen the case and things like that. It is not done once in a way; it is done almost every time. If there is any chance of reopening a case, it is being done. So, it cannot be said that we are not taking all the steps necessary.

With regard to arrears, we have repeatedly answered this question. This is a hangover of the war-time. Most of the assessments were, I suppose, immediately after independence or before independence during the war-time. Many commissions have gone into this matter. Some judgments have also come in the way. Therefore, the whole thing has been done *de novo*. We are not anxious to keep the arrears in our ledger books. It does no credit to the administration. We are anxious to see that whatever is realisable is realised quickly and if it is not realisable at all, to write it off. There is no use going about all the time and telling Parliament and the world there is so much arrears they are yet to be collected and perhaps, they will be available for the Third Plan and all that. We do not want the world to be under a false impression. Wherever it is realisable we try to realise it as quickly as possible and if it is not realisable it is better, I think, we write it off.

There is a complaint that there is a lot of difference between the gross arrears and the effective arrears. The gross arrears, I repeat is Rs. 257 crores but the effective arrears is Rs. 133.61 crores. That has been there for over a decade. Amount pending settlement by way of Double Income Income Tax Relief is Rs. 7.57 crores. The Relief to be given is Rs. 6.05 crores and balance for recovery is only Rs. 1.52 crores. Amounts due from persons who have left India is Rs. 11.07 crores. What shall we do with that? They have left India and

they have not left behind any assets. They have gone to Pakistan or elsewhere and we are still having those amounts in our account books. Amount due from companies under liquidation is Rs. 5.84 crores and irrecoverable demand is Rs. 5.26 crores. Amounts under protective assessment are 6.07 crores and amounts pending disposal of appeals are 18.18 crores. Amounts covered by certificates under section 46(2) are Rs. 112.35 crores out of the amounts covered by certificates, irrecoverable demand is Rs. 34.07 crores and effective arrears Rs. 78.28 crores. That way, all possible steps are being taken to bring down the arrears and the effective arrears are being collected. Regarding the irrecoverable demand of Rs. 123.79 crores, perhaps, any amount of efforts will not bring us any money and we will be only wasting our time and money on those amounts which we cannot realise. Therefore, here again I do not think the department or the Government are to be blamed for not collecting all the arrears. We are trying our very best.

That prosecutions are not launched is another usual subject on which my hon. friends from those benches are very eloquent. It is true that in recent years there were not many prosecutions but I may say that we had launched some prosecutions. I have got figures from 1944-45 to 1957-58. For instance, in 1948-49 we launched 13 prosecutions and only one was successful. In 1949-50 four were launched and none was successful. In 1950-51 one was launched and it was not successful. In 1952-53 five cases were launched and none was successful.

Shri Braj Raj Singh (Firozabad):
Whose fault? Yours.

Dr. B. Gopala Reddi: Why do you think it is our fault? We were unable to give all the proof that is necessary for a conviction. It is the magistrate or the court that wants a lot of evidence. The difficulty in sending a case for prosecution is that the degree

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of proof required to convince a magistrate regarding the evidence under sections 52 and 52 of the Income-tax Act are beyond the capacity of the department to produce. All the while you have to prove *mala fides* and see that there are no loopholes. Otherwise, the magistrate gives the benefit of doubt to the accused. In that case, the whole expenditure becomes a wasteful expenditure. We have to engage lawyers and counsels and things like that.

Shri Braj Raj Singh: I am sorry, I have to point out that prosecutions are launched by other departments also. For example, the law and order machinery, the police, they see to it that the prosecution is successful. Why don't you see that in your case also prosecutions are successful and you take up only those cases which will result in conviction?

15.48 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Shri Jaganatha Rao (Koraput): Lacuna in the Act.

Shri Braj Raj Singh: Get the lacuna removed.

Dr. B. Gopala Reddi: After all, it is not easy to get a conviction in a case of tax evasion. Where you have impinged the law and order, where you have killed a man or indulged in riotous behaviour it is very easy for the police to launch a prosecution while in a tax evasion case you have to give all the proof that is necessary to convince a magistrate that there is some *mala fide*. Because, the court is always inclined to give the benefit of doubt to the accused. Because, after all, nobody is injured here, no life is lost and nobody's limb has been injured; only evasion of tax has taken place. Therefore, the court has to get a lot of proof before it can convict a person in a case like this.

The Committee has suggested certain measures to strengthen the machinery and in the working of the cases of prosecution so that the risk of failure before courts of law may be minimised. These proposals are under the consideration of the Government at the present moment. But here again it is not as though we are unwilling to launch a prosecution. We know of a case where it is dragging on for five years and we have spent Rs. 11 lakhs to Rs. 12 lakhs, all because we have launched a prosecution. After all, it is a very expensive business even for the Government. While we are willing to do it, the time taken and the amount spent sometimes is not commensurate with the offence.

There is compounding also. Penalties are levied. In the case of penalties we have given some figures. We resort to penalties. While, of course, in very rare cases 150 per cent penalty is levied, ordinarily it is 50, 60 or 70 per cent. We have collected quite a big sum under the penalty section. Therefore prosecution also is not always very easy. It must be commensurate with the offence involved and it must be a sort of a deterrent thing. Wherever it is felt necessary, certainly we have no objection to launch a prosecution.

Withholding of names is again a matter which has been objected to. Last time we had ample discussion about this matter both in this House and in the other House. For what reason can we withhold the name is given in the Act itself. In the interest of revenue sometimes we have to withhold the name even though he has been penalised. If he is to give some other information or if he is going to give up all his claims and right of appeal to the other courts or if he is willing to pay the entire amount immediately and things like that, we have to withhold the name. But it is not our desire to withhold the names and protect any tax-offending person at all. In very rare cases we have given that power to the Commissioner

or to the Central Board of Revenue or perhaps to the Government. But that would not be the ordinary way of dealing with such cases. Wherever there is a penalty, sometimes it is automatically published in the Gazette. Sometimes it is done on the payment of a small fee. The tax amount and not the penalty is published. Therefore, here again we do not want to shield anybody. We are also anxious, along with other hon. Members, to see that all the tax offenders must be brought to book. They must be made to feel the shame of it and the community's conscience also must be roused to see that they do not repeat that mistake.

About the question that officers on retirement should not be allowed to join firms, I may say that the matter is engaging the attention of the Government. It is a question of the amendment of the Government Servants Conduct Rules. If we do that it may become *ultra vires* of this order. Therefore, we are examining it. We are certainly in sympathy with the demand made by certain hon. Members here that ordinarily officers on retirement should not join firms, even when they apply within two years. Every time they apply to the Government we examine whether he has had any dealings with that firm in the last two or three years. If he had any dealings with that firm or if he was serving in that State, we generally do not give permission. But suppose a man has retired from Bombay and is going to join a firm in Calcutta. In that case we see no reason to deny that opportunity to him because he has never dealt with that firm's case. Because he is an experienced man the company in Calcutta wants his services. Perhaps we may give the permission to him. But if we have the least suspicion that he had anything to do with that firm during his commissionership, we do not give the permission. They themselves do not ask for it and it is also not given by the Government.

The question whether they can have private practice or not is another ques-

tion which, apart from the question of their joining firms immediately after retirement, is under consideration. One can become a private practitioner and anybody can engage him. That also requires modification of the Government Servants' Conduct Rules. These matters are being looked into and we are also anxious that there should not be any abuse of the powers of retiring officers. I do not think that in the last 2 or 3 years any officer prematurely retired to join any firm. I do not know of any case. After retiring, they may have joined after taking prior permission of the Government. We have always examined whether he had any dealings with that firm

Shri Warior: They are more practising as private practitioners and they are helping.

Dr. B. Gopala Reddi: It is not a matter of joining a firm. As a private practitioner, anybody can engage him as a lawyer or a Chartered accountant. That sort of abuse will also be minimised if not eliminated altogether.

As far as Shri S. M. Banerjee's points are concerned, I think I have covered them to the extent possible. Interest on refunds is being paid by the Government. Shri Naushir Bahrucha wanted that the Government must pay interest. When we collect it from the people who are defaulting or delaying it, Government is also anxious to pay wherever there is undue delay in refunding the amount. The Government will be willing to pay interests at 4 per cent.

Some Hon. Members: What is undue delay?

Dr. B. Gopala Reddi: Undue means anything in excess of 6 months or 9 months or 12 months, whatever it is. It cannot be simultaneous. There may be a small delay. After all, 10 days, 1 month or two months or three months, you cannot call undue delay. Beyond that, if an officer was negligent

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about it or lethargic about it, certainly, it is undue delay. He must be made to give an explanation and the Government must also be prepared to pay some interest.

We are also strengthening the cadre of Appellate Assistant Commissioners. Shri Naushir Bharucha referred to the question that they are unable to cope with the pending cases. We have recently taken a decision to add 24 Appellate Assistant Commissioners to the present number of 91. Another 24 will be added to look into all the appeals that are pending. There are other matters that were incidentally brought into the picture; control on banks. It was said that the Commerce and Industry Ministry must look into this at the time of giving licences. Perhaps, it is also in the report. These are all matters on which we cannot take a hasty decision. They have to be considered very carefully.

The only other point about which there has been a little controversy is only about where the Appellate Assistant Commissioners should be placed, whether under the Law Ministry or under the Board of Revenue.

Shri Naushir Bharucha: It is not a small point.

Dr. B. Gopala Reddi: I am coming to that. Six Members have spoken today on this matter. Three have referred to it and three have not deliberately referred to it. Shri S. M. Banerjee is not interested where the Appellate Commissioners are going to be placed. Shri Ram Krishan Gupta is not interested where they are going to be placed. Perhaps they want that the Central Board of Revenue should have control. Shri Naushir Bharucha, Shri Harish Chandra Mathur and the hon. Member from Tamil Nad are interested in where they are going to be placed. It is not as if the Income-tax officer is an executive officer. He is not a magistrate. He is not a punishing man. He is not a law and order man.

He has to apply a quasi judicial mind to the work and make an assessment, allow the expenses and apply the provisions. He is a sort of a quasi judicial man looking into the assessments. It is not as though the Appellate Assistant Commissioner is going to be a judicial officer and the Income Tax Officer is a magistrate convicting the man on the side of revenue. It is not so. We do not want him to be a revenue-minded man. He must apply his judicial mind to the matter, examine all the contentions of the assessee and be as fair as possible, after all, without losing the revenue that is due to the Government. We want to avoid tax evasion on the one side. To say that there must be separation of the judiciary and the executive, the I.T.O. is an executive and the Appellate Assistant Commissioner a judicial man and there must be separation, that he cannot be the prosecutor and the judge, all these are out of court today. We expect the I.T.O. to be a quasi judicial man. He is a junior officer compared to the Appellate Assistant Commissioner, who is a senior man. In every department, when an order is passed, the assessee or the party has the right to go to the higher authority. He can say some injustice has been done to him, and therefore the higher authority should look into the matter. If we do not have that apparatus and simply ask the man to go to the court or tribunal, it is not fair. A senior and more experienced man, who has put in ten years of service in the department becomes the appellate assistant commissioner, and he sees whether the I.T.O. has gone, wrong. After that, certainly you have all the avenues available to you, the tribunal, the high Court, the Supreme Court etc.

17 hrs.

Shri Morarka (Jhunjhunu): May I ask him a question? Committee after committee has been appointed to go into this matter, and every committee has made the recommendation that this appellate authority must be taken away from the purview of this department and put under some other autho-

rity, and why every time it has been rejected.

Dr. B. Gopala Reddi: Government have a responsibility in the matter. We want a senior officer to take a second look into the matter to see whether any gross injustice has been done by the I.T.O., and after that, of course, as I said, the other avenues are open, and so many cases are going to the courts.

Take the sales tax in any State today. Is the immediately higher man a judicial man? We have the commercial tax officer, then the Deputy Commissioner, the Commissioner etc., and only at a later stage they go before the tribunal. When a Tahsildar passes an order, you go to the Deputy-Collector or the Collector who is not a judicial man. You do not straight-away go to the District Judge.

The I.T.O. is not, I repeat, an executive or law and order officer. He is only a revenue man, applying the Act with a quasi-judicial mind and temperament. Then we want a senior officer to have a second look into the matter. Therefore, we cannot accept the contention of the three hon. Members that if the appellate assistant commissioner is put under the Law Ministry, the whole face of the incom-tax department will be uplifted and present a new appearance.

After all, the Law Ministry is the Law Ministry. They do not have administrative responsibilities like other departments. The Law Ministry is mainly there for giving you the drafts and things like that, giving legal opinion. I maintain it is not an administrative Ministry. The administrative apparatus must be under a different department.

Shri C. R. Pattabhi Raman: I am glad the Law Minister is not here.

Dr. B. Gopala Reddi: Does he claim it is an administrative Ministry? I do not think. We know the Legal Remembrancer and all those things in every State, we know the limitations and responsibilities of the legal depart-

ment, and we do not want to saddle them with responsibilities of revenue collection and things like that. Then the legal department will lose all its savour and become an administrative department like any other department. And we do not want it to be subject to any criticism on the floor of the House. Once it becomes an administrative department, naturally it will be subject to such criticism. We want to save that department from that responsibility, and we want the appellate assistant commissioner to be under the Central Board of Revenue.

It may be that there is an impression that they are being instructed by some commissioners, some member of the Board of Revenue is giving them instructions: you better do this in this particular case. I can tell you categorically that we have no instance of a commissioner or a Board member or anybody giving directions to the appellate assistant commissioners. They are treated with all the sacredness or sanctity attaching to a sessions judge. I do not think any appellate assistant commissioner, a commissioner or a member of the Board of Revenue, is interested this way or that way. We know cases where the commissioner is not satisfied with the assessment, and he immediately goes to the tribunal. That is the straightforward course. The commissioner need not necessarily accept the report of the I.T.O. If he feels that something has gone wrong or that the I.T.O. has given too many concessions and things like that, the commissioner goes to the appellate tribunal. Everybody says that there is an impression that they are under the control of the Central Board of Revenue. But, after all, in these matters, it is not merely impressions but it is the facts that count, and the facts are that their independence is never interfered with by the commissioner or the Central Board of Revenue. Therefore, in this matter, we are unable to accept the recommendation of the Tyagi Committee, and we think that it is better that we continue the present system.

Shri Morarka: Kindly reconsider.

Dr. B. Gopala Reddi: No.

We have had a very useful discussion. The subject-matter was before the country and the House for a long time, and that was why Government did not think it necessary to have a debate on this matter. Anyhow, we have had a two-hour discussion, and all the main points pertaining to the Income-tax Department have been thrashed out today, and Members have given expression to their views and opinions.

All the other matters that were mentioned by Shri Naushir Bharucha and others will certainly be considered when we bring forward the consolidated Bill before the House, which will be referred to a Select Committee also. Therefore, Shri Naushir Bharucha and others need not think that all the matters that were raised here have not been answered. They will certainly be looked into at the time of preparing the consolidated Bill, and we shall certainly bestow our thought on them and we shall see what can be done.

With regard to the depreciation allowance also, it is being given now. Under the amended rules, we have already accepted the sort of depreciation allowance which Shri Naushir Bharucha has suggested, and it is being given.

I am thankful to Shri S. M. Banerjee and others who have brought this matter up before the House.

Shri Tyagi: With your permission I want to take this opportunity of thanking the House, with all the humility at my command, for the compliments that they have showered on the work of this committee and my colleagues. I feel really flattered when I read through the paper which the hon. Minister has laid on the Table of the House. I have never seen any report, controversial as it was, being so generously looked into and examined by the Department, as this report has

been examined. I must thank the Government and congratulate them on their having accepted the numerous recommendations which were of a salient nature.

My colleagues have written to me asking me to express their gratitude also to Government for having accepted our report in such a generous way that practically all the important recommendations have been accepted. I have yet to see any other report which has been so liberally treated. I think Government for this.

Shri S. M. Banerjee: I only wish to thank the hon. Minister for the assurance that he has given. I thank also Shri Tyagi.

Shri T. B. Vittal Rao: (Khammam): Congratulate Shri Tyagi.

Mr. Deputy-Speaker: I have also to thank every side of the House.

Shri Braj Raj Singh: It is thanksgiving ceremony now.

Mr. Deputy-Speaker: The question is:

"That this House takes note of the Report of the Direct Taxes Administration Enquiry Committee, 1958-59 and the memorandum of dissent, comments and recommendations by Shri G. P. Kapadia on the Report, laid on the Table of the House on the 21st December, 1959 and the statement of the Finance Minister on the more important recommendations of the Enquiry Committee, laid on the Table of the House on the 9th September, 1960."

The motion was adopted.

17.09 hrs

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, November 30, 1960/Agrahayana 9, 1882 (Saka).

[Tuesday, November 29, 1960, Agrahayana 8, 1882 (Saka)]

ORAL ANSWERS TO
QUESTIONS

2721-55

S.Q. No.	Subject	COLUMNS
527	Three year Degree course	2721-25
528	New Universities	2725-27
529	Biography of General Thimayya	2728-31
530	Overcrowding in colleges and universities	2731-34
531	Ex-Controller of Defence Production	2734-36
532	Centre for research in marine Zoology	2736-37
534	Garden Reach Workshop	2737-43
535	Bilingual dictionaries of Indian languages	2743-44
536	Millionaires in India	2744-46
539	Manufacture of tanks	2746-48
541	Korba coal fields	2748-50
542	Oil refineries	2751-55

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S.Q. No.	Subject	COLUMNS
533	Acquisition of lands in Bhilai	2755
537	Another university in Delhi	2755-56
538	Indian tennis team to U.K.	2756
540	Scheduled Castes and Scheduled Tribes	2756-57
543	Allotment of wagons	2757
544	L.I.C. investments	2757-58
545	Wagons supply	2758
546	Wagons for coal movement	2759
547	Petroleum products	2759-60
548	Nagarjunasagar project	2760-61
549	Report of Hindu Religious Endowment Commission	2761
550	Raw Materials Committee	2761
551	Manufacture of rifles and shotguns for civilians	2762
552	Raw material supply to steel mills	2762
553	Audit of Hindustan Steel Accounts]	2762-63
554	Purchase of Ammunition	2763-64
555	Steel Plant for South	2764

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S.Q. No.	Subject	COLUMNS
556	Pension of ex-servicemen	2764-66
557	Coal crisis	2766-68
558	Petroleum products	2768
559	Coal consumption	2768-69
560	Guided missiles for Army	2769
561	Standard Atlas	2769-70
562	Piece work earnings in Ordnance factories	2770-72
563	Alloy and tool steel plant	2772
564	West German loan	2772-73
565	Oil exploration programme	2773
566	Chartered plane of Indian Airlines Corporation	2773-74
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935	Small Savings Scheme	2774
936	Vijnan Mandirs	2774
937	Posts for Scheduled Castes	2774-75
938	Overstaying of foreigners in India	2775
939	Revenue collections	2775-76
940	Foreign Exchange on delegations	2776
941	Income-tax arrears in Madhya Pradesh	2776
942	Chhatar Manzil Lucknow	2776-77
943	Development of Punjabi language	2777
944	School hostels in Punjab	2777-78
945	Iron sheets for Himachal Pradesh	2778-79
946	Cultural festivals in Punjab University	2779
947	District Gazeteers	2779-80
948	Mineral Survey of the Hilly region of Uttar Pradesh	2780-84
949	Report on Agricultural Development in Mexico	2784
950	General education courses in Universities	2784
951	High Court Judges	2785
952	Murder in Railways Book- ing Agency, Delhi	2785
953	Failure of Banks	2785-86
954	Tax arrears	2786-88
955	Revenue collections in Bihar	2788
956	Steel stockists	2788

WRITTEN ANSWERS TO
QUESTIONS—*contd.*

U.S.Q. No.	Subject	COLUMNS
957	Aid to Sanskrit Organisations in Orissa	2788-89
958	Education of girls in Orissa	2789
959	Archaeological excavations in Orissa	2790
960	Artificial rains	2790
961	Study of social and economic life in Kerala villages	2791
962	'Mock Sea Battle'	2791-92
963	Tramway in Durgapur	2792
964	Indian Army Officers	2792-93
965	Compulsory Primary Education in border areas	2794
966	Foreigners in India	2794-95
967	Use of Punjabee in Delhi Administration	2795
968	Implementation of Tyagi Committee Recommendation	2795-97
969	Census Department	2797
970	Tours of Ministers	2797-98
971	Small Savings Resources	2798-99
972	Fresh D.L.F. loans	2799-2800
973	L.I.C. office in London	2799-2801
974	All India Scientific Service	2801-02
975	Successor to Nawab of Bhopal	2802
976	Realisation of death duty	2802
977	Privy Purse for the new successor of Nawab of Bhopal	2802-03
978	Loans given by India	2803
979	Educational grants to Punjab	2804
980	Bonus to Government Employees	2804
981	Amount of various taxes	2804-05
982	Opium cultivation	2805-06
983	Increase in opium cultivation	2806
984	Scheduled tribes	2806-07
985	Lignite deposits in Kerala	2807
986	Inter-State Cultural Delegation	2807-08
987	Tribal Organisation in Tripura	2808
988	Rudramahal at Sidhpur (Gujarat)	2808
989	Members of the Delhi Municipal Corporation	2809

WRITTEN ANSWERS TO
QUESTIONS—*contd.*

U.S.Q. No.	Subject	COLUMNS
990	Punjab's request for oil	2809
991	Legal assistance to Scheduled Castes and Scheduled Tribes	2809-10
992	Bal Bhavan in Delhi	2810
993	Manufacture of Transmitters	2811
994	Lands in Gwalior	2811-12
995	Terminal Tax collections in Delhi	2812
996	Teachers	2812-13
997	Social Welfare Centres	2813-14
998	Report on working of Central Excise Department	2814
999	Arrears of pay	2814-15
1000	Oil consignment from Russia	2815
1001	Forged passport case	2815-16
1002	Air accidents	2816
1003	U.D.Cs. in C.B.R.	2816-18
1004	Coal deposits in Gujarat	2817
1005	Standard forms in Ministry	2817-18
1006	Hindi forms for General Elections	2818-19
1007	Pay scale of Assistants	2819-20
1008	Late Duty Allowance	2820
1009	Illicit distillation of liquor	2820
1010	U.P.S.C. examination for Section Officers	2820-21
1011	Training centre for the adult blind, Dehra Dun	2821-22
1012	Basic education in Delhi	2822
1013	Excise duty on Khandsari	2822
STATEMENT BY PRIME MINISTER		2823

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) made a statement regarding the meeting of the Commonwealth Prime Ministers which will commence in London on the 8th March, 1961.

PAPERS LAID ON THE TABLE 2824

- (1) A copy of the certified Accounts of the Indian Institute of Technology, Kharagpur, for the year 1958-59 along with the Audit Report thereon, under sub-section (4) of Section 23 of the Indian Institute of Technology (Kharagpur) Act, 1956.

**PAPERS LAID ON THE
TABLE—contd.**

(2) A copy of the Citizenship (Amendment) Rules, 1960 published in Notification No. S.O. 2290 dated the 24th September, 1960, under sub-section (4) of Section 18 of the Citizenship Act, 1955.

**STATEMENT RE. SUPPLEMENTARY DEMANDS
FOR GRANTS FOR 1960-61
PRESENTED . . .**

The Minister of Finance (Shri Morarji Desai) presented a statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1960-61.

STATEMENT BY MINISTER 2824-25

The Minister of Information and Broadcasting (Dr. Keshkar) made a statement in respect of the reply given on the 24th August, 1960 to supplementaries by Seth Govind Das, Pandit Munishwar Dutt Upadhyaya and Sarvashri Chapalakanta Bhattacharyya and Raghunath Singh on Starred Question No. 692 regarding Sahitya Ratna Examination.

COLUMNS

COLUMNS
**BILL UNDER CONSIDERA-
TION . . . 2825-2900**

Further clause-by-clause consideration of the Companies (Amendment) Bill as reported by the Joint Committee continued. The clause-by-clause consideration was not concluded.

2824

**MOTION RE. REPORT OF
DIRECT TAXES ADMIN-
ISTRATION ENQUIRY
COMMITTEE . . . 2901-56**

Shri S. M. Banerjee moved the motion *re.* Report of Direct Taxes Administration Enquiry Committee. After some discussion the motion was adopted.

**AGENDA FOR WEDNESDAY,
NOVEMBER, 30, 1960/AG-
RAHAYANA 9, 1882 (SAKA)—**

Further clause-by-clause consideration of the Companies (Amendment) Bill and passing of the Bill; and discussion on the Indus Waters Treaty.