

Shri K. D. Malaviya: Government have been taking steps from time to time to this effect. So far as the rules and the laws are concerned, according to them, we compel the collieries to carry on the production of coal in the private sector. But there are various reasons for which these individual mines have closed down. For instance, the depth of the coalmine seams is exhausted and so no coal would be found, or, there is difference in the terrain or the cost of production goes up. Therefore, the private sector is reluctant to produce further coal. All these reasons led us to come to a certain policy decision. According to that policy decision, we have ourselves taken the responsibility of increased production of coal on which programme we are now going ahead.

Shri T. B. Vittal Rao: Some coalmines are closed down not because there are no seams but they could not raise coal at economic costs. For that purpose a Committee has been appointed and the report of the Committee is before the Government, suggesting the amalgamation of certain coalmines. May I know at what stage are the recommendations of that Committee?

Shri K. D. Malaviya: That report is under consideration of the Government. It will take sometime for us to reach conclusions.

Contribution to Political Parties

*336. **Shri Bharucha:** Will the Minister of Finance be pleased to state:

(a) whether the attention of the Government has been invited to a judgment of the Calcutta High Court delivered by Justice P. B. Mukherjee on 28th February, 1957 on the application of Indian Iron and Steel Co. Ltd., seeking Court's sanction to make contribution to political parties and alter its memorandum of association; and

(b) the steps Government propose to take in the matter?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) Such contribution to political funds can validly be made by companies if it is permissible in terms of their memoranda of association and may be sanctioned by their Boards within the limits allowed under section 293(1)(e) of the Companies Act, 1956. The Court have in this case directed that a proper disclosure of all such payments should be made in the company's accounts. Whether it is necessary to make this disclosure a general requirement of the Law is the only matter to be considered.

Shri Bharucha: May I know whether the Government is aware that the learned judge, in the course of his judgment, has explicitly questioned the propriety of political parties receiving money from companies for influencing their policy?

Shri T. T. Krishnamachari: It is an *obiter dictum* and naturally all those *obiter dicta* pronounced by high judicial personages are taken note of.

Shri Dange: Is it a fact that the Government has given a loan of about Rs. 7 crores to this company and whether that loan is for furthering production or for contributions to the election fund of the Congress Party.

Shri T. T. Krishnamachari: What is the company?

Shri Dange: The Indian Iron and Steel Company.

Mr. Speaker: The Indian Iron and Steel Company: It is in the question.

Shri T. T. Krishnamachari: My hon. friend is new to this arena, and if he gets a little more experienced he will then find that questions of this nature fail after some investigation. Such loans are being given to iron and steel companies. I think the outstanding loan is Rs. 9 crores. The amount has been given somewhere round about 1952. Therefore, my hon. friend would understand that this loan has nothing whatever to do with any contribution that this company or any other company might make to the funds of any political party.

Shri H. N. Mukerjee: In view of the observations of the Judge of the Calcutta High Court in this particular case and the reports regarding the big money interests supplying money on the eve of the elections to the Government party funds, may I know if Government has referred the matter to the Election Commissioner, so he can examine its impact upon the fairness or otherwise of the elections being conducted in the country and also with a view to recommending the likely changes in the present law of elections?

Shri T. T. Krishnamachari: This question of contribution by parties and organisations to political party funds is something probably which will have to be gone into later—not only big money interests that contribute to political parties but also other interests which are compelled to contribute to the funds of political parties as a result of a certain agitation carried on by political parties on their behalf. It is common knowledge that oftentimes the bonus that is extracted by unwilling labourers from their employers is used for political parties by the people who take part in the agitation. All these matters will have to be gone into sometime. (*Interruption*). May be the hon. Member will table a resolution and we will consider it.

Shri Tyabji: May I know whether the hon. Minister is aware that the Bombay High Court also considered this matter very carefully and after adjourning the matter, came to the opinion that it was quite right and proper for companies to make this contribution?

Mr. Speaker: Next question.

Defence Employees in Nepal

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*338. { **Shri T. B. Vittal Rao:**
Shri S. M. Banerjee:
Shrimati Ila Palchoudhury:

Will the Minister of Defence be pleased to state:

(a) whether service conditions for

Defence employees serving in Nepal have been framed; and

(b) if not whether Government contemplate making special rules governing their allowances etc.?

The Deputy Minister of Defence (Sardar Majithia): (a) Our Defence employees serving in Nepal are governed by the same terms and conditions of service as are applicable to them in India. Certain allowances/concessions, according to scales laid down, are, however, allowed to them, while serving in Nepal, in addition to their normal pay and allowances.

(b) Does not arise.

Shri S. M. Banerjee: May I know whether any decision has since been taken to bring the civilian employees in the defence department working in Jammu and Kashmir area within the purview of the labour legislation, and if not, why?

Sardar Majithia: I do not see any connection this question and the question that has been tabled.

Shrimati Ila Palchoudhuri: May I know if the Government is aware that owing to the military personnel being stationed in Nepal, anti-India feeling is being generated over there?

Sardar Majithia: The Ministry of External Affairs might answer that question.

Shri Manaen: May I know the number of defence employees in Nepal, for what purpose they stay there and the period for which they will stay there?

Sardar Majithia: The defence personnel are employed in the Indian Military Mission and also in the the Indian Embassy there; there are also employed on the construction of roads.

Shri Manaen: May I know the number in each category?

Mr. Speaker: These details cannot be given here.