

Tuesday, May 7, 1963  
Vaisakha 17, 1885(Saka)

# LOK SABHA DEBATES

**Third Series**

**Volume XVIII, 1963/1885 (Saka)**

*[April 25 to May 7, 1963/ Vaisakha 5 to 17, 1885 (Saka)]*



**FOURTH SESSION, 1963/1884-85 (Saka)**

*(Vol. XVIII contains Nos. 51 to 61)*

LOK SABHA SECRETARIAT  
NEW DELHI

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14137

LOK SABHA

Tuesday, May 7, 1963/Vaisakha 17,  
1885 (Saka).

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

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Stamp to Commemorate Netaji's  
Birthday

\*1185. Shri Subodh Hansda: Will the Minister of Transport and Communications be pleased to refer to the reply given to Starred Question No. 495 on the 19th March, 1963, and state:

(a) whether the design of stamp to be issued on the next birthday of Netaji Subhash Chandra Bose in 1964 has been finalised by Government;

(b) whether any designs were called for, for the purpose;

(c) if so, the number of designs received; and

(d) the main features of the design selected?

The Deputy Minister in the Ministry of Transport and Communications (Shri Bhagavati): (a) and (b). No, Sir.

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

Shri Subodh Hansda: As the Government is going to issue commemoration stamp in the year 1964, may I know whether Government intends to give the span of life of Netaji Subhas Chandra Bose on it?

575 (A) LS—1.

14138

Shri Bhagavati: This will be issued on the occasion of his next birthday, that is, on the 23rd January, 1964.

Shri Subodh Hansda: That is what I want to know. As the Government is going to issue the commemoration stamp on the 23rd January, 1964, may I know what is the Government's proposal, whether his span of life will be imprinted on the stamp, or whether only his portrait will be imprinted on the ticket?

Shri Bhagavati: The design of the stamp will be the portrait of Netaji Subhas Chandra Bose. In this matter we have also consulted the Netaji Research Bureau in Calcutta and they have suggested that the portrait adopted should be of Netaji Subhas Chandra Bose in full uniform as the head of the provisional Government and as the supreme commandar of the Azad Hind Fauj?

श्री भक्त दर्शन : श्रीमान्, मैं इस निर्णय के लिए सरकार को धन्यवाद देना चाहता हूँ कि नेताजी के अगले जन्म के दिवस पर डाक-टिकटों पर उनका चित्र प्रकाशित किया जायेगा, लेकिन मैं यह जानना चाहता हूँ कि जब नेताजी का देहान्त हुए इतने वर्ष हो गए, तो सरकार की ओर से इस बारे में निर्णय करने में इतनी देरी क्यों हुई।

परिवहन तथा संचार मंत्री (श्री जगजीवन राम) : निर्णय करने में अब कोई देरी नहीं है। यह निर्णय हो चुका है कि यह डाक-टिकट निकाली जाये।

श्री भक्त दर्शन : मेरा तात्पर्य यह है कि जब नेताजी का देहान्त हुए इतने वर्ष हो चुके हैं, तो यह डाक-टिकट पहने क्यों नहीं प्रकाशित की गई?

**श्री जगजीवन राम :** पहले नहीं की गई लेकिन अब तो निर्णय हो चुका है कि उन के अगले जन्म-दिवस पर डाक-टिकट निकाली जायगी।

**Shri D. C. Sharma:** Sometimes, when these stamps are issued, there are criticisms from certain quarters. May I know if, while approving the design of the stamp, the Bengal Government, the relations of Netaji Subhas Chandra Bose and those persons actively connected with Netaji Subhas Chandra Bose have been consulted and they have approved of the design?

**Shri Bhagavati:** We have consulted some relations of Netaji Subhas Chandra Bose in Calcutta. They have sent us some photographs and they have made some recommendations also. We have taken all this into consideration in preparing the design.

**Shrimati Savitri Nigam:** Usually, when such selections of stamps are made, a number of design are invited and a number of artists are requested to make such designs. May I know whether it has been done in this case and whether the Netaji Research Bureau has been asked to submit the design?

**Shri Jagjivan Ram:** Normally, we ask our designers, artists, in the Government Security Press at Nasik to design the stamps. That has not yet been done. In certain cases, where we feel it is necessary, we also ask some top-ranking artists in our country to send some designs. Well, that stage has not yet come.

**Shri S. M. Banerjee:** My hon. friend Shri Bhakt Darshan had asked the question why even though nine years have elapsed, the stamp had not been issued. I want to know whether Government who were expressing some doubt on his death have really come to the conclusion that he actually died and that is why they have decided to issue the stamp?

**Mr. Speaker:** Government had come to the conclusion; a committee had been appointed, and a report had been made.

**Shri S. M. Banerjee:** You will remember, Sir, that there was a non-official resolution about bringing his ashes to India, some time back in this House.

**Mr. Speaker:** But Government were sure about it, and they had indicated their policy...

**Shri S. M. Banerjee:** That resolution was withdrawn since there was some doubt in the country, and that is the reason why even though we wanted to have his photograph in the Central Hall, we could not have it.

**Shri Hari Vishnu Kamath:** And there was a minute of dissent also appended to the report of that committee.

**Shri Jagjivan Ram:** I would simply reiterate what I have said already that the commemorative stamp is being issued on the next birth anniversary of Netaji Subhas Chandra Bose.

**Shri Kapur Singh:** May I know the broad considerations of principle on the basis of which the decision to issue commemorative stamps is arrived at?

**Shri Jagjivan Ram:** These stamps are issued for different series. For instance, we have a series for saints and poets. Then we have a series for social reformers. Then, we have a series for prominent educationists. Then, we have a series for national leaders. These are the criteria. Our departed leaders who had made a mark in the field of social service or education or science or national movement etc are considered for this purpose.

#### Agents for Small Savings Scheme

\*1186. **Shri Hari Vishnu Kamath:** Will the Minister of Transport and Communications be pleased to state:



(a) whether Government have recently withdrawn the facility extended to retired postal employees for appointment as authorized agents under the Small Savings Scheme of the National Savings Organisation;

(b) if so, the reasons therefor; and

(c) whether Government propose to revise their decision?

**The Deputy Minister in the Ministry of Transport and Communications (Shri Bhagavati):** (a) Yes, Sir.

(b) To avoid the possibility of malpractices through collusion with postal staff.

(c) No, Sir.

**Shri Hari Vishnu Kamath:** If I heard him aright, the Deputy Minister has said that the reason is to avoid malpractices through collusion with postal staff. May I know whether any such malpractices have come to light, and how many such cases have come to light in recent months, and what action has been taken to check such malpractices, apart from this step?

**Shri Bhagavati:** The Audit Report of 1961 mentioned cases of irregular withdrawal of commissions on certificates purchase directly. The extent of such withdrawal was indicated as Rs. 7748 at Madras and Rs. 3888 at Calcutta. Sometimes, it is very difficult to prove these cases. But when there is adequate proof, the State Governments are asked to prosecute the agents. If there is not sufficient proof, then they are asked to terminate the agency. Likewise, the P. & T. Department also takes steps by way of disciplinary action against the persons concerned.

**Shri Hari Vishnu Kamath:** How many retired postal employees will be affected by this decision of Government?

**Shri Bhagavati:** I cannot give the number offhand.

**Shrimati Savitri Nigam:** May I know whether the hon. Deputy Minister has got any idea as to the amount of money collected by the retired postmasters?

**Shri Bhagavati:** I do not have the figures of the money collected by the retired postmasters separately. I have got the total figures only.

**श्री भक्त दर्शन :** श्रीमान्, क्या गवर्नमेंट ने इस बात पर विचार किया है कि स्माल-सेविंग्स के कार्यक्रम को और बढ़ावा देने के लिए गांवों के डाकखानों में इस का पूरा प्रसार किया जाय और इस के लिए विशेष सुविधायें दी जायें ? क्या इस के लिए कोई कार्य किया जा रहा है ?

**अध्यक्ष महोदय :** यह तो अलग-अलग सवाल है ।

**Shri Bhagavati:** The extra-departmental post offices are authorised.

**Shri Man Sinh P. Patel:** May I know whether there is a feeling among the small savings agents that the facility extended to the retired postal employees is a hindrance for the development of other agents?

**Shri Bhagavati:** Now, that facility has been withdrawn and they are debarred from taking agencies.

**श्री शिवनारायण :** मैं यह जानना चाहता हूँ कि जिन लोगों को एजेंट मुकर्रर किमा जाता है, सरकार ने उन की क्या क्वालिफिकेशन्स मुकर्रर की हैं ।

What will be their qualifications?

**Shri Bhagavati:** They have to furnish securities and enter into an agreement with Government.

**Shri Shivaji Rao S. Deshmukh:** May I know whether it is a fact that the small savings targets that are fixed at the district level on the basis of land revenue assessment are subject to collections through revenue officers, who instead of collecting

these small savings contributions through institutional agencies, insist on their own personal relatives by way of agencies?

**Mr. Speaker:** That is a different thing altogether.

**श्री बड़े :** पोस्टल एम्प्लायीज से जमानत ली जाती है, सिक्कोरिडी ली जाती है । आप ने जो सात हजार की फिगर दी है, क्या यह सही नहीं है कि यह रकम उनकी जमानत में से वसूल कर ली गई थी ? अगर यह सही है, तो फिर यह बन्द क्यों किया गया है ?

**Shri Bhagavati:** I cannot say how that money is recovered because these are matters dealt with by the Finance Ministry. I can only answer such questions as relate to the P. & T. Department.

#### Price of Sugar

\*1187. { **Shri K. N. Pandey:**  
**Shri Bishwanath Roy:**  
**Shri D. C. Sharma:**  
**Shri B. N. Kureel:**  
**Shri Balmiki:**

Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that the minimum price of sugar announced by him on 17th April, 1963 for different Zones is based on the cost of production in the respective regions;

(b) if so, the cost of production of sugar in each region; and

(c) how much profit per maund of sugar has been allowed to the industry fixing the price for each region?

**The Parliamentary Secretary to the Minister of Food and Agriculture (Shri Shinde):** (a) Government have fixed maximum and not minimum prices of sugar in all States. These are not based on cost of production alone, but also having regard to prices prevailing during February-March and the interests of consumers.

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

**Shri K. N. Pandey:** Is it a fact that the duration of the current crushing season in the northern areas consisting of UP, Bihar and Punjab is about 90 days only as against 145 days during the last season? If so, to what extent has the shorter duration affected the cost of production and level of employment?

**Shri Shinde:** It is true that the duration of the season in respect of the northern sugar factories is less than in other regions of the country. But all these factors have been taken into account by the Tariff Commission while evolving the cost structure of sugar. The Government of India have also arrived at the decision about the price of sugar on the basis of the advice tendered by the Tariff Commission.

**Shri K. N. Pandey:** Is it a fact that the average cost of production of sugar in East UP and Bihar and Punjab regions for the current season is Rs. 41.58, Rs. 41.97 and Rs. 42.34 respectively? If so, are the control prices for these regions and sub-regions adequate to recover the cost?

**Shri Shinde:** If the hon. Member is referring to East UP, the season in East UP this year has been about 90 days, and the cost structure evolved by the Tariff Commission takes into consideration the season of a duration of 90 days. It includes 12 per cent return on capital employed; it also includes the profit margin that is necessary for the industry and is considered by the Tariff Commission, to be given to the industry.

**Shri D. C. Sharma:** The policy of fixing minimum and maximum prices has not worked well as our ordinary experience shows, and it has led to shortage of sugar, black-marketing in sugar, hoarding of sugar . . .

**Mr. Speaker:** Order, order. He should come to the question now.

**Shri D.C. Sharma:** Therefore, I want to know from the hon. Minister whether they will fix an average price which should be prevalent in almost all States of India so that the consumer does not suffer from these ills.

**Shri Shinde:** The price has been evolved mainly taking into consideration the interests of the consumer as well as other interests concerned.

**Shri Inder J. Malhotra:** In the determination of the price of any commodity, the cost of production is a very important factor. What are the difficulties before Government due to which the price cannot be based on the cost of production?

**Shri Shinde:** As I have already submitted, the price is based on cost of production plus 12 per cent return on capital employed.

**Shri Tyagi:** What is the minimum and maximum profit guaranteed to sugar millowners? May I know if the same percentage or some percentage is guaranteed to the sugarcane growers also? Because, I understand sugarcane is being taken from the growers on the sucrose content, that means, on cost of production. Is any profit guaranteed to the cultivators as well?

**Mr. Speaker:** He has answered it.

**Shri Tyagi:** No. He did not.

**Mr. Speaker:** He might answer it again. The Member says that . . .

**Shri Shinde:** Now, at present, the cane price is based on the sugar content, recovery basis. That has nothing to do with the profit margin that is allowed to the sugar industry.

**Shri Tyagi:** That is what I am objecting to. How is this partial treatment meted out to the industry when the cultivators are not guaranteed any profit?

**Mr. Speaker:** He should not get angry with me on that.

**Shri Tyagi:** I have to see towards you; I am sorry.

**Mr. Speaker:** Shri Bhagwat Jha Azad.

**Shri Tyagi:** May I submit, Sir, the interests of the cultivators are not being looked into at all. Therefore, we as representatives of the cultivators must raise this.

**Mr. Speaker:** He wanted information; that has been given. If he is not satisfied with the policy that the Government is pursuing and wants to argue, he will have a different opportunity.

**Shri Tyagi:** May I humbly put it, how is it that some margin of profit has been guaranteed to the urban people, meaning thereby those who are mill-owners, but the same margin of profit is not guaranteed to the cultivators as well in fixing their price?

**The Minister of State in the Ministry Food and Agriculture (Dr. Ram Subhag Singh):** Last year this matter was referred to in this House. You will remember that last year, the season was unusually large. At that time, many hon. Members said that the growers should be given higher prices. But, the cane growers could not get higher prices. So, this year too the complaint is that the sugar factories are not being given prices for their sugar on the basis of their cost of production and the cost of production, it is said, has gone up because the crushing season was less. There is something which contradicts each other. Therefore, I fully agree that because the cane growers get only on the recovery basis, we had to give this concession that they should feel free to give their cane to gur or khandsari industry. So they get a higher price. It shall be our endeavour to protect the growers as well as the consumers' interests. We won't allow the growers to suffer.

**Shri Bhagwat Jha Azad:** May I know, if in spite of the reasonable cost of production and the reasonable profit given to the mill-owners as the Minister himself has stated, whe-

ther with the rising of prices of sugar in all parts of the country over the maximum price fixed by the hon. Minister, in the hon. Minister's opinion, the interests of the consumers are being served and if they want to bring down prices?

**Dr. Ram Subhag Singh:** Actually, there is no sugar shortage. Because, we had a balance of about 12 lakh tons, and this year, even if we say that the production was less, it is over 21 lakh tons. In all, at present, sugar is somewhere near about 30 lakh tons in our country. If we give a margin for the quantity of sugar which we shall be exporting, even then, there is about 25 or 26 lakh tons of sugar with us. So, this artificial scarcity has been created by having in mind that the international prices have gone up and so we should earn greater profit. We shall see that a curb is put on this profit-making tendency.

**An Hon. Member:** How?

**Dr. Ram Subhag Singh:** Because, we shall set up fair price shops if need be. All the State Governments have been authorised to take suitable action against persons who are not dealing properly in sugar either with regard to dealers or retailers.

**श्री श्रीकारलाल बेरवा :** ये जो शुगर के भाद निर्धारित हुए हैं, इनको निर्धारित करने से पहले क्या गन्ना उत्पादकों से भी कोई राय ली गई थी या सरकार ने स्वयं ही कर दिये हैं ?

**डा० राम सुभग सिंह :** जो कीमत है, अलग अलग राज्यों में अलग अलग निर्धारित की गई है, पंजाब में प्रति किलो १ रुपया २० नए पैसे है और दूसरी जो अच्छी क्वालिटी की है उसकी १ रुपया २३ नए पैसे है। होलसेल कीमतें हर स्टेट में थोड़ी कम-बेश हैं। बिहार में ४० रुपये ५० नए पैसे है। वेस्ट बंगाल में ४१ रुपये ५० नए पैसे है। उस तरह से हर स्टेट की हैं। मैं इस को रख दंगा। अलग अलग स्टिल प्राइसिस भी इस आधार पर हैं।

**श्री श्रीकारलाल बेरवा :** क्या गन्ना उत्पादकों से भी कोई राय ली गई है या नहीं ली गई है ?

**श्री त्यागी :** वह बेचारे सिटिजेन्स थोड़े ही हैं ?

**डा० राम सुभग सिंह :** सिटिजेन्स से अलग अलग राय लेने के लिए कोई ऐसी संस्था नहीं है जिस को पूरी तरह प्रतिनिधित्व करने का अधिकार हो।

**Shri S. M. Banerjee:** I would like to know from the hon. Minister whether it has been brought to his notice that after he placed the Sugar Control Rules on the Table of the House, sugar has gone underground and is being sold at Rs. 1:50 and Rs. 1.75 even in U.P., where there are the maximum number of sugar factories; if so, what steps have been taken, what apparatus has been evolved by the State Government, and why so much delay has taken place.

**Dr. Ram Subhag Singh:** The apparatus has been set up. If the hon. Member has any city or any particular area in mind, he may let us know and we shall immediately take steps.

**Shri S. M. Banerjee:** It is so in the whole of U.P. and it has come in bold letters in the newspapers.

**Dr. Ram Subhag Singh:** He can give examples.

**Shri Kapur Singh:** Can this House have a precise break-up of the price structure into cost of production, State levies and private profits?

**Mr. Speaker:** All this?

**Dr. Ram Subhag Singh:** As stated by my colleague in reply to a previous supplementary, this price has been fixed not exactly on cost of production basis, because we do not want that the cane grower should be made to suffer, and so only 12 per cent return has been provided for the capital that has been spent on the industry. The other recommendations of the

Tariff Commission have also been taken into account.

**Shri Kapur Singh:** My question has not been answered.

**Mr. Speaker:** That cannot probably be answered. He wants the break-up of all this.

**Dr. Ram Subhag Singh:** I require notice for that, because that is a matter of greater detail.

**Shrimati Renu Chakravartty:** May I know whether Government is considering reintroducing the old method of giving limited supplies per head through fair price and ration shops, which was effective last time, in view of the fact that even in a State like West Bengal the price of sugar is going up?

**Dr. Ram Subhag Singh:** As was stated yesterday by the hon. Food and Agriculture Minister, we have been issuing a quarterly quota of 125,000 tons, and that is going to be increased if the State so desires. We shall also resort to the procedure that the hon. Member just now referred to if need be.

**श्री क० ना० तिवारी :** क्या गवर्नमेंट इंस्टैंट यू० पी०, वेस्टर्न यू० पी०, पंजाब, बिहार और साउथ इन सब के लिये रीजनल बेसिस पर शुगर प्राइस तय करने का विचार कर रही है, ?

**डा० राम सुभग सिंह :** अमल में अभी जो कीमतें निर्धारित की गई हैं वे तीन महीने पहले की कीमत के आधार पर बहुत कुछ की गई हैं, लेकिन जैसा व्यापारी जी ने कहा, केन लिया उसी भाव से गाना जो पहले से तय किया गया था। इस लिए गाँव महीने पहले की बात को ज्यादातर ध्यान में रख कर ऐड हाक कीमत तय की गई। इसमें टैरिफ कमिशन की रिकमेंडेशन को भी ध्यान में रखा गया है।

**Shrimati Savitri Nigam:** May I know if the hon. Minister is aware that the representatives of the All-India Sugar Mills Association in one of their recent meetings have declared that if the price of sugarcane is increased by four annas and if the disparity in the fixation of prices is not removed, there are very many chances that there will be a shortfall of 30,000 tons in the coming year and some of the sugar mills also will be closed? If the answer is in the affirmative, what action is Government taking to see that this situation does not arise?

**Dr. Ram Subhag Singh:** I do not fully share the views that have been expressed by the Mill Owners Association as has been disclosed by the hon. Member, because nobody had prevented them from paying higher prices for the cane that they purchased. The cane was diverted to gur and khandsari because the cane growers got higher prices. As for this shortfall of 30 lakh tons, the total quantity of sugar that is produced in India is only about 30 lakh tons.

**Shrimati Savitri Nigam:** 30,000 tons.

**Dr. Ram Subhag Singh:** We are not going to be guided exactly by that advice because sugarcane price is the minimum, and they could have paid the maximum price but they did not pay.

**श्री शिवनारायण :** मैं जानना चाहता हूँ कि जब चीनी की इंटरनेशनल प्राइस बढ़ गई है तो गन्ना पैदा करने वालों को बोनस ग्राफ प्राफिट क्यों नहीं दिया जाता। इसमें सरकार को क्या आपत्ति है ?

**डा० राम सुभग सिंह :** आपत्ति तो कुछ भी नहीं। हम लोग पूरा देना चाहते हैं। लेकिन जब तक गन्ने की कीमत कम थी तब तक हम नेशनल प्राइस देते थे। जब चीनी की कीमत बढ़ रही है तो वह इंटर-नेशनल प्राइस मांगते हैं। इस लिये उन्हें

इंटरनेशनल प्राइस लेने की इजाजत नहीं दी जा रही है। सारा हल्ला केवल इस लिए हो रहा है कि उन्हें ज्यादा मुनाफा लेने का मौका नहीं मिलता। हम लोग चाहते हैं कि जितनी गन्ने की कीमत दी गयी है उसे भी देखा जाना चाहिये।

**Shri P. Venkatasubbaiah:** May I know whether it is a fact that the indecision and hesitancy of the Government to face realities regarding the cost of production has resulted in the sugar scarcity?

**Dr. Ram Subhag Singh:** The cost of production of sugar this year has been based chiefly on the cost of production during the previous season and one can say as was stated by Shri Kashinath Pandey that the season was a little less. When the season is a little larger no concession is given to the cane grower. So, when it is less, the cane growers and the consumers should make it up.

**Shri Shivaji Rao S. Deshmukh:** What was the basis for fixing of sugar prices? Is it a fact that regional prices of sugar were fixed on the basis of freight difference from sugar surplus States to sugar deficit States and is it also a fact that a uniform pattern of sugar price fixation would amount to a tax on efficiency in the opinion of the Tariff Commission?

**Dr. Ram Subhag Singh:** The Tariff Commission's advice has always been taken into consideration and it shall receive our serious consideration in future also. . . (Interruptions.)

**Shri Sonavane:** Is it a fact that Maharashtra produces highest sugar content in India because of the efficient working of the factories and the preference in transport to other areas is acting as a deterrent to more production of sugar?

**Dr. Ram Subhag Singh:** Actually it is not correct that Maharashtra mills are getting less price because in Maha-

ashtra the fixed price is Rs. 41 per maund whereas in Bihar it is Rs. 40.50; in U.P. Rs. 40.50; in Punjab Rs. 41; in West Bengal Rs. 40.50. There are different rates for different States.... (Interruptions.)

**Mr. Speaker:** Order, order. I am calling Hem Barua.

**Shri Hem Barua:** The hon. Minister said that there was an artificial sugar famine . . . (Interruptions.)

**Mr. Speaker:** Order, order.

**Shri Hari Vishnu Kamath:** Today is the last day, Sir, they want to put some questions.

**Mr. Speaker:** That is why I have allowed half an hour for this one question.

**Shri Hem Barua:** On account of the artificial sugar famine, which the hon. Minister has himself admitted there has been an exorbitant rise in the price of sugar to Rs. 130 or Rs. 140 per bag of 100 kilos. The price of sugar in Assam is the highest in the country. May I know what immediate steps have been taken by Government to check the rise in prices, with special attention to the interest of the under-developed State of Assam.

**Dr. Ram Subhag Singh:** I shall consult the Assam Government and if they want we shall send some sugar to put a curb on the prices. But I do not agree that the price is as exorbitant as the hon. Member has stated. If the price is high we shall try to bring it down.

**Shri Tyagi:** Is it not a fact that there were numerous enquiries into the cost structure of sugar either through the Tariff Commission or other organisations and may I know if the Government has ever agreed to make an assessment of the rising cost of production of sugarcane? If so, may I know what is the result of their enquiry or whether that is not taken into account at all? Let the matter be clarified before the country.

**Dr. Ram Subhag Singh:** I am going to give full consideration to this fact, because the cost of production of the cultivators is going up, because they require so many essential things and the prices of those things have gone up. So, naturally, we shall have to pay attention to that and I shall do that.

**Shri Tyagi:** Has any enquiry been made?

**Dr. Ram Subhag Singh:** Not yet; later on it will be made.

**Some Hon Members rose—**

**Mr. Speaker:** I have allowed 20 minutes on this question. Next question.

### Kolaghat Bridge

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\*1188. { **Shri Subodh Hansda:**  
          { **Shri S. C. Samanta:**

Will the Minister of Railways be pleased to state:

(a) whether there is any proposal to construct another Railway bridge at Kolaghat on South Eastern Railway;

(b) if so, when this decision was taken;

(c) the reason for construction of another Rail bridge at that place; and

(d) whether the plan and estimate have been prepared and if so, the total amount estimated for that purpose?

**The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy):**  
(a) Yes, Sir.

(b) November, 1962.

(c) The new bridge near Kolaghat over Rupnarayan river is required in connection with the laying of a third line between Santragachi and Panchkura.

(d) Plans and estimate are under preparation. The total cost of provid-

ing the third line including the bridge over Rupnarayan river is estimated to be approximately Rs. 12 crores including approximately Rs. 3 crores for this new bridge.

**Shri Subodh Hansda:** May I know whether this bridge will be financed and constructed from internal resources or outside resources will be utilised and if so, what is the quantum of help that will be necessary for this purpose?

**Shri S. V. Ramaswamy:** The construction of these bridges require special steel and this may have to be imported. I do not have the exact figures now.

**Shri Subodh Hansda:** May I know when it is likely to start construction of this bridge?

**Shri S. V. Ramaswamy:** As soon as the materials are gathered the estimates and plans are ready, it will commence.

**Shri S. C. Samanta:** Is it not a fact that within a few yards of the construction of the existing bridge, a road bridge is being built under the Ministry of Transport? May I know whether the Transport Ministry and the Railway Ministry have consulted each other as to the necessity of a rail-cum-riad bridge, before constructing this particular bridge here?

**Shri S. V. Ramaswamy:** I am not aware of any discussion between the Railway Ministry and the Ministry of Transport. So far as this project is concerned, it is expected ultimately to have a double line to meet the increased rail traffic.

**Shri D. C. Sharma:** I have great sympathy for my Bengali friends, but may I know why it has been found to be necessary to have three bridges—2 rail bridges and another bridge for road transport—whereas on the Jamuna, we have only one bridge which is also not very helpful?

**Shri S. V. Ramaswamy:** So far as the railways are concerned, the traffic is increasing and is expected to increase still further. The old bridge may not be able to take the entire load. That is why we are going to have another bridge.

**The Minister of Railways (Shri Swaran Singh):** Even on Jamuna, a second bridge is coming up.

**Shri Bhagwat Jha Azad:** May I know whether the connecting routes for the supply of materials for the construction and laying of this railway line have been examined and is it correct to say that it would have been possible to incur a cost less than Rs. 3 crores, which is the estimate for the construction of this railway line, by alternative routes?

**Shri S. V. Ramaswamy:** The estimates have been carefully drawn up and as far as I am aware Rs. 3 crores is a reasonable estimate.

**Dr. K. L. Rao:** May I know whether a combined rail-road bridge would have been more economical and if so, whether it is necessary, whenever a railway bridge is constructed, to consult the State and Union transport departments before finalising the design?

**Shri S. V. Ramaswamy:** It is not found economical, always. Even in the case of the Jamuna, it was considered and it was found that it was better to have two separate bridges, one for the railway and another for road.

**Shri Tridib Kumar Chaudhuri:** May I know whether the Government have taken into consideration the fact that within a distance of 1 1/2 miles, three bridges will span the river and whether the Government have taken the opinion of the irrigation department of the Union Government with regard to the effect of these bridges on the dredging of the river, which is a tidal river and in which the safety of Calcutta Port depends very much?

**Shri S. V. Ramaswamy:** Sir, in siting the very bridge itself we go into all these questions and have consultation with the other ministries and departments concerned.

**Shrimati Renu Chakravartty:** May I know whether the hon. Minister is aware that even when the other road bridge was under construction the local people had made this petition to the Ministry of Communications regarding its effect on the Rupnarayan river? Rupnarayan is a drying up river and they wanted to know whether the construction of the bridge would come in the way of keeping the flush of the river sufficiently high. May I know whether, now that the second and the third bridges are going to be constructed, the entire question has been taken into consideration as to how far it will affect the flush of the water in Rupnarayan?

**Shri S. V. Ramaswamy:** Sir, that question is not addressed to me; the hon. Member was talking of road-bridge.

**Shrimati Renu Chakravartty:** The question is about Kolaghat Bridge. Probably the hon. Deputy Minister does not know that Rupnarayan is the river which flows below Kolaghat Bridge.

**Shri S. V. Ramaswamy:** As I submitted, Sir, all these things are taken into consideration. The road authorities are consulted and the authorities concerned with the port are also consulted.

**Mr. Speaker:** The hon. Member wants to know whether the construction of the third bridge shall have any effect on the flush of the water that comes between a particular stream that she is talking of.

**Shri S. V. Ramaswamy:** I may submit, Sir, that all these questions are referred to the Poona Research Institute. They give us their opinion and we act accordingly.



**Shri Priya Gupta:** In view of the fact that this scheme has been sanctioned and it is going to be taken up, may I know the quantum of special steel that will be required for the purpose, whether any indent will be placed on any foreign firm and, if so, on which firm and which foreign country it will be placed and when it is likely to be delivered us? I am asking this, Sir, because if we do not get it in time the progress of bridge will be pending till arrival here of the special steel.

**Shri S. V. Ramaswamy:** All these details have not yet been worked out.

#### SHORT NOTICE QUESTIONS

#### Afro-Asian Journalists' Conference

**SNQ. 14-A. Shri Hari Vishnu Kamath:** Will the Prime Minister be pleased to state:

(a) whether an Afro-Asian Journalists' Conference was held at Jakarta recently;

(b) whether it was attended by Indian Journalists;

(c) if so, their number and names; and

(d) the quantum of foreign exchange allotted to them?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a) Yes, Sir.

(b) Yes, Sir.

(c) A list of the Indian Journalists who attended the conference is placed on the table of the House. [Placed in the Library, See No. LT-1322/63].

(d) Nine members were allotted a foreign exchange quantum of ten pounds sterling each.

**Shri Hari Vishnu Kamath:** By whom, Sir, were the Indian journalists invited, were they briefed by any Minister or anyone in any ministry, and is it a fact that under an illusory or deceptive facade of Afro-Asianism a front organisation of

Communist China emerged where the event proved as humiliating for India as Moshi was?

**Mr. Speaker:** Why bring in things that are not connected with the question?

**Shri Hari Vishnu Kamath:** It is about Afro-Asianism. . . .

**Mr. Speaker:** These are matters of opinion—the ideas expressed towards the later part his question.

**Shri Dinesh Singh:** The conference was organised by the Afro-Asian Journalists' Conference.

**Shri Hari Vishnu Kamath:** The second part of my question may be answered, Sir, as to whether they were briefed by any Minister or guided by anyone in any Ministry after they left for the Conference, and whether a front organisation. . . .

**Mr. Speaker:** Were they briefed by any Minister or anyone in any Ministry?

**Shri Dinesh Singh:** I do not know whether they saw any Minister privately. I am not aware of any briefing given by any Minister. They approached us, the Ministry of External Affairs for permission to go there and we gave the permission.

**Shri Hari Vishnu Kamath:** Did the Conference witness any signs or symptoms of further exacerbation of the Russia-China politico ideological conflict and what part, if any, did the Indian delegation play in that part of the proceedings?

**Shri Dinesh Singh:** We notice that the Asian Soviet Republics were not admitted to this Conference as members though we were in favour of their being admitted.

**Shri Hari Vishnu Kamath:** What does not that "we" mean? Is he saying that the Government was in favour of it? Did they brief the delegation so?

**Mr. Speaker:** "We" means the representatives who have gone there.

**Shri Hari Vishnu Kamath:** Does "we" represent the Government or the journalists.

**Shrimati Renu Chakravartty:** "we" means the Indian delegation.

**Shri Hari Vishnu Kamath:** Why should she speak on behalf of the Minister?

**Mr. Speaker:** They can decide amongst themselves who is the Minister and who is not. In answer to the previous question he has said that the journalists went there. Therefore, "we" can be applied only to those who went there.

**Shri Hari Vishnu Kamath:** I know. But the point was whether the Government briefed or advised them to do so? What is the position?

**Shri Dinesh Singh:** These journalists went on behalf of the Indian Federation of Working Journalists, who were invited. They did not carry any brief from us.

**Shrimati Renu Chakravartty:** In view of the fact that the list which has been given to us includes ten members, representing almost every important newspaper in India, may I know whether this delegation had gone on behalf of the most powerful organisation of working journalists i.e., the Working Journalists Federation, or they had gone there in their individual capacity?

**Shri Dinesh Singh:** This delegation has gone there on behalf of the Indian Federation of Working Journalists.

**Shri Nath Pai:** Is it a fact (a) that this Conference, right from the very beginning, was predominated by the Chinese Delegation, as evidenced by the exclusion of the Soviet Delegation which, later on, was relegated to the status of observers, and (b) whether the Indian Delegation did not sub-

scribe to the resolutions that were adopted and, if so, whether they have assigned any reasons to the Government why they did not subscribe to those resolutions?

**Shri Dinesh Singh:** We have not received any report from the delegation that went there. We understand that they did not subscribe to some of the resolutions that were passed and that they have written to the President of Indonesia about it.

**Shri Nath Pai:** May I request the Minister to answer part (a) of the question? I have asked a question in two parts—parts (a) and (b). He has not answered part (a). I asked whether it is a fact that the assessment of the Indian delegation or of the Indian Government was that the conference, right from the beginning.

**Mr. Speaker:** How can they say that if they have not received any report.

**Shri Nath Pai:** Then Government can give their assessment whether it was predominated by China....

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

**Shri Tridib Kumar Chaudhuri:** May I know whether before taking a decision to allow this delegation to go to Jakarta the view of the Indian Ambassador at Jakarta was obtained and was it his view that sending a delegation was very necessary?

**Shri Dinesh Singh:** It is difficult to disclose the process that Government follows in these respects. We consult some people before arriving at a decision, which includes the Indian Ambassador also.

**Shri Prabhat Kar:** May I know whether the delegation was led by Shri A. C. Banerjee, who is a member of the PSP party?

**Shri Dinesh Singh:** Yes, Sir, Shri Banerjee went as a member of this delegation. He might have been the leader; I could not say that off hand.

**Shri Tyagi:** May I know if it is the general policy of the Ministry of External Affairs not to brief or influence such delegations, or not to take any active interest or give any guidance to such delegations which go for international conferences?

**Shri Dinesh Singh:** We do not brief these private delegations, but if they come to us and seek any clarification on any matter, we help them. We supply them publicity material and all that.

**Shri Tyagi:** Are we not taking any interest in the delegations which are going out to present our policy in its proper light? What is this Ministry doing?

**Mr. Speaker:** Order, order. The question was put. An answer has been given. Whether it is satisfactory or not....

**Shri Tyagi:** It is not satisfactory. They must make it clear that they have nothing to do with private delegations and do not brief them.

**Mr. Speaker:** That is what he said. They did not brief them.

**Shri Tyagi:** Why do they not?

**Mr. Speaker:** That is entering into an argument.

**Shri Tyagi:** It is their duty to do that.

**Mr. Speaker:** Order, order. Shri Alva.

**Shri Joachim Alva:** Generally what are Government's plan when large assemblies of particular conferences take place either in Africa or in South-East Asia? Is it Government's plan that Indian representatives are not to be sent to these conferences or that India is to be left unrepresented though Indians go there and observe strictly without taking any part?

**Shri Dinesh Singh:** It is a long question. I can only say that when we are asked for our opinion about these

delegations going or not, if we feel that it would be useful for an Indian to be there, we advise them that it would be useful.

**Shri D. C. Sharma:** May I know if this delegation went there to further the cause of international Communism or to support the cause of Chinese hegemony of Afro-Asian countries or to protect the cause of Indian nationalism?

**Shri Tyagi:** It is not their bother.

**Shri Dinesh Singh:** This delegation went to take part in the conference.

**Shri A. C. Guha:** From the reply given to Shri Tyagi's question are we to presume that Government does not take any care as to the political complexion or the consequent political complications of such conferences being attended by Indian delegations?

**Shri Tyagi:** What are they meant for, I cannot understand.

**Mr. Speaker:** That is the conclusion to be drawn from the information that he might give.

**Shri A. C. Guha:** May I know whether Government take into consideration all these things, that is, the political complexion of the conference and the political complications that may ensue?

**Shri Dinesh Singh:** I mentioned that when we are asked our advice we look into all these things and if we feel that it would be useful for an Indian delegation to be there, we say that we have no objection. It is for the organisation that is being invited to decide about the complexion of the members and also about their representation. Of course, we look into individual members before giving them travel facilities. This question has been raised about the brief being given. I would like to clarify that giving a brief means giving a set of instructions that they have to carry out. That loses the non-official character of the delegation. We advise

them, we give them publicity material and we give them information but it is for them to decide what they do at the conference.

**Shri Hari Vishnu Kamath:** Not brief, advice.

**Shri Hem Barua:** Is it not a fact that this Indian delegation to the Jakarta Conference was isolated, or rather India was isolated at this Conference as it has been isolated in other Afro-Asian Conferences of this political persuasion recently.... (*Interruption*). Why this shouting?

**Mr. Speaker:** The question should be straight.

**Shri Hem Barua:** I am asking a straight question. But the trouble is.....

**Mr. Speaker:** The introduction, namely, "as has always been done in other conferences" does not come in here when he is asking a supplementary.

**Shri Hem Barua:** It is a broad perspective in the sense....

**Mr. Speaker:** The perspective must not be broad in this question.

**Shri Bhagwat Jha Azad:** Every time..... (*Interruption*).

**Shri Hem Barua:** It has become almost impossible to function.

**Mr. Speaker:** My difficulty is that he does not pay attention to me but he has his ears towards that side. He should close his ears towards that side.

**Shri Hem Barua:** May I say that a Member from an underdeveloped State like Assam, a poor Member, badly needs your protection?

**Shrimati Renu Chakravartty:** Oh!

**Shri Bhagwat Jha Azad:** We seek protection from you against him.... (*Interruption*).

**Mr. Speaker:** Order, order.

**Shri Tyagi:** They tease him.

**Mr. Speaker:** The irony of fate is that I have to seek protection from the hon. Member, this poor Punjabi.

**Shri Hari Vishnu Kamath:** Punjab is highly developed.

**Shri Hem Barua:** May I know if it is not a fact that India was isolated in this Jakarta Conference and in the process of isolation, of course, Soviet Russia was also a partner of India; if so, whether Government have tried to evaluate the reasons on account of which India was isolated? Has Government examined the discussions or the progress of discussions and the part played by our delegation there?

**Shri Dinesh Singh:** India was not isolated at any of these Afro-Asian meetings.

**Release of Indian P.O.Ws. by Chinese**

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SNQ 16. { **Shrimati Sharda Mukerjee:**  
          **Shri D. C. Sharma:**

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Brig. Dalvi and 26 other captured Indian Officers are due to be released and repatriated shortly by the Chinese authorities; and

(b) if so, whether the names of the officers concerned have been received by the Government from either the Chinese authorities or the Indian Embassy in Peking?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). Brig. Dalvi and 26 other officers have been taken over by the Indian Red Cross Society at Kunming on the 4th of May 1963. A statement giving the names of the officers is laid on the Table of the House. [*Placed in the Library, see No. LT-1323/63*].

**Shrimati Sharda Mukerjee:** There are rumours that our prisoners of war are being segregated and are not given the type of welcome that would be expected to be given to repatri-

ated soldiers. Would the Defence Minister like to make a statement to dispel these rumours? I would also like to know why such little publicity has been given to the repatriation of these prisoners? This scant publicity has also added to the speculation...

**Mr. Speaker:** Order, order. So many questions in one supplementary.

**Shri Y. B. Chavan:** I can only say that these rumours, that the repatriated prisoners of war are not given proper welcome, are unfounded. The reception is very properly given by the army itself and, I think, it is also given proper publicity.

**Shri D. C. Sharma:** May I know if these officers who have come back have given the Defence Ministry any account of the kind of treatment they received there and also any account of indoctrination that they might have undergone when they were there as the prisoners of war?

**Shri Y. B. Chavan:** The officers have just reached the reception camp. They are being given a medical check-up. They will be interrogated in the process and later on they will be allowed to go on long leave. Whatever the element of indoctrination is there, certainly that is being checked up and some counter-efforts to de-indoctrinate them have also been taken.

श्री भक्त दर्शन : श्री मान्, अब तक जितने भी और भारतीय युद्ध-बन्दी भारत के मुपुर्द किये गए हैं, वे भारत की सीमा पर मुपुर्द किये गए हैं । ऐसी स्थिति में चीन सरकार ने ऐसे कौन से विशेष कारण बताए हैं, जिन के आधार पर ब्रिगेडियर दालवी तथा उन के साथियों को कुनमिंग में भारत सरकार के प्रतिनिधियों के मुपुर्द किया गया है ?

**Shri Y. B. Chavan:** In this particular case, the Chinese had offered, in the

first instance, to hand them over at Hong Kong-Chinese border, but the Government of India protested and the Chinese accepted the protest and they handed them over at Kunming.

**Shri Hari Vishnu Kamath:** Does the examination, medical or other, of the officers and men who have been released so far reveal that they had, some of them, if not all not merely undergone mental indoctrination to which my hon. friend Shri Sharma referred, but they also suffered serious physical deterioration. And may I know whether some of them were used by the Chinese authorities for anti-India and pro China propaganda in China while in Chinese custody?

**Shri Y. B. Chavan:** As far as the medical check-up shows, two officers were admitted in the hospital. Generally, I can say, the physical condition of the officers and the other jawans who have been repatriated is fair. But from some of the information that we received now, we learn that only a few weeks before their release they were given a rather better food.

**Shri Hari Vishnu Kamath:** I wanted to know whether they were used for anti-India and pro-China propaganda in China while in Chinese custody.

**Shri Y. B. Chavan:** It seems that 26 officers were taken round China and shown some important places. Possibly, the intention must be to indoctrinate them.

**Shri Nath Pai:** The Defence Minister has been kind enough to say that they were taken round some important places in China. Firstly, is it a fact that some of the Indian prisoners of war in contravention of international convention of treatment treaty of prisoners of war, were paraded through the city of China? Secondly, in view of the very hard times they must have had during their imprisonment, may I know whether enough attention is being given for their rehabilitation, both physical and mental?

**Shri Y. B. Chavan:** The latter part of the question, I will answer first. Certainly all care is taken to give them proper medical attention and other attention so that they feel better. Detailed information is yet to be received from the officers concerned. But, certainly the intention of taking them round the different parts and in the different cities, possibly must be to parade them.

**Shri S. M. Banerjee:** I want to know whether it is in the knowledge of the Government and whether they could tell us the total number of Army officers and jawans who are still in China's custody and what steps have been taken for their repatriation?

**Shri Y. B. Chavan:** I can give the exact figures. In all 3211 Indian prisoners are in Chinese hands, out of which about 1364 have been handed over.

**Shri Hem Barua:** In view of the fact that the hon. Minister has himself admitted that these P.O.Ws were paraded about in the cities of China, may I know whether this particular fact has been brought by our Government to the notice of China, because this is in violation of the international laws and all that and, if so, what is the reaction of China to this particular effort of the Chinese? At the same time, .

**Mr. Speaker:** That is all; that should be enough. Order, order.

**Shri Y. B. Chavan:** Certainly it was brought to the notice of the Chinese Government that it is against normal conventions to take prisoners like this.

**Shri Tyagi:** May I know if the Government could find out as to what is the basis of their policy—Chinese policy—in releasing these prisoners in small instalments and not releasing them all at once? Could the Government find out?

**Shri Y. B. Chavan:** Possibly it is a question of convenience of handing over.

### Collapse of C.P.W.D. Godown in New Delhi

Shri P. C. Borooah:  
Shri Dinen Bhattacharya:  
Dr. Saradish Roy:  
SNQ. 17. } Shri S. M. Banerjee:  
Shri Shashi Ramjan:  
Shri Yashpal Singh:

Will the Minister of Works, Housing and Rehabilitation be pleased to state:

(a) whether a C.P.W.D. godown under repairs in Netaji Nagar, New Delhi collapsed on Friday the 3rd May, 1963, killing two persons and injuring five others, four of them seriously;

(b) if so, what was the cause of the accident; and

(c) what precautions had been taken to avoid such eventuality during the course of repairs of the godown?

**The Deputy Minister in the Ministry of Works, Housing and Rehabilitation (Shri P. S. Naskar):** (a) Yes. A contract was given on 21st December 1962 for a sum of Rs. 4,76,328/- to a contractor for the replacement of the wooden trusses of the C.P.W.D. godown in Netaji Nagar by steel trusses. I regret to say that one workman and a boy related to one of the workmen were killed and 5 others injured. 3 of the 5 injured workmen have already been discharged from hospital and the remaining 2 are expected to be discharged shortly. None of them was injured seriously.

(b) The accident was most unfortunate. It was caused by a slip of one of the steel ropes of the derrick being used for hoisting steel trusses. 17 steel trusses had already been safely hoisted and the 18th was being hoisted and placed in position when the work was stopped because of rain and storm. As the workmen were hurrying away to take shelter from the storm, the slip occurred with the result that the derrick and the steel truss being hoisted struck against the neighbouring truss leading to the falling down of a number of trusses in succession.

\*As subsequently corrected by the

Hon. Minister.

(c) An enquiry has been ordered into the accident. The enquiry report will show not only the precise cause of the accident but also what action is possible to prevent recurrence in future. According to the contractor, all the workers were insured and are entitled to compensation under the Workmen's Compensation Act.

**Shri P. C. Borooah:** May I know when the defect in the building was first detected and how long after it, repairs were taken up?

**Shri P. S. Naskar:** It has nothing to do when it was detected. The contractor was replacing the trusses. I have explained in detail in my original answer the reason for the occurrence.

**Shri P. C. Borooah:** May I know whether any compensation is going to be paid to the deceased and the injured or whether the doctrine of *voluntii Nonfit injuria* would prevent such payment?

**Shri P. S. Naskar:** All that I answered in my original answer.

**Shri S. M. Banerjee:** One of the victims who died was just a small child, who was not a worker. May I know whether the contractor has agreed to pay some compensation in that case also?

**The Minister of Works, Housing and Rehabilitation (Shri Mehr Chand Khanna):** I have spoken to the contractor, and I have also been to the scene of accident. It is not very clear whether in respect of the boy who was not a worker and who was not insured, some compensation would be paid to the boy's parents or not. But, as I could see from the attitude of the contractor, he would be helpful, but I cannot say it for a guarantee.

**श्री यशपाल सिंह :** मैं जानना चाहता हूँ कि इन लोगों को एक्सपेंसियापेमेंट कितना हुआ है ?

**श्री मेहरचन्द खन्ना :** जो एकट बना है, उस के नीचे उनको कम्पेंसेशन मिलेगा ।

तमाम के तमाम ये जो काम करने वाले थे, उनका बीमा हुआ हुआ था । उनको बाकायदा कम्पेंसेशन मिलेगा ।

#### Demolition of Constitution House

**SNQ. 18. Shri Hari Vishnu Kamath:** Will the Minister of Works, Housing and Rehabilitation be pleased to state:

(a) whether it is proposed to demolish Constitution House;

(b) if so, when;

(c) the reasons therefor; and

(d) what arrangements are being made for the accommodation of residents of Constitution House?

**The Deputy Minister in the Ministry of Works, Housing and Rehabilitation (Shri P. S. Naskar):** (a) Yes, a project at a cost of Rs. 75 lakhs has been sanctioned. It will provide 440 suites.

(b) In about 6 months' time.

(c) The Constitution House was constructed more than 20 years ago to provide temporary accommodation during the last war. The structures were given a life expectancy of about 5 years but have been continued so far at heavy maintenance cost. Land in Delhi is now getting very scarce and land values have gone up tremendously. There is at the same time a great shortage of accommodation which can only be met quickly and most economically by multi-storeyed construction after demolition of the old temporary structures.

(d) Alternative accommodation will be provided to all eligible residents of the Constitution House.

**Shri Hari Vishnu Kamath:** Is it not a fact that soon after the Proclamation of Emergency last October, a decision was taken in the Ministry on the advice of competent engineers that the Constitution House Government Hostel should not be demolished, because the engineers certified that it was good enough for another four or five years with proper maintenance and regular repairs, and if so, why has the deci-

sion now been taken to demolish it, contrary to the Government's policy of economy and avoidance of waste during this emergency?

**The Minister of Works, Housing and Rehabilitation (Shri Mehr Chand Khanna):** As far as the first part of the question is concerned, I have no knowledge about it. It is only in the interests of economy and emergency that we are taking up the construction of multistoreyed buildings in Delhi in central areas and having multistoreyed constructions.

**Shri Hari Vishnu Kamath:** Is it not a fact that a large number of officers are living in the Constitution House who have no good or decent alternative accommodation elsewhere? I believe that the hostel that was referred to by the Deputy Minister, is intended only for Members of Parliament; . . .

**Some Hon. Members:** It is for others also.

**Shri Hari Vishnu Kamath:** Then it is alright. But hostel to which he referred will be ready perhaps only after two years and not in six months; I do not think that it will be ready in six months; I think it will be ready only after two years. If so, when exactly will the decision to demolish the Constitution House be implemented? Will it be implemented only after the construction is completed and the hostel is ready for occupation?

**Mr. Speaker:** He has said that alternative accommodation will be given.

**Shri Mehr Chand Khanna:** It has been stated in the main answer to the question that we want to take up the construction within the next six months, and we also undertake to provide alternative accommodation to everyone who is entitled, eligible and is living in the Constitution House.

**Shri Hari Vishnu Kamath:** But it should be identical if not better accommodation.

**Shrimati Renu Chakravartty:** In view of the fact that during the emergency, school buildings and plans for

school buildings have been very drastically cut and the entire school building programme is now almost being held up, may I know the reason why in Delhi we are now going to spend almost a crore of rupees for putting up multistoreyed buildings, in spite of the shortage that there is?

**Shri Mehr Chand Khanna:** As far as the school buildings are concerned, I have no information. The Education Minister should be in a position to reply to that question.

As far as the Ministry of Works, Housing and Rehabilitation is concerned, we are short of residential accommodation to the extent of about 60,000 to 70,000 houses and as far as office accommodation is concerned, to the extent of nearly 25 lakhs square feet. That is the reason for this decision.

#### WRITTEN ANSWERS TO QUESTIONS

##### Aerodromes in Orissa

**2720. Shri Ulaka:** Will the Minister of Transport and Communications be pleased to state:

(a) the number of Aerodromes likely to be built in Orissa during the Third Plan period; and

(b) the amount allocated for the purpose in the Third Plan?

**The Deputy Minister in the Ministry of Transport and Communications (Shri Mohiuddin):** (a) One, Sir. At Konarak, for tourist purposes.

(b) The amount allocated for construction of new aerodromes in the Third Plan is Rs. 85 lakhs.

##### Bridge at Level-Crossing at Narsinghpur

**2721. { Shri Priya Gupta:  
Shri R. Barua:**

Will the Minister of Railways be pleased to state:

(a) whether Government propose to



build an overbridge at the level-crossing in Narsinghpur, Madhya Pradesh, in view of the considerable inconvenience caused by the frequent and protracted hold up of traffic at the said level crossing;

(b) if so, the progress made towards the implementation of the proposal; and

(c) when the work is likely to be completed?

**The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy):**

(a) The State Government has not included the scheme for an overbridge in place of the existing level crossing at Narsinghpur in their list of overbridges to be sponsored by them during the Third Plan period.

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

#### **Over-Bridge at Level Crossing, Itarsi**

2722. { Shri Priya Gupta:  
Shri R. Barua:

Will the Minister of Railways be pleased to state:

(a) whether Government propose to build an over-bridge at each of the two level-crossings in Itarsi, Madhya Pradesh, in view of the considerable inconvenience caused by the frequent and protracted hold up of traffic at the said level-crossings;

(b) if so, the progress made towards the implementation of the proposal; and

(c) when the work is likely to be completed?

**The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy):**

(a) The Government of Madhya Pradesh have proposed the scheme for a road over-bridge in place of the existing level crossing north-east of Itarsi, during the Third Plan period.

(b) The location of the bridge is still under consideration of the State Government. The State Government will also have to furnish complete details of the scheme along with site plans to enable the Railway to finalise the plans and estimates.

(c) It is too early to indicate.

#### **Alitalia Crash Report**

**2723. Shri Hari Vishnu Kamath:** Will the Minister of Transport and Communications be pleased to refer to the reply given to Starred Question No. 364 on the 12th March, 1963 regarding Alitalia Crash Report and state:

(a) whether the examination of the Report of the Court of Enquiry has been concluded; and

(b) if so, with what result?

**The Deputy Minister in the Ministry of Transport and Communications (Shri Mohiuddin):** (a) The examination of the report by the Government of India has been completed.

(b) The findings will be announced after the concurrence of the Government of Italy to the publication of the report is received.

#### **Central Supervisory Body for Jute**

**2724. Shri P. C. Borooah:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government have reconstituted the Central Supervisory Body for Jute; and

(b) if so, the precise constitution and functions of the reconstituted body?

**The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh):** (a) Yes.

(b) A statement giving the information required is laid on the Table of the House. [Placed in the Library See No. LT-1324/63]

## SHORT NOTICE QUESTION

देहरादून में चूने के पत्थर की खदानें

SNQ. 15. श्री प्रकाशवीर शास्त्री :

क्या खान और ईंधन मंत्री २४ अप्रैल, १९६३ के अतारांकित प्रश्न संख्या २२५५ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या केन्द्रीय सरकार को देहरादून के निकट पत्थर की खदानों के सम्बन्ध में, जो उत्तर प्रदेश की राज्य सरकार के नियंत्रण में हैं, कुछ अपीलें प्राप्त हुई हैं ;

(ख) क्या यह भी सच है कि सरकार इन अपीलों का निर्णय करने के लिए कुछ निश्चय करने वाली है ; और

(ग) यदि हाँ, तो इन अपीलों पर कब तक निर्णय हो जायेगा ?

खान और ईंधन मंत्री (के०दे० मालवीय) :

(क) ऐसा अनुमान है कि यह प्रश्न राज्य सरकार द्वारा दिये गये आदेशों के विरुद्ध पार्टियों द्वारा भेजे गये पुनरीक्षण प्रार्थना पत्रों से सम्बन्धित है। यदि यह ठीक है, तो उत्तर स्वीकारात्मक है। १-१-१९५८ देहरादून जिले में पाये जाने वाले चूना-पत्थर के लिए खनिज-रियायत से सम्बन्धित ऐसे ५६ पुनरीक्षण प्रार्थना-पत्र केन्द्रीय सरकार को प्राप्त हुए।

(ख) जी हाँ। उच्च स्तर पर सभी पुनरीक्षण प्रार्थना पत्रों को निपटाने का इरादा है।

(ग) १९५८ से देहरादून में पाये जाने वाले चूना-पत्थर का खदानों से सम्बन्धित प्राप्त हुए ५६ पुनरीक्षण प्रार्थना पत्रों में से ४२ प्रार्थना-पत्रों का निपटारा किया जा चुका है और केवल १४ प्रार्थना पत्रों का निपटारा नहीं हुआ है। इन १४ प्रार्थना पत्रों में से ८ प्रार्थना-पत्र १९६३ में, ३ प्रार्थना-पत्र १९६२ में, और शेष

प्रार्थना-पत्र १९६०-६१ में प्राप्त हुए।

अर्ध-न्याय पद्धति (quasi-judicial procedure) के अनुसार करने की आवश्यकता को दृष्टि में रखते हुए उनके निपटाने के लिए समय-अवधि का निश्चय करना सम्भव नहीं है। फिर भी उनके निपटाने में शीघ्रता लाने के लिए हर मुमकिन कोशिश की जा रही है।

12.5 hrs.

### CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE

COMPLAINTS MADE BY DETENUS TO INDIAN HIGH COMMISSION, CEYLON

Dr. L. M. Singhvi (Jodhpur): I call the attention of the Prime Minister to the following matter of urgent public importance and I request that he may make a statement thereon:—

The complaints made by persons of Indian origin in the Detention Camp in Slave Island, near Colombo, to the Indian High Commission in Colombo regarding the treatment meted out to them.

The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh): Following the opening of an additional detention camp at Slave Island near Colombo, an official of the Indian High Commission in Colombo visited the camp on the 22nd April, 1963, to meet the persons of Indian origin detained there and to see what facilities were available to them. There were, at the time, a total of 186 persons detained at the camp, of which a majority were alleged illicit immigrants, the others being Indians arrested for overstaying their visas.

Some difficulties of the inmates about lack of accommodation and inadequacy of certain amenities, which came to notice were subsequently brought to the notice of the Ceylonese authorities concerned, who have agreed to examine the points, immediately, and to do everything possible to improve the conditions.

The High Commission have also taken certain steps to expedite the enquiries necessary in India before the alleged illicit immigrants are issued with travel documents for their deportation to India. This, it is hoped, will contribute towards reducing the number of people at the camp.

**Dr. L. M. Singhvi:** With what promptitude was an effort made to secure legal redress and, if necessary, repatriation of these detenus? What was the time-lag between the knowledge that the Indian High Commission acquired about the treatment meted out to them and the action taken by Government?

**Shri Dinesh Singh:** There was no question of any legal help in this connection, as these people had overstayed their visa, and it is a question of their coming back. They themselves have taken some legal action; they have filed an application before the High Court, and that is pending.

श्री यशपाल सिंह (कैराना) : बीसा या पासपोर्ट देते वक्त क्या इस बात का खयाल रखा जाता है कि कौन आथोराइज्ड है और कौन अनआथोराइज्ड ?

श्री विनेश सिंह : बीसा तो सीलोन गवर्नमेंट देती है और पासपोर्ट हम देते हैं ।

#### ACCIDENT TO AIRCRAFT OF DELHI FLYING CLUB

**Shri S. M. Banerjee (Kanpur):** I call the attention of the Minister of Transport and Communications to the following matter of urgent public importance and I request that he may make a statement thereon:—

The crash of an aircraft operated by the Delhi Flying Club on the 3rd May 1963, resulting in the death of one student pilot.

The Deputy Minister in the Ministry of Transport and Communications (Shri Mohiuddin): CHIPMUNK Aircraft VT-CVQ, operated by Delhi Fly-

ing Club, was involved in a fatal accident near village Jaitpur, approximately 10 miles from Delhi, during the fore-noon of 3rd May, 1963.

The aircraft had taken off from Safdarjung at 0724 hours I.S.T. with an Assistant Pilot Instructor, Shri P. K. Kapur and a Student Pilot, Shri J. S. Ahluwalia, on board, for a local training flight. A message was received by the airport authorities at about 11.00 hours that the aircraft had crashed on the river bed, south of Badarpur, which is on the Delhi-Mathura Road. The Student Pilot, Shri Ahluwalia sustained fatal injuries while Shri Kapur was removed to hospital in an injured condition. His condition is reported to be satisfactory.

The aircraft had been destroyed.

The accident is being investigated by an Inspector of Accidents, attached to the Civil Aviation Department.

**Shri S. M. Banerjee:** From newspaper reports, it appears that Shri J. S. Ahluwalia was not only a trainee but was also Assistant Garrison Engineer working in MES. I would like to know whether any compensation has been paid to this gentleman by the Defence Ministry. Is it also a fact that the aircraft was allowed only to take 3 miles, but it had taken 15 miles? Will this fact also be considered by the inquiry?

**Shri Mohiuddin:** The second point is not yet fully investigated; it is under investigation. Information can be had only after the receipt of the inquiry report. As regards compensation, it will of course be dealt with according to the rules.

**Shri S. M. Banerjee:** He was a Defence Ministry employee; he was not just a student pilot.

**Mr. Speaker:** He might table a question or write a letter to the Minister.

**Shri P. C. Borooah (Sibsagar):** What are the arrangements for checking up aircraft in the Flying Club before they take off?

**Shri Mohiuddin:** There are definite rules about checking up, and they are very strictly followed.

**Shri Joachim Alva (Kanara):** There are persistent demands by the Estimates Committee and also by Parliament that this enquiry should not be conducted by the Communications Ministry. Is the Ministry giving any attention to this?

**Shri Mohiuddin:** That is a broader question. I do not think that matter of policy would arise in this statement.

**श्री यशपाल सिंह :** इंस्ट्रक्टर ने कोई ऐसी कोशिश की थी कि ट्रेनी को हिफाजत हो सके ? क्या उड़ने से पहले देख लिया गया था कि प्लेन ठीक हालत में है या नहीं ?

**श्री मुहीउद्दीन :** प्लेन तो उड़ने के पहले देख लिया जाता है। उसके मुतालिक जो क्लस है, इंजिन के मुतालिक और दूसरे इंस्ट्रमेंट्स के मुतालिक, उनकी पूरी तरह से जांचकर ली जाती है।

**Shri D. C. Sharma (Gurdaspur):** So far as the Delhi Flying Club is concerned, this is not the first accident of its kind. I think there has been a series of accidents of this kind. May I know if Government has thought out a short range or long range policy to reduce the incidence of such accidents so far as the Delhi Flying Club is concerned?

**Shri Mohiuddin:** I am not aware that there has been a series of accidents at the Delhi Flying Club. There was recently an accident of a glider. There have been accidents no doubt, but there are strict rules regarding the serviceability of the plane, regarding the inspection of the engines and instruments, but there are some accidents especially because they are flown mostly by trainees.

**श्री भक्त वरशन (गढ़वाल) :** चूँकि इस तरह की दुर्घटनायें इस स्थान पर पहले भी हो चुकी हैं इसलिये एन्क्वायरी करने वाले व्यक्ति को क्या कोई ऐसी हिदायत दी गई है

कि जल्दी से जल्दी एन्क्वायरी को समाप्त किया जाये और गहरी से गहरी एन्क्वायरी की जाये ?

**श्री मुहीउद्दीन :** माननीय सदस्य के जो सजेशनस हैं उनको हम ध्यान में रखेंगे।

12.11 hrs.

# PAPERS LAID ON THE TABLE

## EXCHANGE OF NOTES BETWEEN GOVERNMENT OF INDIA AND THE PEOPLE'S REPUBLIC OF CHINA

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** I beg to lay on the Table a copy each of the following papers:—

- (1) Government of India's note dated 3rd April, 1963, addressed to the Embassy of the People's Republic of China, New Delhi.
- (2) Premier Chou En-Lai's letter dated 20th April, 1963 addressed to the Prime Minister of India.
- (3) Reply of the Prime Minister of India dated 1st May, 1963 to Premier Chou En-Lai's letter dated 20th April, 1963.
- (4) Chinese Government note dated 27th April, 1963.
- (5) Government of India's reply dated 6th May, 1963 to Chinese note of 27th April, 1963.

[Placed in Library, See No. LT-1325/63].

## NOTIFICATION REGARDING MARKET LOANS FLOATED BY THE CENTRAL GOVERNMENT IN 1963-64

**The Minister of Finance (Shri Morarji Desai):** I beg to lay on the Table a copy of Ministry of Finance Notification No. F. 13(10)-W&M/63 dated the 29th April, 1963 regarding

Market Loans floated by the Central Government in 1963-64. [Placed in Library, See No. LT-1326/63].

**SALIENT FEATURES OF THE AGREEMENT FOR THE ESTABLISHMENT OF AN OIL REFINERY AT COCHIN**

**The Minister of Mines and Fuel (Shri K. D. Malaviya):** I beg to lay on the Table—

- (i) Statement detailing the salient features of the Agreement concluded on the 27th April, 1963 between the Government of India and Messrs. Phillips Petroleum Company of U.S.A./Messrs. Duncan Brothers and Company Limited, Calcutta for the establishment of an oil refinery at Cochin (Kerala).

[Placed in Library, See No. LT-1327/63].

- (ii) Statement regarding duty protection enjoyed by oil refineries in terms of the Refinery Agreements.

[Placed in Library, See No. LT-1328/63].

**Shrimati Renu Chakravarti (Barrackpore):** Since this is a very important agreement, and this is only a synopsis of it, could we have copies of it circulated, or a few extra copies kept, so that those who want it may take it from the Publications Counter?

**Shri K. D. Malaviya:** We shall multiply the numbers. So far as the full agreement is concerned, I would request the hon. Member to wait for some more time, because some other instruments are also under study. We shall do it as soon as possible.

**STATEMENTS SHOWING THE ACTION TAKEN BY THE GOVERNMENT ON ASSURANCES**

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to lay on the Table the following statements showing the action taken

by the Government on various assurances, promises and undertakings given by Ministers during the various sessions shown against each:—

- (i) Supplementary Statement No. 1 Fourth Session, 1963 (Third Lok Sabha)

[Placed in Library, See No. LT-1129/63].

- (ii) Supplementary Statement No. V Third Session, 1962-63 (Third Lok Sabha)

[Placed in Library. See No. LT-1130/63].

- (iii) Supplementary Statement No. VII Second Session, 1962 (Third Lok Sabha)

[Placed in Library. See No. LT-1331/63.]

- (iv) Supplementary Statement, No. X. First Session, 1962 (Third Lok Sabha)

[Placed in Library. See No. LT-1332/63.]

- (v) Supplementary Statement, No. VIII, Sixteenth Session, 1962. (Second Lok Sabha).

[Placed in Library. See No. LT-1333/63].

- (vi) Supplementary Statement, No. X Fifteenth Session, 1961. (Second Lok Sabha).

[Placed in Library. See No. LT-1334/63].

- (vii) Supplementary Statement, No. XIX. Thirteenth Session, 1961. (Second Lok Sabha).

[Placed in Library. See No. LT-1335/63].

**NOTIFICATIONS UNDER MOTOR VEHICLES ACT**

**The Deputy Minister in the Ministry of Transport and Communications (Shri Bhagavati):** On behalf of Shri

[Shri Bhagavati]

Raj Bahadur, I beg to lay on the Table—

(i) a copy each of the following Notifications under section (3) of section 133 of the Motor Vehicles Act, 1939, making certain further amendments to the Delhi Motor Vehicles Rules, 1940:—

- (a) Notification No. F. 12(208)/62-PR(T) published in Delhi Gazette dated the 21st March, 1963.
- (b) Notification No. F. 12(213)/62-PR(T) published in Delhi Gazette dated the 4th April, 1963.
- (c) Notification No. F. 12(176)/62-PR(T) published in Delhi Gazette dated the 4th April, 1963.

[Placed in Library. See No. LT-1336/63].

(ii) a copy of the Motor Vehicles (Operation of Commercial Traffic between India and Contiguous Countries) Rules, 1963 published in Notification No. S.O. 1108 dated the 20th April, 1963, under sub-section (3) of section 133 of the Motor Vehicles Act, 1939.

[Placed in Library. See No. LT-1337/63].

(iii) a copy each of the following Notifications:—

- (a) G. S. R. No. 668 dated the 20th April, 1963 making certain further amendments to the rules to regulate the grant of Certificates of Competency to Masters and Mates in the Mercantile Marine published in Notification No. S.R.O. 1965 dated the 12th June, 1954, under sub-section (3) of section 458 of the Merchant Shipping Act, 1958.

[Placed in Library. See No. LT-1338/63].

- (b) S.O. No. 512 dated the 23rd February, 1963 under section

10 of the National Highways Act, 1956.

[Placed in Library. See No. LT-1339/63].

#### ANNUAL REPORT OF THE PERMANENT INDUS COMMISSION

**The Minister of State in the Ministry of Irrigation and Power (Shri Alagesam):** Sir, I beg to lay on the Table a copy of Annual Report of the Permanent Indus Commission for the year ended 31st March, 1963.

[Placed in Library. See No. LT-1340/63].

#### NOTIFICATIONS UNDER DISPLACED PERSONS (COMPENSATION AND REHABILITATION) ACT

**The Deputy Minister in the Ministry of Works, Housing and Rehabilitation (Shri P. S. Naskar):** I beg to lay on the Table a copy each of the following Rules under sub-section (3) of section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954:—

- (i) The Displaced Persons (Compensation and Rehabilitation) Second Amendment Rules, 1963 published in Notification No. G. S. R. 658 dated the 20th April, 1963.
- (ii) The Displaced Persons (Compensation and Rehabilitation) Third Amendment Rules, 1963 published in Notification No. G. S. R. 710 dated the 27th April, 1963.

[Placed in Library. See No. LT-1341/63].

#### NOTIFICATIONS UNDER EMPLOYEES' PROVIDENT FUNDS ACT

**The Deputy Minister for Planning (Shri C. R. Pattabhi Raman):** I beg to lay on the Table—

- (i) a copy each of the following Notifications under sub-section (2) of

section 7 of the Employees' Provident Funds Act, 1952:—

- (a) The Employees' Provident Funds (Eighth Amendment) Scheme, 1963 published in Notification No. G.S.R. 725 dated the 27th April, 1963.
- (b) The Employees' Provident Funds (Tenth Amendment) Scheme, 1963 published in Notification No. G. S. R. 727 dated the 27th April, 1963.

[Placed in Library. See No. LT-1342/63].

(ii) a copy of Notification No. G.S. R. 728 dated the 27th April, 1963 extending the Employees' Provident Funds Act, 1952 to certain commercial theaters, clubs, circus companies and other entertaining establishments.

[Placed in Library. See No. LT-1343/63].

12.15 hrs.

# COMMITTEE ON SUBORDINATE LEGISLATION

## MINUTES

**Shri Krishnamoorthy Rao** (Shimoga): I beg to lay on the Table the Minutes of the sittings (4th to 6th) of the Committee on Subordinate Legislation held during the Third and Fourth Sessions.

12.15½ hrs.

# COMMITTEE ON ABSENCE OF MEMBERS

## MINUTES

**Shri Khadilkar** (Khed): Sir, I beg to lay on the Table the Minutes of the sittings (4th and 5th) of the Committee on Absence of Members from the Sittings of the House held during the current Session.

12.16 hrs.

# COMMITTEE ON SUBORDINATE LEGISLATION

## SECOND REPORT

**Shri Krishnamoorthy Rao**: Sir, I present the Second Report of the Committee on Subordinate Legislation.

# LEAVE OF ABSENCE FROM THE SITTINGS OF THE HOUSE

**Mr. Speaker**: The Committee on Absence of Members from the Sittings of the House in their Fifth Report have recommended that leave of absence be granted to the following members for the periods indicated in the Report:

1. Shri Ghyasuddin Ahmed.
2. Shri Kolla Venkaiah.
3. Shri R. Umanath.
4. Shri G. Yallamanda Reddy.
5. Shri Biren Dutta.
6. Shri Govind Hari Deshpande.
7. Shri Vijaya Bhushan Singh Deo.
8. H. H. Maharani Vijaya Raje Scindia of Gwalior.
9. Shri R. V. G. A. Ranga Rao.
10. Shri K. Nallakoya Thangal.
11. Shri A. Nesamony.
12. Shri Debendra Nath Karjee.
13. Shri Ananda Nambiar.
14. Shri Harish Chandra Mathur.
15. Shri Dasaratha Deb.
16. Shri Lal Shyamshah.

Is it the pleasure of the House to grant leave of absence to the Members as recommended in the Fifth Report?

**Some Hon. Members**: Yes.

**Shri Hari Vishnu Kamath** (Hoshangabad): Sir, the report of this Committee is before the House. I have no doubt that the recommendations of the Committee will be approved but I wish to stress the fact that you, Sir, no less than all of us here, are

becoming increasingly anxious as regards the condition of our colleague Shri Muthuramalinga. Thevar whose case is referred to in para 4. The Committee has given details of the case and it has been the misfortune of the House that we have not had him here at all since he was elected. He has not taken the oath nor has he taken his seat in the House. He has been absent since the 16th of April when this House first met. From time to time we all have been informed by the Committee that he has been ill. We wish him speedy recovery: there is no doubt about it. May I request you, in the interest of the House as well as of the Member himself, to ask the Madras Government if it is possible to get him examined as soon as possible by competent physicians and let him be placed under competent treatment so that he can come here and take his oath and take his seat in the House. The whole year has passed without his presence. I do not know what is the position in the constitution or law if it goes on indefinitely. I am seeking your guidance in the matter as to what could be done in this case; it cannot be indefinitely vague as 'till the next session'; we must take some sort of a decision and ask the Madras Government to see whether he can attend the next session at least.

**Mr. Speaker:** Would the Chairman like to say something on this?

**Shri Khadiolkar (Khed):** Privately one of the relations of Mr. Thevar met me recently and he told me that he met him in the hospital where he was lying ill and that his condition is not such that he could take a trip to Delhi: he is very weak and that he would send a civil surgeon certificate but so far it has not reached this office. That is the information that I have in my possession.

**Mr. Speaker:** The position is that any application for leave of absence is sent to the Committee and the Committee makes its recommendations

and the House considers them. If the leave is granted it is perfectly all right. If the leave is not granted, the consequences follow and the House has to make a declaration that the seat be declared vacant. These are the provisions in our Constitution. A recommendation has come from the committee that leave of absence may be granted.

**Shri Vishnu Kamath:** With regard to Mr. Thevar, the committee has said . . .

**Mr. Speaker:** Even last time when this question was placed before the House, I had enquired from the Chairman of the Committee whether something could be done to find out really whether there was any likelihood of his attending the House in the near future; that must be ascertained. He told me, as he has just now said, that he has asked some relation of his that a certificate of some authorised Government medical officer must be sent here, in which it might be made clear whether there is any likelihood of his coming over here and sitting in the House. Now we have been informed that a certificate has not been sent by Mr. Thevar or his relation. This is the situation now and it is for the House to decide.

**Shri Hari Vishnu Kamath:** May I draw your attention to the last para of the report, namely, that he has not attended any of the sittings of the current session and he has not applied for leave of absence also so far. I do not know what the House will decide. We seek your guidance in the matter; we will be guided by you.

**Mr. Speaker:** I missed that last portion to which attention has been drawn just now. He has not attended any of the sittings during the current session. He has also not applied for leave of absence so far. His continued absence during this session up to the 4th May 1963 comes to 76 days. That means that for more than 60 days he has been absent during this session without getting leave of absence from



this House. It is for the House to decide.

**Shri Hari Vishnu Kamath:** It is likely that he may be too ill to write also. So, I request you to contact the Madras Government to see what the position is.

**Shrimati Renu Chakravartty (Barrackpore):** In view of the fact that he has been ill in the hospital, I think a communication may be sent to him. May be the communication which was sent earlier just missed him. We should again intimate to him that he should apply for leave of absence and otherwise the House shall be in a position to take whatever step it thinks right. Regarding his illness, suppose a person, after having been elected, is very seriously ill. May be he is paralysed and he is unable to come to Delhi. Such circumstances may arise. Under such circumstances we should not say that a civil surgeon should go and see whether he is fit to travel. I do not think it would be a proper thing at all. Regarding the application for leave, certainly in this particular case, if he is really ill, we should remind him that he should intimate to the House and apply for leave of absence.

**Shri Hari Vishnu Kamath:** We do not want him to be unseated. . . .

**Mr. Speaker:** Order, order. One by one, I will give an opportunity. Mr. Trivedi.

**Shri U. M. Trivedi (Mandsaur):** Sir, it is unfortunate that this thing has happened for the first time in this Parliament. There has never been an occasion when there was no application for leave of absence. Always there are applications and we have always been rather on the liberal side in accepting those applications. It is unusual that for so many days there is no application, particularly in view of the fact that on previous occasions, there were applications for leave. It is just possible, as Shrimati Renu Chakravartty said, that he might be so ill that he might not know about the state of affairs or be able to write.

Perhaps the communication made from this place has not reached him. It is, therefore, in the fitness of things not to consider this matter today, but postpone the consideration of this matter till the next session, and in the meanwhile ask the Madras Government to contact this gentleman and inform the House about the real state of affairs and also secure proper medical treatment for him.

**Shri Ansar Harvani (Bisauli):** I rise on a point of order, Sir. Mr. Thevar has so far not taken the oath of membership of this House. I want to know whether any elected member, who has not taken the oath of membership, is entitled to be a member and since he is not a member of this House can we take any action against him?

**Shri S. M. Banerjee (Kanpur):** It is a technical matter.

**Mr. Speaker:** Order, order. He may not have taken the oath, but he was regularly elected as a Member. He may not be entitled to certain other facilities, salaries and other things unless he takes his seat here. But so far as membership is concerned, he continues to be a Member unless this House refuses him leave of absence and he remains absent for more than 60 days.

Then, a question was raised that never before has such a thing happened. That, I say, is not correct. Twice it has happened before, when two Members did not apply for leave and the House declared those seats as vacant. Therefore, it has happened earlier.

Again, we have been asked whether a communication has been sent to him. I will read out the communication that we sent to him on 18th April, 1963.

"I am directed to inform you that you have completed 60 days of continuous absence from the sittings of the House on the 18th April, 1963. The period of your absence from the sittings of the House has been calculated from

the 18th February, 1963 to the 18th April, 1963.

In this connection your attention is invited to article 101(4) of the Constitution of India and Rule 241 of the Rules of Procedure and Conduct of Business in Lok Sabha which are reproduced below for your information:—"

Then the Article and the Rule were reproduced, and it was said:

"I am, accordingly, to request you to apply for condonation of the period of your absence stated in the opening paragraph of the letter. The application will, on receipt, be placed before the Committee on Absence of Members from the Sittings of the House at their next sitting."

No reply has been received.

**Shri Nath Pai** (Rajapur): It might have been lost on the way.

**Shri Hari Vishnu Kamath**: Give him another opportunity.

**Mr. Speaker**: The House might do anything that it desires. I am not suggesting any action. I am not suggesting that the House should take any particular action against the Member concerned. But there ought not to be any misunderstanding about the intimation that was to be sent. That has been done.

Then, **Shri Nath Pai's** point is also not in order. We cannot presume that it might not have reached him. Ordinarily the presumption is that if it is sent from here it must have reached him. Normally we have to presume that.

**Some Hon. Member**: No, no (*Inter-ruption*).

**Mr. Speaker**: It seems some hon. Members took objection to my observation. Normally it has to be presumed that once it has been posted it does reach the addressee. There is a legal presumption.

**Shri Kapur Singh** (Ludhiana): Legal presumption, not factual.

**Shri Nath Pai** (Rajapur): May I submit, Sir, that the legal presumption as stated by you is the correct presumption and I accept it very readily. But in this case also, as we have been saying in this House, "may" means "may not" also, and it is likely that his communication might not have reached us and our communication might not have reached him. I do not know if the communication from the Secretariat was a registered letter or it was an ordinary letter. In the circumstances, I should suggest, as you were pleased to observe, before any decision is taken the Committee on Absence of Members may depute somebody to look into the matters of the case and then only a decision may be taken, in spite of the fact that he was not here and he continues to be absent. (*Inter-ruption*).

**Mr. Speaker**: Order, order. I do not think there is any case for any controversy. There is no one who is suggesting that we should at once take action against him.

**Shri Nath Pai**: And, pending what I have suggested, Sir, leave of absence may be granted.

**Mr. Speaker**: Order, order. I see that the sense of the House is that hon. Members want that another opportunity may be given to him.

**Several Hon. Members**: Yes, Yes.

**Mr. Speaker**: Hon. Members want that he may be informed accordingly. I will ask the Chairman of the Committee, and he may take suitable steps to ensure that some information reaches him and it is guaranteed that after getting the information either he sends us a reply or his condition is made known to us so that the House might be in a position to take a decision. I think that is what is required.

**Shri A. C. Guha** (Barasat): Copy of the proceedings might be sent to him.

**Mr. Speaker:** If other information does not reach him, copy of the proceedings need not go to him. Otherwise, so far as the other Members are concerned, it is agreed that leave of absence is granted.

12.30 hrs.

## STATEMENT BY PRIME MINISTER

### DISCUSSIONS WITH FOREIGN DIGNATARIES

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** Mr. Speaker, Sir, several distinguished representatives of friendly countries have visited Delhi during the last ten days. We have taken advantage of these visits to exchange views with them on matters of mutual interest. Mr. Ali Sabry, President of the Executive Council of the UAR, arrived in Delhi on his way back to Cairo from Peking on the night of the 26th April and left on the night of 27/28th April. Admiral of the Fleet, the Earl Mountbatten of Burma, Chief of the U.K. Defence Staff, arrived in Delhi on 30th April and left on 3rd May. Mr. Duncan Sandys, the U.K. Secretary of State for Commonwealth Relations, was here from 1st May to 4th May. Mr. Dean Rusk, the United States Secretary of State for Foreign Affairs, was in Delhi with Mr. Phillips Talbot and Mr. William Bundy from 2nd to 4th May. Apart from the visits of these distinguished representatives of friendly countries, it was during the last ten days of April that the fifth round of Indo-Pakistan Ministerial level talks on Kashmir and other related matters took place. It was also during this period that our Minister for Economic and Defence Co-ordination, Shri T. T. Krishnamachari, paid a goodwill visit to New Zealand and Australia. It is natural, therefore, that the Members of the House should want to know something about the talks and discussions that we had with various distinguished foreign representatives during this period. A large number of Calling Attention Notices have been received in this connection, and I am taking this

opportunity of acquainting the House broadly with the nature of the talks we had. I cannot give details as these informal and friendly talks with representatives of foreign governments have, in accordance with normal conventions, to be treated as confidential.

### Indo-Pakistan talks

As the House is aware, the Government of India have always been anxious to reach a settlement on our various differences with Pakistan including those over Kashmir and to do everything possible to realise our main objective of having friendly and co-operative relations with Pakistan so that India and Pakistan can live side by side in peace and friendship. My colleague, Sardar Swaran Singh, Minister for Railways, who has been leading the Indian delegation, has pursued this objective with admirable patience in the Indo-Pakistan Minister-level talks that have been going on during the last few months. Despite difficulties caused by provocative statements on the Pakistan side, he has always conducted the talks with perfect calm and coolness and has not allowed occasional difficulties and setbacks to interfere with our objective to do everything possible to promote friendly and co-operative relations with Pakistan. That the five rounds of talks should not have yielded any useful results and that our differences with Pakistan still remain is a matter of serious regret to us. We are however, determined, despite setbacks and difficulties, to continue our efforts to resolve our differences and to promote friendly and cooperative relations with Pakistan. I would, in this connection, like to draw the attention of the House to our repeated offers of a "No War" declaration to Pakistan, in pursuance of our sincere desire to have peaceful and friendly relations with them. These have so far met with no response. In my letter to President Ayub Khan last October, I had pointed out that we

[Shri Jawaharlal Nehru]

have to build up adequate defence potential to meet the Chinese threat but this new defence potential cannot and will not be used for any purpose other than effective resistance against Chinese aggression. I had also assured him in this letter that the idea of any conflict with Pakistan is one which is repugnant to us, and we on our part will never initiate it and expressed my conviction that the future of India and Pakistan lies in their friendship and co-operation for the benefit of both. I am sure that the House fully supports me in my reiteration of these sentiments.

#### *India-China Conflict*

Mr. Ali Sabry, President of the Executive Council of the UAR gave us, during his visit, his assessment of Chinese thinking based on his discussions with the Chinese leaders in Peking. We understood from our talks with Mr. Ali Sabry that while the Government of China were not prepared to drop their reservations on the Colombo proposals, and therefore not willing to implement the Colombo proposals, they were prepared to enter into discussions on the major issue of the differences regarding the boundary on the basis of their acceptance of the Colombo proposals in principle. In effect, this means that the Government of China are determined to maintain the unilateral situation on the border that they had created by their aggression and massive attacks and subsequent cease-fire and partial withdrawals from Indian territory and are not prepared to agree to the restoration of the presence of both sides in the demilitarised zone in the western sector as recommended by the Colombo proposals. All that the Government of China seem to be interested in is a negotiated settlement on our border differences on the basis of the altered situation on the border created by them as a result of their aggression.

It is obvious that we cannot enter into any talks and discussions with

the Government of China on the major issue of our differences regarding the border till they accept the Colombo proposals without reservations and the recommendations made in the proposals are implemented on the grounds. We had made constructive suggestions in this regard in a note we sent to the Government of China on 3rd April. I am placing a copy of the note on the Table of the House. There has been no specific reply to this note so far.

The assessment of Chinese thinking given by Mr. Ali Sabry is confirmed by a letter dated 20th April that Prime Minister Chou En-lai sent to me. I have replied to this letter on the 1st May. I am placing copies of these letters on the Table of the House.

In view of the experience we had last October and November, the continued intransigence of China on the Colombo proposals and the constant venom of anti-Indian propaganda that is being poured out every day—I am placing copies of a Chinese note dated 27th April and our reply to illustrate this—we have to be prepared for any eventuality. The strengthening of our defence potential against a renewed threat by China is therefore, a matter of vital importance. And this has to be followed up with determination and single-mindedness of purpose.

In this connection, I would like to mention Shri T. T. Krishnamachari's recent visit to New Zealand and Australia. During these visits Shri Krishnamachari had talks with the Prime Ministers of these two countries and also some of their colleagues. These informal and friendly talks have, I am sure, brought India and New Zealand and Australia closer together in their approach to problems of common interests. During the visit to Australia, Shri T. T. Krishnamachari was accompanied by our Cabinet Secretary and oppor-

tunity was taken to discuss questions of production of defence equipment and allied matters. It is intended to follow up the results of this visit by a further visit of an Indian technical team connected with production of defence equipment to Australia and, perhaps at a later stage, by the visit of an Australian technical team to India to get Australian technical co-operation in connection with programmes of production of defence equipment.

#### *Visit of Mr. Duncan Sandys and Lord Mountbatten*

Lord Mountbatten had planned to visit us in October 1962. This visit was postponed because of the crisis in the Caribbean. We were glad to see an old friend and exchanged views with him on our mutual problems. As Chief of the UK Defence Staff, Lord Mountbatten has been in close touch with the problems of our defence requirements both in the way of equipment and machinery for defence production to build up our defence potential to meet the Chinese threat. He discussed these matters generally with me, with the Defence Minister and with various Service Chiefs. The Secretary of State for Commonwealth Relations, Mr. Duncan Sandys, discussed with us the general question of our defence requirements, the progress of the Indo-Pakistan Minister-level talks on Kashmir and other related matters and Indo-Pakistan relations generally. During the talks he made it clear that settlement on Kashmir is not a condition to the military aid from the United Kingdom to meet the Chinese threat to India. He added, however, that a settlement of the differences between India and Pakistan will greatly ease the U.K.'s task and hoped that progress will be made in the talks between India and Pakistan to settle their differences.

I would like to take this opportunity of saying a few words on reports about the grounding of I.A.F. planes for lack of supply of British spare parts, that have appeared in

the press as a result of a question asked in the British Parliament on this subject. While some aircraft with flying units have temporarily become unserviceable, it is expected that this temporary difficulty will be soon overcome in view of the great interest taken in this matter by all concerned. Our requirements of spare parts for I.A.F. planes of British manufacture are being dealt with on the basis of priority. The main difficulty has been the availability of supply, with the Royal Air Force and with the British manufacturers, as some of the types of British aircraft in service with the I.A.F. have gone out of production.

#### *Dean Rusk's visit*

In our talks with Secretary of State Dean Rusk, which was in the nature of a tour d'horizon of the problems in which both India and the United States are interested, Secretary of State, Dean Rusk, assured us of United States sympathy and support to India against the Chinese threat. He made it clear that there can be no question of compromising with the Chinese threat and that the question of U.S. aid to India was not lined with the settlement of Indo-Pakistan differences including those over Kashmir. He added that, so far as the U.S.A. were concerned, their view was that Chinese aggression and expansionist policies posed a threat to the entire sub-continent and, in that context, they were interested in promotion of friendly relations between India and Pakistan. I told Secretary of State Dean Rusk that geography, our common bonds of history and cultural and other ties made it inevitable that India and Pakistan should have co-operative and friendly relations. In resolving our current differences including those on Kashmir, however, care has to be taken to see that both the methods and the lines of settlement of differences that may be followed should secure the main objective not only of

[Shri Jawaharlal Nehru]

resolving the differences but of promoting friendly and co-operative relations between India and Pakistan. It is of the utmost importance, therefore, that no inadvertent step should be taken which may, instead of making for improvement, worsen the climate between the two countries. It is in this context and in the context of the long term nature of the Chinese threat that we welcome the interest of U.S.A. and other friendly countries who are helping us in meeting the problems we are facing. *Technical Team's visit to U.S.A., Canada and U.K.*

An official team of technical experts has been visiting the U.S.A., Canada and the U.K. during the last three weeks in connection with our defence requirements. The team returned to Delhi on the morning of the 5th. Secretary of State Dean Rusk told us during his talks that the U.S. authorities would welcome the visit of Shri T. T. Krishnamachari for having further talks and discussion, in continuation of these exchanges between official experts. I had a recent message from Prime Minister Macmillan in which he mentioned, amongst other matters, that an early visit by Shri T. T. Krishnamachari to the U.K. will be useful. Shri T. T. Krishnamachari will be leaving for his visits to the U.S.A. Canada and the U.K. in a few days.

I have attempted in this statement to give a broad indication of the developments during the last few weeks and of the discussions we had with distinguished representatives of friendly countries who visited Delhi recently. While we must take and we are taking with such assistance as we can get from friendly countries, necessary measures to safeguard our security and territorial integrity against the Chinese aggressive threat, our dedication to peace and peaceful ways and our desire to have friendly and co-operative relations with all countries, more particularly with our immediate neighbours, continue to be

the guiding principles of India's foreign policy. We want to develop in freedom and independence according to our own genius. We will continue to take independent decisions, on the merits of each case, on all international issues that arise without prejudices or predilections of any kind. We do not want to interfere in the affairs of any other country nor do we covet an inch of any country's territory. At the same time, we will not permit any interference in our affairs or any aggression on our territory.

**Shri Hari Vishnu Kamath:** On a point of clarification..... (*Interruptions*).

**Mr. Speaker:** I am inclined to think that there ought not to be any questions put at this stage. I would appeal to hon. Members.

**Shri Hari Vishnu Kamath:** This is the last day of the session. He has made a long statement. We would not put many questions.

**Mr. Speaker:** That is so, and I do realise that this is the last day of this session, but the subject covers many items; this statement contains so many subjects that if we open out discussions on each point, certainly, it would take a long time.

**Shri Hari Vishnu Kamath:** We shall put only a few questions to seek information.

**Mr. Speaker:** How would it be possible for me to allow opportunity only to one hon. Member and not to others?

**Shri Hari Vishnu Kamath:** We have given notices of short notice questions and calling-attention-notices on these matters.

**Mr. Speaker:** I would again appeal to him to kindly resist the temptation.

**Shri Hari Vishnu Kamath:** It is no temptation, but it is only the discharge of our duties. I am sorry. Sir, that you used the word 'temptation'. You cannot call it temptation.

**Shri Nath Pai:** It is not a temptation. We are here to discharge our duty.

**Shri Hari Vishnu Kamath:** I am very sorry that you put it in that light.

**Shri Nath Pai:** You may disallow the question, but to call it temptation would not be proper.

**Mr. Speaker:** In the discharge of duties also there is a temptation that one should discharge them.

**Shri Nath Pai:** It is not temptation, but it is loyalty to one's duty. (Interruptions).

**Mr. Speaker:** All right. I shall allow one question to each party and not to each Member.

**Shri Nath Pai:** There is no question of party, here, Sir.

**Mr. Speaker:** I shall allow one question to each party. Anyone from each party can put it.

**Shri Nath Pai:** There is no question of party here, Sir. We want information on certain points. Otherwise, how shall we answer the people when we go back to our constituencies?

**Mr. Speaker:** I shall allow one question to each party, whoever from the party might put it.

**Shri Hem Barua:** The question of party does not come in here.

**Shri Hari Vishnu Kamath:** On a point of clarification. With regard to the Indo-Pakistan talks, will the Prime Minister be so good as to tell the House when and where the next round of talks between the representatives of India and Pakistan will take place, and whether during the talks since December last between Shri Swaran Singh and Mr. Bhutto, any proposal was mooted for a meeting between the Prime Minister and the Pakistani President in the near future, and if so, with what tangible effect?

575 (Ai) L.S.D.—3.

**Shri Jawaharlal Nehru:** As at present arranged, the next round of the Indo-Pakistan talks is supposed to take place in Delhi, I believe, from the 15th of this month onward. Am I right?

**The Minister of Railways (Shri Swaran Singh):** Yes.

**Shri Jawaharlal Nehru:** As for President Ayub and myself meeting, that has been in the air for a long time. But, no specific proposal was mooted recently or during these talks. It has been there. I have always expressed my readiness to meet him.

**Shrimati Renu Chakravartty (Barackpore):** In view of the resolution adopted by the National Conference of Kashmir, may I know whether in the course of the talks, the Prime Minister has made it clear that that is the stand of India also regarding the partitioning of the Kashmir Valley?

**Shri Jawaharlal Nehru:** The resolution of the Kashmir National Conference was not before me. As a matter of fact, I think I read it for the first time last night. However, the position was very much before me, and we have made it quite clear that any idea of partitioning Kashmir Valley would be exceedingly harmful and would not be acceptable to us.

**Shri Narasimha Reddy (Rajampet):** We are glad to know from the Prime Minister that the Western diplomats made it clear that the settlement of the Kashmir question was not a condition precedent for the supply of arms. But, may I know from the Prime Minister whether in his talks with the Western diplomats he got any indication from them that the present supply of arms would be considerably speeded up and enhanced if we come to a settlement with Pakistan?

**Shri Jawaharlal Nehru:** I have said as much as I can say in the course of my statement about that. Both eminent representatives of the USA and the UK told us specifically that the question of helping us or giving us assistance in regard to military and like equipment was not connected with Indo-Pakistan issues; at the same time, they did say that they would welcome any settlement, and it would ease their path. That is the position.

**Dr. L. M. Singhvi (Jodhpur):** May I know whether the Prime Minister is in a position to tell us that there is no abatement of interest in the USA and the UK in respect of their continued assistance for strengthening our defences, and if so, whether the prospect or particularly the insistence on building up our Air Force is any the brighter now than before?

**Shri Jawaharlal Nehru:** The same question comes round in different language. I do not know how to explain it. I have stated all that in my statement.

**Shri U. M. Trivedi (Mandsaur):** I would like to know from the Prime Minister whether during our talks with Pakistan through Shri Swaran Singh, it has been brought to the notice of Pakistan that it will be in the interests of both countries if Pakistan gave up its attitude about partitioning Kashmir. (*Interruptions*).

**Shri Jawaharlal Nehru:** I should like to answer that question. Not only did he not bring it to their notice, but we are entirely opposed to the suggestion which the hon. Member has made.

**Some Hon. Members rose—**

**Mr. Speaker:** Now, there should be no more questions.

**Shri Nath Pal:** All the questions put so far were about Pakistan. There are other matters also.

**Shri Hem Barua:** All the questions put so far were about Pakistan. There are other matters such as China etc.....

**Mr. Speaker:** I had already made a request, and then conceded that I shall allow one question to each party. Now, I shall proceed with the next item.

**Shri Hem Barua:** May I submit one point for your consideration or ruling or guidance? In an important matter like this, all questions put were about Pakistan... (*Interruptions*).

**Mr. Speaker:** I am not allowing him any questions.

**Shri Hem Barua:** I shall not put any question. But I am only making a point for your consideration and guidance. All the questions put so far were about Pakistan and Kashmir and all that. There are other subjects also on which I could have put questions.....

**Mr. Speaker:** That is right, Now, he may kindly resume his seat.

**Shri Hem Barua:** May I submit one thing, Sir?.....

**Mr. Speaker:** Order, order.

**Shri Hem Barua:** I have not finished yet.

**Shri H. N. Mukerjee (Calcutta Central):** Sit down.

**Shri Hem Barua:** Who is he to say like that? Who is he to say 'Sit down'?

**Mr. Speaker:** I shall manage him certainly. I shall request the hon. Member to sit down now.

**Shri Hem Barua:** May I submit this?.....

**Mr. Speaker:** That is all right. I have followed him. It was the option of the party to allow whoever the spokesman of the party was to put any question. (*Interruptions*).



Order, order. We cannot proceed with a regular discussion now for a long time.

**Shri Hem Barua:** On a point of order, Sir.....

**Shri Priya Gupta (Katihar):** On a point of order.....

**Shri Hem Barua:** I would submit one thing for your consideration. The thing is this. When I made a humble submission to you and wanted to place a certain matter before you you wanted me to sit down; and I was in the process of sitting down. But here is the Deputy Leader of the Communist Group who shouted at me 'Sit down' and all that. I submit that.....

**Shri Mohammad Elias (Howrah):** You cannot say like this. You shut up and sit down... (*Interruptions.*)

**Mr. Speaker:** Order, order, now.

**Shri Mohammad Elias:** I also want to rise to a point of order....

**Mr. Speaker:** Order, order. He may kindly sit down.

**Shri Mohammad Elias:** These three Members, the 'three musketeers' have not got any right to 'ransack' the whole House in this manner. They are a tiny group of a few Members.....

**An Hon. Member:** Sir he is shouting at the top of his voice and making gesticulations.

**Shri Mohammad Elias:** And still they want to take privilege like a bigger group in Parliament, and this cannot be tolerated by you. We should not allow it. I am standing here to give you protection. (*Interruptions.*)

**Mr. Speaker:** Order, order. When I am standing, the hon. Member must sit down.

I am thankful to the hon. Members who have just come out to my aid and given me protection. That is all right. But, sometimes, I do not need

it, and if they give that protection to me at that moment, that creates difficulties for me. Therefore, whenever I need it, I shall ask for that. Unless I ask for it, that protection need not be given to me.

Now that he has put that question, I would say that, of course, in the heat of the moment, certain hon. Members do behave like that. I can only appeal to everyone of them. He need not have got excited. I was myself telling Shri H. N. Mukerjee that he should not have shouted, and I was asking him not to say like that, and I was about to say that to him. So, where is the question of Shri Hem Barua having any grievance?

**Shri U. M. Trivedi (Mandsaur):** Without any show of animosity, what I feel is that so far as Shri H. N. Mukerjee's conduct was concerned, it was all right, and the moment you observed like that, he has not overstepped that. But, what was the occasion for my other hon. friend to lose his temper so much, especially when recently there was an occasion when a Member of my Party was named and was taken out? Why this outburst? There is absolutely no desire on his part even to tender an apology to the House for this conduct.

**Mr. Speaker:** Order, order.

Of course, it was objectionable; it was not correct on his part to behave like that. But then he just passed on and said that he was giving me protection. (*Interruptions.*) Therefore, I did not mind it.

**Shri Hari Vishnu Kamath:** You do not need such protection.

**Mr. Speaker:** I have said it was objectionable, it was not proper, it was incorrect. Now, that is all right.

12.56 hrs.

## JOINT COMMITTEE ON CHRISTIAN MARRIAGE AND MATRIMONIAL CAUSES BILL

## FILLING UP VACANCY CAUSED BY DEATH OF MEMBER

**Shrimati Renu Chakravartty** (Barackpore): I beg to move:

"That this House recommends to Rajya Sabha that Rajya Sabha do appoint a member of Rajya Sabha to the Joint Committee on the Christian Marriage and Matrimonial Causes Bill, 1962, in the vacancy caused by the death of Shri Thomas Srinivasan and communicate to this House the name of member so appointed by Rajya Sabha to the Joint Committee".

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

"That this House recommends to Rajya Sabha that Rajya Sabha do appoint a member of Rajya Sabha to the Joint Committee on the Christian Marriage and Matrimonial Causes Bill, 1962, in the vacancy caused by the death of Shri Thomas Srinivasan and communicate to this House the name of member so appointed by Rajya Sabha to the Joint Committee".

*The motion was adopted.*

12.57 hrs.

## STATEMENT ON AFFAIRS OF SERAJUDDIN AND COMPANY

**The Prime Minister, Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** Sir, as I have already informed the House, I had arranged for the Attorney-General to see the papers, which had been obtained by the Criminal Investigation Department, of Messrs Serajuddin and Co., as well as some connected papers, and to advise me as to what, if any, further inquiry or action might be

taken. The Attorney-General did not, and could not, in the circumstances, carry out any full inquiry. He had to proceed on the limited materials before him. On the basis of these, he has advised that a full inquiry should be made in regard to the entries in Serajuddin's papers relating to Shri Keshav Dev Malaviya. I informed Shri Keshav Dev Malaviya of this advice of the Attorney-General. He welcomed the idea of a fuller inquiry into the facts and papers, many of which were not before the Attorney-General.

I have requested the Chief Justice of India to suggest the name of a Judge of the Supreme Court who might be entrusted with this fuller inquiry.

**Shri Hari Vishnu Kamath:** Judicial inquiry.

**Shri Surendranath Dwivedy** (Kendrapara): We welcome the statement of the Prime Minister that the Chief Justice of India has been asked to make a thorough inquiry into this whole affair. At the same time, I would like to know whether by this time, the Prime Minister has received the report of the inquiry that was being conducted by the Central Intelligence Department. Or is the inquiry still proceeding?

**Shri Jawaharlal Nehru:** About what?

**Mr. Speaker:** The inquiry conducted into this matter by the ducted into this matter by the Central Intelligence Department—whether any report had been received?

**Shri Jawaharlal Nehru:** No, Sir. I had received some papers. When I referred this matter to the Attorney-General, I sent them on to him. Since then, I have received nothing from them.

**Shri Surendranath Dwivedy:** It was stated here that this matter was being referred to the Attorney-General. I put that Question to the Home Minister, because earlier the

Prime Minister started that he had referred this matter to the Central Intelligence Department to inquire and make a report. I asked the Home Minister whether that full report of the Central intelligence Department had been received and it was stated that the report was not received when the reference was made to the Attorney-General. Now I wanted to know whether by this time that particular report, after a full investigation, has been received by Government.

**Shri Jawaharlal Nehru:** There is no report; there has been no question of any such report. I do not understand the hon. Member. The Central Intelligence Department send us such particulars as they find from time to time. Ever since this matter had been referred to the Attorney-General, I have had no connection with them. They deal with them directly.

**Shri Priya Gupta (Katihar):** The Prime Minister seems to be unnerved while replying.

13 hrs.

**Shri S. M. Banerjee:** The Prime Minister has stated that he has asked the Chief Justice of the Supreme Court to name a particular Judge for a fuller enquiry. I would like to know whether the enquiry will also deal with other shady things in connection with Serajuddin, or only with Shri K. D. Malaviya, or also the ex-Minister of Orissa and the present Chief Minister of Orissa who are also involved in it?

**Shri Jawaharlal Nehru:** The matter referred will be in regard to the entries in Serajuddin's papers. We are not having a wandering enquiry all over.

**Shrimati Renu Chakravartty:** All entries?

**Shri Jawaharlal Nehru:** All entries that have been pointed out. Thus far, a few entries have been pointed out to me. I cannot ask anybody to

examining a huge accounts book and examine all entries.

**Shrimati Renu Chakravartty (Barackpur):** The entry as stated by you was only with regard to Shri K. D. Malaviya. We want to know whether it is also dealing with entries of moneys given, substantial amounts given, also to the ex-Minister of Orissa and the present Chief Minister of Orissa.

**Shri Jawaharlal Nehru:** I am not aware of any moneys being given to the ex-Chief Minister of Orissa or the present Chief Minister of Orissa.

**Shri S. M. Banerjee:** That is why we want an enquiry.

**Shri Jawaharlal Nehru:** Obviously, I cannot ask a Supreme Court Judge to have a roving enquiry.

**Shri Surendranath Dwivedy:** May I submit that when the entry made in Serajuddin's private book is being referred to a judicial enquiry it, should be in respect of all entries there, not only the particular matter which had come to the notice of the Prime Minister, not only regarding Shri K. D. Malaviya, which may be one or two entries. But it is known that a search was conducted and a confession statement was received by the Special Police Establishment, that Rs. 50,000 was collected by the ex-Secretary of the Mines Minister, and the statement is there with the Home Minister. Besides that, there are entries against Ministers and other persons who have taken money over a considerable period. It is not one or two of these entries. It does connect only Shri K. D. Malaviya. It connects several other persons. Are all these going to be referred? That is the question.

**Shri Jawaharlal Nehru:** The hon. Member's sources of information appear to be greater than mine. I do not know about this latest thing that he has said. It may be true, may not be true, may not be true. But one

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thing I should like to make clear. He used the words "judicial enquiry". There is going to be no judicial enquiry as such. This matter essentially is a matter for the Prime Minister to decide on the advice of eminent persons. It will naturally be a quasi-judicial enquiry, because there is a Supreme Court Judge. It is not a normal judicial enquiry, it is not that with judicial procedures and all that. It will be up to him to decide, of course.

**Shri Nath Pai (Rajapur):** What are the terms of reference of the enquiry?

**Shri Jawaharlal Nehru:** Terms of reference? They have not been quite prepared yet, but I shall naturally have to send them the terms of reference. But whatever he wants to find out from that, we shall help him in every way. Mostly it is a question of examining papers, files etc., in Ministries. If he wants to examine any individuals as witnesses or to give evidence, that will be up to him.

**Shri Hari Vishnu Kamath:** On a point of order. You have been a Judge yourself. The Prime Minister says that it will be a quasijudicial inquiry. Is the House to understand that the Judge, whoever may be appointed later on, will be free, completely free, to decide the procedure for himself without any sort of interference from the Government?

**Mr. Speaker:** That is exactly what follows from that.

**Shri Nath Pai:** Will the hearing be open?

**Mr. Speaker:** Has the Government given any direction whether the enquiry would be open or closed?

**Shri Jawaharlal Nehru:** When I referred this matter to the Chief Justice, the Chief Justice told me that it was not the function of Supreme Court Judges to go about holding enquiries. Nor do they at

all approve of anything, any resultant conclusion or result they reach, being made public and being discussed in Parliament or elsewhere. Therefore, even initially he said that any report that the Judge might make should not be published and should not be placed before Parliament.

**Shri Hari Vishnu Kamath:** Does it mean an *in camera* enquiry?

**Shri Jawaharlal Nehru:** Very much so.

**Mr. Speaker:** Whatever it is, he has said that this is the enquiry that will be instituted.

**Shri H. N. Mukerjee (Calcutta Central):** If the Prime Minister chooses in Parliament to make a public statement that he is having a judicial enquiry into the alleged conduct of a particular Minister, is it open to him after all that to say that after all it will be done in whatever fashion he likes, he is not going to divulge? If he is going to have a purely private investigation of his own, it is not his business, his duty, to come to Parliament and announce it. If he announces in Parliament the enunciation of an investigation by a very high judicial functionary, surely Parliament has certain rights in this regard.

**Mr. Speaker:** That does not arise just at this moment; as the Prime Minister has stated this is between him and that enquiry that is being made. After he gets that report, then perhaps he may decide what action he wants to take and how he wants to proceed. That would be the time. Now, at this moment, how can this be said.....(Interruption).

**Shrimati Renu Chakravartty:** All sorts of leakages take place; some come in the press. Some may be true and some may be untrue. So, it is much better that Parliament is apprised of it.

**Mr. Speaker:** Just at this moment it will not arise.

**Dr. M. S. Aney:** I want to say one thing. If the services of a Supreme Court or any Judge are hired on the condition that the report of the enquiry shall not be placed before Parliament for discussion then it would be impossible after receiving the report for the Government to take any decision at all... (*Interruptions*).

**Mr. Speaker:** He says that if the condition is put that the report to be made by him would not be placed before Parliament, probably that would not be in the interest of the enquiry itself and those people would be handicapped because they would be conscious that it is not going to be placed before the House.

**Shri Jawaharlal Nehru:** I pointed out what the Chief Justice had written to me on this subject. I had not enquired from him. He said: I take it that this will be a private, unobtrusive enquiry without any fuss. Whatever recommendations the Judge gives will be sent to me. There has been some feeling among the Judges and even the Attorney General about the opinions they give to Government being placed before Parliament because they feel that every opinion that they give, they may not give exactly in form; they may not be frank about it, about the language or whatever it is. Normally such opinions are secret and confidential opinions. The result is given; the result of the opinion but not the argument and other things. Only recently some papers have been placed here—opinions of the Solicitor General and he was rather embarrassed by it... (*Interruptions*).

**Shri Hari Vishnu Kamath:** On a point of order... (*Interruptions*).

**Mr. Speaker:** Order, order.

**Shri Jawaharlal Nehru:** So, the Chief Justice pointed out that this is not the normal practice of the

Supreme Court Judges that anybody should sit in judgment on them, even Parliament.

**Shri Frank Anthony:** I do not think it is permissible under the Constitution to enlist the services of a Judge without the previous permission or specific sanction of the President of India. The President of India has to satisfy himself that he is functioning essentially in a judicial capacity, otherwise he will not be entitled to pay and allowances. How can he be appointed as a private investigator although an eminent person as the Prime Minister may require it. I do not think it will be permissible at all.

**Shri Surendranath Dwivedy:** Action is different but the enquiry must be open judicial enquiry.

**Shri Jawaharlal Nehru:** It has been clearly stated—I wish to repeat it—this work of the Judge will not be an open enquiry. I want to make it quite clear. Further Professor Mukerjee also talked about judicial enquiry. I have just stated that it will not be normal judicial enquiry. It will be conducted by a high judicial personality. That is true. In that sense it is a judicial enquiry because a very high judicial person is conducting it, but he will not follow those procedures exactly. They will be entirely up to him to decide as to what procedures, etc. are to be adopted.

**Shri Hari Vishnu Kamath:** Sir, the Prime Minister at one stage said that it would be a quasi-judicial inquiry. Now he says that it will be a private unobtrusive inquiry, if I heard him aright. How can you reconcile these two positions—quasi-judicial on the one hand and private and unobtrusive on the other? There is a precedent in our country. Mr. Justice Chagla held an open enquiry into the Mundhra affair.

**Mr. Speaker:** That was a different thing altogether. The Prime Minister has explained....

**Shri Hari Vishnu Kamath:** How do you reconcile the two?

**Shri Surendranath Dwivedy:** May I seek a clarification?

**Mr. Speaker:** That would not end at all. I would not allow any further questions.

The Prime Minister has explained that it would not be a judicial enquiry, but because a high judicial authority—a Judge—is being appointed, in that sense, it may be called semi-judicial or quasi-judicial. That is all.

**Shri Tyagi:** The question has been raised that a Judge cannot be appointed for this purpose. What is the answer to that? Why can't the Prime Minister himself decide these cases?

**Mr. Speaker:** Order, order. That is not the point before the House now.

**Shri Surendranath Dwivedy:** He has stated what you have repeated. At the same time, he has also stated that it would not be an open enquiry. Again he has stated that it is for the Judge to decide how he would conduct this enquiry. Anyhow, he has said that it would not be open. What remains for the Judge to decide?

**Shri Jawaharlal Nehru:** I have merely repeated the very thing that the Chief Justice of India has told me. In a sense, he has not made this a condition, but he has said that this is the proper way to proceed in this matter, because he considers that in this matter, the Judge is not exactly deciding any issue, but is giving his opinion or advice or recommendation to the Prime Minister. (*Interruptions*).

— — —

13.13 hrs.

MOTION RE: REPORT OF THE COMMISSION OF INQUIRY INTO DALMIA JAIN COMPANIES—*Contd.*

**Mr. Speaker:** The House will now take up further consideration of the following motion moved by Shri Nityanand Kanungo on the 6th May, 1963, namely:—

“That the Report of the Commission of Inquiry appointed to

investigate into the administration of certain Dalmia-Jain Companies laid on the Table of the House on the 23rd January, 1963, be taken into consideration.”

Shri D. C. Sharma, who was in the possession of the House may continue. He has already taken 14 minutes; he will be very brief.

**Shri Hem Barua:** I have written a letter to you about the variance in the statements made by Mr. Manubhai Shah and Mr. K. D. Malaviya.

**Mr. Speaker:** I have asked for the papers. I will look into it and intimate to him within half an hour.

**Shri D. C. Sharma (Gurdaspur):** Sir, I was submitting very respectfully that the findings given in the report of the Commission of Inquiry and also by the Attorney General and Mr. Viswanatha Sastri show that these are a challenge to our objective of socialist pattern of society, and that they are also a threat to the Industrial Policy Resolution of our country. I also believe that they are a negation of all those ethical values which we have held dear all these days individually, collectively and socially. I think there is hardly any value of our ethical life which has not been transgressed. According to the findings of the enquiry, fraud has been committed. All kinds of deception have been practised. All kinds of chicanery have been perpetrated on the shareholders. All kinds of means have been adopted in order to acquire wealth and acquire that power which ill-gotten wealth alone gives. Therefore, this report goes much farther than what the people take it to be. It goes much deeper; it is a question which affects all our private life and public life. We often talk of corruption. I do not think you can find a better description of corruption than what you can find in this report. How people have been corrupted in order to do this or that has been made very clear in this report. It is a challenge to our democracy. Democracy means equality of opportunity. You find

from here that there are some persons who have been trying to grab all power, get all kinds of wealth and form a sort of conspiracy in order to deprive and defraud the public of whatever privileges it has.

Now, the question is, how are we going to deal with it. In the first place, we have taken too long a time in dealing with it. We have been appointing inspectors, legal people and others and getting their reports. On this so many years have passed. I want that no further time should be wasted now, and whatever is to be done we should do quickly. Swift and sure action is needed in the case of those persons who have been found to be guilty. I am not only talking of the action that is to be taken under the Company Law. Of course, I agree with my hon. friend who wants the Company Law to be so amended as to make it impossible for people to perpetrate all kinds of mal-practices on the poor shareholders and on the unsuspecting public. I am also talking in terms of legal action. I think the Government are in doubt about the legal action to be taken against some of these persons. But my feeling is that the whole thing is very clear, the facts are patent and all those persons should be proceeded against at once. Immediately there should be drastic action taken against them so that nobody has courage to repeat what has been done once.

I also suggest that in future Government should have a panel of auditors. I do not want that the services of auditors should be nationalised. But I want that Government should have a panel of auditors, selected auditors, and they should be asked to audit the accounts of these companies. No one outside that panel should ever be permitted to go into the accounts of these companies which are responsible for so many mal-practices. I also want that Government should try to know the extent to which the shareholders have been defrauded. Some kind of enquiry should be held into that and all the shareholders should

be recompensed for the losses that they have suffered on account of these persons who, according to the report, formed a kind of conspiracy in order to defraud the public. This is the first thing to be done, as we have done in the case of the Palai Bank and other banks where we have tried to recoup the losses suffered by the shareholders. Similarly we should do that in this case also.

Again, I think Government should take a firm decision that no government servant after retirement should associate himself in an honorary capacity or serve in a non-honorary capacity with any private firm. Unless this is done, I am sure this kind of corruption will not stop. A very clear and firm decision has to be taken in this regard. I think some of the persons who belong to big business try to make use of the good offices of our government servants when they are in office by promoting them that they would take them in their service as soon as they retire. This starts a vicious circle. When they are in office they are helpful to these big business people and when they are out of office they are helpful in an indirect way, because they have so many friends in the government offices and they can get help from them. I think, after what we have seen during the last 15 years, there is no doubt about the fact that these government servants should not be permitted to take service with any private firm or private agency after retirement. I think it is much better that we raise the age of retirement, it is much better that we provide them with *ad hoc* appointments after they retire, as you have done in the case of judges—it is much better to give them short-term *ad hoc* appointments—than to permit them to serve with private agencies after retirement. To give them an opportunity to serve the private companies is, I think, to do something which is not warranted by the facts of the case.

Lastly, I want to say that we are all waiting for the Mahalanobis Committee Report. Though that com-

[Shri D. C. Sharma]

mittee was set up long ago, it is a pity that the report has not come so far. We want to see how the money or the benefits which we have got from the Five Year Plans have been distributed among the different sections of our population. We are all very keen to know that. I am sure that when the Mahalanobis Committee report is published, it will be found that there is concentration of wealth in the hands of certain persons. As soon as we receive the findings of the Committee, we have to take recourse to some remedies in order that we stop this concentration of wealth, because when people make money out of their banks, they invest it in new newspapers, they start their paper factories and do all such things. After having doubled those powers they try to sabotage the democratic machinery in this country, and they also try to create a kind of lack of faith in the powers that are ruling this country.

Last of all, I would say that an inquiry should be made to see how some of these private companies have been able to double or treble their capital. It is a very clear case which requires to be investigated. Of course, some of them might have been able to do so with their own resources. Yet, at the same time, how is it possible for companies to double or treble their capital in ten years passes my comprehension. I think an inquiry should be made into this.

As I said, this Committee's report is not the last mile-stone of the journey. It is the beginning of another journey, and that journey is the journey which will lead us to eradication of corruption and the strengthening of the goal or the social objective. I hope our Government would not be found wanting in travelling along that road. Government should travel on that road swiftly with courage and with faith. They should not waste any time, as they have been doing so far. I think time is the most essential thing for us and I hope time

will be taken hold of by the forelock and we will be able to set this house in order.

**Mr. Speaker:** Shri Himatsingka. I hope hon. Members now would not take more than fifteen minutes.

**Shri S. M. Banerjee:** Slightly more in exceptional cases.

**Shri Kanungo:** May I know till what time we are sitting today?

**Mr. Speaker:** It is the most difficult thing to say.

**Shri D. N. Tiwary:** I want to make a submission. Since I have given notice of an amendment, I should be allowed to speak on this.

**Mr. Speaker:** That does not automatically give him the privilege.

**Shri Himatsingka (Godda):** Mr. Speaker, I have heard the speeches of several hon. Members, beginning with the speech of Shri Daji, including that of Shri Trivedi, Shri Dwivedy, and Shrimati Renuka Ray, and I am wondering how Shri Daji and others could make generalisations without giving any other facts than those contained in the Vivian Bose Commission Report. Shri Daji began with full flourish that all big business houses are corrupt, they should be nationalised, big businessmen should be hanged or given this or that punishment—in fact, every kind of adjective was used. I heard him yesterday. But, to be sure that I did not miss anything, I have gone through his speech today verbatim, and I do not find any single instance mentioned there except that Gwalior Rayon has made a profit of Rs. 2.25 crores and paid only a tax of Rs. 10 lakhs. I feel that the hon. Member has tried to mislead the House—I would not use any stronger term—by keeping back some relevant facts in connection with that company.

I have been able to get a copy of the Company's Report which very



clearly states the facts. The Company made a profit not of Rs. 2,25,00,000 but of Rs. 3,49,00,000 and they have shown it in their accounts. They claim and they also state that in the Report itself that they are not liable to income-tax because of an agreement with the then Gwalior Government. The income-tax authorities taxed them and they went in appeal. The High Court of Gwalior has upheld their appeal and has held that the Company is not liable to tax except in respect of one portion only because the period for which they were exempt from payment of tax has expired. It reads like this:

"The appeal of the Government against the decision of the High Court of Judicature, Madhya Pradesh, accepting the Company's claim for exemption from Income Tax and Super Tax for a period of 12 years under the Agreement executed by the then Gwalior Government is still pending before the Supreme Court. The exemption in respect of the Company's Weaving Division at Birlanagar (Gwalior) has expired last year, and therefore necessary tax liability of the Weaving Division has been provided."

The Company has made a provision of Rs. 4,50,00,000 for the tax that they will be liable to pay if they lose in the Supreme Court where the Government has gone. All these things were kept back from the hon. House and an attempt was being made to show that the Company has suppressed profits, has avoided payment of tax and so on.

**Shri Daji (Indore):** May I make it clear? I am sorry, I was not clear on this point. I had given an example not for showing an instance of suppressed profits but for showing the laxity in our tax structure.

**Shri Himatsingka:** As a matter of fact, that is not a case of laxity either. What he says is not correct.

**Mr. Speaker:** He says that it was because of an agreement with the then Gwalior Government.

**Shri Daji:** Government promises through such agreements that no tax would be charged.

**Mr. Speaker:** The former Rajas gave it.

**Shri Himatsingka:** It was given at a time when it was a separate State altogether. Therefore to keep those facts from the House and try to create an impression like that was not very proper.

He has gone on saying that there is over-invoicing, under-invoicing, customs violations and so on but not one, single example has been given to the House to enable the House to form an opinion as to whether the statement that he has made is correct or not and whether if any company or firm or any business house has violated any of these laws, whether they have been prosecuted and proper action has been taken. If there is any violation and if proper action has been taken, why should there be any grievance about that and why should any general inferences be drawn from such a thing?

13.28 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

As a matter of fact, that is the practice of our Communist friends. They want to catch hold of somebody, take some instance, make it an example and try to go on hammering that so that it will act just as the Germans had a propaganda on lies during the war. That is the kind of attempt that is being made in this House basing something on imaginary facts and inferences.

**Shri S. M. Banerjee:** He has given facts.

**Shri Himatsingka:** He has not mentioned one, single fact in his whole speech; so also other hon. friends who have spoken.

**Shri Daji:** JK's avoiding tax of Rs. 7 crores and the payment of Rs. 32,000 as *inam*, Birla's New Asiatic Company—are these not facts?

**Shri Himatsingka:** I feel that the whole discussion that has proceeded in the House has proceeded on wrong lines. After all, what are we expected to do in this House... (*Interruption*). I should like, Mr. Deputy-Speaker, not to be interrupted in this fashion so that I can go on in my own way and if my hon. friends have got any questions to ask, they can do so later on. What this House should discuss is as to what lessons we are to take from the Report of the Vivian Bose Commission and whether anything should be done by this House so that the defects that have been pointed out or found could be removed and the loopholes that might exist in the law, either in the Company Law, Income-tax law or any other law, could be plugged. That should have been the basis of our discussions. Perhaps, then, the discussion would have been more useful than this attempt to vilify anybody, everybody who may not be here to defend themselves.

People say that Members of Parliament sublet their houses, Members of Parliament do this, do that. Supposing some Members sub-let their houses, have we the right to call every Member in the same spirit? Should we say that all Members sub-let their houses because some Members sub-let them? People outside say that Members come here and sit unnecessarily for three days before the session and they continue to stay for three days after the session when there is no work. Should we take any notice of that? The rules permit that. Therefore, they are entitled to do that. This kind of an attempt by the Communists is well known because they want to run down big business houses....

**Shri Daji:** Yes.

**Shri Himatsingka:** ...which have been able to....

**Shri Daji:** Do nothing.

**Shri Himatsingka:** ....sustain industries in the country. As a matter of fact, most of the industries were set up during the British days in spite of opposition by the then Government. Manchester was supplying cloth to this country. Cycles were coming from outside. Sugar was coming from outside. (*Interruption*).

**Mr. Deputy-Speaker:** Order, order.

**Shri Himatsingka:** Many of these industries were set up during the British days. The Britishers perhaps did not like that, because when these textile mills were set up in this country, Manchester lost its trade and ceased to supply cloth. In fact, today, India is supplying cloth to Manchester and England. These industrial houses saved the situation in the country. As a matter of fact, even today, what do we find?

One example that was mentioned by Shri Daji was that out of 4000 licences only 185 licences were given to big business houses. He asked a question, what is the amount of the 185 licences as compared with the 4000 licences. I will admit perhaps that the 185 licences are for a very much bigger amount than all the rest of the licences. But, have you tried to analyse it? If they tried to analyse it, that will show this. In view of the present attitude of the Government, a large number of ordinary *entrepreneurs*, small people, middle class people, have been able to set up a large number of industries which was not possible for them to do before. Because, at the present moment, Government have been helping them in various ways. The Industrial Finance Corporation, I.C.I.C. and State Finance Corporations are willing to help people who want to start industries. That was not possible before. Therefore, a large number of small industries are coming up. There are certain businesses which cannot be done by ordinary persons. Take the case of steel mills. Can any private company have started that?

Because, that requires Rs. 200 crores for each steel mill. Therefore, necessarily, the Government have to step in, whether they had that policy resolution or not. Similarly there are a number of industries which cannot be started by ordinary persons. Take the case of the Aluminium factory. It costs Rs. 30 crores. Can an ordinary new person have started that? The question is whether there are equal opportunities for all or not. I say there are equal opportunities. But, the opportunities can be taken advantage of by those who want to take advantage of them. You may question whether there is opportunity. Opportunities are there. Some people say, why are only 500 people Members, why are not the others given a chance. The chance is there. Anybody can become a Member. But those who can command votes, they come here. The others cannot. In a population of 10 lakhs, generally, in a constituency, how many people do you find who are anxious to be Members of Parliament? Three or four. That does not mean that the others have no right to stand. The opportunity is there. Those who take advantage of the opportunities get opportunities. At the present moment there is no bar to anybody setting up an industry provided he has the capacity to do so. There is no bar to Shri Daji starting a factory. There is no bar to Shri Banerjee doing so, or anybody else.

**Shri S. M. Banerjee:** Finance me; get some finance.

**Shri Himatsingka:** Finance is there. As a matter of fact, a large number of persons have started. Finances....

**Dr. L. M. Singhvi:** Is it in order for an hon. Member Shri S. M. Banerjee to solicit openly on the floor of the House and ask another Member to finance him? That, I assume, is the clear meaning of the words which he has used not realising what he is saying. He could not possibly ask another Member to finance him.

**Shri Himatsingka:** Finances will come if the public has confidence in the persons who ask for finance. That is the big test. Shri Banerjee cannot get finance because probably people have no confidence. One person floats a company. He gets a good response. Another person floats a company. He does not get a response. That depends on the confidence that a person or a particular firm or a particular business house commands from the public. As a matter of fact....  
*(Interruptions.)*

**Shrimati Vimla Devi (Eluru):** Without taking permission from....

**Mr. Deputy-Speaker:** Order, order; Members should not disturb a speaker like this.

**Shri Himatsingka:** As a matter of fact, I was wondering whether I should mention this. Shri Daji mentioned Gwalior Rayons. Is it not that very company which was entreated, requested, cajoled and prevailed upon to go to Kerala when the Communist Ministry was functioning there? They offered better terms. They said that they will not create any difficulty about labour. They induced that company to set up a factory there. That factory has been set up. Why did they go to Birlas if they thought that the Birlas were so bad? I feel they must have felt that they were the only parties who could deliver the goods. That is why their leader Mr. Nambudiripad induced Mr. Birla to go to Kerala and gave all kinds of facilities. Now they say, this company is doing this, that company is doing that without quoting any single fact.

Again, another fact that has to be remembered is this. You know the Companies Act was passed in 1913. There were some amendments in 1936. I think there were some more in 1950. The whole Act was re-modelled in 1956. After examination of the working of the Act for 4 or 5 years, when other loopholes were noticed, the 1960

[Shri Himatsingka]

amendments came in. Now, practically all the methods that are said to have been adopted by Dalmia-Jain concerns for taking money by terminating managing agency or selling agency or doing this and that—all have been plugged. As a matter of fact, for managing agency commission, you cannot pay more than 3 years money, if I remember right, and that also on the basis of three previous years. Similarly, selling agencies cannot be appointed for more than 5 years. Inter-company investments have been regulated and loopholes plugged under two sections, 295 and 372, I think.

Similarly, the Bible that has been quoted by Shri Daji, I will not use the word Gita because they do not perhaps believe in the Gita, the report on Big business by Dr. Hazari, does not support what my friend says. That also has, in a way supported, on account of the very fact that certain businesses like the Jute industry or the textile industry make profits and because they do not find any outlet in that particular business, they invest it in some other lines. Therefore, there is diversification. A textile mill starts a chemical industry or cellophane paper or rayon factory and they put in their money. That is how industrial development in the country has come about. Our friends do not want industrial development, because, then, their methods will not work. They want this country to remain poor so that their tactics can prevail and they can get more followers and fellow travellers with them. That is their attitude . . . (*Interruption*).

**Shri Bade:** They will get more Banerjees.

**Shri S. M. Banerjee:** More Banerjees will eliminate Himatsingkas. He has been given his Gita by Birla and he is reading it.

**Shri Himatsingka:** I was saying that nothing has been suggested which will

really improve the working conditions in the factories and in the industries. Then, take another thing. There are about 25,000 companies working in this country. Has any fact been mentioned about any of those companies? There are a number of business-houses, big houses, such as Mafatlals, Tatas, Martin Burns and various others. Not one single allegation has been made against them. So far as the Birlas are concerned, allegations were made in respect of those two companies, namely, the New Asiatic and the Ruby Insurance Companies. But did we not have a categorical statement from the Finance Minister that inquiries have been made and there is nothing that can be complained against? And still, my hon. friends go on, hammering and hammering about those companies. That is the way our friends proceed, without caring for truth and without caring for anything.

**Shri S. M. Banerjee:** On a point of order, Sir....

**Shri Himatsingka:** It must be a point of disorder.

**Shri S. M. Banerjee:** Let him withdraw that. It is very bad that he should say so without any consideration even for his own age.

Yesterday, when Shri B. R. Bhagat, the Deputy Finance Minister, laid some copies of the report concerning the New Asiatic and Ruby Insurance Companies, by the Additional Solicitor-General, the hon. Prime Minister stated that the Auditors' report also will be laid on the Table of the House. Without considering that, the hon. Member is saying that the Finance Minister has said that there is nothing against that firm and so on. That shows that he is representing a particular interest, a particular firm of Birlas.

**Mr. Deputy-Speaker:** There is no point of order in this. That is Shri

Himatsingka's opinion, and this is Shri S. M. Banerjee's opinion.

**Shri Himatsingka:** It is a point of disorder. That is how they interfere and interrupt in the name of points of order.

Then, we hear of this leakage. I shall not be surprised if this leakage which has been complained of may be traced to some of my hon. friends opposite....

**Shri Prabhat Kar (Hooghly):** To some of you. Some of you have done it in the interests of big business. That is how you do it.

**Mr. Deputy-Speaker:** Order, order.

**Shri Himatsingka:** I shall not be surprised if it is traced to them; they have a cell in every department, and I shall not be surprised if the inquiry reveals something like that. That is what I feel.

**Shri Prabhat Kar:** That is what your profession is.

**Shri S. M. Banerjee:** I should say that his friends have done it.

**Shri Himatsingka:** There is one more point. Shri Daji said that the capitalist press was running down the public sector. That is what he said in the course of his speech yesterday. But I think he would have read the statement made by Mr. G. D. Birla in America, how he has supported Government, how he has supported the public sector enterprises, how he has supported the present policy that is being followed by Government about the socialistic pattern of society, and how he has explained the position in America and asked them to invest money in India.

**Shri Prabhat Kar:** What an anxiety to safeguard their position? That shows that there is something wrong. This over-anxiety proves that something wrong must be there.

**Mr. Deputy-Speaker:** Order, order.

**Shri Himatsingka:** My over-anxiety is to see that India prospers and does

not fall into the trap of the communists. That is my anxiety, and I am only giving vent to my feelings.

I feel that if there be any lacuna in the law that we have at present, let steps be taken to plug them. But, so far as I can see, and I can say so with a certain amount of knowledge about the company law, that there has been a good deal of improvement, and the Company Law Administration at present moment is working very properly, and not one single loophole is being allowed to go unnoticed. As a matter of fact, we get letters now-a-days; when the time for a company's filing returns expires, we get the reminders or we get show-cause-notice or some such thing. That shows that it is working very properly. And Mr. D. L. Mazumdar who is in charge of this Department is no friend of big business, whatever my hon. friends might say.

**Dr. L. M. Singhvi:** I speak with some diffidence, and, therefore, I would like to be permitted to address the House on this occasion in a minor key. My hon. friend from the Communist Group, Shri Daji, served us with a fantastic banquet of spicy dishes. I think he indulged, to a certain extent, in an orgy of gastro-nomic excesses which may indeed lead to indigestion. But he did rightly point out that the concern of society, of the State, in matters of economic production and concentration of wealth is undeniable. The State, the Society and the Parliament cannot be the silent spectators of any lapses on the part of either the public sector or of the private sector. The private sector is as much a part of our economic well-being, of our national economy, and it cannot escape such criticism as may be levelled in a *bona fide* constructive spirit if, prompted by any findings of inquiry or by any studies undertaken by academicians or by departments of Government.

I have, however, a feeling that generalisation does not always serve an immediate purpose, although it may

[Dr. L. M. Singhvi]

serve a long-range ideological aim. In this respect, I would like to say at the outset that it is true that the private sector could not have been regulated in as adequate, and as cautious a measure as was necessary because the whole programme of economic growth and development was new to this country. We had not anticipated the ramifications of economic growth. But it would be wrong, to accuse Government of wholesale and heartless inaction, inertia or indifference in the matter. As a matter of fact, the Company Law amendment of 1956 is a monument of this Parliament's vigilance and concern for regulating the corporate sector in the public interest. That is a principle which, I think, we have come to recognise in this country and which we shall unflaggingly observe. But I am afraid that my hon. friend, Shri Daji, for whom I have great admiration—for the manner in which he marshalled certain facts, the broad issues which he raised—has succumbed to the temptation of allowing the discussion to go on personal matters, and of allowing the religion of which he is a votary to run away with his law. I am afraid he has attempted brilliant glittering and large generalisations without our society without our Parliament or our governmental structure having encompassed the facts of life prevailing in the private sector.

I should like, therefore, at this stage to quote from a great Latin poet who has something very pertinent to say as a matter of guidance for us in this present discussion. This is the translation of what the medieval Latin poet says:

"If a man has to lay the foundations of a house, he does not set rash hand to the work....

"The inner compasses of the mind must first encircle the whole quantity of material".

The whole quantity of material is not available with us, I think, on a can-

did confession of the Government. That whole quantity of material is not really known to us, and therefore it is not only academical, improper and incorrect to generalise, but also a little unfair to do so. We are, after all, living in the mid-20th century. The unregulated excesses of laissez faire are no longer permitted by any State, much less countenanced in this country. The allegations that Shri Daji has made in respect of increasing concentration of power or in respect of large prevailing commercial malpractices are things of which Government, I am sure, are not wholly unaware. Government are trying within the framework of freedom and law to devise measures to clothe themselves with powers which would be able to rectify the lapses, if any. But it is certainly wrong to throw away the baby with the bath water.

I am no great champion of the private sector. As a student of economic, however, I do feel that the public sector has not yet proved its efficacy in such a comprehensive, all-absorbing manner. It has not become the universal solvent, the panacea of all our economic problems, that we may condemn altogether and demoralise the private sector. Therefore, while we in this Parliament do not countenance the man-eater, we would also but countenance blood-thirsty vigilance. Vigilance, to a certain extent, is necessary. But there has to be a proper institutional framework; there has to be a proper forum for exercising vigilance. I submit that in this case our discussion is a little ill-conceived in this House. What is the reason why Government could not have gone to the courts of law at the outset to prosecute if anybody had committed any offences under the law? To discuss matters which properly belong to the judicial sphere is not very conducive to the growth of the rule of law. My hon. friend, Shri Daji, is a lawyer, and therefore, I preface my submissions in this respect, particularly with an expression of my

anxiety that the rule of law may not be abrogated or abridged in such a manner as to do lasting and abiding damage to our society.

My hon. friend made an appeal to the Government to make use of their emergency powers against the private sector I had been one with him when Government had been accused of abusing their powers under the Defence of India Rules or had clothed themselves with powers and improperly exercised them either for political vendetta or for prosecuting or persecuting certain people on insufficient data. That is why, I beg to disagree with him when he says that in this particular respect, Government may make use of their emergency powers.

I would like to read in this respect from the judgement of the High Court of Bombay, which is very illuminating and which went up to the Supreme Court. Our High Courts are indeed a source of pride for us. Therefore, the judgement of the High Court in this respect is certainly of great relevance to us. This is what their Lordships had to say.

"The other contention of Counsel for the petitioners is equally sound when they urge that the Legislature should not encroach upon the judicial functions of the State. The doctrine of separation of powers, which is so well known to the American Constitution, is not applicable in the same sense to our Constitution. There is no rigid separation here because, to take one instance, in a responsible form of government a section of the Legislature itself is constituted the executive. But in a different sense, undoubtedly there is separation of powers under our Constitution. The State here functions through its three organs; the legislative organ, the executive organ, and the judicial organ; and the Constitution has allocated to each organ its separate and independent functions, and it would not be open to the Legislature to perform a func-

tion which the Constitution has assigned to the judicial organ. Therefore, if in appointing a Commission the Legislature wishes to arrogate to itself the duties of the judicial organ, the appointment of such a Commission is clearly bad. Let us try and understand in what sense the Legislature may trespass upon the judicial power. Although it may set up special courts, it cannot convert itself into a court except in the very few cases dealing with privilege and impeachment with which we are not concerned. It may not inquire or investigate into individual wrongs or private disputes in order to bring the culprit to book and in order to gather materials for the purpose of initiating proceedings, civil or criminal, against him, because such inquiry or investigation is clearly not in aid of legislation but, what might be called, in aid of judgement. If a criminal prosecution is to be launched, the investigation must take place under the Criminal Procedure Code and such an investigation would be controlled by the judiciary. Therefore, it would not be open to the Legislature to start an investigation on its own. That would deprive the citizen not only of the protection afforded to him by the provisions of the Criminal Procedure Code, but would also constitute the Legislature into an authority paralled with the judiciary in laying down a procedure over which the Judge or the Magistrate could have no control".

"... in laying down the procedure over which the Judge or the Magistrate could have no control."

These are observations which deserve our respectful consideration. As a matter of fact, I am not making a plea of exclusion of parliamentary discussion, but I do feel that when we discuss individual wrongs, and when we propose and suggest in a very loud voice that such and such

[L. M. Singhvi]

punishment should be awarded to such and such a person, that his business should be confiscated or expropriated, we are actually falling a prey to a mob tendency. You may hang a capitalist under the law, within the framework of law, but you cannot,—I do not mean you, Sir, I beg to correct myself—no one can lynch a capitalist in this country. For ours is a country of democratic socialism. It is not a country of rigid, persecuting communism. Therefore, if we are to preserve the framework of rule of law in this country, we cannot allow any one to clamour for lynching capitalists or for completely eliminating them without even a proper hearing. It does not belong to the province of legislation, properly speaking, to discuss individual wrongs. It is true that matters may be brought up in this House, it is true that we may discuss certain things until they become the subject matter of litigation, whether it is pending or impending. But once that stage is reached, we must studiously impose upon ourselves a restraint, in deference to the principle of parliamentary democracy and rule of law which is enshrined in our Constitution, and refrain from the temptation to discuss individual matters, if any. I, therefore, make an appeal to this House not for this or that particular person, but to impose upon itself that self-denying ordinance which is the hall-mark and foundation of parliamentary democracy and rule of law.

In this respect, I cannot conclude without quoting what the Supreme court had to say while sustaining the contention that the part of the notification which intended or purported to remedy individual wrongs, punish individual wrongs or investigate individual wrongs for purposes of punishment, was not legal and was *ultra vires*. This is what the highest tribunal in this country had to say:

"It is, in our judgement, actually ancillary that the person or

body conducting the inquiry should express its own view on the facts found by it for the consideration of the appropriate Government in order to enable it to take such measure as it may think fit to do..... In our view the recommendations of a Commission of Inquiry are of great importance to the Government in order to enable it to make up its mind as to what legislative or administrative measures should be adopted to eradicate the evil found or to implement the beneficial objects it has in view. From this point of view, there can be no objection even to the Commission of Inquiry recommending the imposition of some form of punishment which will, in its opinion, be sufficiently deterrent to delinquents in future. But seeing that the Commission of Inquiry has no judicial powers and its report will purely be recommendatory and not effective *proprio vigore* and the statement made by any person before the Commission of Inquiry is, under S. 6 of the Act, wholly inadmissible in evidence in any future proceedings, civil or criminal, there can be no point in the Commission of Inquiry making recommendations for taking any action "as and by way of securing redress or punishment" which, in agreement with the High Court, we think, refers, in the context, to wrongs already done or committed, for redress or punishment for such wrongs, if any, has to be imposed by a Court of Law properly constituted exercising its own discretion on the facts and circumstances of the case and without being in any way influenced by the view of any person or body, howsoever august or high powered it may be."

The last allusion obviously is to the Vivian Bose Commission.

I have the greatest respect for the Judge who presided over the delibe-



rations of this Commission. I have known him personally, and I have the highest personal esteem for him. Here is a person who has had a distinguished judicial record, but if I may say so, the materials which were placed before him, the delayed proceedings and the long time that was taken in the enquiry, destroyed the very basis and the intrinsic value which may have attached to the work of this Commission.

It was suggested by my hon. friend Shri S. M. Banerjee yesterday that perhaps this enquiry was instituted because a particular Member of this group had failed to satisfy the demands in respect of political contributions to the ruling party. I will not level that allegation myself, but we would certainly like to know why political or personal vendetta? Or, is it really for aid to legislation? If it is for aid to legislation, why is it that all these days, all these months, Government has avoided the principal, the fundamental, the basic issue which arises out of this whole thing.

14 hrs.

The Vivian Bose Commission Report as it is wrongly described, is actually the report of a Commission of Inquiry which came successfully to be presided over by two different distinguished ex-Judge after Shri Tendolkar. The enquiry itself was headed by Shri Vivian Bose, but the recommendations which are really the most important part of the report, and which find a place at the end of the report in 19 pages, were presented to the Government by Shri Sen. I think it is the Sen Report and the second part of the Auditor-General's report which deserve real consideration at an extended parliamentary discussion to be undertaken, I hope, some time in the future when the Government comes to this House with proposed legislation.

I would like to say that the petition which has been submitted to the House has pointed out several discre-

pancies in the appreciation of evidence by the Commission. It has pointed out that although the Commission was charged with the duty of fixing responsibility and therefore telling us whether there was actually a dissolution on any specific, particular date of what Dalmia Jain group, the Commission has not in this respect fulfilled its duty and has not discharged its obligation, because repeatedly we are told according to this petition and according to the Commission's report itself, that the Commission was unable to fix the date of dissolution. Without fixing the date of dissolution, the Commission had itself said that it was not possible for it to arrive at any specific conclusion in respect of fixing responsibility. If that is so, then certainly the report is a document which the Judge who presided over its deliberation was distinguished and august in his own capacity as a retired Judge of the Supreme Court. Still, I think it is not for us, as a matter of fact, to pass judgements, to pass political verdicts on matters which essentially belong to the courts of law.

I would like in the end to mention that this other book which has been circulated to the Members of the House, called *Painful Story of Dalmia and the Bose Commission Recommendations*, also produces documents which show that some of the auditors were not entirely above board. It shows that the gentleman who is now appointed to enquiry into the affairs of some more companies belonging to this group had actually, at instance of Shri Ptigara, corrected the report after it was submitted to Government. In this connection, I would like to draw the attention of the House to a small detail of great significance. At page 40 of this book it is said that on.....

Shri Bade: He is reading from the book. It may be laid on the Table.

Dr. L. M. Singhvi: Every Member has received a copy of it.

**Mr. Deputy-Speaker:** If he has quoted, he will have to lay it on the Table of the House.

**Dr. L. M. Singhvi:** I shall do that.

On 13-12-1953, according to an annexure in this document, we are told that a person from his auditor's office had discussion with Shri Pettigara in his own office regarding certain corrections to be made in the report. The report which had been submitted nearly a year ago on 24th November, 1962 thus came to be corrected in the office of the auditor at the instance of the Solicitor to the Commission. This is a state of affairs which certainly does not inspire enough confidence, and I would certainly like the Government to look into the matter, and if they are so advised, to resort to procedures of law and not to political procedures. I think it is unfair to a large number of people who do their business in a perfectly honest manner, even to this very House. Indeed, I would not presume upon myself the ability to judge even before the matter is adjudicated. That is my humble submission, and I therefore, think the observations of the Speaker in this respect at the opening of the discussion to exercise great self-restraint was directed at this very failing which is common and fashionable, to pick up any capitalist here and there and to aside damaging even scandalous allegations. The fact remains the matters which have been raised in Part II of the report and in the recommendations of the Attorney General are of great and far-reaching importance and I am sure the House will have a real opportunity to discuss those recommendations made by eminent jurists.

**श्री डा० ना० तिवारी (गोताबगंज) :** उपाध्यक्ष महोदय, आज दो दिनों से बॉस रिपोर्ट पर बहुत जोर रही है। इस बीच में कुछ अड़ों भी हैं। लेकिन एक बात में जानना है, और हमारे देशों में यह कहावत काफी मातृ है कि कोई उपाध्यक्षी के अन्धी घनी नहीं होता, कुछ न कुछ गड़बड़ी रहती

है तभी रूपया दुगुना और तिगुना होने का मौका मिलता है। आनेस्ट नेबर से आदमी महल खड़े नहीं कर सकता। यह हम लोगों में कहावत मशहूर है और मैं उसकी लाईद भी करता हूँ।

जब भी किसी बात पर बहस होती है, तो हमारे पी० एस० पी० के भाइयों के दिमाग में इस बात का विचार नहीं रहता कि क्या कहना उचित है और क्या अनुचित है। कल जब द्विवेदी जी बोल रहे थे तो सिराजुद्दीन का सवाल ले आये। उनके दिमाग में सिराजुद्दीन का फोबिया भरा हुआ है। मैं नहीं समझता कि उससे और इससे क्या सम्बन्ध है। वह इस समय यहां हैं नहीं, नहीं तो मैं उनसे इस बारे में कुछ कहता।

बॉस कमीशन की रिपोर्ट जो कि हमारे सामने है वह बहुत वाल्युमिनस किताब है। और उनके बाद जितना लिटरेचर हमारे पास आया है उसको हम पढ़ भी नहीं सके हैं। कानून का यह मंशा है कि चाहे किसी ने खून भी किया हो लेकिन उसका जवाब सुन लेने के बाद ही उसको सजा दी जानी चाहिए। मैं चाहता था कि पार्लियामेंट की एक कमेटी होती जो कि उन चार्ज पर विचार करती जो कि लगाए गए हैं, बॉस कमीशन रिपोर्ट पर भी विचार करती और जो जवाब जदाब होता था जो और कगजत हमारे सामने आए हैं उन पर भी विचार करती और उसके बाद अपना निर्णय देती।

इस सम्बन्ध में एक बात और कहना चाहता हूँ, वह यह है कि जिस वक्त ये घटनाएँ हुई उस वक्त का कम्पनी ला ऐंसा था कि उसमें बहुत से लूणहोला थे, जिसके कारण व्हापरान्तियों को मौका मिला। हमको देखना होगा कि क्या उस समय यह परिपाटी आम तौर से प्रचलित थी। हमको आगे विजनेस हाउसेज की भी एक्सायरी करनी होगी यह देखने के लिए कि यह परिपाटी केवल इसी ग्रुप में प्रचलित थी या यह परिपाटी आम थी।

अभी जो कागज रखा गया हाउस की टेबल पर न्यू एशियाटिक और रूबी के बारे में उसके पढ़ने से लगता है कि कुछ गड़बड़ी उसमें भी है। आडिटर की समूची रिपोर्ट सामने नहीं आई है। वकील लोगों ने सलाह दी है कि कुछ कार्रवाई नहीं हो सकती। यह सवाल भले ही ठीक हो, लेकिन उसको पढ़ने से दिमाग में यह बात आती है कि वहां कुछ गड़बड़ी है। एक वकील साहब ने राय दी है कि जो डाइरेक्टर हैं वह छोटे छोटे वाक्यांश के लिए जिम्मेदार नहीं हैं। उनका काम है केवल पालिसी ले डाउन करना, लेकिन जो डिटेल् की बातें हैं उनके लिए वे जवाबदेह नहीं हैं। यह उनकी राय है, लेकिन बोस कमीशन कहता है कि जो लोग डाइरेक्टर हैं और जिन लोगों ने पार्ट लिया है वह भी जवाब दें। तो इस तरह से यह दो स्टैंडर्ड हो जाते हैं और दो स्टैंडर्ड से जांच करना मुनासिब नहीं है। एक स्टैंडर्ड होना चाहिए। इसीलिए मैंने अर्मेडमेंट दिया था कि अच्छा हो कि जो एक दर्जन बड़े बिजनेस हाउसेज हैं उनकी कार्रवाइयों की जांच हो और जो रिपोर्ट आवे उसके मुताबिक हम लोग कम्पनी ला को अर्मेड करे कोई लूपहोल न रह जाए। केवल एक कम्पनी को लेने से यह बात भी दिमाग में आती है कि किसी एक को सिंगल आउट किया जा रहा है। यह हम जानते हैं कुछ कागजातों के पढ़ने से कि कम्पनियों में ऐसी गड़बड़ियां हो सकती हैं। उनकी भी जांच होनी चाहिए। हो सकता है कि उनमें कुछ ऐसी गड़बड़ियां निकले जिनके लिए कि हमें फिर कम्पनी ला में अर्मेडमेंट लाना पड़े। अब हर एक बात के लिए बार बार अलग अलग अर्मेडमेंट लाना और कम्पनी कानून में एक के बाद एक संशोधन करना अच्छा मालूम नहीं होता है। उचित तो यह होगा कि जैसे एक कम्प्रीहेंसिव अर्मेडमेंट रान् १९५६ में हुआ था, उसी तरह या कम्प्रीहेंसिव अर्मेडमेंट किया जाय। उसके लिए जरूरत यह है कि जों घटनाएं सामने आई हैं उन घटनाओं के बारे में इनक्वायरी करा कर और पता

लगाने के बाद कोई ऐसा कम्प्रीहेंसिव अर्मेडमेंट ला कर कम्पनी ला को अर्मेड कर लिया जाय। कम्पनी ला कानून को इस तरह से संशोधित रूप में पास करा सके जिससे कि वह तमाम लूपहोल बन्द हो सकें।

अभी मेरे मित्र माननीय सदस्य डा० सिधवी ने डी० जे० ग्रुप की कुछ कम्पनियों की इन्क्वायरी के लिए एक इन्स्पेक्टर की बहाली के केस को रैफर किया था। इन्स्पेक्टर के कंटेक्टर पर आक्षेप सा मालूम पड़ता है। मैंने भी उस किताब को जिसमें से उद्धृत किया गया है पढ़ा, तो मालूम हुआ कि उनकी बरखास्तगी जिस दिन हुई थी उसके दो दिन बाद उन्होंने रिपोर्ट दी। जिस वक्त वह सर्विस में नहीं थे और जिस वक्त उनको अधिकार नहीं था, उन्होंने अपनी रिपोर्ट दी और उसके एक वर्ष बाद उसमें कुछ अर्मेडमेंट किया। यह एक साजिस सी मालूम होती है। किसी एक खास ग्रुप या व्यक्तियों को दोषी ठहराने की साजिस सी मालूम होती है। उचित तो यह था कि उसी वक्त अपनी रिपोर्ट देते जब कि उनको हटाया नहीं गया था। उससे यह साबित होता कि उनका ईमान ठीक है और वह उचित रिपोर्ट दे रहे हैं। अब उन इन्स्पेक्टर महोदय के लिये यह तो उचित नहीं था कि अपने डिसमिसल के दो दिन बाद, अपने पद से हट जाने के बाद रिपोर्ट दें और एक वर्ष के बाद उसमें अर्मेडमेंट हो।

मैंने बोस कमीशन की रिपोर्ट को गौर से देखा है और पढ़ा है। उसमें गवर्नमेंट के कानूनी सलाहकारों ने यह सलाह दी कि जो फेक्ट्स या सबूत सामने आये हैं उनकी बिना पर उन कम्पनियों के खिलाफ कोई कानूनी कार्यवाही नहीं की जा सकती है। उस किताब में एक जगह ऐसा लिखा हुआ है :—

"We believe that Government's desire was to expose the malpractices in the various Dalmia concerns. I suggested to the Solicitor General that this object would be fulfilled perhaps very adequately by the appointment of a commis-

[श्री द्वा० ना० तिवारी]

sion of enquiry under the Act  
XVI of 1952."

कल एटार्नी जनरल की रिपोर्ट का फर्स्ट पार्ट हाउस की टेबल पर रख दिया गया है। उसको मैंने पढ़ा है। कहीं पर भी उन्होंने नहीं कहा है कि जो फैक्ट्स या सबूत हमारे सामने हैं उनके आधार पर कोई लीगल कार्यवाही की जा सकती है, कोई क्रिमिनल या सिविल केस दायर किया जा सकता है। ऐसा करने के लिए फरदर प्रोव की जरूरत होगी और आवश्यक मैटीरियल जुटाना पड़ेगा। बहुत सी हिसाब किताब सम्बन्धी किताबें जला दी गई हैं। पर्याप्त सबूत मुलभ हैं या नहीं। कुछ पाकिस्तान में हैं तो कुछ कहीं और हैं जो कि मिल नहीं सकते हैं। इसलिए उन कम्पनियों के खिलाफ कोई कार्यवाही करने की राय सरकार के कानूनी सलाहकारों और वकीलों की नहीं है क्योंकि उसके लिए आवश्यक व पर्याप्त सबूत मौजूद नहीं हैं। ऐसी हालत में हमारे पास एक ही उपाय रह जाता है कि हम कम्पनी ला में संशोधन करें। इसके लिए जरूरी है कि हम और भी सब कम्पनियों के बारे में इनक्वायरी करें और पता लगायें कि उनमें क्या क्या मैल प्रैक्टिसेज हो रही हैं। यह हकीकत है कि आज की सिचुएशन में कम्पनी कानून में संशोधन होना लाजिमी है क्योंकि हमारे उसके हम सिचुएशन को भीट नहीं कर सकेंगे। जिस वक़्त शुरू में ओरेंजनल ला बनाया जाता है तो उस समय भारी सिचुएशन और सब सरकमस्टेंसेज तो ध्यान में आते नहीं हैं और जो कानून बनता है वह केवल उस समय की परिस्थिति के अनुसार ही बनता है। लेकिन उसकी वक्रिंग में जैसे जैसे आगे खामियां नज़र आती हैं, जो जो उनमें लूप होल्स मिलते जाते हैं उनको प्लग करने के लिए कानून में संशोधन करना जरूरी हो जाता है। इसलिए मैंने कहा है कि एक कम्प्रीहेंसिव ग्रंथमेंट लाने के पहले हम और बिचनेस हाउसेज को भी देखें। अभी काफी

लूपहोल्स हैं जिनको फ्लग किया जाना है।

इस सदन में एक प्रश्न का जवाब देते हुए बतलाया गया कि टाटाज जो कि एयर इंडिया इटरनेशनल के मैनेजिंग एजेंट्स हैं, उनकी हवाई कम्पनी को हम सामान खरीदने के लिए ढाई परसेंट कमिशन देते हैं। यह गवर्नमेंट कंसर्न है और उसके वह चैंबर-मैन हैं, तब भी वह ढाई परसेंट कमिशन का या नफ़ा पाते हैं। मेरा कहना है कि इन सब चीजों के बारे में इनक्वायरी कराई जाय।

**एक माननीय सदस्य :** इनक्वायरी में खर्च बहुत आता है।

**श्री द्वा० ना० तिवारी :** अब खर्च ज्यादा होता है इसलिए नाजायज चीजें हम होने दें, यह कहा तक उचित होगा? सवाल तो यह है कि अगर इस तरह की नाजायज चीजें चलती हैं तो उनकी अवश्य जांच कराई जाय, उसमें खर्च हो या न हो, इसका कोई सवाल नहीं उठना चाहिए। जरूरत तो इस बात की है कि जहां भी ऐसी गलत चीजें होती हों, उनको जांच कराई जाय और उनको रोका जाय। इस तरह की अनियमितताओं को सरकार को रोकने की कोशिश करनी चाहिए। दूसरी कम्पानियां भी वही या दूसरी गलत चीजें करें। उन के खिलाफ कोई नोटिस न लिया जाय और किन्हीं एक या दो कम्पानियों के खिलाफ ही सरकार प्रोसीड करे तो वह डिस्ट्रिक्मिनेशन का सवाल आ जाता है। इस बारे में एक युनिफार्म पॉलिसी बताना चाहिए और अगर किसी तरह की गड़बड़ियां और गलत बातें दूसरी कम्पनियों में भी हो रही हों तो उनके साथ भी वही बर्ताव होना चाहिए जैसा कि कुछ के साथ किया जाय। ऐसा न हो कि गवर्नमेंट किसी का फेवर करे या किसी के खिलाफ काम करे।

तीसरी बात मैं यह कहना चाहता हूं कि बोस कमीशन की रिपोर्ट में कई जगह

कंटेडिक्शंस हैं क्योंकि वह लोग एक निर्णय पर पहुँच नहीं सकते थे । उन्होंने कहा है :—

“The plea of dissolution of the group as from 31st May, 1948 has failed . . . In the circumstances, it has not been possible for us to decide affirmatively whether there was dissolution of the group and if so, its date.”

वह इस बारे में श्योर नहीं हैं कि डिम्सो-सयूशन हुआ या नहीं और हुआ तो किस बेट से हुआ ? फिर वह कहते हैं :—

“ . . . it would not be right to say that he necessarily knew—he means Shri Shanti Prasad Jain—that a particular deal was crooked and still less to say that he actively associated in bringing it about.”

अगर रिपोर्ट ध्यान से पढ़ी जाय तो मालूम होगा कि उसमें कई जगह ऐसी बातें हैं जिनसे मालूम होता है कि पर्याप्त आधार की कमी है और इस कारण लीगल कार्यवाही मुमकिन नहीं है । लेकिन मैं यह नहीं कहता कि जहाँ किसी अनियमितता के सम्बन्ध में सरकार कार्यवाही कर सकती थी वह न करे, अवश्य उसके खिलाफ़ प्रोसीड करे । मैंने अपने अमेंडमेंट में दिया है कि एक कम्प्रीहेंसिव इनक्वायरी हो और तब कम्पनी ला में अमेंडमेंट लाया जाय । साथ ही डिलिक्वेंट्स को अवश्य सजा दी जाय । अगर उनके पास हों । लेकिन यह अवश्य है कि मुकुन्दमेवाजी केवल हवा में नहीं चल सकती है । हमें यह भी ध्यान में रखना होगा कि जिस समय कम्पनी ला कम्प्रीहेंसिव नहीं था उस समय क्या प्रचलित था उसको जानने के लिए हमें यह देखना होगा कि बिजनेस हाउसेज की मसलन् जे० के० मफत साल ग्रुप और टाटा आदि की क्या परिपाटी थी । उस वक्त एक परिपाटी सी हो गई थी और उसके अनुसार सब लोग चलते थे । उसमें मैंने इनक्वायरी नहीं की । इसलिये

मैं यहाँ तक जवाब नहीं दे सकता । लेकिन यह मैं भी और आप सभी लोग जानते हैं कि एक ही कम्पनी में नहीं बल्कि अन्य कम्पनियों में जैसे बिड़ला और टाटा की कम्पनियों में पूँजी बहुत अधिक बढ़ी है । यह कैसे हुआ ? मजदूर काम करते करते मरे जाते हैं, खाने को नहीं मिलता है । कोई एक वकील है वह बड़ी मुश्किल से एक मकान बना सकता है । इसी तरह से १००० या २००० रुपये मासिक की नौकरी वाला है वह बहुत मुश्किल से पसा बचा पाता है । यह प्राइवेट कम्पनी वाले लोग कैसे लाखों और करोड़ों रुपया बचा लेते हैं । इसके पीछे आखिर कोई राज तो होगा ही । साफ जाहिर है कि यह हम को ठगते हैं पब्लिक को ठगते हैं और गवर्नमेंट को ठगते हैं । गवर्नमेंट को जो उनको इनकमटैक्स आदि का पैसा देना चाहिए वह छिपा लेते हैं । फर्जी हिसाब बढ़ियाँ बना कर टैक्स को ये लोग चोरी करते हैं और इस तरह से अमीर बनते हैं । इनकी कम्पनियों में जनता जो शेयर्स लेती हैं उनको ठीक से युटिलाइज न करके यह लोग घाटा दिखला देते हैं । होता यह है कि पब्लिक का पसा मरा जाता है । शेयर्स अपने जनता में बेच देने के बाद इनके द्वारा उचित कार्यवाही के अभाव में शेयर्स के दाम घटने लगते हैं । उस मोके पर आप खरीद लेते हैं और जब शेयर का दाम बढ़ता है, तो उनको बेच देते हैं । इसी से नफ़ा होता है ।

अन्त में मैं सरकार से कहूँगा कि यह जरूरी है कि इस बारे में एक कम्प्रीहेंसिव एन्क्वायरी की जाए और उसके बाद हम कम्पनी ला को दुरुस्त करने के लिये कोई स्टेप लें, जिससे पब्लिक ठगी न जाये । यह जरूरी है कि कम्पनी ला में हम अमेंडमेंट करें और जो कसूरवार हों, उनको सजा दें ।

Dr. L. M. Singhvi: Sir, it is a matter of great regret that the Government is not able to make itself represented by the Minister in charge,

[L. M. Singhvi]

who is piloting the motion or a Cabinet Minister. I have great respect for the Deputy Minister who is present here, but it is not enough to say that any Minister may sit here merely as a mark of respect to the House, as a formal token. Time and again the Chair has ruled that it is very necessary for the Government to ensure that somebody in charge of the Ministry should be present. What is this? After all, we are not making speeches in the air.

**Shri A. C. Guha (Barasat):** On behalf of the Minister, I can say that he has gone to take lunch and he would be back very soon.

**An Hon. Member:** What about the Cabinet Minister?

**Shri A. C. Guha:** He is unwell; otherwise, he would have taken up the discussion.

**The Deputy Minister in the Ministry of Economic and Defence Coordination (Shri Jaganatha Rao):** I am noting down the points.

**Shri S. M. Banerjee (Kanpur):** Sir, I have heard with rapt attention the speeches delivered by my hon. friends both on this side and on that side. I have a feeling that this particular report of the Vivian Bose Commission is really a pointer to our Government and it is for them to decide whether even after this, they should behave in this fashion and not institute enquiries into the other big business-houses.

My hon. friend, Shri Himatsingka, for whom I have the greatest respect, wanted to represent the case of some business-house. I do not want to take up the time of the House in answering the various points, but I would only request him to search his own heart, look into the papers which were laid before the House yesterday regarding the New Asiatic Insurance Company and come to the conclusion whether a probe is necessary into that concern also or not.

I agree with the suggestions given by my hon. friend, Shri Daji. The question arises, why right from 1953 Messrs Dalmia and Shanti Prasad Jain were not arrested or not prosecuted. I have in my possession the copy of a letter written by Shri N. K. Petigara, who is the Solicitor for Mulla and Mulla, which I took your permission, Sir, to read. It is one of the documents exhibited before the Commission.

**Mr. Deputy-Speaker:** Was it referred to the Commission?

**Shri S. M. Banerjee:** It was an exhibit before the Commission.

**Dr. L. M. Singhvi:** It is not in the report, but it has been published.

**Shri S. M. Banerjee:** The letter is dated 10th September, 1954. I read this because I have a feeling that that the Attorney General's report, whether it is the second part or the first part, gives the same feeling of hesitancy and halting position. This is a long letter written to one Shri Kasbekar, Deputy Secretary, Ministry of Finance, Department of Economic Affairs. I would read certain passages from this just to prove that either the Government had no case or Government never wanted to proceed against the Dalmia-Jain concerns.

Sir, I read—

“In the morning of 8th instant, I have met the learned Solicitor General—” (who is now the Attorney-General)—“... at his residence and had discussed the position with him. While discussing the legal aspects of the position at Simla and mentioning to him certain authorities which I considered might be helpful in making the East Punjab High Court change its views in respect of the argument that offences falling under the Indian Company Act cannot be investigated into and tried under the provisions of the Code of Criminal Procedure and the Indian Penal Code. I

discussed this question of breach of trust. We believe that Government desire was and is to expose the malpractices in the various Dalmia concerns and I suggested to the Solicitor General that that object would be met perhaps more adequately by the appointment of a Commission of Inquiry under Act LX of 1952."

Then it says:

"The Solicitor General expressed his views in the morning to me and repeated them in the afternoon at the meeting that he thought that there was a matter of public importance involved and that a commission of inquiry could be appointed under the provisions of the aforesaid Act."

Then, Sir, he said what should be the terms of reference etc. When we read Part I and Part II of the report—I specially mention Part I because there they have suggested a further probe—we find that the Attorney-General who was then the Solicitor General gave the same advice in 1954 which he has given in 1963. That is the tragedy of the whole thing. It clearly reveals, as I said in the beginning—I am not a lawyer,—that either the case was too weak for prosecution or this commission was appointed to expose the malpractices. Can Government spend nearly Rs. 30 lakhs merely for exposing? Now, after submission of this report, when this report was referred to the Attorney General and also to an eminent jurist, Shri Sastri, a man of unquestionable integrity, I am told, their report—I have read it—is the same that further probe is necessary.

Sir, it is something really surprising to me in two respects. When I read the Attorney-General's report on the report of the Dalmia-Jain Commission under Vivian Bose and the Solicitor-General's report—the present Solicitor General, Shri H. N. Sanyal—on the New Asiatic Insurance—the report into the Birlas which clearly establishes gross irregularities, in the case

of Birlas Shri Sanyal has said that it is a question of errors and in the case of Dalmia-Jain Group it is shown as "justified impression of wholesome bungling with funds and it is held to be fraud in the popular sense and not legally actionable". Sir, I may be excused, because without imputing any motive on the judicial sense or sense of justice of the learned Attorney-General and Solicitor-General, I must say, either in the Dalmia-Jain Group case or in the Birla's case, unfortunately, one of our greatest jurists has acted as a slave of big business.

**Dr. L. M. Singhvi:** Sir, this is an unfortunate expression.

**Shri S. M. Banerjee:** It is not unparliamentary. I only said that he acted as a slave.

**Mr. Deputy-Speaker:** Order, order. He should not use such a word. He should withdraw that word.

**Shri S. M. Banerjee:** I withdraw.

**Mr. Deputy-Speaker:** Such expressions should be avoided.

**Shri S. M. Banerjee:** I want to know from the Government one thing. I have an article with me which appeared today in *Patriot*, an article by an eminent lawyer by name Shri R. K. Garg. He has expressed his opinion under the head line: "Arrests must follow Bose findings" I would like to know from the hon. Minister whether arrest was possible in 1953, in 1954, in 1955, in 1956 or even in 1963. If that is not possible even now, what are we after?

**Shri Daji:** Even the books have not been seized.

**Shri S. M. Banerjee:** Anyhow, it is clear from the letter of Mr. Petigara to Shri Kasbekar, Deputy Secretary in the Ministry of Finance, which I read a few minutes before, that this hesitancy was already there.

Then, Sir, inspectors have been appointed. One inspector has been appointed to go into the affairs of four

[Shri S. M. Banerjee]

other concerns. This inspector, Shri Chopra, collected certain documents, and after so many years the same inspector has been appointed. My information is—he may be a man of integrity—when he was asked to enquire and make a preliminary enquiry in Bombay and Calcutta, he was staying in Hotel Nataraj, the costliest hotel in Bombay and he was staying in the most luxurious suit in Hotel Grand the costliest hotel in Calcutta. Who was bearing the expenses? Sir, I make bold to say, with courage and confidence, that this inspector was appointed at the instance of Shri S. P. Jain and all his expenses were borne by Shri S. P. Jain. Otherwise, Sir, no ordinary man, no man of his status dares to stay in Hotel Nataraj which is costlier than Taj. I would like to know if such inspectors would be helpful in the matter.

Then I come to the other point, and that is about the report which was laid on the Table of the House yesterday. A question about the New Asiatic Insurance Company was put by my hon. friend Shri Daji to the hon. Prime Minister to which he replied—in the papers it is said:

"Mr. Nehru said: 'It is obvious that it is physically not possible to place this (auditors' reports) on Tuesday.'"

As you know, Sir, the report of Shri H. N. Sanyal was placed before this House. Other reports were also placed. His demand was that the auditor's reports should be placed. He placed a copy of the summary of the auditors' report on the Table of the House when the Demands for Grants relating to the Law Ministry were being discussed here. The Prime Minister replied:

"Mr. Nehru added: 'Now normally we would not have done so. The Solicitor-General had said that if his private communications to the Government are placed

before the House, he cannot be frank.'"

What is this frankness, Sir? Why is it that he cannot be frank? Sir, there is a history behind it. The present Solicitor-General was defending the case of Birlas in the matter of income-tax as senior counsel when Shri Vishwanatha Sastri, one of the jurists who have gone through the report of the Vivian Bose Commission, was the Chairman of the Income-tax Investigation Commission. Shri H. N. Sanyal, the present Solicitor-General as the Chief Counsel and the present Law Minister, Shri A. K. Sen, as his junior, were representing the case of Birlas in the matter of Income-tax pleading with Shri Sastri that they were honest people and that no action should be taken against them. Now, it is most unfortunate that they are the persons who should sit on the judgment of this New Asiatic and Ruby case. It is really a sad affair. It is really a sad commentary of our judiciary, a sad commentary of the democratic traditions of our country, if we are to hold the banner of democracy in this country. I mention this point because of this report. Much has been said by Shri Himatsingka. After all, what is New Asiatic Company. I have not got the 140-pages auditors' report. I have got a copy of the summary which was laid on the Table of the House by Shri Daji and which has been circulated to us yesterday in hundreds by some people. The auditors were: Shri S. Ghose and Shri Suresh G. Mathur, one belonging to Delhi and the other to Calcutta. They have come to certain conclusions with regard to the New Asiatic Insurance Company. What are those conclusions?

"(1) That the company has wilfully manipulated books of accounts from year to year for the purposes of suppressing losses up to 1956 which so far as known to us amount to Rs. 18,15,224 and the Balance Sheets for the year 1952



to 1956 do not represent the true and correct state of affairs of the Company (Refer page 23 of the report).

(2) That the company has withdrawn large sums by manipulating the accounts which so far as known to us amount to Rs. 11,79,705 without disclosing the nature of payments and used for purposes best known to the company (Refer page 68 of the report).

(3) That the company was keeping large sums blocked both from Life department and the General department in the nature of "Badla" transaction which is not expected from either Life Insurance Company or General Insurance Company (Refer pages 69 and 115 of the report)."

In another conclusion they have mentioned certain irregularities and they have said that the company has wilfully manipulated and falsified books of accounts from year to year both in life department and in general department or revenue account and the balance sheets for these years do not represent a true and correct state of affairs of the company (Refer pages 12 to 86, 104 to 122 of our report).

**Mr. Deputy-Speaker:** The hon. Member's time is up.

**Shri S. M. Banerjee:** I had requested the Speaker that I may be given a little more time, and he had agreed

**Mr. Deputy-Speaker:** Fifteen minutes.

**Shri S. M. Banerjee:** I had requested the Speaker for some more time, because I have studied this.

Kindly give me five minutes more.

**Mr. Deputy-Speaker:** Yes, he may conclude in another two or three minutes. We have got a long list.

**Shri S. M. Banerjee:** I shall finish within five minutes.

I shall read from this report for the education of my hon. friend Shri Himatsingka and for other Members of the House who think . . .

**Shri Himatsingka:** Have you read the answer of the company?

**Shri Daji:** It is not convincing at all.

**Shri S. M. Banerjee:** It is not at all convincing. That is why I demand . .

**Shri Himatsingka:** You will never be convinced.

**Shri Daji:** It is a statement of the accused, not a defence.

**Shri S. M. Banerjee:** Action should be taken against Dalmia-Jain ruthlessly, but action should also be taken against others and immediately a commission should be appointed to go into the big business houses. Especially, inspectors should be immediately appointed to go into the accounts of the Ruby General Assurance Co. as well as the New Asiatic Insurance Co.

**Shri D. N. Tiwary:** Accept my amendment.

**Shri Daji:** I will accept it.

**Shri S. M. Banerjee:** Your amendment is here, and I would be glad to accept it.

My hon. friend Shri Himatsingka said that Shri Homi Daji has quoted his Bible, that is the report of R. K. Hazari. This report has completely unnerved the already nervous people. It clearly says:

"There is the heterogeneous mass of companies which are created and managed through nominees to avoid the burdens of taxation or restrictions imposed by the Companies Act, or for providing gainful employment to relatives, friends and dependents. The legal ties may be tenuous or non-existent, but it is not difficult

to find out the controlling interest behind them and generally no own purposes."

And he has said about Birla very clearly:

"The Birla chain is the most complex of all. One cannot find any single principal company in the Birla Complex, to which ultimate control can be traced on a purely inductive basis. Controlling investments are dispersed over a phenomenally large number of corporate investors, trusts, and individuals, many of whom are not members of the Birla family nor even top executives of the Group. Controlling equity in most of their leading Industrial companies is held mostly in the names of Investment companies registered in the States of Madhya Pradesh and Rajasthan".

If this is allowed to function, I am sure, Sir, that some day Madhya Pradesh and Rajasthan will become Birla Nagar and what not. And he says:

"Moreover, investments by Industrial companies in technically unrelated concerns, and a kind of circular blow by means of which controlling funds return to their starting points, are utilised for controlling the far-flung Complex."

**Mr. Deputy-Speaker:** We are not concerned with it; we are concerned here with the Vivian Bose committee report.

**Shri S. M. Banerjee:** The Vivian Bose Committee report is about the misfeasance of a particular man-eater. But there are other man-eaters at large and they must be caught.

So my suggestion is that another commission should be appointed to go into Birlas and other concerns. In the

case of government employees there is a periodical medical test. In the same manner let there be a periodical test for these big business houses. They have nothing to lose. After all, according to my friend Shri Himatsingka, they are all pious people and good people. So why should they be afraid to face any enquiry. My submission is that inspectors should be appointed, and this particular inspector who is being fed by those against whom he is making enquiry should not be appointed. That is my concern.

Lastly, I would also request that there should be certain amendments to the Company Law, particularly where political donations are taken by the ruling party . . .

**Shri D. C. Sharma:** Every party.

**Shri Sonavame:** Your party also gets it.

**Shri S. M. Banerjee:** I did not get it, I am sorry. Please see that I get it next time.

When my hon. friend Shri Homi Daji was referring to the Ramayana and the story of the dhobi, my hon. friend Shri Mahavir Tyagi said, "After all, we are not dhobis". I would only request Shri Mahavir Tyagi and those people who are in power to start a laundry to wash their dirty linen. There should be a Nehru laundry in which some progressive dhobis should be appointed to wash the dirty linen in this country, to make the Congress more pure, to take out this black money which is in the hands of the big business houses; and clean it and make it white, so that the country which needs money prospers in the right direction.

श्री अचल सिंह (आगरा) : उपाध्यक्ष महोदय, बोस कमीशन की रिपोर्ट के कारण प्राइवेट सेक्टर जगत में आज बड़ी बेचैनी घबराहट और परेशानी पैदा हो गई है, मुझे डर है, हमारी भारत, की इंडस्ट्री जो कि

बहुत बड़ी है, उस पर बड़ा बुरा असर पड़ने जा रहा है। शुरू में जो ब्रिटिश गवर्नमेंट थी तो उसने प्राइवेट इंडस्ट्रियलिस्ट्स को एनकरेज नहीं किया। जो खुद इंडस्ट्रियलिस्ट्स थे, उद्योगपति थे, उन्होंने इंडस्ट्री को बढ़ाया। ब्रिटिश गवर्नमेंट ने पब्लिक सैक्टर में इंडस्ट्रीज कायम नहीं की क्योंकि उसमें उनका कोई फायदा नहीं था। उस समय जो कम्पनी ला बना उसमें काफी लूप होल्स थे और आज भी हैं। ब्रिटिश गवर्नमेंट ने इस तरफ कोई ध्यान नहीं दिया जिस कारण इंडस्ट्रियलिस्ट्स को अपनी मनमानी करने का पूरा मौका मिला खास तौर से लडाई के दमर्गन में जब कंट्रोल्स लगे थे तब इंडस्ट्रियलिस्ट्स को बहुत ज्यादा मौका मिला नाजायज फायदा उठाने का।

अक्सर उद्योगपतियों से बातें होती हैं और छोटे या बड़े इंडस्ट्रियलिस्ट्स का कहना है कि गवर्नमेंट का कानून इस किस्म का है कि अगर उसके अनुसार वे चलें तो उनकी तमाम इंडस्ट्री बन्द हो जायेगी। उनके ऊपर जो इनकम टैक्स और मुपर टैक्स आदि की बन्दिशें हैं अगर उनके अनुसार वे काम करें तो उनको कोई मौका नहीं है कि वे अपनी इंडस्ट्रीज को बचा कर उनसे पूरा फायदा उठा सकें। ऐसी सूरत में अगर हमारी सरकार ने इस पर गम्भीरतापूर्वक विचार नहीं किया तो मुझे डर है कि हमारे भारत की इंडस्ट्रीज को बड़ा भारी धक्का लगने जा रहा है। उनकी वजह से हमारी फाइनेन्शियल कंडीशन पर असर पड़ेगा क्योंकि हमारी सरकार की कोशिश है कि हम लोग ज्यादा से ज्यादा माल तैयार करें और बाहर भेजें।

यह ठीक है कि उद्योगपतियों ने, चाहे वे छोटे हों या बड़े हों गत वर्षों में बहुत नाजायज फायदे उठाये हैं। इसका बड़ा कारण यह था कि हमारी गवर्नमेंट ने इस तरफ कोई ध्यान नहीं दिया। बस तो हमारे देश में लोगों का नैतिक स्तर काफी गिरा हुआ है। क्या व्यापारी, क्या धर्मी, छोटे से लेकर बड़े उद्योगपतियों तक, जिस आदमी को मौका मिलता

है वह फायदा उठाने की कोशिश करता है और काफी फायदा उठाता है। इस सम्बन्ध में हमारी सरकार को बड़ी गम्भीरतापूर्वक विचार करना पड़ेगा कि हम जिस प्रकार से लोगों के चरित्र को ऊंचा करें, चाहे वह इंडस्ट्रियलिस्ट्स हों चाहे जनता हो, चाहे चाहे दुकानदार हों चाहे व्यापारी हों। इसी वजह से देश को काफी नुकसान हो रहा है।

जब हम अपने पब्लिक सेक्टर की तरफ देखते हैं जहाँ पर हमारी गवर्नमेंट का इन्तजाम कि है उन्होंने कितना फायदा उठाया तो वहाँ एक अजीब चीज है। अभी हमने देखा कि जो हिन्दुस्तान स्टील है, जिसमें हमने बहुत बड़े बड़े लोहे के कारखाने खोल रखे हैं, उन में करीब साढ़े सात सौ करोड़ रुपये हमने लगाये हैं, उनमें ४० करोड़ रुपये का घाटा है मैं कहना चाहता हूँ कि जिस फैक्ट्री का एडमिनिस्ट्रेशन या इंचार्ज ईमानदार होता है, अच्छा होता है, उसको फायदा होता है और जहाँ कर्प्शन होता है वहाँ पर नुकसान होता है। उसमें लीकेज होता है, काफी भाल चोरी हो जाता है और काफी गड़बड़ी होती है। बहुत सी पब्लिक सैक्टर इंडस्ट्रीज हैं, जिनमें गड़बड़ी हो रही है क्योंकि वहाँ का एडमिनिस्ट्रेटर ठीक नहीं है वहाँ पर इन्तजाम ठीक नहीं है। हम अपना एक अक्सर भेज देते हैं जो कि एडमिनिस्ट्रेशन तो जानता है लेकिन यह नहीं जानता कि व्यापार किस तरह से होता है। इसका नतीजा यह होता है कि उसकी गफलत से, उस की गलती से, काफी नुकसान होता है। जब कि हमारे उद्योगपति इस समय में करोड़ों रूपयों का इनकम टैक्स देते हैं, मुपर टैक्स देते हैं, और काफी फायदा उठाते हैं तब हमारे पब्लिक सेक्टर में नुकसान होता है।

मैं मंत्री महोदय से कहूंगा कि यह मवाल बहुत अग्रह है, गम्भीर है। इस के सम्बन्ध में गवर्नमेंट और इंडस्ट्रियलिस्ट्स बैठ कर

[श्री अचल सिंह]

विचार करें, जितने भी लूपहोल्स हों उन को निकालने की कोशिश करें। हमारे कम्पनी सा में बहुत सी खामियां आज भी मौजूद हैं, अगर हम ने उन को खास तौर से दूर नहीं किया तो इस का नतीजा हमारी इंडस्ट्रीज पर बहुत बुरा पड़ेगा। इसलिए मैं तो कहूंगा कि हमारे यहां प्रजातन्त्र है, यह बिल्कुल ठीक है, हम को अपने मारल्स को उठाना है, ठीक-ठीक काम करना है, लेकिन हमें यह अनुभव नहीं है कि वह किस तरह से हो सकता है। इस के लिए मेरा सुझाव यह है कि छोटे और बड़े इंडस्ट्रियलिस्ट्स और गवर्नमेंट बैठ कर आपस में सोचें कि किस तरह से वे इस बुराई को दूर कर सकते हैं और गवर्नमेंट को फायदा भी हो और ठीक-ठीक काम हो।

हम देखते हैं कि आजकल अकाउंट्स दो तरह के रक्खे जाते हैं। गवर्नमेंट को दिखलाने के और होते हैं और प्राइवेट तौर से और होते हैं। इस से टैक्स का बड़ा नुकसान गवर्नमेंट को होता है। साथ ही पब्लिक में भी बेचैनी पैदा होती है। अगर हम ने इस बुराई को दूर करने के लिए कानून का सहारा लिया तो उस का तरीका तो ऐसा होता है जो कि बहुत लम्बा और खर्चीला होता है और परेशानी का होता है। मैं निवेदन करूंगा कि हमें कोई ऐसा तरीका निकालना चाहिये जिस से हमारे देश की इंडस्ट्री जो बढ़ रही है और पनप रही है उस को नुकसान न पहुंचे और वह ठीक काम करे।

..Shri Sham Lal Saraf (Jammu and Kashmir): Mr. Deputy-Speaker, Sir, I have been hearing speeches from yesterday on the Vivian Bose Commission Report, which is being discussed for the last two days and, irrespective of the intentions with which my hon. friends have spoken, I feel there has been less of objectivity and more of generating heat. I wish some more light was thrown so that we could draw conclusions that would be helpful to us today and for the future.

In the Report that is given to us, all that is pointed out or highlighted is a matter for deep thought and deep consideration for all of us. On the one hand, we want a clean public life, no doubt. At the same time, we want a clean corporate life as well, a clean commercial life in the country. When we do that, it will bring us nearer to our objectives, political, economic and so on and so forth.

As far as this Report is concerned, I would divide it into three portions. Firstly, the present-day position of our businessmen in our country. That is to say, due to circumstances, or due to past history, immediate past history, certain individuals or certain groups have got opportunities to establish industries and double or treble their capital in a very short time. On the one hand, I do appreciate one aspect of it, and that is this. In spite of the fact that we had British rule in our country and that our then rulers were apathetic towards our industries and our industrialists, some industrialists of our country have done their best, which has certainly helped the economic and industrial cause of our country. As far as that aspect is concerned, I appreciate the steps they have taken and the results which they have achieved which we see today. In fact, it was a small industrial base that was created by some of our pioneers. Among them, I will include Tatas as No. 1. They started and built an industrial base at a time when the conditions were absolutely unfavourable and India was not a free nation. When the working of those concerns in those days is taken into consideration, one is amazed as to how things have happened, as to how they survived and how they reached the present position, about which many people know little and some nothing.

I am very much thankful to the Government for setting up this

Commission, for the inquiry they have held, which has brought to light many things and provided a lot of food for consideration and thought for all of us.

When I talk about the working of these concerns, I have to say that I have dealt with Company Law Administration in my State for some years and I know that even before 1956 the State Governments had the power and authority to go and look into the working of these concerns, specially the issue of capital, increase in share capital, transfer of capital, transfer by *benami* transactions etc. They can always be dealt with under the law. If they have not been brought to book, I am surprised how it has happened. I wish Government should have made a thorough inquiry, or should make an inquiry on these lapses by some business houses. Irrespective of whether the lapse is on the part of the State Government or the Central Government, a thorough inquiry should be made and the persons guilty brought to book.

So far as companies are concerned, whether public limited companies or private limited companies, I quite agree with the findings in the Dapthary-Shastri report that, as far as policy decisions are concerned, that is the responsibility of the directorate, the board of directors. So far as the detailed working of the concerns is concerned, that need not be the responsibility of the directors. But, then one question arises. Even in the matter of details where large amounts are involved, where payment of large amounts as compensation is involved I am pretty sure in my mind that such transactions and such sanctions cannot be given without the knowledge of the directors. They can never be given without the sanction of the directors. Therefore, as far as that part is concerned, it is again a matter of investigation, a matter for inquiry, as to how these things have happened.

For instance, mention was made about the Ruby General Insurance Company and another insurance

company. There also, we find from the reports, policy matters are not involved; as far as I can understand, only remission of compensation involving big amounts is there. So, it is a matter for investigation, if is a question for proper understanding whether such things could be done without the knowledge or without the test approval if not detailed approval, of the board of directors. Therefore, that matter needs to be investigated.

While the Government has to play the role of a watchdog and see that, in the present context of things, corporate life develops in this country, as I have already said, we are very anxious and very particular to see that the entire country has a clean public life; at the same time, it must also have a clean corporate life. As far as corporate life of the country is concerned, we have just made a small beginning. I do not agree with my hon. friends here, on both sides of the House, who have tried to focus attention on the trunk of the proverbial elephant and throw as much dust and dirt on the Government as possible. I am not one with them and I cannot be one with them. Because, to my mind, the corporate life has just had a small beginning in our country. There may be a few individuals, there may be a few cases of big concerns here and there, which can be counted on one's fingers. So, on the whole, as far as corporate life is concerned, it is not there at all. If I ask so many Members of Parliament here how many of them have invested their money howsoever small that might be in shares here and there in the industrial concerns, I am sure I will find only a few. Therefore, unless we develop that corporate life in the proper sense of the term, I am sure our industries cannot go ahead, consistent with our principles, consistent with our objective of socialism in our country. Therefore, creating a sort of, what you call, unhelpful atmosphere which, rather than helping us, will certainly retard our progress is not at all good. What I mean to say, is, after all, we are

[Shri Sham Lal Saraf]

wedded to socialism, no doubt, and our base is mixed economy. In a mixed economy, I will be the last person who will advocate that we should allow people to grow richer and richer, that we should allow people to grow fatter and fatter, that we should allow a few people to grow richer and that we should allow or permit the poor people to become poorer. I am the last person to advocate such a cause. But I do advocate a policy, which is consistent with the policy decision of this very august Parliament, that we create favourable conditions, that we create confidence among the people so that they are able to invest their savings in the corporate sector so that those small concerns may be able to give some dividends tomorrow, if not today.

In this connection, I am reminded of a fact. In 1947 when the country was divided and my part of the country was raided, there were nearly 400 to 500 Britishers living permanently in Jammu and Kashmir State. It seemed those people had invested their small savings of a few hundred or thousand pounds for a number of years in a number of concerns in their home country and every quarter or every six months or every year they used to receive their dividends with which they could make both ends meet. After that I had an opportunity to go to Great Britain and study this matter in some detail. I could find how in that country everybody had almost become investment-minded with the result that it did create conditions that today I can say that that country is going more towards a welfare state than India or any other country that boasts of socialism or of any other pattern of economy.

My point is that to whitewash or blacken everybody with one brush will not be a correct thing to do. About the group, A, B or C group, the working of which has come to light, certainly we will demand of the Government that the law must take its course. They must be brought to

book and the Government must see what action they will take and how they will take it so that it will be perfectly under the law and not against the law. But I am not one of those who will straightway take the entire private sector and blacken it. I am absolutely opposed to that way of working.

The big businessmen are not there because they wanted to be there. It is because of circumstances, because of our Constitution, our way of working, way of life in our country that they are there. I know personally some of the groups for whom I have got very great respect. I can say without fear of contradiction that some of them are perfect in their working. Once you decide that such business houses should not be there, once this Parliament takes a decision like that, there will be none of them here. When that is not the position, when our destiny is something else on which we are working, we, all of us, must be very careful in selecting our words and in speaking. Certainly, if for such of the people and such of the corporations as may be found guilty, the law that is there is not adequate, we may amend the law to the extent as would meet with the demands of the present times.

When I come to the points that have been brought out by the Vivian Bose Commission, I find that our Government has to do a lot. First of all, Government has to have a lot of heart-searching as to whether under the law that was on the statute book till the day these things had happened at all stages proper action was taken and whether persons who were responsible or who were supposed to take action under the law had taken that action or not. If they have not taken action, the Government should take action against them. Then, the Government should see how all these loopholes can be plugged and plugged immediately. That is very important and we should certainly look in that direction.

In corporate life the auditors' job is a very, very important job. Some of my hon. friends, perhaps Shri Daji, suggested that the auditors' service should be nationalised. I do not know its implications straightway but I do feel that the auditors should function in a way that they have very little liberty left to hobnob with the account heads and what-nots. No doubt, up till now the auditors and auditors' companies had to get themselves registered with the Government. But that alone is not enough. A number of things have come out. If these auditors, accountants and others had not been helpful in these transactions, I think, perhaps these transactions may not have come to light at all or may not have happened at all, I may say that there is a strong feeling in my mind that, may be, it is an auditor who may have shown the way for manipulating the account-heads and what-nots. Therefore it is very important that we take these people to account.

One more point and ....

**Mr. Deputy-Speaker:** There is a large number of hon. Members who wish to speak. So, he should conclude.

**Shri Sham Lal Saraf:** I will not agree with some of my hon. friends who have generalised their observations against the private sector. The private sector is there. It is to function and it must function but within limitations. Those limitations should be in keeping with the spirit of the Constitution, the spirit of our decision that we have arrived at, the spirit of the Industrial Policy Resolution that this very House has adopted. I am sure that Government will look into that. Also, I will not want that there should be a witchhunt against all these big businessmen and others. I do not want that anything should be done in a vindictive manner against these very concerns against whom this Report has come. Certainly, whoever is found guilty must be punished. I hope the hon. Minister will consider all these things.

575(Ai)LSD—5.

15.00 hrs.

**श्री किशन पटनायक (सम्बलपुर) :**

उपाध्यक्ष महोदय, कल से इस रिपोर्ट पर जो बहस चल रही है उस में मैं ज्यादा कुछ जोड़ना नहीं चाहता हूँ लेकिन सिर्फ दो, तीन चीजें अवश्य इस सदन में अजुँ करना चाहता हूँ। पहली बात तो यह है कि यह जो बहस चल रही है उस का कोई महत्व नहीं है। कारण उस का यह है कि अभी तक सरकार ने इस के बारे में कुछ बताया नहीं है। अगर सरकार की तरफ से उस का रूख मालूम होता कि जो रिपोर्ट पेश हुई है उस के ऊपर क्या कार्यवाही करने जा रही है तो शायद बहस कुछ अच्छी और उपयोगी भी सिद्ध हो सकती थी। मौजूदा सेशन का आज आखिरी दिन है और आज बहस खत्म हो जाती है तो कल सदन भी खत्म हो जाता है। उस के बाद बहस का नतीजा क्या हुआ, अथवा सरकार उस के ऊपर क्या कार्यवाही करने जा रही है, इस के बारे में जानने के लिए या उस सम्बन्ध में खर्चा होने के लिए भी कोई अवसर नहीं रह जाता है।

दूसरी बात यह है कि जो रिपोर्ट हमारे सामने है उस के दो पहलू हैं। उस का एक पहलू वह है जोकि खास कर डालमिया जैन कम्पनियों से सम्बन्धित है और दूसरा सामान्य ढंग से जो अभी अर्थ व्यवस्था है देश में और देश की जो भ्रष्टाचार की समस्या है उस से सम्बन्धित है। जहाँ तक खास कर डालमिया जैन कम्पनियों का सम्बन्ध है उस के बारे में यह बहस चलाना कि यह डालमिया जैन कम्पनियाँ दोषी हैं या नहीं, यह एक अनावश्यक बहस है क्योंकि दोषी हैं या नहीं इस के बारे में प्रमाण की भी जरूरत नहीं है।

आज से १०० साल पहले जी कार्ल मार्क्स का पूँजीवाद के बारे में विश्लेषण हुआ था, प्रयोग हुआ था, हर प्रगतिशील दिमाग वाला यह जानता है कि किसी भी पूँजीवादी व्यवस्था में पूँजीवादी अर्थ संस्था का मालिक, उसकी शासन व्यवस्था को चलाने

[श्री किशन पटनायक]

वाले जरूर ठग या डाकू होते हैं। इस को प्रमाणित करने के लिए या किसी पूंजीपति को दोषी ठहराने के लिए कोई बड़ी इनक्वारी की जरूरत नहीं है लेकिन उसके खिलाफ कानूनी कार्यवाही करने और दंड दिलाने के लिए जरूर प्रमाण चाहिये। विवियन बोस की जो रिपोर्ट है उस से काफी प्रमाण सरकार के हाथ में अभी मौजूद हैं।

अभी दालमियां जैन के खिलाफ कार्यवाही न चलाने के दो कारण बताये जाते हैं। एक कारण तो यह बतालाया जाता है कि अभी जो कानून है वह पर्याप्त नहीं है। हमें काफी मैटीरियल और नये प्रमाण इकट्ठे करने होंगे अगर उनके खिलाफ कोई कार्यवाही करनी है। दूसरे यह कि जितने भ्रष्टाचार के नमूने बतलाये गये हैं रिपोर्ट में यह सब आम किस्म के हैं और हिन्दुस्तान की जितनी भी कम्पनियां हैं हर एक कम्पनी में यह सब कम ज्यादा होते हैं। लेकिन यह कोई कारण नहीं है। अगर दूसरी कम्पनियों में भी भ्रष्टाचार होता है तो उन के खिलाफ भी जांच पड़ताल होनी चाहिए। गवर्नमेंट के अभी जितने कानून हैं देश में वह बढ़िया नहीं हैं या इस ढंग से नहीं हैं जिस से कि हम कोई कानूनी कार्यवाही कर सकें, यह भी बिल्कुल गलत बात है क्योंकि अभी हाल ही में हम लोगों ने इस सदन में जो भारत रक्षा कानून पास किया है वह ऐसे मोके पर इस्तेमाल करने के लिए पास किया था जबकि आम तरीके के कानूनों को हम ठीक ढंग से ऐप्लाइ नहीं कर पायेंगे। ऐसी विशेष परिस्थिति के लिए हम ने यह खास कानून बनाया है। भारत रक्षा कानून का सहारा लेकर हम अपराधियों को सजा देंगे इसलिए यह विशेष कानून हम ने पास किया था। लेकिन हम देख रहे हैं और स्वयं अनुभव भी किया है कि इस भारत रक्षा कानून का इस्तेमाल केवल सरकार विरोधी पार्टियों के लोगों के ही खिलाफ किया जा रहा है। अभी तीन, चार महीने पहले मेरे ऊपर इस कानून का इस्तेमाल

किया गया था। मेरे ऊपर इस का प्रयोग इसलिए किया गया था कि मैंने यह आवाज उठाई थी कि किसानों पर ज्यादा टैक्स नहीं लगाना चाहिये। कुछ सप्ताह पूर्व इसी भारत रक्षा कानून के अन्तर्गत जाज फरनेर्नांडस को बम्बई में गिरफ्तार किया गया। उनको इस कानून के मातहत इसलिए गिरफ्तार किया गया क्योंकि वहां के कुछ भ्रमिक नाजायज ढंग से अपनी आमदनी बढ़ाना चाहते थे। जब किसान या मजदूर जायज ढंग से अपनी आमदनी बढ़ाना चाहते हैं तब तो इस भारत रक्षा कानून का प्रयोग उन पर किया जाता है लेकिन जब पूंजीपति नाजायज ढंग से अपनी आमदनी बढ़ाना चाहते हैं तो उनके खिलाफ इस कानून का कोई उपयोग नहीं हो सकता है अब इससे ज्यादा शर्म की बात और क्या हो सकती है खास कर इस सदन के लिए जिस ने कि एक ऐसा कानून भ्रष्टाचार और बदमाशियों को रोकने के लिए बनाया हो, वह गरीबों पर तो लागू किया जाय लेकिन अमीरों को उस से छूट मिले? जैसा कि कल कुछ माननीय सदस्यों ने कहा कि कम्पनियों में भ्रष्टाचार समाप्त करने के लिए इस भारत रक्षा कानून का इस्तेमाल किया जाय, मैं भी चाहता हूं कि सरकार इस बारे में हिचकिचाये नहीं और वहां जो भ्रष्टाचार, चल रहा है उस को समाप्त करे। मेरा कहना है कि जितनी भी कम्पनियों में गलत काम होते हैं, जो भी पूंजीपति भ्रष्टाचारी हैं, सब को सजा दी जाय। किसी एक खास कम्पनी को सजा देना बाकी खतावार कम्पनियों को नजरअंदाज करना और छोड़ देना न्याय के दृष्टिकोण से गलत होगा। अभी चूंकि डालमियां कम्पनी के बारे में प्रमाण मिले हैं और रिपोर्ट मिली है इसलिए उसके खिलाफ कार्यवाही हो लेकिन उसी के साथ जैसा कि और साधियों ने भी मांग की है दूसरी कम्पनियों और पूंजीपतियों के बारे में भी सरकार जांच पड़ताल कराये। बिडला, टाटाज और जो दूसरे दूसरे पूंजीपति



हैं उनके खिलाफ जरूर जांच पड़ताल होनी चाहिए।

जहां हम प्राइवेट सैक्टर के बारे में जांच पड़ताल करें और कड़ों नजर रखें वहां पब्लिक सैक्टर के प्रति भी हम लोगों को दृष्टि जाना चाहिए। यह ठीक है कि भ्रष्टाचार के बारे में प्राइवेट सैक्टर की कम्पनियों आम तौर से सम्बन्धित होती हैं लेकिन उन में कुछ ऐसी भी कम्पनियां हो सकती हैं जोकि पब्लिक सैक्टर से भी सम्बन्धित हो सकती हैं और इसलिए पब्लिक सैक्टर पर भी हमें निगाह रखनी होगी . . .

**उपाध्यक्ष महोदय :** पब्लिक सैक्टर और प्राइवेट सैक्टर की आज चर्चा नहीं है। आज तो विवियन बोस को रिपोर्ट पर चर्चा हो रहा है।

**श्री किशन पटनायक :** विवियन बोस कमेटी को रिपोर्ट का एक पहलू पब्लिक सैक्टर से भी सम्बन्धित है। विवियन बोस कमिशन को रिपोर्ट पर श्री दफतरों ने जो अपनी राय दी है और रिपोर्ट दी है उस में यह लिखा है :-

"This is a matter of common occurrence. Some of the richest industrialists have no house or motor car of their own. They pay nominal rents to the companies which own the houses and use the cars of managed companies freely. Under the guise of entertainment expenses they entertain themselves and their dependents and relatives."

में पूछना चाहता हूं कि इस ढंग का भ्रष्टाचार पब्लिक सैक्टर में भी होता है या नहीं होता है क्योंकि यह एक ऐसी चीज है जो कि पब्लिक सैक्टर में भी हो सकती है और हो भी रही है। कम से कम इस दृष्टि से पब्लिक सैक्टर की भी जांच पड़ताल होनी चाहिए।

**श्री मोय (अलागढ़) :** आदरणीय उपाध्यक्ष महोदय, भारतवर्ष में भ्रष्टाचार एक बहुत बड़ा अभिशाप है। इस अभिशाप को मिटाने के लिए यह सर्वश्रेष्ठ सदन अपने हर एक प्रयत्न कर रहा है। जो अभिशाप इस राष्ट्र को खाए जा रहा है, उसी अभिशाप की गाथा बोस कमिशन की रिपोर्ट में भी है, जोकि डालमिया जैन कम्पनी के सम्बन्ध में है। बहुत सी चर्चा इस सदन में इस विषय पर हो चुकी है और उस में बहुत सारी बातें बताई जा चुकी हैं। किस तरह से रुपया का गबन हुआ और किस तरह से डालमिया जैन कम्पनी ने गरीब मजलूम मजदूरों, जो शेर खरादते हैं, के घन से होला खेला यह किसा से छिपा नहीं है। इस रिपोर्ट में बताया गया है कि ११४ जालो—फिक्टिशस, नाम दिये गए, ऐसे आदमियों के नाम दिये गए, जो न इस हिन्दुस्तान में और न दुनिया में कभी पैदा हुए न कभी मरे। यही नहीं, यहां पर ऐसी कम्पनियां उठाई गईं, जिन के आधार पर उन्होंने ने कंट्रैक्ट किया, डायरेक्टर और मैनेजिंग डायरेक्टर बनाया और यह कहा कि तुम को दस हजार रुपए महाना तन्खवाह मिलेगा और बीस बरस तक तुम को रखते हैं। अगर हमने बीस बरस पहले अलग कर दिया तो पूरा खमियाजा, पूरा नुकसान देंगे। उन्होंने ने दस, बारह, सोलह दिन काम किया और उस के बाद उन को हटा दिया गया और लाखों करोड़ों की तादाद में इस तरह का खमियाजा दिया गया।

यह तमाम गाथा इस रिपोर्ट में दी गई है। उस को कह कर मैं इस सदन का ज्यादा समय नहीं लेना चाहता हूं। इस रिपोर्ट को पढ़ने के बाद आदरणीय दफतरी साहब ने इस पाप के घड़े के सम्बन्ध में जो अपनी कानूनी राय दी है, उस को मैं जब पढ़ता हूं, तब मेरे मन में कुछ शोध होता है। भारतवर्ष में ताजीराते-हिन्द है। कम्पनीज में जो कुछ परेशानी होती है या रुपये का गबन होता है, उस के लिये कम्पनीज एक्ट है। मैं तो

[श्री मोयें]

अपनी इस तुच्छ बुद्धि से यह समझता हूँ कि इस कमीशन को भी बिठाने की कोई आवश्यकता नहीं थी। जो कुछ गलतियाँ और जो कुछ पाप डालमिया जैन कम्पनी और इष्ट ग्रुप्स ने किये हैं, कम्पनीज एक्ट में ही उन के बारे में कार्यवाही की जा सकती थी, उन से रुपया भी वसूल हो सकता था और उनको सजा भी दी जा सकती थी। ये तमाम अधिकार कम्पनीज एक्ट के अन्तर्गत हाई कोर्ट को दिये गये हैं, परन्तु यह कमीशन बैठा और उस पर लाखों रुपये खर्च हुये। आज पांच छः वर्ष के पश्चात् हमारे हिन्दुस्तान के कानून के धुरंधर विद्वान अजीब तरह की बात कहते हैं। बहुत सी बात कहते हुये उन्होंने अन्त में कहा है :—

"Nothing further, therefore, can be done in these matters however much it may be felt that these were 'put up jobs'."

यही नहीं, आगे वह कहते हैं :—

"As to Shri R. Dalmina, he has himself never put pen to paper and worked entirely through dummy directors and convenient subordinates. The procurement of any evidence has always been found extremely difficult though he has been at the back of many a transaction of to say the least, a doubtful nature"—a doubtful nature. "The Bharat Insurance Company fraud was an exceptional case. He is already in prison serving a sentence for criminal breach of trust."

यह राय मैंने देखी। इस राय के बारे में मैं ज्यादा नहीं कहना चाहता। ताजीराते-हिन्द यहां पर है। अगर कोई सोलह बरस का बच्चा तीन दिन तक भूखा मरता रहे, अगर वह मां से खाना मांगे, तो खाने को न मिले और बाप से मांगे, तो खाने को न मिले, उसके बाद अगर वह काम मांगे, तो उसको काम भी

कहीं न मिले। तब मौका पाकर अगर वह किसी बाबू की जेब काट कर एक रुपया निकाल ले और चार आने के चने खुद खा ले और बारह आने के मां-बाप के लिये ले आये, तो उसको चोरी में, जेब काटने म सजा हो जाती है। यह तो साक्षात् डाका पड़ा है हिन्दुस्तान की जायदाद पर। यह तो हिन्दुस्तान के शोषित सपूतों की कमाई पर डाका पड़ा है। इस में करोड़ों रुपयों का गबन हुआ है। क्या उस के लिये कानून में कोई जगह नहीं है? अगर हिन्दुस्तान के ताजीराते-हिन्द मैं इस तरह के गुनाहमारों को सजा देने के लिये कोई धारा नहीं है, तो उस को जला कर फेंक देना चाहिये, क्योंकि इस से इस मुल्क से शांति का तसव्वुर हट जायेगा, लोगों के मन में इन्माफ के लिये आज भी जो धारणा है, वह मिट जायगी।

मैं सदन का ज्यादा समय नहीं लेना चाहता हूँ। मैं केवल यह कहना चाहता हूँ कि यह एक बहुत बड़ा अभिशाप है। भ्रष्टाचार और लोकशाही साथ साथ नहीं चल सकते हैं। यदि कोई मन में यह धारणा रखता है कि भ्रष्टाचार और लोकशाही साथ साथ चल सकते हैं, तो वह किसी आधार पर आधारित नहीं है। वह भावना किसी भी समय लोप हो सकती है।

जब सरकार के लोग देखते हैं कि किसी कमी की वजह से हमारी सरकार कहीं खत्म न हो जाये, तो वे और दस साल के लिये पोलिटिकल रिजर्वेशन बढ़ा देते हैं, संविधान की पवित्र धाराओं में अमैडमेंट कर देते हैं, संशोधन कर देते हैं। यदि उन को और कहीं कुछ दीखता है, तो वे वहां पर अमैडमेंट कर देते हैं। अगर आज इस के लिये जरूरत है, तो इस के लिये अमैडमेंट कर दिया जाये। इस तरह का जो भ्रष्टाचार चला है, वह हिन्दुस्तान को खा जायगा। मैं कानून के दाव पेंच में नहीं जाना चाहता हूँ। मैं केवल

यह कहना चाहता हूँ कि यह भ्रष्टाचार हर  
कीमत पर समाप्त होना चाहिये।

इस मुल्क में दो चीजें बहुत बुरी तरह  
से चल रही है—भ्रष्टाचार और खाने की  
चीजों में मिलावट।

एक माननीय सदस्य : डा. लडा।

श्री मोय : आज डा. लडा में भी मिलावट  
है, डा. लडा में भी वनस्पति मिलाई जाती है।  
आज कोई चीज प्यूर नहीं मिल सकती है।  
आज आटे में मिलावट है, मिट्टी के तेल में  
मिलावट है और मरसों के तेल में मिलावट  
है, खाने की हर एक चीज में मिलावट है,  
यहां तक कि आज की सरकार के कारण  
विचार-धाराओं में भी मिलावट हो गई है।  
मेरा कहना है कि इस मिलावट और भ्रष्टा-  
चार को समाप्त किया जाना चाहिये। इन  
को समाप्त करना अनिवार्य है।

मैं एक समय आदरणीय बाबा साहब  
डा० अम्बेदकर से मिला था। मैंने उन से  
कहा कि आज यहां पर भ्रष्टाचार और  
मिलावट बहुत ज्यादा है, ये किस तरह से  
समाप्त हों। इस के उत्तर में उस महान  
विद्वान ने कहा था कि जो लोग भी भ्रष्टाचार  
करें, उन की कम से कम सजा सजाये-मौत  
फांसी होनी चाहिये, कैपिटल पनिशमेंट  
होनी चाहिये। इस से उन लोगों को जरा  
धबराहट होगी, जो पूंजीपतियों से साज-  
बाज कर के इस सदन में आ जाते हैं या अपनी  
सरकार बना लेते हैं, लेकिन भ्रष्टाचार को  
समाप्त करने के लिये हम को कड़े से कड़े  
कदम उठाने होंगे। अगर इस तरह का भ्रष्टा-  
चार समाप्त नहीं होगा, तो शोषित समाज  
के लोगों में असन्तोष फैलेगा, जिन को  
सरकार बेगुनाह होते हुये भी जेल में डाल  
देती है। दफा १०६ में दिन के बारह बजे  
पकड़ कर रात के बारह बजे दिखा कर उन को  
जेल में भेज दिया जाता है। न मालूम कहां  
से सुबूत ले आते हैं। मैं दफ्तरी साहब से

पूछना चाहता हूँ। पुलिस न मालूम कहां से  
सुबूत ले आती है और उन को सजा हो जाती  
है।

मैं चाहता हूँ कि जो इस तरह के भ्रष्टा-  
चार करने वाले लोग हैं, उन के खिलाफ  
कदम उठाये जाने चाहियें और उन को  
जितना भी सख्ती से ज्यादा सजा दी जा सके,  
दी जानी चाहिये। मैं प्रार्थना करना चाहता  
हूँ कि इस मामले को टालने की बात नहीं  
करना चाहिये। अगर यह सरकार या कोई  
कर्माशन छः सात बरस में ऐसा कुछ भी  
चीज हासिल नहीं कर सके, जिस से मुलजिमों  
को सजा हो जाये, तो उनको और समय देने  
से जो कुछ भी किताब या पत्र या मैट्रियल  
उनको सजा देने के लिये मिल सकता है  
वह भी गायब हो जायगा। यह देर करने  
का बात अच्छी नहीं होगी। देर करने से इस  
तरह का अभिशाप मिट नहीं पायगा।  
देर करने से इस तरह का भ्रष्टाचार और  
भी बढ़ेगा।

जब बिड़ला साहब की बात आई थी,  
तो बहुत से भाइयों ने कहा कि बिड़ला साहब  
का बात तो यहां पर नहीं चल रहा है।  
बिड़ला साहब की बात इसी में शामिल है।  
बिड़ला साहब भ्रष्टाचार के मामले में डालभिया  
से कुछ पोंछे नहीं हैं। उन के मामले में भी  
पूरी तरह से एन्क्वायरी होनी चाहिये। अगर  
इतना नहीं हो पायगा, तो बिड़ला साहब के  
लिये भी कुछ नहीं हो पायेगा और भ्रष्टाचार  
भी समाप्त नहीं हो पायेगा।

अन्त में एक बात मैं कहना चाहूंगा।  
रिपब्लिकन पार्टी की ओर से हम लोग महसूस  
करते हैं कि जब हम जरा आवाज उठाते हैं कि  
खेतीहीनों को जमान दो, लैंडलेंस लेबरर्स  
को जमान दो, तो हम बेगुनाहों के लिये न  
मालूम कहां से कौन सा कानून आ जाता है  
और हम को सजा हो जाती है, लेकिन जब  
इस तरह के भ्रष्टाचार होते हैं, तो उन के  
जिये कोई कानून नहीं निकलता है।

[श्री मोयं]

यह कानून मैंने भी पढ़ा है अगर कानून को निगाह से मैं देखूँ, तो मैं कहता हूँ कि ताजीराते-हिन्द के हर पन्ने पर डालमिया और जैन के लिये सजा मौजूद है, बशर्ते कि सजा देने के इरादे हों, दिल में ईमान और यकान हो कि उन को सजा देना चाहिये।

यहाँ के एटर्नी जेनेरल के ओहदे के खिलाफ़ आदरणीय पंडित जवाहरलाल नेहरू ने कहा था कि एटर्नी जेनेरल का ओहदा समाप्त कर देना चाहिये, इस का कोई जरूरत नहीं है। मैं उस समय बहुत चिढ़ा था, क्योंकि मैं भी कानून का विद्यार्थी हूँ और मैंने समझा कि इस से जुड़िशर का इंडिपेंडेंस बिल्कुल समाप्त हो जायगा।\*\*\*

इन शब्दों के साथ, श्रीमान्, मैं आप को घन्यवाद देता हूँ और यह कहना चाहता हूँ कि

गर रहेंगे हवायें यूँ ही जमाने का  
न खैर होगा चमन का न आशियाने का।

अगर इसी तरह से भ्रष्टाचारियों को बचाते रहे, तो फिर यह लोकशाही भी ज्यादा दिनों तक चलने वाला नहीं है।

श्री त्यागी (देहरादून) : अगर भ्रष्टाचार को बिल्कुल खत्म कर दें, तो ईमानदार आदमों का कद बिल्कुल खत्म हो जायगा।

**Shri Morarka (Jhunjhunnu):** We are grateful to the hon. Minister for initiating this discussion on such an important subject which concerns not only the economic development of the country but the pattern of industrial and commercial management in this country.

The main purpose of appointing this commission was to enquire into the administration of the affairs of certain companies and to recommend measures which in the opinion of the commission are necessary in order to ensure in the

future the due and proper administration of the funds and assets of the companies and firms in the interests of the investing public. These were the terms of reference, so to say, of the commission, and this was what the commission was to recommend. It was not the intention that the faults of individuals were to be found out or that they should be discussed here or that the individual responsibilities should be allocated in this House. That I would submit with great respect, is the function of the law courts, and they must do it.

There is another reason also why I suggest that we should not discuss the individual cases. That is because we do not have, firstly, the complete evidence before us, and secondly, the Attorney-General has suggested that further investigation is necessary. In cases where further investigation is necessary and court actions are contemplated, I think an august body like this Parliament should refrain at least at this stage from expressing any opinion either way.

Before I come to the main recommendations of this commission, there is one more point which I would like to mention and that is about the appointment of the investigator, Mr. Chopra. This appointment has been objected to, if I may say so, by both the sides. The public men and Members of Parliament have objected to—this appointment on the ground that there is some sort of understanding and complicity between Mr. Chopra and Mr. Jain. They go even to the extent of alleging that “this investigation is going to be a complete fraud on the people, on the Government and on the State.” It is further alleged that this investigator is a relative of the advocate of those concerns. On the other hand, Mr. Jain, whose concerns this investigator is going to investigate, and Mrs. Dalmia, whose telegram most of the Members have received, say that Mr. Chopra was at an earlier

stage connected with the investigation of some of the companies. He made a report as a result of those investigations, and this Mr. Chopra was obliged to correct this report after a period of thirteen months at the instance of some officers. Whether it is correct or whether it is incorrect is something which we are not concerned with. But I think that it would be very embarrassing for Mr. Chopra to investigate and do justice....

श्री श्रीकारलाल बेरवा (कोटा) :  
उपाध्यक्ष महोदय, मिनिस्टर साहब सो रहे  
हैं ।

Shri Hari Vishnu Kamath: Arise,  
awake.

Mr. Deputy-Speaker: He is listening

श्री हरि विष्णु कामतः ध्यानस्थ हैं ।

Shri Morarka: It will be embarrassing under these circumstances for Mr. Chopra to do justice to this assignment.

I think that Government should also take care to appoint a person in whose independence, in whose integrity everybody has confidence. A person whose actions are pre judged, and whose investigation results are, so to say forecast in advance, I think, is not likely to give a fair deal, even to the accused, and the least that an accused would expect is to get a fair deal at the hands of the investigators and the judges.

I would, therefore, request Government to reconsider this aspect and see, in order to satisfy all, whether any other person could be associated with this investigation.

Coming to the findings of this Commission, they have recommended amendment of the company law. This recommendation has been more or less endorsed by the Daphtary-Sastri Committee. In this context, I would like to remind the House of two things.

One is that all the transactions which this Commission have examined or investigated relate to the pre-1956 period. In 1956, we had a complete overhaul of our company law. Then we had other major-amendment of the company law in 1960. Similarly our Income-tax Act also—income-tax was avoided or evaded to a large extent—underwent certain amendments firstly in 1955 and again in a major way in 1961.

Even so, we cannot say that so far as our company law is concerned, we have reached the final stage, the stage of perfection. As a matter of fact, in England where a Committee was appointed under the chairmanship of Lord Jenkins, he had the following observations to make. Mind you, in England the corporate mischiefs or corporate defects are not so common as they exist in this country; there the business ethics are supposed to be higher; there the standard of literacy is higher than ours. Even there, they were obliged to make amendments to company law from time to time. This is what Lord Jenkins had to say in connection with amendment to the company law:

"This is not a field of legislation in which finality is to be expected. The law here falls to be applied to a growing and changing subject matter and the number and variety of the suggestions submitted by our witnesses clearly show that there are many questions of sufficient importance to merit legislative attention".

Even that Committee said that while we must amend the company law according to the requirements of the situation, we must yet be careful not to go in for amendments merely because individual offences are disclosed from time to time. This is what it says:

"It is no doubt necessary for the protection of shareholders, creditors and intending investors that the activities of companies and those responsible for their manage-

[Shri Morarka]

ment should be subject to a considerable degree of statutory regulation and control. But controls and regulations carried to excess may defeat their own object; and we share the views... as to the undesirability of imposing restrictions which would seriously hamper the activities of honest men in order to defeat an occasional wrongdoer, and the importance of not placing unreasonable fetters upon business which is conducted in an efficient and honest manner."

My submission is that in this country we have a very detailed and very exhaustive company law. As a matter of fact, I doubt whether there is any other country in the world which has such a strict and stringent company law as we have here. The provisions in our company law concerning disclosure of information, the powers of investigations, powers about special audit, managerial remuneration and the concept of associates and relatives are some of the special features which can be mentioned. So it is not for want of legislative powers or of legislation in this country that these defects and maladies exist in our corporate sector; it is for want of effective administration, for want of implementation of those provisions of law, that we still find these defects, rampant defects, in our corporate sector. But here again I must say that since most of these things existed prior to 1956 and since we carried out a major amendment in 1956, the situation in the corporate sector after 1956 under the new company law, which was again amended in 1960, has substantially improved. About that, there is no doubt. By that, I do not mean that our Act has now become perfect and that there are no shortcomings in our corporate sector. There are. But they cannot be compared with the type of things which are disclosed in the Report. Now the situation has

much changed, and changed for the better. But that apart.

I will give you a few instances of other countries where the company law is very well developed, where the corporate management is almost a perfect means of administering and managing the industrial apparatus of those countries. Let us see what happens in those countries. I may begin by saying that the disclosure of information is the biggest safeguard or is the minimum requirement to be fulfilled by a corporate entity under the corporation law.

"In Europe, in general, corporate secrecy is not only a way of life but a game of wits aimed at confounding competitors, confusing authorities and keeping the public uninformed."

To give you a few typical examples, in Luxembourg, the only information that a huge corporation discloses is that it is engaged in manufacture of steel—that is the only information it gives to the shareholders. In Belgium, another huge corporation publishes a balance-sheet, annual report, audited statement of account, everything, all put together in six lines—not more than six lines. In England, a big company holds its annual meeting in less than 9 minutes. The French are expert in holding their meetings at awkward times and at awkward places so as to make it difficult for the shareholders to come and attend.

Even those companies which are obliged to give information—where they have to give information—make that information so obscure and so involved that the shareholders can hardly understand it. There is a Brussels Bank which showed the value of its 24-storey headquarters building at 2 cents. In Germany, the Daimler-Benz, a famous corporation, produced a balance-sheet which showed a profit of \$10.0 million,

though according to the financial experts, on the basis of its taxes, its actual profits were about \$50.00 million.

My purpose in stating all this is not to justify any of the things but to say only this that so far as our company law is concerned, it is far more progressive and it has developed more than the relevant law of those countries (*Interruptions*). Our company law is far more developed, far more progressive than the company law of the countries, instances from which I have quoted.

**Shri Daji:** The point is whether our capitalists are less intelligent or less corrupt.

**Shri Morarka:** I do not have any barometer to measure the intelligence either of our capitalists or of Shri Daji or of anybody else. I think intelligence is not the monopoly of any community or any political party; it is the endowment of destiny and people have it according to what Providence gives them.

**Shri Daji:** But big business can hire intelligence.

**Shri Morarka:** Big business can hire it. That is quite true. They can supplement what they have with what they can hire from the market.

**Shri Iqbal Singh (Ferozepur):** It can hire it from this country or from outside.

**Shri Morarka:** Sometimes they have to import it.

**Shri Bhagwat Jha Azad:** That depends upon the purse.

**Shri Morarka:** Here in India, we have got the Companies Act; we have the Industries (Development and Regulation) Act, we have the Insurance Act, we have the Banking Companies Act. Besides, we have the Securities Control Act, we have the Capital Control Order. Even with

all these put together, I think there are some more provisions needed to control and regulate the investment side of our corporate sector. In England, along with the company law, they have the Prevention of Frauds Act. The latest recommendation of Lord Jenkins is that the provisions of that Act must be incorporated in the Companies Act.

In America, corporation law is a State subject, and each State has its own corporation law. There are 50 different corporation laws there. But, over and above these corporation laws, there are certain Federal Acts, and all these Federal Acts are administered by one single agency called the Securities and Exchange Commission. These Acts are Securities Act of 1933, Securities Exchange Act of 1934, Public Utility Holding Companies Act of 1935, Trust Indenture Act of 1939, Investment Advisers Act of 1940, Investment Company Act of 1940, Chapter X of the Bankruptcy Act, and Anti-Trust laws for the protection of the consumers.

In Japan also, they have anti-trust laws and special laws to break combinations, mergers, cartels and holding companies.

In Germany, particularly during the post-war years, economic crimes have been given a lot more importance. They have classified economic crimes into two categories, major and minor. All those crimes aimed at destroying any means of production or unit of production or which violate the rationing laws or price control are all regarded as major crimes, and for these major crimes the punishment is very severe. Minor crimes are those where there is a violation of the supervisory duties imposed by the law. I think in this country also, we should have what are called economic offences, and we must have this categorisation of major and minor offences.

I shall cover a few more general points, and then come to specific

[Sri Morarka]

questions. The first thing is about punishment. Generally you find that whenever a corporation is found guilty, a fine is imposed on the corporation. Imposing a fine on the corporation, even a big or a monstrous fine, if no punishment of the offender, and sending the offender to jail is no relief to the deceived shareholders. Therefore, I suggest firstly that there must be a permanent, a lasting disqualification inflicted on the wrongdoer; the person guilty of serious business turpitude or of flagrant flouting of essential laws should be debarred from functioning in any executive capacity in any commercial or industrial enterprise.

Secondly, I think that so far as civil liability is concerned, there should be no time-limit. Unless and until you get the money back, the poor shareholder does not get any benefit or relief; it is no use sending somebody to jail or having discussions or opinions expressed here and there. So, the limitation law for recovering the money together with interest and accretions if any, should not apply. If necessary, Parliament should pass a special law for recovering such moneys. I repeat that Government must, Parliament must, give more emphasis to getting back the money, because that is the real redress for the shareholder, not punishing some person or sending him to jail.

Now I shall say a few things about the major maladies which have been disclosed by the Bose Commission. One of them is about the objects clause. The argument is that companies are floated for particular main purposes, but the companies in fact start doing many other things, subsidiary things, and then the subsidiary things become in fact the main things and the main activity of the company is lost. If it is a defect, I say this is a very common defect. It is there throughout the world. But my main criticism is: why blame the companies which start subsidiary activities when

the Government's policy is to allow the companies to start such activities. I have got a list with me here, which I have compiled from the statement of licences which has been placed on the Table of the House recently, which indicates that a textile mill is given a licence for the manufacture of cement, a jute mill is given licence for the manufacture of wire ropes, another cotton textile mill for steel pipes, and a third one for 16 or 17 different types of chemicals. I have got a long list. Surely, these licences are issued by a committee consisting of all experts, including the experts of the Company Law Administration. If they do not consider anything wrong in giving a licence to a cotton textile mill to start the business of making steel pipes, I do not know why and how you can say today that Dalmia Jain Airways should not have started the business of purchasing other vehicles. Planes are one type of vehicle, and automobiles and trucks are another type. To that extent there is a similarity, but here a textile mill manufacturing sheet glass or a jute mill manufacturing wire ropes etc., are completely unrelated. I think the Commission has not appreciated this aspect of the question.

Take the question of inter-corporate loans. Much has been made of it. It is quite true that huge amounts have been given from one company to another, and ultimately they have been given to individuals. It is also true that they have been given on insufficient security, and if you like, they were used for personal purposes, but this Commission has not found out what ultimately happened to the moneys. Did the companies lose the loans, did they suffer because of insufficient security and reckless advancing, or did they get their money back? The point is this: if the companies got back their money ultimately, then the misdemeanour on the part of those responsible becomes a procedural one, because under the 1913 Act these things were not an



offence. Today, of course, they cannot do that, but at that time it was not an offence. If, on the other hand, the companies have actually suffered as a result this reckless advancing either in the amount or even by way of interest, then the offence becomes more grave. What the Commission has said in this context is this, I am quoting only two or three lines:

"It has not been possible to arrive at a definite conclusion whether as a matter of fact the loans were repaid."

I understand the difficulties of the Commission, that it could not get all the books of account, that the people who knew anything did not come forward to give evidence. I know there were very genuine difficulties, but the fact still remains that the report of the Commission is noticeably incomplete on a vital matter like this. The gravity of the offence is very much lessened if the companies concerned did not in the ultimate analysis suffer a financial loss.

**Shri Daji:** What about the interest for all these years?

**Mr. Deputy-Speaker:** He should conclude now.

**Shri Morarka:** Kindly give me a few more minutes.

**Mr. Deputy-Speaker:** He has already taken 25 minutes.

**Shri Morarka:** I know, but it is not very much.

**Mr. Deputy-Speaker:** There are other Members waiting.

**Shri Morarka:** I want to say a few words about compensation. Huge amounts have been paid to companies by way of compensation either for wrongful termination or premature termination of contracts, whether they were managing agency contracts or selling agency contracts. From the facts disclosed in the report these things appear very objectionable. Par-

ticularly there is an instance where after they contracted for twenty years, the agreement was terminated in 16 days and a compensation of Rs. 1.19 crores was paid. This is to say the least not only objectionable, but even if it was permitted in law, it was immoral and improper. But what was the temptation to do this thing? They were getting this money free of tax. A company paying damages to another would be allowed this amount as an item of expenditure in the computation of the total income of the company. To the recipients it would be a capital receipt and therefore not taxable. The biggest temptation was that the entire amount of Rs. 119 lakhs would escape taxation because it was not taxable either in the hands of persons receiving the compensation of those who pay the compensation. It is significant that the Taxation Enquiry Commission in its report were obliged to make a recommendation about the income-tax law because they found that this system was rampant in the country and they felt the law must be amended so as to make this income as ordinary income and not as capital receipt. Similarly, even before the Commission representatives of Dalmia Jain wanted to lead evidence to prove that this was the common practice. Evidence or no evidence the fact remains that this was a common practice, of course a very wrong common practice and highly objectionable and therefore, howsoever strict and stringent the measures may be, they are justified.

**Mr. Deputy-Speaker:** He will have to close now.

**Shri Morarka:** I will close by referring to the dummy directors and to article 14 of the Constitution relating to Fundamental Rights. The biggest bane of our corporate sector is that we do not have independent board of directors. All the directors on the board are nominees or dummies because for re-election they have to be at the mercy of the majority shareholders who are always in the mana-

[Shri Morarka]

gement of the company. Each director is at the mercy of these people who control the affairs of the company. Therefore, they can never give independent advice. Even at the time of the 1956 amendment of the Company Law, Government should, it was suggested, take steps to evolve a method by which independent board of directors could be appointed and the methods suggested were proportional representation or cumulative voting system. The cumulative voting system exists in all the States of the United States of America; it is compulsory there and in the other half, it is optional.

I would conclude by referring to article 14 of our Constitution which guarantees equality of treatment before law. Equality before law has a positive implication and that is equality of treatment in equal circumstances. I would quote what a famous authority on Constitution, Jennings, has to say on this:

"The right to sue and be sued, to prosecute and be prosecuted, for the same kind of action, should be the same for all citizens of full age and understanding and without distinction of race, religion, wealth, social status, or political influence."

**श्री बिशनचन्द सेठ (एटा):** आबरणीय उपाध्यक्ष महोदय, चूंकि कल से इस रिपोर्ट पर लम्बा बहस हो चुकी है, इस लिये बहुत से ऐसे प्वाएंट्स जिन्हें मैं आप के सामने रखना चाहता था, उन के ऊपर अब मैं कोई राय नहीं देना चाहता, कारण कई माननीय सदस्यों ने बड़े अच्छे तरीके से उन चीजों को आपके और सदन के सामने रख दिया है।

इस के पहले कि मैं इस डिबेट पर अपने कुछ बिचार रखूँ, मुझे यह निवेदन करना है कि जहां तक कम्पनों ला के परिवर्तन का प्रश्न है, मैं उसका स्वागत करता हूँ कम्पनी

ला में जो इस प्रकार की कमियाँ हैं जिनके कारण आज भी कुछ लोगों को उस का लाभ उठाने का अवसर मिल जाता है, मैं उस के लिये नितांत आवश्यक मानता हूँ कि कम्पनों ला में आवश्यक परिवर्तन कर दिये जायें।

श्री मुरारका ने जो चीजें रखी हैं उन से साफ जाहिर होता है कि आज व्यवसायों वर्ग और धन लोगों के प्रति द्वेष का भावना लोगों के दिल में घर करता जा रहा है वह उचित नहीं है। मैं यहां पर एक बात कहना चाहता हूँ कि अपने देश में अधिक से अधिक जो बड़े आदमी हैं वह करोड़पति को संख्या में माने जाते हैं परन्तु अगर आप इस ४४ करोड़ के देश के मुकाबले में इंग्लैंड को लीजिये तो जितने यहां करोड़पति हैं उससे ज्यादा वहां अरबपति हैं और अमरांका में खरबपति हैं। पर वहां की जनता में इतना द्वेषपूर्ण भावना नहीं है जैसा कि इस देश में पाई जाता है। जो भी है मैं कम्पनों ला के मौजूदा परिवर्तन के उस पक्ष का स्वागत करता हूँ।

इसी के साथ साथ केवल कानून पास कर देने की जैसी कि आज हमारे देश में प्रवृत्ति चल रही है, विशेष रूप से कांग्रेस वालों में, उस को मैं बिल्कुल अपर्याप्त मानता हूँ क्योंकि केवल कानून का बना देना ही काफी नहीं होता। कानून की इतनी किताब इस देश के अन्दर है जिन को अच्छे से अच्छे लाइयर्स भी याद नहीं कर पाते, हर रैफरेंस के लिए उन को किताब खोलनी पड़ती है। केवल कानून बना लेने से ही संतोष नहीं करना है बल्कि कानून को एप्लीकेबुल कंडीशंस में लाइये, उसे इस्तेमाल करिए तब देश में कानून बनाना लाभप्रद होगा।

उसी के साथ मैं यहां पर एक चीज और निवेदन करना चाहूँगा कि केवल कानून बनाने से ही हमारा काम चलने वाला नहीं

है जैसा कि कानून पर कानून बनाये जाना कांग्रेस सरकार की दैनिक प्रैक्टिस सी हो गयी है। जितने नये नये विधान इस देश में बनते जा रहे हैं और बन गये हैं उतने विधान संसार के किसी भी देश में नहीं बने हैं। देखने की दरअसल बात तो यह है कि भारत में विधानों की श्रृंखला बनने के बाद हमारे देश के मौरल अथवा चरित्र पर उन विधानों का क्या असर पड़ा अथवा पड़ रहा है? मैं उसे अनुभव करता हूँ और दुःख के साथ सदन के समक्ष यह चीज रखना चाहता हूँ कि अधिक से अधिक विधान बनने का फल यह है कि अधिक से अधिक चरित्र हमारे देश का खराब होता जा रहा है। इसलिए मैं निवेदन करूँगा कि अगर कानून का लाभ लेना है तो देश के चरित्र को उठाने के लिए भी पूरी पूरी सुविधा दी जाय।

श्री दाजी और श्रीमती रेणुका रे ने कहा था कि देश में जितनी भी बड़ी इंडस्ट्रीज हैं, उन सब को नेशनलाइज कर दिया जाय। इस सिलसिले में मैं हाउस के सामने बड़ी विनम्रता के साथ यह चीज रखना चाहता हूँ कि गवर्नमेंट इंटरप्राइजेज इस देश में जितनी चली हैं उन में ६२० करोड़ रुपया भारत का लगा हुआ है। इस के माने यह है कि हर व्यक्ति जो भी इस देश का रहने वाला है, उस ६२० करोड़ रुपये का हिस्सेदार है। वह गरीबों के टैक्स का धन है जिसे कि सरकार ने माध्यम बना कर उन प्रोजेक्ट्स में लगाया हुआ है। उस में मुनाफ़ा कितना हुआ है? सारे देश में ६२० करोड़ रुपये की लागत पर जो बड़े बड़े प्रोजेक्ट्स चल रहे हैं उनमें केवल सवा करोड़ रुपया बचा है। इस की मानी क्या हुए? १०० रुपये पर एक वर्ष में दो आने का मुनाफ़ा हुआ। पब्लिक सैक्टर में सरकार जो इंडस्ट्रीज चलाती है, प्रोजेक्ट्स चलाती है, उस की कारीगरी का सबूत इस से आप को भली भाँति मिल सकता है कि वहाँ कैसे काम हो रहा है? सरकार द्वारा

शुरू किये गये कामों में कितना कम मुनाफ़ा होता है लेकिन मजा यह है कि कुछ मुल्क में इस तरह की हवा चल पड़ी है कि हर एक आदमी ने अपना यह कर्तव्य समझ लिया है कि पहले धनवानों को गाली दे दी जाय फिर कोई बात शुरू की जाय। मैं अपने उन भाइयों से पूछना चाहूँगा कि आखिर इस देश में एक दो नहीं, हजारों घमंशालाएँ, हजारों मंदिर और हजारों बड़ी बड़ी संस्थाएँ किसने बनाई जो गाली देते हैं उन्होंने यह सब बनाई है या उन्होंने बनाई जिन्होंने कि इस देश में बड़ी बड़ी इंडस्ट्रीज लगाई है?

**एक माननीय सदस्य :** चोरी के पैसे से अगर बना भी दी तो क्या हुआ?

**श्री बिशनचंद्र सेठ :** माननीय सदस्य जरा अधीर न हों। मेरी बात पूरी सुन लें। मैंने तो बीच में उन को नहीं टोका था।

पब्लिक सैक्टर में जो ६२० करोड़ रुपया सरकार ने लगाया यह सारा गरीबों का ही तो पैसा है। उसमें बचत या मुनाफ़ा जो होता है वह १०० रुपये पर एक साल में केवल २ आने होता है पर प्राइवेट उद्योगपतियों और व्यवसायियों की योग्यता के लिए ट्रेष-प्रवृत्ति रहने के कारण ऐसा कहा जाता है कि यह लोग बड़ा मुनाफ़ा कमाते हैं लेकिन मैं सदन के सामने यह चीज रखना चाहता हूँ कि जो भी रुपया इस देश मधनवानों ने पैदा किया आखिर उस का इस्तेमाल क्या हुआ? वह रुपया इसी देश के अन्दर है। विदेशों में जा नहीं सकता है। सारे का सारा रुपया अपने देश के अन्दर ही रहता है। अगर मकान बनाये तो इसी देश के आदमियों ने, लकड़ी आई तो इसी देश के अन्दर से, सीमेंट आया तो इसी देश के अन्दर से आया।

(Interruptions.)

**एक माननीय सदस्य :** इन लोगों ने इनकमटैक्स की चोरी की है और जनता के पैसे की चोरी की है।

श्री बिशनचन्द सठ : माननीय सदस्य का इस तरह से बीच में खलल डालना और टोकना उचित नहीं है। इस समय बोल मैं रहा हूँ, वे नहीं बोल रहे हैं।

मैं आपके सामने यह निवेदन करना चाहता था कि यह सारा रुपया जब यहां पर अंग्रेजों की सरकार थी, तो वह दूसरे मुल्कों को जा भी सकता था परन्तु आज तो १० रुपये भी बिना श्री मुरार जी देसाई की स्वीकृति के दूसरे मुल्कों में नहीं जा सकते। जब यह रुपया इसी देश में रहना है तब मैं नहीं समझता कि इस तरह से उन को आज क्यों कोसा जा रहा है? अगर किसी सज्जन ने रुपया कमाया तो वह उसने अपने पुरुषार्थ से कमाया। वह उसे कोई अपनी छाती पर ले कर तो जायगा नहीं। आखिर वह धन तो इसी देश में रहेगा। अब प्रश्न यह उठता है कि अगर किसी ने गलत तरीके से रुपया कमाया तो बिला शक आप उस को फांसी की सजा दीजिये। ऐसे लोगों के साथ हमारी किसी तरह की कोई हमदर्दी नहीं है। परन्तु मुझे यह देख कर बड़ी चोट लगती है और मेरे दिल को एक धक्का सा लगता है कि एक नवीन प्रवृत्ति इस देश के अन्दर पैदा की जा रही है जिस के माने यह हैं कि अगर किसी शक्श ने अपनी योग्यता से, अपने भारी पुरुषार्थ से सैंकड़ों साल कार्यक्रम करने के बाद अगर उसने कोई साख देश के अन्दर पैदा की है तो इस प्रकार से सारा हाउस उस को भल बुरा कहने के लिए तैयार और गाली देते नहीं अघाता है। यह साख जो उन्होंने कायम की है यह उनके पुरुषार्थ की कहानी है। मैं यहां पर यह भी कहना चाहता हूँ कि यह प्रवृत्ति देश को आगे बढ़ने से रोकती है। मेरा यह दृष्टिकोण है। कल्पना करिये कि एक कम्पनी का धन दूसरी कम्पनी में जाने के बाद जैसा कि श्री मुरारका ने कहा, आखिर उसका नतीजा क्या निकला, मैं यहां पर यह याद दिलाना चाहता हूँ कि आज जब सरकार इंडस्ट्रीज को बढ़ाने पर तुली हुई है, यदि इस पीरियड को छोड़ दीजिये, जरा पुराने पीरियड की तरफ जाइये, पुराने समय में

अंग्रेज शासकों ने कभी इनकरेज नहीं किया कि देश के अन्दर इंडस्ट्रीज हों परन्तु उस समय जो इंडिविजुअल, बड़े बड़े यहां के हिम्मत वाले लोग थे, उन्होंने इंडस्ट्रीज को बढ़ाया और उन को बढ़ाने के बाद आज हम देखते हैं कि उन में एक एक इंडस्ट्रीज के अन्दर आदमी लगे हुए है। यह बड़े दुःख की बात है कि लाखों लोगों का जीवन निर्वाह इंडस्ट्री के द्वारा हो और उन को बुरा भला कहा जाये। एक नहर बनाई जाती है, अरबों रुपया इस लिए लगाया जाता है कि सारे देश में पानी पहुंचे और हर आदमी को उस की सुविधा प्राप्त हो। आज यह हमारे लिए गौरव की चीज है कि सैंकड़ों पदार्थ जो आज तक दूसरे देशों से, हमारे यहां आते थे, आज उन को नहीं मंगाना पड़ता है बल्कि उल्टे सैंकड़ों चीज इस देश से बन कर दूसरे देशों में भेजी जा रही हैं। यह चीजें इंडस्ट्रीज के कारण ही तो जा रहीं हैं।

मैं तो केवल एक ही चीज कहना चाहता हूँ कि बिला शक जिन का दोष है उन को अवश्य सजा दी जाय परन्तु जिन्होंने देश के अन्दर इतना महत्वपूर्ण कार्यक्रम किया कि देश की इंडस्ट्रीज में नवीन एक जीवन लाये उन को अंग्रेज बंद कर कोसा न जाय। आज उन इंडस्ट्रीज को जिन को कि हमारी सरकार ने अपने हाथ में पकड़ा है और प्राइवेट सैंक्टर की सफलता के अन्तर को देखिये जिन्होंने अच्छा कार्य किया है उन को हमारे लिए उचित है कि धन्यवाद दें और उनको उसाहित करें अलबत्ता जिन्होंने गलत काम किये हैं उन को अवश्य सजा दी जाय और फांसी की सजा दी जाय। इस से कम सजा देना मैं तो पाप मानता हूँ। परन्तु यह बड़ी गलत बात है कि आप एक पक्ष ले कर केवल कुछ लोगों की खराबियां सामने रख कर सब को एक ओर स कंडैम करें।

एक माननीय सदस्य : पूंजीपतियों और प्राइवेट सैंक्टर के उद्योगपतियों में माननीय सदस्य अच्छाइयां अच्छाइयां ही बतलाते

जा रहे हैं, जो बुराइयां हैं उनको भी तो वे बतलायें ? (Interruptions.)

श्री बिशनचन्द्र सेठ : माननीय सदस्य धीरज धर कर मेरी बात को सुनें ।

श्री भट्टाचार्य ने कल अपनी स्पीच में यह कहा था कि मैं इस में दो पाप मिले जुले बतलाना चाहता हूं। पहला पाप तो व्यवसायी वर्गका, दूसरा आफिशियेल्स का है। मैं उस में एक तीसरा पाप और ऐड करना चाहता हूं और वह है कानून का। सरकार द्वारा ठीक प्रकार से अमल न किया जाना। अगर हमारी सरकार कानून का ठीक प्रकार से प्रयोग करती तो मैं आपको विश्वास दिलाना चाहता हूं कि जिस प्रकार की चीज आज हमारे सामने आई है वे नहीं आतीं। अगर उसकी मसाल आप पूछना चाहते हैं तो मैं आपके सामने निवेदन करूंगा। १९४६ में सरकार के सामने डालमिया जैन का मामला आया और १९४२ में उसे चालू किया गया। १९४६ में कमीशन बनाया गया। १९६२ में उसकी रिपोर्ट आई और १९६३ में, नवह साल के बाद, आज यह रिपोर्ट इस सदन में डिस्कस हो रही है। सरकार अपने दिल पर हाथ रख कर सोचे कि जब वह सत्रह बरस के बाद इस मामले को तय करने के लिये आज यहां बैठी है, इस ढिलाई के बाद फिर वह शिकायत किस बात की कर रही है। जितने भी महानुभाव इस के पक्ष में या, विपक्ष में बोले हैं, उन से मैं निवेदन करना चाहता हूं कि मैं तो इस मामले में सारे का सारा दोष कांग्रेस सरकार का मानता हूं। अगर वह ठीक समय पर सारे काम को संभाल लेती, तो इस तरह की बातें हमारे देश में न होतीं।

उपाध्यक्ष महोदय, मैं ऐसा मानता हूं कि पन्द्रह सालह बरस के कांग्रेस के शासन में हमारा राष्ट्रीय चरित्र इतना गिर गया है कि जिसके कारण हमारे देश में अनेकों कुप्रबन्ध हो रहे हैं। अगर आज कांग्रेस सर-

कार डेटरमिन्ड हो कर इस भावना को लेकर यहां पर बैठे कि हम ने अपने देश के चरित्र-बल को ऊंचा करना है, तो स्थिति सुधर सकती है। मैं किसी रियायत का स्वाल आपके सामने नहीं रखना चाहता हूं। मेरे पास श्री डालमिया जी के अनेक तार आये, तमाम चिट्ठियां आईं। पता नहीं क्या क्या आया। मैं उस तार को पढ़ कर हैरान रह गया, मैं समझता हूं, हाउस के सभी माननीय सदस्यों के पास गया होगा, कि डालमिया जी ने यह प्रार्थना की कि हम को पैरोल पर छोड़ दिया जाये, क्योंकि हमारा पच्चीस पौंड वजन घट गया है, लेकिन उन को पैरोल पर नहीं छोड़ा गया, जबकि बड़े बड़े डकैत छोड़े जाते हैं। उन्होंने प्रार्थना की कि कम से कम हमको बाहर सोने दिया जाये, क्योंकि इस गर्मी में हम कमरे में बराबर बन्द रहते हैं, परन्तु किसी ने उधर ध्यान नहीं दिया। उन्होंने यह प्रार्थना की कि हम को वकील दिये जायें, ताकि हम वकीलों से कनसल्ट कर के अपनी प्रार्थना सरकार के सामने भेज सकें, लेकिन वकील नहीं दिये गये। सरकार के पास इस की क्या जस्टिफिकेशन है? मैं भी चार पांच जेलों में रहा हूं और मैं जानता हूं कि डकैतों के साथ क्या बर्ताव किया जाता है।

श्री मोय्य : सेठ जी एयर-कन्डीशन में रहते होंगे।

श्री बिशनचन्द्र सेठ : मैं नैनी सेंट्रल जेल में रहा हूं, लखनऊ सेंट्रल जेल में रहा हूं। माननीय सदस्य शायद नहीं रहे होंगे। सरकार बड़ा उत्तरदायित्व लेकर बैठी है। उस का यह नैतिक कर्त्तव्य है कि वह देश के सब व्यक्तियों को समान दृष्टि से देखे। यह नहीं होना चाहिये कि चूंकि आज एक पार्टी के साथ द्वेष की भावना है, लिहाजा उस को हर तरह से जलील किया जाये और नीचा दिखाया जाये। यह गलत है।

उपाध्यक्ष महोदय : अब माननीय सदस्य को खत्म करने का प्रयत्न करना चाहिये।

श्री बिशनचंद्र सेठ कुछ माननीय सदस्य पच्चीस मिनट बोल चुके हैं। मैं अपनी घड़ी देख रहा हूँ। श्री मोरारका ३२ मिनट बोले हैं।

उपाध्यक्ष महोदय : पन्द्रह मिनट।

श्री बिशनचंद्र सेठ मुझे मालूम है कि आप मुझे पन्द्रह मिनट देंगे, लेकिन श्री मोरारका में क्या खास बात थी? मैं ज्यादा नहीं बोलूंगा। मैं अभी खतम करता हूँ।

आज सरकार की भावना यह होनी चाहिये कि जिन्होंने कोई भी गलत काम किया है, बिलाशक उन को फांसी दे दी जाये, लेकिन सरकार की मनोवृत्ति कुछ और ही प्रतीत होती है। जैसा कि माननीय सदस्य, श्री सिधवी, ने कहा है, एक रिपोर्ट सरकार की तरफ से आती है और पेश होती है और तेरह महीने के बाद वह रिपोर्ट बदलाई जाती है। इतने उच्च आदर्शों वाली सरकार के लिये यह शोभाजनक बात नहीं है। मैं नहीं जानता कि उस में किस का हाथ था। परन्तु किताब को पढ़ने से यह प्रत्यक्ष हो जाता है कि तेरह महीने के बाद परिवर्तन किया गया।

एक माननीय सदस्य : पैसा दिया है।

श्री बिशनचंद्र सेठ : सरकार ने पैसा दिया होगा। दूसरी पार्टी ने नहीं दिया होगा।

चूंकि उपाध्यक्ष महोदय बड़े गौर में मेरी तरफ देख रहे हैं, इस लिये अन्त में मैं केवल एक बात कहना चाहता हूँ। एक माननीय सदस्य ने कहा कि चार्टर्ड एकाउंटंसी को नेशनलाइज कर दिया जाये। मैं इसका स्वागत करता हूँ। कारण बड़ा स्पष्ट है कि अगर सारे देश के चार्टर्ड एकाउंटंस सरकार की तरफ से नियुक्त हों, तो जो बहुत प्रकार की गड़बड़ियाँ आज हमारे देश के सामने

आती है, वे निश्चित रूप से नहीं रह गीं। मैं इस सदन के सभी माननीय सदस्यों से कहना चाहूंगा कि वे इस विषय में इस भावना से सोचें कि हमारे कानून में क्या कमी है और सरकार ने कहां पर ढिलाई की है। किसी व्यक्ति विशेष को लक्षित करने की दृष्टि से सोचना उचित नहीं है, क्योंकि रिपोर्ट की भी यह मंशा नहीं है। रिपोर्ट की स्पष्ट भावना यह है कि हम कम्पनी ला में आवश्यक परिवर्तन करने जा रहे हैं। किसी व्यक्ति विशेष के विषय को इस सदन में लाना मैं इस सदन का अपमान मानता हूँ।

इन शब्दों के साथ मैं आप को धन्यवाद दे कर अपना आसन ग्रहण करता हूँ।

Shri Sonavane (Pandharpur): Mr. Deputy-Speaker, Sir, I am reminded of an episode about the mountain and the mouse. A mouse entered the mountain and to take out that mouse the mountain had to be bored. Here, Sir, for boring the mountain it has taken six years and Rs. 27 lakhs have been spent, but still the mouse could not be had from the mountain. This is the state of affairs of this report.

I will take some of the aspects of this question as to what was the object in the appointment of this Commission. In the terms of reference it is said: "Whereas it has been made to appear to the Central Government that a large number of companies and some firms were promoted and are controlled..... and, whereas the Central Government is of the opinion that there should be a full enquiry into the matters which are of definite public importance both by reason of the grave consequences which appear to have ensued to the investing public and also to determine such measures as may be deemed necessary in order to prevent a recurrence thereof." That is the object of the enquiry. With that object the Bose Commission was set up and it started its work.

Then, Sir, I want to say that the enquiry was restricted to a few companies and to certain industrialists. In 1956, on 11th December, 1956, when this notification was issued, did not the Government know that other companies also indulged in malpractices? To select a few of them and to investigate into their working, limits the extensive purpose of preventing recurrence of such malpractices, and I do not think it was just on the part of the Government to do so.

In the course of this debate many hon. Members have stated that other companies also were complained against for malpractices. For instance, there is the New Asiatic Insurance Company and the Ruby General Insurance Company. There is also the very memorable case in my constituency of a textile mill run by Shri Gokuldas Morarka. That firm has mismanaged its affairs and misappropriated funds. But the Government has not cared to take that company under investigation. The affairs of that company were brought to the notice of the Government much earlier than 1956. That company should have been included for investigation by the Vivian Bose Commission. I have been also pressing for that investigation and some steps to be taken against Shri Gokuldas Morarka of Sholapur. Some departmental enquiry was made but all those things were treated as confidential and the same state of affairs continues there in my constituency.

Therefore, I want to know why only a limited number of firms were selected for this purpose. When these industrialists were brought under this notification, they felt that they were not given a fair treatment and legal proceedings were instituted in the High Courts and the Supreme Court and the Supreme Court gave orders to strike off some of the words in the terms of reference. After striking off those words from the terms of reference, I should say, the sting in the enquiry was lost. Whatever sting was there, whatever idea of punishment

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was there, was removed and the Bose Commission was reduced merely to a committee of enquiry.

Then, at that time our legal department here should have thought that the Commission which was to go into all these should have recommended to the Government that this work should be suspended and a committee to investigate into the malpractices with a view to amend the law which enabled these people to carry on their activities should be set up. They could have recommended to the Government that the work of the Commission should be suspended and a committee should be set up with powers to enquire into all the business houses in the country, to enquire into typical cases in each State with a view to plug the loopholes found by them. That course was not adopted and the enquiry continued wasting a lot of good money of the public.

The Commission had to work very laboriously. The Commission inferred so many things, supposed so many other things and therefore they landed themselves in confusion and contradictions in their findings. All that has been commented upon by our Attorney General, Shri Daphtary in his report. In part I of the report which was placed on the Table of the House the Attorney-General says:

"The Commission, therefore, has drawn inferences and presumptions from such materials as it had, a good part of which consisted of copies of original documents."

That is the sort of work that the Commission did, and we have to rely upon such inferences, assumptions, suppositions and contradictions. Therefore, I thought, the punishment part of it having already gone, the recommendatory part of it suggesting amendment of the Company Law should have been taken up. I fail to understand why our Law Ministry is not equal to the task of these master brains. I think we have

[Shri Sonavane]

got enough talent and legal brains to plug all loopholes in the company law and provide for such provisions and powers which would prevent to the maximum extent all such malpractices. I am sorry to say that so far our Law Ministry has not been equal to that task.

While going through the Report of the Commission I find that one gentleman against whom the inquiry was conducted Shri Shanti Prasad Jain, offered himself to co-operate with the Commission, and he did produce certain documents which nobody else has produced. He also offered himself for examination and cross-examination. When all the documents were placed before the Commission, having given consideration to them, the Commission could not believe some of his contentions, particularly the dissolution of partnership as on 31st May 1948. Yet, he feels that he had not been given justice or fair treatment. Now he has come before the hon. House with a petition, answering clause by clause all the charges for which he was held responsible by the Commission at page 45 of the report.

16.16 hrs.

[SHRI KHADILKAR in the Chair]

I feel that the petition should be considered by the Petitions Committee. I feel that all the statements should be gone through by that Committee and, if necessary, legal advice should be sought and evidence could be called for from the petitioner. After that, having the final opinion of the Committee before us we would be in a much better position to assess whether any wrong has been committed by the person concerned.

**Shri Bade:** Under what provision?

**Shri Sonavane:** According to the Commission itself, all the malpractices took place in 1946. We are discussing them in 1963. It is quite probable that whatever malpractices occurred or took place then were within the

ambit of the provisions of the law then existing, namely, the Indian Companies Act of 1913. It is quite likely, that all those people whose conduct is being enquired into worked within the framework of that company law.

A company was floated in 1946 and in 1948 it was dissolved. Now that case has been asked to be inquired into. The petitioner says that he had nothing to do with most of the companies from 1948 and, later on, he had no connection with the affairs of those companies under investigation. He has set out all his arguments in his statement and the documents which are there for every one to see.

Now, the result of the inquiry by the Bose Commission has been gone through by Shri Dapthari and Shri Shastri and they have suggested that certain amendments should be made in the company law. I think those recommendations are worth considering and earlier we bring an amendment to the company law the better it would be so that in future at least we could avoid these malpractices and punish those who are indulging in that. It will be in the fitness of things if Government acts early, quickly and with firmness. Our Law Ministry should be alert and should act without any waste of time. If any malpractices come to notice and if there is no provision in the law to punish the guilty, then it is imperative that immediately an amendment should be suggested and we should agree to incorporate that amendment in the law.

So far as Part I of the Report of the Attorney-General and Shri Shastri are concerned, as I have stated earlier, it confirms that the Commission has heavily drawn upon inferences, assumptions, contradictions and confusion. So, they now say "yes, there are some irregularities, some malpractices, but if these malpractices are to be proved in a court of law for conviction, further investigation will have to be done". I ask how it can be done



when the High Court and the Supreme Court have held that whatever evidence was placed before the Commission was not to be used for prosecution. So, now fresh evidence will have to be collected and linked up and further investigations will have to be started before prosecution is launched in a court of law. It is not unlikely that even at that stage some legal obstacles will crop up. So, will we not be unnecessarily wasting money on court fees and other fees, fees to the Attorney-General and a number of other expenses? Now, whatever has been done has been done. Therefore, will it not be better for the Government to rush in with amendments to the company law to plug all loopholes so that there may not be any recurrence of such malpractices? Let the Law Ministry scratch their brains and find out how the recommendations of the Attorney-General can be implemented in the shape of amendments to the company law. At the same time, I hope that our industrialist friends also will look to the God above, the poor people around and behave with dignity and decorum.

**Shri Prabhat Kar (Hooghly):** Mr. Chairman, from the various suggestions that have been made on the floor of the House I find that some hon. Members want that this Commission's report may be taken lightly. As I could understand it, when Shri Morarka was speaking, he was giving a picture of the world and was trying to place before the House what has happened elsewhere, probably meaning or hinting that whatever has been revealed by the Commission's Report regarding the concerns of Dalmia-Jain is nothing new, because the same thing is prevailing in various other countries. Shri HimmatSingka also tried to do the same thing.

16.24 hrs.

[MR. SPEAKER in the Chair]

I could not appreciate his anxiety in this matter. I suppose he understands Bengali. In Bengali there is a com-

mon proverb "Thakur Ghare ke Re Ami to Kala Khaini". When it was suggested that there was something wrong with one big business house, immediately he said "I have not committed any wrong". Nobody has suggested that the business house with which he is connected has committed any wrong. That is what Shri HimmatSingka has done, and I think he was protesting too much.

Now, what is the proposition before the House? The Vivian Bose Commission Report has been placed before the House. It has revealed that one particular business house, or some business magnates, have committed some fraudulent transactions. The question is whether we should check such malpractices immediately by amending our company law and whether we should take certain action against those persons who have committed such crimes.

Yesterday when Shri Daji concluded his speech he suggested that the best way or one of the important ways to find out the misdeeds of big capital is to enlist the co-operation of the workers. I would only inform the House that as early as April 1949 we wrote a letter to Shri R. K. Dalmia and a copy was sent to all the members of the All-India Congress Committee at that time. It is now a part of the record book of the Supreme Court proceedings. There we had stated in April 1949, namely—

"...Dalmia Jain Airways Balance Sheets show bogus and false liabilities on account of shares paid up to the tune of more than Rs. 75 lacs being cost of such shares issued in bogus names but no payment actually received against them. This huge fraud has been balanced by bogus assets and payments."

In 1949 we said:—

"....Dalmia Jain Airways.... have swallowed up Rs. 18 lakhs from one single party who sent

[Shri Prabhat Kar]

Rs. 28 lakhs for purchasing shares of the company which were not issued and to whom only Rs. 10 lakhs were returned."

The balance of Rs. 18 lakhs were swallowed up. In 1949 we wrote:—

"...Bharat Bank Limited.... stood surety for Allen Berry Ltd....certifying falsely to British and American firms that American disposal vehicles worth several crores belonged to Allen Berry Ltd. knowing fully well that this huge property did not at all belong to Allen Berry Ltd. and in this transaction you never charged a single pie from Allen Berry Ltd. as commission."

This is what we wrote in 1949 and this is what the finding of the Bose Commission is.

What happened at that time? As a result of this letter, fifteen of my colleagues were dismissed and the Supreme Court did not issue reinstatement order. All this happened simply because this circular came out, simply because we sent these letters to the All-India Congress Committee. Today our stand has been vindicated by the Bose Commission's Report. At that time we requested the Government and the Reserve Bank of India to take steps immediately. We invited the Government of India and specially the Reserve Bank of India to institute immediately an inquiry. We were prepared to place all the facts to prove the charges made in that letter. This was not taken into consideration. Today it has come.

It is true that we should not make sweeping remarks that all the big capitalists follow the same pattern as Dalmia-Jain. We do not say that each and every one of them is functioning in a bad manner but I am prepared to prove the facts about the house which Shri Himatsingka was defending. The General Manager of the

Bank to which that particular group belonged had to be given a go-by, because of the Reserve Bank, for that transaction and that man is still in that group. I am prepared to place all these facts as we did in 1949 and we are prepared even to sacrifice our colleagues for the sake of the nation. But I do not know whether Shri Himatsingka is prepared to accept this challenge. I am prepared to prove it.

**Shri Bhagwat Jha Azad** (Bhagalpur): To which house do you refer?

**Shri Prabhat Kar:** Shri Himatsingka was trying to place the case of the House of Birlas. I do not want to mention all these things because all this is there. I do not want to go into the details as to what had transpired because all that is already known. We have got so many papers. But I want to draw the attention of the House to one thing and that is that immediately this inquiry report was placed before the House, you must have marked, Sir, how beautifully the item was blacked out in the capitalist press. Such a big, huge document about maladministration was completely blacked out.

Not only that, Shri Kanungo most reluctantly placed before the House a particular part of the Attorney-General's report when it was supposed to have leaked out. It was such a document that perhaps it could not have gone even to the Under Secretary's level. But it was leaked out and had been distributed with impunity by the Dalmia concern. How is that possible? That means that it proves that however keen we may be in Parliament for the cause of socialism and democracy, the big money can buy anyone. Today the biggest friends perhaps have been mortgaged. I would put it that the highest lawyers.....

**Shri Bhagwat Jha Azad:** Please do not say that they can buy anyone; say that they can buy someone.

**Shri Prabhat Kar:** I may not put it as "anyone". There are quite honest people in this country who fight against these things. But they have got money to buy the best brain even. It was pointed out in the Taxation Inquiry Committee's Report that all this evasion takes place not because of the brain of these big capitalists only but with the help of the best brain that they can purchase. That is how things are going on.

Now, today how does it happen? It happens because for reasons best known to the ruling Party. I am quite sure, my hon. friends will not get disturbed, but we think that this contribution to political parties' fund is one of the factors. Yesterday I got a booklet when the statue of Pandit Motilal Nehru was unveiled. In this booklet in a letter from Pandit Motilal Nehru to Shri Jawaharlal Nehru, our Prime Minister, on page 6 it is stated—I am extremely sorry to read that out—

"The Malaviya-Lala gang aided by Birla's money are making frantic efforts to capture the Congress. They will probably succeed as no counter effort is possible from our side."

What I find today is that his apprehension has come true. That is why we find that today some softpedalling is there over the question of New Asiatic and Ruby General and various other companies. I tell all Members of the Congress Party that this is how today blackmailing is going on. They pay some money to the Party fund and try to utilise it and blackmail people. Are we going to allow this? Are we going to tolerate this? This is what the Bose Commission's Report has brought before the House. This is how these things are done.

It is not a question of Dalmia-Jain. I am quite sure that the Government will try to take all possible steps because it is not a question of how legally it can be put forward. There may be certain difficulties, but, I

think, the most important thing is morality; the most important thing is propriety, the way the commercial houses function. I want the Government to take steps. As I have said, I have got some doubt about it because of the way things have moved. I do not mind anything but I want to say one thing and that is how this patronage is given. I do not want to take the name of Shri Shanti Prasad Jain but he is the man connected with it. The ex-Chief Minister of Bihar, when he was ill in Calcutta, was staying in his house. I am extremely sorry to say that the President of India had to go from Delhi to Calcutta to visit our revered leader of Bihar, Dr. Sri Krishna Sinha in the house of Shri Shanti Prasad Jain.

**Shri Bhagwat Jha Azad:** Somebody is still there.

**Shri Prabhat Kar:** At that time, I must also say, the Governor of West Bengal, Shrimati Padmaja Naidu, refused to visit Shri Shanti Prasad Jain because at that time this inquiry was going on, because prosecution was launched against Shri Shanti Prasad Jain in connection with the fraudulent transaction in foreign exchange. On the 70th birthday of the hon. Prime Minister when the Benett Coleman Group of papers handed over a book to the hon. Prime Minister we find the photos of Shri Shanti Prasad Jain published all over India. The hon. Finance Minister wherever he goes enjoys the hospitality of Shri Shanti Prasad Jain. And here is the Bose Commission's Report. Do you think, with this type of background, the country can expect that any steps will be taken against Shri Shanti Prasad Jain? That is our apprehension. I am afraid, if things move in this way, not only the commercial houses, but the whole object of socialisation, establishment of socialism, democracy, everything will be marred, if things are allowed to go in this way.

We were told by Shri T. T. Krishnamachari about man-eaters at large.

[Shri Prabhat Kar]

Today what do we find? As a result of contradictions between two sections of the capitalists, some facts came out. Those who have got greater pull with the Government, with the officials of the Ministry, in their case, the Government tries to soft-pedal the whole thing. In the other, something comes out. This is how things move. I want to know exactly whether things will be allowed to continue this way or whether the House will come to a decision not only on the question of a change of the Company law administration, but also about certain punishment<sub>s</sub> about it.

So far as the Company law Administration is concerned, we have amended the Company law. We have given certain powers. To what extent has the Company law Administration exercised them? How many prosecutions have been launched? How many persons have been hauled up for contravention of the various provisions of the Company law? That has not been done. Shri Daji yesterday pointed out why under the Defence of India Act, these persons should not have been brought in. Is it not a sufficient danger to our democracy, is it not a sufficient danger to our object of socialism, is it not a sufficient danger for the common man that this type of capitalists should be allowed to have a free hand? Why should not they be hauled up under the Defence of India Act? I want a firm answer from the Government. If you want to do away with capitalism and establish socialism, I would only end my speech with a quotation. I will put in a word about auditors. Shri Morarji Desai, in 1957, when he was the Commerce and Industry Minister, at the time when he was inaugurating the Convention of Auditors in Calcutta, put a straight question to the Auditors. He said, you look more to your employer; we want you to look to the needs of the country and the nation. What does it signify? It signifies that today, in the present circumstances, it is almost impossible

that Auditors could certify accounts without permission, without dictates of the directors. They will lose their job. I agree with Shri Daji that this should be socialised. The Government should appoint auditors so that the auditors will have freedom to check the accounts and give certificates as they want, as the way they feel. Then and then only this will be done well.

I will only end with this quotation from R. H. Tawney, who is not a communist. He is one of the great theoreticians of social democracy, of the British Labour party. I will just put it this way: he says:—

“Onion can be eaten leaf by leaf, but you cannot skin a live tiger paw by paw.”

If you want to end capitalism, if you want to establish socialism, you have got to take a strong stand and then and then only you will be able to do. Otherwise, you cannot do. With these words, I conclude.

**अध्यक्ष महोदय :** एक बात की ओर में हाउस का ध्यान दिलाना चाहता हूँ। माननीय सदस्य मौर्य जी जब बोल रहे थे तो उन्होंने कुछ शब्द ऐसे कहे हैं जो कि मुझे उचित नहीं मालूम देते। उस वक्त डिप्टी स्पीकर साहब यहाँ प्रीसाइड कर रहे थे। शायद वह हिन्दी को अच्छी तरह नहीं समझ सके इसलिये उस वक्त उन्होंने उस पर कोई ऐक्शन नहीं लिया। मगर बाद में दो सदस्यों ने मेरा ध्यान इस तरफ़ दिलाया और मैंने उसको पढ़ा है। बाकी चीजों के बारे में ऊपर बोलते हुये उन्होंने ये शब्द भी कहे हैं : \*\*\*

यह बहुत ज्यादा है। मैं समझता हूँ कि हाउस इसको पसन्द नहीं करेगा कि एटार्नी जनरल के आफिस के बारे में यह कहा जाये कि \*\*\*

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यह कहना बहुत ज्यादाती थी, और इन शब्दों को मैं हाउस की आज्ञा से रिकार्ड से निकालना चाहता हूँ और प्रेस से भी कहता हूँ कि वह इसे नोट कर लें।

**श्री मोर्य :** क्या मुझे दो शब्द कहने की आज्ञा मिल सकती है ? मैं अपनी जानकारी के लिये कुछ पूछना चाहता हूँ।

**अध्यक्ष महोदय :** आप अगर कुछ ऐसे और शब्द कहेंगे तो उनको निकालना पड़ेगा।

**श्री मोर्य :** मैं इसमें ज्यादा नहीं जाऊंगा। मैं नया आदमी हूँ इस सदन में। जिस समय उपाध्यक्ष महोदय प्रोसाइड कर रहे थे तो उन्होंने कोई ऐतराज नहीं पेश किया। अध्यक्ष महोदय, क्या आपको यह अधिकार है कि जिस समय आप इस सदन में प्रोसाइड नहीं कर रहे थे, उस समय की किसी बात को आप उठा सकें।

**अध्यक्ष महोदय :** इसी लिये तो मैंने सदन की आज्ञा चाही है। क्योंकि हमारे उपाध्यक्ष जो हिन्दी बहुत अच्छी तरह नहीं समझ पाते, इस लिये उन्होंने ऐतराज नहीं किया। एक दफा पहले भी ऐसा अवसर आया था जब उन्होंने मुझ से कहा था कि मैं ठीक नहीं समझ पाया।

**श्री मोर्य :** क्या उपाध्यक्ष महोदय की राय जान ली गयी है कि वह हिन्दी अच्छी तरह नहीं समझ पाते....

**अध्यक्ष महोदय :** मैंने हाउसकी आज्ञा से यह काम किया है।

**Shri A. C. Guha (Barasat):** This report is a big and voluminous report....

**Mr. Speaker:** I would like to have the sense of the House as to how long it would like to sit.

**Shri Priya Gupta:** We can sit day after tomorrow.

**Mr. Speaker:** This is the last day of the session, and normally on the last day, the House would not like to sit very late. Therefore, I should like to know for how long the House would like to sit today.

**Some Hon. Members:** Till 5 p.m.

**Some Other Hon. Members:** Till 5.30 p.m.

**Mr. Speaker:** I can only call the hon. Minister at 5 p.m. We cannot rise at 5 p.m.

So, I shall call the hon. Minister at 5 p.m.

**Shri Daji:** It is very strange that not one single Cabinet Minister has been present here since yesterday. That shows that they are not very anxious about the discussion.

**Mr. Speaker:** The hon. Minister who moved the motion is here.

**Shri A. C. Guha:** Mr. Speaker, Sir. This voluminous report is the product of six years of work by a high-powered commission constituted under the Commission of Enquiry Act. It reveals a very painful story. Really speaking, this report is a painful reading also. The previous speaker has stated that our Companies Act is more progressive or something like that. But I do not know whether the Companies Act is more progressive or not, but surely our Companies Act is more comprehensive, and it has a number of restrictions to be imposed on the corporate sector. But why had the Companies Act to be amended so repeatedly to make it comprehensive, and why has it got to be amended again as a result of this report? This only confirms what has been revealed in this report that our commercial morality is of a very low order.

There is one thing which is reassuring to this House namely that this report reveals incidents which occurred long before the present Companies Act came into existence in 1956, and

[Shri A. C. Guha]

we all expect that under the provisions of the present Companies Act, similar things would not be possible to be repeated. I think that it will not be irrelevant here to mention that in those days, this particular group of companies, whose activities and misdeeds have been revealed in this report, were not the only unique cases. These were rather the typical cases. In 1949, the Bombay Shareholders Association submitted a big memorandum to the Government of India, and which they again presented before the Bhabha Committee which preceded the compilation of the present Companies Act. The Bombay Shareholders Association is not a socialist organisation, nor is it a very progressive association; rather, it is rooted in capitalism.

In that memorandum, they said:

"During the last few years managements of a number of industrial concerns all over the country involving crores of assets have changed hands at fabulous prices as a result of direct transactions, in sale and purchase of large blocks of shares together with management rights. These transactions have brought to light a series of objectionable features associated with the management of companies".

They cited about 150 cases and they mentioned the names of the groups to which those companies belonged. In the list, I find practically all the big businesshouses of India except perhaps one, Tatas. The deeds of all the other houses have been mentioned in that memorandum. Even when they submitted those 150 cases, they said that they are a 'few representative instances which are merely illustrative and should not be treated as exhaustive'. That was the state of affairs all through; and this speaks of the low level of commercial morality.

Similarly, the Bombay Exchange made serious allegations about private sector management and they suggested drastic amendment of the Act. The Act was amended, but even then the Bombay Stock Exchange gave a word of warning; they said in spite of amendments of the Companies Act, "ingenuity, imagination and skill continue to find loopholes and defects whereby the provisions of the Act can be evaded for purposes of selfish exploitation and self-aggrandizement.

We are faced with a situation like this. The company law has been amended, but still the Vivian Bose Commission and also the Daphtary-Sastri Committee have recommended certain amendments to the company law. Though that will be inevitable—we will have to amend the company law according to the recommendation of the Commission as also the suggestion of the Attorney-General and Shri Sastri—I am afraid unless we can improve the standard of commercial morality in this country, it will not be possible to stop all these malpractices. I do not know how Government will do that. In any case, that would require the drastic enforcement of the provisions of the law.

In spite of the comprehensive provisions of the company law, I think the present Act is ineffective to a very great extent. It has been suggested repeatedly in this House that the Company Law Department should take certain action against the groups concerned, but such a suggestion can come only from real ignorance of the implications of the provisions of the company law. Under the new company law, the Company Law Department can only proceed in a court against certain breaches of the provisions of the law. The department as such cannot take any effective administrative measures against any of the transgressors and those companies which have been transgressing the provisions of the law. To make the company law administration effective,

I would first suggest that there should be an integrated administration of the Company Law Department. The Bhabha Committee has also suggested that there should be an integrated administration of the company law so that the corporate sector may be properly guided and controlled. They have devoted one full chapter—chapter 17: Scheme for central authority—to this matter. But time being short, I do not want to read out what has been stated in their Report. This Commission has also suggested an integrated organisation, so that there may be a proper check on the operations of the corporate sector. They say:

“... legislation can be defeated by human ingenuity, as unfortunately sometimes happens. In such circumstances, the wrongdoer succeeds anyhow and the honest businessman is saddled with a considerable amount of technical difficulties.”

So, they have stated that “there is need for integrated administration of the Companies Act as well as other matters connected with the corporate sector”. They have suggested that the Capital Issues Department, and other departments dealing with stock exchanges and other cognate matters should be put under one administration. Originally, all these departments were at least under one Ministry, but subsequently due to some unhealthy factors in the administration, these have been separated, and now there is practically no co-ordination between this department and the others. In this House it has been repeatedly pointed out that licences have been given to certain companies for doing things which are not in the original objects of those companies. When the licences have been given, they have the legitimate right to indulge in those activities. It should have been the concern of the Government not to issue licences in such cases for the production of items which are not in the original aims and objects of the companies.

Similarly, it has been repeatedly mentioned that licences issued do not subserve the economic policy of the Government, namely prevention of concentration of wealth or the means of production in the hands of a few. So, I would suggest that there should be an integrated company law administration which may cover all these things, so that there may be effective control of the corporate sector.

Coming to the report itself, I should like to point out some of the lapses of the Government. In the course of this discussion as also on many previous occasions, it has been suggested that there must have been some connivance of the administration with big business parties who are indulging in these misdeeds. It is not possible for these private industrialists to do all these things without the connivance and help of the administration. Sir, I do not say the connivance of the Government, because Government is separate. It enunciates certain policies, but the implementation of those policies depends on the administration. The administration is not always very alert. Rather, there have been cases when the administration can be really accused of conniving and winking at such lapses.

There are at least two cases revealed in this report, to which I would draw the attention of the House, in which Government should have taken effective steps. The First Information Report was submitted in 1952 or 1953, and this Commission was appointed in December, 1956. For full three or four years the Government did nothing about the FIR, and when the Commission was set up, it felt its work might be hampered because certain matters were pending before court. The affected party referred the case to the Punjab High Court which decided that though the FIR had been submitted to the Court, it did not really form part of court proceedings, and so this Commission could proceed with its work. But the Government did nothing about it for three or four

[Shri A. C. Guha]

years. It is a serious lapse on the part of Government, and it can be due only to some subtle connivance of some persons in the administration. Secondly, in the court it was stated that the registrar and Mr. Chopra, did not co-operate. In spite of repeated reminders the Registrar did not appear before the court nor did he submit any report.

**Shri Kanungo:** Which court are you referring to?

**Shri A. C. Guha:** I cannot say which court. It is here in the report on page 477 or 481. There are so many courts that it is not possible for me to say which court. Here it says: "If anyone was responsible for hiding facts from the court, it was the Registrar, Mr. Chopra." The report says further that there is justification for the criticism and that when the Government was asked to produce the reports they refused to do so under plea of privilege. I feel that it is a serious lapse on the part of the Government. Somebody must have been there in the administration who wanted to give protection to the guilty persons and not to reveal facts. I do not know what steps Government have taken against that Registrar. He has been accused by this Commission of hiding facts from them.

Then, I would refer to Mr. Chopra, against whom also there are so many allegations. I am surprised that in spite of all that had been stated, he has been appointed very recently to investigate into the operation of five big living and operating companies. Apart from the question of his *bona fides* or efficiency the Government should have thought how long would he take to submit reports on these five companies? There were nine companies put in charge of the Commission; some of them were dead; some were dying and others gasping and all of them were under a sort of an animated suspension. There were not much commercial activities of

these nine concerns. But these five are big concerns handling crores and crores of rupees every year; the Commission took six years to conclude an investigation into the affairs of nine dead companies. How long will Mr. Chopra take to submit his report on these five companies? Is Government serious about investigating the affairs of these companies? I may also point out in this connection that Mr. Chopra was appointed in 1952 as inspector of some of these nine companies but the shareholders remonstrated against him and petitioned to the Government. The Finance Ministry intervened and asked the Delhi State to terminate his appointment. When his appointment was terminated just then he submitted a hurried report which did not contain anything based on factual study; he stated only certain conclusions without basing them on or relating them to facts. Later on after a year he corrected them. That man should not have been appointed to investigate into the working of these five companies. As soon as he was appointed, he held a press conference and he gave out that he was an honorary adviser to the Ministry of Commerce and Industry as also to the Planning Commission. I do not know if the Planning Commission or the Ministry are in dearth of hon. advisers and that they have to seek advice from such persons whose reputation as honest businessmen is not very high.

17.00 hrs.

Another gentleman is C. P. Lal about whom much has been said in this report. But I know he is still enjoying Government patronage and represents a particular State Government in the Supreme Court. That should have been stopped. Though the Attorney General and Mr. Sastri have given something like a clearance certificate about Mr. Lal, I think the findings and recommendations of this Commission should not be slighted



and ignored by the Government. They should not continue to use him as their representative.

Another case is the auditor, Mr. Sodhans. Very serious allegations have been made about this gentleman in this report. I cannot mention all that has been said, but it has been repeatedly said that he has been hiding facts, ante-dated the reports and did all sorts of things. I think his name should have been struck off from the list of chartered auditors.

After reading this report, two things have come to my mind—how human ingenuity can play with crores of rupees and the fortunes of thousands of men. The Government machinery was almost helpless in that state of affairs. After the revelations of this report, Government is now trying to find out what to do. Most of the documents of those nine companies have been destroyed. That was one of Mr. Dalmia's tactics that after amalgamating one company with another, immediately that company passed a resolution for the destruction of the account books of the amalgamated company. So, it will be very difficult for the Government to fix specific legal responsibility on any person, because the accounts will not be available nor will there be sufficient witnesses also to confirm the suspicions of the Government. Even before the Commission and before some law courts, the witnesses were not willing to come.

Another thing which has struck me is the finding of this Commission about the dissolution of the partnership. In one place, the Commission has earlier stated that there is no evidence. But in other places, they have tacitly accepted the question of dissolution. There may be some discrepancy about the date, just a month or so of difference. Much depends on the dissolution of the partnership. If there has been dissolution, then certain persons are absolved from the big slice of the responsibility of the charges revealed

by this Commission. But if the dissolution is not accepted, then all of them continue to be responsible for what happened during this entire period. I wish that this Commission had made a definite finding about the dissolution of the partnership. In one place it is stated, "For one thing, we have no evidence to show that the Dalmia-Jain Group was in existence at the time of this transaction." In another place they have stated "...as the joint venture commenced sometime in August 1946 and was terminated on 30th June 1948." In these two places, they have more or less accepted the dissolution, though there may be a difference of one month.

Sir, before concluding I would like to remind the House about what has been stated regarding the operations of the corporate sector in the memorandum of the Bombay Shareholders and the Bombay Stock Exchange. Before the Bhabha Commission the Bombay Stock Exchange said:

"Publicity and exposure and fear of retribution are the most potent antidotes to corrupt and inefficient management."

But it is regrettable to find that the Government is anxious to give protection and not to expose the true position of the operations of these companies. I do not know what was the reason for Government's reluctance to place before the House the full report of Shri Daphtary and Shri Sastri. After all, they had to do it admitting a very serious and shameful defeat that the Government could not keep any document secret in their own archives.

Again, this matter of the New Asiatic and Ruby Insurance Companies was being referred to in both the Houses for. I think, over about two months. The Government was stubbornly reluctant to place the documents before the House. Ultimately they had to do it.

**Mr. Speaker:** The hon. Member must conclude now.

**Shri A. C. Guha:** Sir, I am finishing.

**Mr. Speaker:** This phrase "I am finishing" is very indefinite.

**Shri A. C. Guha:** About these two companies, the report of the auditors, as read out by Shri Banerjee, I think, is most critical. Any recommendation on that report should not prevent the Government from placing the whole case before a court. The auditors' report should form a sufficient ground for the Government to place the case before a court. By their reluctance to expose things and take appropriate steps they are not protecting the interests of anybody, they are simply creating a cloud of suspicion even against those who may not be really guilty. Let them be acquitted in the court then there will be no occasion for these accusations.

**The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo):** Sir, I have not much to say, particularly at the flag end of a long session when everybody is almost tired out—at least I am.

**Mr. Speaker:** What about the poor Presiding Officer?

**Shri Kanungo:** Still worse.

Sir, I believe more than 25 speakers have participated in the debate. There have been—including Shri Tiwari's—five substitute motions. I do not propose to take up the substitute motions separately because the debate has been carried on on all of them together.

The points which have been raised in the debate, to my mind, can be broadly classified into two parts: one as those which arise directly out of the Commission's report which is under consideration, and the other as those having a bearing on the general policy, industrial as well as economic. With regard to the second part, I do not know how far I will be justified in taking the time of the House in elabo-

rating on it, and I do not know how far I am competent for that. Anyway, so far as the remarks made in the House on the first part is concerned, it is certainly my duty to elucidate the position, as far as I can.

Here I would ask you to remember that the event which is the subject matter of the inquiry by the Commission happened at a period of time which though not very old, is of historical importance. The operations of those companies which have been questioned and which have been inquired into happened mostly round about 1945 to 1950, rather from 1945 to 1949. Those were the days when the conditions in the country were very unsettled; in fact, there was almost near anarchy. Shri C. K. Duttacharyya mentioned the significant date of the partition of India, and that happened to be at the time. Also, that was the time of the aftermath of the great war when conditions, particularly in India, were none too happy. During such periods, people who are not scrupulous find an opportunity to do things which in normal circumstances they would not do, or any one else would dare to do. There is another factor which I would like to place before you. That was a time when the Congress Party was suppressed and oppressed and completely eliminated, as far as public life was concerned.

**Shri S. M. Banerjee:** Now they are enjoying, and rightly so.

**Shri Kanungo:** At that time, the political life and the administration of India was not a settled administration and the society was not a settled society. These events happened at that time. I mention this because it seems to have been taken for granted, and some of the hon. Members have particularly tried not to remember it, as if these transactions, which have been the subject matter of the inquiry and which the Commission has reported upon, have occurred during normal times. For the present, I am leaving aside the legal part of it, that is to say, the laws in operation at that time. At the time these operations

took place, even if there was a stable government, it would have been difficult for it to suppress it, or inquire and investigate or take adequate steps, because the law at that time was the Companies Act of 1913, whose defects have been amply brought out by the Commission itself.

It may be that many other commercial houses may have indulged in this sort of practice at that time but, at any rate, the operations of this group was so enormous, so unscrupulous that the attention of Government was drawn to it,—Shri Prabhat Kar has pointed out one complaint—by several complaints which were submitted to Government by shareholders, by employees and by other public men also.

Shri Homi Daji has given me the compliment about my opening speech at least of paraphrasing the contents of the Report. I am content with that much of compliment and I certainly do not expect more.

**Shri Bade (Khargone):** From the Communists,

**Shri Kanungo:** But I have ransacked the records of that time and I find that no complaints from any source were available against any other company.

**Shri Sonavane:** That is not correct.

**Shri S. M. Banerjee:** Is he defending the other companies?

**Shri Sonavane:** There is one company about which there was a complaint.....

**Shri S. M. Banerjee:** Do you want the complaints now?

**Shri Kanungo:** I am coming to it. Shri Banerjee knows much better than I do that there were no complaints. Shri Sonavane has mentioned about the Sholapur Mills. That was investigated into by the Bombay Government and cases were started against the persons who were reported against by the inspectors.

**Shri Daji:** Except Thackersey.

**Shri Kanungo:** Prosecution was launched in the courts and, unfortunately, all the accused were acquitted. There again I say that one has got to be circumspect in these matters. I do not subscribe to the philosophy of Shri Homi Daji. His accusation against the Government is that in the case of big business there is no harassment, no documents are seized and we are having a probe and an investigation. I do not think any civilised government will go in for harassing anybody.

**Shri Daji:** I have not said that.....(Interruption).

**Shri Kanungo:** I am repeating it from his speech. Whatever has got to be done has got to be done through the due process of law. I am pretty sure that the due process of law will take account of the feelings of horror and resentment which the publication of this Report has caused. The steps that have to be taken have been mentioned by me in my opening speech.

Regarding the second part, that is, about the change in the law and amending the Companies Act, in due course and not too long after the proposals will come before the House. I will refer to it later on.

As far as the first part is concerned, you know, Sir, that the Commission itself has said that their function was to find out facts, correlate them and show what the state of things was. They had been expressly precluded by the judgement of the Supreme Court from functioning as a judicial body, or rather from assessing the evidence which would lead to punishment. They themselves therefore have mentioned that the papers, documents and evidence which they have considered are not such as can stand the scrutiny of the Evidence Act in law courts. Here, Shri Daji mentioned the Evidence Act, conspiracy and various other factors. It is possible for lawyers to differ, but I would always prefer to go by the judgement or by the opinion of the constituted adviser

[Shri Kanungo]

of the Government, that is, the Attorney-General to any other opinion. Possibly the Attorney-General is wrong, but certainly I would resent the reflections and attacks on the integrity of the law officers of Government. Here I may remind the House that the Attorney-General is not a law officer of the Government, but he is an officer under the Constitution. Therefore I would submit that the reflections were certainly unmerited and are certainly not in the best of tastes. Therefore, the Government has no other way. It has to test the evidence whatever they have and their Law Officer has told them that this evidence, as it is, is not enough to stand scrutiny in a court. Therefore, they have picked up 10 items and they think that these are promising items for which further investigation may produce certain evidence which can go in.

As far as the law cases are concerned, that is a step which the Government is taking. They are taking vigorously. I would not say that it can be a matter of weeks, but certainly it is not going to be a matter of years. Anybody reading the report will realise that most of the documents, most of the witnesses are not available. Many are dead. Many are scattered. Documents are destroyed. Some of the documents are inaccessible. Therefore, it is not an easy task to construct the cases. The Attorney-General has advised and picked up only 10 cases in which there is some promise that it can stand.

Regarding the other parts, I would submit that, as some of the Members have also remarked, the Commission itself has remarked that after the amendments of 1956 and 1960....

**Shri Daji:** Has the Minister found out the breakdown of licences which I had asked for?

**Shri S. M. Banerjee:** I seek your guidance. I expect some reply from him.

**Shri Daji:** He has passed on to the Company law.....

**Mr. Speaker:** Let him complete; then I can allow.

**Shri Kanungo:** I suppose time is as valuable to hon. Members.

**Shri Daji:** Time is valuable. This discussion is more valuable.

**Shri Kanungo:** I am prepared to be at your service for any length of time.

**Shri Daji:** We are prepared to go up to midnight.

**Shri Sham Lal Saraf:** The Minister is going right. We want to hear him.

**Shri Kanungo:** It is significant that the Commission has itself remarked, as I said, that the amendments of 1956 and 1960 have been comprehensive. Many Members, particularly, Shri Morarka have commented on that. The very fact that since the commencement of this Act of 1956, none of the cases of any serious nature has come up to Government, though there are so many provisions in the Act according to which shareholders and others can also take the initiative, is proof enough that there is a certain amount of discipline in company management.

**Shri Prabhat Kar:** Mundhra.

**Shri Kanungo:** There was one Mundhra. I was talking of the number. Considering the number of 6000 public companies and 18,000 private companies, there have been, to my knowledge 48 investigations,—that means *prima facie* cases which required investigation—in the period 1956 to —this covers also a period before 1956 —is not too many.

Some of the hon Members mentioned that the Company Law Administration is not too keen on prosecution. It is not certainly too keen. But, it does not shirk the duty of pro-

secution. As a matter of fact, some of the Members remarked that the Company Law Administration is rather prompt in reminding companies of their failure to do things which are obligatory under the Companies Act. Every year, the Annual report publishes the number of prosecutions, the number of investigations and various other factors which come to their notice. The report, as you know, is a statutory report to be placed before the House under the Act and Members, as far as I can remember, in the past years, have complimented the Administration on their work and on the report which has been submitted to the House.

**Shri Prabhat Kar:** At page 76 of the *Annual Report on the Working and Administration of the Companies Act, 1956*, for the year ended 31st March, 1962, we find the statement:

"...the nature of offences for which prosecutions were launched, continued, on the whole, to be the same as before."

So, what care has the Department taken in regard to these matters?

**Shri Kanungo:** I suppose my hon. friend has to refer to the previous years. These are mostly technical things such as non-filing of documents and so on. What I mean to say is that serious breaches of the provisions of the Companies Act have not been complained of. I do not say that they would not be there but they have not come to our notice. The point which I am emphasising is that since the coming into operation of the Companies Act of 1956 and the amendment Act of 1960, there has been a great deal of discipline in the corporate sector.

Under the law today, Government, in the Company Law Administration, has the powers to undertake inquiry and prosecution. The structure of the Companies Act is such that any penalty which has to be inflicted has

to be inflicted by the courts, and the courts have ample powers to do so. There have been some cases under section 397 of the Companies Act where condign justice has been meted out. I would refer to the case particularly of the British India Corporation in Kanpur. It was possible to launch prosecution quickly, because the LIC was a plaintiff. The LIC's funds were involved in this company, and, therefore the LIC took prompt steps in moving the court, and ultimately, the court decided upon an interim arrangement, and later on, on a permanent arrangement also. The point that I am trying to emphasise is that the atmosphere which might have been created by the discussions and the remarks of several Members that all is not well in the kingdom of devil or whatever country it is....

**Shri Daji:** In the kingdom of big business.

**Shri Kanungo:** I may tell my hon. friend Shri Daji that my knowledge of English is very poor.

**Shri Daji:** In the kingdom of Denmark.

**Shri Prabhat Kar:** Again, I may draw your attention to page 98 of the same annual report; some of the instances of unsound company practices mentioned therein are: 'Appointment of Director as Sole Sales Representative', 'Auditor's separate report not brought to the notice of shareholders', 'Improper distribution of companies' assets' and so on. I do not know whether they relate to major or minor defalcations or frauds. I would like to know under what category they come, because there is a long list of such things mentioned there.

**Shri Kanungo:** That is exactly the point, namely that the report is placed before Parliament and the actions taken are also reported to Parliament. That means that the Company Law Administration is vigilant. That is the point which I want to make out.

**Shri Daji:** The action taken is one rupee fine per day.

**Shri Kanungo:** I might say that the imposition of the penalty is the privilege of the court, and that has been deliberately kept so. Further, I would say that the discretionary powers of Government also, where they have to use the powers for permitting or not permitting something, for allowing or not allowing something, are justiciable, and they can go to a court of law in that regard. Therefore, when Government use the powers conferred on them by law, they have to do it with a proper mind and they have to take into consideration the procedure, and the principles of law, and the judicial procedure and then come to a decision, because that can be challenged in the courts.

I had paraphrased the findings of the commission. The findings of the commission have exposed something like 24 types of major malpractices.

I have had a comparative Table made out and I found that barring five malpractices which are not covered under the present law, the rest are fully covered. Therefore, to assume that these malpractices are of enormous proportions and would be going on as such in the companies of India is, I think, not supported by facts. In any case, as I have said, the avenues of complaint, the avenues of moving the court and the Government are well known, and now there are vigilant associations of shareholders, competent associations of employees and of others. As one hon. Member, Shri Kishen Pattnayak, mentioned, one of the correctives should be that labour should be associated with management. Anyway that has been done. That is a matter of policy with Government which has been announced, and that is continuing.

Next, I come to the second part, about the economic policy of Government etc. As I said, I am not competent to say much on that. But I would submit that this subject has

been repeatedly argued and discussed in this House. The policy of Government has been thoroughly discussed, particularly at the time when the Plan proposals come up and also later on every year more than once. The Industrial Policy Resolution of Government stands and that is the sheet-anchor of our policy. Whether it has worked well or not, whether it has satisfied my hon. friends opposite or my hon. friends on this side, is more than I can say. I would only say this that for any analysis of the corporate sector, adequate data were not available before 1960. It is only the Act of 1960 which has made the filing of documents which could provide data about companies' operations obligatory; it is only since then that they have been available. In other words, I suppose only two years' data would have been available by this time.

Government has helped and in fact, encouraged studies of economic trends. Apart from the Reserve Bank of India which maintains very competent research staff, the Planning Commission also has encouraged and stimulated studies and researches in those economic factors.

**Shri S. M. Banerjee:** May I know whether the report of Dr. R. K. Hazari has ever been considered by Government?

**Shri Kanungo:** It is not a report to be considered. It was a study among many others. It is not Dr. Hazari alone who has made such a study; many other people have published books on that. In this matter, as the Prime Minister has stated, whether there is concentration, of economic power and so on can be decided only when the Report of the Mahalanobis Committee, whose terms of reference are specific, are available to Government and to the House. Before that, I think it will be hazardous to decide one way or the other, even for Government. In the meantime, of course, every public man has got the right, and duty, I should say, to draw his own inferences. Whether data are

adequate or not, everyone is entitled to do so.

Shri Daji mentioned to me about the query which he put to me yesterday. It is just physically impossible for me within 24 hours to have a break-up of the valuation of 4,000 licences.

**Shri S. M. Banerjee:** It is already there. Otherwise, how were they granted? Shri Himatsingka in his speech has clearly stated that the value of 56 licences is more than 3,000 others. It is known to him, but not to the Minister.

**Shri Kanungo:** Shri Banerjee should have at least the courtesy to let other people speak, when he expects the same from others.

**Shri S. M. Banerjee:** I am asking you a question.

**Shri Kanungo:** That is an interruption. I can only plead with him to extend a little courtesy to another Member of this House. About the licensing policy, it is not germane to this subject, because, after all, what is the company law for? It is to regulate the operations of companies. As I said in my opening speech, the operations of companies are governed by specific laws. If it is an insurance company, it is governed by the Insurance Act, if it is an industrial company, it is governed by the Industries Act. Therefore, the company law is not one law which can govern the economic life of this country. The laws in different spheres, particularly taxation and financial laws, are the laws which, taken together, will decide the trend of economic growth in this country. As to whether they are adequate or not, whether they are serving the purpose of the policy which they are intended to serve, it is not my business today to dilate upon. I would say again that there have been opportunities of debating all these points, and there will be further opportunities, and in any case we will have an expert study on that soon.

575 (ai) LSD—7.

One important point has been made by various Members that immediately the Government ought to take over any company they like, and that, particularly in relation to the discussion of this report, those persons who have been named by the Commission should be removed from the positions of control of companies which they enjoy at present. I would merely say that under the company law as it stands today, the removal of a person from a position of control as director or otherwise, is possible under section 274, and that section limits itself to the conditions that a person of unsound mind, is adjudged insolvent, or is convicted in a court of law for an offence involving moral turpitude. Whether this law is adequate or not, proper or not, I am not going to discuss. We have found in the course of our enquiries that Government has powers to approve the appointment of managing directors and managing agents in the first instance, and having done so, it has not the power of removal. We think that is a lacuna in the law as it stands, but till that is considered by the House, Government has no powers except going to court. Therefore, the Government is most anxious that the companies and the persons involved in this report should be prosecuted and the verdict of the court should be obtained, at least in their own interests. Either they will be acquitted of the charges which they will be prosecuted for, or they will be convicted. Once conviction is obtained the necessary consequences will flow.

**Shri D. N. Tiwary:** Have the Government instituted any case?

**Shri Kanungo:** No, not yet. Government have taken the law officers' opinion. The law officers have advised that until further details are received, the prosecution may not stand.

**Shri D. N. Tiwary:** Then there will be no prosecution.

**Shri Kanungo:** Of course, I hope that enough evidence will be available

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for prosecution. After all what are the main charges? What are the consequences of the malpractices which have been reported by the Commission? If they were committed by individuals they will come more or less under the penal code in which case the person has got to be prosecuted in a court of law and get conviction or otherwise. The difference is this. A person masquerading as a public corporation should not commit crimes which he would be called upon to account for as an individual. But Government should not be guilty of meeting out short justice in tribunals merely on suspicion of an individual or merely on the hysteria of the moment.

Sir, I am sorry that the motives of the Government have been questioned in regard to the action which they took. I am referring particularly to the investigation of the five companies which has been done irrespective of the findings of the Bose Commission. There were complaints and in pursuance of those complaints investigations had been ordered and I am also sorry that aspersions have been cast on persons who are not present here.

**Shri S. M. Banerjee:** We have given enough material.

**Shri Kanungo:** Mr. Banerjee can insinuate anybody.

**Shri S. M. Banerjee:** Can you deny it?

**Shri Kanungo:** Mr. Banerjee knows better than I that I refuted the very same allegations in the other House the other day: it was published in the newspapers. Still Mr. Banerjee repeats them.

**Shri S. M. Banerjee:** On a matter of personal explanation of what I said in this House. These gentlemen may be men of integrity. But I have got information that he was appointed at the instance of Mr. Shanti Prasad Jain. He stayed in Nataraj and Grand

Hotel in Bombay and his expenses were borne by Mr. S. P. Jain.

**Shri Kanungo:** I am sorry that the hon. Member of this House without knowing facts is casting aspersions.

**Shri S. M. Banerjee:** You deny it.

**Shri Kanungo:** He is casting aspersions upon a person who has a high professional integrity and has held high professional positions. I categorically deny all the charges: that he was associated with Dalmia-Jain concerns at any time or that he has been associated with any of them.

**Shri S. M. Banerjee:** I have never said that.

**Mr. Speaker:** Order, order.

**Shri Kanungo:** The opinions of the law officers of the Government have been suspected. I could not say anything about it. But Government abides by the opinion of their duly constituted law officers . . . (Interruptions.) Mr. Banerjee can have his opinions on them.

**Mr. Speaker:** Order, order. I can understand occasional interruptions. Every one has had his chance but they are not allowing him even to make his reply.

**Shri Kanungo:** The correct course for anybody who wants to cast aspersions on the Attorney General would be to move a proper motion in this House and substantiate it.

**Mr. Speaker:** I have ordered that to be expunged. I do not know whether in my absence any other aspersions were made against the Attorney General.

**Shri Kanungo:** Mr. Banerjee's speech had many insinuations, Sir.

**Shri S. M. Banerjee:** I have made no insinuation.

**Shri Kanungo:** Ideas have been thrown about that auditors should not act as professionals, they should be under Government only and Government



shall appoint auditors for the joint-stock companies. This idea is not a new one. It was considered by a reviewing committee appointed by Parliament in 1958 and after a great deal of discussion, the committee came to the conclusion that that should not be done. As it is, there is ample room to bring to book recalcitrant auditors. I do not say every auditor is what you call a man of the highest ethics, but fortunately in this country lapses are not too many. As for the one case which has been brought out in this report—the case of Mr. Sodhanj—the matter has been referred to the disciplinary committee of the Institute of Chartered Accountants.

Another point was made out about tax evasion by particular parties and the Government's reluctance to publish names and so on. I wish to point out that two statements containing the names of assessee on whom a penalty of more than Rs. 5,000 had been imposed in 1960-61 and 1961-62 were published in the Gazette of India on the 6th March 1962 and 22nd December 1962 respectively. Copies of the statement were laid on the Table of the House on 14th May 1962 and 23rd January 1963 respectively.

Mr. Daji had mentioned the appointment of a permanent tribunal for dealing with cases of tax evasion. I understand that the committee presided over by Shri Tyagi also considered the matter and came to the conclusion that the constitution of such a separate body was neither feasible nor necessary. The Income-tax Act, 1961 has plugged many of the loopholes and there is no need for the appointment of any tribunal now.

I would like to submit one point about the FIR—first information report—of 1953. It has been suggested that the Government has deliberately slept over the matter. The fact of the matter is that the Commission has also remarked about it that when the case was taken up, certain documents were seized and investigations were proceeding. At that stage, the Commis-

sion called for the records and they were in possession of the records. Now that the Commission has now become *functus officio* and the records have now been passed on to the investigating authorities, steps are being taken to continue the investigation.

Sir, I think I have nothing more, particularly, to add except, in the end, to submit that it is rather unfortunate that the name of the late President and the first President of the Republic of India was brought into the debate in this House in a rather unsavoury context. Sir, the Opposition has the right and it is in fact their duty to criticise the Government justifiably or even unjustifiably. They have the right to attribute motives. But, I would submit, it is certainly not in the best taste to bring the name of the first President of the Republic of India as if he was in relation or in association with bad people. (Interruption).

**Shri Daji:** Sir, I rise to a point of order. It was not said in that context.

**Mr. Speaker:** Order, order. What I understood was that because the President wanted to meet an ailing Chief Minister and he was there in that house, therefore the President had to go there.

**Shri Daji:** He was forced to go there.

**Mr. Speaker:** Order, order. I carefully watched while those words were said and I was thinking over it. I do not think there was any reflection against the President.

**Shri S. M. Banerjee:** He must withdraw it.

**Mr. Speaker:** Order, order. There is no question of any withdrawal.

**Shri Kanungo:** If you are satisfied, Sir, I have nothing more to say.

**Mr. Speaker:** The only intention in bringing that was to cast a reflection on the Chief Minister, that he was ailing at the house of certain industrialists, and because the President wanted

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to go to enquire about the health of the Chief Minister he had to go there.

**Shri Kanungo:** Sir, I have nothing more to say.

**Dr. M. S. Aney (Nagpur):** There was something more in that allegation.

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** Sir, the dead have no senses. However bad he might have been, nothing disparaging should be said against even a Chief Minister who is dead and who is not present in this House.

**Dr. M. S. Aney:** There was something more in that allegation. He contrasted the conduct of the President with the conduct of the Governor of Bengal who refused to come.

**Mr. Speaker:** Now let us dispose of the amendments. Am I to put any one separately.

**Shri S. M. Banerjee:** Shri D. N. Tiwary's substitute motion No. 5 may be put to vote, because he wants an enquiry into those concerns. The others you can put together.

**Mr. Speaker:** Is Shri Tiwary pressing his substitute motion?

**Shri D. N. Tiwary:** No, Sir.

**Mr. Speaker:** Has he the leave of the House to withdraw his substitute motion?

**Some Hon. Members:** No.

**Mr. Speaker:** I shall put it to the vote of the House. The question is:

"That for the original motion, the following be substituted, namely:—

This House, having considered the Report of the Commission of Inquiry appointed to investigate into the administration of certain Dalmia-Jain Companies, laid on the Table of the House on the 23rd January, 1963, is of opinion that the Government should—

(a) initiate inquiry into the working of a dozen of top ranking business firms to find out their lapses and deliberate hoodwinkings in order to take up comprehensive steps to put an end to all malpractices, and

(b) take suitable steps against the delinquents."

*The motion was negatived.*

*All the other amendments were put and negatived.*

**Mr. Speaker:** All the substitute motions are lost, the Bose Commission's report has been considered and the House stands adjourned *sine die*.  
17-54 hrs.

*The Lok Sabha then adjourned sine die.*

[Tuesday, May 7, 1963/Vaisakha 17, 1885 (Saka)]

## COLUMNS

CALLING ATTENTION TO  
MATTERS OF URGENT  
PUBLIC IMPORTANCE—  
*contd.*

## ORAL ANSWERS TO QUESTIONS

S.Q. Subject  
No.

- 1185 Stamp to commemorate  
Netaji's Birthday . . . 14137—40
- 1186 Agents for Small Savings  
Scheme . . . 14140—43
- 1187 Price of sugar . . . 14143—53
- 1188 Kolaghat bridge . . . 14153—57

S.N.Q.  
No.

- 14-A Afro-Asian Journalists'  
Conference . . . 14157—64
- 16 Release of Indian P.O.Ws'  
by Chinese . . . 14164—67
- 17 Collapse of C.P.W.D.  
Godown in New Delhi 14168—70
- 18 Demolition of Constitution  
House . . . 14170—72

WRITTEN ANSWERS TO  
QUESTIONS

14172

U.S.Q.  
No.

- 2720 Aerodromes in Orissa . . . 14172
- 2721 Bridge at level-crossing  
at Narsinghpur . . . 14172—73
- 2722 Over-bridge at level cross-  
ing, Itarsi . . . 14173—74
- 2723 Alitalia Crash Report . . . 14174
- 2724 Central Supervisory Body  
for Jute . . . 14174

S.N.Q.  
No.

- 15 Lime stone quarries at  
Dehra Dun . . . 14175—76

CALLING ATTENTION TO  
MATTERS OF URGENT  
PUBLIC IMPORTANCE

14176—80

- (i) Dr. L. M. Singhvi called the  
attention of the Prime Min-  
ister to the complaints  
made by persons of Indian  
origin in the detention camp  
in Slave Island near Colom-  
bo to the Indian High Com-  
mission in Colombo re-  
garding the treatment meted  
out to them. . . .

The Deputy Minister in the  
Ministry of External Affairs  
(Sri Dinesh Singh) made a  
statement in regard thereto.

## COLUMN

- (ii) Shri S. M. Banerjee called  
the attention of the Minister  
of Transport and Com-  
munications to the crash of  
an aircraft operated by the  
Delhi Flying Club on the  
3rd May, 1963 resulting in the  
death of one student pilot .

The Deputy Minister in the  
Ministry of Transport and  
Communications (Shri Mohi-  
uddin) made a statement  
in regard thereto . . .

PAPERS LAID ON THE  
TABLE

14180—85

- (1) A copy each of the follow-  
ing papers :—
- (i) Government of India's  
note dated 3rd April, 1963,  
addressed to the Embassy  
of the People's Republic  
of China, New Delhi .
- (ii) Premier Chou-En-Lai's  
letter dated 20th April,  
1963 addressed to the  
Prime Minister of India .
- (iii) Reply of the Prime  
Minister of India dated  
1st May, 1963 to Premier  
Chou-En-Lai's Letter  
dated 20th April, 1963 .
- (iv) Chinese Government  
note dated 27th April, 1963
- (v) Government of India's  
reply dated 6th May, 1963  
to Chinese note of 27th  
April, 1963 . . . .
- (2) A copy of Ministry of  
Finance Notification No. F.  
13(10)-W&M/63 dated the  
29th April, 1963 regarding  
Market Loans floated by  
the Central Government  
in 1963-64 . . . .
- (3) A statement detailing the  
salient features of the Agree-  
ment concluded on the 27th  
April, 1963 between the Go-  
vernment of India and  
Messrs. Phillips Petroleum  
Company of U.S.A./Messrs  
Duncan Brothers and Com-  
pany Limited, Calcutta for  
the establishment of an oil  
refinery at Cochin (Kerala).

PAPERS LAID ON THE  
TABLE—contd.

## COLUMNS

- (4) Statement regarding duty protection enjoyed by oil refineries in terms of the Refinery Agreement . . . . .
- (5) The following statements showing the action taken by the Government on various assurances, promises and undertakings given by Ministers during the various sessions shown against each :—
  - (i) Supplementary Statement No. I. — First Session, 1963 (Third Lok Sabha) . . . . .
  - (ii) Supplementary Statement No. V.—Third Session, 1962-63 (Third Lok Sabha) . . . . .
  - (iii) Supplementary Statement No. VII.—Second Session, 1962 (Third Lok Sabha) . . . . .
  - (iv) Supplementary Statement No. X.—First Session, 1962 (Third Lok Sabha) . . . . .
  - (v) Supplementary Statement No. VIII.—Sixteenth Session, 1962 (Second Lok Sabha) . . . . .
  - (vi) Supplementary Statement No. X.—Fifteenth Session, 1961 (Second Lok Sabha) . . . . .
  - (vii) Supplementary statement No. XIX.—Thirteenth Session, 1961 (Second Lok Sabha) . . . . .
- (6) A copy each of the following Notification under sub-section (3) of section 133 of the Motor Vehicles Act, 1939, making certain further amendments to the Delhi Motor Vehicles Rules, 1940—
  - (i) Notification No. F. 12 (208)/62-PR(T) published in Delhi Gazette dated the 21st March, 1963 . . . . .
  - (ii) Notification No. F. 12 (213)/62-PR(T) published in Delhi Gazette dated the 4th April, 1963.

PAPERS LAID ON THE  
TABLE—contd.

## COLUMNS

- (iii) Notification No. F. 12 (176)/62-PR(T) published in Delhi Gazette dated the 4th April, 1963 . . . . .
- (7) A copy of the Motor Vehicles (Operation of Commercial Traffic between India and Contiguous Countries) Rules, 1963 published in Notification No. S.O. 1108 dated the 20th April, 1963, under sub-section (3) of section 133 of the Motor Vehicles Act, 1939.
- (8) A copy each of the following Notifications :—
  - (i) G.S.R. No. 668 dated the 20th April, 1963 making certain further amendments to the rules to regulate the grant of Certificate of Competency to Masters and Mates in the Mercantile Marine published in Notification No. S.R.O. 1965 dated the 12th June, 1954, under-sub-section (3) of section 458 of the Merchant Shipping Act, 1958 . . . . .
  - (ii) S.O. No. 512, dated the 23rd February, 1963 under section 10 of the National Highways, Act, 1956 . . . . .
- (9) A copy of Annual Report of the Permanent Indus Commission for the year ended 31st March, 1963 . . . . .
- (10) A copy each of the following Rules under sub-section (3) of section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 :—
  - (i) The Displaced Persons (Compensation and Rehabilitation) Second Amendment Rules, 1963 published in Notification No. G.S.R. 658 dated the 20th April, 1963 . . . . .
  - (ii) The Displaced Persons (Compensation and Rehabilitation) Third Amendment Rules, 1963 published in Notification No. G.S.R. 710 dated the 27th April, 1963.

# PAPERS LAID ON THE TABLE—contd.

## COLUMNS

(11) A copy each of the following Notifications under sub-section (2) of section 7 of the Employees Provident Funds Act, 1952 :—

(i) The Employees' Provident Funds (Eighth Amendment) Scheme, 1963 published in Notification No. G.S.R. 725 dated the 27th April, 1963.

(ii) The Employees' Provident Funds (Tenth Amendment) Scheme, 1963 published in Notification No. G.S.R. 727 dated the 27th April, 1963.

(12) A copy of Notification No. G.S.R. 728 dated the 27th April, 1963 extending the Employees' Provident Funds Act, 1952 to certain commercial theatres, clubs, circus companies and other entertaining establishments.

(13) The Minutes of the sittings (4th to 6th) of the Committee on Sub-ordinate Legislation held during the Third and Fourth Sessions.

(14) The Minutes of the sittings (4th and 5th) of the Committee on Absence of Members from the Sittings of the House held during the current Session.

# REPORT OF COMMITTEE ON SUBORDINATE LEGISLATION PRESENTED

14185

Second Report of the Committee on Subordinate Legislation was presented.

# LEAVE OF ABSENCE

14186—96

(i) Fifteen Members were granted leave of absence from the sittings of the House during the Session.

# LEAVE OF ABSENCE—contd.

(ii) The absence of Shri Umanath from 19th November to 11th December, 1962; 21st January to 25th January, 1963 (Third Session); and 18th February to 5th April, 1963 (Fourth Session) was condoned.

# STATEMENT BY PRIME MINISTER

14207—15

The Prime Minister (Shri Jawaharlal Nehru) made a statement regarding discussions with foreign dignitaries who had recently visited India; Indo-Pak Talks, etc.

# MOTION RE: APPOINTMENT OF RAJYA SABHA MEMBER TO JOINT COMMITTEE ADOPTED.

14207

Shrimati Renu Chakravartty moved that the House recommend to Rajya Sabha to appoint a member of Rajya Sabha to the Joint Committee on the Christian Marriage and Matrimonial Causes Bill, 1962 in the vacancy caused by the death of Shri Thomas Srinivasan. The motion was adopted.

# MOTION RE: VIVIAN BOSE COMMISSION REPORT

14215—336

Discussion on the motion re: Vivian Bose Commission Report and substitute motions thereto, moved on the 6th May, 1963, continued.

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo) replied to the debate.

Lok Sabha adjourned *sine die* at 5.55 P.M.

## RESUME

of the Fourth Session of the Third Lok Sabha

<b>PERIOD OF THE SESSION</b>	18th Feb. to 7th May, 1963	<b>NUMBER OF DISCUSSIONS HELD UNDER RULE 193 (MATTERS OF URGENT PUBLIC IMPORTANCE)</b>	
<b>NUMBER OF MEETINGS HELD</b>	61	(i) Notices received	29
<b>TOTAL NUMBER OF SITTING HOURS</b>	414 hours 56 minutes	(ii) Discussions held	1
<b>NUMBER OF DIVISIONS HELD</b>	48	<b>NUMBER OF STATEMENTS MADE UNDER RULE 197 (CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE)</b>	
<b>GOVERNMENT BILLS :—</b>		(i) Notices received	691
(i) Pending at the com- mencement of the ses- sion	16	(ii) Statements made by Ministers	39
(ii) Introduced	18	<b>HALF-AN-HOUR DISCUSSION HELD</b>	2
(iii) Laid on the Table as passed by Rajya Sabha	2	<b>GOVERNMENT RESOLUTIONS :—</b>	
(iv) Referred to Select Com- mittee	Nil	(i) Moved	Nil.
(v) Referred to Joint Com- mittee	1	(ii) Adopted	Nil.
(vi) Reported by Select Committee	Nil.	<b>PRIVATE MEMBERS' RE- SOLUTIONS :—</b>	
(vii) Report by Joint Com- mittee	36	(i) Received	23
(viii) Passed	20	(ii) Admitted	20
(ix) Returned by Rajya Sabha without any amendment	9	(iii) Discussed	5
(x) Returned by Rajya Sabha with any amend- ment	Nil.	(iv) Withdrawn	3
(xi) Pending at the end of the session		(v) Negatived	Nil.
		(vi) Adopted	Nil.
		(vii) Part discussed	1
<b>6. PRIVATE MEMBERS' BILLS</b>		<b>GOVERNMENT MOTIONS</b>	
(i) Pending at the com- mencement of the session	40	(i) Moved	1
(ii) Introduced	8	(ii) Adopted	..
(iii) Discussed	11	<b>PRIVATE MEMBERS' MOTIONS</b>	
(iv) Withdrawn	7	(i) Received	89
(v) Negatived	1	(ii) Admitted	28
(vi) Passed	1	(iii) Moved	Nil
(vii) Part Discussed	1	(iv) Adopted	1 (moved in 3rd session.)
(viii) Discussion postponed	1	(v) Part discussed	Nil.
(ix) Report of the Joint Committee laid on the Table	1	<b>MOTIONS RE: MODIFICATIONS TO STATUTORY RULES :—</b>	
(x) Laid on the Table as passed by Rajya Sabha	1	(i) Received	2
(xi) Pending at the end of the session	40	(ii) Admitted	2
		(iii) Moved	Nil.
		<b>NEW PARLIAMENTARY COM- MITTEES CREATED DURING THE SESSION</b>	
		1. Committee on the Con- duct of Certain Mem- bers during President's Address	

2. Parliamentary Committees (on which members are nominated by HS) reconstituted w.e.f. 1-5-63.

3. Estimates Committee and Public Accounts Committee reconstituted for the term 1-5-63 to 30-4-64

TOTAL NUMBER OF VISITORS PASSES ISSUED DURING THE SESSION.

28478

MAXIMUM NUMBER OF VISITORS PASSES ISSUED ON ANY SINGLE DAY, AND DATE ON WHICH ISSUED.

1074 for 7th May, 1963

NUMBER OF ADJOURNMENT MOTIONS . . . .

(i) Brought before the House . . . . 2

(ii) Admitted but leave not granted by the House . . . . 2

(iii) Ruled out of order . . . . Nil.

(iv) Consent withheld by Speaker . . . . Nil.

TOTAL NUMBER OF QUESTIONS ADMITTED . . . .

(i) Starred . . . . 1173

(ii) Unstarred (including starred questions converted as unstarred questions) . . . . 267

(iii) Short Notice Questions . . . . 1

NUMBER OF REPORT OF VARIOUS PARLIAMENTARY COMMITTEES PRESENTED TO THE LOK SABHA.

1. Public Accounts Committee . . . . 7

2. Estimates Committee . . . . 26

3. Business Advisory Committee . . . . 5

4. Committee on Absence of Members from the Sittings of the House . . . . 2

5. Committee on Private Member's Bills and Resolutions . . . . 9

6. Committee on the conduct of certain Members during President's Address . . . . 1

7. Committee on Subordinate Legislation . . . . 1

8. Committee on offices of profit . . . . 1

9. Committee on Petitions . . . . 1

NUMBER OF MEMBERS GRANTED LEAVE OF ABSENCE . . . . 37

PETITIONS PRESENTED . . . . 2

NUMBER OF NEW MEMBERS SWORN . . . . 2