

THE DEPUTY MINISTER IN THE MINISTRY OF LAW AND IN THE DEPARTMENT OF SOCIAL WELFARE (SHRI M. YUNUS SALEEM): Sir, I beg to lay on the Table a statement on the matter raised by Shri Madhu Limaye in the House on the 31st July, 1969, regarding the constitutionality of the resignation by the Vice-President acting as President. [Placed in Library. See No. LT—1477/69]

13.08 hrs.

The Lok Sabha adjourned for Lunch till ten minutes past Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at ten minutes past Fourteen of the Clock.

(SHRI VASUDEVAN NAIR in the Chair).

BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) BILL—Contd.

Clause 11—Contd.

MR. CHAIRMAN : The House will proceed with consideration of clause 11.

SHRI N. DANDEKAR (Jamnagar) : Sir, I want to speak on my amendments Nos. 287 and 288.

SHRI D. N. PATODIA (Jalore) : Sir, I rise to a point of order. Before you start the discussion I have one very important observation to make. I would like to know from the Government as to which of the amendments which have been circulated to the Members are in fact being moved by them because I find in several of them there are many contradictions, there are many adverse situations created and before you proceed with the Bill I would like to know which of the amendments are being moved and which of them are not being moved.

श्री कंवरलाल गुप्त (दिल्ली सदर) : सभापति जी, मैं भी माननीय पाटोदिया जी का समर्थन करता हूँ। आज जो हमें संशोधन मिले हैं, और पहले दिन जो अमेंडमेंट भेजी थीं वह अलग अलग हैं। अब कौन से अमेंडमेंट सरकार

सदन के सामने रखना चाहती है यह मालूम नहीं है। इसलिये अच्छा यह हो कि सरकार जो संशोधन मूव करना चाहती है और जो विद्वद्गण करना चाहती हैं वह हमें बतायें ताकि उसी हिसाब से हम आगे संशोधन दे सकें। यह तो अर्धरे में छलांग लगायी जा रही है। सरकार बतादे कि कौन से संशोधन मूव करना चाहती है ताकि उस पर हम अपने संशोधन दें।

THE MINISTER OF LAW AND SOCIAL WELFARE (SHRI GOVINDA MENON) : With respect to other clauses, even though there are many amendments it may so happen that government may not be moving more than five or six amendments altogether. When each clause is taken up, I will submit beforehand which amendments we are going to move.

SHRI D. N. PATODIA (Jalore) : But each clause is dependent on other clauses. So, we would like to know which amendments are being moved so that we could move our own amendments accordingly.

SHRI N. DANDEKAR: We are actually in a state of utter confusion. We would like to know what exactly is the import of the various amendments which government want to move. The Law Minister told us a little while ago that they will move only a few amendments. If we could know in advance what amendments they have in mind to move then we can quickly focus our mind on them and see what will be the import of those amendments so that we can decide which of our amendments are relevant or irrelevant, keeping in view the amendment moved by the government—

SHRI ABDUL GHANI DAR (Gurgaon): I want to submit something.

MR. CHAIRMAN : Is it on the same point ?

श्री अब्दुल गनी डार : मेरी अर्ज यह है कि जब ला मिनिस्टर साहब की तरफ से अमेंडमेंट मिले तो हमें नये सिरे से अपने अमेंडमेंट्स को देखना पड़ा और नई अमेंडमेंट्स भेजीं। हमें

पता नहीं सरकार किस तरह से इस बिल को लाना चाहती है। जो अमेंडमेंट्स हमने भेजीं वे अभी तक संकुलित नहीं हुई तो हम क्या बोल सकते हैं, क्या कहेंगे। इसलिये पहले हमारी अमेंडमेंट्स संकुलित हो जानी चाहिये, उनके बाद उन पर बहस होनी चाहिये।

[श्री عبدالغنی ڈار : میری عرض یہ ہے کہ جب لائسنس یافتہ کی طرف سے امینڈمنٹ ملے تو ہمیں نئے سرے سے اپنے امینڈمنٹس کو دیکھنا پڑا۔ اور اس کی روشنی میں نئے امینڈمنٹس بھیجیں۔ ہم یہ نہیں سرکار کس طرح سے اس بل کو لانا چاہتی ہے جو امینڈمنٹس ہم نے بھیجیں وہ ابھی تک سرکولٹ نہیں ہوئے تو ہم کیا بول سکتے ہیں۔ کیا کہیں گے۔ اس لئے پہلے ہماری امینڈمنٹس سرکولٹ ہو جائیں چاہئیں۔ اس کے بعد ان پر بحث ہوئی چاہئے۔]

SHRI S.S. KOTHARI (Mandsaur) : I have some other point to make about amendment Nos. 125 and 419. Amendment No. 125 says : for lines 17 to 42, substitute the following. For the same sub-section there are to different amendments.

MR. CHAIRMAN : We are not considering clause 6. We are on clause 11 now. We will now finish clause 11. When we come to clause 6 the Minister will first explain which amendments he is going to move and which he will not move. It always happens that members, including Ministers, give notice of many amendments but when the actual discussion comes on the floor of the House they do not move all of them. I understand their difficulty in this particular situation. But, as far the procedure is concerned, the Chair cannot help it. Now we will proceed with clause 11.

SHRI SURENDRANATH DWIVEDI (Kendrapara) : After clause 11 is completed, would you take up clause 12 or 6 ?

MR. CHAIRMAN : We will take clause 6.

SHRI D. N. PATODIA : Sir, I rise on a point of order under rule 80 (3). That rule says :

"An amendment shall not be such as to make the clause which it proposes to amend unintelligible or ungrammatical."

The amendments which government have moved are not only...

SHRI GOVINDA MENON : We have not moved them.

MR. CHAIRMAN : Are you referring to clause 11.

SHRI D. N. PATODIA : It makes no difference whether it relates to this clause or not.

MR. CHAIRMAN : We are now on clause 11. If he has something to say on that, it is relevant; not otherwise.

SHRI D.N. PATODIA : The rule is very clear. Whatever amendment tabled either by Government or by a private Member has got to conform to certain rules.

MR. CHAIRMAN : When that particular amendment is taken up you can raise that objection.

SHRI D.N. PATODIA : But how do we proceed when we do not know what we are proceeding with ?

MR. CHAIRMAN : On this point I am very clear in my mind, namely, that the house can proceed with clause 11 and onwards. I am revising my ruling a little in the sense that today we may not take up clauses 6, 7 etc., but we will proceed with clauses 11, 12, 13 etc. in Chapter IV, so that Members get more time to study the amendments given notice of by Government on clauses 6, 7 etc. We can take up those amendments later on, not now.

SHRI KANWAR LAL GUPTA : In the mean time let us know which are the Government amendments ?

MR. CHAIRMAN : Governments amendment have been circulated.

SHRI D. N. PATODIA : Sir, again you are causing confusion. Have you decided to postpone discussion of these clauses till Monday ?

MR. CHAIRMAN : I have not said that. Now I am on clause 11.

SHRI D. N. PATODIA : I want to make a request. Will it not be fair on their part to let us know which of the amendments in respect of clause 6, 7, 8 and 9 they intend to move and which they do not intend to move ?

MR. CHAIRMAN: That request is before the Government and it is for Government at some stage or other to come forward and clarify the position.

SHRI D. N. PATODIA: Why not now ?

MR. CHAIRMAN: Now I am on clause 11.

SHRI KRISHNA KUMAR CHATTERJI (Howrah): On a point of order, Sir. We are in the midst of discussion of amendments on clause 11 and you are permitting..... (Interruption).

MR. CHAIRMAN: No, I am not; I am trying to help the House. You wanted to help the Chair. Shri Dandekar.

SHRI N. DANDEKER: Sir, clause 11 is concerned with conferring upon the Central Government, in consultation with the Governor of the Reserve Bank the power to issue directions in regard to matters of policy involving public interest; and sub-clause (2) says that the Central Government shall be the sole judge of what is in the public interest, if the question ever arises whether whatever direction that was given was or was not in the public interest. I would like to take up sub-clause (2) first in relation to which I have got the amendment seeking to delete the entire sub-clause (2) of clause 11.

I suggest that it is an utterly preposterous proposition that when time after time, the Supreme Court and other courts have exercised jurisdiction to go into the question whether anything purported to be done in the public interest was in fact in the public interest, or was merely a whim and fancy of Government to describe it as public interest,—in other words, when it has always been a justiciable issue as to whether anything

claimed to be in the public interest was in fact in the public interest—this clause seeks to enact :—

“If any question arises whether a direction relates to a matter of policy involving public interest, it shall be referred to the Central Government and the decision of the Central Government thereon shall be final.”

I suggest with all respect to the Law Minister, because I should have thought that he was fully aware that neither he nor the Government nor any particular Ministry in the Government can be the best judge of what is in the public interest,—that public interest is a justiciable issue. It has been so held in several cases specifically relating to land acquisition and so on; and it cannot now be made the prerogative of the Government to decide that any direction they may give is in the public interest as a final decision, that is to say one in relation to which no one can question such a decision in Courts of Law.

Now I come to sub-clause (1) sub-clause (1) says :—

“Every corresponding new bank shall, in the discharge of its function, be guided by such direction in regard to matters of policy involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank, give.”

During the course of the general debate on the consideration of the Bill, I had said and the Law Minister contradicted me,—and I would like to say that partly he was quite right to have contradicted me,—when I said that in this Bill the Reserve Bank was completely and summarily pushed out of jurisdiction. I agree, it is not altogether so because of the provisions of clause 25; one of the sub-clauses of that clause does confer a certain degree of jurisdiction upon the Reserve Bank in relation to the corresponding new banks.

But here is an example of what, under the Banking Regulation Act already is a matter of discretion for the Reserve Bank in consultation with the Central Government to

decide what is in the public interest, but here this is now being reversed. It says :

"Every corresponding new bank shall, in the discharge of its function, be guided by such direction in regard to matters of policy involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank, give."

I venture to amend that as follows :

"Subject to the provisions of this Act.....—in other words, to the extent that the specific provisions of the Act may be different from the Banking Regulation Act—

"...the provisions of the Banking Regulation Act, 1949, as applicable to the existing banks immediately before the commencement of this Act shall apply to the corresponding new banks."

I, particularly, emphasize that; and I wish it to be put in that particular form, and not in a manner in which it has been done under clause 25 which restricts the scope of the application of the Banking Regulation Act to only certain provisions of that Act, namely, 34A, 36AD and those which are covered by Section 51 of the Banking Regulation Act.

My point, Sir, is that except in so far as this particular Act is going to be specifically different from the provisions of the Banking Regulation Act, the entire provisions of the Banking Regulation Act, as far as possible should be applicable. I may also specifically mention particular provisions of the Banking Regulation Act which are excluded by the provisions of Section 51. For instance, Section 6 (2) of the Banking Regulation Act is an important Section from the point of view of the present Bill. Section 6 (1) of the Banking Regulation Act has been applied, which indicates what sort of ancillary business these corresponding new banks may engage in. But Section 6 (2) of the Act contains the negative, that no banking company shall engage itself in any form of business other than that referred to in sub-section (1) of that section. The application of only sub-section (1) of Section 6 to the corresponding new banks will not apply the negative provision of sub-section (2) of Section 6, which

is expressly prohibitory in character namely that no banking company shall engage in any form of business other than that referred to in sub-section (1).

Under the present Bill, the corresponding new banks are allowed to do banking business in the ordinary sense of the term and also what is provided in Section 6(1). There are various other ancillary businesses to banking. But there is no prohibitory provision that is applicable unless my amendment is accepted.

There is yet another provision, namely Section 8 of the Banking Regulation Act which does not become applicable to the corresponding new banks by the limited provisions of clause 25 of this particular Bill. Section 8 of the Banking Regulation Act says, notwithstanding anything contained in Section 6 or any contract, etc., the existing banks are prohibited from trading. It is important that these people may not undertake what is prohibited by the negative provision of sub-section (2) of Section 6 and also by the positive of Section 8. There are, Sir, several other provisions in the Banking Regulation Act which ought to be applicable these new banks. If the purpose of this Bill is this, and this alone, that the banking business of the existing banks is being taken over and vested in the corresponding new banks, my very strong submission is that the provisions that are contained in clause 25 are inadequate for securing the total application of the Banking Regulation Act subject to any specific provisions to the contrary in this particular Bill.

I have, therefore, suggested the substitution of sub-section (1) of clause 11 of the Bill as follows :

"Subject to the provisions of this Act, the provisions of the Banking Regulation Act, 1949, as applicable to the existing banks immediately before the commencement of this Act shall apply to the corresponding new banks."

I suggest this because I understand the object of the whole exercise is not to change anything except only the ownership of the undertakings and then, of course, the appropriate managements of those undertaking

that is a consequential matter. I, therefore, press for consideration and acceptance by the House of these two amendments, namely, the application of the Banking Regulation Act, on the one hand and taking away the powers of the Central Government to decide what shall be in the public interest on the other. That must remain a matter for the courts to decide.

MR. CHAIRMAN: Mrs. Sharda Mukerjee.

SHRIMATI SHARDA MUKERJEE (Ratnagiri): I have already spoken.

MR. CHAIRMAN: Is there anybody else who wants to speak?

SHRI SURENDRANATH DWIVEDY: I want to speak.

SHRI TULSHIDAS JADHAV (Bara-mati): I also want to speak.

SHRI KRISHNA KUMAR CHATTERJI: We were told yesterday that after the amendments had been moved, we would get an opportunity to make our observations on the amendments. I want to speak particularly on the amendments of Mr. Madhu Limaye and Mr. Dandekar.

MR. CHAIRMAN: Mr. Bibhuti Mishra has some amendments in his name. He may speak first.

श्री बिभूति मिश्र (मोतीहारी): मेरी क्लॉज 11 में दो साधारण से एमेंडमेंट्स हैं। उनका नम्बर 344 और 345 है। इन एमेंडमेंट्स के जरिये मैंने इनवाल्विंग के बाद और पब्लिक से पहले रूरल शब्द जोड़ने की मांग की है।

आपने इस बिल के आबजैक्ट्स एंड रीजंज में कहा है कि फार्मर्ज को गांव वालों को सहूलियत दी जाएगी। अब आपने इसमें पब्लिक इंटरैस्ट लिख दिया है। पब्लिक इंटरैस्ट में सब आ जाते हैं। बड़े-बड़े राजा महाराजा भी आ जाते हैं, सेठ साहूकार भी आ जाते हैं। यही लोग हैं जिनको आज तक बराबर सहूलियतें मिलती आ

रही हैं। पब्लिक इंटरैस्ट के माने यह नहीं हैं कि राजे महाराजे और सेठ साहूकार ही इसमें आएँ। गांवों में देश की कुल आबादी के 70-75 प्रतिशत लोग रहते हैं। मैं चाहता हूँ कि आगामी 25-50 सालों तक सरकार इस रुपये को केवल गांवों की उन्नति के लिए, गांव के लोगों की उन्नति के लिए ही लगाये। अगर ऐसा किया गया तभी ये गांव शहरों का मुकाबला कर सकते हैं, उनके मुकाबले में खड़े हो सकते हैं। अगर बैंकों का राष्ट्रीयकरण किया गया है तो इसके बाद इस रुपये से यदि देहातों का उत्थान नहीं किया गया, देहातों की उन्नति नहीं की गई और बैंकों द्वारा प्राप्त सारा रुपया अभी की तरह शहरों पर ही खर्च किया गया, बड़े-बड़े सेठ साहूकारों को ही इसका लाभ पहुँचाया गया तो सौ दो सौ साल के बाद भी आप देखेंगे कि हिन्दुस्तान के गांव वाले शहरों का मुकाबला नहीं कर सकेंगे। शहर वालों के पास सब साधन रहते हैं हमारे उस पक्ष के जो लोग हैं यदि वे भी गांवों की उन्नति में विश्वास करते हैं, उनके उत्थान में विश्वास करते हैं और चाहते हैं कि गांवों पर पैसा खर्च किया जाए तो मैं चाहता हूँ, कि सभी इस बात का समर्थन करें। अगर गांवों का उत्थान नहीं किया गया तो मैं चेतावनी देना चाहता हूँ कि दस बीस बरस के बाद आप जिन्दा नहीं रह सकेंगे। जिस तरह से लैफ्टिस्ट फोर्सिंस हिन्दुस्तान में बढ़ रही है, जिस तरह से देश में जागृति हो रही है, उसको देखते हुए यह कहा जा सकता है कि जो क्रान्ति आने वाली है उसका मुकाबला करने की आप में ताकत नहीं होगी। मुकाबला इसी तरह से हो सकता है कि गांवों का उत्थान किया जाए, उनकी उन्नति की जाए। गांव के लोगों को आप सहूलियतें दें, उनको नौकरी दें। तभी आप जिन्दा रह सकते हैं। ऐसा नहीं किया गया तो मैं आपको बताता हूँ कि आप भले ही विरोध करते रहें, भले ही बिल पास हो या न हो, भले ही राष्ट्रीयकरण हो या न हो, लेकिन आप लोग नहीं रहने वाले हैं। इस वास्ते में जरूर यह चाहता हूँ कि पैसा है वह सारा रूरल एरियाज के डिबेलेपमेंट

में खर्च किया जाए और मेरे जो एमैंडमेंट हैं उनको मान लिया जाए।

प्रधान मंत्री जी बैठी हुई हैं। उनसे भी मैं कहना चाहता हूँ कि यह पैसा गांव वालों की उन्नति के लिए रखें। बड़े बड़े उद्योगपतियों के लिए न रखें। उनके पास तो ब्लैंक का पैसा है। उनके पास बहुत पैसा है और वे बड़ी आसानी से कारखाने चला सकते हैं, दूसरे काम कर सकते हैं। लेकिन गांव वाले गरीब हैं, उनके पास पैसा नहीं है, उनके पास साधन नहीं है। उनके लिए आप साधन मुहैया करें। मैं चाहता हूँ कि रूरल शब्द को आप मानें। अगर नहीं मानते हैं तो क्रान्ति को आप रोक नहीं सकेंगे। देश में बहुत से लोग थे, बैरिस्टर थे, बड़े बड़े दूसरे लोग थे जो अगस्त 1947 की बारह बजे रात को भी यह यकीन नहीं करते थे कि अंग्रेज इस देश से चला जाएगा। लेकिन हमें मालूम था कि उनको जाना पड़ेगा। उसी तरह मैं आज आपको बताना चाहता हूँ कि गांवों की उन्नति यदि आप लोगों ने नहीं की तो उसका नतीजा यह होगा कि न हम रहेंगे, न आप रहेंगे और न ही यह पार्लिमेंट रहने वाली है। इस वास्ते जो वस्तुस्थिति है उसको आप पहचानें।

मैं यही चाहता हूँ कि रूरल शब्द को आप मान लें। इससे काम चल जाएगा। यह पैसा केवल रूरल एरियाज के डिबेलेपमेंट के लिए खर्च किया जाए न कि शहरी एरियाज के डिबेलेपमेंट के लिए। यही मेरा आप से निवेदन है।

MR. CHAIRMAN : May be, yesterday—I do not know; I was not in the House at that time—it was decided that after the movers of the amendments have spoken, the other members might be allowed to speak. But now I do not know how to proceed because if too many members want to make general observations on clauses and a general discussion takes place, it would become very difficult... (Interruptions). It is not a question of permitting or not permitting.

SHRI KRISHNA KUMAR CHATTERJI : I want to make a submission...

MR. CHAIRMAN : I am already making a submission.

SHRI KRISHNA KUMAR CHATTERJI : About the procedure I have to make some submission. If you allow only those who have moved amendments, that will open the floodgates of amendments, useless and unintelligible. We should discourage that.

MR. CHAIRMAN : I am sorry I am not able to accept the advice given by Mr. Chatterji because members have taken pains to give amendments. I cannot consider those amendments to be trivial. If some members want to speak, what is to be done ?

SHRI SURENDRANATH DWIVEDY (Kendrapara) : My difficulty is: I am not speaking about the amendment, I have to give my vote. I find this clause is contradictory, I just want a clarification. As I read this clause, clause 11, sub-clause (1) says :

"Every corresponding new bank shall, in the discharge of its function, be guided by such direction in regard to matters of policy involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank, give."

Who will decide the public interest ? I am not going into that. The next sub-clause says :

"If any question arises whether a direction relates to a matter of policy involving public interest, it shall be referred to the Central Government and the decision of the Central Government thereon shall be final."

Who will raise the dispute ? The jurisdiction will be given to the new bank. They have to work under the direction of the Government of India. If a dispute arises that this is not in public interest, the Government has to decide it. I do not understand who will raise a dispute.

SHRI KRISHNA KUMAR CHATTERJI : Particularly about the amendments of Mr. Dandekar and Mr. Madhu Limaye it has made political overtones on the disastrous consequences of this Bill that reflected the consternation that has been

created in certain minds. That is not my point. Here the objective has been stated very clearly that the purpose of this Bill is a limited one. It is only acquisition of certain banking institution, having the larger social purpose and the objective of agriculture, small industries and encouragement and development of backward areas. The objective is very clear. In view of that objective this clause has been very important and induction of any other idea would really harm the purpose of this clause. Mr. Madhu Limaye has suggested that 25% of such money should be allotted to agriculturist and 10% for other classes. But we have not yet finalised our plan allocations. It may be that we are to allot more funds for the agriculturists. If that is done, then we would welcome that. We stand for the rural areas and we do want that more money will have to be given to the rural areas.

Therefore, anything in the nature of the amendments proposed, if accepted, will defeat the purpose for which this clause has been framed. Therefore, my submission is that all these amendments must be thrown out.

श्री तुलशीदास जाधव : सभापति महोदय, मैं तो केवल एक सुझाव देना चाहता हूँ।

स्टेट बैंक आफ इंडिया एक्ट, 1955 में यह लिखा हुआ है :

“The State Bank shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Governor of the Reserve Bank and the Chairman of the State Bank give to it.”

क्लाज 11 में कहा गया है :

“If any question arises whether the direction relates to a matter of policy involving public policy...”

स्टेटमेंट आफ़ आबजेक्ट्स एंड रीज़न्स में भी कहा गया है :

“such as rapid growth in agriculture, small industries.....”

अभी तक प्राइवेट बैंको की यह स्थिति रही है कि 1961 में उनमें छोटे डिपॉजिटर्स के डिपॉजिट्स 809 करोड़ रुपये के और 1967 में 1075 करोड़ रुपये के थे। लेकिन इस में से काश्तकारों को क्या मिला है ? 1961 में इण्डस्ट्री को 52.7 परसेंट और काश्तकारों को सिर्फ 0.4 परसेंट और 1967 में इंडस्ट्री को 64 परसेंट और काश्तकारों को केवल 0.3 परसेंट दिया गया।

MR. CHAIRMAN: All those points were made during the general discussion. He should try to conclude now.

श्री तुलशी दास जाधव : जहां तक स्टेट बैंक का सम्बन्ध है, यद्यपि उस का नेशनलाइजेशन हो चुका है, लेकिन उस के 1061 करोड़ रुपये के डिपॉजिट्स में से बोर्ड आफ़ डायरेक्टर्स के सदस्यों आदि को 899 करोड़ रुपये के एडवांस दिये गये।

MR. CHAIRMAN: All these points were made out during the general discussion and also afterwards. I cannot permit another general discussion at this stage.

श्री तुलशीदास जाधव : श्री मधु लिमये ने जो एमेंडमेंट रखी हैं, मैं उस को सपोर्ट करता हूँ। यह निर्धारित कर देना चाहिए कि अमुक परसेंटेज एग्रीकल्चर के लिए और अमुक परसेंटेज इण्डस्ट्री के लिए दिया जायेगा। चूंकि पिछले बीस सालों में एग्रीकल्चर और स्माल-स्केल इण्डस्ट्रीज के लिए कोई परसेंटेज निर्धारित नहीं किया गया है, इस लिए उन्हें जो एडवांस दिये गये हैं, वे नहीं के बराबर हैं। अब चौदह बैंकों का राष्ट्रीयकरण किया गया है। अगर अब भी परसेंटेज का कोई फ़िक्सेशन नहीं होगा और कोई गाइडलाइन नहीं रखी जायेगी, तो भविष्य में भी एग्रीकल्चर के लिए कुछ नहीं हो पायेगा। इस लिए मैं चाहता हूँ कि सरकार परसेंटेज फ़िक्स करने की बात को स्वीकार कर ले और काश्तकारों के लिए ज्यादा से ज्यादा रकम रखी जाये।

SHRI GOVINDA MENON: I wish to point that these 14 new banks are statutory corporations. In trying to have a clause like clause 11, we have just copied an existing provision in the State Bank of India Act which governs the functioning of the State Bank of India. Section 18 (1) of that Act reads thus:

"In the discharge of its functions, including those relating to a subsidiary bank, the State Bank shall be guided by such directions in matters of policy involving public interest, as the Central Government may, in consultation with the Governor of the Reserve Bank and the Chairman of the State Bank, give it.

Sub-section (2) reads thus:

"All directions given by the Central Government shall be given through the Reserve Bank and if any question arises whether a direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final."

Clause 11 is substantially a reproduction of this section in the State Bank of India Act which has been there for the last fourteen years.

SHRI SURENDRANATH DWIVEDI: That means that the subsidiary bank may raise a dispute whether any direction is in public interest or not.

SHRI GOVINDA MENON: Shri Dandekar said that the conclusion of the Central Government was a justiciable matter. If that be so, there need be no anxiety on the part of the hon. Member. I would like to add why a provision like this has been incorporated. During the general discussion, you would have seen the anxiety on the part of several sections and several hon. Members in this House regarding the utilisation of the funds of these banks for the rural population, for the small people etc. Unless Government are allowed some power to issue directions in this matter, that cannot be done.

Shri Bibhuti Mishra, a stout champion of the rural population, Shri Randhir Singh

and many others here were saying that a certain fixed percentage should be mentioned in the Act ..

SHRI RANDHIR SINGH (Rohtak): It should be 80 per cent.

SHRI GOVINDA MENON: ...for being given to the rural population. All that I stated then was that a rigid formulation of that type will not be possible in a statute like this. Our intention, as was stated by the Prime Minister on more than one occasion, was to see that the funds of these banks were made available for the backward areas, for the suppressed areas, for the rural areas and for small industries and for self-employed people etc. If matters are left to be decided entirely by professional bankers who have trained in certain methods of doing banking business, then it will not serve the purpose which Government have in nationalising these banks. The banking business could have been left over to the existing banking companies. Therefore, this provision is necessary.

If Government give or propose to give directions absolutely incompatible with the objects and the framework of the Act, certainly any citizen, because it is public money involved, and the bank itself can go and question it. Thus, this is a matter on which Government must have the final voice. But we are consulting the Reserve Bank.

SHRI ABDUL GHANI DAR: Why not the Supreme Court? Government represent only one party. जब सरकार खुद कहती है कि कोई भी गरीब शेयरहोल्डर पालिसी पर उस को चैलेंज कर सकता है तो फिर उसे सुप्रीम कोर्ट में जाने का हक क्यों न हो। सरकार तो खुद एक पार्टी है।

[جب سرکار خود کہتی ہے کہ کوئی بھی غریب شیئر ہولڈر پالیسی پر اس کو چیلنج کر سکتا ہے۔ تو پھر اُسے سپریم کورٹ میں جانے کا حق کیوں نہ ہو؟ سرکار تو خود ایک پارٹی ہے۔]

SHRI GOVINDA MENON: We are consulting the Reserve Bank. All that I would like to say is that in matters relating to the exercise of governmental power, we do not consult the Supreme Court or the High Court. After all these directions are for the public good.

At this stage, I would also make a submission to you that when clause-by-clause discussion is there, it would be greatly advantageous if we confine ourselves to the subject-matter contained in the clause and the amendment given to these clauses.

SHRI GOVINDA MENON: These banks are not departments of Government but are corporations.

SHRI RANDHIR SINGH: The hon. Minister should assure the House that a substantial percentage of the amount would be given for utilisation in the rural areas.

SHRI RANDHIR SINGH: He says that he has done it. But is it 10 per cent or 80 per cent or 90 per cent ?

SHRI N. DANDEKER: He has not answered my question whether these banks can engage in trading and non-banking activities.

banking corporation, that is inherent, that it can do only banking and allied business. We are not taking over these banks in order to carry on trade.

SHRI MADHU LIMAYE (Monghyr):
Also 179 as corrected.

SHRI GOVINDA MENON: As regards No. 179, I am in agreement with the substance of his amendment, but I say that these rigid formulations are not possible in a Bill. I request him to withdraw it.

Amendment No. 179 was, by leave, withdrawn

SHRI N. DANDEKER: It is to omit the sub-clause altogether.

Amendment No. 148 was put and negatived

Amendment No. 76 was put and negatived

Amendment No. 311 was put and negatived

SHRI N. DANDEKER: 288 may be put separately.

MR. CHAIRMAN: I am told it is not moved. It is identical to No. 101 which was moved by Mr. Patodia.

SHRI D. N. PATODIA: They are different.

MR. CHAIRMAN: Then he may move it now.

SHRI N. DANDEKER: I beg to move:

Page 6, omit lines 16 to 19. (288)

MR. CHAIRMAN: I shall put amendment No. 288 to the vote of the House.

Amendment No. 288 was put and negatived

MR. CHAIRMAN: I shall now put all other amendments except No. 129 to the vote of the House.

Amendments Nos. 100, 101, 199, 226, 287, 344, 345 and 353 to 356 were put and negatived.

MR. CHAIRMAN: I shall put amendment No. 129 to the House. The question is:

Page 6, line 13,—

(i) for "function", substitute "functions";

(ii) for "direction", substitute "directions"; (129)

The amendment was adopted

MR. CHAIRMAN: The question is:

"That 11 Clause, as amended, stand part of the Bill."

The motion was adopted
Clause 11, as amended, was added to the Bill.

Clause 12—(Advisory Board to aid and advise the Custodian)

MR. CHAIRMAN: We shall take clause 12. The amendments to clause 12 may be moved.

SHRI MADHU LIMAYE: I beg to move:
 Page 6,—

after line 29, insert—

"(3) The Advisory Board shall include representatives of bank employees, farmers, workers and artisans." (9)

SHRI DEVEN SEN (Asansol): I beg to move:

Page 6, line 29,—

add at the end—

"and shall include representatives of employees, farmers, workers and artisans." (50)

SHRI BHOGENDRA JHA (Madhubani) I beg to move:

Page 6,—

after line 29, insert—

"(3) The Board of Directors shall consist of at least half of its members elected by the Parliament and among the rest not less than one representative of the employees." (51)

SHRI ABDUL GHANI DAR: I beg to move:

Page 6, line 20,—

after "Board" insert—

"which shall not include any ex-director or Officer of the same bank." (77)

SHRI D. N. PATODIA: I beg to move:
 Page 6,—

for lines 28 and 29, substitute—

"(2) The Advisory Board shall consist of a representative of depositors and such other persons as may be agreed upon between the Reserve Bank and the Central Government." (102)

SHRI SHIVA CHANDRA JHA: I beg to move:

Page 6,—

after line 29, insert—

after line 29, insert—

“Provided that the Advisory Board shall include at least a Member of Parliament, an economist, a chartered accountant, and a representative each of small scale industry, agriculturists, employees and depositors:

for lines 28 and 29, *substitute—*

Provided further that no remuneration other than travelling and boarding expenses shall be paid to the members for attending Board Meetings or performing other functions as Board members." (213)

SHRI LOBO PRABHU: I beg to move:

Page 6.—

omit lines 25 to 27 (228)

SHRI S. KUNDU (Balosore) : I beg to move :

Page 6, line 29,—

add at the end—

“and shall consist of representatives from management, workers, depositors, persons having special knowledge of accountancy, costing, trade, business and economics.”
(229)

SHRI N. DANDEKER : I beg to move :

Page 6, line 25,—

for "Central Government" substitute—

"The Reserve Bank" (289)

for "time" substitute

"time after consultation with the Central Government" (290)

Page 6, line 29,—

for "may, by notification in the official Gazette, appoint",
 substitute—

[Shri N. Dandekar]

"may, after consultation with the Governor of the Reserve Bank, appointment by notification in the Official Gazette; Provided that not less than two of the persons so appointed shall be the representatives of the depositors". (291)

SHRI NAMBIAR : I beg to move :

Page 6, line 28,—

after "persons" insert —

"including one representing the employees and representatives from the respective State Governments." (325)

SHRI BIBHUTI MISRA : I beg to move :

Page 6, line 20,—

after "Board" insert—

"consisting of agriculturists" (346)

Page 6, line 20—

after "Advisory Board" insert—

"having persons representing the various interests particularly agriculturists, small industrialists, bank employees and small depositors." (369)

श्री मधु लिमये (मुंगेर) : अध्यक्ष महोदय, मेरा संशोधन इस प्रकार है :

Page 6,—

after line 29, insert—

"(3) The Advisory Board shall include representatives of bank employees, farmers, workers and artisans."

अध्यक्ष महोदय, जिस तरह 14 बैंकों का राष्ट्रीयकरण किया जा रहा है उसी तरह सरकारी क्षेत्र में कई उद्योग हैं लेकिन जहाँ तक इन उद्योगों के संचालन का और व्यवस्था का सवाल है, इन में कोई बुनियादी परिवर्तन नहीं हो रहा है। जैसा कि हम लोगों ने कल कहा था, हम नहीं चाहते हैं कि यह जो

ऐडवाइजरी बोर्ड बने या बोर्ड आफ डायरेक्टर्स बने उस में सत्ताधारी दल के लोगों को भरा जाय। जब सामाजिक नियंत्रण का यहां पर कानून पास हुआ तो उस समय के वित्त मंत्री ने कई कांग्रेसियों को इन बैंकों के बोर्डों में भर दिया.....

SHRI GOVINDA MENON : I am accepting his amendment.

SHRI MADHU LIMAYE : Thank you. Now no speech is necessary.

15 hrs.

MR. CHAIRMAN : It is now time for private Members' business. Now, I have received a request from the Minister of Parliamentary Affairs that this business may be carried on till 4 O'clock, and the private Members' business be taken up at 4 O'clock. That suggestion is before the House.

SOME HON. MEMBERS : No, no.

SHRIMATI TARKESHWARI SINHA (Barh) : Sir, on a clarification. Mr. Madhu Limaye's amendment has been accepted, but in the original Bill, at page 6, it has been said that the Advisory Board shall be dissolved. Which is the Board that you are going to constitute in the place of this ?

MR. CHAIRMAN : At present, we are on the question of extension of time.

SHRIMATI TARKESHWARI SINHA : His amendment was accepted by the Minister.

MR. CHAIRMAN : We will consider that aspect after we decided whether we extend the time for this Bill or not.

SHRI SURENDRANATH DWIVEDY : I am not agreeable to the proposal that private Members' business should be shifted to 4 O'clock. After all, we do not get much time or opportunity to take up private Members' business and discuss those items. We do not want to sit longer. I can understand this extension of time if by sitting for one hour more we are going to dispose of the Bill altogether today, but that is not going to

happen. On Monday we have to take it up again. Therefore, I do not think that we should sit longer on this Bill today, and I do not want that private Members' business should be shifted to 4 O'clock. I am not at all agreeable to the proposal that the private Members' business should be shifted.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAGHU RAMAIAH) : A few minutes ago, I consulted some of the hon. Members of the Opposition side and also the movers of the resolution, Mr. Rabi Ray, Shaimati Tarkeshwari Sinha and others; of course, I could not meet Shri Dwivedy and mention this to him. The general consensus of those whom I consulted was that in view of the fact that the Bill is important and we are short of time they would be willing to sit for one more hour on this Bill and extend the time for non-official business by one hour, accordingly, if they choose. That is the suggestion now before the House, and I request consideration of that suggestion.

SHRI SURENDRANATH DWIVEDI : It is not at all convincing.

श्री अटल बिहारी वाजपेयी (बलरामपुर) : सभापति जी, यह ठीक है कि इस सम्बन्ध में कुछ सलाह की गई होगी और कुछ सदस्यों ने स्वीकार भी कर लिया होगा। लेकिन कठनाई यह है कि हमारे साथ के कार्यक्रम तय हैं। यहां सदन में आ कर अचानक कहना कि एक घंटे के लिये सदन और बैठे, यह सदस्यों के साथ न्याय नहीं है। जैसा द्विवेदी जी ने कहा है कि यह विधेयक आज पास होने नहीं जा रहा है, इस पर सोमवार को भी चर्चा होगी। इस लिये गैरसरकारी कार्य को आगे टालने का कोई अर्थ नहीं है।

SEVERAL HON. MEMBERS : *rose—*

MR. CHAIRMAN : Order, order. There is too much noise in the House.

Shri S.M. Banerjee

SHRI S. M. BANERJEE (Kanpur) : I fully support the view that under no circum-

stances the time for private Members' business should be shifted or postponed. In this connection, however, I may submit that we there approached on various grounds, genuine grounds. I consulted the mover of the resolution also and others, and we thought that if we start private Members' business at 4 O'clock nothing is going to be lost. Because, I may point out one thing. This morning, reference was made to the incident in the West Bengal Assembly, and immediately some of the Members said that on Monday, the hon. Minister of Home Affairs should make a statement, and we should have a discussion. What may happen on Monday is that, if you start discussion on that important affair then it is very likely it may be difficult for us to have more time.

AN HON. MEMBER : Is it coming up on Monday?

SHRI S. M. BANERJEE : The Chair said he will consider. I do not misquote him. So, in the circumstances, let us have the discussion on this Bill up to 4 O'clock. (*Interruption*).

SOME HON. MEMBERS : No.

SHRI S. M. BANERJEE : Then my suggestion is, let us sit on Saturday. (*Interruption*).

SHRI JYOTIRMOY BASU : (Diamond Harbour) : I fully support what Shri Banerjee has said.

SHRI NARENDRA SINGH MAHIDA (Anand) : Sir, this is a very important Bill which requires a lot of attention. I therefore move a motion that the House should meet tomorrow to discuss it.

SHRI A. S. SAIGAL (Bilaspur) : Sir, I second it.....(*Interruptions*).

MR. CHAIRMAN : Order, order. I think it is not necessary for the House to waste more time on this matter because there is already a convention laid down that when there is a difference of opinion on the extension of time for Private Members' Business or restricting the time for Private Members' Business or pushing out the Private Members'

[Mr. Chairman]

Business the matter is not pressed further. There should be unanimity. If all the sides agree we can take a decision on this question. I do not think we can go by a vote of the House on this. Therefore, as certain hon. Members and leaders of parties have expressed their disapproval I do not think there is any point in pursuing the matter. We will not take up Private Members' Business.

SHRI GOVINDA MENON : Let us meet tomorrow.

MR. CHAIRMAN: You can bring a proposal and we will consider it.

SHRI A. S. SAIGAL: There is already a motion moved by Shri Narendra Singh Mahida.

MR. CHAIRMAN: He may give it in writing and I will consider it.

15.07 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

FIFTY-FIRST REPORT

SHRI S. M. SOLANKI (Gandhinagar): Sir, I beg to move:

"That this House do agree with the Fifty-first Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 30th July, 1969."

MR. CHAIRMAN: The question is :

"That this House do agree with the Fifty-first Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 30th July, 1969."

The motion was adopted.

15.07½ hrs.

RESOLUTION RE: ABOLITION OF PRIVY PURSES—Contd.

MR. CHAIRMAN: The House will now take up further discussion of the following

Resolution moved by Shri Rabi Ray on the 9th May, 1969:—

"This House is of opinion that the continuation of tax free payment of privy purses to the former rulers of Indian States and of special privileges is against the democratic and egalitarian principles enshrined in the Constitution, and therefore recommends to the Government to take all necessary steps, both executive and legislative, to complete the abolition of these payments, subject to an outright rehabilitation lump-sum payment of seven times the annual privy purse amount or a sum of one million rupees, whichever is smaller, by the 2nd October, 1969."

SHRI P. K. DEO (Kalahandi): Sir, I would request you to stick to the time schedule so that third resolution about the activities of Naxalites is given at least one minute, to be moved.

SHRI N. DANDEKER (Jamnagar): Mr. Chairman, Sir, in opposing this Resolution, suggesting the abolition of Privy Purses, I would like to take the House back to the years in which the negotiations were undertaken with the Rulers and these Agreements relating to Privy Purses were signed. I had the privilege at that time to be working as one of the back-room boys in the States Ministry where Sardar Patel was handling this problem at the political level, assisted by Mr. V. P. Menon; and happily I was one of those in the background who had a great deal of work to do in that connection. So I want the House to bear with me for a while, and go back with me to recapture and appreciate the atmosphere in which this whole exercise of integrating India was undertaken.

In 1947, the British Parliament passed what was known as the Indian Independence Act, consequent upon which there was not only the partition of the country into Pakistan and India but also the setting up of the Constituent Assembly for the purpose of drafting the Constitution of this country. At the same time, by section 7 of the Indian Independence Act, all treaties, obligations, understandings, usages, sanads etc. relating to all matters between the Rulers of the Indian States and the then British Government were