

Shri Jawaharlal Nehru : I have already said that we view this matter with very great concern. It is a very important matter quite apart from the fact that in the present instance it did not make much difference; the nature of the proposals is such that they could not make much difference to anybody, neither here nor there. But the important thing is the leakage.

Dr. Lanka Sundaram : Yesterday, such a senior Member of the Lok Sabha as Shri Gadgil quoted from the *Bombay Samachar* and specifically made the point that the entire stock of cloth had disappeared underground and that avoidance of taxation has thus taken place. It is not a small matter.

Shri Jawaharlal Nehru : What I ventured to say was that the nature of the proposals was such—I am speaking perhaps without any expert knowledge—and what the House has heard was such that it was not easy for any one to take much advantage. Perhaps I might be mistaken. But the point is, the hon. Member opposite said something about the cyclostyled copies. Of course, I could not say much without fuller information; but the fact that cyclostyled copies were sent is not important. The man who got the information, seeing the advantage of it, got it cyclostyled and tried to sell it possibly. But the leakage is very important and so far as we know, some kind of information, some information through some Ministry, leaked out at an earlier stage when the matter was under consideration not on the file. What leaked out is not the final thing, the language, the words, etc. When a man has got it out, he evidently copies it out and it is sold for his own advantage and to persons who might be interested in it probably. But, as I said, I would like the Home Minister to make a fuller statement after enquiry.

Dr. Lanka Sundaram : If I may interrupt, there is one point to which I should like to invite the attention of the Chair in particular and the House. The House will require information on that matter. None of us are willing to prejudge the issues. We want an assurance that this matter will not only be speeded up and reported to the House but will go before the Committee of Privileges if there is a *prima facie* case of leakage. Even the Prime Minister said that there must have been a leakage.

Shri Jawaharlal Nehru : All I can say is that this matter would be fully enquired into, is being enquired into, and the report will be placed before the House by the Home Minister or a Member of the Government. After that, it is for the Chair, for the House, to determine how to proceed with it.

Mr. Deputy-Speaker : In view of the fact that Government—the Home Minister and the Government as a whole—has already taken steps to investigate into this matter and in view of the statement of the hon. Prime Minister that after enquiry the report will be placed before the Lok Sabha and that thereafter it is for the Lok Sabha to consider what further steps have to be taken, I do not propose to give consent to the motions for adjournment.

PAPER LAID ON THE TABLE

HIGH COURT JUDGES (PART A STATES) RULES

The Minister in the Ministry of Home Affairs (Shri Datar) : I beg to lay on the Table, under sub-section (3) of section 24 of the High Court Judges (Conditions of Service) Act, 1954, a copy of the High Court Judges (Part A States) Rules, 1956. [*Placed in the Library. See No. S—74/56.*]

STATEMENT RE. PRINTING ERRORS IN FINANCE BILL

The Minister of Finance (Shri C. D. Deshmukh) : With your permission I should like to make a statement. I find that in the Finance Bill, 1956 which I introduced in the Lok Sabha on the 20th February, there is a printer's error of some consequence in the 7th line of clause 30 at page 15 of the Bill. The object of clause 30 is, as explained in the note on this clause at the foot of page 35 of the Bill, to continue for another year, i.e., up to 31st March, 1957, the surcharges which were in force on the 29th February, 1956. The 7th and 8th lines of clause 30, as now printed, read as follows :

“(b) a sum equal to 55 per cent. of such amount, in the case of goods comprised in Item No. 22 (4);”

These lines should correctly have read as follows :

"(a) a sum equal to 155 per cent of such amount, in the case of goods comprised in Item No. 22 (4) ;"

In fact, sub-clause (a) of clause 30 of this year's Finance Bill is a verbatim reproduction of sub-clause (a) of Section 22 of the Finance Act, 1955.

I have considered how best this inadvertent error could be rectified and have decided to introduce a formal amendment in due course, which will have the effect of continuing the surcharge on Item No. 22 (4) at 155 per cent., as if no error had been made in the Bill. I may add that the Provisional Collection of Taxes Act, 1931, does not apply to reduction, so that the reduction will have to effect until the House has passed the Bill. The reduction can only be made by a notification. No such notification has been issued and therefore, there is sufficient time for us to bring an amendment of the nature I have pointed out.

Dr. Lanka Sundaram (Visakhapatnam) : What about the reduction ?

Shri C. D. Deshmukh : There will be no question of reduction because the Act does not apply here.

Mr. Deputy-Speaker : Only after the 1st April it will apply. Before that, the amendment has to be introduced.

LIFE INSURANCE (EMERGENCY PROVISIONS) BILL—Contd.

Mr. Deputy-Speaker : The House will now resume consideration of the Life Insurance (Emergency Provisions) Bill. Out of 12 hours allotted for this Bill, namely, 10 hours for general discussion, 1½ hours for clause by clause consideration and ½ hour for third reading. 6 hours and 50 minutes have already been availed of. This leaves a balance of 5 hours and 10 minutes of which 3 hours and 10 minutes are for general discussion.

Five hours and 10 minutes means this Bill would go on till 5 P.M. We will have half an hour left. Does the hon. Finance Minister propose to start the other Bill ?

The Minister of Finance (Shri C. D. Deshmukh) : I do not think it will be desirable to start the other Bill. It is

not likely to be taken up for some time and it is not on the agenda. It has been discussed before and I thought it would not be desirable to take it up now.

Mr. Deputy-Speaker : How long does the hon. Minister require ?

Shri C. D. Deshmukh : About 40 minutes.

Dr. Lanka Sundaram (Visakhapatnam) : The remaining half an hour also may be given to this Bill, because there are a number of speakers.

Mr. Deputy-Speaker : All right ; leaving 2 hours at the end, clause by clause consideration should start at 3-30. That means the hon. Finance Minister will be called between 2-30 and 2-40 P.M. The House will have another half an hour so far as this Bill is concerned.

Shri Venkataraman will continue his speech.

Shri Venkataraman (Tanjore) : Mr. Deputy-Speaker, yesterday I started by saying that the control and regulation of insurance has not yielded any result at all and that every time control and regulation has been circumvented. The hon. Finance Minister has in his speech pointed out how the control over the holding of the shares has been evaded by the shares being held in the name of all sorts of relatives and friends. I will not go into it. The Finance Minister also dealt with the other aspect of the evasion of the ceiling on administrative salaries. He said that where ceiling has been fixed, it has been evaded by appointing a number of sinecures and dummies and relatives of the men in charge. I will proceed to give some more instances of the way in which the provisions of the Insurance Act have been evaded.

Under sub-clause 4 (b) of section 27 of the Insurance Act, an insurer shall not invest in the shares or debentures of one company more than 10 per cent of the subscribed capital of that company. This Act was passed in 1950. But in 1951 the amount in excess of the permissible investment is Rs. 1,64,00,000 and odd; in 1952 it is Rs. 1,37,00,000 and odd; in 1953 it was Rs. 1,03,00,000 and, lastly, as late as 1954, the amount in excess of the permissible investment was Rs. 60,83,000. It is another instance of how the regulation and control which the Insurance Act envisaged has been evaded and there has been a