

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed".

The motion was adopted.

17.05 hrs.

**BANKING LAWS (AMENDMENT)
BILL**

THE DEPUTY PRIME MINISTER
AND MINISTER OF FINANCE
(SHRI MORARJI DESAI) rose.

SHRI N. SREEKANTAN NAIR
(Quilon): On a point of order.

MR. DEPUTY-SPEAKER: I have got some slips. I suggest that he may move the motion for consideration, and then I will consider the points of order.

SHRI MORARJI DESAI: I beg to move:

That the Bill further to amend the Banking Regulation Act, 1949, so as to provide for the extension of social control over banks and for matters connected therewith or incidental thereto, and also further to amend the Reserve Bank of India Act, 1934, and the State Bank of India Act, 1955, as reported by the Select Committee, be taken into consideration.

As the House is aware, the Banking Laws (Amendment) Bill, 1967 was introduced in the House on 23rd December, 1967 and was subsequently referred to a Select Committee on 26th March, 1968. The report of the Select Committee was presented to the House on the 6th May, 1968. The Committee heard evidence from the concerned parties and has recommended a number of changes in the Bill. These have been explained in detail in the Report of the Select Committee. I propose, however, to take this oppor-

tunity of elucidating the scope of the relatively more important provisions of the Bill which have a bearing on our scheme of social control over banks.

As I have explained in the Statement of Objects and Reasons, the main object of the Bill is to amend the Banking Regulation Act, 1949 to incorporate certain new provisions with a view to extending effective social control over banks. Clause 3 of the Bill contains important new measures relating to the reconstitution of the Boards of directors and appointment of professional persons as full-time Chairman of banking companies. Detailed provisions in this regard are already well-known to Hon'ble Members but perhaps it would be worthwhile if I explain their significance in the context of the social control scheme.

It has often been alleged that there is a close link between commercial banks and big industrial houses and that, in the matter of disbursement of loans, they are able to exercise undue influence over the management of banks in their day-to-day credit decisions and that several priority sectors such as small-scale industry and agriculture are neglected. It has, therefore, been felt that steps should be taken to snap, or at least to make ineffective, such links and that the exclusive orientation of the banks towards industry and business should be changed. This cannot be achieved within the frame-work of the Banking Regulation Act as it stands today. The existing law does not go further than putting some restrictions on the employment of certain persons in the managerial capacity. For example, no banking company can be managed by a managing agent or by any person who is a director of any other company or who is engaged in any business or vocation. It is true that appointments of chief executive officers are required to be approved by the Reserve Bank but the Chairman of the Boards of directors who preside

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over the boards' meetings are not subject to any control by the Reserve Bank. It has been alleged that as they are connected with several industrial houses, they are in a position to exercise a preponderant influence on the lending and investment policies of the banks. The existing law does not also provide any guidance as to the composition of the Boards of directors, though such a composition has an important bearing on the policy decisions that the Board of directors has to take from time to time. What the Bill seeks to ensure, therefore, is that the commercial banks, which have to take actual credit decisions in the light of the guidelines that may be indicated to them, are properly oriented for this purpose and that the Reserve Bank's powers are adequately widened to secure implementation of such guidelines.

The proposed Section 10A lays down, for the first time, certain positive criteria regarding the composition of this Boards of directors so that the persons who have substantial interest or active association with large or medium sized industrial undertakings do not come to occupy a majority. Further the new Section 10B seeks to provide that the Chairmen should have no active association or substantial interest in any company or firm and should have special knowledge and practical experience of the working of a banking company or a financial institution or financial, economic or business administration. I am sure that the House will agree with me that these two sections will go a long way to transform the character and composition of the Boards and thereby ensure that the credit decisions taken by them do not suffer from any undue bias towards business and industry.

I should like to refer in passing to the criticism which has been levelled that these two sections relating to the reconstitution of commercial banks and appointment of professional per-

sons as full-time chairman will result in political control over banks. I hope what I have explained above will serve to remove any such misconception. All that the proposed sections intend to do is to lay down certain criteria which the commercial banks would have to follow in making appointments to the boards of directors or of the chairman. It is not the intention of the Government or the Reserve Bank to interfere in the appointment of members of boards of directors or full-time chairman unless it is of the opinion that the composition of the boards of directors or the appointment of chairman does not fulfil the statutory requirements. If the Reserve Bank has any occasion to remove a chairman, there is a provision for appeal against the decision of the Reserve Bank and the appeal lies with the Central Government. Nevertheless during the course of the discussion in the Select Committee, a view was expressed that if the chairman of a bank becomes a critic of the monetary and banking policy of the Reserve Bank or the fiscal or economic policy of the Central or of a State Government, the Reserve Bank or the Central Government could take the stand that such a chairman is not a fit and proper person to hold the office and should be removed. The Committee was assured by the Government that it had no such intention. I should like to reiterate the assurances that there would be no question of the Reserve Bank or the Central Government taking recourse to this section for removing the chairman merely on the ground that he was critical of the monetary or banking policies of the Reserve Bank or fiscal or economic policies of the Central Government.

SHRI RANGA (Sri Kakulam): Or of the politics of the Government.

SHRI MORARJA DESAI: It goes without saying.

Another provision which is an important part of our scheme of social control, is the prohibition of loans and

advances to directors of the banking companies. The Select Committee considered this clause in considerable detail and has made certain important changes in this clause. These have been clearly brought out in para 15 of the report of the Select Committee. It is not necessary for me to repeat them here. I am glad to say that the basic function of this clause has been widely appreciated and there is no doubt that the statutory prohibition of loans and advances to directors and their concerns would go a long way towards eliminating the influence of any group or persons in the matter of getting loans for themselves or their concerns.

I should now turn to the proposed section 36AD. Members are aware of the background against which this provision was originally included in the Bill. The Select Committee, I am glad to say, has gone into the matter in great detail and the amended clause, as it has emerged, is based on a considerable measure of agreement within the Committee. Although some of the hon. Members have not yet found it possible to accept it unreservedly, in spite of the improvements that have been made, the Committee by a majority, has recommended the enactment of the new clause as amended.

As this clause has evoked considerable controversy and criticism and as some hon. Members of the Select Committee have entered minutes of dissent, the House would bear with me, if I take this opportunity to clarify certain questions which have been raised. I should at the outset clarify the basic objective of this section. Banks are primarily service institutions and have to function as efficient and disciplined units. They have certain responsibilities to discharge towards the public and their constituents who are borrowers and depositors and have also certain obligations under the Negotiable Instruments Act to

stay open and meet their commitments under the Act. If there is any deliberate obstruction or intimidation within the premises of an office which affects its functioning, it has implications which are far more serious than adoption of similar practices in individual or commercial or business establishments, since in their case only the interests of the particular unit or of an industry might be affected, while in the case of banks or similar credit institutions the repercussions are far reaching and very grave indeed. Since banks are delicate credit institutions, Government have a responsibility to ensure that they are able to function normally during the usual business hours. I am not referring to lawful strikes and other legitimate method of ventilating grievances, but there have been occasions when activities entailing the use of force in one form or other or something very close to the use of force or physical obstruction has seriously affected the working of banks. What the proposed section purports to do is to prohibit any person from indulging in violent activities or any methods which prevent or are calculated to prevent the normal functioning of a bank. Unless we are in a position to ensure the smooth functioning of the banks and other credit institutions, the objective underlying social control over banks would be frustrated.

It has been argued that the bank awards and the bipartite settlements provide for disciplinary action in the event of 'gross misconduct' or 'minor misconduct'. This cannot, however be regarded as an adequate substitute for the proposed section 36AD. Under the bipartite settlements, only employees can be dealt with under the prescribed procedure whereas, under the proposed section, all persons including employees can be dealt with. Further, under the existing provisions only bank management can take disciplinary action whereas, under the

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proposed section 36AD, it will be open to any person to move the court if he feels that he has been an aggrieved party. I would like to mention further that the mere reference to 'gross misconduct' in the bank awards or in settlements, as they are now in force, does not have the effect of creating as a permanent provision, by law, a new criminal offence for which punishment subject to the offence being established, is automatic. In the absence of a clear statement of the law or a provision creating a special criminal offence in relation to banking companies, bank managements or members of the public aggrieved cannot be expected always to obtain injunctions from civil courts in time. The new provision creates, therefore, a special criminal offence which will make it unnecessary for the banks or for members of the public dealing with the banks who feel aggrieved to seek civil remedies in an *ad hoc* manner. It is clearly in the public interest that there should be a clear provision in the law which will facilitate the functioning of the banks and it will, therefore, be appropriate to include this provision in the Banking Regulation Act as it relates to banks

Let me reiterate once again that it is not our intention to abridge, through the provisions of the Bill, any lawful trade union rights including the right to strike, in an orderly manner after due notice. The Bill only seeks to prohibit acts which are clearly undesirable making them penal offences in the wider public interest.

I am glad that, in the Select Committee, there was near unanimity on the question of inserting a new chapter in the Banking Regulation Act to acquire banking companies under certain circumstances. Some have criticised this provision as nationalisation through the backdoor. I am afraid that this criticism is misconceived. The new section seeks to

lay down clearly the conditions which have to be fulfilled before the Central Government can consider the question of acquiring any banking company and that detailed method of computation for paying compensation has also been prescribed in the Bill. This is not an unguided or arbitrary power which is proposed to be acquired by the Central Government.

A few other amendments in the Banking Regulation Act have been proposed with the main object of widening the power of the Reserve Bank to issue directions to secure compliance with the objectives and priorities of the economic and monetary policies. The existing nature of control is primarily restrictive in nature with the emphasis on the protection of the interests of depositors; but it has been felt that, in the context of our present objective of social control, it will be desirable to confer upon the Reserve Bank powers which are more positive and purposeful. It is, therefore, proposed to empower the Reserve Bank to appoint observers or to appoint additional directors or to issue general directions to banking companies not only in the interest of the depositors and proper management of the banking companies but also in the interest of the banking policy as well. I am glad that the Select Committee has amended the original definition of banking policy so as to make it clear that in specifying any policy in the interest of the banking system or in the interest of the monetary stability or sound economic growth, due regard will have to be paid to the interests of the depositors. This will serve to allay any apprehension which has sometimes been expressed that the policy of social control will jeopardise the interests of depositors.

While the main object of the BHL is to amend the Banking Regulation Act, opportunity has been taken to propose certain minor amendments to the Reserve Bank of India Act and the State Bank of India Act. In the

Reserve Bank of India Act, these minor amendments are mainly intended to give effect to a proposal to simplify the procedure for refinance by the Reserve Bank of packing credit advances granted to exporters by banks, to give effect to a proposal to enable the Reserve Bank to revalue gold held in the Issue Department at the present parity rate after the devaluation of the rupee, to enable the Reserve Bank to purchase and sell silver and also to enable it to provide facilities for training and promotion of research in banking. The amendments proposed to the State Bank of India Act are intended to enable the State Bank to grant loans to borrowers for relatively longer period of 12 months as compared to 6 months, which is the maximum permissible at present and also to enable it to extend loans upto 18 years in certain cases approved by its Central Board. Apart from these minor amendments, certain clarificatory changes are proposed to be made in some sections of the Reserve Bank of India and in the State Bank of India Act. These do not call for any comments.

I would now refer to an official amendment which I propose to move. As the Members are aware, in my Budget speech, I had announced that the commercial banks will be given some subsidy in respect of all types of export credit. The scheme has been framed and brought into effect. It would be advantageous if the Reserve Bank is empowered to operate the scheme as an agent of the Central Government, as this will facilitate the day-to-day implementation of the scheme and enable the commercial banks to obtain quick reimbursement of claims admissible to them under this scheme. The proposed amendment is relatively minor and non-controversial.

With these words, I beg to move that the report of the Select Committee be taken into consideration.

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill further to amend the Banking Regulation Act, 1949, so as to provide for the extension of social control over banks and for matters connected therewith or incidental thereto, and also further to amend the Reserve Bank of India Act, 1934, and the State Bank of India Act, 1955, as reported by the Select Committee, be taken into consideration.

There are some amendments for circulation of the Bill for eliciting public opinion.

SHRI S. M. BANERJEE (Kanpur): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st November, 1968." (2)

MR. DEPUTY-SPEAKER: Amendment No. 79 by Shri George Fernandes is the same as amendment No. 2 which has been moved.

SHRI E. K. NAYANAR (Palghat): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st December, 1968." (80)

MR. DEPUTY-SPEAKER: Mr. Dar's amendment is out of order because he has not mentioned the time when it should be returned after circulation. There is another amendment which reached the Table after the permissible time-limit. That also is not permissible.

SHRI S. M. BANERJEE: On a point of order, Sir.

SHRI N. SRIKANTAN NAIR: On a point of order, Sir.

SHRI N. DANDEKER (Jamnagar): I hope there will be a general discussion, Sir.

MR. DEPUTY-SPEAKER: Yes, of course. Before I place the motion for consideration and the amendments before the House, there are some points of order. I will hear them. Mr. Banerjee.

श्री अश्विनी गनः दार (गुडगांव) : डिप्टी स्पीकर साहब, श्री ए प्वाएंट ऑफ ऑर्डर । मैं ने तारीख जब पूछी थी तो तारीख मैं ने दे दी थी और एसी हालत में मेरा अमेंडमेंट आउट ऑफ ऑर्डर कैसे हो गया ?

: [شری عبدالغنی قار (گورکانوں)]

ڈپٹی اسپیکر صاحب اون اے پوائنٹ آرڈر - میں نے تاریخ جب پوچھی تھی تو تاریخ میں نے دے دی تھی اور ایسی حالت میں میرا امینڈمنٹ آؤٹ آف آرڈر کیسے ہو گیا -

SHRI S. M. BANERJEE: I rise on a point of order under rule 327 which says that a point of order must relate to the business before the House. Sir, my point of order is this, that unless certain clauses of this Bill are deleted this Bill is against certain provisions of the Constitution.

MR. DEPUTY-SPEAKER: What is your authority, constitutional authority for your statement?

SHRI S. M. BANERJEE: Sir, let me develop my point; do not try to derail me.

MR. DEPUTY-SPEAKER: I do not want to derail your argument but sometimes it gets derailed, I cannot help it.

SHRI S. M. BANERJEE: Sir, the Bill cannot be taken into consideration unless some of these clauses are deleted. The hon. Minister has unsuccessfully tried to convince us. He has said something about the utility of 36AD which is given on page 12 of the Bill as it has emerged from the Select Committee. It says:

"36AD. (1) No person shall—

- (a) obstruct any person from lawfully entering or leaving any office or place of business of a banking company or from carrying on any business there, or
- (b) hold within the office or place of business of any banking company, any demonstration which is violent or which prevents, or is calculated to prevent, the transaction of normal business by the banking company, or . . ."

I am not reading sub-clause (c). What was the object of this Bill? If you see the original Bill which came before the House and before it went to the Select Committee, in the Statement of Objects and Reasons the hon. Minister said:

"A good deal of concern has been expressed in the recent past about the functioning of the commercial banks in the country . . ."

MR. DEPUTY-SPEAKER: I would like to tell Mr. Banerjee that while making the motion the hon. Deputy Prime Minister already anticipating this criticism has replied to it. Therefore, he can bypass what is said in the Statement of Objects and Reasons.

SHRI PILOO MODY (Godhra): Sir, he can only object when the Bill is introduced.

SHRI S. M. BANERJEE: I objected to the introduction of the Bill as a whole. I now object that the Bill as it has emerged out of the Select Committee cannot be discussed in this House because it cuts across certain fundamental rights. (Interruption). Sir, I listened to the hon. Minister's boring speech for forty minutes without any interruption.

MR. DEPUTY-SPEAKER: You are right so far as your objection is concerned, but you must point out the

constitutional authority now which you base your objection.

SHRI S. M. BANERJEE: In the Statement of Objects and Reasons he never pointed out anything about curtailing the fundamental rights or anything.

SHRI MORARJI DESAI: Sir, I rise on a point of order on his point of order. How does it arise now? His point of order is in regard to the legality of the Bill and that cannot be raised at this stage.

SHRI S. M. BANERJEE: It can be raised at any stage. I do not know anything about the finances of the country, but I have read the rules.

MR. DEPUTY-SPEAKER: I have seen the rules, I now want you to point out your constitutional authority for raising this objection.

SHRI S. M. BANERJEE: Sir, the moment I start you object or somebody else interrupts. Let me proceed (*Interruption*). I do not want to read the Statement of Objects and Reasons in full. In the Statement of Objects and Reasons the hon. Minister has said something about how banks function and how they are to be controlled.

MR. DEPUTY-SPEAKER: I am permitting you to raise the point of order. I have seen the relevant clauses. If you point out the particular clause that contravenes a particular right, then I am prepared to hear you.

SHRI S. M. BANERJEE: Clause 36AD on page 12.

MR. DEPUTY-SPEAKER: I have read that clause.

SHRI MORARJI DESAI: Are you revising the ruling that has always been given by the Speaker that the question whether it is within the competence of the Constitution cannot be decided here but can only be decided in the court of law?

MR. DEPUTY-SPEAKER: He is raising an objection and I must hear him.

Shri Banerjee must point out to me some authority . . . (*Interruption*)

SHRI S. M. BANERJEE: May I invite your kind attention to article 19 of the Constitution dealing with Fundamental Rights which are so dear to us?

SHRI PILOO MODY: Did you hear that? I am going to hold him to that a little later in the session.

SHRI S. M. BANERJEE: Including Shri Piloo Mody.
It says:—

"All citizens shall have the right—

- (a) to freedom of speech and expression;
- (b) to assemble peaceably and without arms;
- (c) to form associations or unions;
- (d) to move freely throughout the territory of India;" and so on.

SHRI MADHU LIMAYE (Mongyr): Including banks.

SHRI S. M. BANERJEE: Now, here in clause 36AD he says—

"any demonstration which is"—the word "indecent" has been changed to "violent".

MR. DEPUTY-SPEAKER: You cannot treat this matter very lightheartedly.

SHRI S. M. BANERJEE: There is no question of lightheartedness; I have not taken it lightheartedly.

MR. DEPUTY-SPEAKER: This Bill only places certain restrictions within the banking premises, not outside.

SHRI S. M. BANERJEE: I know that I agree that it is within the premises of a bank. Suppose that it is a bank,

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then I cannot hold any demonstration here, inside Parliament.

MR. DEPUTY-SPEAKER: Sometime people do even here, unfortunately.

SHRI S. M. BANERJEE: Being in the Chair you can cast aspersions on Members, but we shall never do it.

It says that it is restricted within the bank. Anybody can hold a demonstration outside. But to see that the bank functions properly nobody will demonstrate violently; that is, violent demonstrations will not take place there.

He has not defined what is violence.

SHRI MORARJI DESAI: May I know the relevancy of it? *(Interruption)*

SHRI S. M. BANERJEE: I am not yielding.

MR. DEPUTY-SPEAKER: I am following the Rules of Procedure.

SHRI MORARJI DESAI: What are the Rules of Procedure that you are following?

SHRI S. M. BANERJEE: He is challenging your right. *(Interruptions)*.

MR. DEPUTY-SPEAKER: I cannot shut him out. That is not possible. He is irrelevant. But what can I say?

SHRI KRISHNA KUMAR CHATTERJEE (Howrah): Sir, I raise on a point of order.

MR. DEPUTY SPEAKER: Let me dispose of this point of order first.

SHRI KRISHNA KUMAR CHATTERJEE: I am raising a point of order on his point of order.

MR. DEPUTY-SPEAKER: Let me first dispose of his point of order.

SHRI S. M. BANERJEE: This is what Shrimati Sucheta Kripalani says in

her Minute of Dissent:

"Firstly, the proposed section deals with one facet of the problem of industrial relations in the banking industry . . ."

Now, Sir, in the banking industry, they have got standing instructions and there is a code of discipline which was unanimously agreed to, in 1958, by the employers and the employees. It was suggested by Shri Gulzarilal Nanda that they should have a code of discipline. It has been adopted by the Governments, by the employers and by the employees. Then she further says:

"...and not with the subject of social control of the banking industry, which according to the Preamble of the Bill is the purpose of this Bill . . ."

What is the purpose of the Bill? The social control of the banking industry *(Interruptions)*

MR. DEPUTY SPEAKER: Let him finish. He is reading from the Minute of Dissent of Shrimati Sucheta Kripalani.

SHRI SHEO NARAIN (Basti): How much time will you take to decide it. Let him finish the whole Bill and then you will decide the point of order.

MR. DEPUTY SPEAKER: I am trying to control him. I am appealing to him: to be very brief. He is unnecessarily dilating.

SHRI C. K. BHATTACHARYYA (Raiganj): Sir, it has been settled, through repeated rulings of the Speaker in this House, that the question of *vires* is not to be decided in this forum. There are repeated rulings of the Speaker given on this. Why are not those rulings being respected? This is not the forum where the question of *vires* is to be decided.

MR. DEPUTY SPEAKER: I have also ruled like that. How can I shut him

out at the present stage? He is raising a point of order at this stage.

SHRI C. K. BHATTACHARYYA: What he is trying to raise here can be raised only in the Supreme Court, not here.

MR. DEPUTY-SPEAKER: Let him place it before the House. He has not yet placed it before the House. That is my difficulty.

SHRI S. M. BANERJEE: Shri C. K. Bhattacharyya may be a pundit of Sanskrit but not of law.

SHRI C. K. BHATTACHARYYA: Shri C. K. Bhattacharyya is a greater pundit of law than Shri S. M. Banerjee. He is at least an advocate of the High Court.

SHRI S. M. BANERJEE: This is what one of the members of the ruling Party, Shrimati Sucheta Kripalani says:

"... and not with the subject of social control of the banking industry, which, according to the Preamble of the Bill is the purpose of this Bill."

"The subject could more appropriately be dealt with on an amendment of the Industrial Disputes Act."

So, the crux of the problem is this: The banking magnates, in connivance with the Finance Minister or in collaboration with the Finance Minister, whichever is correct, want to scuttle the Fundamental Rights of the banking employees to go on strike and demonstration. There is the Banking Award and according to that Award. (Interruptions)

SHRI ONKARLAL BOHRA (Chit-tergarh): This is not a point of order.

MR. DEPUTY SPEAKER: Just wait for two minutes.

SHRI RANDHIR SINGH (Rohtak): He has consumed half an hour.

SHRI S. M. BANERJEE: I invite your kind attention to the note of dissent given by Mr. C. T. Dhandapani.... (Interruptions).

MR. DEPUTY-SPEAKER: You must be very brief.

SHRI H. N. MUKERJEE (Calcutta North-East): Why do you cut him short? You have got to listen to him under the rule, right or wrong. Please do not convey to any part of the House, particularly the side of the House to which you continue to belong, that you will dispose it of in two minutes. He might take even 20 minutes....

MR. DEPUTY-SPEAKER: When I occupy the Chair, I do not belong to any side.. (Interruptions) I want to dispose of the point of order.

MR. BANERJEE:

SHRI S. M. BANERJEE: Mr. C. T. Dhandapani, in his note of dissent on 36 AD (1) has said:

"Peaceful Satyagraha or picketing Constitutes a legitimate and fundamental right of the people."

Mr. Dandapani does not belong to C.P.I. Right or C. P. I. Left He has said, "These provisions are ample". What are those provisions? There is the Award and under the Award, the banking employees could be punished. The law of the land is there. So, Mr. Dandapani has said:

"These provisions are ample and no harsher treatment is called for and no new law is necessary to prevent such activities."

I am not quoting Mr. Madhu Limaye or Mr. Indrajit Gupta...

MR. DEPUTY-SPEAKER: Please be brief.

SHRI S. M. BANERJEE: My point of order is this. The Code of Discipline evolved by the Labour Ministry by mutual agreement has been defied in this provision and a new clause has been put in this particular Bill and it

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goes against the Fundamental Rights. After all, we are not amending the Criminal Procedure Code or the Indian Penal Code. We are also not amending the Unlawful Activities (Prevention) Act. The provision here goes against the Fundamental Rights....

MR. DEPUTY-SPEAKER: I have followed what you want to say. There should be an end to it. If you quote ten authorities, it is not going to convince me. I am already seized of the matter. I have given you full scope.

SHRI S. M. BANERJEE: Let me finish, Sir.

MR. DEPUTY-SPEAKER: You will never finish if you are going to quote in this way every minute of dissent. Now you should conclude.

SHRI S. M. BANERJEE: 36 AD contravenes the mutually agreed Code of Discipline in the 16th Labour Conference in 1958. It was accepted by this Government of which the D.P.M. is a member. Secondly, the Fundamental Right to demonstrate is infringed by this particular provision. Thirdly, there is a standing order under which the banking employees can be punished; they can even be dismissed for gross disobedience or gross misconduct. When these provisions are already there, this thing has been purposely brought at the instance of the banking magnates so that there may not be any strike or hartal. I tell you, Sir, the banking employees will not take this lying low, they will fight the battle against this in every street of this country.

SHRI N. SREEKANTAN NAIR: On a point of order.

SHRI KRISHNA KUMAR CHATTERJI rose—

MR. DEPUTY-SPEAKER: First, I have to dispose of the point of order.

श्री जार्ज करनेन्जीज (बम्बई दक्षिण) :
मेरा दूसरा व्यवस्था का प्रश्न है

SHRI N. SREEKANTAN NAIR: On a point of order.

MR. DEPUTY-SPEAKER: I am not prepared to listen unless there is something else he has got to say.

SHRI SRINIBAS MISRA (Cuttack): Mine is substantial. It is something quite different, not on this.

SHRI RANDHIR SINGH: My point of order is against his point of order.

SHRI N. SREEKANTAN NAIR: When a point of order is raised, how can the hon. Member raise one against it?

MR. DEPUTY-SPEAKER: If you want to demonstrate, I have nothing to say. Let me regulate the proceedings.

SHRI N. SREEKANTAN NAIR: I rise on a point of order under rule 376.

MR. DEPUTY-SPEAKER: I had given enough time to Shri Banerjee. He has raised a point of order which I patiently heard. Taking his last point. I have gone through the clause and, in my opinion, it does not in any way infringe fundamental rights.

SHRI PILOO MODY: How are you competent to decide on that? There are Judges of the Supreme Court who will do it.

MR. DEPUTY-SPEAKER: No. At this stage, I am perfectly within my rights to dispose of the point of order. If he is not satisfied, he can go to any court. I would like to tell Shri Mody that it is not a simple matter. This will be raised again and again.

Making his second point, he quoted certain standing orders or certain tripartite agreements. Those who feel that there are certain conventions evolved by labour leaders representing labour organisations and the La-

bour Ministry and employers and that they have been contravened, can agitate that matter in that forum; this is not the forum for that.

SHRI INDRAJIT GUPTA (Alipur): The standing orders are not conventions; they are certified under the legislation. He referred to the standing orders of the bank under the Employment Act, not any conventions evolved by a conference.

MR. DEPUTY-SPEAKER: Whatever was agreed upon among the representatives of the concerned parties could be taken up in that forum, if it has been violated.

SHRI INDRAJIT GUPTA: That is separate.

MR. DEPUTY-SPEAKER: So far as the present standing orders are concerned, though there is a provision for disciplinary action, if it is thought fit to make a further provision to tighten up discipline and if it does not contravene any provision of the Constitution, the sponsors of the Bill are within their rights and I will proceed further on this. I have to call Shri Sreekantan Nair first.

SHRI SRINIBAS MISRA: I got up first.

SHRI N. SREEKANTAN NAIR: On a point of order.

SHRI SRINIBAS MISRA: On a point of order.

श्री जार्ज फरनेन्डोस : मेरे व्यवस्था के प्रश्न का इससे कोई सम्बन्ध नहीं है। अगर इससे सम्बन्धित वह हो तो आप मुझे बिठाइये।

SHRI KRISHNA KUMAR CHATTERJI: Kindly read the rules.

MR. DEPUTY-SPEAKER: Do not presume that I am not following the rules. The book is here and I am following it. Shri Banerjee had written to me this morning and I have listened to him. Then Shri Sreekantan Nair got up.

1239 (a) LSD—13.

SHRI KRISHNA KUMAR CHATTERJI: I am referring to 376(6) (d):

“A member shall not raise a point of order which may be hypothetical”.

This is an absolute prohibition.

SHRI N. SREEKANTAN NAIR: Is he controlling the House?

SHRI KRISHNA KUMAR CHATTERJI: A point of order raised on a hypothetical presumption cannot be entertained.

MR. DEPUTY-SPEAKER: How can I judge whether it is hypothetical?

SHRI N. SREEKANTAN NAIR: My point of order is this. The Bill seeks to amend the Acts mentioned in the statement of Objects and Reasons and in the long title. He himself has stated in his explanation that he wants to introduce a new criminal offence. So, he has attempted to introduce an amendment of the Indian Penal Code, and, as a matter of fact, as has been pointed out by Shrimati Sucheta Kripalani, there is also an amendment of the Industrial Disputes Act. In amending these two Acts surreptitiously, without making specific reference to it and bringing it to the notice of the public and the House, he is illegal and immoral in attempting to enforce something on the working classes of this country and the people of this country.

Again, in the matter of enacting labour legislation, a method has been followed in the last 20 years, namely placing it before the Standing Labour Committee, but here is a new law brought by the Finance Minister in the labour field without going through that process. That is also irregular and immoral.

I would request him through you to see whether this kind of illegal, immoral approach is going to take us anywhere.

MR. DEPUTY-SPEAKER: The issue of morality is totally irrelevant here. So far as the Standing Labour Com-

mittee is concerned, I have already ruled that it ought to be taken up there and that it should not be raised here.

DR. RANEN SEN (Barasat): There was no meeting of the Standing Labour Committee.

SHRI SRINIBAS MISRA: I think my point of order is more substantial, but I speak subject to correction.

Today I wanted the Parliament Library to supply the amended copy of the Banking Regulation Act. I request you and the Finance Minister to get a copy of it. What has been supplied to me show this Bill wants to amend section 10 of that Act, but section 10 is non-existent, it was repealed in 1965.

In Clause 4 of the Bill, section 16 is sought to be amended, but section 16 is non-existent, it was repealed in 1965.

SHRI KANWAR LAL GUPTA (Delhi Sadar): It is the eighth wonder of the world.

SHRI SRINIBAS MISRA: Clause 11 of the Bill wants to substitute something in section 35B, but section 35B is non-existent, and was repealed in 1965. Similarly, Clause 12 wants to substitute something in section 36(1) (d), but that section also has been repealed.

That is not all. By Clause 14, section 36AB is being amended, but that section is non-existent.

The person who drafted the Bill took an ornamented version of the Act and drafted it, and it was passed on till it was introduced by the Deputy Prime Minister. I think he will be well advised to withdraw the Bill, and to re-introduce it after looking up the Act.

MR. DEPUTY-SPEAKER: Is it your contention that the original Act, to which reference is made, has been repealed?

SHRI SRINIBAS MISRA: Certain sections of the original Act were repealed by an Act, 1965. Now, this Bill seeks to amend those repealed sections; they are not in the statute book. What is being amended?... (Interruptions.)

AN HON. MEMBER: There is no father.

SHRI MORARJI DESAI: Here is the Act which is current today, as modified upto the 1st of July 1966. There is section 10. There is section 16. They were substituted.

Granting for the sake of argument that they were repealed, the sections would be re-numbered and it would not have been something absent. He seems to have some antiquated Act from which he is reading.

SHRI SRINIBAS MISRA: I was supplied this copy by the Parliamentary Library.

MR. DEPUTY-SPEAKER: I must get the latest edition. What section did you refer to?

SHRI SRINIBAS MISRA: Section 10. Clause 3 says: after section 10 of the principal Act, the following sections shall be inserted....

There is no section 10. Where shall it be inserted?

SHRI R. D. BHANDARE (Bombay Central): Let the discussion continue and you can look into the Act later on. You can reserve your ruling. You can compare the previous Act and then give your decision.

MR. DEPUTY-SPEAKER: You know it well as a lawyer. If a non-existent section is supposed to be amended here, it would not be regular. At this stage, I cannot bypass his objection. How is it possible?

SHRI R. D. BHANDARE: You can compare the old Act, the amended Act and the modified Act and then give your ruling.

MR. DEPUTY-SPEAKER: Have you got any other point?

SHRI SRINIBAS MISRA: No.

SHRI RANGA: The time is almost 6 O' clock.

श्री कंचर लाल गुप्त : उपाध्यक्ष महोदय, उप-प्रधान मंत्री के पास इतना बड़ा सेक्रेटेरियट है। क्या उसको पता नहीं है कि कुछ सेकशनज़ रिपील हो गये हैं ?

श्री मधु लिम्पये : उपाध्यक्ष महोदय, मेरा निवेदन है कि इस वक्त आप नियम 340 के अन्दर सदन को स्थगित कर दीजिये।

MR. DEPUTY-SPEAKER: Not because of your motion. I shall adjourn it at 6 O'clock. As Prof. Ranga has suggested, the time is up and we adjourn now till 11 A.M. tomorrow.

18 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 2, 1968|Sravana 11, 1890 (Saka).